HOUSE OF COMMONS LIBRARY

BRIEFING PAPER

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Town centre regeneration

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Summary

The future of town centres and high streets has long been a matter of concern, with the most recent debate in the House of Commons in December 2020. This briefing highlights some of the key trends and discussions.

Many of the topics discussed here - such as local government and planning – are devolved. The discussion of trends and challenges facing town centres applies generally across Great Britain, but the local government and planning provisions discussed here relate to England only. Section 2.2 of this briefing offers information on support for high streets in the devolved administrations.

High streets and town centres: trends and challenges

Trends in retail – and in particular changes in people's shopping habits, with a shift towards out of town shopping and more recently to online shopping – have prompted concerns about the viability of town centres. At the end of 2020, just under 14% of high street retail and leisure properties were vacant in Great Britain, according to the Local Data Company. The pandemic has increased pressure on some high street businesses already struggling and store vacancy rates are expected to rise in 2021. However, opinions vary about the extent to which the pandemic will lead to long-term change to town centres. Some point to evidence of new trends towards localised shopping and resilient independent stores as a cause for optimism for future high streets.

Retail is (obviously) not the only activity in town centres – it accounted for roughly a third of properties on British high streets in 2020. Nor is it the only activity where patterns of use are changing. Another driver for the Government's changes to planning policy around use classes and permitted development for change of use (for example) has been the need to find new uses for surplus office space in some town centres. Initiatives to support high streets have therefore sought to recognise changing patterns of use and support resilience and diversification. Most policy reviews emphasise the importance of a locally-led approach to regeneration programmes.

Government policy to support high streets and town centres

Challenges faced by high street retailers and associated problems of town centres have seen the creation of several funding schemes designed to help high streets and town centres redevelop and to support local economic growth. These include the High Streets Fund, the Towns Fund in England (with similar schemes in Scotland and Wales), the Community Ownership Fund and Levelling Up fund UK-wide. The High Streets Task Force provides expertise and support to local areas in England on regeneration programmes.

In the 2021 Budget, the Government announced a new study by the National Infrastructure Commission, to consider how to maximise the benefits of infrastructure policy and investment for towns in England.

High streets and business rates

Business and retail representative groups have stated frequently that high business rate liabilities have been a major cause of high street retailers struggling during the late 2010s. They have called for reductions in business rate liabilities for retailers, or for businesses across the board. However, many commentators have suggested that blanket reductions

would be offset by medium-term rises in rent, leaving many businesses no better off overall.

The debate has also featured suggestions for the introduction of an 'online sales tax'. This reflects the idea that companies selling principally online tend to use more warehouse premises and less high street retail space, leading to lower business rate bills for 'online' companies. Discussion of online sales taxes has featured in recent Select Committee reports, and is mentioned in the 2020-21 fundamental review of business rates. However, the Government has no plans to introduce an online sales tax at the time of writing. This would require identifying the properties or businesses, and which of their transactions, would be covered.

Planning matters

The National Planning Policy Framework's chapter on building a strong, competitive economy says that planning policies and decisions should help create conditions in which businesses can invest, expand and adapt and that planning policies should set out a clear strategy to support local and inward investment. Similarly, its chapter on ensuring the vitality of town centres says that planning policies and decisions should enable town centres to grow and diversify, promoting their "long-term vitality and viability". The Planning Practice Guidance on town centres and retail suggests (amongst other things) that local planning authorities should consider structural changes in the economy and in particular changes in shopping and leisure patterns.

Empty shops

Broadly speaking, planning provisions relating to empty shops are concerned with tidying or cleaning them up, rather than bringing them back into use, although there are powers for compulsory purchase in certain circumstances, where this will secure the promotion or improvement of the economic, social or environmental well-being of the area.

New use classes from September 2020

The Town and Country Planning (Use Classes) Order 1987 (as amended) puts uses of land and buildings into various categories known as "use classes" but, over the years, use classes have not kept pace with changing patterns of use, particularly in town centres and high streets.

From 1 September 2020, through the Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020, certain new use classes were created and certain others were revoked or amended. Class A (shops, financial and professional services, restaurants and cafes, drinking establishments and hot food takeaways) and Class D (non-residential institutions and assembly and leisure uses) were revoked entirely, Class B (offices, workshops, factories and warehouses) was amended and three new classes were added: Class E (commercial, business and service), Class F.1 (learning and non-residential institutions) and Class F.2 (Local community).

The Government has said that the new use classes will create flexibility and thus support the revival of town centres, but some commentators have argued that there may be negative consequences. The Royal Town Planning Institute (RTPI) (for example) has observed that retail businesses would be able to operate from what would formerly have been business premises, without the need for consent, which was not (the RTPI argued) consistent with the town centre first approach.

Change of use from commercial, business and service to residential: consultation in December 2020

In December 2020, the Government launched a consultation on revised permitted development rights (PDRs) to reflect the new use classes.

The consultation document said that town centre retailers faced a "significant challenge" from changing consumer behaviour, magnified by the Covid-19 pandemic, and converting surplus retail space to housing would help to revive the high street. It noted that some substantial retail and office buildings might be converted, creating a significant number of new homes, with the impacts being managed through prior approvals.

Response to the consultation

The proposals – and especially the proposal to create a PDR for change of use from new Class E commercial, business and service to Class C3 residential – proved controversial and raised many concerns about their potential impact on high streets and town centres.

Although some commentators acknowledged a need for more homes and to support struggling high streets, they often cast doubt on the Government's approach. Some suggested that the proposed changes might undermine the high street rather than support its revival by (for example) reducing footfall to local shops.

Change to go ahead: announcement in March 2021

The Government announced at the end of March 2021 that the proposed change, to enable change of use from Class E commercial, business and service to C3 residential, would go ahead. The Town and Country Planning (General Permitted Development etc.) (England) (Amendment) Order 2021 came into force in England on 21 April 2021.

The RTPI, Royal Institute of British Architects, Chartered Institute of Builders and Royal Institute of Chartered Surveyors wrote to the Government to protest at the change, saying that it may lead to poor quality housing and may "pull the rug out from under high street businesses just as they prepare to reopen".

1. High streets: trends and challenges

The future of town centres and high streets has long been a matter of concern, with the most recent debate in the House of Commons in December 2020.[1]

A number of complex and interacting trends are impacting town centres, including changes in the retail industry and people's shopping habits, changes in use of office space, and changes in consumer spending power. The coronavirus pandemic has created economic challenges through lockdown restrictions, accelerated pre-exiting trends (such as moves towards online shopping) and prompted new behaviours (such as more home working) reigniting the debate about supporting town centres and high streets going forward.

This section summarises some trends in the retail industry and consumer behaviour that are impacting footfall on high streets and town centres, including the impact of the pandemic. While much of the debate focuses on high streets and the retail sector – retail, of course, is not the only activity in town centres. Retail accounts for roughly a third of properties and around a quarter of jobs on British high streets (although the proportions vary considerably by local area).

Initiatives to support high streets have therefore sought to recognise changing patterns of use and support resilience and diversification. This means a move towards 'multifunctional' town centres with, for example, community and leisure offerings in addition to traditional retail. Policy reviews and think tanks have also highlighted the role for local growth policies that focus on skills to address consumer spending power and demand.[2]

Overwhelmingly, policy reviews highlight the need for local-led strategies and plans. Although many town centres are seeing declining footfall and persistent empty shops, there are other town centres that are thriving. Section 3 of this paper provides further reading and case studies on successful town centres.

Many of the topics discussed in this briefing - such as local government and planning – are devolved.

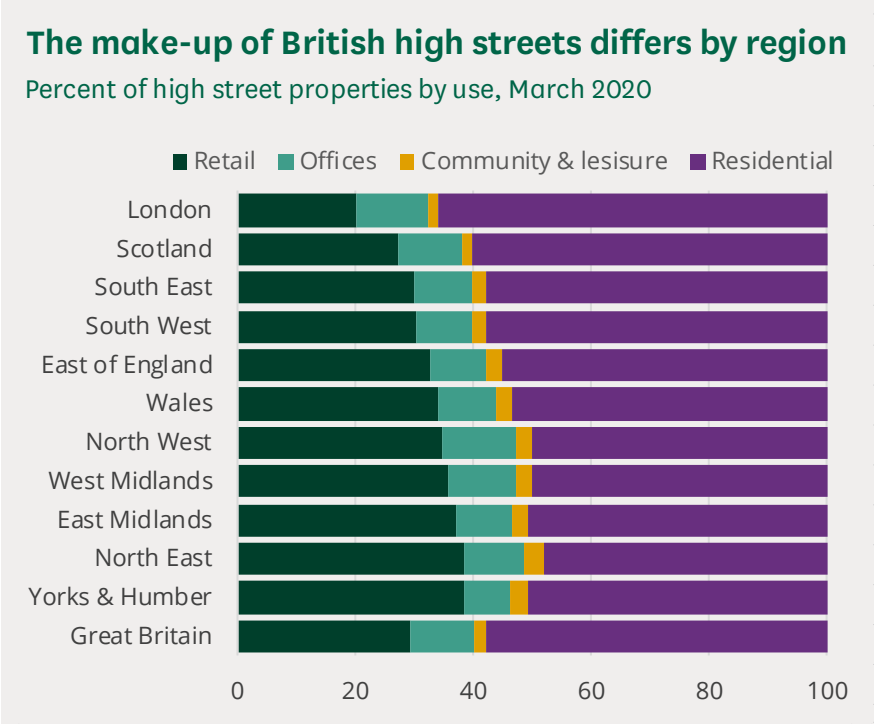
The discussion of trends and challenges facing town centres applies generally across Great Britain but the local government and planning provisions relate to England only. Section 2.2 of this briefing offers information on support for high streets in Scotland and Wales.

1.1 What properties make-up the average British high street?

According to the Office for National Statistics (ONS), around one third of addresses on British high streets belonged to retail shops in March 2020.[3] Over half were residential, 10% were offices and 2–3% were leisure or community facilities.

1 HC Deb 10 December 2020 C 1071 onwards
2 What Works Centre for Economic Growth, Evidence briefing: improving high streets and town centre, March 2021; Is online shopping threatening the future of our high streets?, Valentine Quinio, Centre for Cities blog, 11 February 2021.
3 This data captures high streets – i.e. those with 15 retail addresses or more. Data is as of March 2020.

There is however variation in these proportions by area, shown at regional level in the chart below. London has a higher proportion of residential properties on high streets and a lower proportion of retail high street premises compared to other regions. Some local authority areas illustrate the extremes of this trend. For example, the London borough of Islington had 11% of high street properties that were retail premises compared to 63% in Selby (Yorkshire & the Humber). Three London boroughs had 75% of high street properties used for housing compared to, at the other extreme, 11% in Redditch (West Midlands).



Source: ONS, High streets in Great Britain: March 2020, 10 August 2020

How many jobs are on high streets?

According to the ONS there were around 4.4 million jobs on high streets in Great Britain in 2018, representing 14% of all jobs. Of this:

- about 22% of jobs were in retail;
- accommodation and food services made up 15% of jobs;
- health, education and public administration accounted for 13%;
- other service industries (offices, banks, estate agents etc) made up 40%
- other industries accounted for the remaining 9%.

The share of industries varied by region, with retail's share of jobs ranging from 15% in London to 29% in the North East.[4] For most regions (excluding London) retail forms 24–29% of high street jobs.

Retail jobs on high streets has declined across all regions between 2015 to 2018, except for in the North West where it has grown by 4%. High street retail jobs fell in more than three-quarters of local authorities

[4] ONS, High streets in Great Britain: March, 2020, 10 August 2020

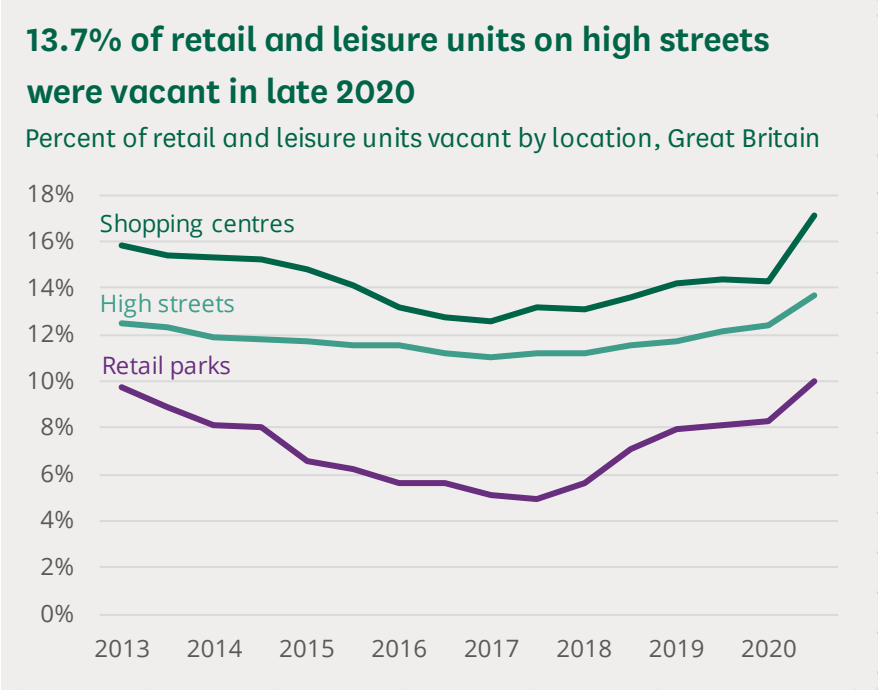
between 2015 and 2018, some by more than 20%. Jobs in food and accommodation on the other hand was growing in most local authorities in that time.

