LICHFIELDS

Moving on up?

Levelling-up town centres across Northern England

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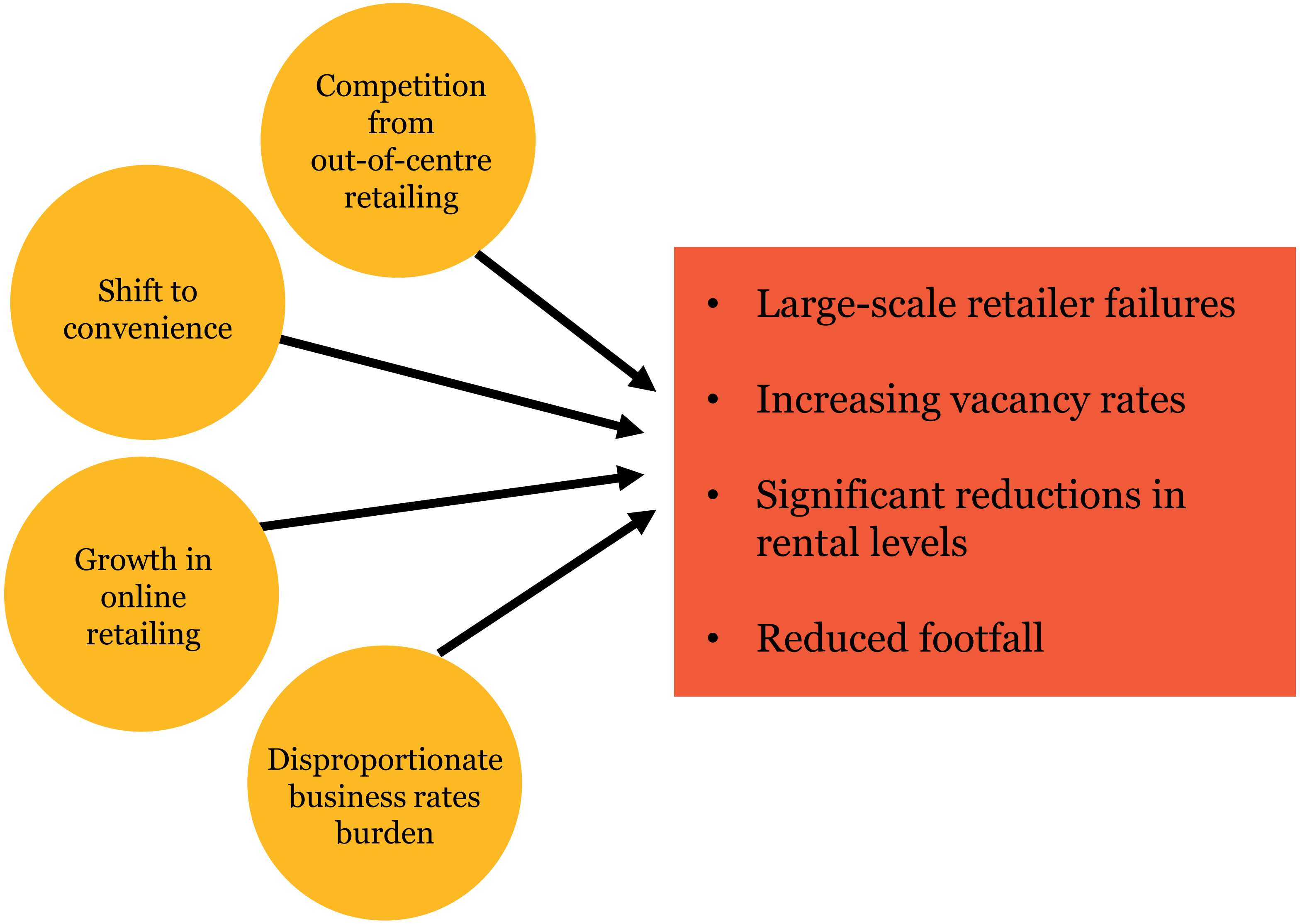
Part 1: Context

Town centres pre-Covid: a perfect storm



Then Covid-19 takes its toll…

- 8.5%
change in spending per capita on comparison goods in 2020.

