

Housing, Communities and Local Government Committee

Oral evidence: High Streets and Town Centres in 2030, HC 1010

Tuesday 8 January 2019

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Watch the meeting

Members present: Mr Clive Betts (Chair); Bob Blackman; Mr Tanmanjeet Singh Dhesi; Helen Hayes; Kevin Hollinrake; Andrew Lewer; Teresa Pearce; Mr Mark Prisk; Mary Robinson.

Questions 557 - 667

Witnesses

[I](#): Sir John Timpson, Chair, Expert Advisory Panel on High Streets.

[II](#): Jake Berry MP, Parliamentary Under-Secretary of State for the Northern Powerhouse and Local Growth, Ministry of Housing, Communities and Local Government.

Examination of witness

Witness: Sir John Timpson.

Chair: Sir John, thank you very much for coming to the Committee this afternoon for our evidence session on high streets and town centres in 2030. Thank you for coming a little early to help with our issue with regard to votes later on in the Chamber. I would just ask Committee Members to put on record any particular interests they may have with relevance to this inquiry. I am a vice-president of the Local Government Association.

Teresa Pearce: I employ two councillors in my office.

Helen Hayes: I am a vice-president of the Local Government Association. I also employ a councillor in my office.

Mr Dhesi: I am a councillor, as per the Register of Members' Interests.

Bob Blackman: I am a vice-president of the LGA.



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Kevin Hollinrake: I employ a councillor in my office and I have a shareholding in a business with a network of shops around the country.

Andrew Lewer: I am another vice-president of the LGA.

Q557 **Chair:** Sir John, could you just introduce yourself and the position you have that has brought you to this inquiry this afternoon? That would be helpful to start off.

Sir John Timpson: I am John Timpson. I am the chairman of the Timpson service chain, where we have not just Timpson but Max Spielmann, Johnson Cleaners, Jeeves and Snappy Snaps. We have a wide range of service businesses. It is just short of 2,100 shops. They are all in the UK.

Q558 **Chair:** You are here this afternoon specifically as the chair of the Expert Advisory Panel on High Streets. That is the issue we particularly want to ask you questions about. You made a number of recommendations in your report. What are the main recommendations? Are you going to be any more successful than Mary Portas was with hers?

Sir John Timpson: That was seven years ago. I will come on to the recommendations in a minute, but the main difference is that I have looked at it from the communities' point of view rather than the retailers' point of view, because this is not totally about retail. I have tended to talk about town centres rather than high streets, because that is much more relevant to where the more positive things are.

From the very start, I wanted to make sure we did not suggest there was a magic wand that was going to turn high streets back to where they were 10 or 20 years ago. It has always been changing. I have been involved in retail since 1960. It was very different then and it has gone on a lot. It has changed in what we are selling, what types of shops and where it is done. Everything has changed, and it is a continuous process. It is even more rapid now for reasons you are well aware of, such as the internet and the fact that a number of high street formats are coming to the end of their commercial lives.

But the main thing we put our finger on is something really positive: there are places where they have improved the customer flow and reduced the number of empty shops. It has been done on local initiative. This is the thing we really want to focus on: supporting local communities to redefine their space so they have a town centre of the future, which is not totally about retail.

Q559 **Chair:** The Department issued a press release in July saying that there was going to be a call for evidence from the public, particularly young people. Was that call for evidence ever issued?

Sir John Timpson: In different ways, yes. There was market research done, which is in the back of the report, that was skewed towards young people. It was 2,000 people plus 1,000, and skewed towards young people. We went out to different communities. I went to Holmfirth and Altrincham; people went to Shrewsbury and Bristol. I asked people to go



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to Aldershot. There was a young experiment we saw in Bolton. As you can well imagine, I got a number of communications directly as well once it was known that we were involved. I also went to meet with organisations, such as the British Retail Consortium. So we have a whole load of evidence. I had a panel of people who in themselves have a wide range of experience, too.

Q560 Chair: Was this a targeted call for evidence or was it open for anyone to submit evidence?

Sir John Timpson: Anyone could have done it, but we did target those places we went to. We used advice from the Institute Of Place Management to do it. They supported us in that.

Q561 Chair: Has that evidence been published?

Sir John Timpson: It is all in the back of the report.

Q562 Chair: In terms of the specific recommendations, in due course we will probably come on to pick up the two key ones, the fund and the task force. But in terms of other recommendations, to pick up two specifically, first of all there is the "National High Street Perfect Day". It looks a bit like the sort of gesture that Mary Portas might have embarked on: all glitz and glamour and not much substance. Is that a fair criticism or is it a bit unfair?

Sir John Timpson: Let me explain. This is my recommendation. You can criticise me on this, but I know it works. Why do I know it works? It is because we do it in our business. It is not totally my idea: I pinched it from Asda about 10 years ago, maybe a bit more. Very simply, we select a day during the year where we say to our shops, "On that day, you have to be perfect". Everyone says, "You have to have good housekeeping; you have to make things go right". But, if you focus on one day, at least you have a chance of making it happen. It has been so successful that we now do it with every office right through the whole of our organisation. There is a perfect day in the office and in the warehouse. It is just a simple way of saying, "You can maintain a really high standard on one day. Let us get you to do that". That helps you through the rest of the year.

Q563 Chair: Is there anything else you think should be done immediately?

Sir John Timpson: I picked that up as something, like being sensible about parking, that you can actually do tomorrow. It is going to be five or 10 years before a lot of places can get anywhere near what I am talking about, but at least they can look the part.

Q564 Chair: One of the other issues you picked up on was empty shops and encouraging landlords, councils and tenants to start thinking a bit innovatively about how they could be used. What does the council do if the owner of the shop simply says, "That is it. I am not bothered if it stays empty"?



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Sir John Timpson: The one about empty shops was more the Secretary of State's baby than mine, it is fair to say. I supported what he was saying, but I was just saying that you could make your empty shops look prettier than they are in a lot of places as part of the tidy up. Certainly, as far as the landlord is concerned, given the state of the property market at the moment, they have every reason to be co-operative with everybody. I do not think we realise that they have hit a very difficult time too, in terms of the rentals they can get and the property values they have, to try to support a balance sheet that backs up their finance. There are some problems around the corner there. They have every reason to be helpful. The landlords have a big part to play in the community. Everyone should be involved, not just one bit.

Q565 **Chair:** While many landlords ought to want to be helpful, are some of them still in denial about the true situation?

Sir John Timpson: There has been a certain period of time of empty shops stuck there to keep the rent at the level that supports a balance sheet, but that cannot last much longer, as everyone can see. It is different down in the south east, but I see rental values coming down in other parts of the country by very high percentages.

Q566 **Chair:** But there is not much that a local authority can do if a landlord refuses to face up to that.

Sir John Timpson: Obviously not, no. But in the end they will be the people who suffer, if they do not join the game. What we are talking about, redefining the spaces of town centres, is a wonderful opportunity for anyone involved in the property side, because they do not have many places to go at the moment. If what we are suggesting suddenly takes off and town by town people see the opportunity, plenty of people will want to invest in the ideas.

Q567 **Bob Blackman:** Sir John, turning to the evidence you gathered, in particular that which signalled the need for a fund and a task force, what was the evidence that led you to that conclusion?

Sir John Timpson: When we talked to members of the public who got together and wanted to do things, sometimes councillors, but a number of people, the gaps were in knowing how to go about it. If you move into a new house and you have a garden, you need a landscape architect in order to sort out where you are going to go. That is one bit of expertise that needs to be available to them. We could also make it a lot easier for them by telling them the good news stories about what has happened elsewhere and what has worked.

Q568 **Bob Blackman:** Can I interrupt? Those are clearly your ideas. They might be quite appropriate, but I am just asking what evidence there was from the submissions you received that led you to these conclusions. Was there an overwhelming view that this was the way forward?



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Sir John Timpson: In talking to the people about the process they went through to get where they should be, that was the difficulty: where do they start? One area where they need some help in clearing obstacles out of the way is planning, change of use and that sort of thing. It is about identifying the things that get in the way of people putting their plan into practice.

Q569 **Bob Blackman:** In that case, how do you see this task force being structured in order to get over the obstacles that people perceive?

Sir John Timpson: I have been very clear that what should happen is what I have termed “upside down government”, which is very similar to what I have found works really well in our business. We make sure we allow the people close to the problem to go on and solve it for themselves. The Government’s role in this is to support it, provide information that is not so easy to get hold of and clear obstacles out of the way. It is not to tell people what to do, but to help them get to the conclusion.

Q570 **Bob Blackman:** Do you see this being more locally based or driven from the Ministry? How would it work?

Sir John Timpson: This does not need to be a big beast. You do not need to spend a lot of money, certainly not centrally. The simpler it is, the better. It is somewhere to go. It is a resource for local people. It is a central resource that supports local people.

Q571 **Bob Blackman:** How do you support local areas? You are right in the sense that this is almost community led. How does this task force support local communities all over the country? You say it is going to be very small, which I can empathise with, but how does it focus on helping people overcome these problems at a local level?

Sir John Timpson: Probably one of the things it can do really well, which would make a big difference, is to put a number of localities together. If you put people who really want to change their community hub together with people who have had success before and some of the experts I was talking about earlier in space management, for three days, it will be much better. This is not a question of writing a process, because every town is different. You want each individual community to come up with the solution that is right for their place. You are doing everything to help them to help themselves.

Q572 **Bob Blackman:** In your report, you say that local councils do not have all the resources, capability or funding to do this. The money allocated is £675 million overall. Dividing it up between all the various different towns across the country that need help, that does not seem to be a lot of money for each local authority. Is that sufficient, in your view?

Sir John Timpson: In my view, you would spend that money much more on the planning stage, supporting them to get it moving. I would also



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expect it to be match funded in some form. You get more money that way.