1.2 How many shops on high streets are vacant?

The Local Data Company (a retail and leisure data company) report that the rate of vacant retail and leisure units on British high streets has increased by 2% (from 11.7% to 13.7%) from 2017 to 2020.[5] Leisure units include, for example, restaurants, bar, beauty services, gyms.

The year of 2020 saw the biggest increase in high street vacancies since 2013. Of the 13.7% of retail and leisure properties vacant on high streets in 2020, 35% had been vacant for less than one year, and 30% had been vacant for more than three years.[6] The Local Data Company has forecast that vacancy rates will continue to rise in high streets, shopping centres and retail parks in 2021.[7]

High streets have a lower proportion of vacant premises compared to shopping centres, which have been the most impacted by the pandemic in terms of store closures.



Source: Local Data Company, Retail and Leisure Analysis: Full year 2020 report, March 2021.

In terms of types of store, comparison goods stores (for example selling fashion and household items, as opposed to groceries and convenience

5 Retail and leisure units include restaurants, bars, hairdressers and personal care, gyms and other leisure services and facilities. Local Data Company, Retail and Leisure Analysis: Full year 2020 report, March 2021

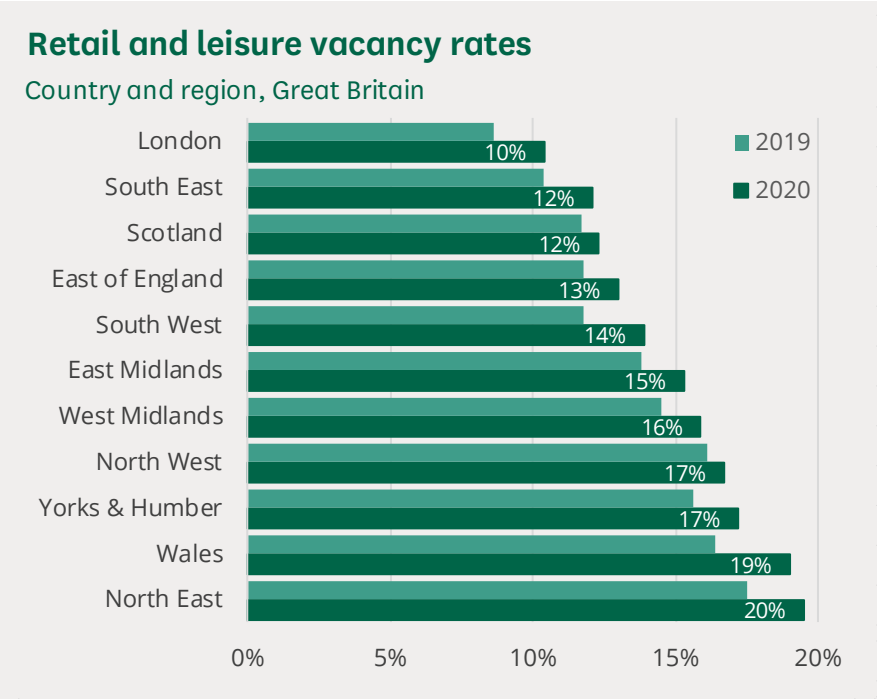
6 Local Data Company, Retail and Leisure Analysis: Full year 2020 report, March 2021, page 22 persistent vacancy.

7 Local Data Company, Retail and Leisure Analysis: Full year 2020 report, March 2021.

stores) have consistently had far higher rates of vacancies compared to other types of stores.

The following chart shows retail and leisure vacancies by region in 2019 and 2020 as reported by the Local Data Company. The chart includes vacancies in shopping centres, high streets and retail parks.

London had the lowest rate of vacancies, with 10% of retail and leisure properties vacant in 2020. The North East had the highest proportion of vacant units in 2020 (20%). Wales saw the biggest change in the number of vacant units, with vacancy rates rising 2.6% between 2019–2020.



Note: includes vacancies across all locations: high streets, shopping centres and retail parks.
Source: Local Data Company, Retail and Leisure Analysis: Full year 2020 report, March 2021.

1.3 Trends in retail: implications for high streets

The Commons Library briefing Retail sector in the UK (SN 6186, October 2018) discusses the pressures and upheaval facing the retail sector.

The Housing, Communities and Local Government Committee in their February 2019 report, High streets and town centres 2030, identified online shopping as the main structural change to people's shopping habits that has caused the "decline in the high street", building on earlier moves by retailers to shops that were both larger and further away from high streets. They also pointed out four systemic issues that were preventing the high street from successfully adapting to these pressures:

- Too much retail space, both within high streets and in terms of the size of some individual shops;
- Fragmented ownership, where so many people own different parts of the high street that coming up with a cohesive response to pressures becomes too difficult;

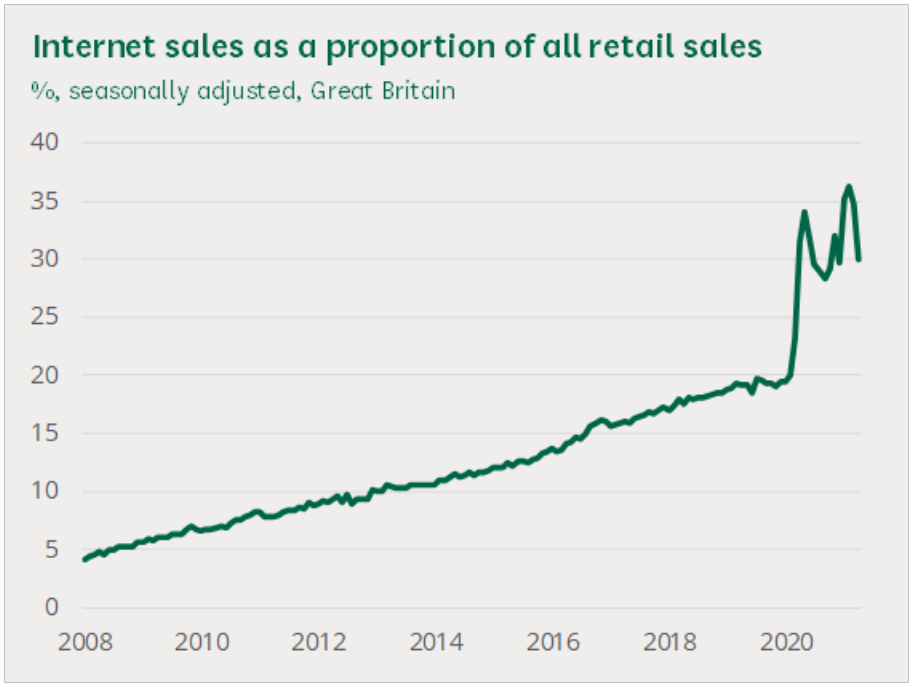
- High fixed costs of business rates and rent; and
- High and inflexible rates of taxation that do not affect online retailers in the same way.[8]

The Government response to the select committee's report was published in May 2019[9] and a Commons debate on high streets and town centres in 2030 took place in June 2019.[10]

The Commons Library briefing Retail sector in the UK (SN 6186, October 2018) discusses further the pressures and upheaval facing the retail sector, with relevant data including on online shopping trends, store closures, consumer spending and the impact of the pandemic on sales.

1.4 Impact of the Covid-19 pandemic on high streets and town centres

The Covid-19 pandemic has accelerated the trend towards online shopping that had been underway for some years. Online sales saw huge growth at the onset of the pandemic and have remained high ever since including during periods when non-essential retail reopened. Internet sales have been above 28% of all retail sales since April 2020, up from 20% before the pandemic.



Source: ONS, series MS6Y retrieved 21 May 2021

The pandemic has also led to other challenges for high streets including economic challenges caused by the closure of non-essential retail and

8 Housing, Communities and Local Government Committee, High streets and town centres in 2030, 21 February 2019

9 Government response to the Eleventh Report of Session 2017 – 19 of the Housing, Communities and Local Government Select Committee inquiry into high streets and town centres in 2030, CP 48, May 2019

10 HC Deb 13 June 2019 col 398WH onwards

leisure, and changes in customer behaviour due to restrictions on travel and more home working.

The pandemic has created too much stress for some high street businesses already under pressure, leading to several high-profile administrations including Debenhams and Acadia.[11] In addition, some companies have been cutting jobs and closing some of their premises – for example, Boots and John Lewis both closed a number of stores in July, and further John Lewis closures were announced in March 2021.[12] *The Guardian* kept track of job losses announced across a number high street brands during the course of 2020.[13]

The Retail Research Centre reported that the number of store closures and jobs lost due to retail businesses going into administration in 2020 was the highest since 2009, following the financial crisis. The Centre described the period 2020–2021 as "one of the worst periods for bricks-and-mortar retailing since the 1970s", predicting 200,000 job losses for the sector in 2021.[14] The Centre stated that opinions vary about the extent to which the pandemic will lead to long-term change to town centres as a result (more on this below):

> Attitudes vary about whether this crisis represents simply a change in how we shop or a dangerous trend that will vitiate our town centres, high streets and deplete our social space. We are certainly experiencing a major strategic change in the retail industry, concentrating five-year's change into eighteen months.

Retail sales, particularly in clothing stores, rebounded strongly with the opening of non-essential retail in April 2021 leading to optimism for continued sales recovery in 2021.[15] Chief Executive of the British Retail Consortium, Helen Dickinson however said that demand remained 'fragile' with footfall in stores still below pre-pandemic levels.[16]

A trend towards local shopping during the pandemic?

The Local Data Company and PricewaterhouseCoopers (PwC) have suggested a trend towards more localised shopping habits emerged during the pandemic, benefiting village and smaller town high streets and independent local retailers.[17] PwC has pointed to early survey

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11 Joanna Partridge, "Shutting up shop: high street names we'll see no more", The Guardian, 11 April 2021

12 "Boots and John Lewis to cut 5,300 jobs and shut stores", Financial Times, 9 July 2020; Jonathan Eley, "John Lewis will not reopen eight stores when lockdown ends", Financial Times, 24 March 2021 [accessed 6 April 2021]

13 Antonio Voce, Ashley Kirk and Richard Partington, UK coronavirus job losses: the latest data on redundancies and furloughs, The Guardian, last updated 1 December 2020, accessed 6 April 2021.

14 Retail Research Centre, The Crisis in Retailing: Closures and Job Losses, accessed 6 April 2021.

15 ONS, Retail Sales: April 2021, 21 May 2021; Bank of England, Monetary Policy Report: May 2021, 6 May 2021; Retail sales soar 9.2% in April as shops reopen, *BBC News*, 21 May 2021; Easing of restrictions lifts UK consumer confidence to pre-pandemic level, Valentina Romei, *Financial Times,* 24 May 2021.

16 BRC, Retail on the long road to recovery, 21 May 2021, accessed 24 May 2021.

17 PwC, Store Openings and Closures – 2021, accessed 6 April 2021 (report on closures of chain businesses with more than 5 outlets); Local Data Company,

evidence suggesting that consumers said they would continue to shop locally when restrictions are lifted (March 2021).[18]

The LDC reported that independent retail and leisure stores fared better during the pandemic in terms of store closures compared to chain businesses, continuing a trend that has been in place for some years.[19] The LDC reported that village locations (with smaller retail offerings and higher proportions of independent businesses) were more resilient in 2020, with store vacancies increasing by 0.4%, compared to 2.5% for city centres and 1.6% on average across all locations.[20] The LDC described the activity across independent businesses as a cause for optimism for high streets, stating this could "mark a first step towards more diverse and resilient high streets across the country".[21]

The Centre for Cities think tank has been monitoring consumer spending and footfall (using mobile phone and google mobility data) across British high streets during the pandemic in their "High Street Recovery Tracker". In March 2021 the think tank reported that larger city centres recovered less of their pre-pandemic footfall levels compared to smaller town centres. This was attributed to greater numbers of office workers working from home away from the city in larger areas.[22]

PwC, the British Retail Consortium and the High Streets Task Force (see Box 1 below) have also reported similar trends when reviewing data on footfall on high streets.[23] The What Works Centre for Economic Growth however, following an evidence review on improving high streets and town centres, concluded that there is not much evidence yet that more working from home will significantly boost high street retail.[24]

Future of high streets and town centres

Government support schemes during the lockdown periods mean that the full impact of the pandemic in terms of store closures has not yet occurred. Moreover, it is also too early to say whether changes in customer behaviour seen during the pandemic – such as trends towards online and local shopping – are temporary or represent long-term structural changes.

Independent retail market remains resilient in 2020 due to Governments support schemes, 24 March 2021, accessed 6 April 2021.

18 PwC, Consumer Sentiment Survey - Spring 2021, accessed 11 May 2021.

19 Local Data Company, Retail and Leisure Analysis: Full year 2020 report, March 2021.

20 Local Data Company, Retail and Leisure Analysis: Full year 2020 report, March 2021. See also, LDC blog, Lasting through lockdown: Britain's most resilient town, 11 May 2021.

21 Local Data Company, Independent retail market remains resilient in 2020 due to Governments support schemes, 24 March 2021, accessed 6 April 2021.

22 Tom Sells, London's not calling, Centre for Cities blog, 12 March 2021; Valentine Quinio, Smaller places recovered much faster than big cities after lockdown, but that doesn't mean they will do better when the pandemic is over, LSE blog, 6 January 2021 [accessed 4 May 2021]

23 PwC, Store Openings and Closures – 2021, accessed 6 April 2021; High streets Taskforce, Task Force research shows local high streets being 'rediscovered' after COVID-19 lockdown, 3 September 2020.

24 What Works Centre for Economic Growth, Evidence briefing: improving high streets and town centre, March 2021.

The Housing, Communities and Local Government select committee is currently undertaking an inquiry on supporting our high streets after COVID-19 – oral evidence sessions were held in November 2020, January and May 2021.

