

Scottish Affairs Committee

Oral evidence: [The future of Scotland's high streets, HC 1489](#)

Wednesday 21 January 2026

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Members present: Patricia Ferguson (Chair); Maureen Burke; Lillian Jones; Mr Angus MacDonald; Douglas McAllister; Susan Murray; Jack Rankin; Kirsteen Sullivan.

Questions 1 - 40

Witnesses

[I](#): Professor Cathy Parker MBE, Professor of Retail and Marketing Enterprise, Manchester Metropolitan University; Professor Leigh Sparks, Professor of Retail Studies, University of Stirling; Professor James White, Professor of Planning and Urban Design, University of Glasgow.

[II](#): Colin Borland, Scotland Director, Federation of Small Businesses.

Examination of witnesses

Witnesses: Professor Cathy Parker MBE, Professor Leigh Sparks and Professor James White.

Q1 Chair: Good morning and welcome to this meeting of the Scottish Affairs Committee where we are more or less beginning our inquiry into the future of Scotland's high streets. We have a bevy of professors today; I do not know what the collective noun for a group of professors is but we have three. Could I just ask you all to introduce yourselves and what your specialism is? I will start with you, Professor Parker.

Professor Parker: I am from Manchester Metropolitan University. I look at the way that individual people, businesses and councils work together to try to make their towns and high streets better.

Professor White: I am professor of planning and urban design at the University of Glasgow. I have worked on a project that looks at the adaptability and transformation of Scottish and UK cities. I also run a project that looks at place-based adaptation of environment for the climate emergency.

Professor Sparks: I am professor of retail studies at the University of Stirling. If I have a specialism it is about change in retailing and change in place.

Q2 Chair: We look forward to hearing from you this morning. I will kick us off. This Committee ran a public survey at the end of last year. I am sure you will not be surprised to hear that over three quarters of the correspondence indicated that people were unhappy with their local high streets. How would you characterise the current health of Scotland's high streets and town centres? I will start with Professor Sparks this time.

Professor Sparks: The first distinction I would want to make is between high streets and town centres: the two are interrelated but not the same. It is always worthwhile remembering that and having in our focus that town centres are broader; high streets are the retail commercial hearts of town centres and places.

In one sense, the survey does not surprise me. In another sense, it is a good example of wanting to have your cake and eat it in that we have seen massive change in high streets and town centres over the last 60 years. We have decentralised and disaggregated retail over a range of different activities, for example, offices, cinemas, warehouses, increasingly health centres and other places where people go.

In the last 30 years we have also changed the way we operate through online retailing and online generally as part of our lives. It has changed the way people move, move around and where they go. As a result, we should not be surprised that town centres are having to change and adapt and are changing and adapting in many different ways. We have



too much space but we are repurposing that space in many town centres and there are good things going on.

The final point before I pass over is that if we think about change in high streets and the growth that is occurring through some independent retailers in many places, we need to recognise that many high streets are doing quite well. There is a perception that it is different to what has been before and that that difference is somehow worse. But actually for many people, the high street is a place they still go to and want and we are seeing businesses operate there. There are others that are struggling much more badly, often related to affluence, poverty and a range of other issues around that broader town centre.

Professor White: I would say something rather similar. The narrative of the death of the high street is probably overblown; it is more a story of transition. At the height of the covid era, things were really bad. We heard constant news stories about shops closing and boarded-up storefronts. But actually there has been some buoyancy and return to prosperity; certainly some bigger cities—Glasgow's Buchanan Street and parts of Princes Street in Edinburgh—are doing very well.

As Leigh said, this has a lot to do with adaptability and what the high street means to people. In the past, perhaps it meant that you would go there and see all your familiar shops but it is changing and has changed. There is much more food and beverage in city centres and opportunities to go to coffee shops. Cafés and restaurants are opening in units where they perhaps could not open before because they were dominated by retail.

I would agree that this tends to look and feel better in more affluent places. We can point to examples where things are going really well for those towns and centres. But they do not look the same anymore; the types of uses that are there are very different. It is harder to pull that off in more deprived places where more partnership models and direct investment from Government are probably needed to kick-start the type of transformations that are easier in the more affluent high streets.

Professor Parker: I do not really have much to add to that. One thing I would say is that there is a difference between perceptions and reality in a lot of places. Regeneration has tended to focus on physical regeneration but your survey shows that people's perceptions are also important. That is where the intervention of the high streets task force in England—I will talk much more about England because that is what I am familiar with—was needed to help people feel more connected to their local town centres with better communications and more explanation of the changes that high streets are going through. Even local businesses are often a bit shut out of what that story is. So that is important.

As my colleagues have said, we did a piece of research where we found 234 factors that influence the vitality and viability of the high street. It is complicated and always has been but we do not think about the



mechanisms for managing that change. Unless we think about that, we are constantly looking backwards. What is the last change? How do we deal with the internet and things? That is not going to go away. What is the next thing that is going to happen to high streets? If we do not have the infrastructure in place to manage change at that local level, then they are constantly just at the mercy of what the next change is that is going to come along and will mean that people shop differently, want different things and so on.

Q3 Chair: That probably brings me quite neatly into my next question, which is what would you say are the best indicators for judging how well a high street or a town centre is performing? Maybe we will stick to high streets for this purpose.

Professor Parker: On the high streets task force we looked at different types of indicators for different things but we tried to keep it simple and have a small basket that everybody could measure. I would say footfall is really useful because it tells you how many people are going to the high street. Something like vacancy rates is useful but they are more in the medium term and you need some vacancy because you want small businesses to move into empty properties. You use vacancy in a different way than you need footfall. We also looked at perceptions and how the local newspaper, Facebook groups and so on talked about the high street because you need to get hearts, minds and feet.

The final indicator is the index of multiple deprivation. We do not want high streets and town centres to be looked at in a separate way to some big issues and what policy and public funding should go into: jobs, growth and health; they all need connecting into what is going on in terms of regeneration plans and the town centre. That is illustrated with things like betting shops or takeaways and public health concerns; they need tackling in the offer of the high street as well as some other mechanisms—hospitals, doctors and other things that we are used to seeing—to try to connect all that up in England. I will not talk about Scotland because you have a lot more to do that type of co-ordination and connecting but I am sure it could still be improved.

Professor White: I had lots of the same things: low vacancy rates, diversity of uses and flexibility over how that space can be used. Public realm quality is a really important indicator and there is a really important role for Government to play in identifying sources of funding to support that. City deal money has been used in Glasgow for the avenues projects and the current changes to George Square, which shows that the city is serious about wanting to make the main streets work. BIDs and other organisations that bring partners together have also invested money in the public realm for higher quality pavements, bins and benches; these things actually really matter to make a place feel like it is somewhere you want to spend time.

I also think clear evidence of a plan or strategy identifying who the champion is for the area, how they can be supported and linking that



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plan to shovel-ready initiatives is important. If I were to criticise one part of the development of the avenues in Glasgow it would be that they have been very slow to finish and the streets have been closed for a number of months and years, which makes it difficult for operators. Being able to deliver those projects quickly and really make a difference is important. A good example in England—Cathy will know more about this than me—is Hull, which did a number of investments like that. It worked to go out to other parts of the country to speak to investors and invite them to Hull to see the spaces that they could invest in with the public realm improvements that have been made.