+ 8.4%
change in spending per capita on convenience goods in 2020

27%
market share of non-store retailing in 2020

- 11,319
net change in retail/leisure units in 2020

- 9,877
net change in national multiple retail/leisure units in 2020

From **12.1% to 13.7%**
increase in the unit vacancy rate from 2019 to 2020

Source: Experian and Local Data Company

Declining vitality and viability

Centre	Prime Zone A Rent – 2004	Prime Investment Yield - 2004	Prime Zone A Rent – 2019	Prime Investment Yield - 2019
Newcastle Upon Tyne	£325	4.5%	£275	5.5%
Middlesbrough	£140	5.75%	£65	7.5%
Durham	£140	5.25%	£90	6%
Sunderland	£130	5.75%	£85	7.5%
Darlington	£120	5.25%	£60	7%
Washington	£105	6.5%	£80	8%
Hartlepool	£90	6.0%	£45	9%
South Shields	£80	5.75%	£30	7.5%
Stockton On Tees	£70	5.75%	£25	7.5%
Redcar	£60	6.5%	£25	9%
Bishop Auckland	£55	5.5%	£20	9%

Source: @retail

The post-Covid outlook

- **Most retail and leisure re-open but not ‘business as usual’**
- **Town centres now a very different experience**
- **Bounce-back in sales/footfall but Covid has accelerated the decline in physical retailing**
- **Online retail will continue to expand its market share year on year**
- **Vacancy rate set to rise further**
- **Town and city centres need to adapt**

Market share of non-store retailing forecast to hit **30%** by 2027

Further loss predicted of between **14,000-18,500** shops in 2021 and an increase in the national vacancy rate to **14.6%**

Drivers of change

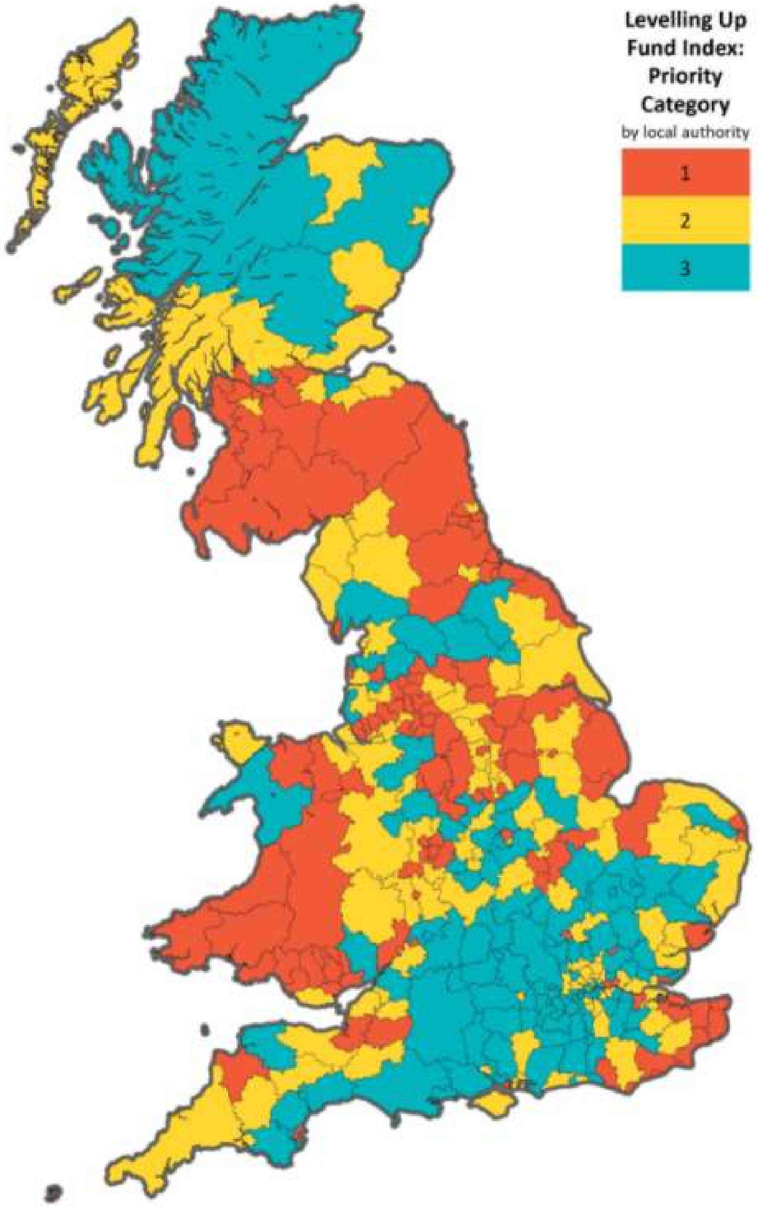
- Health and wellbeing
- Education
- Tourism
- Heritage
- Digital and creative
- Town centre living