In January 2021, KPMG published an analysis based on forecasts of longer-term home working and continued increases online shopping to create an 'index of vulnerability' for towns recovering from the pandemic. KPMG concluded that high streets could lose 20–40% of their retail offerings.[25] To adapt KPMG argues high streets should become 'multi-purpose', offering retail in addition to other services such as leisure, cultural, education, healthcare, reformed office space and transport links (a conclusion also made by the High Streets Task Force (see Box 1 below) and other commentators for some years; see section 3 below).[26]

Others have argued that the shift to online shopping does not signal 'doom and gloom' for traditional high street retail, but that businesses must adapt their offers to customers.[27] For example, John Lewis is trialling featuring John Lewis shopping areas in Waitrose stores and smaller, neighbourhood shop formats.[28] Similarly the availability of property due to increased vacancies and potentially lower rental costs creates opportunities for new entrants and the expansion for brands that are growing or adapting to new business models.[29]

The Centre for Cities argues that while online shopping may represent a threat to the high street, the challenges are more complex:

> Commentators usually place the blame for this situation on two things: Online shopping and businesses rates. This misinterprets the challenge facing the high street and ignores the reality that, in many places, the high streets are booming.[30]

The Centre argues that there is little correlation between the proportion of retail sales spent online and store vacancy rates in an area, but that there is a correlation between lower store vacancies in areas with higher wages and skilled jobs for local residents – i.e. more consumer spending power. The Centre argues that 'successful' city centres have already begun to adapt to the threat of online shopping by shifting to food,

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25 KPMG: The future of towns and cities post COVID-19, 14 January 2021.

26 High Streets Task Force, High streets being "rediscovered" in lockdown, 3 September 2020; Bill Grimsey, Grimsey Review: An alternative future for the high street (2013).

27 How retail giants could thrive on the post-pandemic high street, Tamsin McLaren, The Conversation, 17 March 2021; Why John Lewis tells us this retail crisis is just beginning, Helen Thomas Financial Times, 17 March 2021. [accessed 4 May 2021]

28 John Lewis, John Lewis partnership plans not to reopen eight John Lewis shops from lockdown as it rebalances store estate, 24 March 2021 [accessed 4 May 2021]

29 Local Data Company, Retail and Leisure Analysis: Full year 2020 report, March 2021, pages 44, 47; Franco Manca poised for rapid high street expansion, Alice Hancock, Financial Times, 28 February 2021; Wetherspoon moves to buy up property on the cheap amid Covid crisis, Rob Davies, The Guardian, 29 January 2021.

30 Centre for Cities, High streets [accessed 6 April 2021]; Centre for Cities, Ignoring successful high streets stops us helping the weaker ones, 27 February 2019.

drink and leisure rather than retail.[31] Section 3 below discusses reviews and case studies on 'successful town centres'.

What Works Centre for Economic Growth (a government-established independent policy evidence research centre), in their recent evidence review of policies to improve high streets and town centres also pointed towards policies to improve the skills of residents to help address consumer demand:

> **Sustained high street improvements need sufficient consumer demand**. Investments in 'supply-side' measures, such as renovating shop fronts, are unlikely on their own to increase economic activity for a struggling high street. They need to be accompanied by investments and policies designed to increase demand.
>
> **Improving the skills of residents can help to address consumer demand.** Higher skilled residents have higher wages on average, which will increase local demand for goods and services. More generally, local skills are a key driver of economic performance. Local growth plans should always address skills and set out how improvements to the local skills profile will be achieved.[32]

The centre also highlighted that there are many different aims for regeneration projects and that not all projects necessarily contribute to local economic growth:

> **Regeneration projects designed to deliver outcomes such as improved housing quality or new community assets will not necessarily deliver local growth as well.** Proposals should be assessed against the desired goal, which may not be economic growth. However, proposals which claim that physical or cultural regeneration activities will also deliver economic growth should support these claims with high quality evidence and be robustly scrutinised.[33]

1.5 Background: the Portas Review

Concerns about the future and viability of high streets and town centres are not new. The Portas review, for example, was launched a decade ago.

The Portas Review: An independent review into the future of our high streets, led by Mary Portas, was launched by the Government in May 2011 "to identify what government, local authorities and businesses can do to promote the development of more prosperous and diverse high streets." The review was published in December 2011, with recommendations covering (amongst other things) the role of Business Improvement Districts (BIDs) and so-called Super-BIDs;[34] changes to business rates and the use class system and other planning reforms; and

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31 Valentine Quinio, Is online shopping threatening the future of our high streets?, Centre for Cities blog, 11 February 2021.

32 What Works Centre for Economic Growth, Evidence briefing: improving high streets and town centre, March 2021

33 As above

34 For more information on the existing BIDs structure, see the Commons Library briefing Business Improvement Districts (SN 04591, 6 September 2016).

Town Teams.[35] The Department for Business Innovation and Skills published a commissioned research report, Understanding High Street Performance, alongside the Portas Review.[36]

In February 2012, the Government announced that it had accepted Mary Portas's recommendation to "run a number of High Street Pilots" to test some of her other recommendations and DCLG launched a competition to choose 12 towns in England to become "Portas Pilots".[37] In March 2012, the full Government Response to the High Street Review was published, with a further competition for another twelve Portas Pilots.

In July 2012, the Government published Re-imagining urban spaces to help revitalise our high streets, to encourage new uses for urban spaces.[38] In July 2013, the Government published The Future of High Streets – Progress since the Portas Review, a report on the changes that had been made since the Portas Review and their resulting impact.[39]

In 2013, Bill Grimsey, a retailer, along with eight associates from the retail industry, independently published their own report on the challenges facing high streets. Their report was critical of the Portas review, stating that it "failed to highlight to Government the dramatic structural changes impacting the retail industry" and "promised the earth but delivered little".[40] The report contained 31 recommendations, including that high streets should become 'multifunctional hubs' and calling for a review of business rates.[41]

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35 Mary Portas, The Portas Review An independent review into the future of our high streets, December 2011
36 BIS, Understanding High Street Performance, December 2011
37 DCLG, Grant Shapps: Bid to become a Portas Pilot, 4 February 2012
38 DCLG, Reimagining urban spaces to help revitalise our high streets, July 2012
39 DCLG, The Future of High Streets – Progress since the Portas Review, July 2013
40 Bill Grimsey, Paul Turner-Mitchell, Chris Shellard, Eva Pascoe, Matt Baker, Sid Vasili, Matthew Hopkinson, Nick Hood, Jackie Sadek, Grimsey Review: An alternative future for the high street (PDF), 2013, foreword.
41 For a summary, see High Streets Task Force, Grimsey Review, 6 October 2020 accessed 11 May 2021.

2. Government policy to support high streets and town centres

Challenges faced by high street retailers and associated problems of town centres have seen the creation of several funding schemes designed to help high streets and town centres redevelop and adapt to a new era when traditional retail may no longer be the focal point of town centres. These include:

- The Future High Streets Fund and Towns Fund in England
- Scottish Town Centre Fund in Scotland, Transforming Towns fund in Wales and High Street Stimulus Scheme in Northern Ireland.
- The Community Ownership Fund and Levelling-Up Fund, both UK-wide.

In March 2021 the UK Government pointed to these funds as a central part of its policy to support high streets and town centres redevelop including from the impact of the pandemic.[42] These schemes are also summarised in Build Back Better High Streets, published by in July 2021. Business rates and planning reforms are also key elements of the Government's policy in this area in England, discussed further in sections 4 and 5, respectively.

2.1 The Future High Streets Fund

The Future High Streets Fund was first announced the 2018 Budget, with the then Chancellor Philip Hammond stating "if Britain's High Streets are to remain at the centre of our community life, they will need to adapt."

A new policy was announced to address this issue – the Future High Streets Fund, outlined in a policy paper published alongside the Budget. The Budget also included a one-third reduction of business rates for retail premises up to a rateable value of £51,000 in 2019/20 and 2020/21. The Fund covers England only.

The Future High Streets Fund was initially worth £675 million, with funding awarded on the basis of a competitive bidding process, with local areas invited to submit proposals setting out the "overall vision" of how they will transform their town centres and high streets. Bids were assessed according to value for money, deliverability, fit with the overall aims of the Fund and the areas' ability to co-fund their proposals with the private sector.

The Fund does not make awards to local areas seeking to expand traditional retail on their high streets, and is intended to fund capital projects such as:

- Improving transport access to town centres
- Improving vehicle and pedestrian flow in town centres

[42] PQ 163151, 10 March 2021

- Congestion relieving infrastructure
- Infrastructure to facilitate new housing and office space
- Projects that seek to substitute under-used and persistently vacant retail units into residential units.

101 towns were shortlisted in 2019 to progress to the "business case development phase" and would receive up to £150,000 to "work up detailed project proposals based on their initial plans."[43]

In December 2020, it was announced that 15 towns and cities in England would be awarded £255 million[44]; a further 57 areas received confirmed funding in May 2021.[45]

Funding offers by region are shown in the table below

Future High Streets Fund awards by region

	£ millions	% total
North West	168.6	20.1%
West Midlands	145.9	17.4%
South West	138.3	16.5%
North East	98.4	11.7%
East Midlands	80.1	9.5%
Yorkshire and Humber	78.9	9.4%
London	56.5	6.7%
South East	49.2	5.9%
East	23.9	2.8%
Total	839.8	100.0%

Source: Ministry of Housing, Communities and Local Government

The Future High Streets Fund also funds the High Streets Task Force established to provide advice and support to local areas in England (Box 1).

Box 1: High Streets Task Force

The High Streets Task Force was launched on 2 July 2019, following an announcement in the Plan for the High Street published alongside the 2018 Budget. This was in response to recommendations made by an expert panel on the high street set up in July 2018, which was asked to diagnose issues facing high streets and town centres and advise on practical measures for government to undertake.[46] In December 2018, the expert panel published The High Street Report, which recommended the creation of the Future High Streets Fund, as well as various short term solutions to common high street problems and clarifying the role and work of the Task Force.

The High Street Task Force's role is to "strengthen local leadership in high streets and town centres in England", through "providing information, advice, training, knowledge and data."[47] It is run by the Institute of Place Management on behalf of government.

43 MHCLG, Multi-million fund to revitalise country's high streets, 9 July 2019. Shortlisted towns were announced in two separate tranches in July 2019 and August 2019.
44 MHCLG, £830 million funding boost for high streets, 26 December 2020
45 MHCLG, More high streets set for funding boost as reopening accelerates, 19 May 2021
46 MHCLG, The High Street Report, 20 December 2018, page 7
47 The High Streets Task Force, Who are the Task Force?

The group also supports the towns shortlisted in the Future High Streets Fund Competition though the process of drawing up plans for redevelopment.

Heritage Action Zones

Part of the Future High Streets Fund was reserved to support high streets in conservations areas – this was combined with funding from the Department for Digital, Culture, Media and Sport and the National Lottery Heritage Fund to form a £95 million fund.

£92 million was available via an open bidding process, and open to applications from high streets within conservations zones, with applicants invited to submit applications for funding to be used to "improve the physical realm around the high street, and support activities that encourage people to engage with heritage" and convert disused and underused historic buildings into retails outlets, office space and housing. £3 million from the National Lottery Heritage Fund is being used to fund a cultural programme to "engage people in the life and history of their high streets."[48]

The number of successful applicants and funding received by region are shown the table below. The programme is being delivered by Historic England.

High Street Heritage Action Zone funding by region

	Number of awards	Value (£ millions)
Midlands	13	21.1
North West	12	18.7
North East & Yorkshire	14	17.2
London and South East	12	14.3
South West	10	13.7
East of England	7	7.0
Total	**68**	**92.0**

Source: Ministry of Housing, Communities and Local Government, Historic England

2.2 Support for high streets in the devolved administrations

The Future High Streets Fund applies to England only, although similar funds exist in Scotland and Wales.

Scotland

The £50 million Scottish Town Centre Fund was launched in 2019 by the Scottish Government and the Convention of Scottish Local Authorities (COSLA). Funding was awarded to local authorities, with the intention of assisting high streets in becoming "more diverse, sustainable and successful in the face of changing and evolving retail

48 Department for Digital, Culture, Media and Sport and MHCLG, £95 million to revive historic high streets, 14 September 2019

patterns."[49] Funds were then distributed by local authorities in line with themes set out in the 2013 Town Centre Action Plan – this was the Scottish Government's response to the National Review of Town Centres, an independent review of Scottish town centres.

Details on funding allocations by local authority are available on the Scottish Government's website.

Wales

In 2020, the Welsh Government launched the Transforming Towns scheme, designed to aid town centre regeneration. The Fund is subdivided into five strands, designed to tackle specific problems faced by town centres:

- £36 million for town centre regeneration projects,
- £13.6 million to tackle empty and dilapidated buildings and land.
- £2 million for coastal towns
- £10 million of additional funding for the Town Centre Loans scheme, to bring vacant and underutilised buildings back into use
- £5 million funding for Green Infrastructure and Biodiversity within town centres.[50]

In March 2021, the Welsh Government announced a £15.2 million "placemaking fund" available to Welsh local authorities, with funding offered flexibly, and not confined to specific types of project.[51]

Northern Ireland

In February 2021, the Northern Ireland Executive announced the formation of a High Streets Task Force, "to identify all the challenges but also the solutions and actions we can take to support our high streets and city centres." The Task Force includes representatives of various departments of the Northern Irish Executive, as well as businesses associations, retail bodies, trade unions and universities.[52]

In April, 2021, the NI Department for the Economy announced the High Street Stimulus scheme, part of the Department's Economic Recovery Plan. This scheme which will allow persons over 18 to apply for a pre-paid card worth £100, which can be spent in high street stores – the NI Department for the Economy have stated this will result in "1.4 million people" spending "an extra £140m on our high streets rather than online."[53]

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49 Scottish Government, New scheme to support town centres, 1 March 2019
50 Welsh Government, £90 million programme to transform Wales' towns, 27 January 2020
51 Welsh Government, Town Centres in Wales to benefit from £15.2 million placemaking fund, 21 March 2021
52 Northern Ireland Executive, Statement on the High Streets Task Force, 24 February 2021
53 NI Department of the Economy, Dodds announces further details of High Street Stimulus scheme, 30 April 2021

2.3 Towns Fund

The 'Stronger Towns Fund' was first announced by the then Prime Minister, Theresa May, in March 2019 to aid those areas that had not "shared in the proceeds of growth".[54] Initially, £1.6 billion in funding was announced, with £1 billion to be awarded on a needs-based formula and £600 million available via a competitive bidding process.[55] The Fund covers England only.

