

**Open Report on behalf of Richard Wills,
Executive Director for Environment and Economy**

Report to:	Environment and Economy Scrutiny Committee
Date:	10 July 2018
Subject:	Revitalising our Highstreets

Summary:

This paper identifies some of the trends that are taking place in the nation's high streets. It makes specific reference to the work carried out by the Local Government Association into high streets, and it recommends the establishment of a working group to explore the issue in greater detail.

Actions Required:

That the Environment and Economy Scrutiny Committee:

1. Approves the creation of a time limited working group to identify the ways that LCC as an upper tier authority can support high street vitality.
2. Receives a report at a future meeting setting out the outcomes from the working group and any recommendations to be considered by the Executive Councillor for Economy and Place to improve high street vitality.

1. Background

The High Street has recently experienced some high profile losses with some companies, disappearing altogether, Maplin and Toys R Us, while others are planning wide reaching store closures, House of Fraser and Marks and Spencer. There is evidence that some towns are being rejuvenated by an increase in independent retailers that have slowly moved in to replace high street chains, often with a focus on culture and leisure, e.g. Margate.

It is not all doom and gloom and there are signs of significant investment in the County including plans for Lincoln's Cornhill Quarter and the area around Sincil Street and Exchange Square which include proposals for a new four screen cinema and new retail space; a proposed new retail development in Sleaford; and ongoing vibrancy of Marshall's Yard in Gainsborough Evidence also suggests that big retail developers like British Land are investing in town centres and moving away from shopping centre development. Admittedly, this is being seen in the south east and often involves, large tracts of land in single ownership which is not

easy to replicate in market towns in Lincolnshire although there are plans for a Designer Outlet Village in Grantham.

The reasons for the changes affecting our High Streets are well documented and include:

- Increased use of the internet and online shopping. The market place includes a number of retailers with no physical stores, such as Boohoo and Asos while established high street stores are relying more and more on "e sales". The impact of digital technology will increasingly influence the changing role of the High Street in our towns.
- Rise in regional shopping centres which become "visitor attractions". (NB. The future of UK out of centre retail parks is uncertain with uneven changes in footfall. This is relevant because these are known to compete strongly with traditional high streets re. accessibility, (free) parking and comparison goods offer. US shopping malls are being demolished in favour of the more individualised destination retail experience e.g. historic Lincoln may have an edge over Meadowhall in future.)
- These factors are leading to an oversupply of retail units in many high streets and raising vacancy rates. This shift is likely to continue at a steady but gradual rate and our challenge is to view these changes as a positive evolution of the high street rather than a negative decline.
- This evolution of the High St is also manifest in the changing character of High Streets with the proliferation of other types of uses eg Betting Shops, Charity Shops, Coffee shops, hot food take-aways with differing views of the impact of such changes

Impact of business rates rises with the Federation of Small Businesses claiming that *"Rising business rates are threatening high streets all over the country. This is a regressive tax that hits firms before they've made their first penny in turnover, let alone profit,"* (Mike Cherry, Chairman of FSB). This evolution can be influenced in a number of ways:

- Encouraging independent retailers to enter the market with a focus on culture and leisure activities. This will help the High Street to become a place of "experiences". For example, Lincoln's Bailgate. Other examples where this strategy has worked in Altrincham in Greater Manchester, when in 2010 it was described as a "ghost town" with void rates at 30%. Now, voids are 7.9% compared with a national average of 12.2%. This change was led by investment in the town's market, a focus on food and drink, and investment in the public realm.
- Innovation by retailers and adapting traditional business models. For example, Next have introduced concessions such as Costa Coffee, florists and "Paint a Pot" into larger units to increase variety and dwell time.
- Online retailers are beginning to have a physical high street presence on the high street for collections and returns etc.
- Proactive intervention by local authorities. For example, purchasing strategic sites and premises and investing in the public realm. A good example of this is Grantham where SKDC and LCC invested in the public realm of the Market Place and Wide Westgate and made these areas less dominated by

motor vehicles which has helped many independent shops to become established.

