

HCLG Committee Inquiry – Supporting our High Streets after Covid 19

Response from the Mayor of London [OBJ:OBJ]

Summary of response to inquiry questions

The likely long-term consequence of the COVID-19 outbreak on the future of the high street

- Covid-19 is already having an adverse effect for town centres and high streets right across London with implications for the Central Activity Zone (CAZ) with many few commuters travelling in to offices in the city centre. There is a risk of permanent cessation of business activities (notably in retail, hospitality and the cultural sector) and wider impacts on London's social infrastructure and diverse communities.
- The ongoing economic restructuring of high streets and town centres is likely to gather pace. Localities important to the socio-economic function of London will be subjected to abrupt change and existing inequalities may well be heightened. More positively the response to the pandemic has also fostered a greater desire among people to connect with their local area and to shift to walking and cycling – with potential positive impacts for local economic development and resource efficiency.

How councils, central government, and other stakeholders are and can help mitigate the impact of COVID-19 on the high street and town centres?

- The Mayor's new **London Plan** (still awaiting sign off from the Secretary of State) provides a supportive planning policy framework to help town centres and high streets to recover by promoting their health, vitality and viability and supporting their adaptation and diversification in response to the challenges and opportunities that they face. The Plan recognises that each town centre and high street is unique and supports the preparation of locally tailored town centre strategies through local town centre partnerships. High street recovery and renewal is also supported by the Mayor's transport, economic development, environment, culture and social integration strategies.
- The GLA Regeneration team supports local authorities and town centre partnerships to develop strategies and investment approaches, which safeguard a diverse social and economic mix of town centre activity including cultural infrastructure; supported by related planning, licensing and property management tools and approaches, the better utilisation of data and the analysis of data trends.
- A High Street 'Mission' and related action plan is currently being developed by the London Recovery Board to draw together London public authorities, voluntary, community and private sectors, respective efforts to adapt, diversify and build resilience on London's high streets.

- Transport for London's Streetspace programme has responded to the immediate public health imperatives enabling social distancing on street, encouraging Londoners to avoid unnecessary use of public transport and focusing on strategic movement to prioritise walking and cycling. The strategy, in combination with the right planning, licensing and business rate interventions should have benefits into the medium-term recovery phase and into longer-term benefits of London.
- It's crucial to underpin strategic planning, local economic development and transport planning with sector-based approaches. In particular, tailored support for a successful, competitive and diverse retail sector hospitality, tourism, and creative sector. This includes taking action to nurture innovation' in the everyday economy and across growth sectors through support for businesses, knowledge transfer and collaboration.
- The promotion of social integration and active citizenship by strengthening local collaboration and securing vital social, civic and cultural infrastructure.
- The GLA's previous call on the Government to make major reforms to the business rates system: Small Business Rates Relief, Retail Reoccupation Relief and Reviewing Charitable Relief, remain relevant.

Assess the Government's previous and current measures to bolster the high street; including the effect of the business rate holiday during the COVID-19 outbreak and the impact of its ending.

- Central Governments 'Our plan for the high street' including MHCLG's Future High Streets Fund (FHSF), Historic England's 'High Street Heritage Action Zones' fund and the work of the High Street Task force have been well received and have positively guided and enabled the work of the very limited number of London boroughs that have been supported. We call on MHCLG to expand and evolve the Future High Street Fund to address the challenges of recovery, with London receiving its equitable regional share and to allow eligibility to the Towns Fund to achieve similar.
- The GLA has welcomed the extensive scope of the retail, hospitality and leisure (RHL) business rates relief for 2020-21 and the Government's RHL support grants and the Coronavirus Small Business Grant Fund. However, it is important to note that the eligibility criteria based upon rateable value has excluded a much larger proportion of smaller businesses in London, than elsewhere in England.
- The National Planning Policy Framework (NPPF) and proposed sequential test present a positive framework for the improved vitality of town centres, however this may well be undermined by changes to the Use Classes Order and to permitted development rights, which could undermine local planning approaches and economic development strategies. The Government should suspend any further extension of PDRs, pending an evaluation of their impact on the high street.

The progress made on implementing the recommendations of the previous committee's report of February 2019.