In a speech in July 2019, the Prime Minister announced a "£3.6 billion Towns Fund." This £3.6 billion figure is composed of an additional £1 billion funding added to the funding previously announced for the Stronger Towns Fund, bringing its total value to £2.6 billion, combined with total value of funding available from the Future High Streets Fund.

In September 2019, the government announced a list of 100 towns in England (later expanded to 101) that been invited to develop Town Deals and bid for up to £25 million each (or up to £50 million in exceptional circumstances) – see here for a full list of these towns.

MHCLG published the Towns Fund Prospectus in November 2019, giving further details on the bidding process. Invited towns were asked to establish a Town Deal Board by January 2020 to oversee the development of a Town Deal and its implementation, and a Town Investment Plan, setting out plans to increase economic growth, by summer 2020, with funding allocations decided on the strengths of Town Investment Plans.

The overall aim of the Fund is to ensure towns are "thriving places for people to live and work" – the following examples are listed as possible means of achieving this:

- Increasing density in town centres
- Strengthening local economic assets including local cultural assets
- Site acquisition, preparation, remediation, and/or development; and
- Making full use of planning tools to bring strategic direction and change
- Developing local transport schemes that complement regional and national networks
- Supporting the delivery of improved digital connectivity.[56]

In October 2020, the first seven Town Deal funding allocations were announced, worth up to £178.7 million; the largest allocation was worth £39.5 million and was allocated to Blackpool to be used to update the Blackpool Illuminations as well as further development of the Blackpool Airport Enterprise Zone.[57]

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54 MHCLG, £1.6 billion Stronger Towns Fund launched, 4 March 2019
55 MHCLG, Stronger Towns Fund, 4 March 2019
56 MHCLG, Towns Fund Guidance, June 2020, page 9
57 MHCLG, First Town Deals worth almost £180 million announced, 27 October 2020

45 further funding awards, worth £1.0 billion were confirmed in the 2021 Budget – a full list is available. The largest award was worth £37.5 million and was awarded to Stevenage.[58]

Selection Process

The process for selecting towns that were eligible to apply for the Towns Fund and the criteria used to select the 101 towns invited to develop Towns Deals are described in the National Audit Office report Review of the Town Deals selection process published in July 2020. This review describes the selection process followed by MHCLG to select the 101 towns, as well as the results of the selection process and the rationales given for the selected towns, but did not evaluate the selection process or its outcomes.[59]

541 towns across England were designated by MHCLG as being potentially eligible for Town Deals – these were the 541 towns of the 1,082 towns in England (as designated by the Office for National Statistics) with an income deprivation above the median value.[60]

These 541 towns were scored and ranked based on a formula that combined scores against seven criteria to reflect local need and growth potential.

These were:

- Income deprivation
- Skills deprivation
- Productivity
- EU Exit exposure
- Exposure to economic shocks
- Investment opportunity and
- Alignment to wider government intervention.[61]

Towns were then categorised as being high, low or medium priority – 40 of 541 towns were classed a high priority, 181 as low priority and 340 as medium priority. Regional allocation formulae were also applied, with the aim of focusing on regions in greater need, using data on productivity, income, skills, deprivation and rural/urban classification (rural areas were assumed to have greater need).[62]

All 40 high priority towns were invited to bid for Town Deals, as were 49 medium priority towns and 12 low priority towns – the regional distribution and priority status of towns invited to bid for Town Deals is shown in the table below.

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58 MHCLG, Towns Fund recipients March 2021, 3 March 2021
59 NAO, Review of the Town Deals selection process – Background to the review
60 NAO, Review of the Town Deals selection process, HC 576, July 21 2020, page 7
61 As above, page 8
62 As above, page 9

Successful Town Deals by region

	Priority category			
	Low	Medium	High	Total
North West	3	9	8	20
East Midlands	1	12	6	19
Yorkshire & Humber	4	4	8	16
West Midlands	1	7	7	15
South West	2	5	2	9
South East	1	5	2	8
North East	0	3	4	7
East of England	0	4	3	7
Total	**12**	**49**	**40**	**101**

Source: National Audit Office, 16 July 2020

Aspects of the selection process were criticised, owing to a perception that towns in Conservative Party target seats for the 2019 general were favoured in the selection process.[63]

The Public Accounts Select Committee report Selecting towns for the Towns Fund, published in November 2020 concluded that the selection process was "not impartial" as, while MHCLG officials ranked towns against a set of criteria, the selection process gave Ministers "discretion to choose which individual towns would be eligible to bid" and that pre-selecting towns in this way "benefited towns that lacked the capacity and experience to put together competitive bids and would be disadvantaged by an open bidding process."[64]

Additionally, the report found the rationales given for the selection of towns from the medium priority group were "scant and appear based on sweeping assumptions" and is some cases "towns were chosen by ministers despite being identified by officials as the very lowest priority (for example, one town selected ranked 535th out of 541 towns)". The report goes on to say that the failure of MHLCG to publish criteria used to select towns "fuelled accusations of political bias in the selection process."[65]

The report also expresses concern that selected towns "may not have the capacity to deliver their plans and spend the money well" and that it remains "unclear what impact the Department is expecting from the Towns Fund" and how success of the Fund will be measured.[66]

The Government's response to this report was published in January 2021. The Government agreed to provide (where relevant) records of

63 For example, see The pork barrel politics of the Towns Fund: funding decisions were driven by party-political considerations, not by need, LSE, 2 October 2020 and Ministers lavished millions on towns in marginal Tory seats before polls, The Times, 21 July 2021

64 House of Commons Public Accounts Committee, Selecting towns for the Towns Fund, HC 651, 20 November 2020, page 8

65 As above, page 9

66 House of Commons Public Accounts Committee, Selecting towns for the Towns Fund, HC 651, 20 November 2020, page 9

Ministerial recusal from decisions affecting the constituencies of Ministers, a statement of the criteria that have been used to make decisions and the details of scores or other assessments that have been used as part of the decision-making. It said this information will be provided when all 101 Towns have submitted Town Investment Plans and funding decisions have been made.[67]

2.4 The Community Ownership Fund

The Community Ownership Fund was announced in the 2021 Budget – bids of up to £250,000, which must be matched by money which communities have raised themselves, is available to help communities buy or take over local community assets at risk of being lost, to run as community-owned businesses.

Bids are made through community and voluntary organisations with formal governance in place, such as a Community Trust. Local authorities including parish councils will not be eligible to bid, though parish councils may play a role in working with community groups looking to submit a bid.

The Fund is due to have eight funding rounds and will run until 2024/25. Bids for the first round closed in August 2021, the second is due to open in December 2021 – more information is available in the Fund prospectus.

2.5 Levelling Up Fund

The Levelling Up Fund was announced in the 2020 Spending Review. This stated the fund would be worth £4.8 billion, with £4 billion of this to be spent in England and £0.8 billion to be spent in Scotland, Wales and Northern Ireland. The Spending Review described the purpose of the Fund thus:

> This will invest in local infrastructure that has a visible impact on people and their communities and will support economic recovery. It will be open to all local areas in England and prioritise bids to drive growth and regeneration in places in need, those facing particular challenges, and areas that have received less government investment in recent years.[68]

The government published a prospectus alongside the 2021 Budget - this stated that the Fund would focus on capital investment in local infrastructure and would be delivered through local authorities in England, Scotland and Wales. Funding for Northern Ireland will not be delivered through local authorities, owing to "the different local government landscape", compared to England, Scotland and Wales.[69]

The prospectus states funding will focus on those areas "most in need of levelling up" – those areas are determined by an index published alongside the prospectus that ranks local authorities by on a scale of 1

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67 HM Treasury, Government responses to the Committee of Public Accounts on the Eighteenth and the Twentieth to the Twenty-Fourth reports from Session 2019-21, CP 363, January 2021, page 31

68 HM Treasury, Spending Review 2020, CP 330, November 2020, page 4

69 HM Treasury, Levelling Up Fund: Prospectus, March 2021, page 5

to 3, with those ranked 1 considered most in need and those ranked three least in need. These ranking are split evenly between all local authorities in England, Scotland and Wales – a third are ranked 1, a third ranked 2 and a third ranked 3.

The ranking system is based on three criteria:

- need for economic recovery and growth
- need for improved transport connectivity
- need for regeneration.

Three metrics were used to align with the fund's aim to bring investment to areas of low productivity and those lacking in labour market opportunities and economic resilience:

- Productivity, measured using gross value added (GVA) per hour
- 16+ Unemployment rate
- Skills, measured using the proportion of the working-age population without a national vocational qualification (NVQ).

Other metrics were used to align with the fund's aim of improving transport connectivity (this applied to England only) and need for regeneration – slightly different data was used for England, Scotland and Wales, owing to lack of consistent data being available:

- Need for improved transport connectivity - average journey times to employment centres by car, public transport and bike (applied to England only)
- Need for regeneration - commercial and dwelling vacancy rates (England and Wales); dwelling vacancy rates (Scotland only).

As with the Towns Fund, aspects of the methodology have been criticised for perceived bias toward areas in Conservative held constituencies.[70]

Applications for the first round of the Fund closed in June 2021. The first round of the Fund will focus on three themes - transport projects, town centre and high street regeneration and cultural investment.

Every local authority was eligible to submit at least one bid. The Fund focuses on investment in projects that require up to £20 million of funding, though bids of between £20 million and £50 million were accepted for transport projects. County councils with transport powers, combined authorities, mayoral combined authorities and the Greater London Authority were eligible to submit one transport bid; unitary authorities in England with transport powers were able to submit one additional bid which must be for transport.

[70] For example, see Levelling Up Fund bias in favour of Tory seats 'pretty blatant': FT analysis shows there is substance to Labour's accusations of 'pork barrel politics', Financial Times, 5 March 2021

2.6 National Infrastructure Commission study, March 2021

In the 2021 Budget, the Government announced that the National Infrastructure Commission (NIC) would be tasked with a new study, to consider how to maximise the benefits of infrastructure policy and investment for towns in England (with any recommendations in reserved areas being relevant to the whole of the UK). [71]

The study's terms of reference indicate that the NIC will undertake analysis to provide "an evidence base on the potential economic and quality of life benefits of infrastructure interventions in towns with different characteristics"; explore the impact of COVID-19 on towns, to test where and how local infrastructure policy needs to adapt to identifiable post-pandemic changes in behaviour; and explore local delivery and capability, including (amongst other things) that local infrastructure strategies are joined up with planning, housing, skills and industrial strategy. The study will have a particular focus on transport and digital infrastructure.[72]

[71] HM Treasury, Policy paper: Budget 2021, 3 March 2021
[72] HM Treasury, Guidance: Terms of Reference for Study on Infrastructure, Towns and Regeneration, 3 March 2021

3. Successful town centres: institutions and case studies

A number of reports during the 2010s have summarised the ingredients required for a successful town centre. These include:

- Association of Town and City Management and Growing Gloucestershire, Successful Town Centres: Developing Effective Strategies, 2013
- Centre for Local Economic Strategies and Department for Communities and Local Government (DCLG), Developing Resilient Town Centres 2016 and
- Local Government Association (LGA), Revitalising Town Centres 2020

An additional list of reports can be found on the website of the Great British High Street awards.

The High Streets Task Force website includes a number of case studies of successful town centres from the 2010s. Further case studies can be found in the Centre for Cities' 2017 report City centre regeneration: collected case studies, and a report from Power to Change in late 2020, Saving the high street: the community takeover.

3.1 Institutions

A number of institutional options are available where local authorities or other actors wish to revitalise town centres. These include:

- **Business Improvement Districts**. These are business-led local organisations, which can impose supplements ('BID levies') on business rates in a given geographical area and use that (and any other) revenue to improve conditions for local businesses;[73]
- **Town Teams.** These usually comprise local businesses, landlords, local authorities and local communities and seek to "drive innovation and improvement in the way the current high street is managed, develop a strategic and collaborative approach, and be made up of a wide range of local interests including landlords, retailers, local authorities and local communities."[74]
- **Neighbourhood Forums**. These may develop neighbourhood plans, which may become part of the local plan for the area if approved in a referendum. Neighbourhood planning includes considerable consultation requirements, which can provide a useful vehicle for consulting businesses and local residents about broader proposals.[75]

[73] See the Commons Library briefing Business Improvement Districts for further details (SN 4591, 6 September 2016)
[74] DCLG, Portas Pilots: Prospectus: an invitation to become a Town Team, February 2012, paragraph 4
[75] See the Commons Library briefing Neighbourhood planning for further details (SN 5838, 12 October 2018)

- **Parish / town councils**. These are local democratically-elected bodies, with broad powers to undertake functions on behalf of their local areas. Further information can be found in the Commons Library briefing Parish and town councils: recent issues.[76]

These are flexible institutions. Town Teams and Neighbourhood Forums are not statutory organisations. BIDs must be established and collect BID levies according to statute, but may structure and govern themselves largely as they see fit. Thus it is possible in practice for such bodies to work very closely together (see the example of Altrincham below).