For further information...

Part 2: Government Response

Levelling Up Fund

- **£4.8billion fund, running to 2024/25**
- **Up to £20m per bid**
  - Large, high value transport projects (£50m)
- **Focus on 'high value local investment priorities'**
- **Interventions in scope**
  - Town centre and high street regeneration
  - Cultural and heritage assets
  - Local transport projects
- **Preference to bids from higher priority areas**
  - Greater need to support recovery and growth



UK Community Renewal Fund

- **£220m fund to smooth transition to Shared Prosperity Fund (SPF)**
- **Developing pilot programmes and new approaches in advance of SPF**
- **Revenue focussed (90%)**
- **Available across UK**
- **Investment priorities:**
  - Skills
  - Local business
  - Communities and place
  - Supporting people into employment

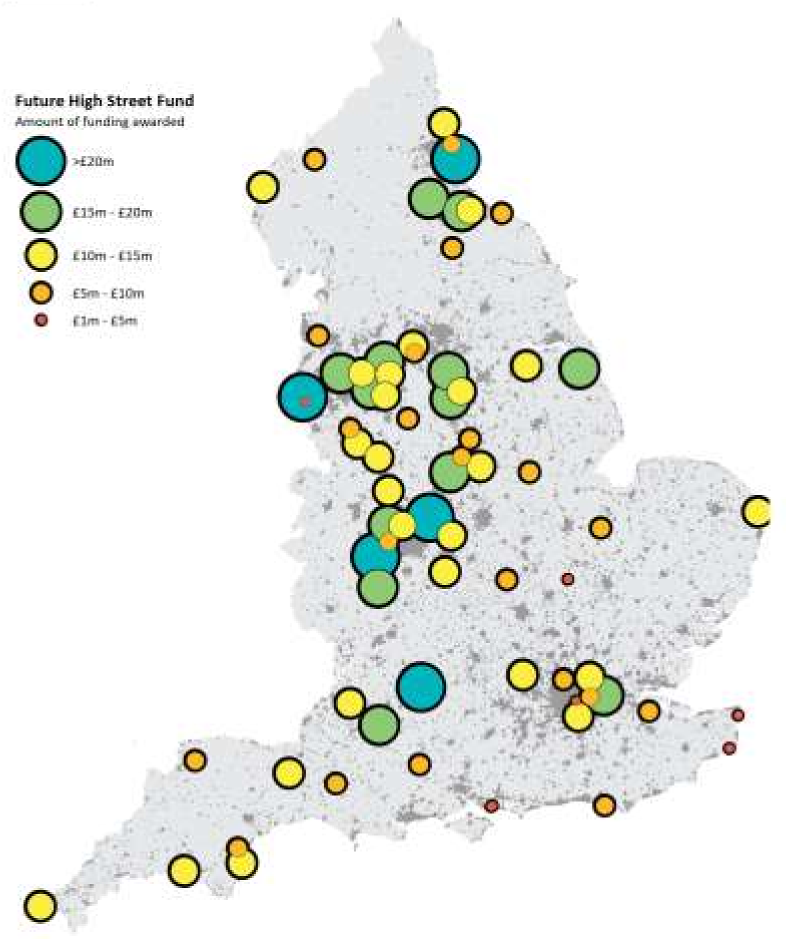
Future High Streets Fund

- ***"renew and reshape town centres…improves experience, drives growth and ensures future sustainability"***

