



BRITISH-IRISH PARLIAMENTARY ASSEMBLY
TIONÓL PARLAIMINTEACH NA BREATAINE-NA hÉIREANN

FINAL REPORT

from

Committee C (Economic Affairs)

on

The Revitalisation of the High Street

October 2019

Introduction

Background to the inquiry and overview of work carried out

1. At its meeting in October 2018, the Committee agreed that its next inquiry should be on ‘the revitalisation of the high street and local businesses.’ The problems facing the high street are well documented: business rates, online shopping, out of town shopping malls and retail parks, access and transport in and around the city centre, rising costs, etc. Consequently, the Committee decided to focus its inquiry on finding best practice policy tools, through a comparative study of case studies across the UK and Ireland, to address common problems afflicting high streets and local business. The purpose of this report is to propose practical solutions at a local and national government level to address the multi-faceted problem of high street decline.
2. During our inquiry, the Committee heard evidence from a range of stakeholders in Stockton-on-Tees and Newcastle-upon-Tyne (19 November 2018), Dublin (31 January 2019), and Newcastle, Co. Down and Belfast (1 February 2019).
3. The Committee is grateful to all of those who contributed to the inquiry, shared expertise and helped to organise meetings.
4. This report provides:
 - A short overview of key issues facing the high street;
 - Case studies of best practice in high street revitalisation;
 - Recommendations for practical action to support the high street and local business in towns and cities across the UK and Ireland.

Our inquiry

Meetings and evidence

5. The Committee held meetings with a wide range of stakeholders such as local authorities, Business Improvement District (BID) groups, local and community groups, retail representatives and academics.
6. On 19 November 2018, the Committee visited Stockton-on-Tees and heard evidence from representatives of Stockton Borough Council, Stockton BID members and local business owners. The Committee then undertook a guided walking tour of Stockton town centre.
7. Also on 19 November 2018, the Committee travelled to Newcastle-upon-Tyne and heard evidence from representatives of Newcastle City Council and the NE1 BID Group. The Committee then heard evidence from academics at Northumbria University's Department of Architecture and Built Environment.
8. On 30 January 2019, the Committee met in Dublin and heard evidence from: representatives of Dublin City Council; the Jobs4Tipp and March4Tipp groups; and retail organisations, including Retail Ireland, Retail Excellence, Small Firms Association and Chambers Ireland. The Committee also met with Damien English T.D., Minister of State at the Department of Housing, Planning and Local Government with special responsibility for Housing and Urban Development.
9. On 1 February 2019, the Committee met in Newcastle, Co. Down and heard evidence from representatives of Newry, Mourne and Down District Council. Committee members were then led on a tour of the town.
10. In the afternoon of 1 February 2019, the Committee travelled to Belfast and heard evidence from Belfast City Council, the Department of Communities and the three BID groups operating in Belfast. The Committee was then brought on a walking tour of Belfast city centre.

Key issues

11. A wide variety of different stakeholders engaged with the Committee's inquiry and the Committee visited a variety of areas with different geographic, demographic, spatial, administrative and historical features. Many common themes emerged from these different stakeholders and communities.

12. Common problems confronting all the high streets we examined include; business rates, competition from out-of-town retail and online shopping, traffic congestion and parking charges, the rising cost of doing business and changing customer behaviour. These issues are well-documented; therefore, the main focus of the Committee's inquiry was to identify and share examples of best practice that empower communities to tackle these challenges.

13. The key findings and recommendations of the Committee are grouped under three headings:
 - Practical action that local government, business groups and communities can take now to help the high street;
 - Recommendations for policy change by national governments to future-proof the high street; and
 - Other areas of government policy which overlap with high street regeneration.

Findings

Practical action local government, business groups and communities can take now to help the high street

14. During the Committee's evidence gathering visits we saw a wide range of strategies employed to tackle the decline in footfall on the high street and attract people back into town and city centres. In this section, we discuss initiatives to maximise the benefits of experiential shopping through place making and public realm improvements, the importance of getting the basics right on litter, lighting and access and provide examples of targeted support for retailers. However, more important than any single initiative or promotional project, the Committee identified strong local leadership and long-term vision as the most important factor in determining success in the revitalisation of the high street. Local leadership, and the community buy-in it creates, appeared time and again as the vital underpinning on which the success of other initiatives rests.

Leadership and community buy-in for regeneration projects

15. In order to be successful, towns and cities need to develop well researched and evidence-based plans which set out a clear long-term vision for the local high street. The plans should include time-based targets, strategies to secure extra funding and aim to secure buy-in from businesses and the local community. Having a local council representative, community leader or BID group to engage with and motivate the local business community to support urban regeneration was highlighted as a key driver of success.

Case study: Newcastle, Co. Down

In 1999 a group representing community, businesses and statutory agencies was formed with Council funding and support. The group, Newcastle 2000, studied other coastal towns in the UK and Ireland and used this information to create an Action Plan for Newcastle focussing on regeneration of the

promenade. They bid for EU funding under the 'Local Agenda Plan' and Down District Council invested £11m into a two-phase development of the new promenade which was completed in 2006. The Promenade won design awards; All Ireland Landscaping Award 2006, Civic Trust Award in 2007, UTV Business Award 2008. The scheme boosted civic pride and engagement from the local community in rejuvenation projects. It was a catalyst for action in Newcastle and created a will to do more. Future plans for the town envisage Newcastle as a gateway to the Mourne mountains with plans to build the town's visitor economy through a focus on outdoor activities and maximisation of the area's natural beauty.

16. Applications for government funding for high street regeneration should use funding criteria that encourage local community buy-in, long term planning and clear lines of responsibility in the local area. Where projects do not meet these standards, applicants should be signposted to resources which can help improve planning and strategy.