Q4 Chair: I suspect, Professor White, that you are absolutely right about the issue that perception is important. As a Glasgow Member, we have lost a trick in Glasgow because very few people actually understand what is going on with the avenues; it just looks like a horrible building site and seems to have gone on for ever. There has been a lack of that storytelling and preparation of people.

Professor White: That is quite right. What is sad about that is that where bike lanes and other infrastructure like the avenues have opened in Glasgow, the use of them has been quite remarkable. I live on the south side of the city where infrastructure has been built to go into the town. As the lights change, you will see five, six, seven people on their cycles making their way into town in Glasgow weather, which is really good. But you are right that if it is a building site for a very long time and snarls up traffic, these important interventions can become a negative.

Q5 Chair: Some blind and partially sighted communities have issues about the way in which some bike lanes have been constructed. That is a whole other story but we will not go there. Professor Sparks, would you like to add?

Professor Sparks: Can I perhaps deepen rather than add? You need to be careful about focusing on single measures—what you have heard is about a basket of measures more than anything else—but also to understand what measures show and do not show. For example, if we take footfall, measuring footfall is important and measuring where people go in places is important as well. Why should we expect footfall to be the same as it was 10 years ago if we have decentralised everything and people have moved online and are working from home?

Our expectations should be different and that goes back to the perceptions point. In vacancies, they are on the ground-floor levels. They say nothing about what is above the ground floor, the spaces we have there and where we should be trying to get more of those spaces used as well. We need to be careful about fixing on one figure and not understanding that figure.

An important point is that everyone measures stuff. Who is doing something about it? For example, if you look at what they have been doing in Aberdeen with the upper floors project and what they are doing



in the vacancy rate projects around Union Street, that is about getting a whole group of people together, getting them into buildings, actually doing something about the vacancies and changing behaviours as a consequence, both from the owners and the occupiers who want to go in there. The figure is the start of the conversation, not the endpoint. Too often, I am afraid that is where the media tends to focus. "Oh, it's 15%; it was 13%." That does not take us very far.

Chair: In private earlier, we were discussing the difficulty that happens when, for example, the properties above a shop are not let or the owners cannot be found. Certainly colleague Lillian Jones has examples of that in her area, as have I and almost everyone else. That is something that we will pick up in the course of our inquiry. I will pass over to Lillian now for the next question.

Q6 **Lillian Jones:** This is to everybody. Is it possible to define what a thriving high street looks like?

Professor Parker: Are there people there? That is really important. We were talking about when we are doing physical investment and shutting things down and so on. Regeneration is focused too much on the things that take quite a long time to bring people back in. A thriving town can look thriving just because it has a good market or a festa or event. They are important too when you are fixing some things that might take a little longer.

In my written evidence, you will see that we have done quite a lot of work on classifying and building some typologies of different towns. A sustainable town is one that meets the needs of the people who visit it. They may be slightly different; there is no blueprint for what you need in a town to make it successful. There is a certain amount of that but you have to understand the nuances and differences between places and who they are really serving.

If I were going to give a recipe for this it would be to always think about the local population first. Especially in more tourist areas, the conversation can often be dominated by what the visitors want, but there are always a lot of people who live around or in a town, so that is a very good starting point. It is important to make sure that the people who can walk in or cycle have everything they need for everyday life, for example convenient shopping, some banking services, transport and so on.

After that, you have to understand the other people who are coming in and the reasons that they come: culture, heritage, whether it is near the countryside or coastal, and have strategies for those people too.

Professor White: I would add that a thriving place is perhaps very different now from what we might have thought it was 10 or 15 years ago. A smaller high street might have expected to see smaller versions of the shops that we would see on a big high street and that is just not the case any more. A thriving place is a more mixed-use place; mixed use in



terms of different types of retail operator and perhaps a greater percentage of independents alongside national-level shops, but also a mixed use in terms of use.

Bringing residential back into the town centre is particularly important but also recognising that the town centres are not just for shopping; they are also for experience. Some shops have been changed into other types of uses, for example cinemas where there was once a shop. Even in Glasgow, there are examples of indoor mini golf, axe throwing, God forbid, and other uses that have gone into units that were shops and are now for entertainment.

Professor Sparks: There is nothing different in what I am about to say. I will try to summarise it. I had written down three things for a presentation I am doing in a couple of weeks around the same point. The first is about activity. It is not just the volume of activity; it is the breadth of activity. There are different types of activity for different things such as axe throwing, though I chair a cultural unit as opposed to anything else so I prefer mine. There is something about engagement, people being engaged in the place and in the activities within the place. Clearly from a commercial point of view, it is about people spending money and time in a place as well. It is around that that gives you the sense of it.

We have 480 to 500 towns across Scotland that have a population above 1,000 so there is no one-size-fits-all around this; they will have different characteristics. In one sense, it is quite interesting that we have gone to vacancy and the issues but we have not gone to the assets. What are the assets in a place? Because that will be the beginnings of that activity, engagement and dwell as people—sometimes tourists but often residents—build around those assets. That is the important mix of all those that comes together.

Q7 **Lillian Jones:** I am the MP for Kilmarnock and Loudoun, and Kilmarnock is going through some really big changes just now, ones I have confirmed. When I am speaking to my constituents, they say the biggest problem is that the town centre and high street are in decline. How do we reverse that narrative?

Professor White: One thing is to think about the planning system a little. A big challenge we have for the town centre is the types of other development that we give permission for in other parts of the town. I suspect there will be retail parks with drive-through restaurants attached to them on the edge of Kilmarnock. Some now even have local services—doctors or dentists—integrated in them. These are very car-based environments and are particularly hard for people who rely on public transport to get to, but they are very popular and often very busy.

In the context of national planning that is talking about sustainable places; there is a strategic approach needed at a local authority level to be very careful about what is given permission outside the city centre and what impact it can have on the town centre itself. Back in the 1990s, this



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conversation was all about the mega-malls that were built: Silverburn, Braehead and Trafford Centre in Manchester. There has been this creeping and slightly quieter development over the last 20 years of these retail parks with four or five shops and a couple of drive-throughs. The moment one of those gets built, it is another nail in the coffin for going into town and that is a real challenge.

It also relates to the type of housing we build around these places, which has also low density and is car-based. If we had mechanisms to support the development of higher-density—not necessarily high-rise but higher-density—housing in our city centres above the high street, these would be other things we could do to make high streets not just retail destinations but potentially neighbourhoods of the future. That is one thing we should be thinking about. But we have to make those decisions in the round and remember when we approve things on the edge that they are going to have a knock-on effect on the centre.

Professor Sparks: You positioned it very much as decline but it is about change. I go back to what I said at the start and it is exactly what James has just said about the decentralisation and disaggregation of all sorts of things, not just retailing but our lives in all sorts of different ways. Housing is a good example of that and the online element means that we cannot and should not expect our town centres to be what they were 50 or 30 years ago. The narrative of decline, which is normally based on vacancy rates and the type of shops, is the wrong thing; it is about change and you have to change that narrative.

Having said that, if I could go to a slightly different part of that: if we want town centres to thrive and be successful, we need to show that through our actions, and we do not. It is cheaper and easier to build out of town than in town. VAT on renovations is a good example of that. It is cheaper and easier to operate out of town than in town.

