



HOUSE OF LORDS

Built Environment Committee

Corrected oral evidence: High streets in towns and small cities

Tuesday 8 October 2024

10.45 am

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Members present: Lord Moylan (The Chair); Baroness Andrews; Lord Faulkner of Worcester; Baroness Janke; Lord Mair; Lord Mawson; Baroness Miller of Chilthorne Domer; Baroness Warwick of Undercliffe.

Evidence Session No. 13

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Questions 200 - 222

Witnesses

I: Baroness Taylor of Stevenage, Parliamentary Under-Secretary of State, Ministry of Housing, Communities and Local Government; Alex Norris MP, Parliamentary Under-Secretary of State for Democracy and Local Growth, Ministry of Housing, Communities and Local Government.

Examination of witnesses

Baroness Taylor of Stevenage and Alex Norris MP.

Q200 The Chair: Good morning. Welcome to the 13th evidence session of the House of Lords Built Environment Committee and our inquiry into high streets in towns and small cities.

Today we have the great pleasure of welcoming two Ministers from the Ministry of Housing, Communities and Local Government. They are Baroness Taylor of Stevenage, the Minister for Housing and Local Government, and Alex Norris, the Minister for Democracy and Local Growth.

We have a number of questions to ask them to contribute to the report that we are writing on this subject. Welcome, both of you, and thank you for making the time to come and see us. Our first question comes from Baroness Andrews.

Q201 Baroness Andrews: Good morning. It is very good to see you both. The last Government had a fairly clear commitment to developing high streets in the context of levelling up. This is a broad question. Will you follow the same sort of principles, the same direction? How do you see your policies for towns? We have your five elements of things you can do to improve town high streets. How do you see housing, infrastructure and growth fitting into the things that you have identified as your big housing and planning priorities? Where will high streets fit into that if you do not follow a continuous policy as set out by the last Government?

The Chair: How is it distinct from the policies of the last Government?

Alex Norris: I am very grateful for that question. As the Minister for Local Growth, I have the successor programmes to levelling up, including obviously the legacy programmes from the previous Government, so I am probably best placed to answer that question.

From my perspective as the new Minister, it is a double process. As the committee will have considered, a great number of funding streams were put in place, whether it is the Future High Streets Fund, High Street Heritage Zones, Town Deals, the Levelling Up Fund, the Community Ownership Fund, the UKSPF or the Long-Term Plan for Towns. Each one of those is a well-meant bit of public investment, taxpayers' money, designed to tackle important problems, but our analysis is that it is less than the sum of its parts.

So as Minister I am seeking the best administration of the funds that are in flight—the ministry's term—but also moving towards what we as the new Government think the model should be. I will address those two bits, if I may.

On the first bit relating to the funds that have been committed, they are at varying degrees. In many cases, money has been spent and there are

spades in the ground as we speak. Other things were announced much more recently. I am very mindful, as Members of the Committee will be, that there is a Budget coming at the end of this month, so some of those funds are held up in that process. We will be giving full clarity to communities following that. We want to see the activity that is invested and to see it thrive, but we particularly want to see the migration to a new model, to this Government's model.

As I say, our analysis is that it was less than the sum of its parts and that the competitive nature of it did not necessarily serve and mean that the resources got to the places that we want them to get to. Our concern is that multiple funding streams mean that real industry is needed from local authorities and local communities in the monitoring that they need to satisfy, and that often the priorities were reflective of central priorities rather than local need. The model that we want to move to through our local growth funding models, our local growth plans, is a more allocative, longer-term, single-pot settlement with greater local discretion and lighter-touch central direction.

I hope I have expressed that we see value in what the previous Government did, but I think there is a recognition—and I believe they also recognised this by the time they came to the end—that their model was not quite right. We want to build on that, to improve it, but, as I say, in the here and now we have to make sure that the funds that are being spent are being spent properly.

Baroness Taylor of Stevenage: I will just add to that. You asked how the high streets and the town centres fit with their wider growth agenda. It is a really important question. Some of you may know that I have been involved with a major regeneration scheme myself. Of course, this is for local determination, because every high street and town centre is different. We very much see as part of the devolution agenda that local leaders will represent their own areas in determining what is needed, but there are certain demographics, for example, that love town centre living, so where that is appropriate it can contribute to the housing agenda. It certainly did in my town centre regeneration. It helps in areas where there has not been a tradition of living in the town centre. It can add to the footfall in town centres.

For the older generations who want to be close to infrastructure resources like health and transport infrastructure, and for the younger generations who may want to commute to work and so on, town centre living can be the right answer for them. For that and for creating the right economies in town centres to drive footfall in them, there are some really important things that we can do in town centres to contribute to the wider growth agenda. There are also elements of the health economy that can be well placed in town centres, because they are generally easier to access than out-of-town facilities. I hope that answers that part of your question.

Q202 **Baroness Andrews:** It does. I have one final question, on your five-point plan to breathe life into high streets. Why are these your priorities?