- London has 20% of the nation's High Streets many of them in dire need of investment others presenting a platform to pilot a response not only to impacts of Covid 19 but also the longer-term structural challenges highlighted by your inquiry. We showcased ten such examples in the recent Good Growth by Design publication, High Streets and Town Centres – Adaptive strategies (GLA 2020). This nascent activity, in line with Committee recommendations, can usefully be nurtured and the learnings transferred to high street locations across the capital.
- The Greater London Authority has increased its support for strategic and local partnerships. Significant funds have been administered through the Mayor's Good Growth fund, Crowd Fund London and TfL's Liveable Neighbourhoods programme to support high streets partnerships and delivery.
- We are witnessing more Local Plans playing a role in setting the local planning policy context for the renewal and development of town centres and high streets, informed by evidence in town centre health checks.
- We are witnessing the emergence of strategies that consider the role of the night-time economy, as well as the cultural, heritage and tourism characteristics of an area. The GLA and the Mayor's Night Czar and Night-time commission have commissioned research on the costs and benefits of later high street opening hours and have funded a Night Time Enterprise Zone pilot project.
- We are witnessing the beginning of adaptive reuse of former 'big' retail units into a broader mix including smaller and more independent retail offer, alongside other civic, social and cultural uses. However, it's often the Local Authority and leaseholders (rather than landlords) that are taking the initiative and the associated risks.
- The GLA has plans to collaborate more closely with landlords to address fragmented ownership and to pilot more proactive asset management approaches to deliver innovative new uses, community infrastructure and social value.
- In London (pre covid) we were beginning to witness properly planned strategic interventions led by local partnerships including the local authority, local stakeholders and the wider community . These represent a unique investment opportunity that can immediately showcase economic and social recovery and pilot a response to longer term economic restructuring.

Appendix 1 – Full Response to Inquiry questions

1-The likely long-term consequence of the COVID-19 outbreak on the future of the high street

Covid-19 is already having an adverse effect for town centres and high streets right across London with implications for the Central Activity Zone (CAZ) owing to reduced commuting and footfall. There is a risk of permanent cessation of business activities (notably in retail, hospitality and the cultural sector) and wider impacts on London's social infrastructure and diverse communities.

High Street and Town centres in London already faced the same long-term challenges as elsewhere in the UK. The ongoing economic restructuring following changes in consumer demand, the reductions in public sector budgets and service provision and the need to respond to the climate emergency have all become more pronounced. Stakeholders have reported that Covid-19 is likely to dramatically accelerate this restructuring as places important to the socio-economic function of London are subjected to abrupt change, heightening existing inequalities.

The economy has entered its deepest recession since official records began – it fell by more than a fifth in the second quarter of 2020. There are general macroeconomic effects of fewer businesses, and reduced labour income, from furloughing and unemployment, and increased uncertainty about the future. This will lead to reduced spending. It may take years for the economy to recover its former position, and for consumer spending in aggregate to return to previous levels. GLA Economics is currently estimating that the economy will recover to its 2019 level in 2022. This is likely to have an adverse effect for high streets in terms of the number and range of businesses, and particularly retail businesses. Footfall is significantly down; commutes are still 46% than the same time last year (July). There is a risk of permanent - cessation of business activities (notably in retail, hospitality and the cultural sector) and wider impacts on London's diverse communities.

Key consequences

- An acceleration of the ongoing restructuring of the high street caused by changing consumer behaviour, the changing nature of work, dwindling local authority resources. Greater polarisation, i.e. a divergence between successful and unsuccessful places may well result in business failure, increased vacancy and impacts on attractiveness and investment in the very areas that are in most need of investment and support.
- Severe pressures on cultural infrastructure, cultural providers and a wide range of leisure and hospitality businesses
- Increased pressure on community business, social infrastructure and civil society organisations. We may lose the critical mix of independent businesses and local services that characterise high streets and promotes social integration - undermining resilience now and in the future.

- Decreased opportunities for young people to socialise and enjoy London's cultural scene are resulting in unlicensed music events across the capital.
- Change in economic geography bringing risks e.g. changing role for the Central Activities Zone, as London's shop window, cultural and business centre, with broader implications for London's creativity and innovation. A recent survey¹ reported that 66% said they were not likely to travel to central London in the next week.
- The potential diminished business rate tax-take for London following a possible collapse of firms and jobs in the retail and hospitality sector – given those sectors account for 40% of the tax-take.
- The uncertain future for the City and the West End with tourist and office worker and 24-hour economy footfall. Critical to tax revenues and GLA and borough funding and the wider economic recovery. NB The business rate re-evaluation has been postponed to 2022 or later. Whenever that happens it will create further turbulence in the system by region, sector and locality.
- Over stretched local authority funding and capacity challenges may well put on hold town centre strategy development and land assembly (already challenging in town centres). It will be difficult to maintain a focus on the longer-term challenges that threaten the public value of high streets.