Q573 **Bob Blackman:** Do you mean matched funding from local authorities or local communities?

Sir John Timpson: I mean locally, however. There may be local businesses that want to support their own community. Why not?

Q574 **Kevin Hollinrake:** Sir John, you mention that every town is different. I am sorry, Chair, but I am going to plug my local town again, Malton, which is the food capital of Yorkshire. They are doing a brilliant job at marketing it.

Sir John Timpson: It is not a place I am familiar with.

Q575 **Kevin Hollinrake:** You must come. I do not think there is a Timpson shop there, actually. But every place is different, and Malton has had an identity and has been marketed by a community interest company, including the estate that owns a lot of the shops in the centre. The £675 million is intended to be bid for by local authorities as opposed to other bodies. Do you think that is right? Should there be more flexibility in who can bid for that money?

Sir John Timpson: You mean local authorities as opposed to other people locally.

Q576 **Kevin Hollinrake:** Yes, absolutely. Every town is different.

Sir John Timpson: I agree with what you are saying. The success of any of these projects depends on having an inspirational leader. That inspirational leader would be well advised to involve the local authority but also to involve the whole community in various ways. You depend on having one or two individuals who really make it happen. Committees do not make it happen; it is really one individual who brings it on.

Q577 **Chair:** Can you explain briefly how the proposal for the task force differs from the Future High Streets Forum that was set up in February 2013 by the Government?

Sir John Timpson: I chaired one of its meetings. If I can talk through my thinking at that particular time, I got the impression that they would not disagree with what I had to suggest, but I am not aware of them coming up with a report quite in the form of mine.

Q578 **Chair:** They were supposed to help town centres deal with challenges and problems. They were supposed to help the Portas pilots. I understand that after five years the retail floor space in the areas of the Portas pilots has dropped by 17%, so it was not exactly a massive success. I am asking how your proposal will differ and hopefully produce better results.

Sir John Timpson: We have come up with some proposals that will lead to things actually happening. It is not a forum that is going to do it; it is going to be local. That is the big difference here. We are encouraging and



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helping local places with a good idea. It is not anywhere, but, one by one, individually, if they have a great idea, they should be supported.

Q579 **Mr Dhesi:** Sir John, our Select Committee has received a considerable amount of evidence about the burden of business rates on retailers and the uneven impact, for example, on bricks-and-mortar retailers vis-à-vis online retailers. Did you also gather evidence on this? If so, what conclusions did you draw?

Sir John Timpson: First of all, that was specifically not in my brief because it is a Treasury matter and not for this Department. Although I said quite clearly that I had views on it and I would want to express them, I was told, "Hang on a minute. This is out of our area". But a number of the letters and emails I got were specifically on that subject.

Q580 **Mr Dhesi:** So the reason you decided not to tackle business rates in your report is simply that they were outside the parameters.

Sir John Timpson: Correct, yes.

Q581 **Mr Dhesi:** Given that you have this public platform now, what are your views on business rates?

Sir John Timpson: It is quite clearly the right thing for Government to do, to level the playing field between bricks-and-mortar retailers and internet retailers. There is far too much of an advantage for internet shopping. I am not too sure whether it is because they cannot find a way to do it. I think it is very simple. You just do it by clearing away the business rates and putting it on to VAT.

Q582 **Mr Dhesi:** You would completely get rid of all business rates.

Sir John Timpson: In simple terms, yes. That should be the direction of travel. Therefore, you have every retailer paying the same rate of tax. But in terms of it being a major thing and a wonderful answer to the future of the high street, that will not be the case. If you are being fair, you are going to reduce the amount of business rates. That will probably help companies survive longer, but it is not going to change the fact that the high street is changing. That will continue. But at least it is fair.

There is a much more serious issue, which is looking at some of the internet players themselves and the way they are going about growing their businesses. They are doing a lot of it at no profit. They are grabbing big slices of the market with what I would call predatory pricing. We should project forward. For instance, Amazon has been going for 24 years. If we go forward another 24 years and ask, "What is the market going to be like then?", we will have a really serious issue to tackle. I am not aware of people taking enough serious interest in thinking about that.

Q583 **Kevin Hollinrake:** On that, we have heard evidence from Amazon that it is paying around 0.7% of its turnover on business rates. A number of the high street retailers that contributed to our evidence sessions are paying 3%, 4% or 5%. Do you have an idea about how you would level the



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playing field? Would it be a sales tax?

Sir John Timpson: Yes, a straight sales tax. In effect, you get rid of the business rates we are paying on retail premises and you replace that with a sales tax that impacts on all retailers, including internet retailers.

Q584 **Kevin Hollinrake:** You know very well that different business trade on different margins relative to their turnover. That would be quite a blunt instrument. Some retailers have very high profit margins. Others, I am sure like those repairing shoes and stuff, have lower ones.

Sir John Timpson: Yes, but you would be using VAT. You would be doing it on the retail price. It is not on your profits.

Q585 **Kevin Hollinrake:** You think a straightforward sales tax would solve it.

Sir John Timpson: Absolutely, yes. That is the only fair way of doing it.

Q586 **Kevin Hollinrake:** Can I ask you one more question about parking? Your review addressed parking.

Sir John Timpson: That came out of the research we did. Parking was way up there as one of the issues people raised.

Q587 **Kevin Hollinrake:** You see some local authorities that are charging very high amounts at an hourly rate to raise money, which is driving people out of town centres and into out-of-town shopping centres. Do you have a view on how we solve that problem?

Sir John Timpson: It always seemed to me a bit stupid for town centres that are losing their customers to out-of-town centres because of the parking to then put up the parking charges. It does not seem like very good marketing to me. They have to make sensible commercial decisions. But another thing that came out of the market research and the evidence is that people want their towns to be different. They do not want to find the same old retailers in their town centres that they have at the shopping centres such as Bluewater, where I have been today, or Lakeside. They want to have something different.

One really good thing that will come out of the development of a town centre that is not just about retail but also includes housing, community, entertainment and so on is that you will attract a lot more independent, interesting retailers, which is exactly what retailing needs. I want to have other shops next to mine. My businesses operate in a world that is not an internet one. I need to be doing bricks-and-mortar retailing, but I need lots of other people who want to be retailing to come and be next to me. In 20 years' time, we will have a different sort of retail space.

Q588 **Chair:** Finally, you are a successful retailer. You have adapted your business to suit changes in circumstances. How often do retailers just sit there and blame everybody else? "It is the business rates. It is the rents. It is the parking changes". It is interesting. We went to Stockton as a Committee, where they are trying to put on lots of events in the town



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centre to attract people in. When they asked some of the retailers whether that was a good idea, they said, "We do not know. We had shut our shops by the time the events were on". Many retailers still open at nine in the morning and close at 5.30, which is exactly the time when many people leave work and want to go shopping, so they go to the out-of-town centre and get their goods. How far do retailers have a responsibility to start changing their offer to attract people?

Sir John Timpson: Do they blame everyone else? Perhaps that is your impression. I know you will find plenty of chairman's reports this year blaming the weather as well as other things, because we had "the beast from the east" and then a heat wave. It is totally understandable when you are right up against it and you have a retail format that is not right for today. You look for other things to blame. But most of us are spending our time working on what our business is going to be in five or 10 years.

Q589 **Chair:** If I want to buy a shirt and I leave my office at 6.30 pm, I can go down to Meadowhall in Sheffield and buy it; I can go on the internet and buy it; I probably cannot go to the high street and buy it from most places. Does that not show how much the high street is simply not adapting to the way people want to shop and the times they want to shop? Should they not be doing that?

Sir John Timpson: If I think of the changes in shopping hours during my life in business, when I started there were five-and-a-half-day weeks. We always had half-day closing on Tuesday, Wednesday or Thursday. It was really confusing when you were going round visiting shops and trying to work it out, because Oldham was Tuesdays, Burnley was Wednesdays and so on. Then we changed. We actually had a period when we closed on Mondays. We closed, like John Lewis did, on Sundays and Mondays, so our colleagues had a five-day week and a two-day weekend. Then that all changed, particularly with Sunday shopping. Now the majority of our shops are open seven days a week. We have some that are open until nine o'clock. At Christmas, when the business is about, they are open until nine o'clock at night.

Q590 **Chair:** That is true of your shops, but there are many shops it is not true of, are there not? They have just not adapted.

Sir John Timpson: Can you tell me which ones you are talking about?

Q591 **Chair:** There was the evidence we had from Stockton, when we went there. That is what they told us.

Sir John Timpson: I agree that retailers have to adapt, but it is going to help if there is a change in the environment. One other thing you have not mentioned is the importance of having a hub that people want to go to in their local town. I worry that in an internet age people are going to spend their time looking at screens and there is going to be less and less face-to-face communication. Humans want places to meet, and we need



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to create community hubs where people can go and where lots of things happen. If we do not have that, it is going to be a pretty dull world.

Chair: That is a very good point on which to conclude. It is a very positive point. Thank you very much for coming to give evidence this afternoon.

Examination of witness

Witness: Jake Berry MP.

Chair: Minister, thank you very much for coming to give evidence to the Committee this afternoon. It is the final session of our inquiry into the future of the high street. Thank you very much once again for coming.

Q592 **Mr Dhesi:** Minister, how many areas do you expect will receive funding from the Future High Streets Fund?

Jake Berry: It is too early to say, because it is a competitive fund. We are certainly looking for areas that will come forward with transformative plans to ensure the sustainability of their high street and future-proof it. In the prospectus, we have set out a desire to see the money allotted into lots as big as £25 million, although it is our expectation that many of them will be in the £5 million to £10 million section. You can do the maths very quickly, I am sure, in your head and more quickly than I can do it. But we really will be governed by the quality and speed of the bids that come forward.

Q593 **Mr Dhesi:** How much of the funding will shortlisted places be given to enable them to develop their proposals during phase 2?