As can be seen from the above, these measures will allow the evolution of the High Street to be seen as an opportunity rather than a threat, however, to be successful these steps will require strong leadership and investment.

There are varying examples of successful activity in Lincolnshire's high streets. Two of these are Marshall's Yard Gainsborough and Cornhill Lincoln.

Marshall's Yard, Gainsborough:

Marshall's Yard features historic listed buildings and sympathetically designed new structures, the courtyard setting creates a village square feeling, bringing together stunning architecture and over 35 leading retailers including Marks and Spencer, Prezzo, Costa, Clarks, Laura Ashley and the latest addition of Fat Face which opened in Easter 2018.

The Marshall's Yard site in Gainsborough was formerly occupied by the Marshall family's Britannia Iron Works which was founded in 1848. The company built steam engines and agricultural machines which were exported all over the world. During the First World War, the workforce grew to 5,000 to cope with the production of munitions.

After the war, traction engines, steam rollers and tractors became the focus once again. During the Second World War, the workshops produced military hardware, including midget submarines. Like many engineering companies, business declined during the 1970s and the factory closed in the 1980s.

In 2005, joint developers Prospect Estates and Dransfield Properties secured planning permission for the site. Dransfield Properties formed in 1992 specialises in retail led regeneration schemes. With a strong community ethos, they are committed to working in partnership with local stakeholders and employing local staff and companies on all developments.

The site's heritage is celebrated throughout with an old steam crane from the engineering works providing a dramatic entrance to Marshalls Yard, and information boards across the centre celebrate the history of this once internationally renowned hub of world class engineering. Construction began on 1 January 2006 and the centre opened in Easter 2007. The site was named Marshalls Yard by local schoolboy Alex Stephenson.

Its impact on the town was recognised by the British Council of Shopping Centres in December 2007, who gave it a gold award saying it was "a shining example of regeneration."

A challenge now for Gainsborough is to how to more effectively link Marshall's Yard into the rest of the town centre although the recent development of the new Lidl and a new town centre hotel are part of that ongoing development.

Cornhill, Lincoln

The Cornhill Quarter comprises of a major refurbishment and new build retail and leisure development in Lincoln city centre, centred around Sincil street, which will include a brand new, four screen cinema.

The scheme is located adjacent to the new constructed, 1000 space, multi storey car park and public transport interchange to the east of the High Street.

In recent years, the area was "blighted" and suffered from a lack of investment because of uncertainty regarding redevelopment plans for the site. Following the decision not to pursue plans for a new purpose built shopping centre, the alternative scheme currently underway will integrate into the existing city centre much more sympathetically and provide an extra level of depth to the existing High Street which is often seen as being too linear to create an interesting visitor experience. This change in emphasis reflects the continued evolution of the shopping experience away from large, "anchor" stores and shopping centres to smaller niche offers.

The Scheme includes the Grade II listed Corn Exchange building originally constructed in 1879 which is now occupied by a number of established high street chains including Moss Bros and Thomas Cook. The building also includes a Cosy Club pub/restaurant which attracts customers throughout the day and also supports the evening economy.

The mid Sincil Street phase of redevelopment will comprise new retail units constructed behind the original façade which will be retained. It will provide circa 1,952 sq m (21,000 sq ft) of new space. Completion of this phase is expected in October 2018 and 372 sq m (4,000 sq ft) is already under offer.

The third phase of the scheme, known as Exchange Square, is expected to be completed in summer 2019 and will include a new cinema as well as approximately 2,561 sq m (27,554 sq ft) of retail space.

In summary, the redevelopment already underway will compliment and add interest and variety to the existing city centre offer provided by the High Street, St Marks Square and the Waterside Shopping Centre where many national retailers are already based.

Local Authorities will increasingly play a strong role in leading this evolution and can influence a number of important factors that affect our town centres.

One of these factors is the planning system. The latest version of NPPF provides a traditional approach to town centre development with references to hierarchies and sequential tests. Given the fundamental changes currently experienced in consumer behaviour and the online threat to bricks and mortar retail outlets, it is doubtful this approach will remain relevant for very long. The retail and leisure sectors are difficult to forecast because of the unpredictability of consumer tastes and the ability of the industry to respond innovatively. However, the concept of a town centre as a physical and social presence is worth protecting in its role as meeting place and provider of jobs.