The Central Activities Zone

There has been an impact on retail and hospitality businesses in the CAZ from fewer people travelling there. Around a third of Londoners are not currently travelling into central London who would otherwise have done this. This is not just Londoners but also commuters from the Wider South East, and visitors – London is one of the most important international tourist destinations. In 2017, the daytime population of London was 2m more than the resident population of 8.8m. The longer restrictions continue, the worse it will be for these businesses.

The Central Activities Zone (CAZ) does not have a uniform physical, social or economic character but rather is comprised of a wide mix of uses and distinct places, which incorporate internationally and nationally significant retail, culture, and office provision, alongside more locally focussed economic and high street conditions. The West End for instance incorporates almost every imaginable element of an urban economy – including a surprisingly large proportion of office space- alongside the more visible retail, hospitality, and cultural offerings. This rich mix, supported by extremely high levels of public transport accessibility, enables it to generate over 3% of the UK's annual economic output amounting to around £50 billion Gross Value added (GVA) per year². Meanwhile specific places like the Cut in Waterloo or Leather Lane perform housing, social infrastructure, and local economic functions, that serve both CAZ and the needs of 230,000 residents³.

Retail

Internet spending had been growing strongly prior to lockdown. Internet sales had risen continuously from 3% of retail sales in 2007 to 19% in 2019. On London's high streets there is a strong relationship between the number of comparison shops and all shops, so the threat from the internet to book shops, music shops, clothes shops and other types of comparison stores places high streets at particular risk. Many town centres have had the capability to diversify in the range of shops, but this is less evident for high streets. Instead,

the numbers of comparison shops have both reduced and increased across high streets between 2015 and 2019. So, the increased use of the internet over the last few months is a further threat to the retail offer on high streets.

ONS data shows that internet sales as a percentage of total retail sales was 28% in July 2020⁴, significantly higher than the average for 2019. Should this trend continue it could accelerate the process of restructuring in town centres and high streets with greater risk of surplus retail space. The new London Plan anticipates this trend and contains policy to ensure that boroughs' accommodate need for new retail space where identified and to manage the transition of surplus retail space to other uses, whilst ensuring that there is sufficient capacity for essential convenience goods retailing that meets the day-to-day needs of Londoners.

Other outcomes

The response to the pandemic has also given some insight into how Londoners might alter their behaviour in positive ways, for example a greater desire among people to connect with their local area and shifts to walking and cycling. The lockdown period also initially saw a reduction in traffic dominance and improvements to air quality, however this seems to be returning to previous levels.

2- How councils, central government, and other stakeholders are and can help mitigate the impact of COVID-19 on the high street and town centres.

London's High Streets make up 20 per cent of all the high streets in the UK. New ONS research suggests that high streets and their immediate surrounds are home to over 200,000 businesses⁵, equating to 41 per cent of all businesses in London. They also host nearly 1.5 million jobs or 28 per cent of all jobs in the capital. Each one of London's high streets serves a unique community and hinterland, some are successful, while others are struggling, even more so following the current pandemic. It's clear much is at stake.

The Mayor's new **London Plan** recognises the role that town centres and high streets play in the economic and social health of local communities – this role has been particularly evident during the pandemic with more people spending time connecting locally. The Plan provides a supportive planning policy framework to help town centres and high streets to recover by promoting their health, vitality and viability and supporting their adaptation and diversification in response to the challenges and opportunities that they face. The Plan supports a diverse range of commercial, civic, cultural and community uses and activities which can be accessed by walking and cycling in line with sustainable development principles and the Mayor's approach to promoting 'Healthy Streets'. The new London Plan recognises that each town centre and high street is unique and supports the preparation of locally tailored town centre strategies with community engagement through local town centre partnerships and management. These town centre and high street strategies will help to mitigate the impact of COVID-19 and support the necessary adaptation and diversification to underpin recovery and future development.

Every High Street will need a plan

In line with the strategic approach to adaptation and diversification advocated in the London Plan every high street will require the formation of local partnerships and development of related recovery plans which can evolve into a longer-term transformation plan or 'adaptive strategy'.