17. Strong local leadership enables the delivery of innovative solutions which would be impossible without buy-in from the local business community. In the UK, the Committee met with BID groups which have taken on an important leadership role in driving change on the high street. A BID is a precisely defined geographical area of a town, city, or commercial district where business ratepayers are invited to vote to invest collectively in local improvements that are additional to those currently provided by local government.¹ BID groups foster cooperation and employ leadership skills to persuade local councils, businesses and communities to implement their initiatives.

¹ Stockton BID Business Plan 2016 - 2021, Stockton BID

Case study: Newcastle-upon-Tyne NE1 BID Group

Newcastle-upon-Tyne's NE1 BID group was one of the first Business Improvement Districts, established in 2009, and was the largest BID in the UK at the time. The BID Group is independent and not for profit. The BID levy is 1% for all businesses with over £20,000 rateable income (approximately a third of businesses in the BID area). This generates over £2 million per annum for the BID which is used to fund major capital investment projects, events and promotional initiatives for Newcastle city centre. In October 2018, 88% of NE1's 1,4000 businesses Newcastle voted in favour of granting the NE1 a third, five-year business term which will run until 31 March 2024. The ballot was record breaking with 904 ballots cast, 8% up on NE1's previous record set in 2013². The record turnout and positive ballots cast also makes NE1 the most strongly supported BID in the United Kingdom. NE1 has no assets but works closely with Newcastle City Council to make best use of the public realm and attract visitors into the city centre.

18. An excellent example of BID groups demonstrating local leadership is the work carried out in both Newcastle and Dublin to encourage business owners to coordinate later opening hours. Evening opening can encourage people to mix shopping with night time economy activities such as going to the cinema or a restaurant. It also enables high street shops to compete with the internet and out-of-town shopping parks with regards convenience. The Dublin Town BID group presented businesses with research which showed that 65% of those surveyed would shop later in the evening if shops were open and 73% of these people would also socialise if they were shopping in the evening.³

² [Key Facts](#), NE1 website

³ Meeting with Committee C delegation on 31 January 2019

Case study: Newcastle-upon-Tyne – Alive After 5

The NE1 BID group held stakeholder consultations with retailers to identify ways of competing with out of town and online retail. Later opening hours were identified as a potential way to compete. This led to the development of the Alive After 5 campaign to encourage businesses in the city centre to extend opening hours to 8pm. As part of the campaign, car parking is free after 5pm. As a result of the campaign, there has been over £839 million of extra spending and 13.7 million extra visitors to the city centre. Importantly, the later opening hours have encouraged extra trade, not just the same level of trade spread over more hours; between 15 and 25% of total trade now takes place after 5pm⁴. Evening shopping is more likely to be combined with other activities, such as the theatre, cinema or dinner. 78 new restaurants have opened, and Newcastle now has the largest number of restaurants per capita in the UK outside London. Marketing campaigns and events have also contributed to the growth in the evening economy. Newcastle Restaurant Week has grown from 13 restaurants initially to 105 in 2018. It takes place on the 3rd week of January and the 1st week of August, traditionally the two quietest weeks of the year for the restaurant industry. The later opening hours are not legally enforced and when Alive After 5 was first introduced in 2010 only 50% of retailers took part. With the success of the campaign, this percentage has been growing and the number of participants has now reached a critical mass.

19. In Newcastle, there was a three-month lead in for later opening hours to allow retailers to hire new staff and change shift patterns. The NE1 BID also helped secure changes to public transport timetables through the local council to ensure staff working later could get home. These examples show that a joined-up approach from all stakeholders involved in the high street is a critical factor in driving change.

⁴ [NE1 BID Renewal Consultation](#), NE1 BID

20. Various groups that met the Committee also repeated the importance of community groups, local authorities, business groups and the general public coming together to make urban revival work. However, in some cases engaged citizens have taken on the key leadership role in driving change in the local community.

Case study: Tipperary town

Jobs4Tipp is a voluntary, not-for-profit group of local people, working in cooperation with the local Chamber of Commerce and other groups, to bring new enterprise and jobs to Tipperary town. The group first approached Tipperary County Council to address some of the issues with the town five years ago and has increased activity over the last two years. In November 2018, March4Tipp held a 5000 strong protest march in the town to draw attention to the problems, such as high street decline and unemployment, faced by Tipperary town and over 3000 people attended a second march. Pressure from community groups, working in conjunction with local TD Mattie McGrath, helped to secure a commitment from the Government to provide an independently-led and funded task force to address the issues affecting the town. The Tipperary Town Centre Forum has been formed with representatives from local stakeholder groups and agencies and has commenced work, in conjunction with Tipperary County Council, on a three-year Action Plan to develop the economic, social and tourism potential of Tipperary town and its surrounding area. In June 2019, planning students from Queens University Belfast visited the town to engage with residents, businesses and shoppers in the town, and carry out an appraisal of the town to aid the Forum in its work⁵.

Experiential shopping and urban planning

21. Over the course of the Committee's visits, it became increasingly clear that community, leisure and experiential activities are key to attracting people into

⁵ [Press release](#), Tipperary County Council website

town and city centres. The high street cannot compete on price with online retail or large out-of-town retail parks, but it should be winning by miles on shopping experience. Vibrant high streets and town centres need to have a mix of attractions and services to cater to a public with an increasing desire for experiences and services over goods. The visual appearance, cleanliness, safety, character and history of an area all play a part in increasing its attractiveness and improve the overall experience of spending time on the high street.

