



# Housing, Communities and Local Government Committee

## Oral evidence: Supporting our high streets after Covid-19, HC 624

Monday 2 November 2020

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Members present: Mr Clive Betts (Chair); Bob Blackman; Ian Byrne; Ben Everitt; Rachel Hopkins; Mary Robinson.

Questions 1 - 43

### Witnesses

**I:** Professor Cathy Parker, Co-Chair, Institute of Place Management, and Professor of Marketing and Retail Enterprise, Manchester Metropolitan University; Professor Aude Biquelet-Lock, Deputy Head of Policy and Research, Royal Town Planning Institute (RTPI); William Grimsey, Author, Grimsey Review.

**II:** Robin Osterley, Chief Executive, Charity Retail Association; Michael Wheeler, Political Officer, Union of Shop, Distributive and Allied Workers; Dominic Curran, Policy Adviser, Property, British Retail Consortium.

### Examination of witnesses

Witnesses: Professor Cathy Parker, Professor Aude Biquelet-Lock and William Grimsey.

**Chair:** Welcome, everyone, to this afternoon's session of the Housing, Communities and Local Government Select Committee. It is the first evidence session that we are holding in our inquiry on supporting high streets after Covid-19. It has become an even more relevant subject with the announcement over the weekend of the national lockdown; clearly, we are going to be examining the implications of that among the other relevant issues.

We have two panels this afternoon. Before I pass over to the witnesses to introduce themselves, I will just ask members of the Committee if they want to place on record any interests they may have that may be relevant to this inquiry. I am a vice-president of the Local Government Association.



**Ian Byrne:** I am still a sitting councillor in Liverpool.

**Mary Robinson:** I employ a councillor in my staff team.

Q1 **Chair:** I know Bob Blackman, who is going to come on shortly, is a vice-president of the Local Government Association as well. We have a smaller number on the Committee today than usual, for obvious reasons: some members are in the Chamber with the statement being made, and others are involved in various legislative committees, with the heavy burden of work in the House currently. Nevertheless, we are proceeding and we thank our witnesses for coming today. Perhaps we could just begin by asking the witnesses to introduce themselves.

**Professor Parker:** I am Professor Cathy Parker. I am a professor of retail at Manchester Metropolitan University. I am also co-chair of the Institute of Place Management and I am the research lead for the High Streets Task Force.

**William Grimsey:** I am Bill Grimsey. I am a retired retailer. I previously was the chief executive of companies such as Wickes, Iceland and Focus Do It All. Since my retirement in 2012, I have published three documents: the Grimsey review 2013, the Grimsey review 2 2018 and, in June of this year, I put a team together to produce a *Build Back Better* Grimsey review Covid-19 supplement, in order to try to assist with the debate as to what we should do during this terrible period and how we might recover afterwards.

**Chair:** You have been before us before to give evidence as well, so welcome back.

**Professor Bicquelet-Lock:** I am Aude Bicquelet-Lock. I am deputy head of policy and research at the Royal Town Planning Institute, which is the largest planning institute in Europe, with over 25,000 members, and a learned society. I am also visiting professor at the WHO Collaborating Centre for Healthy Urban Environments at the University of the West of England and chair of the High Streets Task Force Professional Research and Data Group. I am speaking here in my RTPI capacity and not as chair of the High Streets Task Force PRDG. I am not a planner by training. My expertise actually lies in research methods.

Q2 **Chair:** I will start off. Unless I specify, I will assume the questions are to all three of the witnesses, but if one of the witnesses has already said what you want to say, just say, "I agree"; that is fine. We can then move through the questions a little more expeditiously. The first question is a fairly obvious one. Covid-19 has had a major impact on retail in this country. Has it been a disaster for high streets? Is it as simple as that?

**William Grimsey:** I am happy to kick off in the sense that, being a retailer and being close to the numbers, I can probably put some colour on it. As we went into Covid-19, the retail and hospitality sector was already struggling very much indeed. That was simply because we are entering a new phase in the 21st century, where we are migrating from a



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car-borne culture of the last century to a mobile technology culture driven in the 21st century, which is changing our habits. That was impacting the retail and hospitality sector.

We went into this emergency with 52% of retail and hospitality businesses in serious risk of failure, including companies like Debenhams, which had been into administration again in April, which was the second time in a year. The conditions out there were already tough and what Covid-19 has done is accelerate something that was happening, which is this phenomenon of changing our habits. In fact, online retailing has jumped from around 18% pre-Covid to more than 40% during this Covid emergency. A lot of that is going to stick.

What we have actually done is we have moved from 2020 to 2030 in an instant, in three months, instead of taking 10 years. This was going to happen anyway, but it has happened at a rapid rate. The challenge is enormous and the impact on this sector, which combined contributes 10% of the GDP of this country, is dramatic and it will require some pretty strict action, particularly with the labour force, which is likely to find itself out of jobs as a consequence.

**Professor Parker:** I would just like to pick up some of the things that are perhaps more Covid-specific. We have seen those trends that are definitely being accelerated, but the indicator I am most interested in is footfall, because that tells us how many people are on high streets. We have never been in a situation before when people are told to stay home, so that has an absolutely profound impact on high streets. We have seen footfall in the first lockdown fall by as much as 90%, so there are just not the people going out. Even after the restrictions were lifted, footfall started to steadily climb up again, but still the highest it got to was 20% lower than it was last year. We are just not sure if we are going to get footfall back to those pre-pandemic levels.

There may have been some really quite major shifts in the way people live and work now that might just mean a lot of those businesses and some of those high streets will not be viable, but it has restructured our centres in some way. We see the larger centres are suffering the most, but the smaller town and district centres are a bit more resilient, because people are working from home, so they will go to their local shopping parade rather than pick up shopping on the way home as a commuter, for instance. The impacts are really dramatic. Footfall is the one that really shows you instantly what has happened.

Like Bill was saying, we have seen a decline in retailers. That is a more steady decline. There are going to be probably around 5,000 stores lost this year. Probably half of that is due to Covid. These high street and town centre businesses are just in a very precarious position.

Since Covid we have surveyed high street businesses. More than 50% of the businesses said they have lost more than half their takings, even after restrictions had lifted. Around about a third said they had lost all



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their takings under lockdown, but then when restrictions lifted they still lost half their takings. We can only imagine that is going to be repeated with this second lockdown.

It is not just the businesses. It is markets, libraries and all these other services that, when they can open, are just not getting enough footfall. High streets are more than just a collection of buildings. If they are not activated by businesses and services, then there is nothing on the high street or town centre to attract people.

**Professor Bicquelet-Lock:** I would just perhaps like to pick up on a point that was made by Cathy about different places. It is true that different places have been and are affected in different ways. Larger high streets have been and will continue to be most affected by reduced footfall, because office workers predominate in larger cities. By contrast, homeworking has provided an opportunity for smaller high streets to pick up on new trade from former commuters, and I am sure we will hear more about that during the meeting.

Crucially, to recover from Covid-19, proactive planning and place-based approaches will be absolutely essential, and this means very much identifying the distinctive features of each town centre and high street and involving residents, workers and businesses in decisions about their future.

My final point here is that, despite its devastating impacts in the short and medium term, in many ways this pandemic provides an opportunity for the high street to become again a focus for the exchange of goods, services and social interactions if important lessons from the pandemic are learned, such as the need to make high streets appealing and accessible to a wide range of people and making sure that what is on offer in our high streets and town centres is consistent with other critical issues around health, inclusion and diversity and green recovery.

Q3 **Chair:** I just want to pick up on that point and then come back to the other witnesses as well. Is there an element of truth in the idea that, while, as Bill Grimsey said, there is a long-term trend to see shopping move online and away from footfall in the high street, this has accelerated that trend very sharply and very quickly, to such an extent that it might suddenly force those responsible for our high streets to say, "We cannot just carry on trying to adapt slowly. We have to have a big-bang change to what actually happens there". Professor, that is part of what you are saying, is it?

**Professor Bicquelet-Lock:** Yes. In terms of online shopping, historically the trend has been for retail expenditure to grow year on year, and growth was actually expected to continue despite Brexit. The percentage of expenditure on internet shopping was projected to plateau at around 30% of all expenditure in around 2030, but ONS data for June 2020 indicated that the proportion of online spending was 32%, after peaking at over 33% in May, so all this very much suggests that less retail



expenditure will continue to be spent on the high street and town centres and more and more online. The key is really to get people back on their high street. To do so, bespoke solutions created as inclusively as possible are likely to be the most effective.

**Q4 Chair:** Bill, do you think this could be the shock that means the system has to respond rather than hoping it can manage a slow decline?

**William Grimsey:** Definitely that will be the case, but we have been saying since 2013 that we need to reinvent our towns as community hubs based on health, education, entertainment, leisure and arts and crafts. Then you will get some shops as well. We need to reinvent these places for the 21st century, using technology to ensure that these places are exciting places to go.

My generation spent a lifetime cloning every town in the UK, which was relevant in the 20th century and it now needs to be unpicked. It certainly is the case that up and down the country this message has been getting through to varying degrees. What I have found during Covid—I am still getting lots of contact from local authorities, the District Councils' Network and the LGA—is that it is recognised that this change is needed. What Covid has done is make people say, "Let us get on with it a bit more". The Government have provided, through the housing fund and the task force that they have set up, this catalyst for these changes to take place with money being spent.

The key is that we need everybody up and down the country and every local authority to step up to the plate, leadership to be redefined and what we call localism on steroids. We need communities to take the responsibility for their towns and to compete for people to live, work, play and visit, based on their heritage. Then you can curate the place accordingly and make it exciting and different. That is what the 21st century is about.

The final point to make on this issue is that sitting behind Covid is still climate change, which has not gone away. The young people of today understand the importance of getting this right. Whereas my generation deseasonalised fresh food and provided an environment where you could buy anything you like any day of the week, we will see this change too, with local produce coming back on to the markets and into the towns. We will see a change in people's attitude, and Covid can help that, because we have all woken up and smelt the fresh air in the last lockdown, and we are about to do another one.

**Q5 Chair:** I will just follow up with one additional point, and then I will come back to Cathy to answer as well. There is some comment that this may be an absolute shock to the system, but is it a necessary shock, because there have been comments that the evidence of Covid transmission in non-essential retail is very limited? Why did we have to basically close it down for Christmas?



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**William Grimsey:** The issue of lockdown and Covid is a discussion that could take all afternoon, and in the House behind me they are doing that now. The fact is that we need a healthy town centre that deals with a pandemic. In our review we called for a kitemark or standards to be put out there. In a war, a war council would have these standards out there for every town to adhere to.