London government is highlighting the possibilities in this respect and will help local partnerships to develop the capacity to identify challenges, innovate and experiment. Whilst there is a continued need to examine and analyse the impacts of the pandemic it is likely that local recovery plans will be comprised of combinations of supportable actions and related investment and support in order to maximise interrelated and measurable goals and related outcomes:

- Enhanced streets and public realm to safely trade, socialise and provide local services, cultural activity and to ultimately restore confidence.
- Actions to nurture innovation' in the everyday economy and across growth sectors through support for businesses, knowledge transfer and collaboration.
- The delivery of shared prosperity and economic fairness by aligning economic activities, proactive asset management with social outcomes
- The promotion of social integration and active citizenship by strengthening local collaboration and securing vital social, civic and cultural infrastructure.
- Using high street recovery to pilot Climate Change adaptation - urban greening, low-carbon, circular economy, improve air quality and promote sustainable transport.

To support this the GLA is gearing up to support local authorities and town centre partnerships to deliver strategies, including direct property intervention, which safeguard a diverse social and economic mix of town centre activity. Together we aim to maximise the use and efficiency of existing public buildings – trial mixed formats that promote experimentation and collaboration, business formation, innovative service delivery, the circular economy and social value.

We also aim to protect existing community and cultural assets and seed new types of independent and community businesses and social purpose organisations. As part of this it will be crucial to promote the experimental and more permanent re-use of streets and public spaces, reducing the presence of cars, enabling green infrastructure and enabling commerce and cultural engagement at different times of day.

To underpin these efforts it's our intention to support local authorities and local partnerships to develop related planning, licensing and property management tools and approaches, Local Development Orders, integrated planning and licensing, social value leases and the piloting of high street innovation zones (Inc. local business rate relief), alongside creative and night-time enterprise zones.

In this way and given the right support package local partnerships can pilot the way toward recovery and longer-term transformation. London government can provide advice, some funding and demonstrate the possibilities in this respect. Significant financial support will be required from central government.

Recommendation

To support this process London must receive an equitable share of national funding to address the challenges of recovery. Recent programmes (Get Britain Building Fund, Towns Fund, Future High Street Fund) have severely disadvantaged London. In the immediate term there could also be an extension of the 'Reopening High Streets Safely Fund' to enable enhanced public realm management for councils, police, stewards, security staff and trading standards.

Data Insights

Digital advances have created challenges for high streets, such as the increasing share of online retail, but they offer opportunities to use technology to harness a greater understanding of high street use to help ensure that they are responsive, citizen-driven assets. More can be done to enable digital connectivity and accessibility and promote local delivery from local shops.

The idea of a data partnership was proposed in the GLA's recent High Streets Adaptive Strategies guidance in response to the requests of key partners. Working closely with MHCLG Task Force and the London BIDs Foundation, the GLA data partnership could assemble data to enable more local consideration of how places work, co-ordinating across GLA Learning from the model used by the existing town centre health check, a shared service will enable the better utilisation of open data and facilitate the pooling of commercially available data via a user-friendly dashboard. It will enable the periodic analysis of data trends by GLA intelligence on behalf of the partnership. There are also existing datasets held by the GLA as part of the Night Time Data Observatory and the Cultural Infrastructure Map.

Key performance metrics can be shaped and given more emphasis on quantifiable social and community value underpinned by the stated objectives of a more inclusive city and bottom up community empowerment. Measures can record quality of life and social integration alongside more traditional indicators of prosperity such as footfall and vacancy.

Recommendation

Support from the High Streets Taskforce for the development of the London Data partnership and from across government for greater Data availability / transparency e.g. land registry.

Economic Development

The Mayor will also seek to ensure the success of town centres and high streets by working with boroughs and other stakeholders to support a successful, competitive and diverse retail sector; targeting Mayoral and LEAP funds to stimulate local economic activity which creates attractive and welcoming high streets that draw in visitors and considers alternative uses for empty shops, disused buildings, vacant land and underused spaces; working with boroughs to prevent the loss of viable office space and other low cost business space which is under threat from housing development; supporting the role of high streets within local economies as places of employment, cultural activity, enterprise and innovation, and for

business; managing the introduction, or further intensification, of housing and jobs in town centres to maintain vibrant and healthy high streets; promoting connectivity and innovation, including better public Wi-Fi and embedded technologies (the Internet of things).