3.2 Case studies

A feature in *Retail Week* in 2019 outlined how Altrincham had progressed to winning 'high street of the year' from the Great British High Streets awards:

> ….a lot of effort has been put into promoting local businesses and creating community events in the town centre to get people out onto the high street.
>
> This ranges from 'Veg Out', an initiative to get people to sample local eateries, to indie shopping event Shoptober, to the annual music festival Goose Green, now in its fifth year, which attracts more than 8,000 people..
>
> ….retail plays a less prominent role. The high street now hosts two gyms, an Everyman cinema and a bustling food market, which houses a plethora of eateries and a 180-seater dining area. This has attracted more casual dining venues into the area such as Nando's. … [but] it is important for high streets and town centres to make themselves a destination for something other than retail.[77]

The same feature set out a range of initiatives from Stockton-on-Tees:

> The council set about reinventing Stockton as a kind of outdoor community centre, according to [Neil] Schneider [chief executive of Stockton Council], making it a stage for events, specialist and traditional markets, with pleasant, family-friendly public spaces.
>
> "We wanted to create a town centre that people might choose to visit for reasons other than just shopping, especially as there's a very successful retail park jam-packed with big names just 10 minutes away," he says"
>
> "At the council-supported Enterprise Arcade at the Fountain Shopping Mall, young businesses can take space for as little as £10 a day to try out their format.
>
> Schneider describes the scheme as a "grow our own" and says the next generation of independent traders is coming through the Enterprise Arcade. Already 14 former tenants have moved into more prominent units in the town centre.
>
> The council has also offered grants of up to £5,000 to help businesses refurbish vacant units.

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76 SN 4827, 26 February 2019

77 Gemma Goldfingle, "From ghost town to high street of the year: how to turn around ailing town centres", Retail Week, 31 January 2019

> The council has also invested in the public realm. North East native, retail consultant and founder of CannyInsights.com, Graham Soult, says: "They basically ripped up the street space and started again in terms of public realm. They rejigged the market and put a big fountain in the middle of it."
>
> It also invested in The Stockton Flyer, a flying train sculpture, which rises whistling from its plinth at 1pm every day in a cloud of steam.
>
> Soult says an attractive, well-maintained public space with attractions is key to bring people to their high streets and town centres.
>
> Like Altrincham, Stockton also focused on putting on events to get people out on the high street. Community carnivals, Diwali-inspired festivals and giant tea parties have been hosted, as well as some grand-scale events.
>
> The Stockton International Riverside Festival attracts up to 500,000 people. [78]

A report for DCLG from the Centre for Local Economic Strategies (CLES), in 2016, gave a number of examples of processes to develop 'resilient town centres'.[79] The paper noted seven common challenges across the locations studied:

1. Locations that had a shared vision for the future of their area fared better, as it allowed local stakeholders to work together in a common direction;
2. Strong partnership links between different groups and stakeholders is vital. Where this was not in place - often where there were differing agendas - this was the single biggest barrier facing the town's development;
3. Local partnerships often struggled to access landlords for vacant or underused sites. Having a means to access property owners and bring sites and units back into use, for instance by community groups or for start-up projects, is required;
4. A number of local centres need to redefine or broaden their functions; not everywhere can be a retail centre that draws people with national brands; a more balanced view is required to encourage leisure use and office space alongside retail functions, as well as focusing on local community needs;
5. Local teams need the tools to understand their local catchment. Social disadvantage, unemployment and worklessness in communities can affect the potential for growth in towns and create disconnect between projects being delivered and local communities needs and desires;
6. Local demographic changes mean some locations are experiencing an influx of new residents, providing challenges for town centre development as per the point above;

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78 Gemma Goldfingle, "From ghost town to high street of the year: how to turn around ailing town centres", Retail Week, 31 January 2019

79 CLES, Developing Resilient Town Centres, DCLG, 2016, pages 5 - 10

7. Geographical disconnection: some towns in rural areas are self-contained, with connections between them and other places being limited due to poor transport connectivity.[80]

[80] As above, pages 3 - 4

4. High streets and business rates

For a number of years, commentators and representative groups have argued that retail properties on high streets pay disproportionate sums in business rates compared to businesses that do not have a high street presence. They have argued that 'bricks and mortar retail' is disadvantaged by the current tax system compared to 'online retailers', and that this has contributed to high street businesses struggling to survive.

4.1 Business rates

Business rates are levied on all commercial properties in Great Britain. Each property is assigned a 'rateable value', which is based on the annual rent that the property would command in an open market. This is then multiplied by a 'multiplier', set by the UK Government for England, to arrive at the business rates liability. Thus a property with a rateable value of £100,000, with a multiplier of 51.2p, would face a rate liability of £51,200 per year. The system is explained in greater detail in the Commons Library briefing Business rates.[81]

Though comprehensive data is not available, representative groups have claimed that rent levels for retail properties on high streets are high when compared to properties of a similar physical size located elsewhere. A report in 2020 for the Local Government Association states:

> Business rates are directly related to an assessment of the open market rental value for a property, and as such are higher for properties on high streets (which are in limited supply and at high demand) as opposed to out of town sites. This results in businesses with a large high street presence paying more as a proportion of sales than businesses who predominately sell over the internet and have out of town warehouses.[82]

This variation in business rates has been described as amounting to 'unfair competition'. The HCLG Committee's 2019 report High streets and town centres in 2030 stated:

> ….business rates are widely seen as giving a competitive advantage to online retailers which tend to have less property at lower rent per square foot and hence at lower rateable value in comparison to high street retailers but, in some cases, much higher turnover.[83]

This issue featured in much of the evidence provided to the HCLG Committee's 2019 report, and to the Treasury Select Committee's 2019

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81 SN 6247, 11 March 2021

82 WPI Economics, Councils and e-commerce: the why, what and how of an e-commerce levy, LGA, 2020, page 13

83 Housing, Communities and Local Government Committee, High streets and town centres in 2030, HC-1010, 21 February 2019, page 15

report The impact of business rates on business.[84] It is often accompanied by criticisms of the business rates system in general.

Representative groups have also claimed that the retail sector's business rate liabilities are disproportionate to its economic size. The British Retail Consortium stated in 2019:

> Retail remains the largest private sector employer in the UK, employing approximately three million people. The industry accounts for 5% of the UK economy, yet is burdened with 10% of all business taxes, and 25% of business rates.[85]

The British Retail Consortium expanded on its position as follows:

> An over-dependence on input taxes harms retailers, which are people and property intensive businesses, and such taxes have grown disproportionately compared to other taxes such as corporation tax. For every £1 retailers pay in the latter, they pay £2.30 in business rates.
>
> Following BRC lobbying, the Government is reviewing business rates. Reform must adhere to the following principles:
>
> - A tax burden that is sustainable (at least 20% lower than the current level) and floats as any other tax
> - Valuations of property that more closely reflect current values – meaning more frequent revaluations and an end to downwards phasing of transitional relief
> - A system that works for users – the Valuation Office Agency needs investment to get valuations right first time and to process appeals more quickly.[86]

The Table below shows the proportion of rateable value falling into the main categories used by the Valuation Office Agency. Comprehensive figures are not available for the actual amounts paid in business rates by each of these sectors.

Number of rateable properties[1] and total rateable value,[2] by sector,[3] in England
2020

	Rateable properties		Rateable value	
Sector	Thousands	% of total	£ billion	% of total
Retail	486.5	24.5%	16.3	25.4%
Other	578.7	29.2%	19.1	29.8%
Office	411.0	20.7%	15.0	23.4%
Industry	507.1	25.6%	13.7	21.4%

Notes:

[1] Rateable property (also known as hereditament) - A unit of property that is, or may become, liable to non-domestic rating and thus appears in a rating list.

[84] Treasury Select Committee, The impact of business rates on business, HC-222 2019, 31 Oct 2019; Housing, Communities and Local Government Committee, High streets and town centres in 2030, HC-1010, 21 February 2019
[85] British Retail Consortium, Over fifty retailers demand Chancellor fix business taxation, 13 August 2019
[86] British Retail Consortium, Business rates, no date

[2] Rateable value - The legal term for the notional annual rent of a rateable property assessed by the VOA. Every property has a rateable value that is based broadly on the annual rent that the property could have been let for on the open market at a particular date (this is 1 April 2015 for the 2017 lists).
[3] These are based on special category codes which are the most detailed description of a property and shows the nature of the use of the rateable property.

A number of suggestions have been made for adjustments to the business rates system to address concerns about the health of high street businesses. These include reducing the multiplier (for the retail sector, or for all businesses); preventing improvements to properties from translating into higher business rate bills;[87] and permitting local authorities to apply additional multipliers.[88]

Commentators have suggested that a reduction in business rates, whilst potentially beneficial for retailers (and other businesses) in the short term, would have little impact in the medium to long term. They anticipate that landlords would adjust rents upwards to take account of businesses' reduced expenditure on business rates. This argument has been made by the Centre for Cities and the Institute for Fiscal Studies.[89] In an article in the Times in 2018, Paul Johnson, director of the IFS, said:

> While cutting business rates might reduce my costs in the short run, it won't make much difference in the long run. I'm not only paying a business rates bill; I'm also paying rent to the owner of the shop and of the land on which it sits. Because there is only a limited amount of land for shops, especially in places such as central London where rents and business rates are highest, cutting business rates will largely simply lead to higher rents.
>
> It won't necessarily ever feel like that. I'll still be paying the bill. And the long run isn't much help if I'm stuck with a rental agreement that doesn't allow the rent to adjust for several years. But the overall point stands. Cutting business rates will help individual high street stores in the short run, but will not help in the longer run. It is a misunderstanding of basic economics to think otherwise.[90]

4.2 Online sales taxes

The perception of unfair advantage for retailers with limited, or no, physical retail outlets has generated demands for some form of 'online sales tax'. The fundamental case for an online sales tax is described in evidence provided to the Treasury Select Committee by the Institute for Revenues, Ratings and Valuation (IRRV):

> An Internet transaction tax or a delivery tax is worthy of detailed consideration. Bricks and mortar businesses, particularly in the retail sector have been struggling to cope with the increase in alternative internet-based retail businesses; they have to compete

87 HCLG Committee, High streets and town centres in 2030, Oral evidence, 12 Nov 2018, Q208
88 WPI Economics, Councils and e-commerce: the why, what and how of an e-commerce levy, LGA, 2020, page 7
89 See Treasury Select Committee, The impact of business rates on business, written evidence IBR0067, April 2019; written evidence IBR0115, April 2019
90 Paul Johnson, Abolishing business rates is not the answer to the high street's problems, The Times, 9 July 2018

> on price with those internet-based businesses, even though those on-line businesses generally face significantly lower fixed costs.[91]

Tesco submitted brief proposals for an online sales tax to the Treasury Committee inquiry in 2019. The Committee's report described these as follows:

> In its written evidence to the Committee Tesco outlined a proposal for an Online Sales Levy (OSL), which would be levied against 'physical goods' sold online, income from which would be used to reduce the multiplier for retailers, relieving the cost the business rates. They wrote:
>
> The OSL would create a new levy for online sales, which could be used to reduce the significant burden placed on bricks and mortar retailers. The key design features are:
>
> 1. Introduce a 2 per cent levy on the online sale of physical goods. Currently revenues from online sales are £69bn in the UK, meaning the levy would raise approximately £1.5 billion.
> 2. Use this money to fund a 20 per cent cut in business rates for all retailers.
> 3. Use existing mechanisms to deliver the reduction in business rates.
> 4. Exempt small businesses from the levy, by using a revenue threshold, to ensure the OSL does not impact small, online businesses.
> 5. Use existing VAT definitions of a physical good and ensure only appropriate sales are targeted.[92]

This proposal was also the subject of a letter from eighteen major retailers to the Government in January 2021. It is reported as saying "We urge you to use the upcoming budget to commit to fundamental reform of business rates focused on reducing the burden on retailers and levelling the playing field between bricks and mortar and online businesses".[93] Other similar proposals, with less detail, have been made in recent years.[94]

Research carried out for the New West End Company (a London business improvement district) in 2018 estimated that a turnover tax levied at a flat rate of 1%-1.5% across England would raise £28.4 billion in revenue in 2017. The authors stated that in practice it is likely that different rates would be applied to different economic sectors. Turnover taxes are generally regarded as undesirable (see a blog from the Chartered Institute of Taxation for a summary of the issues). The New West End Company report acknowledges this possibility:

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91 See Treasury Select Committee, The impact of business rates on business, written evidence IBR0109, April 2019. The IRRV is the professional association for property valuers who, amongst other things, produce business rates valuations.

92 Treasury Select Committee, The impact of business rates on business, HC 222 2019, 31 Oct 2019, pages 42-3

93 Ruth Comerford, "Waterstones demands business rates reform, as Chancellor mulls online sales tax", The Bookseller, 8 February 2021

94 See Bill Grimsey, The Grimsey Review 2: The Vanishing High Street, 2018, page 8; Benedict Dellot and Fabian Wallace-Stephens, The entrepreneurial audit, 2017, pages 19-20; Centre for Retail Research, Future of the high street, 2018

> A tax on turnover rather than property value would comparatively benefit small businesses in prime locations, with increased liability for businesses in lower value properties with relatively high turnover (such as online retailers and distribution centres).
>
> The biggest issue for taxpayers is that turnover …[may not be] proportionate to a business' profits and ability to pay.
>
> Turnover tax is seen by economists as the most distortive form of taxation, as it taxes products both as an input and a product.[95]

The Local Government Association published a report entitled Councils and e-commerce in 2020, presenting the case for a local "e-commerce levy". The purpose of such a levy would be "to attempt to reduce the disparity in tax paid by bricks and mortar businesses in comparison to predominantly digital businesses" and "to raise funds that support local authorities attempts to transform high streets".[96]

The report suggests three alternative approaches: "recognising e-commerce" in the business rates system; a standalone levy; and assignment of VAT revenues related to e-commerce to local areas. The report recommends a standalone levy based on revenues from sales attributed to e-commerce (not turnover). It estimates that, at a rate of 1.5%, this levy would generate approximately £2.1 billion annually in England.