We could deal with Covid and retailing in a way that made it completely safe, but having said that, there is no evidence out there that I know of that retail, hairdressers or those other services on the high street have been the problem. Maybe pubs and hospitality have been a problem, but we are not seeing any evidence to suggest that keeping retail open would be a problem. I am really not qualified to jump in on the Covid lockdown argument.

**Professor Parker:** We talked about Covid causing the acceleration of problems, but there are these other new problems perhaps that it reveals. There are some opportunities there, but it comes back to this same issue: you have to have people doing things locally to make something happen. You can come up with a list of the answers and the things to do, but you still need someone to go and do it.

I will give the example of markets. We had started to see markets enjoying something of a renaissance, but they are under threat again from Covid. The National Association of British Market Authorities surveyed over 100 of their markets in September and their survey results said 85% of market operators believe their market to be at risk. That was a rise from 35% in May and this is when we have evidence coming in, just as you were saying there, that we know transmission is not as great outdoors. If we have markets that we know are safer places to trade, why are they more under threat now? That is going to be about local decision-making and the evidence people are using locally, and that is really key to all of this discussion. In terms of how we come out of Covid and deal with these bigger issues around climate change and the recession that is going to come, it is going to need action locally. That is where the problems are.

Q6 **Chair:** Presumably we are going to need some Government support as well. Government put help in in the first lockdown with grants and business rates relief. Is that help going to be needed again on the same scale for this lockdown or, indeed, has it got to be increased, given that businesses are now facing a second lockdown with their finances often still in difficulties from the first lockdown?

**William Grimsey:** I really feel strongly about this. This business rates holiday that was given out was welcome and should be there. Business rates themselves should be questioned during this period when they are not in play and probably replaced by something a little simpler, but there really has to be some targeted expenditure here. Why give Tesco, Sainsbury's, Morrisons and Asda a business rates holiday that amounts probably to over £2 billion when they did not need it? It is £700 million





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just for Tesco. They definitely have had a great time during this period because volumes have gone up, and there is no way in the world that money has been well spent, whereas it could have been spent on supporting the smaller businesses that need it.

You need a targeted approach to this assistance and not the blanket approach that we have had. I urge the Chancellor to look at the sectors that need the help and the small businesses particularly that need the help. I do not mean the small food businesses, because, as Cathy alluded to earlier, small convenience stores, smaller markets and local shopping has benefited during the previous lockdown and will benefit again now. We should remember when we have been to these small retailers the service that they have provided and support them afterwards.

We must not do this blanket approach of throwing this money around, because these larger companies did not need it and, when they come out of furlough, if there is £1,000 for every employee that was on furlough, Sainsbury's stands to make £26 million out of it. It is crazy and it needed sorting.

**Professor Parker:** I have mentioned a survey that we did of high street businesses before. The vast majority—96%—said that they had received or applied for one of the Government's business assistance measures, so we can say, yes, they were pretty universally well received, with the furlough scheme, or the coronavirus job retention scheme, being the most popular. Over 70% of high street businesses used that, so it is really good news to hear that has been extended. There was a lot of uncertainty and worry about that, so that is good news.

When we asked businesses a bit later on about how useful the support had been, it was only deemed to be extremely important by two-thirds of businesses, so it dropped a little bit from all of them applying for it. We thought the sentiment had probably fallen just because they were not aware of the scale of the pandemic, the length of the disruption, how many restrictions there were and how that has all gradually unfolded. That is one of the problems. When things get announced it is not so clear to businesses what is going to be coming next, so that is something that is perhaps a little bit problematic.

In terms of the sort of things that have been worrying businesses, they have been saying that they want next time for there to not be a cliff edge to furlough schemes, with the idea that they are just going to end on that day, even though we might be going into different tiered approaches across the country. That is concerning. They are going to continue to need support with other costs, not just wages. Rent is a concern, not just to the people paying it but also the property owners that need to receive it. The extension of the rates holiday, as Bill said, was well received.

We need to pick up some of the sectors that were a bit overlooked last time, like the self-employed. There are lots of microbusinesses in high



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street spaces that might be in units that are not rateable, so they have fallen through the cracks. It is picking up some of those.

I know a lot of the retail and hospitality businesses were concerned that there was not really enough support to help them. They felt that they were not really there to enforce protective measures, like making sure people had face coverings, but they wanted a bit more help in terms of how they could advise people to do that or what they could do if things were going wrong.

There is a lot we can learn from that first lot of support. In summary, it was very well received, but we can learn and hopefully do things a little better this time around.

**Professor Bicquelet-Lock:** The point has been very well covered by the other two witnesses. I would just add that we also welcome measures such as the business rates holiday, grant payments and the job retention scheme. However, we believe that, as Cathy mentioned, the one-size-fits-all approach should have been reconsidered as uncertainty unfolded. Tailored solutions could have been provided to the leisure sector as well, for instance, and to those businesses that were able to continue trading but that did require the same level of support as those forced to close their doors.

Q7 **Mary Robinson:** The impact of Covid seems to vary between local high streets and large urban centres. What is your view on whether local high streets have actually done relatively well compared to large urban centres? If they have, what is the reason for their success? Is it a sustainable success?

**William Grimsey:** There is no doubt that local businesses and local centres have benefited from the previous lockdown. Where I live, 200 yards away is the best Italian deli in the south-east of England and it has been mobbed during the last lockdown, with queues down the street, so they have done very well. It is true to say that people have learned that working from home is not as bad as it might seem, so therefore they have been shopping locally and, therefore, the bigger town centres, of which the City is a classic example in London, are a shadow of their former selves in terms of footfall. There is a massive change taking place, but it will be short-lived unless people enjoy that experience and maintain it afterwards.

There is an argument for the 20-minute town centre within the vicinity of where everybody lives. That will come in the 21st century and that is the opportunity for local authorities to look at. There will be a move away from the big out-of-town stuff as we migrate from a car-borne culture, as I said earlier, to a technology-based culture in the 21st century. After all, we need town centres that are going to be carless. We are obsessed with car parking. We should forget it. It is not important. By 2050 there will not be cars inside towns, so we should start planning for it now. There is





the long game and then there is the short game. In the short term, lockdown benefits local stores. There is no doubt about that.

**Professor Parker:** The other types of town that did quite well over the summer were the seaside towns and holiday towns, with people not going on holiday. They saw a bit of a renaissance. Now with the weather getting worse and the nights drawing in, they are not going to be so popular, but a bit of a silver lining in this cloud was that some of those seaside locations definitely saw a big uplift in terms of footfall numbers and spend.

**Professor Bicquelet-Lock:** There are various datasets on the topic of why some high streets are doing better than others. Figures from the Centre for Cities tracker, for instance, which looks at the recovery of high streets in cities and large towns, shows that places such as Basildon, Chatham, Blackpool and Doncaster are actually doing well, while London, Manchester, Cardiff, Birmingham and Liverpool are perhaps not doing so well. This was last updated in October. This is more or less in line with the University of Oxford Covid-19 Impact Monitor, which is a bit more precise and which actually shows that footfall in inner cities is lower than in other areas, which is the point that the other two witnesses have made.

If you take, for instance, a place like Spinningfields in Manchester, which is home to Manchester Crown Court, banks and restaurants that serve the area's high number of office workers, only 58% of the area's outlets had reopened after the end of the first lockdown, simply because many workers had not returned to the office, hence the demand for bars and restaurants was or is still actually down. By contrast, Manchester's town of Sale had a reopening rate of 88% in July, because a large stay-at-home community now visits the local high street and bolsters the local economy.

This is really a tale of two cities. The same is actually happening in Birmingham and London, if you compare, for instance, central London, which has low reopening rates, and Ealing in zone 2, which is home to many commuters. Why are some high streets doing better than others? Location is important, and people have now also taken the habit to walk and cycle to the nearest town or district. Pedestrian shopping streets are performing better than those that are open to cars. Windsor is an example of that, which is actually cited in IPM's submission.

**Q8 Mary Robinson:** Could I just very quickly follow up with Professor Parker and Bill Grimsey? To what extent is this dependent on where people are working, because you have given a lot of different factors there, but just how essentially is this about where people are going to work and where people have been working, in terms of the success or the downturn of the towns?

**Professor Parker:** It is a mobility issue. People cannot be in two places at once. If they are not in the city centre working, they are not visiting



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those shops and services, but they are in more suburban areas or smaller satellite towns and they are using those services. It is a big issue around the lack of mobility we have with Covid, because we are staying at home.

It is probably worth saying here about the impact on public transport. You look at smaller market towns in rural areas; they will be more affected. Public bus usage is down by 86% outside of London; it is 80% down in London. There are people who would normally be reliant on public transport to visit their local town or high street who are not going and are not visiting at the moment, so that is quite concerning.

Also, in the largest cities we do have residents; people do live in Manchester. Bill alluded to the 15 or 20-minute city concept. We are not great at that in our big urban centres. When you are in lockdown in Manchester, what else is there to do if everything is shut? There are not that many green spaces and parks. An opportunity out of this is to make our town centres more liveable again. If we do not need all that space for offices and so on, there we are; there is an opportunity there to repurpose it and make it a bit better for the people living there.

**Q9 Mary Robinson:** Bill, could I just ask you something, because that does lead on? There is widespread consensus that high streets need to rely less on retail and more on activity, experience and community. How have these ambitions been affected by Covid-19?

**William Grimsey:** They have just been highlighted by Covid-19. This has provided an opportunity to experiment. We saw post lockdown that towns had pedestrianised town centres in a different way, albeit on a temporary basis, and I am sure that, had the local authorities had a bit more warning about it, they might have been a bit bolder about it, because pedestrianising these places and enabling mobility of people to enjoy walking round them without masses of cars and traffic is an exciting experience. Then you can create space with which to work.

I would like to just highlight that this was taking place up and down the country anyway. There were towns with great leaders. Stockton-on-Tees was an example in our 2018 review. Neil Schneider, who was the chief executive of the Stockton-on-Tees local authority, is one of the authors of the current Covid supplement that we published in June, and he was a visionary. He has bought shopping centres not to run them—local authorities are not qualified to run those kinds of commercial centres—but to actually repurpose them. In fact, in Stockton they are going to reduce one to rubble, replace it with a green park, open up the river to the high street and the town centre and make the quality of life different.