The Mayor will stimulate innovation in the 'everyday economy'. Small and Medium Enterprises (SMEs) in sectors such as retail, hospitality, tourism, and construction suffer from both lower productivity and lower investment in productivity-enhancing technologies. According to recent research⁶, low technology adoption rates amongst SMEs is related to a lack of awareness of, and information about, digital technologies, as well as an inability to assess the risk/reward balance. Small businesses cite that a lack of understanding and trust are the main reasons for not adopting technology tools or for not investing in digital technologies again after having already done so. By acting as a broker of a functioning, free-to-use and trusted marketplace for business tech solutions and tailoring information to how SMEs work, think and feel – a proposed Technology Adoption Service will bridge the knowledge gap for productivity-enhancing tech products and equip London's SMEs with the ability to decide on whether to adopt new technologies.

Culture

It is important that consideration is given to the wide range of cultural infrastructure assets on our high streets and that they are protected and incorporated within adaptive strategies and recovery plans. This could sit alongside a local Cultural Infrastructure Plan. Over 80 per cent of London's cultural production and consumption spaces are on or within 200m of a high street⁷ and there has been a history of increasing adoption of high streets for cultural production uses. However, it is more often the consumer facing venues which are recognised through town centre mapping. Awareness and encouragement of cultural production spaces should also be supported as part of the adaptive high street.

We have seen an increase in demand for makerspaces throughout the crisis and this is a trend that is likely to continue. Creating an attractive environment for these uses through licensing, building regulation, business rates and planning support is key. Mapping indicates there are far fewer cultural venues in the outer London boroughs, and this is something that boroughs should consider in order to make their high streets more attractive to local communities. Beyond this, London's high streets are themselves a celebration of different cultures.

Night-time economy

Opening high streets later has the potential to improve the health and wellbeing of Londoners. Two-thirds of Londoners are active at night and 1.6m people usually work at night. And yet many high streets remain 9-5. Stretching the hours that businesses operate will help reduce peaks in travel. It will increase footfall on the high street by making the most of underused times of day, rather than adding to already crowded times. Increased footfall creates a safer, more welcoming environment, attracting more people. Later hours will help businesses to trade safely and balance their books. As the 'Eat Out to Help Out' scheme has shown, there are benefits to customer safety, wellbeing and the economy by spreading out economic activity across different days and times.

Business Rates

The GLA welcomed the Committee's recommendations in its report 'High streets and town centres in 2030', which highlighted that 'High street retailers are paying more than their fair share of tax, while online retailers are not contributing enough'. The impact of the introduction of the online sales tax from April this year is not yet clear; however, it is disappointing that the Government did not earmark at least a proportion of revenue from this tax to local government. The GLA has previously called on the Government to make major reforms to the business rates system and welcomes the opportunity to contribute to HM Treasury's call for evidence as part of the Government's fundamental review of business rates.

In advance of more fundamental reform to the business rates system, the three reforms suggested by the GLA in its response to the previous Committee's High streets report in 2018 remain relevant:

Small Business Rates Relief

In London, even though many high street businesses could be defined as small businesses, a significant number do not qualify for small business rates relief (SBRR), as rateable values are on average much higher than elsewhere in England. Indeed, in some London boroughs fewer than 2 per cent of business ratepayers are eligible for the scheme.

There needs to be a higher threshold for London, as well as other areas with high average rateable values. Reforms in Scotland, following the Barclay Review of Non-Domestic Rates, have extended the threshold for full relief to £15,000 and 25 per cent relief for properties with a RV between £15,001 and £18,000.

Recommendation

As a starting point, England's scheme should be aligned with Scotland's, with further consideration given to higher thresholds for London, perhaps with different thresholds for inner and outer London boroughs. In addition, the transitional Supporting Small Businesses Relief scheme introduced for the 2017 revaluation must continue at the next revaluation, now postponed until 2022, to avoid a repeat of the huge business rates increases some small business faced at the start of the new revaluation period.

Retail Reoccupation Relief

The Government previously established a retail reoccupation relief scheme, which operated in England in 2014-15 and 2015-16. This provided a direct incentive for businesses to reoccupy vacant or derelict former retail premises. Again, following the Barclay Review, a new 'Fresh Start' relief was introduced in Scotland from 2018. This provides 100 per cent relief for all businesses (not solely retail) in occupation for the first year in premises which have a rateable value under £65,000 and were previously empty for at least six months. High streets in London, as well as the rest of England, would benefit from a similar scheme to encourage empty premises to be brought back into use. Additionally, the Government should consider reforms to the empty property relief to avoid repeated cycles of relief, resulting from contrived minimal occupation for 42 days.