4.3 Challenges of online sales taxes

Any tax that was based on a company's turnover, or profit, from online sales would also need clearly to define what constituted an 'online sale'. For instance, many companies operate a 'click and collect' system, where a product is ordered online but the customer collects it from a store or other location. Alternatively, a customer might browse in a store but make the decision to order a product online. Many businesses make their products available through both online and offline channels in an integrated fashion. This point was made by a number of witnesses to the 2019 HCLG Committee inquiry:

> Clayton Hirst, Group Head of Corporate Affairs at the John Lewis Partnership, wrote to us to express concerns about an online sales tax, saying "Rather than helping the high street, this would actually have a detrimental effect. Our high streets need successful retailers with both a physical and online presence to meet consumer demand". Further to this, we note the point made by Martin Foster of Lakeland Leathers that, for many independent retailers like himself, online trading widened the customer base and that care was needed to ensure it was not curbed as a result of taxation. We also note that Amazon's marketplace (and others such as eBay) enables many small independent retailers to trade online and grow their businesses.[97]

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95 Arup, Tax reform technical study, 2018, page 43

96 WPI Economics, Councils and e-commerce: the why, what and how of an e-commerce levy, LGA, 2020, page 16

97 Housing, Communities and Local Government Committee, High streets and town centres in 2030, HC-1010, 2019, page 30

Similarly, Chris Harris, on behalf of the retailer John Lewis, argued in oral evidence to the Treasury Select Committee inquiry that online and in-person retail are:

> …completely combined, and customers do not choose necessarily to go into a shop or online in an explicit way. They just look to shop at John Lewis and, therefore, the way that it is joined up and the fact that you can buy online, collect from store, the fact that our distribution distributes to all channels, the fact that if we do not have it in stock you can order it instore and collect it instore or collect it from your home, it is completely omnichannel and combined.[98]

4.4 Government policy on online sales taxes

The Government response to the 2019 HCLG Committee report said:

> The Government does not agree that the burden of business rates falls unfairly. Generally speaking, for all ratepayers bills are based on the rental value of the properties they occupy, ensuring similar businesses occupying similar properties will bear a similar level of tax, regardless of whether they choose to operate online or not. Higher-value property in higher-value locations bear a relatively higher burden of tax. This is integral to the nature of property tax….
>
> Pending global reform, the DST will ensure digital platform businesses make a fair contribution to the public finances. The Government is not introducing the DST to address issues facing high streets or to change the balance of taxation between different types of retail business models.[99]

'The DST' is a reference to the Government's proposals for a 'digital services tax', which appeared in the October 2018 Budget. This would be a 2% tax on the revenues of certain digital businesses which derive value from their UK users.

> The tax will:
>
> - apply to revenues generated from the provision of the following business activities: search engines, social media platforms and online marketplaces;
> - apply to revenues from those activities that are linked to the participation of UK users, subject to a £25m per annum allowance;
> - only apply to groups that generate global revenues from in-scope business activities in excess of £500m per annum; and
> - include a safe harbour provision that exempts loss-makers and reduces the effective rate of tax on businesses with very low profit margins.[100]

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98 Treasury Select Committee, The impact of business rates on business, HC-222 2019, 31 Oct 2019, page 43

99 MHCLG, Government response to the Eleventh Report of Session 2017 – 19 of the Housing, Communities and Local Government Select Committee inquiry into high streets and town centres in 2030, CP-84, May 2019, pages 12-3

100 HM Treasury, Overview of Tax Legislation & Rates, October 2018, paragraph 2.19

The Budget estimated that the annual yield from the DST could reach £400m by 2022/23.[101] Further details, including of the subsequent Government consultation and ongoing political debate, can be found in the Commons Library briefing Digital Services Tax.[102] At the time of writing the DST has yet to be introduced.

In its response to the HCLG Committee report in 2019, the Government also signalled that it was unconvinced by the idea of an online sales tax:

> It is not clear that an OST would be of benefit to high street retailers through significantly altering consumer behaviour, as in practice there is no clear distinction between bricks and mortar and online retailers. Notably, many physical retailers are increasing their offer of online services, including click and collect, an innovation the Government would not want to deter through tax, and which the report recognises as a benefit to high streets.[103]

The Government launched a 'fundamental review of business rates' in March 2020, publishing a consultation document in July 2021. One proposal on which the consultation sought views was an online sales tax. The consultation said:

> As a tax on the rental value of non-domestic property, some argue that the business rates system imposes an unreasonable burden on retail, where property is a major business input. Some commentators argue that the business rates system creates a distortion within the retail sector, favouring online retailers that can operate without the high-value properties that are a feature of more traditional retail. This has led to proposals that the government should levy a tax on companies based on their online sales, and that this could be used to fund business rates reductions for retail properties
>
> Others have highlighted that businesses occupying more property or more valuable property should expect to pay more under the normal workings of a property tax, and that an online sales tax would penalise more efficient or innovative businesses. These stakeholders have also argued that rates reductions for offline retail incentivise inefficient use of property and ultimately lead to higher rents, with the benefits accruing not to retailers or consumers but to landlords.
>
> Historical trends in online retail sales, and the more recent increases driven by COVID-19, suggests that while an online sales tax would not replace business rates, it could still provide a sustainable and meaningful revenue source for the government.[104]

An answer to a Parliamentary Question in January 2021 said:

> **Andrea Jenkyns**: To ask the Chancellor of the Exchequer, what estimate his Department has made of the average tax paid by (a) high street and (b) internet-based retailers; and what steps his

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101 HM Treasury, Budget 2018, HC 1629, October 2018 page 38 (Table 2.1 – item 53); PQ 236552, 28 March 2019. Updated estimates were published alongside Budget 2020: HMRC, Digital Services Tax, 11 March 2020.

102 CBP 8719, 22 February 2021

103 MHCLG, Government response to the Eleventh Report of Session 2017 – 19 of the Housing, Communities and Local Government Select Committee inquiry into high streets and town centres in 2030, CP-84, May 2019, page 15

104 HM Treasury, Fundamental review of business rates: call for evidence, July 2020, pages 31-2

> Department is taking to establish a more level tax playing field for the retail industry.
>
> **Jesse Norman**: …..The Chancellor keeps the impacts of tax policy on different types of businesses, including high street and internet based retailers, under consideration. The fundamental review of business rates will consider all parts of the business rates system, as well as alternative taxes such as an Online Sales Tax.[105]

An interim report from the fundamental review of business rates was published on 23 March 2021.[106] This summarised responses to the review. On the question of an online sales tax and its relationship to high street renewal, responses were mixed:

> A sizeable minority of respondents also suggested that an OST may help to rejuvenate the high street and help to re-establish tourism and communities there as a result.
>
> However, there were some responses that argued the alternative: that an OST would not save the high street and should not be introduced if this is the sole aim. The respondents stressed that the retail economy is changing, with more people purchasing online, and that an OST would be a tax on innovation and investment in the UK's growing digital economy and may lead to market distortions.
>
> A major risk frequently emphasised by respondents was that retailers would pass on the OST to consumers, increasing prices and affecting people's disposable income and quality of life.[107]

Respondents also stated that an OST should not cover click-and-collect services, but also that distinguishing online from in-person sales would be complex.

Members have raised the issue of business rates, and floated alternatives, in a number of debates in the House in recent years. These include a debate on the 2019 HCLG Committee Report;[108] an adjournment debate on business rates in February 2019;[109] and a debate on the future of the high street in December 2020.[110] The issue was also raised many times at the Commons committee stage of the Non-Domestic Rates (Lists) (No.2) Bill in February 2021.[111]

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105 PQ HC UIN 133060 2019-21, 14 January 2021
106 HM Treasury, *Business rates review: interim report*, March 2021
107 As above, page 26
108 HC Deb 13 June 2019 c397WH onwards
109 HC Deb 2 Apr 2019 c1000 onwards
110 HC Deb 10 Dec 2020 c1070 onwards
111 HC Deb 4 February2021 c366G onwards

5. Planning matters

Other Commons Library briefings

- Some of the issues in urban regeneration are discussed in the Commons Library debate pack Challenges for new towns.[112]
- More background information is given in the Commons Library briefing on neighbourhood planning.[113]
- The joint briefing Comparison of the planning systems in the four UK countries: 2016 update outlines how planning legislation and policy operate in England, Wales, Scotland and Northern Ireland.[114]

One of the concerns sometimes expressed in the past about the prospects for high street retail is that the proliferation of certain types of shop can change the high street's character. More recently, some commentators have questioned whether and how town centres may need to adapt, in response not only to established changes in shopping habits and the growing significance of online shopping, but also more recent changes in how people live, work and shop brought about by the Covid-19 pandemic.

5.1 Ensuring the vitality of town centres

For England, the National Planning Policy Framework (NPPF) was revised and updated in July 2018 (with subsequent minor revision in February 2019), following a consultation. It provides the background against which Local Plans are drawn up and applications for planning permission are determined. The Commons Library briefing What next for planning in England? The National Planning Policy Framework examines the NPPF.[115]

Chapter 6 of the NPPF deals with building a strong, competitive economy and says that planning policies and decisions should help create conditions in which businesses can invest, expand and adapt and that planning policies should set out a clear economic vision and strategy to support local and inward investment.[116]

Chapter 7 of the NPPF deals with ensuring the vitality of town centres. It sets out (amongst other things) how planning policies and decisions should enable town centres to grow and diversify, speaking of promoting their "long-term vitality and viability" and allowing them "to grow and diversify in a way that can respond to rapid changes in the

[112] CDP 2017/0135, 10 July 2017
[113] SN 05838, 4 July 2016
[114] CBP 7459, 20 January 2016
[115] CBP 8260, 10 June 2019
[116] MHCLG, National Planning Policy Framework, CP 48, February 2019, paragraph 80 onwards

retail and leisure industries, allows a suitable mix of uses (including housing) and reflects their distinctive characters".[117]

The NPPF also sets out a sequential approach for planning applications for main town centre uses which are not in an existing centre and not in accordance with an up-to-date Local Plan, saying that "main town centre uses should be located in town centres, then in edge of centre locations; and only if suitable sites are not available (or expected to become available within a reasonable period) should out of centre sites be considered".[118]

The Planning Practice Guidance (PPG) on town centres and retail offers guidance on how local planning authorities (LPAs) can bring together stakeholders to support sustainable economic and employment growth. It suggests (for example) that LPAs should consider structural changes in the economy, and in particular changes in shopping and leisure patterns,. and goes on to suggest how they might do this, for example by using Local Development Orders, neighbourhood Development Orders, brownfield registers or compulsory purchase powers.[119]

5.2 Empty shops

One issue that consistently attracts concern is that of empty shops.

Broadly speaking, planning provisions relating to empty shops are concerned with tidying or cleaning them up, rather than bringing them back into use, although there are powers for compulsory purchase in certain circumstances, where this will secure the promotion or improvement of the economic, social or environmental well-being of the area.

The planning powers discussed here relate to England.

See section 1.2 of this briefing for statistics on empty high street shops.

The Town and Country Planning Act 1990: Section 106 agreements

Section 106 of the Town and Country Planning Act 1990 (TCPA 1990) provides for planning obligations or agreements with a developer to mitigate the effects of a planning application which would otherwise be unacceptable. They are site-specific and required to be directly related to the development. More information is in the Commons Library briefing on planning obligations (section 106 agreements)[120] and in the PPG on planning obligations.[121]

Section 106 agreements may not be used to fund the same infrastructure projects as the Community Infrastructure Levy (CIL), a broader locally based development tax introduced to help finance the infrastructure needed to increase the supply of housing. This is

[117] As above, paragraph 85 onwards
[118] MHCLG, National Planning Policy Framework, CP 48, February 2019, , paragraph 86
[119] MHCLG, Guidance: Town centres and retail, 3 March 2014, updated 22 July 2019, paragraphs 001-2
[120] CBP 07200, 24 May 2016
[121] MHCLG, Guidance: Planning Obligations, 19 May 2016

discussed in the Commons Library briefing on the Community Infrastructure Levy[122] and in the PPG on the CIL.[123]

Compulsory purchase

Several pieces of legislation give compulsory purchase powers to cover a wide range of circumstances.

The one most relevant here is section 226 of the TCPA 1990 (as amended by section 99 of the Planning and Compulsory Purchase Act 2004), which enables a local authority to acquire land by compulsory purchase for planning purposes. It gives a local authority powers to acquire land in its area which is suitable for, and is required in order to secure, the carrying out of development, redevelopment or improvement of land, which must in turn achieve the promotion or improvement of at least one of the economic, social or environmental well-being of their area.

This is a wide power which may be used to acquire land for a variety of planning purposes, such as a town centre redevelopment or other regeneration scheme for which the authority wishes to assemble a number of individual properties or areas of land.

When making an order under section 226, the appropriate acquiring authority is required by the terms of the Act to demonstrate that the land to be taken is genuinely "required" in order to secure the carrying out of development, redevelopment or improvement of the land. The courts have held that "required" must mean more than "desirable" but that, provided there is evidence from which it would be reasonable to conclude that, without the use of the compulsory power, the purpose for which the land is required would be unlikely to be achieved, the acquiring authority should not be expected to demonstrate that they have used all other available powers before resorting to compulsory purchase.[124]

In general, government guidance states that a compulsory purchase order should only be made where there is a compelling case in the public interest.[125] It is for the acquiring authority to determine how best to justify its proposals for the compulsory acquisition of any land and to be ready to defend such proposals at any inquiry and, if necessary, in the courts.

