

LICHFIELDS



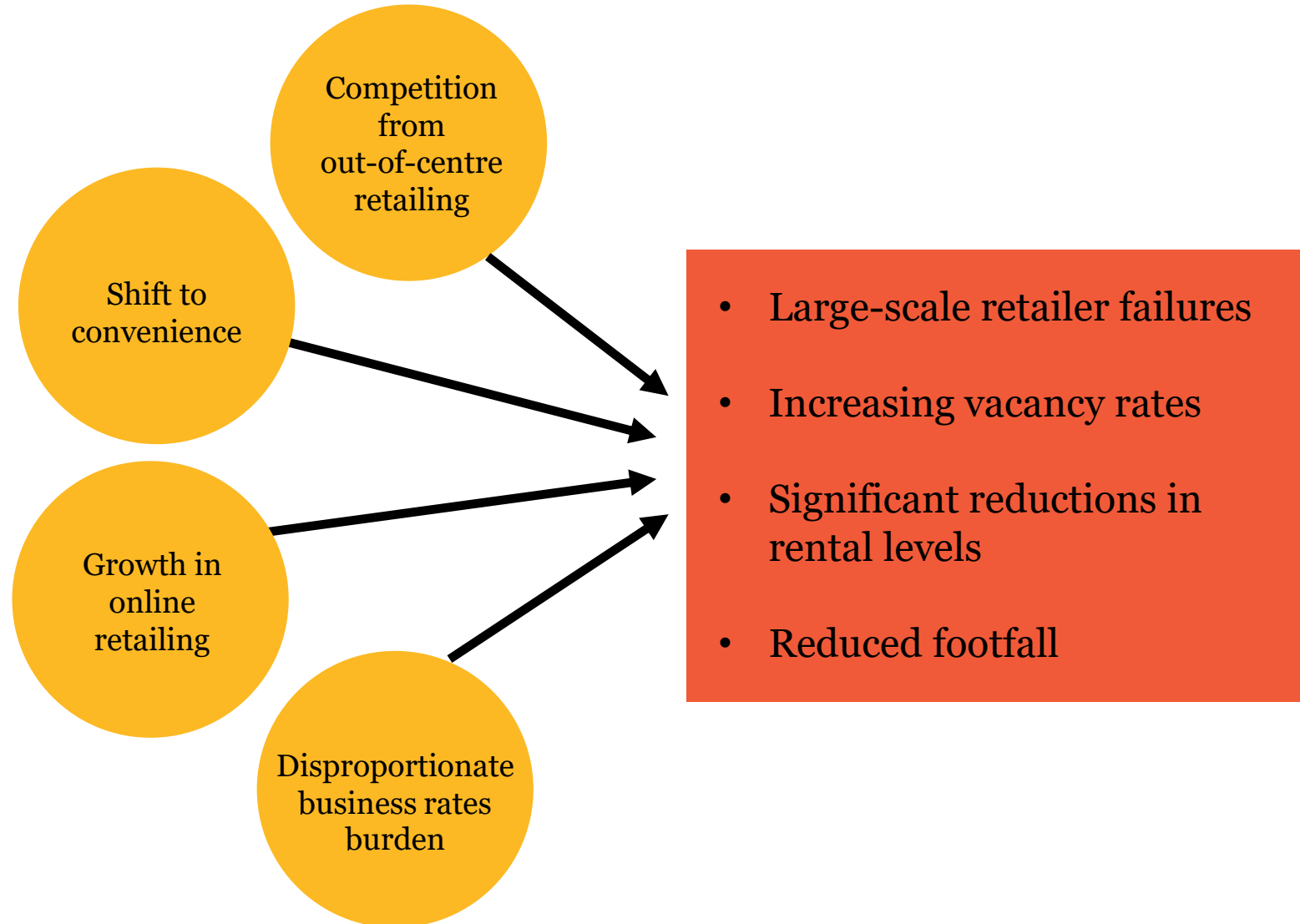
Moving on up? Levelling-up town centres across Northern England

Jonathan Wallace and Ross Lillico

28 September 2021

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.