Jake Berry: We will do it on a case-by-case basis. It is important to say that we have sought to stop the bidding fatigue that local authorities get into all over the country. We have attempted for the first round to be relatively light touch when people come forward with their plans and their expression of interest, without the need for excessive officer time and cost to be spent on it. We have asked them in that expression of interest to set out what capacity of funding they would like if they moved through to the second round, and we will deal with that on a case-by-case basis.

Q594 **Mr Dhesi:** The securing of funding is a competitive process. Why did you decide to go down that route?

Jake Berry: We are spending taxpayers' money and we want to ensure we get the best value for that money. To me, it seems that a competitive element where areas receive funding on the basis of the quality of their bid is a good way of ensuring that we deliver value for money. We are looking for bids that will renew and reshape town centres and improve the experience and the sustainability of them for the long term.



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Q595 **Mr Dhesi:** Will local authorities need to be able to demonstrate that they have secured private-sector funding by the 22 March deadline?

Jake Berry: No.

Mr Dhesi: Will that definitely not be the case?

Jake Berry: That is not the case.

Q596 **Mr Dhesi:** Okay, that is good. There is a risk, would you not agree, that the timed nature of the process will put certain councils that have been focusing on other priorities but are most in need of this kind of support at a disadvantage?

Jake Berry: I am not sure I would accept that. It is a very valid concern. It is not one I recognise, because we have done this very light-touch expression of interest. It is intended that it is a collaborative process between local authorities and my Department. We clearly want this to succeed, because we all have a stake in ensuring that our high streets are here for the long term. It may be helpful for the Committee if I were to say that despite the prospectus having been launched on Boxing Day, which is not a working day, and many local authorities not being there, it was welcomed by many local authorities and the LGA. Since its launch much less than a month ago, the form has been downloaded in excess of 800 times by interested parties.

Q597 **Teresa Pearce:** Good afternoon, Minister. Are you going to follow the expert panel's detailed recommendations on how the task force would operate? Can you tell us about what you believe it will do and how local authorities will access support from it?

Jake Berry: We continue to work on the task force. We are hoping to come forward with more detail on what the task force will look like in the spring. We will of course work collaboratively with the expert panel. We should be very grateful to Sir John; I know my Department is. Sir John has put so much time in. It has been a real privilege for me to have the opportunity to work with one of Britain's best known and most experienced retailers. Frankly, I would be a fool if I did not keep seeking his advice in terms of the task force.

It is envisaged that it should be run by an existing third party. We have entered into some initial discussions with the Institute for Place Management and the LGA, which have expressed an interest in running it on behalf of the Government. The budget for it is proposed to be £10 million over a four-year period, but we will come forward with further details in the spring. Sir John demonstrated very well—and it certainly echoes my experience of working with the Future High Streets Forum as well as the expert panel—that local authorities up and down the country, which I have been in contact with and the Future High Streets Forum has been representing, say that this is really their top ask of Government: to provide this one place where they can go and get information.



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It is proposed that it will include information that would not previously exist within local authorities, so there are some interesting ideas, particularly focusing on opening times and what time businesses should open. That should really be driven by data and when customers want to shop rather than when shops necessarily want to open. That is the sort of information we could see inside the task force that would be a big help to local authorities seeking to shape their environment.

Q598 Teresa Pearce: You see it as a central hub of data that people can access, but local conditions are local, are they not?

Jake Berry: It is a central hub of expertise that local authorities can access as they come forward with a plan for their area. I made a specific point on data. I know you visited Stockton as a Committee, and I visited it on Monday. Having spoken to the bid there, I know they are currently having a discussion about the best days for the shops to be open, the best days for them to open late and when the most customers will come.

Businesses should not just be putting a finger in the air or asking what feels right for them. Surely they should be looking at their customer data and other customer data that is out there, for example credit card data, which banks and clearing companies such as Visa and American Express have on high street use in their area. Surely the decision they make about their opening times should be based on when their customers will come and not when they would like to open. That is the sort of new expertise that we could see embedded in the task force, with local areas across the country having the ability to access that type of data, which historically local authorities would not have had access to.

Teresa Pearce: It is interesting that you mention Stockton. They have a very large building they use as an incubator, but they do not just offer low-price premises; they offer business support and training to those businesses to make sure they thrive. The expert panel made recommendations about the task force. Will the task force include that sort of training and business support as well? Will there be an offer of that?

Jake Berry: We will come forward in the spring with the detail about what will be offered by the task force. I visited that very business centre myself on Monday. I know they offer incubator space for as little as £50 a week for people starting a business, and that comes with other wraparound support. It includes all the utilities and the internet. That is an excellent idea, and it is absolutely the sort of best practice that we want every high street to have access to and information about. Once they know that it exists, it is then for local areas to make the decision individually about whether that is what they want to see as the future of their high street. But that very specific example is absolutely excellent. I would encourage other local areas, if it works for their high street, to include it in their plan.

Q599 Mary Robinson: With regard to the task force and the funding, will it be



focused primarily on areas where there is already severe decline and where the death knell has already been rung, or will it also have a place for those high streets that really just need some help to rebuild themselves and to change, where somebody with aspiration can do that?

Jake Berry: I hope it will be both. Our vision is to have a task force that is a one-stop shop for all areas that have an interest in high streets. Colleagues around the room like me, constituency Members of Parliament, will know their local high street. I have several in my constituency. It will really be available to the whole of England. It will ensure that those areas that want to take steps forward as a high street can access it.

Q600 **Chair:** In terms of the question I asked Sir John, how will this task force differ from the Future High Streets Forum, which did not seem to have a great deal of positive outcomes at the end of the day? Is there going to be a difference in how it operates and hopefully in its success?

Jake Berry: There will certainly be a big difference in scale. The Future High Streets Forum is a group of industry experts. It is chaired by me. We meet regularly. I do not really recognise the comment saying that it has not been a success, because in my time in this job it has been a huge help to me in, I would like to say, grabbing the Government's high street policy slightly by the scruff of its neck and trying to take it forward. It was long overdue.

The task force is very different. It is of course a national resource, rather than such a narrowly focused resource like the Future High Streets Forum. It is to be available to all areas that have an interest in high streets. I hope it will be a Wikipedia-style open-source repository of information that people can go and use. If having a retail incubator unit works in Stockton, let us put the data on there. Let us make sure that information is available. Let us highlight the success stories, not least the pet boutique, which I also visited, that started in the incubator unit and now runs not one but two shops in the area. Let us make that information available to local authorities and say, "If it works here, why should we not try it in Sheffield, Lancashire, Yorkshire, Cheshire or anywhere in between?"

Q601 **Andrew Lewer:** The High Street Report recommends that councils are best placed to lead on work on the high street, obviously working with local stakeholders as well. Do you agree with that statement, which the report made?

Jake Berry: I do, for a number of reasons. First of all, there may be significant amounts of public money that are distributed through the Future High Streets Fund. That is certainly what is envisaged. We will look to the natural partner of Government for investment; that is, local authorities. They have all the proper finance overview and scrutiny in place to spend public money. Secondly, local authorities have significant powers that can drive the future health of their high street in terms of



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both planning and land acquisition. But we would expect bids to the Future High Streets Fund by local authorities to demonstrate wide support.

Where you have a multi-tiered area, maybe a borough council and a county council, or even a council in a mayoral combined authority, we have been clear in the prospectus that, even though in all cases we expect the lower-tier authority to take the lead in the bid, we expect them to demonstrate the support of other authorities. Where you have a two-tier authority, you cannot really have a plan to improve your high street without the county council supporting it through its highway powers. We would seek to ensure that local authorities that will take the lead in bidding for the money demonstrate the support of the business community.

Q602 Andrew Lewer: Earlier we heard that the LGA has welcomed this, but in doing so also expressed a concern. The exact quote is this: "The ability of councils to proactively support their town centres is constrained as they prioritise their resources on vital and statutory services". Do you see that as a valid concern? How would you propose that we circumvent it?

Jake Berry: I am pleased that the LGA agrees with the Government that local authorities are best placed to drive forward the future health of the high street. I would be surprised at any other answer, frankly, but I am very pleased about that. That really is why the fund cannot be viewed in isolation. Of course, we have the task force, which is a repository or a central knowledge base that local authority officers can tap into, to ensure they are looking at best practice, as can the business community. In addition to that, in terms of the second round of bidding, it is proposed that we give money to support local authorities that come forward in phase 2 of the bids to deal with the issues of scarcity and paucity of resources in local authorities.

Q603 Andrew Lewer: On that resource point, £675 million sounded like a lot of money when it was announced, but of course it is covering the whole country and covering a huge number of places. Given that, do you have confidence that it will actually be enough to make a meaningful difference?

Jake Berry: I sincerely hope it will. It obviously cannot do everything everywhere at the same time, but it would be impossible for any Government to set that out as an ambition. I know the point of having a competitive fund is that we work with those areas that come forward with an ambitious plan for their high street. Frankly, there is no shortage of plans out there; there is quite a shortage of cash. That is why I thought it would not wash to have something like a Portas 2.0 that had lots of good ideas but not hundreds of millions of pounds behind it. That is why I supported Sir John in his recommendation that we came out with a fund that is well funded. £675 million sounded like a lot of money; it is a lot of money. We need to work with local authorities to make sure it is spent in a way that delivers the best value for the taxpayer.



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Q604 **Andrew Lewer:** When I was a local authority leader, I was one of the founders of the D2N2 Local Enterprise Partnership. I experienced the classic problem of central Government funds: they are central. Given that we have already said how different places and their needs are, how are you going to ensure this fund does not have a Whitehall format to it and that it is flexible enough to look at things that reflect the very different needs and circumstances in different centres?