22. High streets need to strike a balance between retail and experiential attractions. Having a mix of services (hairdressers, barbers, nail bars), food and beverage offer (cafés, restaurants, pubs), cultural attractions (museums, cinemas, theatres, libraries) and well-maintained public realm (parks, boardwalks, public seating areas) differentiates the high street and attracts a wider range of customers. Stakeholders emphasised changing trends in shopping behaviour – customers, particularly younger generations, prefer to mix shopping with socialising and the focus is moving to the overall experience rather than price. This presents an opportunity for high streets to attract customers back from out-of-town retail parks by providing personalised and interactive customer service. The Committee heard that shops which provide services additional to the retail offer, such as complimentary yoga classes in a sports wear shop (Lululemon) or children’s storytelling events in a bookshop (Drake’s independent bookstore), can maximise the benefits of this the trend in experiential shopping.

23. Stakeholders told us that town and high street planning must also ensure that undesirable retail uses are limited or removed. Over-proliferation of low-quality retail such as fast food outlets, charity shops and gambling shops can discourage high quality retail units moving into an area. Local authorities must leverage their existing planning powers to ensure an appropriate mix of commercial properties which contribute to the overall experience-value of the town centre. Local authorities should also put strategies in place to manage very large retail spaces which no longer suit the needs of the modern retail market. Public spaces that can be adapted for street theatre or events add to the experiential offer and art installations or interactive design features increase dwell time.

Case study: Dublin

Schemes of Special Planning Control allow Dublin City Council to define the special character of a street and control both the quality of the retail spaces and decisions over the change of use of retail units. Schemes of Special Planning Control have been adopted for Grafton Street and environs and for O'Connell Street and environs. Under the scheme, the Planning Authority may serve a notice to owners/occupiers of land setting out measures required to be undertaken for the restoration, demolition, removal, alteration, replacement, maintenance, repair or cleaning of any structure. Or, the discontinuance of any use or the continuance of any use subject to conditions.

Dublin City Development Plan also focuses on the promotion of an appropriate mix of uses and the remediation of derelict or vacant sites.⁶

24. Establishing a co-working space in a town centre adds diversification to the high street and keeps workers' spending money in the local authority. Tech hubs and cooperative working spaces are good options for smaller towns to attract high skilled workers and encourage locals who have left the area to complete third level education to return. Flexible working and remote working opportunities are increasingly available due to the digitalisation of the economy. Retail groups emphasised that place of work and place of spend are linked so ensuring the infrastructure is in place for people to work in their local towns and villages means that they will bring more money into the local economy and local shops.

Case study: Stockton-on-Tees

To encourage businesses to locate in the town centre, Stockton Borough Council repurposed old council offices into a business centre that now hosts 32 small businesses and former retail premises have been converted to offices.

⁶ [Scheme of Special Planning Control](#), O'Connell Street & Environs, Dublin City Council, 2016

The council also used heritage grant funding to transform a former department store into an incubation hub for retail businesses. The Fountain shopping mall provides an opportunity for independent retailers to get started and grow a customer base with short leases, low overheads and business support. Successful businesses can then move on to their own premises on the high street. Those businesses who decide not to continue are not saddled with long term leases or excessive debt. About 20% of the retailers in the scheme do not continue.⁷

Attracting visitors and increasing dwell time: public realm improvements and place making

25. Investing in a high-quality and visually pleasing public realm spaces can encourage dwell time and make the high street more appealing to the public. Well-maintained public lighting, particularly in quieter areas, creates a sense of safety and discourages criminal activity. Local authorities, councils and city centre bodies need to get the basics right in terms of clean, accessible and safe streets. Prof Bob Giddings of Northumbria University highlighted three key factors that are important for the future city centre: that the space be welcoming and safe; that it be interesting, both visually and in terms of activities on offer; and that it be accessible.

Case study: NE1 Street Rangers

The Street Rangers are a team of visible staff on the streets of Newcastle-upon-Tyne who are employed by the NE1 BID Group. The Street Rangers help the public with directions, provide information about activities and events, and work with the Police to help reduce crime and anti-social behaviour. The Street Rangers Clean Team deals with litter, graffiti and street cleaning. The Street

⁷ [Stockton – a rising star](#) (2017), Stockton Borough Council

Rangers liaise with Newcastle City Council on behalf of local businesses to deal with issues such as street lighting, parking, public realm maintenance, etc.

26. The Committee also heard about successful projects where businesses were encouraged to decorate in a traditional or locally appropriate style and avoid tacky or generic shop fronts. In some cases, local authorities could help business owners to access and apply for funding for shop front renewal and small public realm improvements such as flowers, seating and seasonal decorations. BID groups have also invested in seasonal street decorations and public realm improvements to maximise attractiveness and appeal of the area. Local authorities and BID groups should consider creating guidelines on the decoration of shop front and business premises.

Case study: Newcastle, Co. Down

In 2007 the local council secured a bid for £270,000 under EU Intereg II funding for shop-front improvement, matched by council funds of £130,000. 22 local businesses received a 50% grant to upgrade premises. The council also secured £800,000 from NI Tourist Board and Arts Council for further upgrades to town centre focussing on tourist appeal, special signage, culture and heritage. A public Art Trail was created along the Promenade with bespoke sculptures. In 2012/13 the council launched another revitalisation project. It secured funding of £250,000 from the Department of Social Development to implement an Action Plan to assist businesses in Newcastle. Money was used to secure festive electric Christmas tree, outdoor cinema equipment, and a tepee tent to host events.⁸

⁸ Presentation to Committee C Delegation on 1 February 2019 by Newry, Mourne and Down District Council

27. Stakeholders in the towns we visited told us that appealing to, and catering for, a specialist audience is another successful way to attract people to town centres and high streets. Towns and cities can carve a niche for themselves with initiatives such as specialist markets, a railway enthusiast fair, autism friendly high street or initiatives like 'fair trade town'.