I would not say they are random, because they each have a clear purpose and they are clearly addressing a problem, but they do not add up to a whole plan for high streets. You have explained how they will fit into local and national agendas, but these priorities are the ones that have been chosen in the manifesto to be highlighted, so I am just wondering how—

Baroness Taylor of Stevenage: I think they also fit in with the devolution agenda. As part of the local planning process, we will be asking local leaders to look at those and to decide which of them is right for their town centre and high street, and to determine whether there are other things that are very important for the local area that they are representing, in terms of regenerating or supporting and highlighting the facilities they will need. I suppose transport is a very good example of that. Some areas already have very good transport infrastructure, and some of them will need to think about how they make that make more sense to the local residents and to the providers of transport.

Q203 **The Chair:** Thank you. Mr Norris, did I understand you as saying that there are communities that have already been told they are to receive funds but that now, following the Budget, may find that they will not receive funds?

Alex Norris: There are communities expecting money that have been told that those funds are currently paused, which is not quite the same thing as your point, because that is a matter for the Budget. We are in a very challenging situation—

The Chair: So after the Budget they may not have the money.

Alex Norris: That will be a matter for that Budget, but that is one of the possible scenarios.

Q204 **The Chair:** That is one of the possible outcomes. You also talked about how you want to ensure that money is spent properly; I think that was the term you used. We all want to ensure that money is spent properly, but how will you ensure that money is spent properly under your new perhaps more streamlined and focused funding mechanism? We will come to that as a separate question later. How will you do that—through what level of guidance and what form of monitoring? How hands on and directive will the department or the ministry be in monitoring the proper spending of this money?

Alex Norris: There is an interesting point and concept there about what “proper” is. There is proper in the sense—

The Chair: It was your word.

Alex Norris: Yes. I was hoping that I might just unpack those elements. There is proper in the sense of this being public money, taxpayers’ money, and it needs to be spent appropriately, with probity and those things. That assurance regime will be in place, as you would expect.

Then there is proper in the sense of best use and best value. As I say, if we lessen central direction, there will be that degree of greater local flexibility. That is a good thing. We want to see that fit within communities' broader local growth plan narrative about the priorities for and the strengths and the weaknesses of their area, as Baroness Taylor mentioned, whether at a regional or sub-regional, council or community level. We want to give greater freedom there.

There is a very important question that I know the previous Government wrestled with and we have inherited about how you evaluate success. Later on in their term, they introduced their evaluation strategy, so we are considering that at the moment and are building from it. We inherited that, which is a good thing. There is something about impact there as well, but, in terms of proper, we want that local leadership. We think that is important.

On the financial point itself—this should be obvious but clearly has not been in the past—the money has to be there. If we are going to make commitments to communities—in many cases 10-year commitments—without money being there, and, in the case of some of the local growth funding, be reliant on reserves that have been spent multiple times over, that is not a good way to deal with communities, work with local communities and foster partnerships. The Budget offers a reset moment for that, but we will be making fully funded commitments, which I would hope would be an obvious thing but has clearly not always been.

The Chair: You will realise that local authorities and local communities will be deeply interested in the question of how this interaction between flexibility and central direction to ensure alignment with the stacking plans of regional, sub-regional and so forth will work in practice.

Baroness Taylor of Stevenage: Can I just comment on the formal and less formal accountability process? The department is looking very closely at, and has as a very top priority, the great deal of difficulty there has been in the auditing system in local government, as you will be aware. The department takes that very seriously and has prioritised steps to improve that situation, so hopefully the formal part of auditing will begin to improve.

Secondly, having been involved in regeneration myself, I know that the community very much wants to be involved in setting the priorities in the first place and then monitoring whether we have delivered against them. It is a fundamental part of local democracy that people are able to look at the partnership that their council has formed.

As you will know, under the previous Government, town development boards were set up to monitor the Towns Fund, for example. There is a great value in local communities being able to determine whether the priorities that they set when they were consulted about their town centres and high streets have been delivered by local leaders. There is a formal accounting process, but there is also the democratic-type accountability process, as well as anything that may be put in place to

look at particular bids to see whether they have delivered what they set out to deliver.

Q205 **Lord Mair:** Good morning. I want to follow up, Mr Norris, on what you have been saying about funding. We have heard a lot of evidence about the rather large variety of government programmes. There is no question that a large number of those funding programmes have been confusing. You have already talked about the allocation of funding. Will some or none of those programmes still be applicable? What is the thinking about essentially continuing the funding provided by the previous Government in the form of different programmes? If that is the case, how will you bring greater clarity, because they have undoubtedly been confusing?

Alex Norris: I am very grateful for that question. For many of those funds, it depends how far along the line they are. The Future High Streets Fund, High Street Heritage Zones and Town Deals, as Baroness Taylor said, are spent on committed projects. Hopefully they will have a very positive ongoing legacy, but from the department's point of view that very direct financial link has come to its close. Similarly, the Levelling Up Fund and the Community Ownership Fund have had multiple rounds. For rounds 1 to 3 of the Community Ownership Fund, the agreements are pretty much all signed and the money generally spent, and similarly for the Levelling Up Fund applications.

What we are looking at in the scope of the Budget and the spending review more generally tends to be Levelling Up Fund round 3, Community Ownership Fund round 4 and the Long-Term Plan for Towns. Hopefully that gives clarity on the things that are spent. Obviously, we are after the fact and we just want to make sure that the finances are in place to meet the commitments of the other funding streams.