Jake Berry: I hope that is implicit in the design. We have asked local areas to come forward with their own plan. We have not set very tight parameters or ring-fenced the way the money should be spent. For example, it includes things such as public realm. We have not really excluded anything from what areas can bid for. But this is the point of having a competitive fund, to ensure that when those plans come forward the local area can have confidence in them, but there is also an element of confidence in Government, so Government can support the plans, give the money to local areas and trust them to spend the cash against a robust business case that we have worked up with them in the second phase of the bidding for the fund.

Q605 **Kevin Hollinrake:** Minister, you said you expected the bids to come from the lower tier of a council in a two-tier council. Why not a town council? Why not open it up to different entities?

Jake Berry: It is something I gave consideration to. Looking at the amount of money that is going to be potentially given out, with bids up to £25 million, it seemed to me that a borough council or a unitary council was the appropriate level at which to distribute that money, because they have the capacity; they have an accounting officer; they have the overview and scrutiny to ensure it is spent properly. It will involve entering into major construction contracts with firms.

I am sure there are town councils that could do that, but it just seemed to me that this was a proportionate level to ensure we delivered best value for the taxpayer. I would come back to the point, though, that in the bids we have been clear that we are looking for support. Just as we expect a lower-tier authority, whatever it may be, to have the support of its upper-tier authority, its mayoral combined authority, its business community, we would also expect them to bring town councils with them. This is about delivering on Sir John's vision of upside-down Government and making sure the voice of retailers and the people who live in areas is heard. The fund is born of the basic proposal that good ideas for regenerating your high street probably do not live in this building or even in this little area of central London. They probably are in each and every high street across our land. We want to ensure that those ideas and those voices are heard.

Q606 **Kevin Hollinrake:** Sure, that is my point, I guess. If a local town is not where the local council resides, the town council may know that town far better than where the council building and the council officers reside. Is there not an argument that the local town could develop much better



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plans that would be ideal for this kind of thing?

Jake Berry: It is certainly an argument. Proportionally, a borough council or a unitary council is best placed to ensure that this quite large amount of taxpayers' cash is spent in a responsible way. It would be a shame if town councils did not have a strong input into this, which is why we have said we would look for wide ranging support for the plan from all tiers of government and from the business community. In addition, local councillors, who have a very strong connection with the community and the ward they represent, are well placed to work with the council to ensure a bid is appropriate and proportionate to an area.

Q607 **Kevin Hollinrake:** In terms of where councils do invest, are you comfortable with councils that invest huge amounts of money in commercial property, often borrowing to do so from the Public Works Loan Board, for instance?

Jake Berry: Those decisions should be taken locally. I am a localist. I believe that local authorities are best placed to make those decisions. It is something where my Department is working with the Treasury and looking at this quite closely. It is somewhere we have identified concerns that have been brought forward to the Department. It is appropriate that we keep it under review. All I would say is that, in terms of buying large shopping centres, as some local authorities have done, knowing your background and my background in property, there is a reason the commercial landlords are selling them and selling them now. I hope local authorities would have that in their mind when they make that locally determined decision about whether to buy them.

Q608 **Kevin Hollinrake:** You mentioned expertise held in local authorities. There is not a natural link between the expertise in a local authority and a shopping centre that might be hundreds of miles away.

Jake Berry: They are accountable to the people who vote for them. All local councillors are. When making such an important decision on behalf of their local taxpayers, I am sure local authorities will be appropriately advised by experts.

Q609 **Kevin Hollinrake:** Is there a way we could get the Public Works Loan Board to work more effectively in persuading local councils to invest more in their locality, for example in their high streets?

Jake Berry: No, it should be locally determined. Since 2004, there has been an ability, without the consent of Whitehall, to borrow from the Public Works Loan Board to improve local areas. We have seen it utilised with great success in some areas and with less success in others.

Q610 **Kevin Hollinrake:** They do not tend to get a similar return to the return they would get for investment off the shelf.

Jake Berry: You do not, but of course the money is not borrowed at a commercial investment rate; it is a lower loan rate. But this is maybe where the High Streets Task Force could provide some help and



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guidance. That is the real importance of it. Local authorities should be able to learn from each other where significant investments in town centres have improved footfall, increased business rate take and improved the borough more generally.

Q611 Kevin Hollinrake: The expert panel recommends that councils look at their parking provisions. In many cases, they can be a deterrent to shoppers visiting the high street or city and town centres. Is that something you are concerned about?

Jake Berry: Yes.

Kevin Hollinrake: What should they be doing?

Jake Berry: Again, it is for local determination. Councils should work very closely with their business community. They should ask the business community in the town centre, as the real retail experts and experts in business in that area, what they think will drive footfall. If you look at your own life experience, I am sure many of us have visited shopping centres or even supermarkets that are out of town. Every time I go there, the car park is full and the parking is free. Often, when you go into high streets, there are fewer shoppers and less footfall and you have to pay for the parking. It seems like good sense to me to provide some element of free parking in town centres to support the business community.

It has been used to great effect in Stockton, where they have an hour's free parking, as I saw on Monday and as I am sure you will have seen on your visit, and it is £1 for three hours' worth of parking. Before Marks & Spencer closed, I was told by the leader of Stockton Council, one of the greatest drivers of "click and collect" activity was the free parking the council had provided. While people were clicking and collecting from Marks & Spencer, using the other 50 minutes of their free parking, they would probably go and visit some other shops.

Q612 Kevin Hollinrake: Is there anything we could do to persuade councils to take that kind of enlightened view?

Jake Berry: Again, it is the sort of information you would see in a central hub of information that local authorities could access. It is all very well, on an anecdotal basis, to sit around and say, "Free parking would be good, would it not? If you visit a shopping centre, it seems very busy and it has free parking". We need to ensure that those sorts of decisions, when locally determined, are driven by data. A dataset that is much wider than one particular town centre or borough may be helpful to enable local authorities to make decisions about parking.

Q613 Chair: To follow up, the Secretary of State, in the finance statement, with regard to local authority investments, said he shared CIPFA's concerns. "We are considering with HM Treasury what further interventions may be required". How far have those considerations come?



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Jake Berry: Discussions continue between my Department and HM Treasury. We are keeping it under review.

Q614 **Chair:** Are there any particular actions you might be considering taking?

Jake Berry: Not at this stage, no.

Q615 **Chair:** On the other point on parking, there is recognition that, for many local councils, the money generated by parking is quite an important issue, in terms of their transport plans and developments for the future.

Jake Berry: I recognise that. It is quite tightly controlled, what the money can be spent on. It has to be invested in local transport schemes. However, it is possible to kill the goose that lays the golden egg.

Q616 **Teresa Pearce:** In recent years, a number of increased powers have been given to local authorities, but local authorities say that, having increased powers without resources, they cannot utilise them. Pertaining to this inquiry, that particularly affects planning departments. Councils have told us that it has led to a loss of expertise and focus, where planning departments are focusing on meeting targets rather than planning for the future vision for high streets and town centres. Do you agree that the impact of this is being felt as far as planning for high streets and town centres goes? Can the task force help in any way where there are under-resourced planning departments?

Jake Berry: The evidence on the performance of planning departments is mixed across the country. It is very hard, because every local authority has its own planning department. There was an acknowledgement of this in January 2018, when the Government enabled local authorities to increase planning fees by 20%, to reinvest back into expertise in the planning department, with the option to increase them by a further 20% if they could demonstrate that they were delivering the homes that communities need. That is an acknowledgement that planning departments can often require additional resources.

In my direct experience, while there are many very good local authority planning officers, it is often difficult for someone to be an expert in absolutely everything. Before I did this job, I was a property lawyer. One of the real planning experts we had in my firm was someone who simply spent their entire life making applications for supermarkets. If you think about a local authority planning department, they may not have dealt with an application for a supermarket for five, 10, 15 or even 20 years. They then come up against a planning lawyer and barrister who were doing one a month on behalf of major supermarket chains. I hope the central repository of information may provide information to enable local planning departments to draw on wider expertise.

Q617 **Teresa Pearce:** I recognise what you say there about planning departments. You have people working in planning departments who are generalists. They may not be experts in major supermarkets, but they are experts in their community. That local knowledge and local vision of



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what the community wants needs to be harnessed.

Jake Berry: I absolutely agree with you. That is my experience of local planning departments. They are people who are passionate about the area they live and work in. They have a granular knowledge of both the community and the economy. That is why they are going to be so vital when they come forward to bid for the Future High Streets Fund and, even though Mr Hollinrake has just left, it is another reason why local authorities are perfectly placed to be the lead bidders for this fund.

Q618 **Teresa Pearce:** We currently have local plans, but should local authorities be required to have town centre strategies that are done in collaboration with businesses and the community to supplement local plans?

Jake Berry: That is not for us to centrally direct. Again, that should be locally determined by authorities. I cannot think of many authorities that do not have a town centre strategy in my own experience, although there may be several around the country.

Q619 **Teresa Pearce:** It is not a requirement, is it?

Jake Berry: No, but you do not necessarily have to mandate it. It would seem a responsible thing for a local authority to do, to have a plan to develop and grow its town centre. A big thrust of Sir John's report is about enabling local authorities to work with the business community to come up with a plan.

Q620 **Chair:** How many of the local plans and strategies that you see, Minister, grasp the change that is taking place, the seismic shift in people's shopping habits, and project that forward to look at what the high street might be like in five or 10 years' time?

Jake Berry: This brings me back to the point I made earlier about the task force, which I hope will encompass expertise and ideas that are not currently in local authorities, whether that is about how we use big data to drive people back to the high street or the long-term strategic planning for high streets. If we think about the Mary Portas review of high streets completed in 2011 and commenced in 2010, it is eight or nine years out of date. When her review took place, less than 2% or 3% of shopping was done online. According to the most recent figures, it is now nearly 20%. There has been an unrecognisable change in the high street during that period, and that is why now is an absolutely appropriate time for the Government to come out with a new high street policy. It is an absolutely appropriate time for the Government to provide a significant amount of taxpayers' money to enable local authorities to build plans and drive forward the future of their high streets, to ensure they remain sustainable.