- **72 areas awarded £830million**

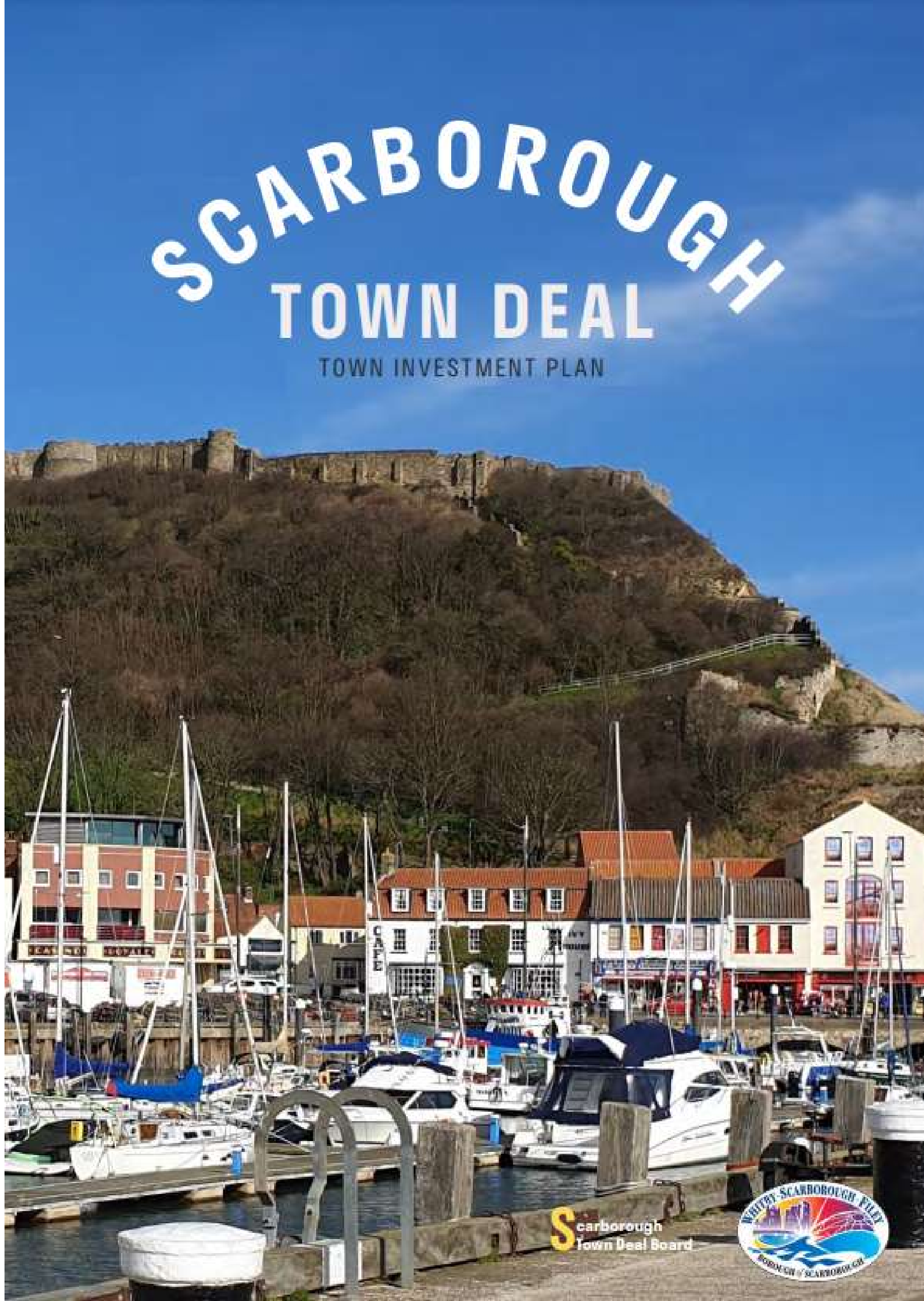
- **Single, transformative proposals**
  - One high street/town centre
  - Not limited to one intervention