Recommendation

The Government should consider reinstating the retail reoccupation relief scheme from April 2020 and reforms to the empty property relief which is currently subject to forms of avoidance activity.

Reviewing Charitable Relief

Local authorities in England forecast that income lost from charitable relief will be over £2.0 billion in 2020-21. Whilst there is a clear role for charitable relief, there is a risk that it can distort the local market. Part of the reason for the large bill for charity relief, is that all charities are treated the same, irrespective of size and resources.

The Government is seeking views on reliefs as part of its call for evidence on the fundamental review of business rates. As part of its review, the Government should review the current conditions for charitable relief, to ensure that relief is only provided for premises where the primary use is for charitable purposes. In addition, the relief has unfortunately been subject to abuse, through being used as a device for business rates avoidance, for example, through exploiting the rules of charitable relief and empty property relief.

Recommendation

The fundamental review of business rates should consider charitable relief to ensure that unintended consequences, arising as a result of the current legislation, are removed and create a more level playing field for high street businesses.

3- Assess the Government's previous and current measures to bolster the high street; including the effect of the business rate holiday during the COVID-19 outbreak and the impact of its ending;

We welcomed working in partnership with MHCLG and the High Street Task Force to support the Future High Street fund. The Regeneration & Economic Development team hosted a High Street Network event at City Hall in February 2019 which served as one of MHCLG's regional engagement events. In partnership with London Councils, the event introduced and provided further detail on MHCLG's Future High Streets Fund and highlighted Historic England's newly announced 'High Street Heritage Action Zones' fund.

The GLA has supported all London Boroughs applying to MHCLG's Future High Street Fund by conveying the degree of collaboration that has taken place with strategic government, local business and the local community in the form of a letter of support. These boroughs are all very well placed to deliver on the ambitions of the fund.

Recommendation

It will be necessary to keep working closely with government, MHCLG and the private sector especially the property industry/landlords to enable recovery. Therefore, we call on MHCLG to expand and evolve the Future High Street Fund to address the challenges of recovery, with London receiving its equitable regional share and to allow eligibility to the Towns Fund to achieve similar.

Economy

The GLA has welcomed the extensive scope of the retail, hospitality and leisure (RHL) business rates relief for 2020-21. London billing authorities have estimated that the relief will save business £2.9 billion in the capital. Some businesses in London's High streets will have also benefited from the Government's RHL support grants and the Coronavirus Small Business Grant Fund, both administered by local government. However, it is important to note that the eligibility based on eligibility for small business rates relief for the former and a rateable value (RV) of under £51,000 for the latter, will have excluded a much larger proportion of smaller businesses in London, than elsewhere in England.

Moreover, the Government has not yet announced whether any support will continue beyond the current financial year. At present, many small retail, hospitality and leisure premises consequently face large business rates bills from April 2021 onwards. Whilst the path of economic recovery from recession is not yet clear, if social distancing requirements are to continue, high streets are likely to continue to need some form of business rates relief.

In the short-term, as part of the Spending Review, the Government should make available funding to enable councils to design their own relief schemes. Billing authorities could tailor their schemes to provide appropriate support to the areas and sectors that need it most. Whilst speed was of the essence in establishing and rolling out the schemes for 2020-21, the Government's 'one-size-fits-all scheme' has seen supermarkets benefit from an estimated £3 billion of the £10 billion granted in RLH relief across England in 2020-21.

The next phase of the scheme would be better targeted by devolving responsibility to local government for designing schemes for their own areas. Shops have been facing pressure from increases to the minimum wage, and rising rents and business rates. Across London the number of shops has increased from 94,200 in 2013 to 102,200 in 2019, and for high streets from 61,800 to 64,900. There have been significant numbers of shop closures, but with the data available it is not straightforward to associate areas where there have been shop closures with business rates increases. Business rates have fallen in several outer boroughs in London, and the complex set of reliefs means that it is not always clear how changes will affect individual businesses.

One argument is that increases in business rates will be offset by lower rents, as it is effectively a tax on landowners. While this may be the case in the longer term many businesses have long leases with automatic rent increases and so this mechanism may be of more limited import over the short term.