Q621 **Chair:** The local plan should reflect that, and it should be up to date as well.

Jake Berry: Yes to both.



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Q622 Mr Prisk: You are currently consulting on high street planning reform. That includes some quite narrow and focused proposed changes on use classes, which I suspect with your legal background you will remember quite well. We have seen written representations that what is needed is for the whole thing to be overhauled and radically simplified. What consideration have you given to that rather than these perhaps useful but nevertheless incremental changes?

Jake Berry: I have some expertise in use class orders, but I would have thought it falls well short of yours, Mr Prisk. I would not really want to prejudge the consultation that is currently going on. We must see where the responses lead us. I personally find particularly appealing the idea of merging some of the A use class orders to free the market. Members of the Committee will be aware that the use class orders were set up in the 1980s. As I mentioned just a moment ago, my high street is unrecognisable, following the change I have seen in the last eight or nine years.

They are subject to updating by the Government on a fairly regular basis, but I have received evidence from the Future High Streets Forum that the delay in changing between some use classes is a significant clog on businesses that want to be fleet of foot and change to mirror the changes we have seen in the high street. Many businesses now have very mixed use classes. I visited a coffee shop that is a coffee shop, a bookshop and a yoga studio. I quite like coffee and books. Now is high time for the Government to take a serious look at those use class orders. As I say, I would not seek to prejudge the consultation that we have going on but, as a natural free-marketeer, deregulation and merging of the use class orders seems to be the most appealing, although obviously, as the Department, we will be guided by the evidence.

Q623 Mr Prisk: There is a tension on this because, quite naturally, in some localities if carte blanche is given to a location to free up or indeed remove any distinction between a takeaway and something else that is not within the current A class, there is a risk that actually this could radically change the whole nature of the town centre. Have you considered zoning areas where much greater freedom might be appropriate, so that a local authority could say, "This is an area we would like to see change in and therefore in this area we can apply a much more radical approach", rather than necessarily having it at a national level?

Jake Berry: It is not currently something we are consulting on or have under active consideration. In the very specific case you use of hot food takeaways, they will always require planning applications. They are sui generis and we put many of what some people may label as bad users—I am not sure I would always agree with that—into that category to ensure that local authorities, whatever may happen with permitted development or merging of use class orders across A1, 2 and 3 as proposed under the current consultation, still retain the power to curate some element of their high streets and the users.



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Q624 **Mr Prisk:** On permitted development rights, you will be aware that, while some really awful 1970s offices that were sitting dormant have been converted to better use, there has been counter-criticism, which we have seen some evidence of, that the quality of some of the buildings that have been constructed, or perhaps I should say refurbished, has left a lot to be desired. That has had an impact on town centres. You are currently looking at whether PDRs should be extended. What evidence are you looking at to make sure that the system, whether it is through building control or whatever, enables quality to be controlled by local authorities?

Jake Berry: The specific permitted development right I assume you are referring to is the ability to change offices into residential.

Mr Prisk: Yes.

Jake Berry: First of all, we have to accept that we have a shortage of homes in this country. That is something I am sure the Committee has looked at in detail on many occasions. It is welcome that that specific permitted development right has created 42,000 homes. Obviously, those homes have to be built in line with building regulations and fire regulations. That is a proportionate approach to ensuring that unused, unloved and unwanted office buildings can be brought back into use.

Q625 **Mr Prisk:** There is one slight risk. If it is a commercial building with offices upstairs but commercial functions downstairs and the whole building goes to residential, including the ground floor, there is a risk to other neighbouring shops that suddenly they have dead frontage in commercial terms. That could reduce footfall. Is there any consideration given to that aspect of it, in other words looking at the ground and the upper floor, to make sure that the dynamic of a high street is still able to operate?

Jake Berry: That certainly is a risk. If you imagine a high street, it would be unfortunate, would it not, to have it with broken teeth, with one shop and then three residential buildings? My understanding is that, if there is a proposal to alter the external appearance of the commercial bit at the bottom, that would still require planning, although I would prefer to write to you on that very specific point.

Q626 **Mr Prisk:** Very briefly on compulsory purchase orders, this is an area where we have had a lot of evidence that these are still too complex, too cumbersome to be of practical use to most local authorities. Is that something you will be prepared to look at again?

Jake Berry: We certainly intend to review how compulsory purchase orders work as part of this wider high street policy refresh that we are doing.

Sitting suspended for a Division in the House.

On resuming—



Q627 **Bob Blackman:** We have discovered during the course of our inquiry that one of the problems local authorities and, indeed, private companies face, if they are trying to regenerate town centres, is the fragmented ownership of properties on the high street. How much of a concern is that for you, as a Minister trying to rejuvenate these high streets?

Jake Berry: I recognise what the Committee has found and, if you talk to local authorities up and down the country, they will often talk about, I would go so far as to say, the blight that empty shops can be on high streets. Over recent years, we have of course seen the number of vacant shops increase. There are a couple of things we are setting out as a Government to try to tackle this. We are of course piloting our Open Doors project, which is the idea that the Government will support landlords to open their shops for community use. We launched that just at the tail end of last year. That will reflect my experiences of having visited Ashford in Kent, which was, back in the mists of time, one of the Portas pilot towns. They have done very good work in opening up their vacant shops to community use. When I was there, they just happened to have an exhibition of local artists.

The other thing that was set out in the Budget was a request for working with local authorities to pilot a register of empty properties, to make information about ownership of properties more readily available for people who walk down their high street and think, "That shop has been vacant for 10 years. Maybe now is the time that I should move from my back bedroom into that shop or even my market stall into that shop". We hope that those two pilots will demonstrate the way forward in terms of Government support for tackling empty shops.

Q628 **Bob Blackman:** One problem the local authorities that have given evidence to us have encountered is, indeed, finding out who those landlords are. Having a public register is something we would warmly welcome, I am sure, as a Committee. One of the problems is identifying who these landlords are. Are you considering not only having a public register but making it compulsory that it is declared who owns the property?

Jake Berry: That is certainly our proposal. It is going to be tackled in stages. First of all, we are going to pilot with local authorities public registers. We have asked them to individually design those public registers to suit their need. It is this upside-down government, ground-up approach to driving the high streets. The Committee will be aware that the information about ownership, both leasehold and freehold, is publically available on the Land Registry, but maybe not in a way that local people feel they can easily access it. There is a charge. It is £3 for what is known as the office copy, which is the register of ownership, then £3 for the plan that covers that property as well. We have committed to work with local authorities in a piloted way, to find out what works for them in terms of the public registers of ownership.



In terms of ultimate beneficial ownership, which I understand from local areas can be very difficult to get when foreign owners own a property, we have announced plans to launch a public beneficial ownership register by 2021.

Q629 Bob Blackman: That is excellent. Another area, and I think you may have this in your background experience as well, is that many retailers complained to us about being locked into long leases. They have very high rents, no break clauses, with rent reviews allowed only to go upwards rather than come down. That defies market trends, which I am sure you will appreciate. What can the Government do to interfere in this process to rebalance the position, rather than ending up with people basically returning the keys, closing the doors and going away?

Jake Berry: This is not necessarily an area where Government should intervene and act. The market for commercial properties has changed. When I started out as a commercial property lawyer in the early 2000s, it was absolutely standard for commercial leases to be 20 to 25 years. It was the idea that, if you started and grew a business, you wanted to have some good will, with a long tail on the lease if you decided to exit that business. It is now much more common for commercial property owners to offer an initial term, maybe two or three years. Break clauses are much more common. There are some well-known outliers, including the Marks & Spencer in Stockton, where I believe there is a 250-year lease without a break clause. That certainly would not reflect the current market. In terms of the upward-only rent review on leases, that is market standard in many cases. It is required as a basis of commercial lending that landlords seek. Ultimately, it is for tenants to develop their own relationship with their landlord.

Most leases that I have seen in my career, before I arrived in this place, refer to a market rent on an upward-only basis, so it is perfectly possible to demonstrate that a market rent has not increased since the last rent review. It does not often tend to be possible for the rent to go down under the terms of the lease. But the commercial reality is that, if you have a break clause approaching, you are in a very strong position to negotiate the rent down with your landlord, mainly because, if you vacate the premises, there may not be a ready tenant waiting in the wings to come in and replace you. Of course, landlords are responsible for vacant commercial rates, which they would regard as a tax on stock and which they do not want to open themselves up to, because it has a significant downward pressure on the value of the property.

Q630 Bob Blackman: Clearly, there is that opportunity, but where there are reluctant landlords, and we have a series of evidence that that is the case, who only want to see the bottom line, get the rent in and do not care where it comes from, how can they be persuaded to act more commercially and in the interests of the community they are wishing to serve?



Jake Berry: It is not for Parliament necessarily to get into demonstrating to landlords what commercial behaviour is or is not. There are significant disincentives for ending up with a vacant commercial premises. If ultimately your tenant goes bust, exercises a break or walks away from the property and you cannot trace them, you are left with a significant cost.

Q631 **Bob Blackman:** Given you have mentioned the incidence of foreign owners, what can be done about foreign owners if they refuse to see the commercial reality of what is happening on the high street in the UK? Do the Government see any way of interfering in the ownership of those properties? Does the current position of the uncertainty of Brexit and beyond lead us to some way of interfering, to make sure those shops and premises are used for beneficial purposes?

Jake Berry: I would not have Brexit listed as my main risk to the high street. I would not have it at the top of my list. The Government have set out in our high street plan three things that can be of assistance. The first is the ambition to create a transparent register of commercial landlords, with the ambition that in 2021 that should include ultimate beneficial owners wherever they may be in the world. Secondly, we have set forward an ambition to look at whether compulsory purchase, which is the ultimate local tool to take control of estates, is fit for purpose and whether there are ways we can work with local authorities to improve that. In terms of Brexit, I do not think it will have a huge impact.