I want to emphasise here that local authorities need to become again the custodians of place, not just struggling with budgets and how they deal with things, but actually curating the place, with the local community, to compete with other towns for people to come live, work, play and visit. We have wonderful heritage in our towns up and down the country. We can put small green pocket parks into these places to make them much



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more quality places to visit and have activities going on. I see a very bright future with that. Pre-Covid, there were towns doing it and there were towns talking about it, so we have made some great strides since 2013, when we first highlighted the need to repurpose towns.

Covid has now provided an opportunity for central Government to perhaps say to local government, "What do we need to do to help you look at those longer-term plans and put them together?" The biggest thing they can do is look at how we upweight the leadership in our local authorities. I go out and speak to these people. I was with a leader of a council the other day. I said, "Could your chief executive run Tesco?" They said, "No". I said, "There is your answer. You have a huge town here. You need someone with the commercial nous, as your chief executive, to be visionary and put a business plan together to make our places for my grandchildren be places they want to be in".

**Q10 Mary Robinson:** Bill, have you a view on out-of-town retail as against high street retail, its success and the differences in the way that they have been impacted by Covid?

**William Grimsey:** Out-of-town retail has been impacted in the sense that, because we were in lockdown, people were shopping locally, but, when it comes to food and essential retailing, the big three have it covered anyway, because they have local stores in Tesco Express, Sainsbury's Local and all that kind of stuff. As organisations they did extremely well out of it. I am not anti the big four, by the way. They do a splendid job and they have done a splendid job. They just do not need the help that they have been provided with; that is all.

Going forward, out-of-town convenience and cars will continue to be something that, as communities, we want to use, but they will not necessarily just be for shopping. They will be for different kinds of experiences as well.

**Professor Parker:** I have some more things to add there. Covid has displaced some activity to out of town. We had started to see retail parks start to lose a bit of their allure. Footfall was dropping on retail parks and vacancy rates were increasing, but retail parks have actually seen footfall that is 15% better, if you like—it is still a drop—than in high streets and shopping centres, because people perceive that they are safer. They can drive there. There are other things, like co-ordinated opening hours, so you know if you go at a certain time everything is going to be open. It is not really like that in the high street, so they have some advantages in that.

We have always seen, in the research we have done, that out of town is a big threat to town centres, more so than the internet. You can have internet sales alongside in-town sales. A lot of multiple retailers and also small businesses now are multi-channel, but with out of town people are either out of town or they are in town, so it is much more of a competitor to in-town retail.



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**Professor Bicquelet-Lock:** I will add something about the point that was raised earlier by the other witness about experience and community. It is a very important point. I would like to tell you about a piece of research that we are currently conducting at the RTPi. We are currently analysing comments left by people under online newspapers articles dealing with issues about the high streets, because it is very difficult at the moment to organise focus groups or interviews with people, so mining the web is pretty much what we can do.

We are trying to assess whether public views about the high streets have changed with Covid. We compare comments posted before the outbreak of the pandemic with comments posted online each month, from May to August 2020. What we have found is very interesting and also very much in line with the conclusion of the *Build Back Better* report, which was authored by Bill. It is this whole idea about repairing the social fabric, which will be very important.

What people, not experts, are saying now and what they were saying back in May 2020, during the first wave, when all the non-essential shops were closed, is exactly the same thing that they were saying two years ago about the high street. Basically, health concerns and social distancing have very little to do with the death of the high streets. Coronavirus is simply speeding up changes.

Let me read you a comment that was recommended 117 times by readers on the *Guardian* website. "Most high streets are little more than a collection of charity shops, mobile phone vendors, fast food chains and cafes. They are also devoid of parking space and lacking in public transport. Shops are open during exactly those times of the day when the majority of adults are at work. One thing that coronavirus is doing is speeding up change. The decline of the high street will be further accelerated by all the social changes that this pandemic is bringing about, for example all the people who have never considered internet shopping but are now shopping online".

What is also very interesting is that what people are saying they are missing the most on their high streets are social interactions and the ability to socialise. This is my concluding point on this. Over the last few years we have heard a lot about the necessity to put back the experience at the heart of the high street, but this concept of experience is a little bit subjective or wishy-washy. Putting back social interaction at the heart of the high street is a challenge that built environment professionals understand and planners in particular understand well. My very last point is that we know that social interactions are crucial for mental health and wellbeing and we also know that socialising at work will become less and less possible in the next few days, weeks and months, so this is a unique opportunity for our high streets to rise to the challenge and become again the focus of social interactions.

**Chair:** I will just say to all our witnesses now we are going to be



constrained for time. We have some important issues to get through, so could we just bear that in mind?

Q11 **Ian Byrne:** Just before I make my point, what Bill said before about curating towns will be music to the ears of many council leaders instead of talking about budgets. I know my Mayor of Liverpool will be delighted to talk about curating Liverpool instead of the budgetary problems.

I am going to touch on the online shopping now. Online shopping has grown faster than projected, as Bill outlined. Some are projecting online sales to reach 50% by 2025, five years earlier than previously expected. Amazon, among others, is going to benefit massively from the lockdown. Jeff Bezos' personal fortune recently rose as high as \$200 billion as his stock market valuations soared. Is this growth unstoppable, or is it just a reaction to the lockdowns?

**Professor Parker:** If you plot the graph, you can see there has been a steady increase in online sales, so some of it is a fairly steady growth, but there are peaks that we are seeing right now, which are Covid-specific. Online sales went as high as 32.8% in May, but they fell back down a little bit in June and then they were back to 26.1% in September because non-essential retail had opened up again, so people could go shopping somewhere else. Online is with us and it is not going to go away, but some of those big peaks we are seeing are Covid-related.

Remember that there is quite a difference across categories. There is still not that much food online. Bill mentioned that growth in people going to local convenience stores and using their local shops for food shopping, which is good for the environment. There are quite a lot of environmental costs that we do not really talk about with online, but when you are wanting to make a big difference to the planet, then you do need to factor those things in. Some of what we have seen is Covid-specific. It is important to bear that in mind.

**Professor Bicquelet-Lock:** I do not have anything else to add to that. I very much endorse what Cathy just said.

**William Grimsey:** I do not have much more to add, except to say that online shopping will grow and will continue to grow, and Covid has accelerated that, so we need to just get used to it and curate our town centres in a different way. I do just want to make one very quick point. Experiences in towns based on heritage, activities and events are not wishy-washy; they actually work. If you go to Stockton-on-Tees, which has 97 events a year, it creates footfall and, as a consequence, you get commerce around it, so it does work.

Q12 **Ian Byrne:** Yes, absolutely. I will move on to the next point now; Clive has terrified you into brevity of answers. Do the advantages given to online shopping by the pandemic make a stronger case for an online sales tax to introduce more fairness and wealth distribution to reinvigorate our high streets? This has been touched on by the previous



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Committee, which agreed on a sales tax. I will ask Bill to come in on that; I can see him shaking his head.

**William Grimsey:** There is absolutely no way that Government should interfere with markets by introducing a tax to penalise one route to market just because it happens to be more successful than the other. They did not do that when they had out-of-town shopping versus town centres and they should not do it now with online shopping. It is absolute nonsense. What they should do is get rid of the business rates completely. Replace that archaic tax, possibly with a sales tax. 2% on retail sales in this country would produce exactly the same amount of money that is produced by business rates on the retail sector and that would level the playing field overnight.

Finally, instead of talking about that, why do they not start taxing Amazon properly rather than allowing them to get through the back door the way they do, because Amazon is going to grow? This next four weeks and Black Friday has come at a great time for online retailers. This lockdown is playing right into their hands. They are going to have a bumper time because of this lockdown. Black Friday and Cyber Monday are going to take off big time, and the bricks and mortar retailers are not going to participate in that.

**Ian Byrne:** That is very clear. It is a good answer, actually.

**Professor Parker:** I do not have much to add. The devil is always in the detail when you are talking about tax. We do not want unintended consequences, as Bill said. There are big advantages for small retailers to trade online as well, and that success now is blurred. It is being multi-channel, so that becomes very difficult if you think you are going to do this to try to help over here.

We want to look at the opportunities for digital for whole high streets. We are talking very much all the time about sectors, and one of the problems in the response to Covid and managing that locally is not thinking about the offer of a whole town. How do we put that online? There are plenty of platforms and apps that do that now and they have been very successful. It is very hard for a small retailer to be shouting at everybody on the internet. Let us try to use digital to reinforce some of the attractions and things that we feel strongly about in our towns. It can be very powerful for doing that. It is less about using it to stop and tax and more about looking at the opportunities. I agree with Bill. A fundamental review of the taxation system is the way to go here.

**Ian Byrne:** I absolutely fully agree.

**Professor Biquelet-Lock:** I have very little to add to that. In terms of whether or not the RTPI supports the potential for an online tax, to be honest, it is a little bit outside of our remit. As I said before, the key is to get people back on the high streets, and bespoke solutions, created as inclusively as possible, are likely to be the most effective. I wanted to





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apologise to Bill. Perhaps my understanding of the word “experience” of the high street was perhaps not accurate, and I apologise for saying that it was a wishy-washy concept.

**William Grimsey:** No problem.

Q13 **Ian Byrne:** That leads into the next question. The UK has traditionally higher online sales than the rest of Europe. We are at 32%. Why is that? Is that because, as Bill has touched on, the Europeans have a better system where they encourage more people to go out? Obviously we are in Covid. I am really interested to ask your opinions on why the UK has higher online sales.

**Professor Parker:** There are two main reasons. The first is that our retail sector is incredibly concentrated, so a lot of our retail sales go through big operators. When the internet came along they had the money to invest and actually do this. If you go to somewhere like Italy, it is a lot more fragmented. There are a lot more family firms. They just trade on the high street and do not necessarily invest in online.

The second thing—sorry to Bill, who was a multiple retailer in his past—is the experience in a lot of our big retailers is really poor, so why not go online and buy it? You are not missing out on anything. Wondering around a hypermarket is not most people’s idea of fun. This is where the smaller business can really make a difference, because they can offer a more personalised experience.

**William Grimsey:** It is quite simple. We followed an American model with our out-of-town shopping and our concentration, particularly with Tesco mushrooming the way it did, and we did not follow the continental model. If you go to Europe, you still have towns that are really good fun and they have different, exciting and independent purveyors of goods, whereas we do not have that as much as we should. That is what we want to try to encourage back into our town centres, to have localism on steroids and to get local businesses operating. We want incubator space for them. This is what local authorities can do. We have cited it in our reviews and it makes a big difference if you have independent retailers making their mark in the town and making it more interesting.

**Professor Bicquelet-Lock:** Those two points very much echo what we actually found in our research and when mining the web about comments on the future of the high street. A comment that was recommended 142 times in August on the *Guardian* website made this exact point: “The problem in Britain is that so many town centres are just unappealing places to be. Many European cities still have bustling town centres because they are nice places to wander and socialise. I think we can do the same”. This is very much encapsulating the issue.