- 11,319

net change in retail/leisure
units in 2020



+ 8.4%

change in spending per capita
on convenience goods in 2020



- 9,877

net change in national multiple
retail/leisure units in 2020



27%

market share of non-store
retailing in 2020



From 12.1% to 13.7%

increase in the unit vacancy rate
from 2019 to 2020

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**

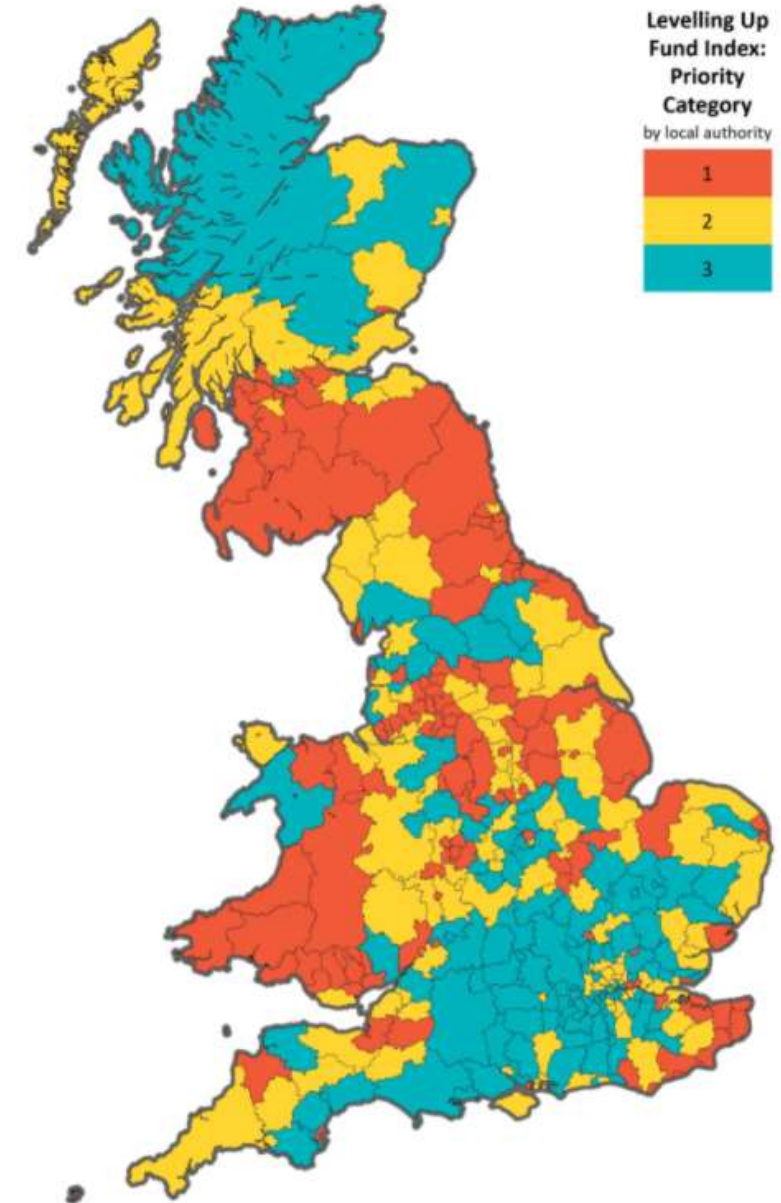
For further information...