Case study: Newcastle, Co. Down – Autism Friendly Town

Newcastle, Co. Down, is the UK and Ireland's first autism-friendly town. The initiative in conjunction with Autism Initiative NI has been in place since 2017. The aim is for businesses to take steps to be more inclusive and accessible for people with autism. For example, some restaurants and businesses have designated sensory-friendly times. The initiative is supported by Newry, Mourne and Down District Council through the Enterprise, Regeneration and Tourism Department. Research by Autism Initiative NI found that parents and families across the UK and the Republic of Ireland expressed interest in visiting an autism-friendly resort, meaning a potential boost for the local economy.

28. We heard that another useful way to promote town and city centres is hosting events such as half-marathon or race days, local festivals or pop-up events to drive footfall. This can be an opportunity to link in with tourism initiatives and builds a sense of place and community that feeds into the experiential retail offer. Local leaders can also draw on natural amenities and the surrounding countryside to create a unique offer. Greenways, dedicated cycling and walking trails, have been very successful in Ireland and there is an opportunity for rural towns and villages to encourage visitors by highlighting scenic coasts, mountains and other natural features in their hinterland. Similarly, emphasising social, historic and geographical features of the locality can build a sense of community and civic pride as well as differentiate a town centre from a characterless out-of-town retail park.

Case study: Stockton-on-Tees

A key element of Stockton-on-Tees' award-winning plan was to emphasise its historic roots as a market town with a market charter dating back over 700 years. Stockton Borough Council is developing the twice-weekly market and now runs a course for market traders. The Council has also introduced a full programme of speciality markets throughout the year that attract up to 3,000 people into the town.

Targeted supports for local businesses: digital support and shop front loans

29. A website is a digital shop window and small businesses should be encouraged to get online and understand new trends in digital shopping. Local authorities and BID groups must help businesses to embrace new trends in experiential and online shopping by providing training and support. Examples of initiatives to help businesses get online include creating a centralised “digital high street” website for a town or funding online trading vouchers to encourage small businesses to get online.

Case study: Online trading voucher

The Trading Online Voucher Scheme is an Irish Government grant that offers financial assistance of up to €2,500 along with training and advice to help businesses trade online. Information sessions cover various topics, including developing a website, digital marketing, social media for business and search engine optimisation. To qualify for the scheme, businesses must have no more than 10 employees, less than €2m in turnover and be trading for at least 6 months. Over 2,000 businesses have already benefitted from the scheme and businesses that participated in the scheme reported that on average, they saw

their sales increase by 20% with an 80% jump in sales leads and 3 in 5 exporting for the first time.⁹

30. Local leaders should be willing to test novel ideas for attracting visitors and, if the proposals are supported by evidence, try innovative new street layouts in the city centre. Trialling new street layouts and consulting with the business community and the public helps local leaders to achieve buy in and find the best solution for an area. Temporary interventions and pop-ups, such as NE1's Quayside Seaside, are a useful way of trying new things.

Case study: Newcastle-upon-Tyne – Quayside Seaside and Village Green

Northumberland Street in Newcastle was transformed into a “village green” in summer 2018. Traffic was diverted from Northumberland Street and approximately 1,000 square foot of artificial grass and seating was laid out. During the summer a “quayside seaside” pop-up beach is created along the banks of the River Tyne. Restaurants near the beach see a 10 to 15% increase in trade while the beach is open. NE1 works closely with Newcastle City Council on these events; For example, buses were redirected from Northumberland Street while the village green was in place.¹⁰

Access to the high street and town centre

31. Accessibility was highlighted as a key factor in attracting people to visit the high street. Problems with traffic congestion and air pollution, parking charges and public transport are central to securing the future of the high street. The general consensus among stakeholders that we spoke to is that excluding all private vehicles from the city centre doesn't work; instead, vehicles should be seen as

⁹ [Trading Online Voucher Scheme](#), Local Enterprise Office

¹⁰ Presentation to Committee C Delegation on 18 November 2019, NE1 BID Group

part of the transport infrastructure. Full pedestrianisation is not always an appropriate solution as it takes away the opportunity to attract customers as they pass in cars and impacts on retailers selling larger goods. An alternative approach is to use public realm design to better integrate cars and pedestrians and encourage the use of small electric vehicles, bicycles and public transport.

Case study: Belfast

Donegall Place is an example of how traffic and pedestrians can be integrated. Traffic has been reduced to one lane and footpaths have been extended on each side. The cordon around the former bank building that caught fire last year has disrupted traffic and pedestrian access on Donegall Place, Royal Avenue and Clare Street but has led to the opportunity to turn Clare Street into a temporary plaza with artificial grass and seating, revealing the alternative uses streets can have without traffic.

32. Frequent, reliable, public transport is needed to make the high street attractive as a convenient destination. We heard that public transport should be family friendly and accessible for parents with pushchairs. Public realm and road layouts that favour pedestrians and cyclists improve permeability in the town or city centre. Park-and-ride facilities help attract people from a wider hinterland who are not well-served by public transport and help reduce congestion in town and city centres.

Case study: Belfast Glider

The Glider public transport system, operated by Translink, has been in operation since 2018. Glider vehicles are 18 metre articulated buses with a capacity of 105 people. Optimum priority is given to Glider vehicles at signalised junctions to ensure reliable journey times and, similar to a tram, the Glider stops at dedicated stops with shelters and real time information systems. Vehicles are designed to provide accessible easy boarding for people with

reduced mobility and parents with pushchairs. The convenience and reliability of the system, as well as promotions such as discounted family fares in the run up to Christmas, are key to encouraging families to take public transport to the city centre. The Glider currently operates East-West but there are plans to expand the network.