**Ian Byrne:** That is an excellent point.

Q14 **Bob Blackman:** Apologies for being slightly late at the beginning. I was



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listening to the statement from the Prime Minister on Covid-19. One of the things that we as a Committee were concerned about when we did our last report was that the High Streets Task Force might just become a talking shop and not actually do anything. It has been in operation for just about a year. What do our witnesses think of its progress so far?

**Professor Parker:** I need to declare my interest here, in that I am the research lead on the High Streets Task Force. Manchester Metropolitan University was successful in the tender for the contract to run it, so I might be a little bit biased in that, but I will let my other witnesses hopefully come in, although I know that they are both experienced with it too.

This has been my career for the last 25 years. I have sat on a lot of committees and groups that just talked about what needed to change. We were really pleased that we got the contract, because we are all about helping people make that change. It is not a huge contract. It is £8 million over five years. It means that the High Streets Task Force can offer a lot of online tools, materials, data and that sort of thing to local place leaders and partnerships that are trying to make a difference. We have done things like develop a Covid-19 recovery framework, which has been very well adopted. It has just helped places hit the ground running in terms of what we need to do if we are going into crisis and what steps we need to follow in terms of coming out the other side.

Most of the support the task force has offered so far has been in that distanced way. We have been running webinar series. We have had over 3,000 delegate registrations. People sign up for the webinars. We have 1,000 dashboards that we are just about to release that will help people monitor the recovery in town centres.

We have done a lot in a year. We are going to start deploying the experts from the professional bodies that we work alongside, to help local authorities and other areas tackle the big barriers. What is really stopping change in that location? I am pleased with what is achieved. On the other hand, there are 6,000 high streets in England. It is not enough to get round and help everywhere, especially in a hands-on way.

The other thing is my point before. The task force needs a group to work with. It cannot make those changes happen. There needs to be that local capacity and leadership to interface with the task force, and I am afraid that is lacking in a lot of places. That is going to be the big issue. We do not have enough Neils.

Q15 **Bob Blackman:** How realistic is it to expect local leaders to give their support, given they were struggling already with their finances before Covid? Is it realistic to expect local leaders to be doing this right now?

**Professor Parker:** No. We need to look at increasing that capacity. That is one of the issues that I see with a lot of the funding that goes in. It is all about capital funding, and that is not the issue right now. You need



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more people to be rolling their sleeves up and doing things. Funding some of that support would help.

Leaders can come from other areas. The business improvement districts have been amazing over Covid in the leadership that they have shown and how they have been able to orchestrate the capacity within their business networks and bring that to the table. There is also the community. Let us not forget the civic societies and those groups. Leadership just has to be a bit more fluid, with a group of people coming together to make these things happen. It is not all going to come from the local authority.

**Q16** **Bob Blackman:** At the moment the Future High Streets Fund has 100 shortlisted towns. It is £1 billion; towns can be given up to £25 million, but most of the grants seem to be in the region of £5 million to £10 million. Is that enough to get things going?

**Professor Parker:** It is a great amount of money to get things going, but it is not everywhere. This is a competitive fund, so most places are not going to get any money from it. That is a big problem.

Secondly, I have to say that I am not sure whether the plans in some of the places that are being funded are really going to be transformational. Some of those plans were drawn up quite some time ago, before Covid. A lot of them have not had the involvement from the businesses and community that perhaps they really need to get real buy-in and make a difference. The money is brilliant for places that get it. We need to make sure we are spending it on plans that really make a difference, and you need more, because most places will not be getting that investment.

**Q17** **Bob Blackman:** The recent announcements have given some of the towns money. Are they the right ones, in your view?

**Professor Parker:** We do not have anything to do with the funding decisions.

**Bob Blackman:** No, but I am asking for your opinion.

**Professor Parker:** The visions are not really of transformation in some of those, no. The money will be spent on those plans and it just will not bring about the change that people expect. We see that all the time in regeneration: "Let us build this". Then it gets built and nothing actually changes.

**Q18** **Bob Blackman:** Bill, what is your view on the task force, the funding and so on?

**William Grimsey:** Before I talk about the task force, I will just talk about that particular point. This is the cart before the horse. Throwing money out there is not going to solve this issue. The reason it is cart before the horse is because we do not have the plans, the vision and the leadership in place to look long term as to what trends are coming down



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the track and what we need to do to curate these places to make them community hubs appropriate for the 21st century. We asked for the plans to be put in place in 2013 and we wanted to get going, but we never did. Brandon Lewis would not listen then and it did not happen. Had we done all of that sort of stuff, we would have visionary plans out there that would cater for this period going forward.

Having said that, there is no question that the High Streets Task Force, after its first year, has done a fantastic job in setting up a place for people to go for information. It is very good. The Covid example, which Cathy highlighted, is an example of that.

Cathy knows my views on this. I would like to see the task force get much more involved in how we get the right skill bases in these local authorities, BIDs or whoever it is going to be who is going to emerge as the leaders in these places. Our political structure does not help it. We have parish, district and county councils. In some places we have unitary councils, and then we have big mayors and little mayors. We have a confused setup that needs sorting out, but that is not going to happen, so we have to work with what we have. That will require local leaders, like the Neil Schneiders of this world, who actually say, "Do you know what? The rules are there, but I am going to put them to one side for a minute and I am going to put before you an argument that says this, and let us see how they then make it happen".

The issue of money is something that gets in the way. If you say to people, "Come up with some visions for your place within some financial constraint", guess what? They will come up with whatever the money can afford. We need to put the money to one side and start to look forward so that we can get to the end of this century and people will look back and say, "Do you know what? That lot back in the 2020s had a real vision. They really understood what needed to change and they really put in place the kinds of things that should have happened". That is rather than getting bogged down with what we get bogged down with or thrown money at for spade-ready projects, which were already sitting on the shelves in these places, to be tossed out in front of this and to grab some money. That is not going to solve the issue. It comes back to the long-term vision and the leadership. We have to get a grip of it. If we do not, we are just going to mosey along the way we are.

**Professor Bicquelet-Lock:** It is also very difficult for me to assess whether the High Streets Task Force is doing well or not, because I am the chair of the Professional Research and Data Group. I can tell you that we have sent 40 excellent planning experts to the High Streets Task Force, and I am sure that they will deliver on the task.

I know that one of the recommendations in the HCLG Committee report published in 2019 was that the task force should be much more than a talking shop. As far as I am concerned, I would like to think that the PRDG is indeed more than a talking shop. We try to understand the scale



of the crisis and its impact on the towns, cities and high streets. We try to support in looking for evidence and data for policy response. We also try to provide the evidence base for the High Streets Task Force action and message. Our role has been redefined because of Covid-19 and the frequency of our meetings has also increased. We publish monthly reports that are posted in the resources section of the High Streets Task Force website. We also undertake research, such as the business resilience survey designed and conducted by IPM. As far as I am concerned, we are doing very well.

**Chair:** We really are pressed for time. Could you focus on each of the last two subjects briefly?

Q19 **Mary Robinson:** Bill mentioned earlier the 20-minute or 15-minute city and zoom towns. What do you make of zoom towns as concepts for future communities in a post-pandemic world? Should policy-makers be responding to possible substantial changes to how we think about place?

**William Grimsey:** Central Government and local government need to think about the curation of place for the 21st century. Using technology as a basis to get things going is important. The 20-minute town, accessible by all, will come. We will have carless places. By 2030, you are not going to be able to buy a car that is not electric. By 2050, you will not have cars in town centres. We are not thinking about how to get that and to curate these places for mobility, for people to enjoy the experience and get to these places.

That is why it is so important that both central Government and local government need to start thinking about how to create these places that will accommodate 21st-century living. Do not forget that young people are not going to be driving cars. I could not wait to drive a car when I was 17, but that was back in 1969. Crikey; that is a long time ago. These youngsters will not drive cars. They will not even have Ubers. They will call up electric things that will come and pick them up. It is coming. It is coming at us fast. Let us not get bogged down with Covid. Let us look forward and create places that can be local and make local economies work.

The final point—I will shut up then—is that the recovery from Covid and the economic recovery from Covid is linked to climate change. It is essential that local economies drive the national economy recovery and not the other way round. That is what will work. If we can get local economies working, get enterprise working locally and make town centres the focal point of it, it will work, so it is about localism on steroids again.

**Professor Biquelet-Lock:** On the 15-minute model, we have recently published a report on healthy placemaking, which very much focuses on the solutions designed by planners to overcome problems associated with design and delivery of healthy places. There is certainly an appetite from planners and from the built environment to implement new models, such as the 15-minute city and the 20-minute neighbourhood, which has been



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around for a while in Australia and now in Scotland. This is because, as Bill said, those models very much propose to address the convergence of current challenges around health, climate emergency and economic recovery.

It is crucial that the successful implementation of those models will very much hinge upon adequate investment, funding and, dare I say it, investment in planning. Successful implementation of those models will also require leadership as it relates to placemaking, hence, for us, the necessity of having a chief planning officer at the top table in local authorities to provide a long-term vision, engagement with communities and certainty for development.

**Professor Parker:** This is what ties everything together to that earlier point. This is what we want to see as the vision. We want to see the vision as making people's quality of life better, them living longer and having good, strong local economies. We know that there is a professional support to make this happen. We need that leadership now and to make sure that there is the buy-in for this. We have seen in the low-traffic neighbourhoods that there is sometimes a small but very vocal backlash to some things. You can understand it from retailers' point of view, if outside they were relying on car parking and all of a sudden that has been taken away. We have to take everyone with us on this and that will take some time. That is when you come back to those strong local partnerships and that collaborative working. That is the bit that takes a bit of time and needs that skills investment. It is a bit of the jigsaw that is missing at the moment.

Q20 **Mary Robinson:** Leading on from that in terms of the policy-making and policy changes, before the onset of the second wave the Government were encouraging workers to return to offices to help keep businesses afloat and to avoid ghost towns. Is it realistic to try to save businesses that rely almost entirely on people working in and commuting to offices five days a week?

**Professor Parker:** In high streets, retail was always location, location, location. You are where your footfall is. If your footfall is not there, that means your business is going to suffer. You can try to make the footfall go there, but it is like pushing water uphill. We saw that, did we not? We see that in the footfall data. It does not take a Government announcement for people's behaviour to change, because they start deciding the risks themselves. They start deciding where they are going to be and where they do not want to be. People are adjusting to living from home. I was talking to a director at Ernst & Young recently. They were saying their productivity had gone up. They did not expect that to happen.