Let us turn to the taxation system on online retailing. Thirty years ago, Amazon came into this country and now has—if we take online as a whole—somewhere about 26% to 30% of the retail market. That is no longer really in the taxation system in a proper way. We have not matched our taxation to the economic activity, whether it is decentralised, with the rate system, or by supporting small businesses. We say we want thriving high streets, independent businesses and community enterprises and that we want them in town centres, but all the signals we send in a fiscal way are the exact opposite.

In “New Futures”, which hopefully some of you will read or get some summary of from your secretariat that we did three or four years ago, that is one of the key areas. Some is devolved and some is not devolved and is reserved to UK Government. There is something there for UK Government because if you want to support individual town centres, you have the actions that James is talking about, individual places, the town teams, the place plans, all the good work that is going on.



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To be blunt, many are pushing water uphill because the structural, systemic operation of high streets and town centres is against independent businesses in those places. If we do not change that, affluent town centres will continue to do things. Those with good community spirit—the highlands and islands in many cases—will continue to do those things. But for the bulk across the country, it will not go at the pace we need it to go to reverse 60 years.

It is also not just my view—I know this is relatively controversial—about not allowing new out-of-town development; it is doing something about the out-of-town developments we have currently and thinking that through. We can talk about climate emergency in that light and a whole range of things. But we have to reverse the damage and make it easier and cheaper to build, work and operate businesses in town centres or we are going to continue to have the narrative your constituents will say.

Q8 Kirsteen Sullivan: Professor White, you mentioned housing, and Professor Sparks, you mentioned the cost of building out of town as opposed to in town. When you look at town centres and trying to encourage more town centre living, there are often particular challenges around that because the spaces for building are smaller and a lot of developers do not want to invest in smaller developments because they can build more for less out of town. It is a bigger investment for them to build in town centres and maybe build the kind of properties that people need to live in town centres. I wonder if you have a view on any kind of mechanisms that should be considered to encourage builders to build within our town centres and hopefully that will promote more of that town centre living and the mixed use of our town centres that we say that we all want to see.

Professor White: Something that Scotland is perhaps lacking that England has is a housing delivery agency in the guise of Homes England because there is not an equivalent body in Scotland. Everything you have said is right. The volume house building industry is used to building a particular product on the edge of town and that is what they do. In this city that we are sitting in at the moment, different developers are able to make high-rise and dense buildings viable because London is a world city; this is not the case in Scotland. The volume builders know how to build on the edge of town and I have criticisms of the quality of that and of the places they create, but that is the model they have.

For example, Glasgow has a city centre living strategy, which is a really interesting and forward-thinking document about making the centre a more liveable neighbourhood but the state is going to have to play an investment role in making that viable. There had been a hope that build-to-rent housing would make its way from cities like Manchester up to Glasgow but a lot of that is on hold at the moment because of concern from investors about rent controls in the Scottish Parliament. There has been a significant rise in the amount of purpose-built student



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accommodation going into Glasgow city centre and an enormous number of units have been approved.

That is one way to put people in the city centre but it is not necessarily a sustainable way to create a liveable place. Student populations are largely transitory and you are not necessarily creating the types of units and neighbourhood facilities that an elderly population or people with young families would be able to move to. If we had some form of agency that could leverage and support through investment and developers to take on these more complicated projects and sites that they would see as not viable in city centres, that would be a really important step forward.

Within all this, we need to remember that these buildings are difficult. If they are looking at conversion, they are deep floor plates above different types of uses and it is often hard to get light and servicing into them. They are expensive if they are using the old stock. It is a little easier on vacant sites around the city centre but it is complex to do it in these units that once had storage of clothing and office space in them but are now largely hidden vacancy above the shops.

Q9 Kirsteen Sullivan: Chair, if I may just follow on from that, I will be very brief. Do you agree that we have to take into account our demographic changes? We have growing elderly populations and issues with transportation. So actually having more town centre accommodation for elderly people and people with disabilities is a good thing and we need to find a way to address that.

Professor White: I agree. We just need to make sure that we do not just build the houses but that we have the financial mechanisms to put the doctors, dentists and park spaces there, which are actually often not right in the city centre. We have also moved a lot of our hospitals in Scotland to the edge of town into mega campuses. We just need to be careful when we create a neighbourhood that we create everything around it.

Professor Sparks: To go back to how you framed the question at the start, you might like to ask why it is so much cheaper to do things out of town. Why are we putting the signals that way and what can we do about it? That would be one way to think about it.

The second thing is to think about the work that Scottish Futures Trust, Scottish Land Commission and Scotland's Towns Partnership have done over the last couple of years with investors and house builders with local authorities to see whether it is possible to do a pan-local authority operation such that we can give smaller builders and developers the opportunity to think about a pipeline across locations. That would mean that rather than trying to scale up for one operation in town, they know there are things coming across a range of pieces and seeing how that can be better funded and packaged up. There are things we can do that can build a pipeline for those sorts of operations. But as James said, there are difficulties in doing that, so how do we take some barriers away as well?



Q10 Susan Murray: It has been mentioned in your answers but perhaps we could drill down a little on whether high streets across Scotland are facing the same challenges or there are differences depending on their geography and their location or are any other factors.

Professor Sparks: Every town is different. Every town is unique. People identify with that uniqueness in many ways. You will gather from that preamble that my answer is going to be, yes, there are different things across different places, which I would expect and value.

Trying to summarise those differences by saying city good, rural bad is the wrong way to think about it. There are very good high streets across different parts of Scotland. Affluence plays a bigger role in many parts about what the town centre and therefore the affluence of the body will look like. You can have tourism coming in and changing that—overtourism in some locations in Scotland as well—and causing issues for residents. You are going to have all those differences and trying to find a simple good and bad does not help us. Community is stronger in some places but that cuts across different sets of dimensions as well.

My fundamental point underneath it is: is it more expensive and difficult to do things in many town centres than it is elsewhere? Yes. Therefore that is a current common platform for me across all our high streets around Scotland. There are obviously going to be differences between the performance of some high streets and other high streets depending on the things I talked about and their connectivity.

If you look at understanding Scottish places as a tool to look and understand some town centres across Scotland, you will see that there is a scale around dependence, independence and interdependence. That is about how in cities, which is James's area of expertise, you have urban villages and it is the connectivity and flows around those. If you are on the islands, it is very different as a consequence. So it is looking at the differences, building out of the assets that they have and reflecting on how we can make it easier in all these places.

Professor Parker: I said that if I had time I would have a look at the Scottish towns in my footfall dataset, which I did over the weekend. We only have 12 in there but we have identified four main types of town, with all those types having residents in them, which is always important to the local people. I will not go through the town types we identified, but there have not been the fluctuations in those 12 as much as we have seen in English towns, which says to me that they are what they are and they are staying like that. That is maybe a little simpler to manage the change.

My thing would be who feels they are responsible? In Kilmaronock, we have a problem with perceptions and need to tell the story about what is happening with regeneration. Who is telling that story? Something we found from operating the high streets task force is that local authorities in England did not have the capacity but often did not have the capability



either. They did not have a lot of people with the skillset to really get into the heart of the community and business community and champion place.

That is why we see so many differences; things like deprivation did not really account for the changes that we saw when we were running the taskforce in England. The capacity for managing change within the local authority and whether there was a cross-sectoral partnership in the place representing business, community, landlords and all these other sorts of people was an important point. Whether that group were focusing on the here and now as well as the future is important. Are they doing things like communicating well and activating the place with events and other reasons for people to come and visit the place?