That is a very detailed and itemised kind of approach to local funding, so it almost answers itself in that regard; we will not have clarity until we have moved to a new model. That is why this Government has committed to it being simpler and hopefully longer term, too, because we know that one of the challenges that comes back to us from local communities is having to get things out of the door quickly on different spending timelines that have not been set by themselves. So that single-pot more allocative process will give clarity and greater agency to local communities.

Q206 **Lord Mair:** Thank you. And do you intend to reintroduce the bidding processes for the various funds? You talk about a single pot. We also heard a lot of evidence that the bidding processes are themselves time consuming and expensive for local authorities and not necessarily optimal. What is your view on that?

Alex Norris: I would share that characterisation. An awful lot of energy goes into those bids. All good bids involve engaging with the community, so it establishes a degree of perhaps hope, if not expectation, that is then disappointed. I think that model has had its day. I think the previous Government had reached that conclusion too, but that is certainly our

view. That is why I think that having a more allocative approach would work better. That is certainly what we are seeking to pursue.

The Chair: The previous Government's ambition was to merge the existing funding streams into a single pot. I think everyone agrees that there are too many; there is no dispute about that. Are you any different to that? Is this just continuity?

Alex Norris: It is different, in the sense that that was a—

The Chair: It does not have to be different.

Alex Norris: No, and I would never pursue points of difference for the sake of it. With the election being done, we want to build on what has come before. We would never throw over a model because it was not ours; I do not think there is any value in that at all. I think the major point of difference was pace, because the previous Government had gone for their simplification pathfinder project.

Again, I do not think that necessarily needs to be done by exception. I think all communities would benefit from that simplification and that integration of funding. That is certainly what they say to us and, I suspect, what they may well have said to the committee. I think we should get on with that and move to that model as quickly as we can.

Q207 **The Chair:** I come from a local authority background, like a number of people around the table, and I understand the complaints that come from local authorities that bidding processes can be very time-consuming, expensive and frustrating when they do not succeed, because, of course—it is in the nature of things—not every bid can win. But I also understand the ministry's difficulty, which is that you need to be sure that what you are giving public money to fits in with your strategy and your objectives, is not bonkers, and makes sense.

I would have asked the same question of the previous Government: if you are going to relax the bidding processes and allow local authorities much more devolution, how will you be able to fulfil your duties of accountability to Parliament for the money you are spending so as to ensure that it goes towards government objectives? How will you strike that balance? In effect, will it be any different from what the previous Government has done?

Alex Norris: There is a really important question here. The value in the competitive process was that Ministers, the public and those who scrutinise Ministers in this place could have confidence that the money would be well spent and spent on those priorities, but that begs the question: what of the communities where perhaps a judgment has been made of their capacity for change or capacity to improve their communities? If they are to miss out, that is to the great detriment of their communities, and that raises a greater question, which Sharon, in her current role and in her previous role, and I in my current role and in my time in local government, would have spoken about a lot, about local government capacity and the pressure that local government has been

under in recent years. I do not think communities should be penalised for that.

The Shared Prosperity Fund, for example, is a more allocative model and something that all local authorities had some element of. It was perfectly feasible for the Government to set a series of themes and parameters around what the money is for. It is not just money for spending on any project, but it gives a greater degree of local flexibility on the how and the who in delivery, and that was effective. As I say, there is doubtless the capacity problem that colleagues are very interested in, but, when given that agency, local government has shown that it can deliver. That is a good model and therefore one that we would want to build out from.

The accountability point is a very important one in a changing devolution landscape. That was a feature of the last three Parliaments in terms of local devolution. It is certainly a feature of what we intend this next Parliament to be about, with the deals already announced. Baroness Taylor talked about the different accountability mechanisms, and they will be very important. It may not look, in the accountability sense, exactly as it does today, but there still need to be those mechanisms, and I think there are.

Baroness Taylor of Stevenage: On the point about setting a framework but then very much allowing devolved areas to make the decisions about how that money is used, of course there will be an accountability mechanism for whether they have delivered what they said they would, but the process leads from the individual communities being involved and engaged through to whether the money has delivered what that community set out with its partnership between business, the local authority and the community. That might involve some thinking about different accountability mechanisms. As I said before, there is the formal accounting process to monitor whether this money has been spent properly according to accountancy things, and there is the wider issue of whether the investment delivered what the community want within the framework.

We have made it very clear as a Government that growth is our top priority, and town centres and high streets play a fundamental part in that for me. We want them to be vibrant economically, but also safe, accessible, welcoming places so that people start to have more confidence in them—that had ebbed away a bit—and business has more confidence in them. The whole aim of the programme will be to deliver that, but with local communities having a say in the devolution aspect and how that is done specifically for their community.

Q208 **The Chair:** I want to ask about a specific example of growth. We all want to see better high streets, but the pressure might be to open up a new out-of-town shopping centre. It might be demonstrably the case, proven with figures, that there will be more growth from the out-of-town shopping centre, with more jobs, business and tax generated on the transactions than there would be through improvements to the high street.

Would you be happy, purely as a devolved matter, to leave it to the local authority to make that decision, or would you be directing them to say they must go for the higher growth outcome? How do the two fit together? High streets are a driver of growth, I agree with you, and we all love them, but they are not the only driver of growth and their success can depend on cutting off growth elsewhere. How do we wrestle with all of that? How do you wrestle with it?