Q632 **Mr Prisk:** Going back to the issue of fragmented ownership, the Cabinet Office has just established a Geospatial Commission, whose express function is to open up public geo data, and this includes that held by the Land Registry. Would your Department consider working with the Cabinet Office to see whether there may be an alternative to individual councils running this? Perhaps we may have an electronic, open, dynamic opportunity to get that transparency of data you have talked about.

Jake Berry: We work across Government on our high street policy. In fact, as part of the High Streets Task Force, we have set up a cross-governmental official committee to look at how we can work across Government to pull forward best practice from all Government Departments. The idea of that task force is that it breaks out of those Government siloes. I regularly meet with friends and colleagues at the Treasury, BEIS and other Departments to talk about how we can work together to support the high street.

The reason we are piloting the idea of a transparent, locally held register is that we are really seeking the right solution. I go back to the point that I am sure many of us in our own constituencies have walked down a high street, seen an empty shop and thought, "I would really love to see that brought back into use". It is about ensuring that entrepreneurs who are walking down that same street can get the information as easily and quickly as possible. Local authorities have a good understanding of their areas, so it seems to me reasonable to start with them and ask them how



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they think transparent, open-source information should be made available locally. We certainly would not discount working with other Government Departments and other solutions that may be available.

Q633 **Mr Prisk:** You are open to the idea.

Jake Berry: Absolutely, yes.

Q634 **Kevin Hollinrake:** We touched earlier on rent reviews, Minister. We have also had some evidence that the current system of business rate reviews, the Check, Challenge, Appeal, is not working effectively. Have you any comments to make on that?

Jake Berry: Business rates are ultimately a matter for the Treasury, although we have worked very closely with it, particularly at the last Budget, to bring forward reforms to business rates, including for properties of rateable value under £51,000, cutting a third off their business rates. There are challenges in terms of the Check, Challenge, Appeal process. As a Department, we continue to work with both the Treasury and local areas to see the best way of tackling that.

Q635 **Kevin Hollinrake:** It is pretty fundamental. If somebody cannot have their business rates properly reconsidered, it can put businesses out of business and affect the high street.

Jake Berry: I would accept that, but I do not accept the premise that business rates are the only or even the biggest challenge facing high streets. When you go round the country and talk to retailers, they are grateful for the significant change we have made in business rates: a package of £13 billion up until 2023. The biggest problem shops have is that people are not going to the high street and shopping. That is why, while we are cognisant of the challenges of business rates, we are really focusing on transforming high streets, through the task force and the Future High Streets Fund, to bring the people back.

I often say that high streets are our original social network. In fact, more accurately I would guess, going back to medieval days, market places are our original social network. While people do buy things online, it still only represents 20% of retail. What I would say to people is that, on a recent visit to my high street, someone gave me a hug. You cannot get a hug online. That is why I think high streets are here to stay, because although retail is changing people are not changing. That is the idea of the Future High Streets Fund: to ensure we provide support as Government to enable them to change.

Q636 **Kevin Hollinrake:** In the future, of course, business rates are going to become ever more important to local authorities, as business rates retention increases. Local authorities currently have the opportunity to discount business rates for certain businesses or types of business. Do they have enough flexibility today? Will they have more flexibility tomorrow?



Jake Berry: I would suggest that they probably have enough flexibility. The ability to reduce business rates by up to 50%, in my experience, is a flexibility that all too often is not used by local authorities. I was encouraged on my visit to Stockton, as I am sure the Committee were as well, that it used the 50% flex to get new businesses on to the high street. If we got to a point that every local authority was offering a 50% discount to local businesses and they still could not fill the shops, I would be concerned. We are not quite at that point yet, unfortunately.

Q637 **Kevin Hollinrake:** In terms of the future incentives that derive from business rates retention, is there a concern that local authorities might grant more floor space out of town? Obviously the incentive there is to grow your business rates base. Are you concerned by that at all?

Jake Berry: Under the NPPF, we still have the town centre first policy, which is something I support. There is a presumption in favour of development in terms of the town centre. That is subject to a double-phase check that, if any planning application comes forward, the first thing local authorities should look at is whether it is possible to have that in the town centre. The next thing they should look at is whether, in the reasonably near future, it is possible to accommodate that in the town centre. If the answer to either of those questions is yes, the planning permission should be refused. That is quite a good protection, although ultimately I would not want us to take control of planning away from local authorities because they are best placed to determine, against their local plan, what appropriate development is in their area.

Q638 **Kevin Hollinrake:** If I can give you a local example in my area, York has four out-of-town shopping centres. At the same time, parking charges are now increasing to £2.50 an hour in the town centre. As you said before, there is free parking at the out-of-town shopping centres. This is because of the incentive to drive their business rates income. Are you concerned that, in the future, in a world of 100% business rates retention, those incentives will be even greater?

Jake Berry: The NPPF is clear that town centre uses should be located in the town centre. That is a reasonable protection. I have a bit more hope, confidence and trust in local authority planning departments. They are peopled and populated by both councillors and planning experts who are deeply passionate about supporting their community. I hope and believe that, in the context of the NPPF and its explicit desire that town centres come first, they will comply with it.

Q639 **Kevin Hollinrake:** That requirement was in place before York did its fourth out-of-town shopping centre.

Jake Berry: As I say, there is a sequential test. I do not know the specifics of the case so I would not like to comment further on it. Ultimately, if the people of York are unhappy with the decisions made by York Council, I suggest they get on and sack all the councillors at the next local election.



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Q640 **Chair:** Without being specific about individual councillors, the reality of this is that the sequential test is a great idea but, since it was introduced, the majority of retail floor space that has been developed has been out of town.

Jake Berry: Did you have specific figures on that?

Q641 **Chair:** They are there. Using the Government's own figures from the past, something like 70% of retail floor space is developed there, because very little is being developed in town centres. That is the reality. Perhaps you would like to go away and check your figures, but I think that is the reality. The sequential test has not been a great success.

Jake Berry: Mr Chairman, I cannot check figures that are "something like this" or "something like that". If you have specific figures that you would like me to address, I will of course do so with the greatest of pleasure. The reality of many town centres is that space is extremely constrained. That is why we hope that this Future High Streets Fund will enable local authorities to enter into significant land assembly, to look at new ways of driving these sorts of retail businesses back into the town centre.

In truth, the future of town centres will not be dominated by retail alone. You will have seen in your visits around the country, as I have certainly seen and Sir John has identified in his report, that the future of town centres is experiential retail. The areas that tend to do best are the areas that do not concentrate on retail: they put events on; they have bars; they have a nighttime economy. That really is the purpose of the fund: to enable high streets to adapt to a non-retail-dominated environment.

Q642 **Chair:** So there is no need to improve or strengthen the sequential test in any way.

Jake Berry: I could not say, because I do not have the data in front of me. If you would like me to provide me with the data, I can provide you with detail.

Q643 **Helen Hayes:** We have received considerable evidence, and we have heard it again today from John Timpson, for a levelling of the playing field between bricks-and-mortar and online retailers. Do you agree that an intervention of this kind is needed?

Jake Berry: I do. That is why I support the Government coming forward with a digital services tax in the Budget. That is in some way levelling the playing field between digital and bricks-and-mortar retail. We have to be careful that we do not go into siloes. Many businesses I have visited sell both online and in shops. In fact, I visited a business in Lisburn in Northern Ireland where the majority of the business is in online sales, which is the upper floor of the shop, but there is a significant shop downstairs. We have to be clear that businesses like Amazon are a platform and support many smaller retailers as a route to market. While I absolutely support the Government's proposal for a 2% digital sales tax,



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it is not quite as simplistic as business rates versus online tax. It is very complicated and, ultimately, we should act on an international basis to capture the value of that digital economy.

Q644 Helen Hayes: We have quite a complex formula for business rates, which takes account of many factors but not the profitability of businesses. For retail businesses in particular, this creates a real imbalance where you can have highly profitable businesses renting very cheap out-of-town premises, and less profitable high street businesses, highly valued by their local community but, as is the case across much of my constituency, being absolutely crippled by the business rates review. Is there not a case for reforming business rates, specifically in relation to retail, not drawing a distinction between online and bricks-and-mortar retail, because, as you rightly suggest, many businesses trade across both platforms, but taking a more realistic view of the factors that contribute to businesses being profitable or not and the value that they bring to local communities? At the moment, business rates are killing off some highly valued high street businesses, while favouring businesses that make no contribution to their wider spatial community at all.

Jake Berry: You very ably demonstrate that it is an extremely complicated area. Of course, there has been significant reform of business rates, not least with the doubling of small business rate relief from £6,000 to £12,000 and ensuring that businesses get 100% relief automatically. For many high streets up and down the country, that will mean that very few shops on the high street, except the larger ones, pay any business rates whatsoever. In the most recent Budget, we saw businesses with a rateable value of up to £51,000, those that actually pay business rates, have a third cut off for business rates. We are bringing forward the change of business rates from RPI to CPI, which over the long term will deliver a significant business rate cut, saving businesses £5 billion over the next five years. We have seen that brought forward.

To the wider point about how you calculate business rates, you have to be quite careful. People often talk in the context of business rates about whether it should be linked to turnover so that, as turnover increases, business rates should go up. That can create a perverse incentive against people growing their business because they think, "The more I grow the business, the more I am going to have to pay in business rates". I am sure it is something the Committee will visit, but there are other ideas out there. We have heard one from Sir John today, although it is not Government policy, about increasing VAT and whether that will be a fairer way of dealing with it. There are other ideas that were brought forward to the Future High Streets Forum, which include things like re-designating retail warehouses, like these big Amazon warehouses we see up and down the country, as retail space themselves.