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



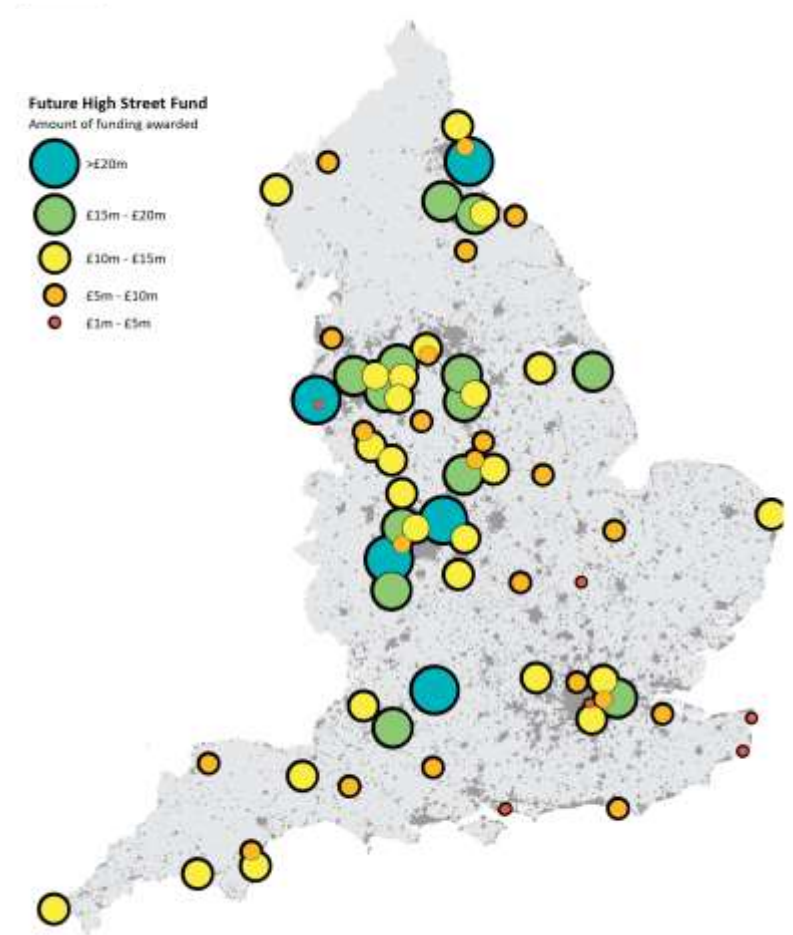
UK Community Renewal Fund

- **£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



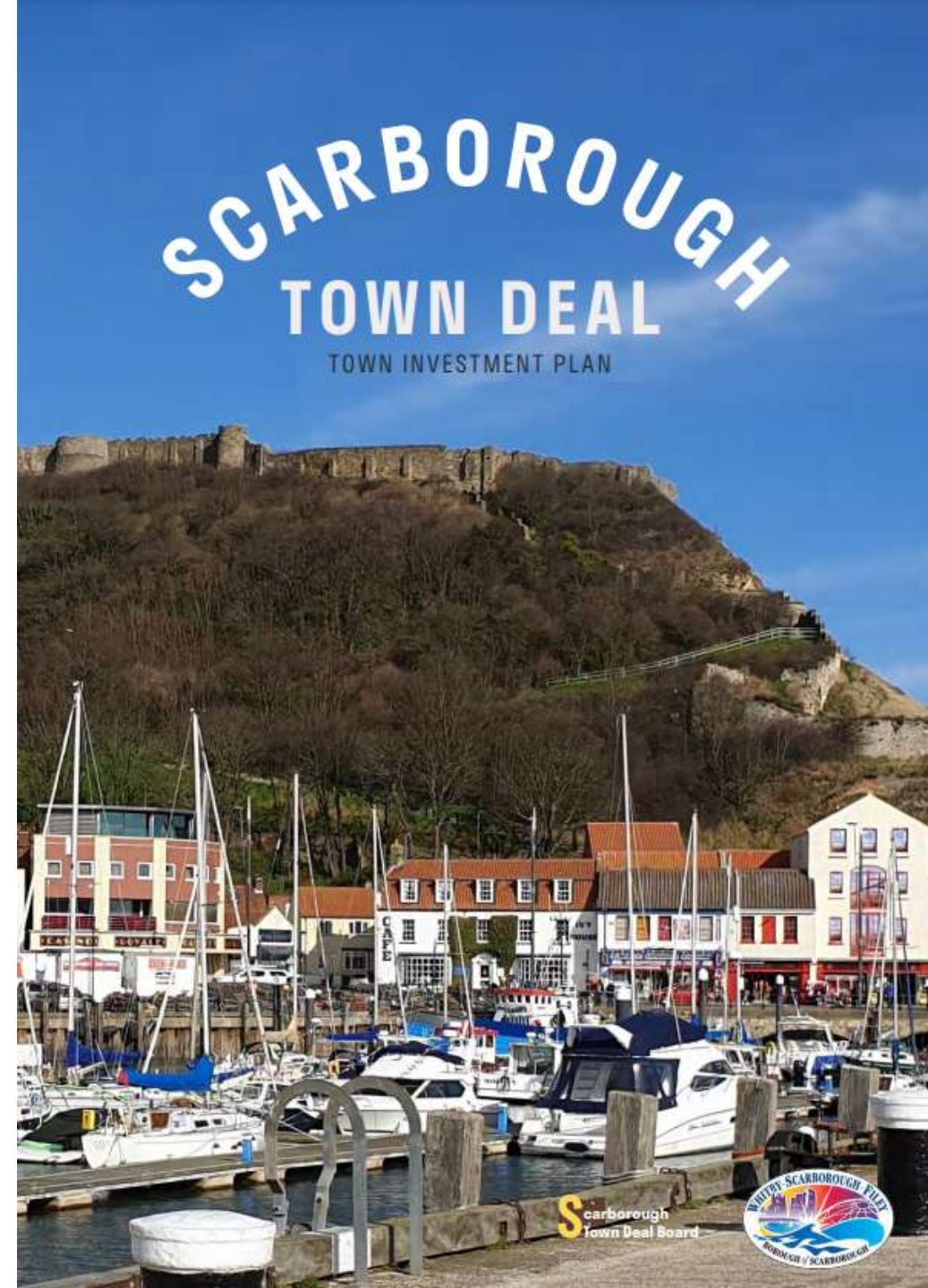