The confirming Government Minister must take a balanced view between the intentions of the acquiring authority and the concerns of those whose land is to be expropriated. The more comprehensive the justification which the acquiring authority can present, the stronger its case is likely to be. Each case must be considered on its own merits. Government guidance suggests that a local authority must have a clear

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122 SN 03890, 26 February 2014
123 MHCLG, Guidance: Community infrastructure levy, 12 June 2014, updated 22 March 2018
124 DCLG, Circular 02/03: Compulsory Purchase Orders, February 2003, appendix A, paragraph 13
125 As above

idea of how it intends to use the land and show that the resources are in place for any proposed development.[126]

Use of these powers is normally a last resort; the threat of having CPO powers is often enough to encourage owners to take action – they do not have to be used.

Other powers to enforce upkeep and repairs

Summary

There is no general law that a shop, or any other building, must be kept to a certain standard of repair. If the property is subject to a lease, there may be a clause in this requiring that the property be kept to a certain standard. This would be a private contractual matter which the leaseholder could enforce via the courts if necessary.

Local authorities in England have a variety of powers under different pieces of legislation to ensure that land and buildings in their area are kept to a certain standard, the use of which will depend on how serious the problem is:

- Section 215 of the TCPA 1990 provides local authorities with powers to require land or buildings to be cleaned when its condition adversely affects the amenity of an area. The local authority also has powers to undertake the work itself.
- Section 79 of the Building Act 1984 provides for a similar power, but it often used for buildings which are in more of severe state of disrepair.
- Section 29 of the Local Government (Miscellaneous Provisions) Act 1982 can be used by a local authority to carry out works on unoccupied buildings, in order to prevent the building from becoming a danger to public health.
- Section 226 of the TCPA 1990 provides local authorities to compulsorily purchase land and buildings in certain circumstances, in order to develop, redevelop or improve the land or building and provide it contributes to improving the economic, social or environmental condition of the area. Compulsory purchase is most often used as a last resort by local authorities.

The use of these powers is discretionary, and some local authorities are reluctant to use them either because they lack sufficient funds to use them or they lack qualified staff with the requisite knowledge about them.

For historic buildings which are listed, in a conservation area or have some other sort of heritage protection, there is detailed guidance about the powers available to local authorities in the Historic England guide Stopping the rot: a guide to enforcement action to save historic buildings.[127]

The 2011 report into high streets led by Mary Portas made a number of recommendations to deal with problems caused by empty shops, but

[126] As above, paragraph 13, paragraph 16
[127] April 2016

not all of these have been accepted by Government. The former Government said that it believed local authorities had sufficient powers to bring empty shops back into use.

Section 215 of the Town and Country Planning Act 1990

Section 215 of the TCPA 1990 provides an LPA with the power, in certain circumstances, to take steps requiring land to be cleaned up when its condition adversely affects the amenity of the area. If it appears that the amenity of part of their area is being adversely affected by the condition of neighbouring land and buildings, it may serve a notice on the owner requiring that the situation be remedied.

Section 336 of the Act confirms that the definition of "land" can include a building. "Amenity" is a broad concept and not formally defined in the legislation or procedural guidance. According to government guidance, it is therefore a matter degree and common sense.[128]

The then Office of the Deputy Prime Minister (ODPM) published guidance on the use of section 215 in January 2005.[129] The guidance sets out the scope of the section 215 powers and what it applies to:

> Section 215 has been effectively used on large vacant industrial sites, town centre street frontages, rural sites, derelict buildings, and semi-complete development as well as the more typical rundown residential properties and overgrown gardens. In certain circumstances, early consideration of the use of s215 could prevent a need for use of s54 of the Planning (Listed Buildings & Conservation Areas) Act 1990 (Urgent Works Notice). LPAs should use s215 powers proactively; they should not just be complaint-led.[130]

Case studies of section 215 use are given in the ODPM guidance and in Historic England's *Stopping the rot* (at appendix 3).

It also set out the scope of works that a section 215 notice can provide for.[131]

Section 216 of the Act provides the penalties for non-compliance with a section 215 notice. Specifically, section 216(2) states: "he shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale [currently £1000]."

LPAs also have powers under section 219 of the Act to undertake the clean-up works themselves and to recover the costs from the landowner.

Section 79 of the Building Act 1984

The ODPM guidance explains that some sites can sometimes go beyond the remit of a section 215 notice and that there may be "other more appropriate powers that an LPA can rely upon in order to effect a remedy," which includes sections 76-79 of the Building Act 1984, which can be used in relation to defective premises, dangerous buildings, ruinous and dilapidated buildings and neglected sites.[132]

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128 ODPM, Town and Country Planning Act 1990 Section 215 Best Practice Guidance, January 2005, page 8
129 As above
130 As above, page 7
131 As above
132 As above

Section 29 of the Local Government (Miscellaneous Provisions) Act 1982

Section 29 of the Local Government (Miscellaneous Provisions) Act 1982 can be used by a local authority to carry out works on unoccupied buildings, to prevent the building from becoming a danger to public health.

A notice must first be served on the owner or occupier of the building before the work commences. If a local authority undertakes works, it may recover the expenses reasonably incurred in so doing from the relevant owner or occupier of the building.

5.3 Change of use in town centres

Change of use of shops

It has often been argued that change of use of shops within the same use class can change the character of a retail area, if it leads to a proliferation of one type of shop.[133] The Commons Library briefing Planning in England: permitted development and change of use offers more analysis of change of use and The Commons Library briefing Betting shops: licensing and planning issues describes planning controls on betting shops since April 2015.[134]

The need for updated use classes

It had often been argued that the use classes which had been in place since 1987 had not kept pace with changing patterns of use, particularly in town centres and high streets.[135]

In its Planning Manifesto for High Streets and Town Centres, the business campaigning group London First (for example) argued that a radical overhaul of the Use Class Order had long been needed, to create a more agile system, increasing diversity and responsiveness to the market and reducing the dependence on retail.[136] Town centre management strategies should (London First argued) identify zones for Article 4 directions, to prevent PDRs being exercised where ad hoc change of use to residential might harm a town centre.[137,138]

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133 SN 6919, 17 December 2020

134 SN 485, 12 February 2021

135 The rules relating to when a change of use for a building does and does not require planning permission are set out in the Town and Country Planning (Use Classes) Order 1987 (SI 1987/764 as amended) and the Town and Country Planning (General Permitted Development) Order 2015 (SI 2015/596). The 1987 Order puts uses of land and buildings into various categories known as "use classes". The categories give an indication of the types of use which may fall within each use class. It is only a general guide and it is for LPAs to determine, in the first instance, depending on the individual circumstances of each case, which class a particular use falls into.

136 London First, Planning Manifesto for High Streets and Town Centres, January 2020, pages 4 - 5

137 As above, page 3

138 In certain circumstances, LPAs have powers under Article 4 of the Town and Country Planning (General Permitted Development) (England) Order 2015 to suspend PDRs (including those relating to change of use) in their area. For more on Article 4 Directions, see section 1.3 of the Commons Library briefing Planning in England: permitted development and change of use (SN 485, 12 February 2021).

In the white paper Planning for the Future in August 2020, the Government argued that the updated Use Class Order and its associated PDRs (discussed in sections 5.4 and 5.5 below) would help high streets and town centres bounce back after the Covid-19 pandemic, by creating more flexibility.[139]

The Commons Library briefing Planning for the Future: planning policy changes in England in 2020 and future reforms examines the white paper in more detail.[140]

5.4 Impact of new use classes from 1 September 2020

The Commons Library briefing Planning in England: permitted development and change of use examines the changes made to the Use Class Order in September 2020, with the creation of new use classes and the revocation and amendment of certain others.[141] Class A (which comprised shops, financial and professional services, restaurants and cafes, drinking establishments and hot food takeaways) and Class D (which comprised non-residential institutions and assembly and leisure uses) were revoked in their entirety. Class B was amended and three new classes were added: Class E commercial, business and service, Class F.1 learning and non-residential institutions and Class F.2 Local community.

The Government has said that the new use classes will support the revival of town centres, but some commentators have argued that there may be negative consequences.

In an announcement to accompany the new rules on 21 July 2020, Robert Jenrick spoke of "cutting out unnecessary bureaucracy" and renewing town centres.[142]

Responding to this announcement, the Royal Town Planning Institute (RTPI), Royal Institute of British Architects, Royal Institution of Chartered Surveyors and Chartered Institute of Building voiced concerns about increasing use of PDRs and their consequences for quality of life and called for safeguards on minimum space, building and design standards and contributions towards affordable housing and community infrastructure, to ensure that homes built in the early 2020s did not become the "social disasters of the 2030s".[143]

Planning magazine reported mixed views on the potential impact for town centres of the use class changes.[144]

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139 MHCLG, White paper: Planning for the Future, August 2020, paragraph 5.3
140 CBP 8981, 12 January 2021
141 SN 485, 12 February 2021
142 MHCLG, News story: New laws to extend homes upwards and revitalise town centres, 21 July 2020
143 Royal Town Planning Institute, Royal Institute of British Architects, Royal Institution of Chartered Surveyors and Chartered Institute of Building, Letter to Robert Jenrick, 21 July 2020
144 "Why some fear the government's use class overhaul may be a threat to town centres", Planning, 30 July 2020 [Subscription required; Members and their staff

In its evidence to the Housing, Committee and Local Government select committee's inquiry into supporting our high streets after Covid-19, the RTPI noted that the new use classes had created greater flexibility – and bringing residential uses into town centres should be encouraged - but an unintended consequence was that retail businesses would be able to operate from what would formerly have been B1 business premises without the need for consent and this was not (the RTPI argued) consistent with the town centre first approach. The RTPI argued for controls to ensure that new residential accommodation did not prejudice plans to support and improve the town centre economy:

> The introduction of residential accommodation into a town centre is to be welcomed and encouraged. However, there should be controls to ensure that the location of new residential accommodation is not prejudicial to plans to support and improve the town centre economy. There are no controls to stop residential incursions into what may be regarded as key commercial areas and thereby frustrate plans to refocus commercial activity within a centre.[145]

5.5 Consultation on further permitted development rights in December 2020

New use classes were introduced from 1 September 2020, through the Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020.[146] The Government consulted on revised PDRs to reflect the new use classes on between December 2020 and January 2021.[147]

The proposal to create a PDR for change of use from Class E commercial, business and service to Class C3 residential raised many concerns about its potential impact on high streets and town centres. For broader discussion of the other proposals within the consultation, see the Commons Library briefing Planning in England: permitted development and change of use.[148]

Change of use from Class E (commercial, business and service) to C3 residential

The consultation document opened by saying that town centre retailers faced a "significant challenge" from changing consumer behaviour, magnified by the Covid-19 pandemic and went on to argue that converting surplus retail space to housing would help to revive the high street:

> 5. Where there is a surplus of retail floorspace, quality residential development will help diversify and support the high street. It will create new housing opportunities including for those who will benefit from close proximity to services, such as the elderly and

may obtain copies of this or other articles by ringing the Commons Library on 020 7219 3666]

145 RTPI, Written evidence submitted by the Royal Town Planning Institute [SHS 003], August 2020

146 SI 2020/757

147 MHCLG, Supporting housing delivery and public service infrastructure, 3 December 2020

148 SN 485, 12 February 2021

> those living with disabilities. It will also make effective use of existing commercial buildings, bring additional footfall from new residents, and assist in the wider regeneration of town centre and other locations. Repurposing of brownfield sites is better for the environment and reduces the need for greenfield development.[149]

The consultation document observed that the PDR proposed here – which would allow all uses within new class E to change use to Class C3 residential - would go "significantly beyond existing rights".[150] (As discussed in the Commons Library briefing Planning in England: permitted development and change of use, there is already a permanent PDR allowing the conversion of office to residential accommodation).[151]

There would be no size limit attached to this new PDR. The consultation document noted that some substantial retail and office buildings might be converted, creating a significant number of new homes, with the impacts being managed through prior approvals.[152]

Lastly, the consultation document set out proposals for consolidating and simplifying some existing PDRs, including those which provide for change of use between use classes. The consultation document observed that this exercise would be "significant and complex" and that up to 49 individual rights (listed there in Annex A) might need to be amended.[153] Other rights relating to temporary use and non-domestic extensions and alterations might also be affected.[154]

The consultation document spoke of "recognising the intent" behind the recent changes to the use classes and the new flexibilities they introduced and creating a "more accessible set of rights" by simplifying and rationalising rights "where possible" and "revoking unnecessary rights and merging where appropriate". It listed the issues which (it said) might arise here, such as the broadening or narrowing of rights or the merging of rights that do or do not apply in conservation areas or other protected land.[155]

The Government did not propose any PDR relating to "sui generis" uses such as public houses; the existing requirement for planning permission would remain. Nor would any change be made to the recently-introduced rights (discussed in the Commons Library briefing Planning in England: permitted development and change of use) relating to upward extensions, demolition and rebuilding.[156, 157]

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149 MHCLG, Supporting housing delivery and public service infrastructure, 3 December 2020, paragraph 5
150 MHCLG, Supporting housing delivery and public service infrastructure, 3 December 2020, paragraph 15
151 SN 485, 12 February 2021. Recently, the LGA has again argued that PDRs for converting surplus office space to homes should be scrapped ("Scrap permitted development rights, council chiefs say", LocalGov, 17 May 2021).
152 MHCLG, Supporting housing delivery and public service infrastructure, 3 December 2020, paragraph 17
153 As above, paragraph 75
154 As above, paragraph 77
155 As above, paragraph 78
156 As above
157 SN 485, 12 February 2021

Prior approval

The consultation document set out the matters for which prior approval would have to be obtained, describing them as "necessary safeguards":

> 21. In considering which prior approvals to apply we have drawn on those generally accepted in other permitted development rights that deliver new homes in order to deliver quality homes in suitable environments. The proposed prior approvals shown below provide necessary safeguards:
>
> - Similar to other permitted development rights for the change of use to residential:
> - flooding, to ensure residential development does not take place in areas of high flood risk
> - transport, particularly to ensure safe site access
> - contamination, to ensure residential development does not take place on contaminated land, or in contaminated buildings, which will endanger the health of future residents
> - To ensure appropriate living conditions for residents:
> - the impacts of noise from existing commercial premises on the intended occupiers of the development
> - the provision of adequate natural light in all habitable rooms
> - fire safety, to ensure consideration and plans to mitigate risk to residents from fire
> - To ensure new homes are in suitable locations:
> - the impact on the intended occupiers from the introduction of residential use in an area the authority considers is important for heavy industry and waste management[158]

For wider discussion of prior approval and its use, see the Commons Library briefing Planning in England: permitted development and change of use.[159]

Sensitive sites

The consultation document observed that existing PDRs have not applied in sensitive sites, including conservation areas. It argues, though, that allowing more diverse uses in conservation areas could make them more attractive and therefore more sustainable, and so, while national parks, areas of outstanding natural beauty and other sensitive sites would continue to be excluded from PDRs, the PDRs proposed here would apply in conservation areas:

> … However, some high streets and town centres are designated conservation areas, and therefore include many of the uses that could benefit from the right, and residents that could benefit from the conversions. Such areas may be designated as conservation areas for their architectural and historical value and allowing a

[158] MHCLG, Supporting housing delivery and public service infrastructure, 3 December 2020, paragraph 21
[159] SN 485, 12 February 2021

> more diverse range of uses could attract more people to enjoy them and make them more sustainable. It is proposed that while the right would not apply in other sensitive article 2(3) land, such as national parks and areas of outstanding natural beauty, it would apply in conservation areas. However, in recognition of the conservation value that retail frontage can bring to conservation areas the right would allow for prior approval of the impact of the loss of the ground floor use to residential.[160]

Response to the consultation

As with other proposed planning reforms and the existing PDR for office to residential change of use, these proposals – and especially those relating to change of use from Class E commercial, business and service to Class C3 residential – proved controversial.