33. The Committee acknowledges that parking is a complex issue for town and city centres and there is no one-size-fits-all approach. The towns and cities that the Committee visited as part of our inquiry developed various approaches to parking, depending on their own needs and priorities. Parking charges are often a valuable source of income to smaller town councils and parking for employees working on the high street must be considered. In cities, the location of parking spaces can impact on traffic congestion and stakeholders have suggested that multi-storey car parks should be located on the outskirts of city centres to ease congestion and allow more pedestrianisation in the centre.

Case study: Stockton-on-Tees

Stockton has 3000 spaces, low 3-hour rates and free parking on Sundays has been introduced to encourage shoppers. As part of the town centre redesign more on-street parking has been added and some “in-and-out” zones where shoppers can park for up to one hour for free. Yarm, another town in the borough, has a lot of cheap parking but there is tension related to the need for long stay parking for local employees. Parking is a big earner for the Council but must be competitively priced to encourage visitors.

Recommendations for policy change by national governments to future-proof the high street

34. During the Committee's visits local leaders also raised serious issues which could only be tackled effectively by legislative or policy change at a national government level. We heard frustration from stakeholders that the current legislative framework in areas such as business rates, transparency of property ownership and local authority planning powers was curtailing their ability to deliver ambitious plans for urban renewal.

Business rates and proposals for a digital tax

35. Business Rates were raised time and time again as a critical factor for the viability of businesses on the high street. Business rates are a property tax paid by occupants or owners of non-domestic properties, the amount is determined in reference to the rateable value of a property. We heard that high rates are a disincentive for new retail businesses and, as businesses close, those left open have more of the rates burden to bear. According to retail representative groups, over €200 million euro in rates is foregone each year in Ireland and better enforcement and compliance would ease the burden for all. Local authorities should be empowered to adjust rates as necessary to encourage new retail businesses and ensure smaller businesses are not disproportionately impacted.

Case study: Local Government (Rates) Act 2018 (Ireland)

The Local Government (Rates) Act 2018¹¹ was signed into law in 2019. The purpose of the Act is to modernise and consolidate commercial rates legislation in Ireland. It reinstates the power of local authorities to introduce and collect rates. This Act also provides for the introduction of targeted rate alleviation schemes to support specific policy objectives, provides the Minister with the power to limit the annual rate on valuation determined by the local authority, establishes a database of relevant properties, and places the onus on the seller to inform the local authority of a transfer.

¹¹ [Local Government \(Rates\) Act 2018](#)

Although the Act gives more flexibility to Local Authorities to adjust rates, they cannot increase the total revenue collected so any rate decreases need to be balanced out with increases elsewhere. Local authorities have the option to target larger multiples and reduce the burden on small businesses.

36. In England, the revenue from business rates is partly pooled at central government level and redistributed, and part is retained locally. In Scotland and Wales, the rates collected are pooled at the devolved level and redistributed to the billing authorities via a needs-based formula.¹² In order to encourage local businesses, Stockton Borough Council offers discounted business rates of 50% off for two years for new retailers who occupy a vacant unit in Stockton town centre.¹³ However, employing flexibility on business rates comes at a price for local councils. Business rates are one of the largest sources of income for local government. In choosing to reduce or waive this income the council reduces its ability to spend in other policy areas.¹⁴
37. Stakeholders also emphasised that business rates mean high street retailers are paying more than their fair share of tax, while online retailers are not contributing enough. A report by the Housing, Communities and Local Government Committee found that “Amazon UK’s business rates amounted to approximately 0.7% of their UK turnover, while high street retailers are paying considerably more, with business rates as a proportion of turnover ranging from 1.5% to 6.5%.”¹⁵ Governments must undertake appropriate research and consultation on digital sales tax so that business rates on bricks and mortar shops do not disproportionately punish high streets. Retail groups that met with the Committee suggested a low digital tax of 2% to 3% would generate significant revenue that could compensate for the VAT, rates and parking charges borne by bricks and mortar retail. However, stakeholders also emphasised that such a measure must

¹² [Business rates](#), House of Commons Library Briefing Paper Number 06247, 19 December 2018

¹³ [Stockton Town Centre Local Business Rates Discount Scheme](#), Stockton-on-Tees Borough Council

¹⁴ [Local taxation: council tax and business rates](#), Local Government Association

¹⁵ [High streets and town centres in 2030](#), Eleventh Report of Session 2017–19

be designed so as not to place a double charge on small, rate-paying, businesses which also have an online presence.

Building residential housing in town and city centres

38. Encouraging residential use in town and city centres was identified as an expedient way to revitalise high streets. With the decline in large surface area retail, vacant commercial and brownfield sites can be rezoned for residential use which in turn will create a customer base for businesses. Stakeholders pointed out that there needs to be a diversity of land uses to encourage people into town and city centres. There must be a mix of tenures, with social, affordable and build-to-rent units in the mix. Cultural norms about city centre living, and living in apartments, need to change and urban residential developments need to be attractive to people.

Case study: Belfast

One of the key policies of the Belfast City Centre Regeneration & Investment Strategy is to increase the residential population in the city centre, which has been historically low. As a starting point, the Council is focussing on student accommodation and rental accommodation for young professionals and it is hoped that as these demographic groups age they will stay in the city centre. Over 3,400 purpose-built student units and have been completed or are under construction since 2015. The Council are monitoring the effect of student accommodation carefully as international students, who only stay in Belfast short term, and purchase very few goods may not fuel the local economy in the same way as family homes. There are also plans for build-to-rent developments, with around 1,600 units proposed. Politically, the city centre is seen as a neutral space and any increase in residential use will need to be balanced across communities.¹⁶

¹⁶ Presentation to BIPA Committee C delegation on 1 February 2019, Belfast City Council

39. Council representatives in Dublin and Belfast advocated introducing tax incentives for property developers to convert empty upper floor retail space and commercial units into residential housing in town and city centres. Increasing residential housing would have a direct effect on footfall and demand for shops and services in town and city centres. However, stakeholders also raised concern about competing interests of residential inhabitants with noise created by a lively night time economy and the high expense of converting commercial property, relative to building new properties. Any schemes to encourage living-over-the-shop should include provisions to ensure the resultant housing is of a good standard and subject to fair and affordable leases.