Q645 Helen Hayes: Would Government consider a particular methodology for calculating business rates for warehouses of online retailers? We have a similar methodology, for example, for petrol forecourts at the moment,



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where the economic value of the business is not reflected in the rateable value if it was calculated on the standard methodology.

Jake Berry: The Government undertook a fundamental review of business rates in 2016, which has led to many of the reforms that I have referred to: without repeating them, £13 billion in total by 2023. Ultimately, a decision about whether any further review should take place would be for the Treasury. I do not believe you have had a Treasury Minister appear before you in this inquiry, but it would ultimately be a decision for the Treasury.

Q646 **Helen Hayes:** There are no plans, as far as you are concerned. Is your Department making representations to the Treasury? Businesses across my constituency tell me that they have never faced a harder trading environment than they have at the moment. They cite business rates as the single biggest contributory factor, many of them, to the particular pressures that they have faced over the past year. Are you making representations to the Treasury?

Jake Berry: We have made representations to the Treasury, including in advance of the Budget, which is part of the reason that, as a Government, we came forward with a significant package of business rate reduction at the Budget.

Q647 **Kevin Hollinrake:** I am just a bit confused, Minister. You mentioned Sir John's comments about increasing VAT, which is one way of dealing with this. In the situation that occurs, we already have this disparity. For online businesses such as Amazon, as we quoted earlier, 0.7% of their turnover goes on business rates. Typically, for high street businesses it is 2% to 3%, even as high as 5%. There is this disparity. The digital services tax was there to tackle corporation tax, I think, not business rates. Are you saying we need to look at this again on the basis of the direction of travel of retail in the UK?

Jake Berry: The digital services tax is there to level the playing field. It has been acknowledged by many leading retailers, including Sir John when he gave evidence today, that they do not feel it is a level playing field. The digital services tax is, in some way, to try to ensure that we can level that playing field.

Q648 **Kevin Hollinrake:** It increases tax overall.

Jake Berry: Decisions about whether we should revisit the business rates regime lie with the Treasury. As I said, they conducted a full review in 2016. You have had Treasury Ministers appear before you, who I am sure were able to say what plans they had as a Department. As Minister for High Streets, you would be surprised if I did not maintain a fairly constant dialogue with the Treasury about the future of business rates, but ultimately decisions about that will come forward from Treasury Ministers at significant fiscal events.

Q649 **Chair:** Is it fair, Minister, that Amazon pays—I do not know whether this



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figure has been out in the public domain before—only £63 million in business rates on a total UK revenue of over £8 billion? Is that fair?

Jake Berry: Does that refer to their profit or turnover, do you know?

Q650 **Chair:** That is the figure they have given us. It is in a letter from Amazon as their total revenue for the UK in 2017.

Jake Berry: It does not seem that that is creating a level playing field to me.

Q651 **Chair:** Will the Government try to level the playing field? That is the question.

Jake Berry: We have. At the last Budget, we made a significant intervention on business rates. I do not wish to repeat it. I have that on the record. Allied to that, we came forward with a digital services tax. There is an ambition across Government to look at further ways in which we can tackle the value created in the digital economy. It appears to me, although we have set out a determination and ambition to act alone, that a digital services tax, and digital tax more generally for those types of business, is better tackled on an international basis.

Q652 **Chair:** Coming back to one specific issue about the welcome relief for small businesses in the Budget, the Federation of Small Businesses has written to us about the status of the guidance that has been given about that, to ensure that all small businesses that are eligible to apply for it can obtain that relief. We asked the Treasury Minister, Mel Stride, when he came to the Joint Committee we had, about this and he said, yes, there would be guidance but, in the end, it was down to local authorities to apply it.

The Federation of Small Businesses has written to us, and I will send you a copy, although you probably have it anyway, of this guidance from the Treasury, which I understand has gone out to local authorities, about what they should base their guidance on. It is impenetrable. I do not think you, or a small business that got anything like this, could begin to understand it. It talks about EU law, state aid, de minimis state aid, and there is other wording in there that, quite frankly, would put off anybody who did not have hours to read it. Most small businesses do not, of course, have that. Could you have another look at this guidance to see whether something nice and simple could be given, which local authorities can simply pass on and say to businesses, "This is what you are entitled to; go and apply for it"?

Jake Berry: It certainly sounds like something my Department should look into and I will.

Chair: Thank you very much for that. That is helpful.

Q653 **Helen Hayes:** I want to return briefly to the issue of permitted development rights. Are you aware, Minister, of some of the appalling examples that have been quite well aired in the House of Commons and



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elsewhere of the type of development that is resulting from the expansion of permitted development rights? My colleague Siobhain McDonagh in particular has drawn attention to a site in her constituency on a number of occasions, which is a conversion of an office building on an industrial estate in a car park, to provide what can only be described as the absolute worst of the private rented sector accommodation. There is growing evidence that this is happening across the country. Are you aware of some of those truly appalling examples that are going ahead under this policy? Are you undertaking any analysis of the number of those homes that are being developed under permitted development rights, the quality of those homes and whether they are ending up as long-term accommodation for families and single-person households, as opposed to ending up, for example, in the Airbnb market?

Jake Berry: I do not think the permitted development changing of offices into residential can be viewed in isolation. It is a very small part of the market, 42,000 homes. I am aware of issues, not least because I have been in Parliament, where they have been raised. All homes are required to meet building regulations and must comply with fire safety. If there are any specific cases you think should be drawn to my attention, I will happily look at them on an individual basis. But we must acknowledge that we have a housing shortage in this country. I know that all of us would acknowledge that. It is a significant contribution: 42,000 homes since April 2015. It is a policy that I believe is generally successful, although I would accept there may be some specific cases of unscrupulous developers not complying with standards. Local authorities have significant powers in this area to look at houses and make sure they are fit for human habitation. If, as I say, you send me any specific examples, I will certainly look into them.

Q654 Helen Hayes: Thank you. Coming back to the issue as it applies in town centres, the introduction of neighbourhood planning as part of our planning policy framework has been widely welcomed across the country, and many communities have appreciated the opportunity to get involved in contributing to the statutory planning policy framework for their local area. The expansion of permitted development rights has the potential to completely undermine those decisions that are being made collectively within communities. Communities can make a decision within planning policy, and landowners will then be able to exercise their rights under PD to convert the property into something the community did not want, has not had any say in and is not part of the plan in that way. It also has the potential to hollow out town centres. A site that is converted within a mainstream retail strip could undermine the integrity and critical mass of that town centre retail environment. Are you not concerned that this direction of travel for Government policy really has the potential to harm rather than help our town centres?

Jake Berry: Our town centres have always been subject to change. In the Edwardian era, there was a vast expansion in the number of shops. The reason we do not talk about the demise of tallow merchants any



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more is because, when the electric lightbulb was introduced, the tallow merchants all closed their doors. They are dynamic spaces, town centres. Having a planning system that enables them to follow the dynamism of the market, whether it be looking at changes to use class orders to enable coffee shops to become clothing retailers, record shops or whatever they may be, is quite important. Many of the shops that we are seeing converted back into houses and commercial premises have in a previous lifetime been residential. We are seeing that up and down the country. It is a proportionate response to provide freedom to landlords and developers. If we did not have this, we would simply have many more vacant shops and commercial units up and down high streets across our country.

Q655 Helen Hayes: One of the strongest pieces of evidence we have had in this inquiry so far has been from a number of witnesses who have said the single thing that makes the difference in any given town, as to whether it is faring well in the current environment or failing, is the quality of local leadership and whether the local leadership is taking a strategic approach to the town centre. I used to work in this field myself for many years, in many different town centre environments across the country. It was universally the case that, with strong local leadership from the political centre of the town, combined with a strategic approach to setting out what the town was trying to achieve and putting in place all the different pieces needed to do that, those places fared better. Permitted development does not offer flexibility in a dynamic way; it offers the opportunity undermine the strategic plan that everybody in that community might be working towards.

Jake Berry: I am not sure I would accept that, but I know that you accept, and I am sure welcome, the fact that both the Portas pilot and the Timpson review identified local leadership as the biggest driver for high streets. The problem is that, historically, there have been lots of plans, aspiration, desire and passion out there and they have not been backed up by money. That is the reason we made the Future High Streets Fund available. I do not accept that permitted development, which is a very small part of what is happening on high streets, fundamentally undermines that vision and plan. The problem is that too few areas have that plan at the moment. I hope that is what the task force will see driven across the country.

Q656 Helen Hayes: Turning now to an issue that has been in the headlines over recent months, which is the worrying closure of large anchor stores in many town centres and high streets, does your Department plan to give any specific support to councils facing a situation where their department store, their major anchor store, is closing down, via the task force?

Jake Berry: First of all, many of the high-profile bankruptcies have not involved stores that are usually on our high streets. For example, Toys "R" Us is normally in out-of-town shopping centres. The most recent retail sales figures, particularly those from Dunelm, which came out



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yesterday, show a much more mixed picture. Some retailers are doing well. I know that Dunelm did particularly well with its unicorn pillow case and brushed cotton teddy bear duvet set, which is what it put its success down to, which saw a 6% growth in sales face to face in their stores. It is a mixed picture. In terms of what support we can give to local authorities, frankly, that is what we are really talking about today. When major anchor tenants shut down, it is absolutely appropriate that local authorities look at that and ask, "What is our plan to change that? We have to accept that anchor tenant may never come back. It may never be replaced". I know you have evidence from people saying that is the case.