Finally, is all this good work being crystallised into some legitimate governance organisation that can come out of the political cycle and really take on the long-term interests of that location? They were the four things that we found from operating the taskforce, which explain the variability in what is going on in towns more than just looking at whether it has a small Marks and Spencer and those sorts of things.

Q11 Susan Murray: I am the MP for Mid Dunbartonshire where we have Kirkintilloch, which is quite well known for having a town centre redevelopment scheme that was funded by the Scottish Government. All over Mid Dunbartonshire, I am hearing exactly the feedback reflecting the comments that Professor Sparks was making about the environment for small businesses not supporting their development or maintaining or growing jobs.

We have touched on the design of improving our town centres and the effect it can have on different disability groups. Certainly I have the impression that when you are designing these road schemes, if disabled groups are properly consulted there are simply small things that would not cost a lot of money and would make it actually more accessible for a wide range of disability issues including an ageing population. We do not appear to do that; we seem to put other factors—such as active transport—ahead of the need to actually create communities when we are designing changes.

To frame that into a question, when we are getting investment in town centres, do you think that we are missing an opportunity to be more inclusive and encourage more people in as well as all the other issues about trying to make sure that there are potentially more people living in the town centres?

Chair: Excuse me. Before we go any further can you make your answers very, very brief and succinct please? I am afraid we are very rapidly running out of time.

Professor White: Yes, we should think more carefully about the relationship between active travel and disability. Part of the problem is that these are quite new schemes. They are often funded by different



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pots of money from different places, are testing different ways of doing bike lanes and other such things and are not necessarily joined up. Much clearer regulations on exactly how bike lanes work and operate in Scottish cities for blind people, people with other disabilities, cyclists and pedestrians generally are really important and we could do more on that. There is lots to learn from the schemes that have not worked in parts of Glasgow. There are other parts of Glasgow that have bike lanes that work very well, and sometimes there are different materials used and different standards. So that should definitely be simplified.

- Q12 **Susan Murray:** Do you think there is going to be a problem in the future with schemes that cannot be removed because of the way that they are funded as pots of money?

Professor White: I do not know. I would like to think that if the local authority is in charge of all the schemes because they are on public roads, it could move to a place where it is using very consistent materials and typologies, as we do for road crossings and other such infrastructure. We are getting there but we have been experimenting a bit too much.

- Q13 **Susan Murray:** We have heard you mentioning the town centre development, working across different groups, people working together, local councils and who is in charge. Local councils are clearly under a lot of different pressures at the same time. Of course, an issue that always comes up is parking charges. Do you feel that that is inhibiting town centre development or is it in fact helping town centre development by preventing people from using town centres as park and ride centres?

Professor White: The poisoned chalice question.

Professor Sparks: No, not really. It is interesting to me and always amazes me that the way in which we frame this subject is by saying we should remove parking charges in town centres and reduce the cash that is available to local authorities, local authority car parking and a range of others, and encourage far more car-borne transport, but we do not do that for out-of-town developments. Why not? If we were serious about wanting to change the playing field, we would be looking at out-of-town parking charges. We would be looking at parking levies on workplaces and shopping centres that are out of town. We should be including those elements because that would give us a benefit in environmental and congestion terms.

These businesses rely on those things; they rely on the car parks to drive them there, but we take them out of the system and say, "Oh no, it's the fault of the town centres." It is not the fault of the town centres; it is the fault of what we have done over the last 50 years. We ought to be reversing that proposition. Are there examples where there is price gouging in terms of car parking? Yes, there are examples of that, which worries me and we ought to be looking at seeing where we can try to reduce that. If the proposition is to make all car parking free across town



centres, I do not think that is the solution to any of our problems in any way.

Chair: I have to ask Members and witnesses to please keep their questions and answers as succinct as they possibly can in the circumstances.

Q14 **Mr MacDonald:** First I have a disclosure, which I should have said at the very beginning. I own several high street properties in Fort William and I founded the BID in Fort William. I have worked very closely with Phil Prentice, who works for you and who I adore. I founded the community cinema and the bookshop in the town and am very involved in the Pride in Place, or failure to get it.

Before I start, I went round a number of towns across Britain to find out what was best and I would say leadership in a town is the single most important thing. If you want an example, what the Griffiths family has done in turning around Abergavenny is quite extraordinary. The question is what changes have happened in how people use their high streets? How does that affect what businesses and services remain viable? I want to just touch on this bit about the public sector—police station, medical centre, dentists and all that—moving out of town. They are office-based, working from home, which should cause quite a problem. Could you comment on how the use of the high street is impacting the sorts of businesses that are viable there now?

Professor Parker: I would just very quickly say—as Leigh said—all these different changes are impacting all these places in different ways and key to this is absolutely leadership. You need local leadership and a local partnership to understand the change and how that is impacting the place locally and do something about it in a way that engages business community and we do not have that. We do not have the Griffiths family there. We do not have good business improvement districts, good local authority planning or economic development groups everywhere.

We have to work with the people we have and that is what we did on the taskforce. We found out who was passionate about it, who was acting like a place leader, who was willing to roll up their sleeves and do something about it and how we could support those people. That is my brief answer. We know this change is going on and we have to do something about it. Let us start putting the people together in the structures that they need and supporting them with what they need to make those decisions in a co-ordinated way. If a national policy comes through about cycling, we have the people locally who can co-ordinate and make sense of that so it does not undermine and damage the long-term plan for the town, inclusivity and so on.

Professor White: I would just add the need to be flexible about what city centres are and for that leadership to recognise that they are sometimes innovative and different solutions for different types of buildings. The other quick thing I would add is that having the asset



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managers on the ground in the actual place is really important. Sometimes these shopping centres are managed by someone in a building in London and the shopping centre is in Hull or in Edinburgh or something. So having local asset managers who know what they are doing on the ground and have a feel of all the different connections is also really important because then they can be more dynamic.

Professor Sparks: To follow that up, knowing who owns what in Scottish town centres on a real-time basis would be a good thing to do and we do not have that. It is interesting that you mentioned Abergavenny and Fort William; in my view both examples have key assets within them. It is not just the families; it is also some assets within the places and building from those assets. The change has gone on and is going to go on. We see it in what people are going into town centres for in that mix. We can alter that and begin to do things around that but we are not going to put it back in the bottle fully, nor should we.

Q15 **Chair:** If I were to ask you in one sentence what Government could do to support retail in our town centres, what would your top-priority answer be? I will put that to each of you if I may, but I will start with Professor Sparks.

Professor Sparks: Make it cheaper and easier for retailers to operate in town centres and that means a fiscal change.

Chair: As you described earlier.

Professor Sparks: Yes.

Professor White: I would just repeat the point I made about having an agency in Scotland that is able to support development of housing and community uses, similar to Homes England.

Professor Parker: I would carry on with the Scotland's Towns Partnership work but make sure there is an active partnership in every town, support those partnerships and evolve them if necessary. Sometimes they have become talking shops and are not really doing anything any more so that means moving the right people into that partnership so that they can take action. We should also legitimise them and if they are doing a good job then say that these are the people who should be deciding on the future of our high street.