- **Interventions in scope**
  - Physical infrastructure
  - Land acquisition/assembly (housing/workspace/public realm)
  - Change of use including housing
  - Transport improvements
  - Adaptation to changing technology



Towns Fund

- **£3.6 billion fund to deliver sustainable economic regeneration of towns**
- **83 of 101 towns with funding confirmed**
- **Up to £25m per town**
  - £50m in exceptional circumstances
- **Capital-focused fund**
- **Interventions in scope**
  - Connectivity (digital and physical)
  - Urban regeneration, planning and land use
  - Arts, culture and heritage
  - Skills and enterprise



Heritage Action Zones

- **60 High Street HAZ projects**

- **£95m funding allocated**
  - DCMS
  - FHSF
  - HLF

- **Partnership approach**

- **Funds available to support**
  - Regeneration of buildings and associated public realm
  - Cultural programmes as part of site-specific events within historic environments

Part 3: Case Studies

Stockton on Tees

- **Closure of national multiples**
- **Competition from Teesside Retail Park**
- **Reimagined to reflect market town heritage**
- **Focus on events and markets**
  - Investment in public realm and art
  - Reopened Globe Theatre
  - Established Stockton International Riverside Festival

Stockton on Tees

- **Castlegate Centre**
  - High vacancies (44% floorspace) and reducing rental income
  - Acquired by Council (2019)
  - Plans to replace with urban park and mixed-use development

- **Commitment to growing local independents – Enterprise Arcade**
  - Low cost, flexible space – trial ideas
  - 92 start-ups – 30 progressed to permanent town centre units

Redcar

- **M&S closed in 2014 leaving large void at heart of centre**
- **Unit vacancy rate around twice the national average**
- **Attractive beach/coastline but generates limited benefit for existing businesses**
- **£25m awarded by Government through Towns Fund for package of projects to help transform town centre**

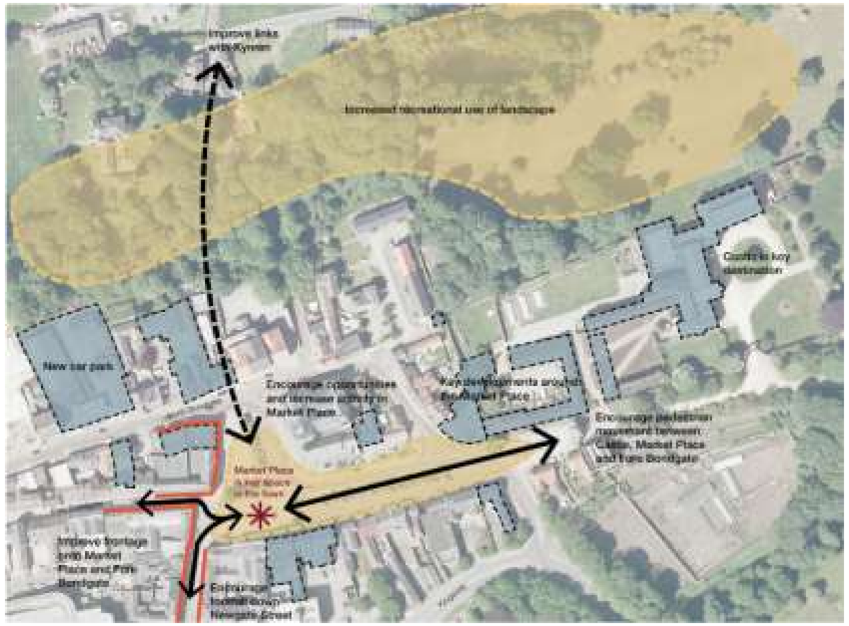
Redcar

- **Demolition of M&S and creation of new public space connecting Esplanade with High Street**
- **Water sports hub at Coatham**
- **Indoor activity centre/library**
- **New housing at Station Road**
- **Environmental and accessibility improvements**
- **Will complement other projects – including Regent Cinema and new hotel at Coatham**