Case study: Dublin - Living City Initiative

Dublin city centre has underused historic building stock and an ongoing housing crisis, so Dublin City Council has an active policy of encouraging residential use above retail. The Living City Initiative (LCI)¹⁷ is a tax incentive scheme introduced in 2015 to assist and encourage people to live in the historic inner-city areas of Dublin City and applies to designated 'Special Regeneration Areas' (SRAs).¹⁸ Tax relief is granted for refurbishment for residential and commercial use. DCC has set up a 'One Stop Shop' Advisory Team from Planning, Architects, Fire prevention, Building Control, Conservation, Valuers and other relevant Departments. The Team are available to meet with owners/investors to provide advice on statutory planning and development requirements in relation to their proposed refurbishment and/or conversion works before they commence.

A vacant site levy

40. A vacant site levy has been rolled out in Ireland in recent years. We heard that a vacant site levy, with the levy amount relative to the market value of the property,

¹⁷ [Living city Initiative \(LCI\)](#), Revenue

¹⁸ [LCI Definitions](#), Revenue

encourages efficient use of land, particularly in urban areas, and discourages land hoarding. Charging full rates for vacant premises in order to discourage land hoarding was also proposed by other groups the Committee met. However, council representatives in Belfast cautioned that penalising vacant units can have the unintended consequence of encouraging owners to fill units with low quality retail businesses.

Case study: Vacant Site Levy

A vacant site levy was established in Ireland under the Urban Regeneration & Housing Act 2015¹⁹. Sites that have been vacant for a minimum of 12 months are entered on the Local Authority's Vacant Sites Register. The LA must determine the market value of the vacant site and owners must be notified of same. A site entered on such a register is subject to the vacant site levy, payable in arrears each year, beginning in 2019. For 2018, the levy is 3% of the site's market value. (The levy will increase to 7% from 2019).²⁰

41. A public register of land ownership was also suggested to tackle the problem of fragmented ownership which exacerbates vacancy issues, underused space and prevalence of low-quality units in town centres. Vacant premises are often tied up as part of investment funds. Local councils told us that identifying the owners can be a long and complicated process, often taking a number of years, if possible at all. Where the ultimate owner of the property is an overseas investor there is little incentive to use the space in a way that benefits the local high street. In England, it is possible for councils to use Compulsory Purchase Orders to bring these properties back into public ownership and regenerate them. However, using these powers requires a prohibitive amount of money, council staff time and expertise to enact.

¹⁹ [Urban Regeneration and Housing Act 2015](#)

²⁰ [Circular PL 7/2016 - Implementation of the Vacant Site Levy as provided for in the Urban Regeneration and Housing Act 2015](#), Department of Housing, Planning and Local Government

Other areas of government policy which overlap with high street regeneration

Government policy on alcohol licensing

42. Changes to alcohol licensing laws to allow small venues to capture the benefits of the new night time economy should be explored. For example, a small brewer or bookshop with a bar can open late and become an experiential destination which adds to the night-time economy. In Ireland, applications for late licenses must be made through the Courts on a case-by-case basis, which is a costly process. The Dublin Town BID group advocates that late licences be granted by local authorities, not the Courts. In England and Wales, alcohol licenses are granted at local council level and can cost between £100 to £1,905 depending on the rateable value of the premises.²¹

Roll-out of high-quality broadband

43. Encouraging retail businesses to have an online presence, creating tech hubs or launching digital co-working spaces are useful measures for revitalising town centres, particularly in smaller towns. However, the roll out of high-quality broadband is essential. A fast and reliable broadband connection allows small towns to thrive, encourages start-ups, helps independent businesses get the advantages of going digital and enables the creation of tech hubs and digital work spaces away from city centres.

Policy tool kits for local leaders and increased powers for local councils

44. Throughout our inquiry, it has been clear that a long-term, actionable plan with clearly defined goals is the common factor for examples of high street revitalisation. The Grimsey Review 2 highlighted that best practice is not always shared effectively and called for an independent body in the UK (not a membership organisation) to support, question and signpost resources for local authorities. It could also act as a driver for stakeholder support in high street revitalisation. In Ireland, Retail Ireland, Retail Excellence and Chambers Ireland

²¹ <https://www.gov.uk/premises-licence>

were members of the ‘Retail and Town Centre Renewal Working Group’ that produced ‘A Framework of Town Centre Renewal’ which sets out a model for developing action plans for town revival. A standardised toolkit for high street revitalisation can be replicated by other Governments and should be underpinned by training and targeted support.

Case study: A Framework of Town Centre Renewal

The Retail Consultation Forum²² is an initiative of Ireland’s Department of Business, Enterprise and Innovation, established to provide a platform for structured engagement between the retail sector and the Irish Government. The Retail and Town Centre Renewal Working Group, as part of the Retail Consultation Forum, was set up to identify practical ways of implementing recommendations for effective town centre and village regeneration. This led to the development of the Framework for Town Centre Renewal²³, published in 2017, which sets out the key characteristics of a successful town centre and identifies existing support, and best practice, from around Ireland. The Framework includes an Action Plan for Town Centre Renewal which is intended to be a blueprint for policy makers, local authorities and key stakeholders in towns and villages, guiding them through the three stages of town centre renewal:

1. Stakeholder Engagement and Health Check;
2. Establish a Town Centre Management Partnership or “town team”;
3. Prepare and Implement a Town Centre Plan.