Q16 **Kirsteen Sullivan:** Much work to shape and maintain our town centres happens at a local level. I am interested to hear what you think national Government can do to help local areas do more on having that breadth that we have spoken about this morning for mixed-use development, promoting town centre living and reusing vacant spaces. Professor Sparks, you have touched on some levers you would like to see. I would just be interested in the others' views.

Secondly, are there any short-term improvements to high streets that could be delivered in more of the economically disadvantaged areas that



you have referenced, Professor Parker, independent of wider economic regeneration efforts?

Professor Parker: I will take that one first. In the taskforce experience, we found that the high streets in the most deprived areas took a longer time to work through the programme, come up with an action plan and implement things. That says that extra capacity is needed in those more deprived areas to help the partnerships. That is something that national Government could do: make that capacity available to those partnerships. A lot of people are giving up their time and good will and so on, and it is already a difficult environment. So more place management capacity is important, either in the local authority or the business improvement district, or they might support, say, two or three different places, but some help is needed.

Professor White: I was going to say similar. We know that planning departments and other local authority services are really stretched and their budgets are really tight, therefore they are doing the day-to-day work they need to do to process development applications and produce the statutory policy. But that means that there is probably not the same amount of money for on-the-ground champions, officers who are supporting these types of initiatives—particularly in more deprived areas—or the people who are there and able to bring those groups and partnerships together that we have been talking about. It needs active funding from Government.

Professor Sparks: I have said the main thing I would do before so I will not reiterate that. I would agree on the capacity point. That is really quite important: that we support communities that are trying to and want to do things but often do not have that capacity to do it.

I have mentioned Understanding Scottish Places before; the website is usp.scot. What we tried to build there is a dataset that is consistently comparable across all towns in Scotland. It is interesting how little data there actually is on high streets or town centres that is publicly available on a comparable basis. There was a lot of data locked away in local and national Governments that could be locationally repurposed in order to better inform ourselves about our town centres and high streets. We could do a lot more with the data we already collect but do not actually use in the right ways.

- Q17 **Mr MacDonald:** I just want to ask you briefly about VAT. In Scotland, there are roughly 400,000 self-employed and the threshold across Britain as a whole is £90,000. If you increase that to £250,000, then those people can employ two people and remain below that, and importantly—from a high street point of view—you could have a viable business. They do not want to employ anybody else or do the administration. Do you think increasing the threshold of VAT could make a significant difference to small traders operating in a high street?



Professor Sparks: You are going to hear from Colin in the next session who knows more about that than I do so I will let him respond in detail. I would make a point that anything that makes it easier for small businesses to grow and expand is something we should be looking at very strongly, so in that sense I agree with the sentiment you have.

Where I worry a little—it applies to things like non-domestic rates as well—is that we tend to be very good at building thresholds and cliff edges. Are there better ways to smooth that so there is an encouragement to actually not just go to that point and no further, but to actually think how we build businesses to expand across into bigger businesses over time? So I agree with the sentiment but I am not an expert on the detail. I would like to see more smoothing of the ways to make it easier for businesses to grow.

Professor White: It is not an area of expertise for me so I would rather not comment on that.

Mr MacDonald: As politicians, we are used to speaking in areas we do not have any expertise in.

Professor Parker: I would just say that with the Grimsby review, which was the one from about six years ago, with VAT as a sales tax, there is an opportunity to level the playing field between the online and on-site retailers when you look at sales tax rather than the property tax. Taxation is a big part of this from the revenue side of it as well as the paying of it by the independent retailers.

Professor Sparks: I agree with that, but Angus, you were primarily talking about VAT business registration, were you not?

Mr MacDonald: Yes.

Q18 **Susan Murray:** Do you think that the Scottish Government's town centre policy framework provides a helpful foundation for Scotland's high streets to thrive? Are there any particular aspects of the policy environment in Scotland that may be different from the rest of the UK and create a more or less favourable environment on the high street?

Professor Sparks: In the evidence I gave you, I have linked to a diagram that tries to pull all that together in that operation from town centre first through the place principle and strengthening of NPF4, all the things that have gone on and the way in which STP tries to bring all that together but also makes sure it is the local level that really drives all that. That policy framework is very strong. I know it has been envied in some reports and one has just been referenced a minute ago. It has also been looked at very strongly in Wales and Ireland as there is a coherence to what we have tried to do. So the basis of that is quite strong.

Where would I like to see that going further? You have hopefully seen some written stuff I have done around this. We have to be stronger on what we do with existing out-of-town and what we do in terms of closing



out-of-town. We have had drive-through mentioned, which is a massive gap in terms of NPF4. There is also a gulf between the policy that is written down in NPF4 and the behaviour of local councils and members on the ground. We need to get that right and that means being much faster around the local development and place plans and getting the teams in place as we mentioned before. The policy framework is really very robust and strong. It is the implementation of that in detail across the parts of Scotland that I worry about more.

Professor White: I would agree with that. NPF4 is an impressive statutory document and has some really interesting ideas that would support lots of things we are talking about. One interesting idea would be the 20-minute neighbourhood concept where you re-invigorate space within cities and towns and create places under the principle that you can walk to all the things you need to get to within 20 minutes. But I worry that there is a big gap between policy and implementation.

Only a couple of years ago, there was an article in *The Guardian* that said Glasgow had some of the highest numbers of drive-through restaurants approved in the whole of the UK. At the same time there is the desire of local authorities in the surrounding neighbourhoods to build on brownfield land as the surrounding area around the city is building on greenfield land. Being able to change the logic of the development market and the way in which planning officers feel enabled to make quite bold decisions and refuse development where it is not sustainable is important. They need the levers to be able to know that they are supported in making those quite dramatic decisions on the edge and support other things happening in the centre.

Something the Scottish Government are doing at the current time is consulting on permitted development right extensions, which might make it a little easier to do residential in the core and is interesting. But a word of caution about that: it has not always worked very well in England, where it has allowed some very low-quality housing to be produced in old office buildings. There is lots of research that has been done on this at UCL and other places, so a word of caution about the flexibility of the regulatory measures that are used. The policy framework is there; it is all the decisions that happen downstream about what gets approved that we need to think more carefully about.

Professor Sparks: A good example of that is things like compulsory purchase orders or compulsory sales orders. The framework is there. When was the last one done? I know, again, there is consultation on that. We have gone to auctions in England, which is where there is a difference and the threat of that seems to actually work in some places. It is about giving that confidence that actually the levers can and should be pulled.

Q19 **Susan Murray:** Can I just continue on that theme, Professor Sparks? Since you led the review of Scotland's town centre action plan in 2021, how much progress do you think has been made on the



recommendations?

Professor Sparks: I will divide the answer into two, if I may. There were three areas of recommendations in terms of the main areas of recommendations. One was planning, one was tax, one was sector and investment in places. On planning, it went a long way with NPF4. It could go further. I have made my data point before. On the third one, in terms of investment in certain areas—particularly town centre living—it has been slower than we would have liked but there has been a fair amount that has gone on there.

Circumstances between 2021 and 2025 changed for obvious reasons with the cost of living and doing business, which made it more difficult but we are trying to do the right things in those areas. That is probably an overestimate of progress on the fiscal levers and taxation elements.