Baroness Taylor of Stevenage: If there is enough growth, there will be room for both—I think is the answer to that question. But that is probably a bit of a cop-out answer. Certainly we know high streets are changing and there may be new aspects of growth in high streets that we want local areas to promote and support, where out-of-town shopping areas may have a different purpose and role. I do think it is a matter for devolution and for local areas to determine what is best, while hopefully promoting both aspects of growth in their areas so that if the high street is moving and changing, that is supported by the local community and the local partnership that is responsible for it, and creating growth where necessary and where it will work for that area in out-of-town areas.

Q209 **Baroness Warwick of Undercliffe:** It is very nice to see you both. My question continues on the measurement issue, because it is quite clear that the plethora of programmes that have been in place until now have created major problems about measuring success. Indeed, when we went around and talked to various people involved in high street regeneration, that was one of the biggest problems that they faced.

The other problem relates to the way in which various elements of government policy will have an impact on high streets. Several government departments could well be involved, would need to be involved, in these programmes. Looking at evaluation and monitoring, have you thought through yet the way in which that might be managed across departments, because that is the other major bugbear? You will know that every Select Committee comes out with the criticism about lack of collaboration and co-operation between government departments. Have you thought that through, or will you try to ensure that there are ways in which you can continue to monitor success, particularly bearing in mind the flexibility at a local level that clearly you perceive as so vital?

Alex Norris: One of the things the Prime Minister is particularly keen on in addressing that interdepartmental issue, which seems to have been a challenge throughout the years of Governments of all persuasions, is having, in the mission focus relating to high streets, which is particularly important, and the mission focus relating to growth and to crime, that sense that we understand that different departments will impact in different ways on that shared goal.

Hopefully I can give some assurance that at the very highest levels in government it is known and seen as being important to address. Of course, that makes the evaluation harder, not easier, because it has become so multifactorial that there has to be some degree of departmental ownership, which is why where the previous Government

ended up with their evaluation strategy gives us a good building block there.

At the moment, the evaluation strategies, as I think it would be reasonable to expect, follow the different fund streams, so the shared prosperity fund and towns fund. When we move to a more integrated model, we will have to have more integrated evaluation. That is true within departments and across the missions, but at least that mission-led approach will give that reporting clarity and that accountability, because we, as a Government, will need to demonstrate that we have achieved there. I think that is the right model in order to do that.

Part of the challenge as regards high street success remains. I know the committee has looked at what a high street is, and it is a fundamental question. If we use the ONS description, which seems a good place to start, that is 7,000 very different areas for which a local community sense of success is very different. I know what it would be like in my town centre in Bulwell, but that might be very different to Stevenage and elsewhere. However, I am sure there will be some commonalities. We know that we want less vacancy, more footfall, less crime. There are things there, but it does make it a tricky job and we will be very interested to see where the committee land on this. The mission structure will hopefully give us a more integrated reporting mechanism in order to demonstrate success.

Baroness Taylor of Stevenage: We have started the process already on better working across departments. I know you are very interested in housing, Lady Warwick. I have the Net Zero Brief for Housing, and I have been working very closely with colleagues in DESNZ and Defra on how we move that forward. Hopefully the mission-led approach to government—we have to test this; it is a bit early to say yet—will drive us towards better working across departments. For town centres and high streets, this is fundamental, because it crosses over all the missions that the Government set themselves. It will be a good test to see whether that approach works better at pulling all these threads together, because it is very important that they do.

I am particularly interested in issues like the health aspects of town centres and how we build healthy hubs and so on into our town centre thinking for the future. There is a lot of work to do on that, but like Minister Norris I am very interested to hear where the committee's thoughts go to on this, because it will really help us.

Q210 **Baroness Andrews:** Twenty years ago, the New Deal for Communities had a not dissimilar task, especially when it came to evaluation, because of all the cross-governmental and local engagement. It was an interesting model. Have you looked at some of that in relation to process and outcomes? The outcomes were very consistent in a way, so it was easier to get a quick hit on health or education.

Secondly, several of our witnesses were exercised that the previous Government did not really understand what local engagement was. They

were not using local knowledge and were not involving the right sort of partners, and so on. In terms of evaluating success, what will you look for that is different, and how will you establish whether it is being done as well as it might have been done?

Alex Norris: On the New Deal for Communities point, we have decades of different spatial policy, whether on levelling up, the big society or the New Deal for Communities. We have lots of insight to draw on. We are very keen to do that. I had the chance to talk to Baroness Armstrong, the Minister who took that through when in government, to learn some of the lessons there, so that is very much a live conversation that we are having. I think you will see some of those features and themes when we come forward with our model.

On the engagement point, this is a very interesting one, because my message for local communities, certainly for local political leaders, will be very welcome, I know, when we say to them that we will offer less central direction and a safe and effective but lighter-touch monitoring regime. The quid pro quo is that they do not have to put all this energy into servicing a kind of conversation with the centre, but they need to use that energy for engaging with their communities, because we know that is what gets the best outcomes.

The challenge is in the second part of your question about how you measure that and work out whether it was most effective, in the sense that it is a counterfactual, so it is hard to know what you do not know. Also, the local community is the expert, not the centre. We will very much use the best practice that we have seen already in other programmes and hopefully build on effective structures that might be in place—Baroness Taylor talked about town boards; that may well be a good model for many communities—and spread those best practices so that communities can benefit from that, but we want to see more of that, because we think that is what delivers.