Bishop Auckland

- **Town centre facing twin challenges of significant vacancies and out-of-centre developments**
- **Masterplan seeks to use Kynren and new cultural/tourist attractions as catalyst for investment**
- **Major opportunities to transform tourism offer and create an overnight destination**
- **Need core infrastructure and attractive town centre offer to harness these opportunities**
- **Awards from Future High Streets Fund (£20m) and Towns Fund (£33m)**

Bishop Auckland



- **Strategy developed to re-occupy empty floorspace**
- **Re-purposing of buildings for non-retail uses (including tourism facilities)**
- **Encourages more food and beverage uses**
- **Scope for more outdoor events/markets**
- **Public realm and connectivity enhancements**
- **Improvements to key gateways (including bus and rail stations)**
- **Stimulus for further private investment**

Malton

- **Historic strengths in food production and retail**
- **Food and drink-focussed regeneration**
- **Artisanal start-ups encouraged**
- **'Made in Malton' brand developed**
- **Delivery of new retail/production space**
  - Talbot Yard Food Court
  - Navigation Wharf

- **Regular programme of events**
  - Food Lovers Festival
  - Monthly food market
  - Beer and Gin festivals
- **8 retail units let in (2019) and low vacancies**

Altrincham

- **2010: vacancies of 30% - “England’s emptiest high street”**

- **2018: best high street, Great British High Street Awards**

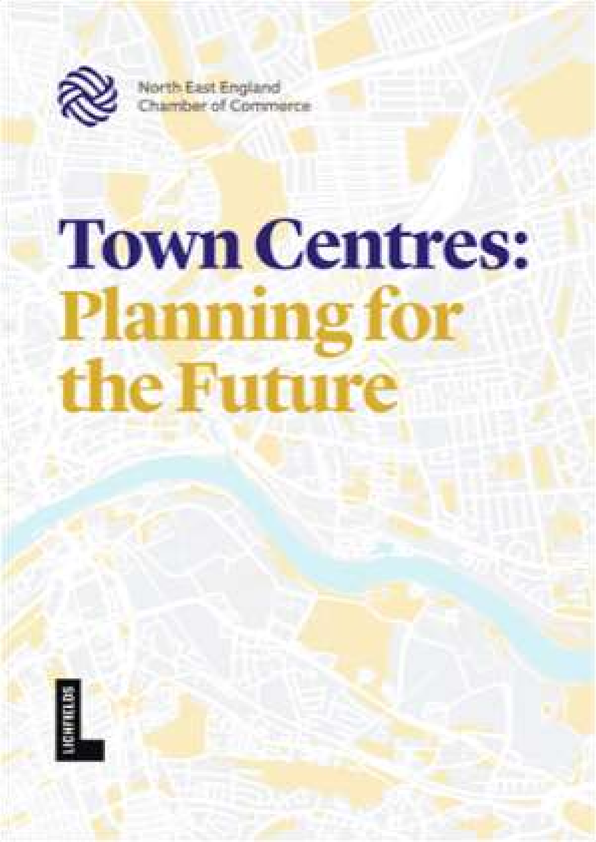
- **Business Improvement District (Altrincham Unlimited)**
  - Collaboration of local businesses
  - Drive footfall through events programme
  - Loan scheme – improve small units

- **Altrincham Neighbourhood Plan Forum**
  - Plan to shape development and address key issues
  - Shortage of parking
  - Top floor retail to resi conversions

What can we learn from our experience?

- **The role of centres is changing – radical solutions required**
- **Issues/challenges differ by centre – no ‘silver bullet’**
    - Varying importance of drivers of change
    - Large capital projects vs ‘softer’ interventions
- **Responses should be grounded in a centre’s heritage and sense of place**
- **Importance of an evidence-based approach**
- **Interventions can be planning-led or funding-led – BUT must be shaped by a set of guiding principles**

For further insight…



Thank you

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