Q20 **Kirsteen Sullivan:** I was just going to follow up on the point that you made around some planning aspects and compulsory purchase orders. Do you believe that the deliverability of the policy framework and other initiatives is largely hampered due to the lack of resourcing and funding at local government level where a lot of these things have to be implemented?

Professor Parker: That was the experience we found in the taskforce in England. There are statutory responsibilities in the local authority that only the local authority can do but a lot of the groundwork—the consultation, understanding and strategy—can be done by cross-sector partnerships. We need more capacity in local authorities but not all the decisions can be taken there. That capacity has to go to some statutory responsibilities so they can use compulsory purchase orders and so on but also support the decision making in the larger group as well. Both are missing in England.

Professor Sparks: It is capacity and confidence.

Professor Parker: Capability, yes.

Professor White: Can I add something on that?

Chair: Yes, of course.

Professor White: Just to add that it has been interesting to see greater devolution and introduction of mayoral systems and combined authorities in England. Obviously that similar thing has not happened in Scotland. I am not an expert on whether mayors work perfectly in certain places but I wonder whether Scotland perhaps misses a trick in its big cities in particular not having a mayoral figure that is able to get on the TV or on the “Today” programme and make their case in the same way that some high-profile mayors in England can.

Also by not having combined authorities, perhaps it is a little more difficult for some more strategic thinking that needs to happen—say,



across the Glasgow, Edinburgh or Aberdeen region—to be done in a co-ordinated fashion. The policy making becomes more difficult when different local authorities have different objectives.

Q21 Kirsteen Sullivan: If I can ask very quickly, where we have seen success in our high streets, what do you think have been the most important factors in that success? What role do you think physical and cultural heritage play in high street improvement and regeneration?

Professor Parker: You will know what I am going to say. It is the people and partnerships. In terms of culture and heritage and those town types that we look for in the usage patterns of towns, over the period of the high streets task force we saw more towns become speciality towns and you could link that back to the cultural and heritage-led regeneration. They are bringing assets back into use and then attracting a different profile of people to use the town in different ways. It shows it is a very legitimate regeneration strategy.

But you do not need to do big physical schemes to uncover hidden culture and heritage in towns. This is where civic societies and local groups like that—with a little support and funding and linked into the more longer-term regeneration plans—can really start to change the narrative and perceptions on towns. So it is about thinking about all that in the mix.

Professor White: From the research we did in 2021-22 where we were looking at changing shopping centres and other big facilities, something we discovered was that the shock of so much closure and bankruptcy lead to different types of investors coming into city centres that were less passive. They were not just holding a shopping centre, thinking of it as part of the pension fund investment and thinking that Debenhams will be in there for 50 to 100 years; they started being more nimble and thinking, “Okay, how can we change this structure, this building? Do we use different types of leases? Do we allow different operators to come in? Where BHS left, could we put a cinema in there and some restaurants around it?” That different type of actor and investor coming in has actually helped some cities to be more dynamic than we might have expected them to be at the very worst of the period of bankruptcy.

It has also meant that some investors—the ones that used to buy and operate shopping centres—have diversified themselves. They have moved out of shops and retail and some have started moving into residential and looking at whether residential through build-to-let can work in particular places. Those kinds of changes are interesting to research a bit further.

Professor Sparks: Physical and cultural heritage. I quite like my garden. I have a couple of buddleias and I would prefer to keep them in my garden rather than in the streets that we see. My point is if you look at the streetscape of many of our town centres, the buildings are neglected, partly because we do not know who owns them; they have landlords who are nowhere near. We need to think about what that says to people and



visitors. The buildings have been allowed to decay. The physical importance of the streetscape is really important and significant. It is part of our town urban heritage and we are not looking after it because the people who own the places are not looking after it.

In terms of cultural heritage, it is absolutely critical. I chair Made in Stirling CIC, which is the trading arm of Creative Stirling, an organisation that tries to improve, enhance and link all the creativity and activity within the Stirling area. We have a retail shop on the high street. It is one of the most interconnected organisations through the place and town. It is really important in a variety of different ways. Radical Weavers in Stirling is exactly the same sort of thing. These places are really important. They are small-scale in many ways but punch well beyond their weight. Physical heritage has to be looked after. Cultural heritage—all towns will have some assets of that form they can build on—is really vital as well.

Q22 Kirsteen Sullivan: If I could just ask Professor White very quickly, what does your work on urban retrofitting suggest about how best to build sustainability goals into regeneration?

Professor White: Our project on urban retrofit is all about the implementation gap that I mentioned a moment ago where we have these really strong aspirations in national policy but we sometimes struggle to implement them at the local level. That project is ongoing. We just did our first research interviews earlier this week with chief planners in certain cities. There is lots to go on.

What we are finding initially is that there are lots of initiatives to retrofit cities, from bike lanes to densification schemes to community gardening schemes—where Leigh would grow his plants—to all these different things that can happen at lots of different scales, but they are often not very connected up. Often the decision-making lags in terms of the boldness of decision about what happens when. What we are trying to do in that project is to see what the linkages are between them but it is ongoing. We do not have the results yet but that is our aim: to try to understand the relationship between policy aspiration for climate and planning and actually what happens on the ground and implementation, which we think are currently just not talking to each other as well as they could.

Q23 Douglas McAllister: The UK Government's Pride in Place programme will see £480 million of investment across 24 areas in Scotland over this decade. For instance, in my constituency of West Dumbartonshire, on top of the £20 million for Dumbarton town centre regeneration we now have £20 million Pride in Place funding for Clydebank town centre and £1.5 million immediate impact funding to be spent this year across our three areas. That is happening up and down Scotland. Will these initiatives help revitalise Scottish high streets and town centres?

Professor Parker: My thoughts on that from the taskforce was that these funds can be incredibly helpful. It is actual funding, and with Pride



in Place as well there is a new governance body that is set up and has to be chaired by someone independent, have business representation and so on. That is a good start for the right decisions to be made.

Through the taskforce, we found that where the boards were more than just looking after the project—they took an active view on what was happening in the high street now, rather than just managing the funding—that was key to success. Otherwise it could be just another set of projects that is layered over other projects that are happening already. It is that connection between the Pride in Place. If they become the partnership representing business improvement districts and other things that are already there, that can be very, very powerful.

Professor Sparks: I have a few points, if I may. I am never going to say that any investment in a place should not happen; we should be investing in places in the way that we do. What has happened has had a bit of a stop-start and hopefully will now gain a bit of momentum around certainly the first elements of the Pride in Place process that are going on. I worry—it goes back to a comment earlier—whether there is sufficient capacity in some neighbourhoods that are being looked at and how we build the capacity in those places. That could be very important.

There is also a little worry I have, which—from my experience on city deal—would make me cautious. You started your question with very large numbers and that is what people will hear, but they are very large numbers over 10 years. In two years' time, people will say, "You've spent all of that money; what is the impact?" That is setting up a potential dissonance. It worries me because you will not be spending all that money in that short period of time. The flex is not sufficient within that to do it. I would caution about going with the big numbers to start with but talk more about building the neighbourhoods up over a period of time, sustained investment and those sorts of things, which is what you are doing. But I worry that the message—the presentation, to go back to an earlier point—is going to be heard in a different way, which could mean that some will not have the effect you want them to have.

Chair: Thank you all very much for your evidence this morning. It has been extremely helpful. You have probably gathered we could have sat and talked with you for the rest of the day, never mind the morning, but thank you very much. It will be really helpful to us as we begin our inquiry.