Baroness Taylor of Stevenage: We will have to work hard to involve some of the underrepresented groups that usually get left out of the consultation process. I am sorry that Lord Bailey is not here this morning; I know he would be advocating for more engagement with young people. Certainly with our town centre regeneration it is a kind of legacy for young people, so if they are not involved with designing it in the first place it will not work for them. There are various groups of people and communities that are underrepresented, so we would hope to see that that had been thought through and, as this process of devolution evolves, that we get the best practice that some local partnerships have worked very hard on disseminated more widely.

Q211 **Lord Faulkner of Worcester:** Welcome to the committee, both of you. It is nice to see you. Can I ask for your view on the previous Government's New Towns Taskforce? I think it had plans to appoint a town tsar that would report to the Cabinet. Will any of that work be useful to you, and are you taking it on or are you junking it all?

Alex Norris: It will definitely be useful. I cannot say that we intend to carry on in the same way. At its most fundamental point, the structures that support the work we do has to follow what we are trying to do, so I could not make a commitment to a certain model of delivery ahead of making the commitment on what our local growth funding plans are. I believe that has to come first. We want to get the insight. The town tsar is in place.¹ They put a very effective and talented person in that role, so we will seek to take some of the learning from that.

Similarly, the High Streets Task Force has come to its end. We want to get some of the insight from that as well, but just as we inherited a number of different funding streams, we have inherited a number of different supporting architecture. I would not want to commit to any particular element of that before we were very clear about what we were trying to do, and then supporting architecture flows from that. At this stage, we need to go through the Budget and establish our plans for the future before we can commit to any given structure.

Lord Faulkner of Worcester: You want to support success for the high streets, obviously.

Alex Norris: There is no doubt there. That very much is part of the guiding mission for this Government, absolutely.

Baroness Taylor of Stevenage: Yes, it is the idea of making sure that we make the best use of people who are experts in the field, people who have been successful, and that is what the High Streets Task Force did. We need to make sure that that will not disappear in any new regime. It is too early to commit to an existing structure yet, because, I agree with Minister Norris, form follows function, so you have to work out what you will do and then the best way of supporting and encouraging it.

Q212 **Baroness Miller of Chilthorne Domer:** Good morning. Minister Norris. You have mentioned vacancy rates already this morning. Your manifesto talked about revamping empty shops, pubs and community spaces. I wonder how you intend to enable that work to move forward.

Alex Norris: For me, there are a couple of elements to this. First, it is to give local communities greater or more effective tools in order to bring vacant premises back into use. The Levelling-up and Regeneration Act, which I was in committee for when the Shadow Minister had the high street rental auctions provision in it, is something we intend to continue with. A statutory instrument is required to commence it. We are actively working on that process at the moment. That would give the community a power, through their local authority, to bring long-term vacant shops on a high street back into use, but also, frankly, would encourage landlords to make effective use of those premises.

We have also made a commitment on the community right to buy, which we intend to legislate for in the English Devolution Bill. That builds out

¹ Clarification received: The former town tsar, Adam Hawksbee, resigned from the post during the pre-election period. The Minister is grateful for his service.

from the community right to bid and may well have been part of the evidence the committee has seen as to the effectiveness or the gaps within that particular power, particularly the length of time communities have to get themselves together in order to make a successful bid and some of the supports. Again, that is something we intend to do as another way of making sure that much-loved community institutions—a pub would be a very obvious one—can be kept within community use and indeed, if it is not being used, brought back into use.

There is a very important point here that we talk about a lot. It is good to have a power-based, rights-based approach to give communities greater tools to shape their communities. There is a danger that the communities with the best mix of skills—people with the most time and perhaps the most confidence—would benefit the most, which could widen inequalities. It is very important that alongside that you have enabling capacity to help communities that might need a bit of assistance and someone to stand with them.

Again, the previous Government left us a good possible model there in relation to the community ownership fund, because they commissioned a consortium of partners to support more deprived communities that perhaps traditionally do not bid into funds like that. That has shown success. Again, we could do more of that and not just limit it to that space. That is an important part of it as well.

In the vacant shops context, this is the most effective moment for it. I have not mentioned it yet—and I will not forgive myself if I do not say this at some point—but we have to have a real focus on crime on our high streets and town centres, because although that does not directly cause a vacancy, it is linked to vacancy in its causes, and in one of those factors that makes traders not want to or not be able to work in a community. I speak to major retailers who talk about viabilities of their stores because of theft or because of the pressures of keeping their staff safe, meaning that they may go and may not operate in that area.

There are a series of things that we have committed to as a Government, such as the removal of the £200 limit, increasing neighbourhood policing, and a consolidated offence for violence against retail workers, which must be part of a real government commitment to contest that public space again and to make it one that people want to be in and feel safe in. Of course, it is virtuous cycle then; if traders feel safe and viable, it brings more energy, more life, more footfall, which itself reduces crime, so we want to tap into that. We think that is very important too as a way of tackling vacancy.

Q213 The Chair: Are you finding that you are getting Home Office buy-in for making that a police priority?