Although some commentators acknowledged a need for more homes and to support struggling high streets, they often cast doubt on the Government's approach, saying that increased PDRs were not the best option. Critics of the Government's approach also suggested that it might have damaging effects on (amongst things) local democracy and community engagement, the quality of the new homes to be created and the historic and natural environment. Some suggested that the proposed changes might undermine the high street rather than support its revival by (for example) reducing footfall to local shops.

The Local Government Association criticised the proposals, arguing that they did not support the aspirations set out in the white paper Planning for the Future and could have unintended and irreversible consequences, undermining local growth strategies and depriving local authorities of developer contributions (section 106 payments).[161]

Planning magazine remarked that, from the Government's perspective, the proposed changes no doubt seemed a "no brainer" and the increased right to convert commercial property to residential use was supported by the Home Builders Federation. But, Planning magazine reported, some planning professionals were expressing concerns, such as reduced control over what happens in town centres, although MHCLG rejected those criticisms.[162]

In its detailed response to the consultation, the RTPI argued (amongst other things) that

- The proposed changes would reduce opportunities for community engagement and democratic oversight and would make it more difficult to identify areas of employment within Local Plans
- Possible unintended consequences of the proposed changes included loss of active frontages in high streets and possible loss of facilities for physical activity such as gyms, swimming pools and other sports and leisure facilities in Class E

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160 MHCLG, Supporting housing delivery and public service infrastructure, 3 December 2020, paragraph 19

161 Local Government Association, LGA submission to the Ministry of Housing, Communities and Local Government on Supporting Housing Delivery and Public Service Infrastructure, 28 January 2021

162 "Why permitted development rule changes would herald a flood of residential conversions", Planning, 21 January 2021 (updated 22 January 2021)

- The PDRs should not apply in conservation areas
- The Government should allow existing Article 4 directions to be extended and continue as a transitional provision for these new PDRs
- The potential conversion of large warehouses might lead to unsuitable and unsustainable housing and so for the proposed PDR for conversion from Class E to residential, there should be a size limit of 250 square metres and the right to change B1 uses should be limited to premises which were in B1 use on 3 December 2020
- The PDR for extensions to hospitals and other health service premises should apply only during the response to the Covid-19 pandemic[163]

The Town and Country Planning Institute argued that, although we need new homes and to invigorate the high street, the proposed PDRs were not the right way to do it.[164] In the Local Government Chronicle, the head of planning and practice at the RTPI and the chief executive of the Town and Country Planning Association were quoted as arguing that the changes relating to change of use from Class E to residential could create "a lot of dead frontage" and that expanded PDRs were "not the way" to create necessary housing.[165]

The British Property Federation supported the Government's aim of breathing new life into town centres, but they too expressed concerns that the proposed PDR for conversion of commercial, business and service use to residential would work to the long-term detriment of high streets:

> We all accept the nub of the issue government is grappling with – how to breathe new life into existing town centres. The starting point for reforms should therefore be on what drives vitality locally. It is accepted that obsolescence and vacancy is a drag on the town centre however we would argue that poorly planned and poor-quality PDR development would be even more damaging.[166]

The Construction Industry Council argued that the proposals could alienate communities by enabling poor quality development without contributing to local infrastructure and called for more safeguards.[167]

The business campaigning group London First suggested that the PDR for change of use from Class E commercial, business and service to residential could damage the sustainable futures of high streets and

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163 RTPI, RTPI response to MHCLG Supporting housing delivery and public service infrastructure consultation, 27 January 2021

164 Town and Country Planning Institute, Further expansion of permitted development rights is not the way to build the homes we need, 4 December 2020

165 "New permitted development right will 'accelerate high street decline'", Local Government Chronicle, 4 December 2020. See also Town and Country Planning Association, Press Release: Further expansion of permitted development rights is not the way to build the homes we need, 4 December 2020.

166 British Property Federation, A one-size-fits-all approach will not save our highstreets, 2 February 2021

167 Construction Industry Council, Government permitted development plans need rethink, says CIC, 1 February 2021

town centres. Housing should not (London First argued) be "pepper-potted" into struggling high streets and town centres; one possible unintended consequence of the proposed changes was that viable businesses would be ousted in favour of residential conversions:

> 7. Paragraph 5 of the consultation states that, "Where there is a surplus of retail floorspace, quality residential development will help diversify and support the high street." We agree with this objective which should be met through the planning application process: allowing the market to pepper-pot housing on an ad hoc basis in high streets and town centres that are already struggling will break up active frontages and further dilute their vibrancy and commercial success. Commercial centres of all sizes, from London's Central Activities Zone to a local neighbourhood parade, thrive due to an agglomeration of commercial activities that encourage footfall and thrive off each other. Ad hoc conversion of commercial to residential will detract from the advantages of agglomeration because the benefits of browsing and comparing goods in one location will gradually be lost, thus reducing footfall and impacting upon place-shaping objectives. This, in turn, will further accelerate the loss of physical retail floorspace and further fuel the demand for online retail. This blanket PDR proposal could therefore have serious consequences for the commercial real estate market and travel patterns. It will also make it challenging for local planning authorities to meet their NPPF responsibilities and strategically plan for employment and retail uses.[168]

The Chartered Institute for Archaeologists said that successive changes to planning policy were undermining the management and protection of the historic environment. In an open letter with other natural, built and historic environment organisations, the Institute argued that applying the new PDRs to conservation areas and not including design and climate considerations in matters for prior approval would be "extremely damaging".[169]

The Wildlife Trusts described the proposed changes as "alarming", suggesting that they would lower housing standards and threaten nature and the amount of accessible green space. They would also (the Wildlife Trusts said) "trash local democracy", leave LPAs unable to require climate mitigation and adaptation measures to be put in place before granting planning permission and put conservation areas at risk.[170] The Theatres Trust welcomed the commitment to exclude theatres and other cultural venues from the proposed PDRs, but raised concerns about potential negative impacts from other aspects of development.[171]

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168 London First, Consultation Response: Supporting housing delivery and public service infrastructure, January 2021

169 Chartered Institute for Archaeologists, CIfA joins signatories of letter to Government on permitted development rights in England, 19 January 2021

170 Wildlife Trusts, The Wildlife Trusts response: Supporting housing delivery and public service infrastructure, 27 January 2021

171 Theatres Trust, News: Consultation on Permitted Development Rights, 3 February 2021

For wider discussion of the response to the consultation, see the Commons Library briefing Planning in England: permitted development and change of use.[172]

Change to go ahead: announcement in March 2021

The Government announced at the end of March 2021 that the proposed change to enable change of use from Class E commercial, business and service to C3 residential would go ahead. The announcement said that the introduction of a size limit of 1500m^2 to change use would "focus the right on medium sized high street sites which are more likely to be suitable for conversion"; to protect successful businesses, there would be a requirement that the building has been vacant for three months before the date of application and, to prevent gaming, the right would apply only to buildings which had been in commercial, business and service use for two years.[173]

The new PDR is therefore subject to some conditions and limits which were not foreshadowed in the consultation.

The Town and Country Planning (General Permitted Development etc.) (England) (Amendment) Order 2021 came into force on 21 April 2021.[174] Its extent is England and Wales but its application is England only. Transitional arrangements mean that applications for prior approval can be submitted from 1 August 2021 onwards.

For commercial to residential change of use, The Explanatory Memorandum to the Order summarises (at paragraph 7.7) the conditions relating to previous use, the size limit and the vacancy requirement (for which any closure as a result of Government Covid-19 restrictions does not count). The Explanatory Memorandum also lists (at paragraph 7.8) the matters that are subject to prior approval.

The RTPI, Royal Institute of British Architects, Chartered Institute of Builders and Royal Institute of Chartered Surveyors have written to the Government to protest at the change, saying that it may lead to poor quality housing and may "pull the rug out from under high street businesses just as they prepare to reopen".[175]

An article in Planning magazine discussed whether the changes between the consultation proposals and the Order, which it described as "apparent concessions to concerns raised during the consultation", would reduce the potential harms which commentators had identified.[176]

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172 SN 485, 12 February 2021
173 MHCLG, Press release: New freedoms to support high streets and fast track delivery of schools and hospitals across England introduced today, 31 March 2021
174 SI 2021/428
175 See "Built environment bodies urge PM to reverse new planning freedoms", Architects Journal, and "RTPI, RIBA and RICS urge PM to 'urgently reconsider' new town centre permitted development right", Planning, both 6 April 2021
176 "How changes to the government's new commercial-to-residential permitted development right are likely to affect its impact", Planning, 15 April 2021

Aligning PDRs with the new use classes: further consultation in May 2021

In May 2021, the Government launched a technical consultation on consequential changes to PDRs, with the aim (the Government said) of updating specific PDRs to align with the new use classes introduced in September 2020.[177] The consultation set out proposed minor technical changes at paragraph 13 and what it termed "more significant changes" from paragraph 15. The consultation will close on 3 June 2021.

Although many of the changes proposed in the consultation may be relevant to town centres and high streets, three proposals in particular may be significant:

- **Class E (commercial, business and service) use:** the consultation proposed that existing PDRs should be widened, so that where existing PDRs allowed for change of use to a single use falling within the new Class E (such as a shop) they should now allow change to any Class E use. The consultation set out how the PDRs would (it said) be consolidated and simplified and how limitations and conditions might apply, observing that "there could then be some changes to the detail of the limitations in respect of size and matters for prior approval".[178]
- **Uses formerly in the D2 assembly and leisure use class:** the consultation proposed to remove the existing PDRs allowing for the change of use to, or from, former D2 assembly and leisure uses (such as live music venues, cinemas, and concert halls, community halls and swimming pools).[179]
- **PDRs for temporary use:** the consultation also proposed that the existing PDR for the temporary use for up to three years of shops, financial and professional services, restaurants and cafes, hot food takeaways, business, non-residential institutions, assembly and leisure, betting offices, or pay day loan shops as shops, financial and professional services, restaurants and cafes, business, and specified non-residential institution uses, for health services, display of art, museum public library, public hall or exhibition hall should be retained, to support business start-ups. These PDRs would be recast in terms of their new use classes and would "preserve the protections against the change of use now afforded to former assembly and leisure uses such as cinemas and live music venues".[180]

An article in Planning magazine quoted the views of industry commentators, who pointed out that former D2 Assembly leisure uses were now distributed between three use classes - Class E, F2 and sui

[177] MHCLG, Open consultation: Technical consultation on consequential changes to permitted development rights, 13 May 2021
[178] As above, paragraphs 17 to 20
[179] As above, paragraph 22
[180] As above, Part 4: temporary buildings and uses

generis – and so, under the consultation's proposals, PDRs for change of use would depend on which use class they now fell into.[181]

[181] "Consultation proposes removing PD rights for some leisure and easing casino conversions. Planning, 17 May 2021. See also Lichfields, England Planning News May 2021: More changes to permitted development rights revealed

6. Further reading

- IPPR North Future of Town Centres (Report of Liverpool City Region Town Centres Commission): Anchor, belong, connect: The future of town centres, 4 February 2021
- The What Works Centre for Local Economic Growth, High streets, town centres and growth, 2021
- Andrew Tallon, Urban Regeneration in the UK, 3rd edition, 2020
- Grimsey Review COVID-19 Supplement Report: Build Back Better, 2020, The Grimsey Review 2, 2018 and The Grimsey Review: An alternative future for the high street, 2013
- Centre for Cities, City Centres: past present and future, February 2019
- Local Government Association, Culture-led regeneration: achieving inclusive and sustainable growth, 2019
- British-Irish Parliamentary Assembly, The revitalisation of the high street, 2019 (to which the Government has responded).
- MHCLG, High Streets Report December 2018 (findings and recommendations of the High Streets Expert Panel)
- The What Works Centre for Local Economic Growth, Area Based Initiatives, 2016
- World Bank, Urban regeneration, 2016

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