A more flexible approach to retail (i.e. shopping) in particular may require displacement by other commercial activities and some re-engineering to accommodate increasing use of town centres as leisure destinations in which to spend time (rather than money) individually and communally. For example, as an accident of history, most English town centres do not benefit from large public squares and are characterised by linear high streets. This provides opportunities for improving the public realm and more continental style outdoor activities.

The Local Government Association has recently produced a toolkit to help local authorities to understand the various steps that they could make in supporting high streets through this period of change. The toolkit shows that more responsibilities are at district than county level, but nonetheless it is a useful description of the issues that should be addressed:

Foundation		Responsibility
Evidence and objectives	Has a baseline survey of issues been completed, aims defined, objectives, scope and long-term monitoring of impacts agreed?	District Local Plans and surveys
Function		
Parking, travel and access	Is an integrated and customer-focused parking, travel, and access strategy in place?	District and County parking strategies and Local Transport Plan
Planning and property	Are there robust town-centre-first policies, master-planning, priorities within and between towns and has work been coordinated with town centre businesses and landlords?	District Local Plan, Development Management and where appropriate business improvement district groups
Streetscape and public realm	Has a funding strategy and ongoing, prioritised streetscape and public realm improvement plan been agreed with an understanding of 'connected value'?	County Highways
Business Support	Is there tailored training/mentoring and a strategy to enhance the quality and distinctiveness of retail, services, hospitality and leisure businesses based on current provision, trends and knowledge of competing centres?	County Economic Development, Trading Standards, and where appropriate business improvement district groups

Place branding and marketing	Is there a clear understanding of the town brand with pooled budgets and a creative, collective marketing campaign?	Districts and where appropriate business improvement district groups
Digital technology and data	Is there an ongoing assessment of digital infrastructure and skills with an investment plan and approach for the collective use of data in marketing and monitoring the town centre?	Districts, County and where appropriate business improvement district groups
Form		
Governance and influence	Is there an appropriate structure, membership and credibility to coordinate local stakeholder activity and influence cross-departmental or other strategic partnerships?	Districts, and where appropriate business improvement district groups
Folk		
Community engagement and coordination	Is there strong public, private and community engagement with active and coordinated involvement in planning and delivery that extends to community assets development and is backed by a clear communications plan?	District Local Plans and Development Management
Roles and capacity	Are there an effective chair, suitably skilled board, employment of necessary staff, effective management of trained volunteers and clear lines for joint working with other stakeholder groups?	Districts and where appropriate business improvement district groups
Funding		
Finances and investment	Is there an organisation with robust financial procedures and strategy agreed for diverse and sustainable fund raising and income to support a town centre? Is it 'run as a business' with inter-relationships understood and investment secured?	Where appropriate business improvement district groups
Forward Planning		
Strategy and plans	Is there a well-defined 'forward framework' comprising an overarching vision/strategy, a rolling organisational business plan and a parallel action plan co-ordinating delivery on the ground?	District Local Plans and Area Action Plans

It is clear from the Local Government Association's work that there are several actors who have an important role to play in supporting retailers and residents. Within LCC these include Highways, Economic Development, Policy Planning, and Trading Standards.

Establishing a Working Group

Given the importance of issues relating to the high street it is important to examine how LCC's various services support high street revitalisation. A working group would enable this to happen.

The working group will be supported by those council departments that have a direct impact on High Street vitality: Environment and Economy, Trading Standards, Highways, etc.

It is recommended that the Environment and Economy Scrutiny Committee approve the creation of a time limited working group to identify the ways that LCC as an upper tier authority can support high street vitality.

2. Conclusion

There are substantial changes taking place on the high street. Many of those are not issues that LCC has responsibility for, but nonetheless it will be useful to examine how LCC's various services support high street revitalisation through the formation of a working group.

3. Consultation

a) Have Risks and Impact Analysis been carried out?

No

b) Risks and Impact Analysis

N/A

4. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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