Alex Norris: Yes. Again, this was something that we pushed on for many years, but later on in the last Parliament the Government started to pick up on it and they worked with the police on the retail crime action plan. The three things that I mentioned there go beyond that, because we did

not think that went far enough perhaps. There is some move in that space with that action plan, but the Home Office has made the commitment to those three things. I cannot say when the legislative timetable allows for those. The Home Secretary made that commitment at our party conference a couple of weeks ago too, so I feel confident that we have a very aligned view on this across departments.

Q214 **Baroness Miller of Chilthorne Domer:** We heard quite a lot of evidence, and now you have touched on it, about the link between vacant properties and crime. The tools you suggested sound very practical. Do you envisage any opposition to the community right to buy?

Alex Norris: If you are talking about private property, you have to have a fair balance. It is true in right to buy, compulsory purchase powers and high street auctions, and means that it is not an overbearing power of the state. In the case of the compulsory purchase order, high street rental auctions and levelling-up considerations, it has been subject to multiple pieces of legislation. In the case of community right to buy, finding that fair balance will also be part of the legislative deliberations, because in reality those are often powers of last resort.

Particularly in the case of high street rental auctions, which are targeted at vacant shops, we want landlords to bring them into use. We do not want the council to have to issue notices or for there to be long-running processes. We want them to be used. You can find a balance there, and I think historically there has been, and what we have will build out from that. Certainly in the case of the community right to buy, we will very much listen to all those who have an interest in it as part of the consultation, and we will be seeking to come up with something that is proportionate and balanced, but it has to be effective.

Baroness Taylor of Stevenage: Can I just comment on the compulsory purchase issue? Some significant steps were taken under the Levelling-Up Bill, which I think were welcome, because compulsory purchase was very technical and had lots of restrictions relating to it. You often find that even the threat of a compulsory purchase order will spur some action. I have a local example of that in Stevenage. They are important measures, but the fact that they are there can often bring the action that you want to see in the first place. Minister Norris is right to talk about the balance.

In fact, to complement those Levelling-Up Bill changes, the Law Commission has undertaken an exercise to consolidate compulsory purchase law to make it easier for authorities to access and understand, but we would hope that the provision of those powers and the fact they are there will encourage the property owners themselves to take the action that we want to see, rather than wait for some sort of other action to be taken, but it does give a sort of measure of last resort.

We had a very derelict site, an old insurance building. Bits of it were literally falling off into the street. We could not get any action taken on it, and the very threat of a compulsory purchase order meant that it was

sold to a hotel chain. We are very short of hotel space anyway, and a very nice hotel was converted there, which made such a difference in our town centre. I think that will be true across the country. We have to make sure that these powers are there for last resort, but also that they can be used by the community when necessary.

Q215 **The Chair:** Mr Norris, you have linked crime to vacancy rates, understandably. Has the department done—or do you intend to do—any work to analyse other structural contributors to vacancy rates as you approach your thinking about how to regenerate high streets that need a little help?

Alex Norris: That is not something that I have done. That might be of interest, though. It may be something that we follow up in writing with the committee, but I certainly do not have that at my fingertips.

The Chair: It would be interesting to know, because with crime, although it is important, if one does not get the whole package right it might not have the effect that is hoped for.

Q216 **Baroness Andrews:** I will follow up one final point about the use of local authority powers. You are basically saying, Minister, that local authorities do not need new powers; they have the powers to address vacant properties, whether it is simply somebody who leaves a house empty or someone who leaves a retail property empty. Basically, it is a question of making the powers more accessible and more available, and that may be a resource issue.

Baroness Taylor of Stevenage: There are inevitably resource issues in local government here. I was going to expand on that a bit in response to the Chair's question, but the simplification process is there. More work can be done on that. We will see what the Law Commission says when it has done its piece of work, but helping wider understanding of those powers and how they can be used will be a great help in this respect, because there are several powers in place now. Some of them are very new, so it remains to be seen how effective they are.

Q217 **Baroness Andrews:** Some of them are very old, of course. It was a real trial to try to use the Section 4 directions, yes.

I have two related questions. First, we have a lot of evidence about the benefits of putting vacant properties to public service, moving local authority services into the high street, or public and cultural hubs. Is that something you would hope to continue?

Secondly, I am sure you agree that national and local heritage must be a central part of the growth agenda, because it is character, tourism, economics, civic pride, identity—all the things that help to commit to growth and so on. There was a good heritage-led programme under the last Government. Will you be continuing that? Will you be encouraging the repurposing of significant buildings, historic buildings? Even if they are not listed, they add to the character of the high street.

Alex Norris: On the first point, as related to different parts of public sector services, we are already seeing that pattern of them wanting to move into community settings, particularly in healthcare, because community screening is becoming such an important part of alternative ways into the health service that do not involve people turning up at A&E. We know there is a lot of interest in that too, and I think we will see more of that.

This speaks a bit to your previous question, Lord Moylan, on the factors relating to vacancy, because we will all be very mindful—it is pregnant in the conversation—of the changing consumer patterns that all of us have to some degree. We can order a book with two clicks, and that changes profoundly the nature of the way in which we shop. We will still be very strong advocates for bricks and mortar retail in a mixed high street that then has more leisure—that speaks to the point Baroness Taylor made earlier—and indeed, in this case, perhaps more public services too in the mix that makes people want to come into a community and get better and closer access. That could only be a good thing there. I do think we will see more of that.