The Grimsey review, which formed part of our thinking when we were looking at the Future High Streets Fund, suggests that local authorities should be tasked with putting services back at the heart of our high streets. The idea is that you bring elderly care, childcare, libraries, local authority services, GP surgeries and the public sector more generally to the heart of the high street, to bring the people back. All of those are great ideas, but you cannot do it without a plan and you cannot do it without money. The idea behind the Future High Streets Fund is that it will provide you funding to come up with that plan. It will provide you funding to deliver on that plan. Even if you are not successful in what is a competitive fund, the High Streets Task Force will be a central point of expertise in which you can look at how other areas are tackling these challenges and take them on yourself in your local area.

Q657 Helen Hayes: Do you recognise the particular difficulty of the problem of the closure of anchor stores in high streets? I can think of a town I visited where the Marks & Spencer unit closed more than 10 years ago and it is still vacant now. They are large, very inflexible building forms. The cost of redevelopment is often very high and, by nature, those stores pulling out of that town undermines the local economy further and gives less confidence to potential future investors who might come in and take over that unit. Do you recognise that is a particular problem within the current landscape?

Jake Berry: Yes, absolutely. That is where the term "anchor tenant" comes from, because all the other local businesses around them are anchored to those businesses. I do not think there is any law we can pass in Westminster or any report that a committee, a Department or Ministers can come up with to stop people shopping online. The demise of many of these larger shops in town centres is because many people are shopping online. With that in mind, we have to look at those great challenges, which I absolutely acknowledge, and ask, "How can we shape the future of our high streets so they are different? How can we repurpose many of these larger buildings?" That really is what the Future High Streets Fund is about. It is what the task force is about. There are many challenges ahead. I am optimistic about the future of our high street, because I come back to that point: although retail is changing, although many of those larger stores are disappearing, in some cases going out of business, the high street at the heart and as a hub of our



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community should not change. As a Government, we have the responsibility to be the handmaiden of change that can keep communities connected to their high street.

Q658 Helen Hayes: Do you think large department stores pulling out of town centres should have an obligation to contribute to helping the town move on and continue to thrive after they have left it? Would you consider legislating around such an obligation?

Jake Berry: We have to have a good look at the evidence around it. I would point out that, for the time they are in a town centre, they make a significant contribution to it, in terms of both business rates and local employment. If you want businesses to come in and replace those large shops that have disappeared, perhaps, as we have seen in Stockton, by creating multiple-let units where larger retailers leave, they might be afraid of going into town centres if you said to them, "You come to our town centre, open a shop here, but if, for understandable commercial reasons, you decide to leave after five, 10 or even 15 years you will have to pay a huge bill at the end of it". Businesses would look at that and say that it is a big risk. They may be taking a risk in the first place, opening the store. They may just be trying it on a trial basis to see if they can make a success of it. If you create a huge future liability, as yet undefined, it would put many of them off coming back to the high street.

Q659 Helen Hayes: It would depend on what level that obligation was set, would it not? A relatively modest sum for a major multinational retailer could potentially make a really big contribution, within a small community, to helping sustain that.

Jake Berry: It could, but these businesses are run as businesses. They will make a calculation on profitability and liability. If you add a new significant liability, as you have identified with business rates, retailers can be put off coming into town centres. If you say, "Not only are you going to have to pay the business rates, but potentially at some point in the future you will have to pay another big bill", I suspect in many cases that will make them say, "We will not go in the town centre. We will remain online or we will just be in out-of-town shopping centres". I would want to have a very close look at the data before I took that on as a policy.

Q660 Helen Hayes: When we saw the Treasury Minister recently, he told us he thought the current approach to empty property rates was "slightly perverse". Have you considered flipping that policy so that, instead of a discount on business rates for landowners who keep their properties empty, there is in fact a levy, as an incentive for them to either speed up the process of reoccupying that unit or sell it, if they are incapable of doing that, and pass it on to somebody who can?

Jake Berry: It is certainly something we would keep under consideration, although many commercial landlords have no desire whatsoever to see their properties vacant. It is a significant expense. Not



only do they not have the rent roll from it, but they have the liabilities and the empty business rates. That is their stock and they regard empty business rates as a tax on stock. We would have to, jointly with the Treasury, go away and look at how a penalty rate of 100% or 150% business rates would impact upon those landlords. There is no benefit whatsoever for landlords of keeping shops empty. The reason they keep them empty is that they cannot persuade a tenant to go into them. Just because the landlord changes, that does not mean the tenants are magically going to appear.

This is what we should be doing. We need to be reimagining, finding new purposes and bringing people back to town centres. The problem with vacant shops will disappear if town centres are populated by people shopping, relaxing or enjoying experiences. Then there will be no vacant shops.

Q661 Mary Robinson: It is right, Minister, that we should concentrate on what local town centres need to do to attract people back into them, but it seems to me there is a generation of people who have never shopped and understand that the only way to get something is online, even down to going online for produce now. Is there going to be a generational gap where people have got so used to shopping in a certain way that, whatever we do, it will be very difficult to get them back into the local high street? Should we thinking about whether we address that through education, schools or any other initiatives that need to happen?

Jake Berry: That is why I welcome the huge contribution Sir John made through his report, because he specifically looked at young people. There were 1,000 young people asked for opinions about the high street. I believe it is the first time that those questions have ever been asked. He has very astutely identified that the way of getting people on to the high street is through experiential retail. I think of Darwen in my own constituency. Most young people will not have been shopping on Darwen's high street. They probably do not even know what is there until they have something called Darwen Live, which is a rock concert that is run on a bank holiday weekend, and the town centre is absolutely full of young people. There are 30,000 people there in total. For many young people, that will be their first attraction with the high street.

We can find ways to bring them on to the high street to see what brilliant businesses are there, and let them realise that the way you socialise with people is not to sit in your bedroom and play your Xbox, but to come into town centres, meet with people and enjoy socialising with them. That is part of the battle: bringing young people back to high streets. I do not think we can do it through retail alone. That is why I welcome Sir John's report.

In terms of educating people in school about what would appear on the high street, I am not quite sure that is the right way to go. Young people probably listen to their mates a bit more than their teachers, so we need



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to get their friends telling them how great the high street is. The way we do that is to give them a reason to go and visit it.

- Q662 **Chair:** Minister, does the Ministry have a list of all the place management organisations, all the BIDs, that exist around the country? If you have, is one of the ideas you will look at to identify those areas that do not have such an arrangement and see how far the task force can engage with them, to help them establish one?

Jake Berry: We do not hold the information on BIDs and place management organisations centrally. There are 305 BIDs in the UK as of July 2018. I have seen, as I have gone round the country, that the areas that often do best are those areas that have a really good and strong BID. It is something we are addressing as a Department, looking at how we can encourage areas to set up new BIDs.

- Q663 **Chair:** One criticism we have had is that BIDs are okay in successful areas. Of course, you can raise money there and everyone wants to pay a little more to get it even better, but they are a challenge for poorer, struggling areas where the last few pounds for a business might be the final straw.

Jake Berry: That is often a criticism, but of course they are locally designed. They are determined by the bid proposer and there is a local vote. The level of the business rate, normally 1% or 2%, again, is locally determined. Surely that is the reason that we need this repository of best practice. In many areas that talk about a BID, where you may have a local chamber of trade meeting in a pub on a Thursday night and saying, "There is this great idea that other areas are doing and all it means is you pay a little bit extra", a lot of the businesses would sit around, groan and say, "Why would we volunteer to pay more when we are struggling to keep our heads above water?" Having a central repository means we can highlight success and say, "We know it is an additional burden, but look at what it can deliver". You will have seen yourself in Stockton what it has delivered for that town. That will enable us to move people's opinions across the country, regardless of the affluence or not of an area.

- Q664 **Chair:** Phil Grimsey, when he came to us, said that the term "BID" was wrong; we should put the word "community" instead of "business" in the title. It follows on from what Sir John was saying earlier about the community being a driver now in reinventing our town and city centres. Is that something you are going to look at?

Jake Berry: Sir John and I met with Bill Grimsey to discuss his review. His idea of a CID is very interesting. I know it is something they are looking at in Scotland. The Department is certainly having a close look at the success or not of the proposals in Scotland and it is something we will keep under review. I am very keen to see the number of BIDs increased, because they can make a real difference to high streets.

- Q665 **Chair:** Finally, on Helen Hayes's point about permitted development, if local authorities are facing up to the challenge—we heard examples of



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this in our visits to Stockton and Darlington—and recognising that their retail area is probably too big now, and they want to shrink it in a controlled and strategic way, if in some of the areas where they think retail is probably no longer the prime property issue they suddenly find bits of permitted development happening that constrain that change, will local authorities have the power to prevent that and allow the strategic development to happen without permitted development getting in the way of it?

Jake Berry: Focusing on Stockton, as we have all been there, I talked to the council leader about the plans to reduce the size of retail space. It is clear that they have quite a lot of vacant shops, although it is a very successful town centre. The Future High Streets Fund is asking local authorities to come forward with those sorts of plans. As part of it, we will look at whether, regardless of the use of those properties, compulsory purchase is something that local authorities could or should use to site-assemble areas where they want to reduce the amount of retail, whether or not that has been subject to future or past permitted development.

Q666 **Chair:** There could be a bit of a conflict in saying to authorities, “You have the CPO powers but, by the way, there is permitted development going on at the same time in the same area”. That would be a bit of a conflict.

Jake Berry: I am not quite sure how that creates conflict. Rather than rely on CPO powers, which are time consuming and quite expensive for local authorities to use, we would prefer that they do it via agreement. Where no agreement can be reached, they have the power to CPO properties regardless of their use.

Q667 **Chair:** You would not be happy if permitted development got in the way of that strategic change, which many authorities want to see.

Jake Berry: We have a national shortage of homes. We would not like to see homes removed from areas, but I am sure that local authorities, via negotiation, will work with landlords. In many high streets, not just Stockton but up and down the country, there is a desire among local authorities and traders to see residential reintroduced to the high street, because they are the future customers of the businesses that are there.

Chair: Minister, thank you very much indeed for coming to give evidence to the Committee this afternoon.