A commercial business now is not going to want to pay high rents in city centres if a lot of those people can work more efficiently from home. We are going to be with this, but thank goodness: it is a lot better for the planet. Fifteen and 20-minute cities mean we can walk and cycle. We





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cannot expect that change overnight, and that is why it is so important to take people with us. That is why the community and local businesses absolutely have to be part of this.

**William Grimsey:** As a specific, if you go into these smaller towns, you walk round them and you see wonderful buildings, which are banks generally, historically. They are all going to go. I tell every local authority when I get there: "What are you going to do? In five years' time, there is not going to be a bank here". They are going to go. They are going to leave town. These places can now be used for hot desks. People have worked at home because of Covid, but the evidence is that they are lonely. They are quite happy to go down somewhere that has great Wi-Fi, a good coffee shop and has a buzz about it. They can work away with a meeting room. That is what you can curate space around.

That, in turn, will turn the property market upside down. The commercial property market is facing a cliff edge again, based on offices and retail. They have to rebase the pricing and it has to change. You can use these buildings for other things and that is what I like about the opportunity this offers up.

Q21 **Mary Robinson:** On the theme of using the businesses for other things, prior to Covid-19 the emerging trend was that retailers were turning empty or low-use retail spaces into office spaces. Is that now just a regressive step, given most people will be working from home for the foreseeable future? Is it as stark as that?

**Professor Bicquelet-Lock:** As ever, evidence on the topic is quite mixed. It is true that, at the beginning of the pandemic, some companies, big techs such as Twitter and Facebook, had announced that, for instance, staff could work from home forever. There was this big enthusiasm for working from home. It is true also that the CEOs of big banks, such as Barclays, have said that putting 7,000 people in an office might be a thing of the past. More recently, we have seen companies saying that working remotely is not always great after all. Projects take longer, collaboration is a lot harder and training new workers is also a struggle. Some companies are saying that this is perhaps not going to be sustainable in the long term.

Q22 **Bob Blackman:** Turning to the planning White Paper and the effect of the planning White Paper on high streets and town centres, I would like the views of our witnesses on two issues. One is the changes to use classes and how that may undermine the town-centre-first approach. The second is that the opportunity, which we have just been talking about, of commercial space no longer being used, either for retail or for office space, means that there can be more conversions to residential use, which will then give the opportunity of repopulating towns and cities and generating the footfall the high street needs. I would like the views of our witnesses, very quickly, on those particular aspects.



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**William Grimsey:** This White Paper is overly concerned about housing in town centres and the delivery of housing. Housing is going to play an important part in the 21st-century town, but it is the quality of that housing that is important. It is the quality of the living space around it that is important. The intensification of housing and density in town centres, with little attention to green and open spaces around them that make the quality of life better, is important. That brings it back to the local plan and the local vision, how you combine the housing you are going to bring into the town centre, which is very important, with the wider aspects of taking whole streets out and putting in small pocket parks that will enhance the way in which we live.

The final point I would like to make is that the 106 levy that used to happen with developments going on in towns seems to be a bit woolly in what I have seen so far. Who will pay for the town centre improvements in the future if we do not have any 106 money coming through? Planning reforms should be about the quality of place and not just the housing delivery. If we could see that, I would support it.

Finally, the issue of local authorities having control and being custodians of the place is so important. We must stop the appeal process allowing a national officer to come in and override what local authorities, and hopefully, underneath it, local communities, have said—"No, we do not want that"—to actually say yes. We have to stop that because that is happening even as I speak now. That process has to be dealt with.

**Professor Bicquelet-Lock:** In terms of the creation of use class here, we believe that it will very much have an unanticipated impact on the town-centre-first policy. The intended effect of providing flexibility across high streets and town centres with the new class E is evident, but this flexibility will also apply in out-of-town-centre locations. As such, it is now possible to repurpose larger footprint users, such as offices, to retail users outside of town centres without any consideration of the impact this may have, in particular the potential to take more retailers and other users away from the high streets.

Regarding the introduction of residential accommodation into a town centre, we very much regret that the Government did not give enough weight to one of the key recommendations of the HCLG report of February 2019, which flagged the potential harm to high streets and town centres from uncontrolled PDR. On balance, we welcome the introduction of residential accommodation into a town centre. However, there should be controls to ensure the location of new residential accommodation is not prejudicial to plans to support or improve the town centre economy. There are currently no controls to stop residential incursions into what may be regarded as key commercial areas, which could frustrate or contradict plans to refocus commercial activity within a centre.

Regarding the conversion of commercial property into residential use, regarding PDR, on this issue lockdown has very much exposed important



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issues around the size of residential units, the adequacy of natural light and the availability of space. We welcome the recent announcements by the Housing Secretary that all new homes delivered through PDRs will now have to meet national space standards. However, this does not address the issue of location.

If you look at examples of conversions, such as Newbury House in Ilford, in east London, which is an example of a conversion from offices into residential space via PDR in 2018, it is right by the A12. It does not provide any communal space, let alone a playground for children. It is bound to have high levels of noise and pollution. Even if this development was to meet the minimum space standards, it would still fail by any other placemaking criteria, simply because it is in the wrong location.

**Professor Parker:** I do not have much to add to that. Talking from a place management point of view, if you talk to the BIDs, in terms of the class E, they welcome that flexibility. It is much better that businesses can be more flexible in terms of what uses they are at different times of the day and so on. Not every business can be rigidly classified in the same way as we did in the 1950s, so that is good. They are very concerned about the threat of using that flexibility in out-of-town locations, as Aude said.

The biggest concern around the conversion to residential is whereabouts. You do not want to disrupt the core of your town centre, so there has to be some control over that. There is also the difference between upper and lower-floor uses. While residential can create footfall for the town centre, at the ground-floor level is very boring for other people to be walking past. Let us think about living over the shop again. I have been doing this for 20 years. This seems to come back every five or 10 years. It would be great if we could be doing more residential above commercial units that then attract people to the town centres.

The trouble is that the market will dictate that people will be doing things that are going to get them the most value for their property, or rental value. That is the threat. We have already seen the pressure that has put on commercial office space in London. We have to be careful that we do not undermine the functionality of our town centres. When people are living beside noisy activity, whether it is bakeries in the morning or nightclubs, venues with important cultural value, they move in and say, "We are not happy with this noise". This is the character of that town and what attracts people to it. We cannot have a simplified version. This is what planning does. It negates all these discussions and tries to build the consensus in the interests of the town centre.

**Chair:** Thank you very much to all of our witnesses, who came and gave such detailed and thoughtful responses to a whole range of questions. That was really helpful to the Committee. Thank you very much indeed.



## Examination of witnesses

Witnesses: Robin Osterley, Michael Wheeler and Dominic Curran.

Q23 **Chair:** Thank you very much for coming. I will ask you to introduce yourselves.

**Dominic Curran:** I am Dominic Curran. I am the property policy adviser for the British Retail Consortium.

**Robin Osterley:** Good evening. I am Robin Osterley, chief executive of the Charity Retail Association. We are the trade association that looks after some 9,000 of the UK's 11,200 charity shops.

**Michael Wheeler:** I am Michael Wheeler. I am the political officer for USDAW and I work as part of the union's research department. USDAW is the fifth largest union in the country, with around 400,000 members. We represent those members across retail, warehousing and distribution, so a large chunk of the retail supply chain.

Q24 **Chair:** Thank you all for coming this afternoon. Could I begin with a challenge to Dominic Curran? We know the crisis we are in. We have had a Government policy announcement over the weekend and a statement from the Prime Minister today. The British Retail Consortium, as you know, has said to us the closure of non-essential retailers in a second lockdown is a "nightmare before Christmas". Could you really have expected anything else, given the state of where Covid is at?

**Dominic Curran:** The issue is to look at where the case numbers are rising in Covid. Retailers have spent hundreds of millions of pounds making their shops Covid-secure, both for customers and for staff. If you look at the data, there is very little indication that shops are a cause of infections. While I understand the need to get the numbers down and to take extreme measures in order to do that, I am not sure that shops are necessarily the source of some of the problem and, therefore, that they all need to be closed. Absolutely, we understand that Government have to do what they think is necessary.

Q25 **Chair:** Is it not in some ways obvious that, if we are going to have to have a big-bang approach now to trying to hit Covid on the head, you should not be saying, as we all have as constituency MPs, "Should we keep that bit open, or that open, or that open?" Is it not easier just to say, "We have to have shops open that sell food, but it is easier for the public then to understand if everything else shuts"?

**Dominic Curran:** It is certainly easier to understand. Whether that is the best thing to do is another question. You have seen the Government in Wales get into a little bit of a confusion as to what constituted essential, in terms of essential retail, and then slightly complicated rules around closing certain aisles in supermarkets that sold non-essential items and trying to define what they were. It is an area that is fraught with nuance and difficulty.



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**Robin Osterley:** I completely agree with Dominic. I do not have much more to add. It seems a little unfair that retail has been targeted in this way when it was never responsible for transmission in the first place. We are where we are. We all have to live with this situation.

Q26 **Chair:** Michael, you may have a point of view from the safety and health of your members working in shops.

**Michael Wheeler:** Yes. We would not want to second-guess the science around the health situation. A huge number of our members work in essential retail. They work in the large supermarkets and have therefore been on the frontline of the crisis throughout the first lockdown. They will be on the frontline of the crisis throughout this upcoming lockdown. We are very aware of the fact that the Christmas trading period is hugely important for the retail sector and that this lockdown will have a large impact on that, upon the companies and therefore upon the livelihoods of our members.

Q27 **Chair:** Before I move on, it is worthwhile saying that we should not forget that so many people have been brave and thought of others rather than themselves throughout this whole crisis. We mentioned health and care workers and others. We should also not forget people like shop assistants, who are there every day on the front line, making life tolerable for the rest of us. That is something we ought to particularly mention.

In terms of retailers, Dominic, what sort of help do they need to get them through this second lockdown? Is it the same sort of package as the first lockdown, or is more needed now?

**Dominic Curran:** To an extent, I want to see some of the measures that were in place for the first lockdown continuing. We have seen an extension of the furlough scheme. The business rates holiday is still going to be in place until the end of the year. It is extremely important, particularly given the lockdown now—we do not know how long it will be—that there is some further consideration given to a continued retail discount or perhaps broader business rates discount next year. Whether it needs to be as high as 100% is perhaps up for question, but there is clearly a strong case for more support to be carried over into next year.