On the heritage point, you refer to high street heritage zones, which was a commitment of £107 million to 67 different places.² We are very keen to learn from that. I share your view that heritage is a very important part of making a community attractive to outsiders, but for a community it is a very good way of being an attractive local area. I am a total bore, having spent much of my adult life trying to make this a reality, but I live in a market town in the north of Nottingham. People would say that we are a city, but we think we are a town. We are a market town, and the best market town in the East Midlands in my view, but there is no expectation of heritage frontages, and I think heritage frontages would really enhance the feel and tap into the existing identity. That is obviously a personal passion of mine, but we want to learn those lessons from the heritage zones to see the impact that has had, as well as the attractiveness and whatever, so yes, we are very keen to do that.

Baroness Taylor of Stevenage: We have the whole shebang in Stevenage, because we have the historic high street, which goes back beyond history, and a charter fair that goes from 1281, so that has been around for quite a while. Then we have the new town centre and a retail park. In the regeneration scheme we have linked them all together so that they are all protected in their own ways and delivering their own services to the local community.

On the heritage aspect, you are right that we all have to work hard, especially in these times of straitened finances, to protect our heritage assets in this country. They make a huge difference. Our communities love, value and treasure them, as they should, and we have to work hard to make sure that we do whatever we can to protect them.

Q218 **Lord Mawson:** We have all joined in a lot of debates in the Chamber

² Clarification received: High street heritage action zones received £95 million.

about business rates. One of your manifesto commitments was to review business rates. What are you intending to do and on what timescale?

Can I just raise a second point on the basis of what you have been saying? There is a desperate need for innovation in our town centres, and it is great to hear you talking about pushing more authority locally and the need for health hubs and getting up stream into the social determinants of health. That sounds right to me, but how do you ensure that across the country you have the quality of leadership in the public sector that is capable of delivering some of this stuff? My experience on the ground across the country is that it is a pretty mixed bag, so what will we do about that?

Alex Norris: On the first point about business rates, I am slightly mindful that tax policy is for the Chancellor, of course, and we are under the shadows of a fiscal event. I know the Treasury would not thank me for trying to set its policy for it in that way, but we have made a public commitment on the ambition of levelling the playing field and giving high streets and bricks and mortar retail the chance to compete on an even footing, to incentivise investment and to tackle vacancies to support that innovation, as we have discussed. That is being actively looked at. I cannot give any greater detail than that today.

On the point about innovation and leadership, part of our exercise so far and that of colleagues on the local government side of the department has been to reset the relationship a little bit with local authorities. I am always mindful, having a local authority background myself—Baroness Taylor has a very long and glittering one also, as have many colleagues in this room—that it has been a very difficult period working in local government. The message you may have heard for a long time, that it is a decline environment and that you will not have opportunities to do things, may well have put people off from having long careers in local government or joining local government.

The message from us that we will give local communities is that the local authority will always be a driving building block of the powers and resources to shape place. I hope that makes it an attractive environment to want to work in and to want to develop a person's skills in. I am hoping that that reset will drive that sense of desirability, because we will need very effective problem solvers with very special skills locally who can engage with the community and get to audiences that perhaps we do not always get to. Otherwise, it will be a seriously limiting factor. We will be very mindful of that.

Baroness Taylor of Stevenage: I think the skillset is changing. The building of partnerships has become increasingly important. I happen to live in a two-tier area, but much of the country is covered by three-tier areas, as you will be aware, so building partnerships across the political sector and other boundaries has become increasingly important. The sector needs to play a role in this. The LGA has certainly done a huge amount of work to develop political leadership skills, as well as, crucially,

officer leadership skills to support those of us on the political side of things. That is vital.

Looking at innovation and best practice across the board and making sure that it is widely shared is not something we have ever been as good at as we could be in this country. If we are going to drive the growth agenda in the way we want to see and improve our town centres and high streets to meet the demands of our communities, we have to think very hard about how we develop those new skills, share best practice and develop the innovation that we all want to see in this area.

The Chair: I appreciate that we are not going to get you to tell us at our meeting today what the Government's policy on the reform of business rates might be, but some of us are concerned that any reform that does take place does not result in the benefits accruing to landlords of properties rather than to the occupants of the properties over time. That is a consideration that I hope you might be able to bear in mind, because it would not help the high street if the ultimate beneficiaries of the reform of the business rates system were landlords who were simply able to charge higher rents.

Q219 **Baroness Janke:** My question is about local government. You have already said quite a lot about that, in that you believe local government will be important in delivering this agenda. But, as you have said, the local government sector has been effectively decimated over recent years. I think the first area that is causing great difficulty is our planning departments, which have been run down enormously and are a great brake on progress in local areas. Do you have any plans as to what you will do about that and about resourcing local government generally?

Also, on the issue of the NPPF and the Town Centre First approach, are you satisfied that this is being taken forward as it should be? Are there any examples where you feel that you should strengthen that approach?