45. Stakeholders told us that greater powers should be devolved to local authorities to curate how urban sites are utilised, to ensure the retail and leisure offer from business works hand in hand with long terms plans for the area. Increased

²² [Retail Consultation Forum](#), Department of Business, Enterprise and Innovation

²³ [A Framework for Town Centre Renewal](#) (2017), Retail Consultation Forum

powers for local authorities must also be matched with increased funding and resources. Local authorities cannot be over-reliant on BID groups and businesses to fund redevelopment.

Case study: Stockton-on-Tees Local Plan

The Stockton-on-Tees Local Plan²⁴ is an example of careful management of the retail and leisure offer by a local authority. In January 2018 a new Local Plan was put in place which aims to stop unwanted developments. The Council sees permitted developing rights as a double-edged sword. Repurposing of buildings must be managed, and decisions should be made locally to avoid undesirable development. For example, the proliferation of low-quality bedsits near the high street which led to anti-social behaviour. The Council is also bringing more residential development into the town centre and brownfield sites are being rezoned. Controversially, the Council Plan involves demolishing some vacant buildings to create more public space and green areas. The Council's analysis shows that there is less demand for retail space in the town centre and the costs of refurbishing old or run-down buildings is very high.

Rebalancing regional growth

46. The Irish Government's National Planning Framework (NPF)²⁵ includes growth targets to rebalance growth away from Dublin and enable the four cities of Cork, Limerick, Galway and Waterford to develop as regional drivers and viable alternatives to the capital. The NPF aims to focus investment to improve the collective 'offer' within each of the four cities in terms of housing, employment, infrastructure and amenities. The first report of the UK2070 Commission²⁶, an independent inquiry into city and regional inequalities in the United Kingdom, suggests devolution as a possible solution to regional inequalities. UK2070

²⁴ [Stockton-on-Tees Borough Council Local Plan](#) (2019), Stockton-on-Tees Borough Council

²⁵ [Ireland 2040: National Planning Framework](#) (2018), Department of Housing, Planning and Local Government

²⁶ [The First Report of the UK2070 Commission: Fairer and Stronger – Rebalancing the UK Economy](#) (2019), UK2070 Commission

proposes decentralisation of central government functions for England in terms of budgets and ministerial responsibilities, to align with enhanced local devolution and trans-regional arrangements.

47. Governments should examine the possibility of devolving decision-making and moving external agencies and other government functions to regional towns and cities to facilitate balanced regional growth and take pressure off capital cities. The jobs created by moving a government agency to a regional town or city would create a stimulus for regeneration and stem brain drain to Dublin or London. Government departments and agencies should examine opportunities for remote working for staff created by the roll-out of high-speed broadband.

Recommendations

1. Practical action local government, business groups and communities can take now to help the high street

1.1. Leadership and community buy-in for regeneration projects

- 1.1.1. Towns and cities should develop evidence-based local plans which set out a clear long-term vision for the high street. The plans should include time-based targets, strategies to secure extra funding and aim to secure buy-in from businesses and the local community.
- 1.1.2. Applications for government funding for high street regeneration should use funding criteria which encourage local community buy-in, long term planning and clear lines of responsibility in the local area. Where projects do not meet these standard, applicants should be signposted to resources which can help improve planning and strategy.
- 1.1.3. Appointing a named individual, such as a Local Council representative, to lead the regeneration and engage the local business community can help to coordinate efforts across the different stakeholders and drive change.
- 1.1.4. Local business communities should come together to work out the opening hours and access which suits the community best and meets the needs of the local retail base.
- 1.1.5. Local plans should draw on social, historical and geographical features of the locality to build a sense of community and enhance the uniqueness of the local offer.

1.2. Experiential shopping and urban planning

- 1.2.1. A mix between retail and experiential attractions should be encouraged. Local authorities and BID groups can improve the experiential offer through organising events and promotions.

1.2.2. Businesses should investigate the possibility of providing services additional to the retail offer.

1.2.3. Local authorities should adopt a strategic and planned approach to manage very large retail spaces which no longer suit the needs of the retail market. Avoiding over-use of undesirable or low-quality retail units.

1.2.4. Tech hubs and co-operative working spaces for professionals who can work flexibly due to digital nature of their job can be good options for diversification in smaller provincial towns.

1.3. Attracting visitors and increasing dwell time: public realm improvements and place making

1.3.1. Council and city centre bodies need to get the basics right in terms of clean and safe streets, good transport links and access.

1.3.2. Local authorities and community leaders should help businesses in the community to access and apply for funding such as shop front renewal and small public realm improvements like flowers, seats, green areas, pop-up interventions, etc.

1.3.3. Appealing to and catering for a specialist audience can be a good way to attract people to the high street; For example, sci-fi market, autism friendly high streets, railway enthusiast fair etc.

1.3.4. Local authorities can promote the high street and city centre using events such a half-marathon or race days, or promotions such as restaurant weeks to drive footfall.

1.4. Targeted support for local businesses

1.4.1. Local authorities and BID groups should help businesses to embrace new trends for experiential and online shopping through training and targeted supports.

1.4.2. Local leaders should be willing to test new ideas to attract visitors and try innovative and evidence-based street layouts and interventions.

1.5. Access to the high street and town centre

1.5.1. Public realm and street layouts should be well-designed and meet the needs of the locality, particularly in regard to parking, traffic management and public transport.

2. Recommendations for policy change by national governments to future proof the high street

2.1. Tax and funding measures

- 2.1.1. Local authorities should be given increased powers to set and adjust business rates.
- 2.1.2. Governments should undertake consultation and research on appropriate digital sales tax so that business rates on bricks and mortar shops do not disproportionately punish high streets. This must be designed so as not to place an additional charge on small rate-paying businesses with an online presence.