In terms of new bits of support or new measures that need to be in place, in the first lockdown we had a particular retail, hospitality and leisure grant that was administered through the business rates system. There is certainly scope for more support to be given the longer that any lockdown carries on. Fundamentally, the real issue facing the retail sector is the level of business rates. Whatever happens over the next six months, the key thing for retailers is to get the level of business rates down, to make the system more administratively coherent, better linked to market values and to, as it were, allay the problem that that has been for retailers for several years. It is only going to get worse, given the falls



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in footfall and sales they have had over the last six months and will probably continue to have for the next six.

- Q28 **Chair:** We can follow up on the business rates issue shortly, but do you think the help could be better targeted? We heard Bill Grimsey's comments earlier about whether Tesco really needed all the help it has had. Some of that help might have been better targeted at smaller retailers that are in real difficulties. Is that a fair comment?

**Dominic Curran:** There is certainly scope for targeting support. If you look at where retail sales, and indeed activity generally, have seen the biggest fall, you are looking at town centres. You are looking at much more urban locations. Perhaps there is a case for targeting support to those locations and making it more geographically targeted support. In general terms, over several years, the retail sector as a whole has had a very difficult time in terms of rising costs. While some parts of the sector have done relatively well over the past six months, particularly grocery, it is by no means a universal story.

We have probably seen a tale of three sectors in retail over the last six months. Grocery has seen relatively good sales. Homewares and DIY have seen reasonably good sales, but those are tailing off. There are only so many laptops and printers that people can buy before they have satisfied their homeworking needs. We are then seeing things like fashion and footwear, which have seen really poor sales figures as people choose not to buy as many new clothes and shoes. There is probably some scope for targeting that support, but there are different ways you could divvy up the cake there.

- Q29 **Chair:** Michael, do you have any views about the sort of help and packages for support that should be provided this time? That is particularly with regard to your members and what help they need where they have lost their jobs or their income levels have fallen.

**Michael Wheeler:** As I mentioned, the vast majority of our members in particular were in essential retail and therefore remained in work. We saw some members affected and ending up being furloughed. The job retention scheme was an incredibly welcome thing that provided that security for them during this time, in terms of their income. The most important thing at this point is that there needs to be, both for businesses and for our members, that predictability around the support, and that ability to look forward and be able to plan. That is so that businesses can take decisions around their employees and staffing levels, so our members know what their income is going to be like, so that we are not seeing last-minute extensions of schemes that, while welcome, are last-minute.

We are concerned that decisions are being taken around the viability of jobs by businesses that do not know what support is going to be available over the short and medium term. That is therefore having an impact upon our members, upon the workforce. To echo what Dominic said, we





have been saying for quite a few years now that the retail sector as a whole has needed an industrial strategy from the Government and has needed coherent and cohesive intervention. This crisis is being layered on top of a sector that was struggling in many ways, that has seen job losses, that has seen increased levels of job losses and that could see much more in terms of job losses unless there is support available to businesses and employees.

**Robin Osterley:** I agree with all the preceding. There are about 23,000 shopworkers in the charity retail sector and about 230,000 volunteers. The shopworkers were all furloughed, so they took advantage of that scheme. The shops have obviously been able to take advantage of rates holidays because in most cases they still pay 20% of business rates, so they have benefited from that. Crucially, they have benefited from the retail, hospitality and leisure grants, which were extremely important for charity shops. They probably saved quite a lot of charity shops.

I want to make one point. For many of our members, the benefits of those RHL grants were significantly mitigated by the implementation of the state aid cap. All our members were subject to a state aid cap of €800,000 with regard to those RHL grants. That effectively means that any chain with more than, say, 30 charity shops, which is quite a small chain in these terms, were not able to benefit to anything like the full extent of the grants. We understand that there are now going to be grants of between £1,334 and £3,000 a month coming into shops as a result of the new lockdown, which is great. Again, we are seriously concerned that the state aid cap may apply to those grants as well. That will massively mitigate the benefits to shops.

Overall, our members have been pleased with Government support. Long may it continue because, for all the reasons that Dominic and Michael have mentioned, it is desperately needed in order to retain the fabric of the high street in its current state.

Q30 **Ben Everitt:** A lot of the ground that I was going to cover has been covered already. I was struck by what Michael was saying. There was the point you were making, Michael, about the Covid crisis layering on top of that longer-term trend we have been witnessing, almost in slow motion, about the high street and the change in retail consumer behaviour. There is then almost the unfairness of the tax regime relating to online versus high street retail. Layering it on top has meant we have lost those 125,000 retail jobs and 14,000 shops have closed permanently.

There is also something Robin mentioned earlier: that word, "unfairness". The basic unfairness of coronavirus in this context is that, in normal economic downturns, the businesses that get wiped out first are those with out-of-date business models or products that are no longer viable, or maybe they are badly run. That is simply not the case. Good businesses that are well run, staffed by good people doing their best, are suffering here. One problem we have that is almost counter-trend is that we have noticed that retail high streets in smaller, local town centres have fared



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slightly better than the big urban centres. This is very interesting for the purposes of this inquiry. I wonder what panellists think are the lessons we can learn from that and how we can make these shops sustainable once we get to a point where we are reopening in a Covid-secure or, fingers crossed, a post-Covid world.

**Dominic Curran:** I think it was one of the previous panellists who said that retailers effectively go where footfall is. One of our members said to me, "I pay for footfall and that is why my central London stores are completely unviable at the moment". Given the changes we are seeing as people work from home and are perhaps reluctant to travel, it is natural that we are going to see more shopping in smaller towns, market towns and suburban areas. Whether that is a sustainable pattern as we emerge from Covid—as you say, God willing—is another question.

If it is the case that, if you like, we went from 90% to 100% of people working in the office previously and now we are perhaps 90% to 100% of people working from home, in terms of those who can work from home, and we move to maybe a 50/50 approach over the next few years, perhaps footfall will reflect that. We will see some moving away from central, urban locations into more suburban, residential locations, but not entirely. There will be a rebalancing of the locations of stores. That said, that is in the context of an increase in vacancy that has been faster than trend over the past six months, but has been happening for nine quarters now across all types of shopping location. There is an oversupply of retail space. It is probably going to be the case that what is left will be rebalanced in terms of its location, but there will overall be a smaller pie of retail space in all locations.

Q31 **Ben Everitt:** Robin, as well as the general trend of reduced requirement for retail space, I wonder if you could comment specifically on shopping habits and retail trends in relation to what we know about how people have reacted to the coronavirus in terms of community, volunteering and that kind of stuff. That was brought into sharp focus how we value our communities, our volunteers and our charity sector, over the course of the first lockdown and is very likely to continue over the second.

**Robin Osterley:** I was very struck when the Chair was making some very cogent comments about shopworkers and how many of them are making sacrifices themselves and striving really hard to provide a service in extraordinarily difficult and challenging circumstances. Multiply that by 10 for volunteers, I guess. Those people are doing it without receiving a wage for it. They are doing it for the love. In some cases, very sadly, they are being abused for their efforts in trying to keep people wearing face coverings and using sanitising gel. In some cases, it is not a pretty picture.

You are absolutely right in that those people are providing an absolutely key link between people who are in their communities and the retail high street environment. If you are going to be able to leave your house and pop down to the shop and buy something, someone has to serve that to



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you. That person is, in a sense, exposing themselves to more opportunities to get Covid than almost anyone else, although, as we have heard, not many of them have, which is very interesting.

There is a really important issue here, in terms of the role that particularly charity shops can play in the remodelling of the high street. I was very struck by Bill Grimsey's notion that high streets need to be curated better. You do not want to use the word "control", but there needs to be some degree of oversight of what is actually taking place in town centres in particular.

Our experience is similar to everybody else's, which is that the smaller town centres are doing okay, in terms of both footfall and sales. We are probably down about somewhere between 15% and 20% at the moment, but that is probably only reflecting the fact that we are not able to open as long hours, because of a shortage of volunteers, primarily. We are not able to open as long hours as we were. Compared to last year, we are not doing too badly. Footfall is okay. Sales is okay as far as we are concerned.

There is a real part that charity shops can play in providing that sense of community. Bill mentioned several times the words "community" and "hub" together—community hub. This is an ideal environment for charity shops to thrive in, because that is essentially what they do. They bring communities together, in terms of the customers, the volunteers and indeed the staff, who tend to be all very local staff, people who understand their local communities and how they can benefit from it. Some of the best charity shops out of the 11,200 that I mentioned are spending an awful lot of time building those roots in the communities for both customers and volunteers. That is, essentially, why they need the support, just as much as other retailers, to be able to do that. It is a really important part that charity shops can play.

**Q32 Ian Byrne:** One of my favourite subjects is how we can tax Amazon more. Is it time to implement an online sales tax to make sure Amazon and others pay their fair share, given many Christmas presents will be bought online?

**Robin Osterley:** In our view, an online sales tax would be a good thing, but, for goodness' sake, it has to be really carefully thought through. It is very possible that it would catch the kinds of people who are always put up as the evil people in these environments, such as Amazon, but of course a lot of our members operate online as well and sell a lot of stuff, for example, through eBay and a whole load of other environments that are online. We would hate for an online sales tax to be catching them, so it has to be really carefully targeted on those people who do not have bricks and mortar to support and are taking advantage of some amazing tax breaks at the moment. We would certainly support an online sales tax, but it has to be done properly.



**Dominic Curran:** No, I do not think an online sales tax would be the right approach to help the retail sector. You mentioned Amazon, but eight out of the top 10 biggest online retailers are high street names. We have seen that all of them have increased the proportion of sales they do online to the point where I think John Lewis now does over 50% of all of its sales online. This, far from catching international tech companies, would capture those companies that probably, in terms of retail, need support rather than further taxation and penalisation. I am always struck by the notion that, to save the high street, retailers need yet another tax. That seems like a perverse way of doing things.

That is particularly given that an online sales tax would probably most likely be, in its construction, levied 100% on retail. Retail pays as much as 25% of the business rates burden so, unless there was a retail-specific multiplier that it funded, if the revenues from an online sales tax were used to offset business rates, as an industry retail would effectively get 25% of the benefit but pay 100% of the tax. As a mechanism to support the high street, it seems perverse. Much better than increasing taxes on different channels would simply to reduce the cost of operating on the high street. That would make a lot more shops much more viable at a stroke.