Future High Streets Fund

- *“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**



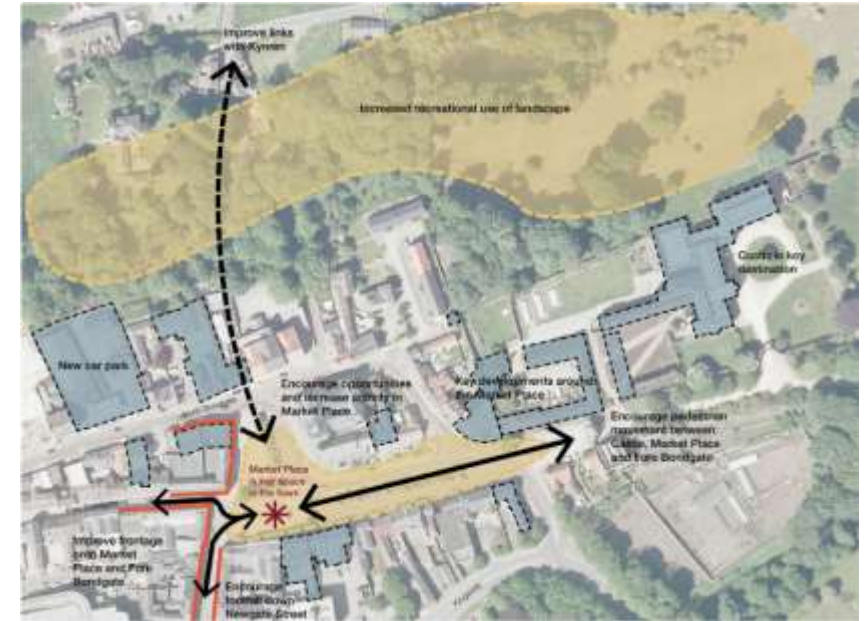
Bishop Auckland

- **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...

INSIGHT
JULY 2021

Moving on up?