2.2. Building residential housing in town and city centres

- 2.2.1. Encourage residential use in town and city centres through rezoning of commercial and brownfield sites and ensure there is a mix of private and public housing and a variety of tenures available.
- 2.2.2. Tax incentives should be introduced or expanded for developers to convert empty upper floor retail space into residential housing and build new accommodation in the town and city centre. The resulting housing should be of an adequate standard and subject to fair and affordable leases.

2.3. A vacant site levy

- 2.3.1. Introduce a register of land ownership to get past the problem of fragmented ownership which exacerbates vacancy issues and underused space. Local authorities need to be able to find out who owns which properties and take action through CPO. Local authorities should be given the power to take vacant properties back into use if the owners cannot be found after sufficient enquiries have been made.
- 2.3.2. Introduce a vacant site levy in the UK with the levy amount relative to the market value of the property.

3. Other areas of government policy which overlap with high street regeneration

3.1. Government policy on alcohol licensing

3.1.1. Changes to alcohol licensing laws should be introduced to allow small venues to capture the benefits of the night time economy. In Ireland, applications for late licenses should be made through local authorities instead of through the Courts.

3.2. Roll-out of high-quality broadband

3.2.1. Roll out of high-quality broadband is important for small towns to thrive, encourages start-ups and helps independent businesses get the advantages of going digital. Enable the creation of tech hubs and digital work spaces away from city centres.

3.3. Policy tool kits for local leaders and increased powers for local councils

3.3.1. Governments should provide toolkits for local council and business groups setting out methodologies and best practice to collect data about high street use, foot fall and take feedback from local citizens issues so that strategic planning can be evidence based

3.3.2. Devolve greater powers to local authorities to curate how urban sites are utilised in the city centre to ensure retail and leisure offer from business works hand in hand with long terms plans for the area.

3.4. Rebalancing regional growth

3.4.1. Governments should examine the feasibility of devolving decision-making and moving external agencies and other government bodies from London and Dublin to smaller urban areas to encourage balanced regional growth.

Annex A – List of meetings and witnesses

Stockton-on-Tees and Newcastle-upon-Tyne, 19 November 2018

Witnesses

Stockton Borough Council

- Neil Schneider, Chief Executive
- Margaret Waggott, Assistant Director
- Chris Renahan, Economic Growth Manager
- Jo Fryett, Business Relationship Specialist
- Cllr Nigel Cooke (Labour), Cabinet Member for Regeneration and Housing

Stockton BID members and business owners

- Jason Maxwell, BID Manager
- Karen Eve, Castlegate Centre Manager
- Richard Drake, Drakes Bookshop
- Janice Auton, Poppys Hairdressing
- Scott Weir, TEES Inns
- Michael Poole, Michael Poole Estate Agents
- Andrew Parker, WH Smith

NE1 BID Group

- Adrian Waddell, Chief Executive
- Stephen Patterson, Director of Communications

Newcastle City Council

- Jean Browne, Project Manager

Northumbria University, Department of Architecture and Built Environment

- Prof Bob Giddings, Chair of Architecture and Urban Design
- Dr James Charlton, Lecturer

Members attending

- Rhun ap Iorwerth AM;
- John Blair MLA;
- Willie Coffey MSP;
- Deputy David Johnson;
- Senator Niall Ó Donnghaile; and
- Martin Vickers MP.

Dublin, 31 January 2019

Witnesses

Dublin City Council

- John O'Hara, Dublin City Planning Officer
- Mary Conway, Deputy Dublin Planning Officer
- Sean Flahive, Executive Planner
- Kehinde Oluwatosin, Assistant Planner
- Garrett Hughes, Executive Planner

DublinTown BID Group

- Richard Guiney, CEO

Representatives from Tipperary local groups

- Siobhan Hyland Ryan, Jobs4Tipp
- Vivienne Kenneally, Jobs4Tipp
- Katherina Ryan, March4Tipp
- Oliver Connor, March4Tipp

Representatives from retail organisations

- Thomas Burke, Director of Retail Ireland
- David Fitzsimons, Group Chief Executive of Retail Excellence
- Tommy English, Public Affairs and Communications Executive, Retail Excellence
- James Kiernan, Director of Relationship Management, Chambers Ireland
- Michael Gaynor, Dundalk Chamber of Commerce
- Tony Wehrly, Sligo Chamber of Commerce
- Elizabeth Bowen, Senior Executive, Small Firms Association
- Valerie Deasy, Managing director of Alliance Insurance and member of SFA

Department of Housing Planning and Local Government

- Damien English T.D., Minister of State for Housing and Urban Development

Members attending

- Joan Burton TD;
- Rhun ap Iorwerth AM;
- Colin McGrath MLA;
- Mattie McGrath TD;
- Senator Niall Ó Donnghaile; and
- Martin Vickers MP.

Newcastle Co. Down and Belfast, 1 February 2019

Witnesses

Newry, Mourne and Down District Council

- Mark Murnin, Chairperson
- Andy Patterson, Assistant Director Tourism, Culture and Events
- Amanda Smyth, Head of Regeneration and Business Development
- Margaret Quinn, Project Development Manager

Belfast City Council

- Cathy Reynolds, Estates Manager

Department of Communities

- Mark O'Donnell, Director of the Belfast Regeneration Directorate

Representatives of Belfast BID groups

- Clare Maguire, Managing Director, BT1 BID
- Chris McCracken, Managing Director, Linen Quarter BI
- Gareth McNeil, Manager, Cathedral Quarter BID

Members attending

- Rhun ap Iorwerth AM;
- Colin McGrath MLA;
- Mattie McGrath TD;
- Senator Niall Ó Donnghaile; and
- Martin Vickers MP.