Q33 **Ian Byrne:** That is interesting. Michael, do you have any thoughts on the question of an online sales tax, maybe targeted at the likes of Amazon, considering the amount of business they are going to do? Bill Grimsey mentioned Black Friday and things like that. We have had two contrasting answers, one from Robin and one from Dominic, which was pretty much in line with Bill. Dominic mentioned potentially a fairer taxation system. Maybe then Amazon would pay more taxes and we would not have to have an online sales tax. It is an interesting debate.

**Michael Wheeler:** We agree completely with closing tax loopholes and tackling tax avoidance. On the specific question around an online sales tax, I saw what Bill Grimsey said in the earlier panel. The interesting thing is that I think he came out against it but came from possibly the same place that USDAW is, in terms of our position, which is that of levelling the playing field between bricks and mortar retail and online retail. It is in that context that we are in favour of an online sales tax, but only in conjunction with reform of the business rates system. We do not want to see an online sales tax brought in as a standalone measure, as an extra level of taxation. We see it as part of a system that would level that playing field between bricks and mortar and online, which would see overall a reduction in business rates with the introduction of an online sales tax.

**Robin Osterley:** I would totally agree with Michael's position there. We would want to see it as part of an overall reform of the business rates review as well. I would line up with Michael on that.

Q34 **Ian Byrne:** With the increase in online sales, and obviously the deliveries have been boosted across the country, how can online retailers be



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encouraged to use low-emission vehicles and reduce excessive packaging?

**Dominic Curran:** There are incentives to use low-emission vehicles that are already out there, whether it is different tax levels on fuels or more support for things like electric charging points. One small but important thing there would be to ensure that there is no business rates paid on electric vehicle charging points and more support for rollout of those points. That would all be supportive.

I think it was Ocado that did some research early on in its business that found that every van takes something like 24 or 48 trips off the road; I cannot remember how many it was, but it was a significant number. Because they use low-emission vehicles, they were net positive in terms of carbon emissions. It is always worth remembering that, while some people think that having online deliveries is an environmentally regressive move, if you plan it well you can get a lot fewer trips made as a result of online deliveries, if they are well planned in a coherent manner, using proper vehicles with low emissions.

**Robin Osterley:** I hate to channel Bill again, because he has been known in the past to take a bit of a pop at charity shops, most unfairly in our view. The point he was making about the fact that Covid has come along and made us completely forget about climate change is a really cogent point. Climate change seems to always be the thing that gets backburnered when anything comes along. It is always, "We will push that one down the road. We will push that one down the track". These things are crucially important.

There must be a vast oversupply of transport links out there. I constantly get the vision that you have a Tesco lorry following a Waitrose lorry down the track, doing almost exactly the same thing. There could be far more incentives for organisations to collaborate in those kinds of ventures. That applies to us as well, actually.

Dominic is absolutely right that technology can help enormously with this. Some of the vehicle scheduling that our members are using now is of such extraordinary sophistication that they hardly ever travel about empty. Combine that with proper legislation on emissions, vehicles and all those things—and, sadly, it does have to be legislation; it cannot just be incentives—and we should be able to do a good job here. Some retailers need to let go a bit and see that as less of a competitive advantage for them and something they need to be doing in collaboration with their colleagues and peers in order to make those economies of scale and create those advantages in terms of emissions.

**Michael Wheeler:** I do not have too much to add. We defer to the companies to know what would incentivise them, but we would be incredibly supportive of the move towards electric vehicles and advancing that green agenda.



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Q35 **Chair:** To pick up with Dominic, I think we had the same conversation when you came to give evidence to us before, if I remember, about business rates. You mentioned that it would be unfair if an extra tax was put on one part of retail, namely online sales, and it just went to the business rates reduction in general. Did you not answer your own concerns there by saying there could actually be a specific retail multiplier as part of the business rates system that ensured that any money brought in from an online sales tax specifically reduced business rates on retail alone. That could be done, could it not?

**Dominic Curran:** It could be done. You would have to overcome Treasury's reluctance to hypothecate taxation, which is one of my big concerns. Although, on day one, if there were to be an online sales tax that was specifically hypothecated to offset the retail proportion of business rates, I can very easily see how the next Government, or even the next Chancellor, might decide, "We will change the retail multiplier and disentangle or take away the link between that and an online sales tax", and it ends up being yet another tax on the retail sector. There is certainly precedent for that sort of thing to happen.

**Chair:** That is a cautionary note.

Q36 **Rachel Hopkins:** The Government intervened in September to try to help businesses that are reliant on people returning to offices and commuting. Did you agree with that push?

**Dominic Curran:** That is a little bit outside my remit. All I would say is that, when retail started operating again over the summer, we did not see an increase in cases. There was a push for people to get out and go to Covid-safe environments, whether that is work or other commercial places. Retail was certainly not part of the problem in terms of an increase in cases. It has always been the case, or it has been the case for a long time now, relatively speaking, that retail is a safe working environment. Going out to work there should not have been a problem, although there are obviously a range of experiences for people.

**Robin Osterley:** I would agree with that. It is a lot safer now than it was. Like Dominic's members, our members have spent an absolute fortune making their places Covid-secure. We have, like everybody else, very little evidence that any of that has been a problem, either for staff or for customers. Speaking as a member of the public, I am a bit confused about whether I am supposed to be going to work and out into the town centre. There is room for greater clarity there. On the other hand, some of these decisions are so difficult that I am not exactly going to stick it to the Government for making some decisions that are in the realms of the more or less impossible.

Q37 **Rachel Hopkins:** Do you have anything to add, Michael?

**Michael Wheeler:** No, not particularly beyond what the other two have said. Like I said at the very beginning, the vast majority of our members have been in work for the entire period of time. In particular, the





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September push to getting people back did not impact upon our members too much.

Q38 **Rachel Hopkins:** A lot has been talked about already around consumer behaviour and whether retail can adapt to new behaviour, such as with the working from home. Is it that online retail will continue to grow even more so during the pandemic?

**Dominic Curran:** It will, inevitably. During lockdown, outside of food and other essential items, however defined, if online is the only way you can access goods to purchase, yes, it will do. Beyond not just lockdown but this immediate period, so the next six months, I do not think we are going to see consumer behaviour shifting backwards to any great extent. There may be a plateauing of online activity, but we have seen online food sales grow from 7% of the grocery market to 15% in six months. We saw the main grocers, the main supermarkets, ramp up their online capacity in a matter of weeks, to the same degree that they would normally do for Christmas, which takes three months of planning. Notwithstanding the fact that there were some shortages of some items in the supply chain, it was quite impressive just how quickly a lot of the retail sector stepped up to the plate to deliver the goods that people needed.

I do not think we are going to go dramatically back from that, say, 15% in the grocery sector. It may not grow substantially beyond that. It may be that the reason it was only 7% of the total market, as opposed to 20% or 30% for non-food retail items, was because people like to go to the supermarkets and touch and feel the items they are buying, particularly for things like fresh fruit and vegetables. I certainly do not think we are going to go back to old shopping habits. That poses a question for capturing value in the economy and the spatial distribution of different types of use of property and land. Those are the questions the Committee is rightly looking at.

**Robin Osterley:** I feel quite strongly about this. It is inevitable that, as Dominic says, the proportion of online will increase. That is just the case, but for the foreseeable future there is going to be a place for bricks and mortar and for shops in the town centre. People need it. Okay, maybe in 200 years' time we will live in a totally different world, but in the foreseeable future people need to get out of their houses. They need to meet other people. They need to go into shops and look at stuff they want to buy. They need to be attracted to it and confident that they are spending their money in the most effective and, increasingly, the most ethical way. Our members are absolutely convinced, across the board, that there is a continuing place for bricks-and-mortar shops.

Having said that, to show the contrast, the most popular meetings we are running over the next few weeks are definitely about ecommerce and how our members get more and better involved in ecommerce. They are flocking to those meetings, I have to tell you. It is a really important thing for them to be getting their heads across. They are doing that at



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the same time as they have reopened their shops and are having and keeping takings from their shops. It is really important to them. It is really important to the staff, those 230,000 volunteers and the customers. Back to Bill again, it is how you build that sense of community.

Dominic is absolutely right: we are not going to go back to what shopping was like in the 1950s, or even in the 1960s. That is not going to happen. What we can do is transform our high streets into places that people want to be in. Shopping is part of that, because people do not want to go into high streets just to drink coffee. They want to go to high streets to do lots of things, including drinking coffee, visiting charity shops, visiting Dominic's members and visiting independent retailers. We have to create an environment where they really want to do that. There has to be a bit of top-down there, I am afraid. I do not think we can rely on Darwin or Mrs Thatcher to create these environments for us. There has to be a bit of centralised planning to make those kinds of things happen.

**Michael Wheeler:** It is important here to try to disentangle what are accelerated long-term behavioural changes and what might be simply Covid-related changes that could go back. It is undeniable that there has been a trend towards increasing online shopping, but we are all speculating as to where that might cap out. We also have to take a serious view as to what desirable trends and not desirable trends are and whether we want to intervene in that.

Part of this goes back to an earlier question from Ben Everitt that I missed answering because I lost my connection. It is that urban centre versus local town centres. We have seen the struggles that local town centres have had and the struggles local high streets have had over the past few decades. Had they been allowed to disappear completely, where would we be now? What would local communities be relying on? We have seen the trend back towards them. If they had disappeared completely, as the trend towards out of town and urban centre shopping was over the past few decades, they would not be there now and communities would not have them to rely upon.

We need to take a strategic decision as a country, and as the Government, about what we want to see and what is worth protecting, not just trying to analyse trends. In our view, there is absolutely a place for bricks-and-mortar retail at the hearts of our communities. That is for the services they provide, the jobs they provide and for the nature of our high streets. My first job was in a supermarket that was five minutes' walk from my house. As a 16-year-old non-driver, my first job could not have been at an online distribution centre located in the middle of nowhere. There are many important functions provided by bricks-and-mortar retail to our communities. Analysing trends is not enough. We need to decide what our town centres, high streets and the nature of our local communities are and intervene to try to protect what we have.



Q39 **Rachel Hopkins:** Shifting on a little bit, a recent CBI survey found that more than half of retailers plan to reduce the number of employees in the coming months. Do you think the Government need to do more to incentivise retailers to retain employees, or are these job losses inevitable?

**Michael Wheeler:** I am pretty sure Dominic will have a view on this from a BRC point of view. Job losses are not inevitable. The Government can absolutely intervene to protect them. Part of that is through a properly economically viable support package for jobs. We saw, in that intermediate phase when the job support scheme was first announced, that the sums did not add up, in terms of struggling businesses retaining employees. The financial sense was not there.