Examination of witness

Witness: Colin Borland.

Q24 **Chair:** We will now start the second session with our second panel of this meeting today. We would like to welcome Mr Borland. Would you like to briefly tell us who you are and what you do?



Colin Borland: Yes, I am the Scotland director for the Federation of Small Businesses, which is a direct member business organisation that provides small business owners and the self-employed with a range of business services and acts as an advocate in Government.

Q25 **Chair:** We have heard a lot about how online has affected traders in our high streets. Is that the same issue for smaller traders that you would be working with as it is for the bigger high street retailers that we traditionally knew?

Colin Borland: Yes, absolutely. It is a fact of life. Whereas obviously the challenges that that presents are well documented, there are also opportunities around that. A number of small businesses that have bricks-and-mortar premises say that it is the online offering that allows them to sell to the world that sustains the bricks-and-mortar offering.

If you look at the latest report we did on high streets—these are UK figures from 2025—something like the main route to customers for those in retail is, say, 80% face-to-face but a very close second at 63% is online. It is something that small businesses are using and embracing but there is no point in pretending that we do not have to deal with the consequences that flow from that, let us be honest, irreversible change in consumer behaviour.

Q26 **Chair:** In terms of those that are physically present in the high streets, are there any sectors that have fared better than others?

Colin Borland: Rather like the previous panel was saying, the high street is a creature of pragmatism. It does not have any divine right to exist in its current form. It was born out of pragmatism and its future lies in pragmatism. As the previous panel was saying, it is about reflecting the lives of busy consumers and giving them what they want at a price and in a way that they want to consume it. Absolutely, retail is going to have an important part in that but you also need to think about hospitality, leisure, experiences and things that you simply cannot get online. For example that individual one-to-one personal service, advice on particular specialist products and friendly personal service, that is where people have to focus. I take Professor Sparks' point, but I am not an academic so I use the terms interchangeably because the challenges facing them are relatively the same, but the future lies in that mixed use and giving people what they want the way they want it.

Q27 **Chair:** Do you think your members' perception of the high street has changed over the years?

Colin Borland: Yes. The most recent question we asked about this was last year. About 45% of our members do business in or around the high street/town centre and 55% of them said that they felt that it was an area of decline and that things were going in the wrong direction. Again, when you dig into that a little and look at the literals and some feedback we have done from roundtables on it, it is a lot of the same things. It is practical challenges about demographics and it is about the cost, but it



also begins to bring in all sorts of other policy areas. It is about how safe people feel the streets are, accessibility in terms of public transport and so on. It is also to do with the general state of the economy, how customers are feeling and how much money they think they have in their pockets. There are a lot of factors that begin to combine and I suppose what has happened to high streets and town centres is a very visible manifestation of that, but it is happening across the economy.

Q28 Susan Murray: What contribution can small businesses make to sustaining and revitalising high streets?

Colin Borland: The relationship is absolutely symbiotic. Small businesses have a good record of employing people locally and employing people who tend to be further from the labour market. We know that money that is spent locally stays local and generates around the economy. Everyone's job here is to contribute to that critical economic mass that keeps a particular town or high street viable. Beyond delivering services to people and attracting people in, obviously we are providing jobs, generating revenues and everything else that flows from that.

Q29 Susan Murray: How can small businesses work with local authorities and communities to achieve this? You have argued in written evidence that local authorities need to do more to get local businesses' buy-in for regeneration initiatives. How do you think that can happen in practice?

Colin Borland: Where these things work best is where you have that buy-in and dialogue and you are talking to people. There is a feeling in certain quarters that things that have been done on your behalf have been done to you rather than with you. Chair, you mentioned obviously Sauchiehall Street as a very good example, and again, declaring an interest as we are an employer very near Sauchiehall Street—not a massive employer, but we have an office and people based there. There is no communication there. There is apparently a grand plan that this is going to be the cultural quarter. I do not know who decided that and I am not quite sure it is the council's decision, but apparently that is what it is going to be. That is what we are going to get. It took a long time and it looks exactly the same as it did when they started. I am sure it is jolly good what they have done underneath. It is that sort of thing about talking to people and telling them this is what we are going to do and it is for your own good, rather than actually listening to local business community and talking about what works.

Mr McAllister made the point then about UKSPF and what is going to come and replace it. Again, if you look at those sorts of projects, the hallmarks of the ones that have been successful are the ones where people went out and said to the local business community, "Can you tell us what you need?", rather than saying, for example, "Right, we want oven-ready products that are ready to go now," so guess who can apply for them? People who are already in the space doing the same sort of thing who have something and are ready to go with it. Casting your net wide and getting that genuine buy-in from the business community—not



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just people with whom you have established links—would probably pay dividends in the long run.

Q30 **Susan Murray:** How do your members feel about BIDs locally?

Colin Borland: It is a mixed picture. In some cases we have members who are really enthusiastic about them; indeed we have some who are very closely involved with them. There are other areas where they have maybe not brought the local business community with them and they have a feeling that, “Well, we’re just paying twice for the same stuff.” If you talk to people who run BIDs, they will accept that they are not going to be the right solution everywhere. It will vary from BID to BID. If you look at those who are successful, again the characteristics are that they are delivering on the priorities that the local business community has identified.

Q31 **Mr MacDonald:** What can local government do to encourage small businesses to open in the high street?

Colin Borland: It cannot be a place that we are trying to force people back to. It needs to be a place of choice that people are actually determined to get to. The public sector has a role as an economic actor, and again we have spoken a bit about the need for that mix of sectors. So it is about trying to have as many non-retail, non-hospitality, public sector jobs—that are good, well paid and secure—located in town centres.

Think about how you are spending the money that you are spending anyway in terms of buying locally. Again some changes that we hope to get through the Community Wealth Building (Scotland) Bill that is going through the Scottish Parliament at the moment might help to bring that about. I also think issues around regulating sensibly are important. So things about not just alcohol licences but public entertainment licences, hot food licences and so on: get them done as easily and quickly as you possibly can. Change of use is another one as well. There will be some areas where the council might be a landlord. Again, what are they doing to incentivise getting any empty units that they have filled? Or possibly, if they are the wrong size or shape, what can they do to repurpose them?

Q32 **Lillian Jones:** You have been critical of high street banks closing down town centre branches. What practical impact does this have on small businesses?

Colin Borland: For small businesses, there are two things. There is the practical impact of how you deposit that cash if you are a cash-based business. You either have to take time out of your business to drive to the nearest place where you can make that deposit or you may have some sort of mobile banking service, but then everyone knows when that van is coming round and if you send someone out with a big bag of cash, I would worry about employees’ safety.

There is also this other thing. We do not just use banks for those day-to-day transactions. I remember when there used to be trusted advisers



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with the bank manager. Your local bank manager had a status in your community. Going to get that advice about, "I am thinking about taking on a second shop," and them saying, "All right, where? Yeah, don't do that." "Why not?" "Because I happen to know the council's got plans to bring in a one-way system there, therefore your footfall's going to plummet, therefore do it over here." It is that sort of advice and chatting things through that I really feel that we have lost.

Again, the secondary impact is that you have lost what were previously secure but still very well-paid jobs in sectors that are not retail, leisure and hospitality, along with their spending power from the local economy. That again is going to have a knock-on effect on footfall and turnover.