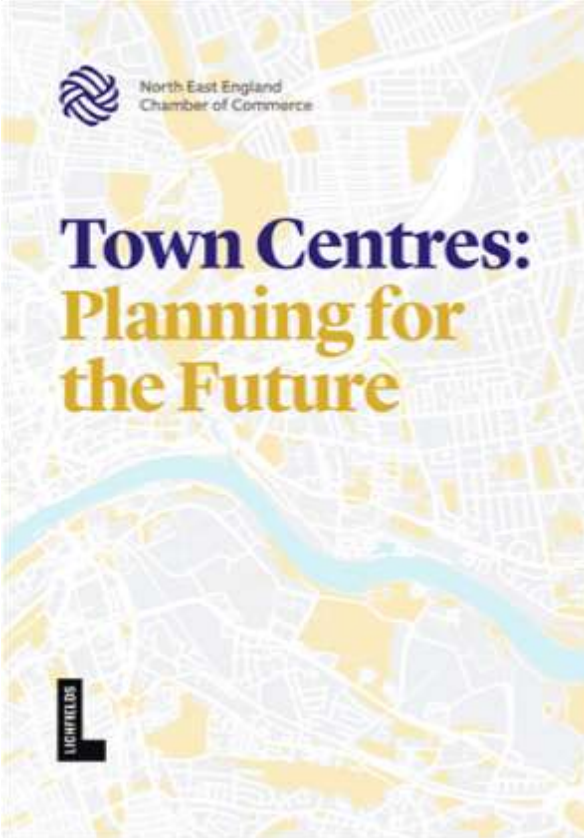
Levelling-up town centres across Northern England



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North East England
Chamber of Commerce

Town Centres: Planning for the Future



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Insight focus
SEPTEMBER 2020

The next generation: The future of our town centres



In this insight we consider the future of our town centres, with specific focus on young people, how they engage with centres and what this means for high streets of the future.

Town centres are continuing to face significant challenges in a period of unprecedented change. Continued growth in internet shopping, an increasing reliance on convenience, the rise of discount shopping and the continued reduction of out of centre retailing has all contributed to a fall in demand for physical retail. Towns are well placed to respond to these challenges in a way which meets the needs of future generations, we need to understand what factors cause of high streets will be looking for. Understanding this – and the needs of young people – will be key for planners, policy makers and town centre stakeholders if they are to ensure a vibrant future for the town centre.

Against this background, Lichfields surveyed over 100 young people in September 2020, giving valuable insight into the thoughts, habits and demands of this key demographic.

This report reflects upon the way in which young people view town centres and what they want to see in the future.

These reforms are primarily aimed at creating vibrant, mixed-use town centres by allowing businesses greater freedom to change to a broader range of compatible uses which communities expect to find in modern high streets, as well as more generally to town and city centres.

Lichfields Researcher: The Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020

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HEADLINE FIGURES

- 58% of respondents believe that town centres are the future of retail.
- 41% of respondents believe that town centres are the future of retail.
- 42% of respondents believe that town centres are the future of retail.
- 38% of respondents believe that town centres are the future of retail.
- 37% of respondents believe that town centres are the future of retail.

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Insight focus
JULY 2020

Supporting the recovery of High Streets and Town Centres



Town centres and high streets continue to respond to structural changes in what society demands of their function and offer. This process has been exacerbated by the rapidly materialising impacts of COVID-19, necessitating that town centres and high streets adapt.

Town centres have always been the places where people come together to meet their needs and businesses have long relied on them. These institutions that have a positive and positive planning strategy to support independent businesses and ensure vibrant town centres and attract new investment will ensure the greatest long-term recovery. Through active participation and leadership, central and independent businesses need to step up and play their part in the recovery of town centres.

With innovative and flexible approaches, and the willingness to place in support of them, there is now a real opportunity to bring forward measures that will help town centres and high streets to recover and thrive.

Re-imagining the high street

The traditional high street (and town centre) is a place where people come together to meet their needs and businesses have long relied on them. These institutions that have a positive and positive planning strategy to support independent businesses and ensure vibrant town centres and attract new investment will ensure the greatest long-term recovery. Through active participation and leadership, central and independent businesses need to step up and play their part in the recovery of town centres.

The recovery of town centres and high streets is a process that will take time and effort. It is a process that will require the support of all those who are involved in the recovery of town centres and high streets.

1. A focus on the high street as a place where people come together to meet their needs and businesses have long relied on them. These institutions that have a positive and positive planning strategy to support independent businesses and ensure vibrant town centres and attract new investment will ensure the greatest long-term recovery. Through active participation and leadership, central and independent businesses need to step up and play their part in the recovery of town centres.

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Thank you



Jonathan Wallace
Senior Director

E: jonathan.wallace@lichfields.uk
T: 07715 705 456



Ross Lillico
Economics Director

E: ross.lillico@lichfields.uk
T: 07976 076 871