Also we need that predictability. Businesses need to be able to plan their immediate future with a view to the viability of jobs, as I said before. We do not want to be losing jobs now, especially not in the run-up to Christmas, but not at any point, on the basis of partial information. We need a proper support package for employers in place, but that needs to be for the short and medium term, so that real decisions can be taken to protect jobs on that basis.

**Dominic Curran:** Following Michael, referencing back to something he said, we have to disentangle the pre-Covid and Covid impacts. As we have been discussing, the retail industry is in the midst of a transformation where a significant shift of retail turnover is conducted online. As a result, there are going to be fewer jobs in the industry and they are probably going to be better-paid jobs on average, because the skillset is going to be different.

Over the past few months we have seen—and I am certain we will see it over the next six and 12 months—that the pace of job loss will accelerate. That will not be because of the transformation of the retail industry, or at least not entirely. It will be because some retailers and, more particularly, a lot of stores for a lot of retailers, will simply not be viable. The reason they will not be viable is because there will not be people going to visit them and spend their money in them, whether that is because they do not feel comfortable travelling to where those stores are, they are not able to travel because of lockdowns or there is a changing demand for what those stores are selling. There will be a variety of reasons.

I think there are going to be several hundred thousand job losses as a result of Covid and transformation. Disentangling the two can sometimes be difficult, but the way to mitigate against a lot of those job losses, certainly the Covid-related job losses, will be to ensure you have a system of support for business—this does not just apply to retail but is across other sectors too—that prevents those unnecessary job losses. That is the key point. There will be jobs that are viable, or would be viable were it not for Covid, and there will be businesses that would be viable were it not for Covid.



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It would be a tragedy if the Government allowed those otherwise viable businesses to go under, with all the attendant job losses, store closures and impact on local communities, when they could be protected through a reasonable support package. We have seen really good support packages to date with the business rates holiday and the job retention scheme. It would be a crying shame if we let the good work from those packages be undone by not continuing that support to help businesses get through to the other side of this crisis.

**Robin Osterley:** I would agree with that. The key phrase is, "Where there is a will, there is a way". If the Government want to do that, they can do it. They do not seem to have a problem supporting huge industries in a variety of different areas. They have spent an absolute fortune doing this kind of thing. If they wanted to support those kinds of businesses to prevent the extra Covid effect that Dominic was talking about, clearly they can.

One thing to note is that around a third of people employed in retail are under 25. That is a very large number of people. A lot of youngsters use retail, as Michael was saying, as their first step on the working ladder. It is the first place they gain experience in customer service, handling money, paperwork and all sorts of other things that youngsters do that they do not get to do at school. If you are going to cut that opportunity away from youngsters, I am not sure there are many other industries that can take up that slack. You might find a lot more unemployed youngsters than you want to have.

The Government have to be extraordinarily careful about this. While I do not think any of us would be that much in favour of taxpayers' money being used to support completely unsustainable industries, on the other hand there are, as Dominic has said, ways of making these kinds of industries more sustainable. That would be the right thing to do, rather than simply artificially propping up wages and salaries.

**Dominic Curran:** I will quickly echo what Robin and Michael have said. Retail is the biggest employer of people who walk to work. It is a disproportionately large employer of people with caring responsibilities, whether it is children or parents. It is a disproportionately large employer of, as Robin said, young people and people with only entry-level qualifications. The value of retail to the employment market is enormous and probably disproportionate to the value of retail to the wider economy. It is really important that those jobs, where sustainable and viable, are protected.

Q40 **Rachel Hopkins:** I have a final point. I hear a lot of the questions around supporting businesses with viable jobs, et cetera. If job losses continue, how can Government help people find different forms of employment, if there are going to be some who lose their jobs?

**Michael Wheeler:** Once again, this is something that needs to take place in a sector where automation is creeping in. It is about an emphasis



on skills, training and, if we are going to lose jobs, retraining. That has to be acknowledged and implemented in the workplace. If you will forgive me, I need to highlight here schemes like Unionlearn and their importance to accessing workplace learning and making sure people have that opportunity to pick up skills that are transferable and put them in a good place in the jobs market while on the job. They do not necessarily have the luxury to take time off and go back into formal education settings. They quite often did not have the best experience of formal education the first time round. It is about workplace training, the ability, the accessibility and the opportunity to acquire those skills through the workplace and while on the job. That is around important schemes such as Unionlearn.

**Robin Osterley:** Your question was not really a Covid question. The workplace has been changing enormously over the last few years. Maybe Covid has accelerated it a bit, but the concept of full employment is probably dead. My son is about to do an MSc in artificial intelligence. I reckon if, in five years' time, only 5% of people are employed, he is going to be one of them. It could well be the case that technology is eventually going to supplant people's work. Let us not forget that in the 1960s that was considered to be a really good thing because the jobs were such drudge-based jobs in those days. That never happened. Instead, people have worked harder and harder and harder.

You have a huge socioeconomic shift going on here, and this is not about Covid. This is about what we want our work to look like in the future. Issues associated with universal wages and all those kinds of things will have to be addressed. Covid has got in the way of it, but there was a lot of work being done in those kinds of areas and that will have to continue to be done.

Q41 **Bob Blackman:** I want to move from the world of work and esoteric areas about what might happen in the future to the housing White Paper, the planning White Paper in particular. That may have an impact on town centres and high streets. Can I be clear on two points? One is what your view is on the proposed changes to use classes, which can have a huge impact on retail. The other is about the expanded use of permitted development rights to allow the conversion of retail and commercial premises into homes without needing to go through the planning process.

**Robin Osterley:** I am not an expert in this area. The thing I am slightly more comfortable talking about is in terms of conversion to residential. You got some very good answers to that question in the last panel. One thing that is not considered enough is that, if you are having a mixed retail and residential space, or indeed commercial and residential space, you have some problems about the night. An enormous amount of retail activity in particular, and other commercial activity, takes place at night. People are arriving with lorries to restock shops and all those kinds of things. If you have people living in those environments, it is not necessarily ideal.



Having said that, clearly one of the huge issues we have, whether it is in city centres, town centres or market towns, is footfall. There are no surprises there. If you put people living in those environments, footfall is bound to improve. You have to balance those kinds of considerations. Can you have an effective commercial economy going on where a lot of the resupplies are being done at night? Also, can you think about revitalising particularly city centres? If the offices have all gone, the office workers are no longer coming in, perhaps the only way to get those revitalised would be to put people living there instead.

If you think of somewhere like Oxford Street in London, if anyone has walked down there recently, that is just a desert. It is perfectly possible it will continue to be a desert for many years to come, so why not put some residential accommodation in there? That would be my inexpert take on that.

**Q42** **Bob Blackman:** The other thing I will mention is a lot of new areas that are developing are having residential accommodation with retail outlets probably underneath as a whole plan to try to get the population near to where the retail units are.

**Robin Osterley:** That is fine if those retail units are meeting the needs of the community. It is back to this business about building a community within your town centre situation where people actually want to go. Otherwise, the people are going to come down from their flats above the shop and go somewhere else, and that is not going to help.

**Dominic Curran:** In the last panel, people referenced the more European approach of flats above shops. I think it was Cathy Parker. I was struck over the spring and summer that the often lauded European approach to urban living of high-density flats in much more compact city or urban centres, with businesses, bars, shops, restaurants underneath, has been seen as a desirable objective in the UK, or at least England, for perhaps 20 or 30 years since the Urban Task Force. It is probably a terrible situation to be in in a lockdown. Perhaps the England approach to urban living, of much lower density with gardens, for those lucky enough to be able to afford them, and certainly a lot more parks, is probably a more desirable or at least a better option for living during a pandemic.

On the basis that we will be living in not-pandemic more than we will be living in pandemic, the approach of flats above shops is probably the right way to go in a lot of our urban centres. We already have it in our much more densely populated urban centres in London, Manchester, Edinburgh and other places.

With the proposals in the planning White Paper, what we are seeing in terms of greater use class flexibility is broadly welcome, although there is always the risk of these curious unintended consequences where you might get offices in retail parks and uses that perhaps do not quite work for the location. I guess, to an extent, we will have to see how those things bear out. It is unfortunate that use class E took effect in





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September. We are in a very strange situation and I do not think we are going to see a lot of new retail units opening up on the high street, so we are going to see a particular use of that use class order change over the next six to 12 months. We need to see how that pans out.

In terms of permitted development rights, there was a very useful discussion, which I will not seek to add to, on quality and location in the previous panel. My worry, from a BRC perspective, is that, if you are able to convert retail units to housing in an uncontrolled manner, or indeed to lots of different types of use in an uncontrolled manner, from a retailer's perspective you are creating gap-tooth high streets, in terms of a coherent shopping parade or entity.

For footfall, you want a concentrated area that is coherent and that people will go around, as Robin said, get their coffee but also do their shopping and whatever else they want to, rather than have to walk between potentially quite long stretches of housing developments to get to different shops. That makes those shops less viable because people are simply less willing to walk longer distances. The concern is that permitted development rights, notwithstanding other concerns that have been raised, undermine the coherence of a town centre. We would want to make sure that perhaps one of the safeguards or considerations for a local authority in considering a PD application is the coherence of a town centre, where it takes place in a designated town centre location.

**Q43** **Bob Blackman:** In a number of town centres we have had residential units that have been converted into office space historically. What about those converting back, as the office or commercial space is no longer required?

**Dominic Curran:** That may work for a town centre. The issue is that local authorities have to be able to have some oversight. I know this is PD rights and the idea is, to an extent, to remove the oversight, or somewhat remove it. There has to be enough oversight to make sure that, whatever is in place, although it is easy enough to put it in there, is at least part of a coherent vision or set of uses for that location. The risk is you undermine the viability of existing retail units if you allow completely uncontrolled development of retail units in that area without seeking to concentrate them. It is just about managing it a bit better.

**Michael Wheeler:** I will hold my hands up and say I am not a planning expert, as you would expect. I was certainly taken by a lot of the contributions from the last panel. What I would seek to add echoes some of what Cathy said in the last panel. In our opinion, a diverse high street is a sustainable high street. It would probably be our opinion that anything that undermines the ability to have some measure of control on that diversity, to promote that diversity, would be a bad thing. The last thing we would want to see, as I think, once again, Cathy highlighted, is where property owners seek the quickest return of investment. If that led to a wave of conversions to all residential, all cafes, all bars or all shops,



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that is probably not the way to go forward in this, in terms of undermining the sustainability of that high street in the long term.

**Chair:** Thank you very much to all our witnesses for coming and giving very helpful evidence to us from your different positions, but I think giving a very consistent message about the challenges the high street faces and how some of those challenges could better be met. Thank you very much for coming.