Baroness Taylor of Stevenage: I will start with the impact on local government. There is no doubt that there has been an impact, because the costs of funding high-needs services like adult social care and children's services have increased dramatically, and now we face that in temporary and emergency accommodation as well. That has led inevitably to local authorities having to make reductions in some of the areas that would be supporting the kind of work that I know we all want to see for town centres and high streets: economic development teams, teams that were managing and promoting markets and events management in town centres, investment in infrastructure improvements like bus stations, things that add to the transport infrastructure, SME and business support for start-ups and small traders, and even things that Minister Norris referred to, like tackling antisocial behaviour. Local authorities played a big part in that. There will be many other examples where they have been affected by that.

What we have to do under the devolution agenda is create the confidence and the skills in local government to deal with the issues that we are

facing, as well as look at the whole funding mechanism. It will not be a quick job; it will take a while to do that. The Secretary of State is considering that very carefully and considering how we will do that for the future, but the priority for growth steers us towards us making sure that as well as tackling those high-needs services, which we have to do, we also have a focus on how we will drive growth forward, so we have to do both. It will be a trick to do it within the financial envelope we find ourselves with, but we will certainly be looking at that very hard. I know the Chancellor will be considering what steps we can take towards that in the first Budget that we bring forward at the end of this month.

In terms of the National Planning Policy Framework, as you will know, there has been an extensive consultation on that. It closed on 24 September and we had about 10,000 responses to it. They are being analysed and we will produce a response before the end of this year. We are expecting local plans to create a positive framework for growth and adaptation, and we will consider whether any aspects of planning policy for high streets and town centres need updating. The responses to the consultation that we have had are steering us in that direction.

We will still be looking at the National Development Framework and whether we need to add or improve any of those policies going forward to help with this project of making sure our town centres and high streets remain vibrant. It is still under review while we review those responses, but I am sure some of them will be pointing us at things we need to do for town centres.

Q220 Baroness Janke: Do you intend to retain permitted development rights for converting use class E properties into residential use?

Baroness Taylor of Stevenage: I understand the motivation for use class E, which was to create a much more flexible approach. We have to get the balance right between that very flexible approach and giving a degree of local say in how high streets form and develop. I have been talking to Minister Norris particularly about things like gambling harms; if you get eight betting shops in one high street, we have to think about how the balance is struck between that and other uses. At the moment, use class E is very wide, as we all know, and having some sort of local say for communities in what the balance is on their high street is quite important. We have not made any decisions on that, but we will.

That gives the flexibility and means that high streets can develop quickly where they need to in order to respond to changes in the retail market. We value that. It also means that use class E will allow buildings to be used for health hub uses. A shop in my town centre was set up very quickly as a vaccination centre when it needed to be, and we were able to do that because of use class E. But local planning authorities should be able to continue to plan for vibrant, active high streets and town centres and being able to have a broad framework for development where there is a planning application is helpful.

Q221 Baroness Andrews: Is there any appetite in government, given the

perverse consequences that PDR has on many different aspects of planning and so on, for a proper review of PDR across the board in relation to the consultation on the NPPF?

The Chair: Linked to that, because it is almost the same question but slightly different, I have been thinking that the specific concern with high streets—I appreciate everything you have said, and I think we agree with everything you have said in response to Baroness Janke’s question—is whether retail units, particularly at ground level, are being converted into residential units, which is permitted now under the current permitted development rights.

Have you done, or do you expect to do, any sort of review of the extent to which this is a problem? One hears anecdotal evidence that this is happening, and you get gap-toothed—so to speak—high streets that then lose their coherence as retail centres, but is it as big a problem as it seems? Has anyone done any work on that, and do you intend to? That ties in with Lady Andrews’ question about the extent to which you will review permitted development rights more generally and also specifically on that.

Baroness Taylor of Stevenage: That work has not been done yet. We keep permitted development rights under review. As we know, in the housing field there have been good examples of PDR, but some truly awful examples as well. I think it is right that we keep that under review. In respect of your point, Lord Moylan, it is important we look at this and see whether the anecdotal evidence is matched by real evidence.

It is important that the department has a look at that to see whether we have had this sort of move to convert ground-floor premises out of retail and into other uses. Some of them may very well be helpful. If they are health uses and things like that, that might be helpful, but obviously we want to avoid hollowing out our high streets as far as we can. We keep permitted development rights under review and we will be having a look at it, but we have not announced any plans to amend them at the moment.

Q222 **The Chair:** Going back to the earlier part of Lady Janke’s question about town centres, have you considered that there were advantages generally in town centre managers operating to promote town centres locally? If you did and if you had reached that conclusion on the basis of any inquiries or studies you had made, would you think about requiring those as part of a funding package?

Alex Norris: I do not think that level of mandation is desirable, because that is quite granular—

The Chair: Probably not, but there is still the first part of the question.

Alex Norris: —but I do think there is good evidence for effective town management, and indeed perhaps for a town manager, which is sadly a model that has fallen into abeyance in recent years as local government has been under such pressure. Clearly there is value to having that. If we

want to have more place-based policymaking, that approach embodies that, because it is a person who can solve problems rather than just do different sorts of single interventions.

There are other ways in which a town board might be able to do that through its mix of skills, contacts and experience. Local authorities are huge enablers, which speaks perhaps to the role they will play in convening and empowering towns and town centres. I personally see a degree of value in it, but I certainly would not suggest that we would intend to mandate it.

The Chair: Thank you. Could I thank both of our guests today? It has been very good of them to give their time, and we found it a very enlightening and helpful session.