Q33 Lillian Jones: Are there other examples of services or amenities that you see as crucial to maintain town centres, either to directly facilitate small business operations or drive customer footfall?

Colin Borland: You have to have that whole suite of services there, your banking and bits of the public sector. People talk about traction, so things like having your leisure centre there, your library, the health centre and as many of these things as possible, along with sensible policies around practical things like parking and a functioning public transport system. All these things combined help create the conditions whereby that critical economic mass can be maintained.

Q34 Lillian Jones: You mentioned parking. Do your members feel that paying for parking within the town centres is an inhibitor to footfall?

Colin Borland: Yes. Recently at Haddington, East Lothian, there was a very controversial proposal put forward and you saw the reaction from the local business community. Particularly in towns that are just outside the big cities where you have the easy option of going to a large out-of-town shopping centre where there will be hundreds of free parking spaces, people point to the unlevel playing field there and say, "Well, how is this possibly going to help? How is this reflecting modern consumer behaviour?"

Q35 Mr MacDonald: Coming back to this VAT question, which I saw you watching and listening carefully when they spoke: the Federation of Small Businesses is—like me—in favour of increasing the limit. Ninety thousand pounds is not enough revenue for a shop to justify a shop. Lots of small businesses appear to be avoiding the high street because they need to stay under £90,000 to be viable. If it were increased to £250,000, then all of a sudden a lot of small businesses could move into the high streets where they are currently avoiding it. Do you think that is a viable proposition for Government?

Colin Borland: The case for raising the VAT threshold is unarguable. At the moment there is a considerable body of evidence of bunching just below, and if you get a bid in to say, "Can you do some work?" you should be thinking, "Right, how am I going to win this contract?" You



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should not be thinking, "What's my 12-month qualifying turnover? Can I do it?" That is a dictionary definition of a brake on economic growth.

At the moment we have said that a rise to £100,000 would be a sensible first step on that journey. That is the one that the Treasury has modelled and I believe the Treasury's documents themselves say that that becomes revenue positive by years four and five. Again, you can see it makes sense because of the economic activity it is going to generate in the longer term. I do not think we have looked at modelling to £250,000, but again, if that is the direction of travel then we are absolutely in favour.

Q36 Chair: Mr Borland, other than tax changes, what else could the UK and Scottish Governments do to support small businesses?

Colin Borland: That is a nice, easy one. The tax is helpful. We have touched a little on thinking about how they get a better economic impact from money that they are spending anyway, so not spending more but thinking about spending locally. Again, there are some legislative changes going through at Holyrood at the moment, which has the potential to make a real difference if the stage 2 amendments go the way that we want them to.

People sometimes pick on councils and say, "Well, you should be doing this and that," but there are a lot of bits of the public sector that operate in our communities and some almost have the role of anchor institutions. What they should be doing is having co-ordinated place-based procurement strategies that try to buy locally as much as is practical and sensible. That should be underpinned by statutory targets and there should be statutory rules there about how that is actually reported on. At the moment there is no rhyme or reason to it, so it is really difficult to compare like with like.

What we know is that in areas where local authorities have set themselves targets—Clackmannanshire is cited as an example—because they are working to that target, they go in and beat it. It proves that it can be done and the economic benefit from that is tangible.

Government as a whole need to recognise the role that they play as an economic actor in communities because again it gets back to this point about spreading a risk across sectors. They act as a significant employer and put a lot of people on very good money and very safe jobs. If there is not the demand for certain types of businesses, services and premises operating in town centres, let us repurpose those buildings and get more people back in the town centres and working from town centres where you are taking that spending power with them during the day. I could go on and on and on but that would be my top couple.

Q37 Chair: You mentioned premises there, which is actually interesting. I wondered then if small businesses can play a role in taking on currently vacant properties. Would that be something your members would be



interested in doing?

Colin Borland: Yes. Again, something like 69% of our members have reported vacancies on their high streets so it is a very visible sign. For example, there is Fresh Start, where you are taking over a property. There are things at Fresh Start, but obviously the current continued levels of vacancies would suggest that that on its own is not enough. The more we can do to encourage people to take on those units and repurpose them, the better. Again, if units have been left by, say, middle-sized retailers, there is not a huge amount of call for that in its current form. So what could we do with that? How could we repurpose that? How could we get people together to make that happen? Again, it is an interesting point.

We also need to look at things like—if we want to be really bold—the Scottish commercial property market because it is almost entirely unregulated. There is one piece of post-world war two legislation; it is mainly about bombed-out shops. We have moved on a little from them. There is quite a power imbalance between landlord and tenant. In an ideal world, we would treat small tenants much more like domestic tenants in terms of the balance of rights and responsibilities. If we could do that and make it less risky and more affordable, then absolutely people would want to come in. If it is a business model that is going to work, we do not need yet another faddy retailer to spring up and it is dead in 12 weeks once they have run out of money. They have to be sensible, valid and otherwise viable business propositions.

Q38 **Chair:** I do not think this is something that has come up so far, but has the trend of people working from home more that we saw developing after covid affected the businesses that you work with?

Colin Borland: Yes. It is particularly pronounced by the city centres. For example, when you talk to pubs in the city centre, they say things like Thursday night is the new Friday night. It is not the same for everyone and demographics are different as well. In bits of Glasgow city centre, for example, there are a lot of financial services jobs and younger people tend to be there or thereabouts, whereas the public sector has been quite slow to get people back to the office.

Now that things like peak rail fares are abolished and everything else, you wonder what could happen if we had a concerted campaign to say, "Come back into town." It is great because at lunchtime, you can nip out for that bit of shopping, catch up with somebody for a coffee, and get a swift half round the corner from the train station on your way home. It is much more sociable than sitting and eating a bit of toast in front of your laptop.

Q39 **Kirsteen Sullivan:** When you were talking about vacant properties there, I was just wondering if using some as almost pop-ups to bridge a transition between online and having a bricks-and-mortar presence in the high street might de-risk that shift and allow online businesses just to try



it out.

Colin Borland: Even before all this began and before covid, we knew there were certain barriers in a business's development, the bits where they would get to and stop. One is the VAT threshold, another is moving from the self-employed to taking on your first employee, and a third is moving from your garage, van or kitchen table to your first premises. Anything that you can do to ease any of those three steps has to be sensible. As you say, if the asset is sitting there and there is a less risky way of doing it in trying to prove that concept, then why would you not go and explore that?

Q40 **Susan Murray:** I am interested in those three steps, particularly the move from the garage or the van to taking a premises. We talk about how the high street will thrive on person-to-person contact and we have the nail bars, salons and these sorts of things. How do your members feel about people who are actually now moving from employment in the high street to set up at home in premises that they have perhaps built in their back garden? That seems to be a spin-off of covid because more people think about and have it.

Colin Borland: If that is what works for them, then fine. What we have to do is make sure that that does not become an exodus that leaves our town centres and high streets looking like a ghost town. There has to be that pipeline and how you do that is exactly what we have been talking about this morning: how would you make it an attractive place? We are not trying to force people at gunpoint, but actually saying, "No, I'm making an active choice because this is the right thing for my business."

Chair: Thank you very much. That has been very interesting. We managed to get through quite a lot of questions there in a relatively short time so we are very grateful to you for your very succinct answers.