Planning

Impact of out-of-centre development on town centre and high street vitality and viability: The National Planning Policy Framework (NPPF) seeks to ensure the vitality of town centres, including using sequential tests and impact assessments for proposed out-of-centre retail (and another main town centre) uses.

The introduction of new Class E in the Use Classes Order could lead to an increase in retail and other main town centre uses in out of centre locations as change of use within the new E class would no longer need planning permission and would not be required to undertake an impact assessment. The current pandemic may also lead to more people preferring to use car-based modes of transport to access goods and services in out of centre locations in preference to using more sustainable modes including public transport. This could lead to further loss of retail and leisure facilities in town centre locations and increase such uses in out of centre locations.

Recommendation

The Government should review their guidance around change of use and main town centre uses and how they envisage this working with the new classes order in a way that supports the vitality and viability of town centres and high streets and sustainable patterns of development. Government should monitor the impacts of the new changes to the Use Classes on town centres and high streets.

The sequential test is a helpful tool, but its application in practice is limited due to there being no requirement in the NPPF for disaggregation of proposed developments. This means that applicants only have to demonstrate flexibility – they do not have to consider whether the component parts of the scheme could be accommodated across multiple town centre sites.

Impact assessment requirements also set a low bar, as the overall impact on the town centre may be relatively limited, but the impact on particular parts of a town centre, or on the sale of either convenience or comparison goods in that centre, may be significant. A reinstatement of the disaggregation approach from previous national planning policy statements and a more rigorous impact assessment process would ensure that out-of-centre development does not undermine the vitality of a town centre.

Resourcing proactive planning

One of the strongest ways for Local Planning Authorities to support town centres is through proactively planning town centres, rather than passively reacting to planning applications. This involves compiling good evidence, conducting detailed site analysis and allocations, developing town centre strategies, and involvement in site aggregation and acquisition.

There is also very limited detail in the National Planning Policy Guidance on how to assess need and supply of town centre uses, and how to apply this in Local Plans, and it is confusingly presented alongside how to assess housing need. Local Planning Authorities need to be properly resourced to proactively plan town centres.

Recommendation

The National Planning Policy Guidance should be reviewed in consultation with the planning profession, with more detail provided on how to assess need and supply of town centre uses.

Permitted development and the new Use Classes Order

Under permitted development rights, offices can be converted to residential uses, with very few restrictions and from September 2020 offices could be demolished and replaced with residential premises. This erodes workspaces and current permitted development rights

have led to the creation of sub-standard homes. The loss of people working in a town centre can mean fewer people being there during the day, further undermining the town centre.

Shops can be converted to residential uses, though there are more restrictions including a consideration of the impact on an adequate provision of services, and the sustainability of a key shopping area.

Recommendation

MHCLG should support boroughs where they are putting in place Article 4 Directions over appropriate areas, such as a town centre, edge-of-centre or business park. This would streamline the process of putting in place Article 4 Directions, freeing up Local Planning Authorities to undertake proactive planning work.

The conditions related to office to residential permitted development are also very limited. Other changes of use through permitted development require consideration of the impacts of the loss of that use, whereas the office to residential permitted development appears to always assume that the loss of office floorspace has no economic impact. Some such developments, as set out in the recent study by the Royal Institute of Chartered Surveyors, also produce very low-quality housing⁸.

The new vacancy test as drafted in the statutory instrument related to the demolish and rebuild as residential permitted development rights will inevitably lead to viable businesses being evicted – as happened in London as a result of the office to residential change of use permitted development rights⁹. This will have a negative impact on employment and the vitality and viability of town centres and high streets.

A recent report by the Housing Delivery Taskforce¹⁰ in London cautions that mechanisms including expanded permitted development rights could result in short-term thinking and the loss of valuable commercial spaces in town centres, undermining the long-term sustainability of mixed-use and commercial areas. Erosion of local high streets and town centres would also act against a possible desire for people to live and work more locally, which may arise after the pandemic.

Recommendation

To remedy these shortcomings, the conditions for consideration of permitted development Prior Approval applications should include the economic impact of the loss of office floorspace on the area, and the need to meet space standards for new residential dwellings and secure contributions to affordable housing and vital infrastructure. The vacancy test in the demolish and rebuild as residential PDR should be replaced with a surplus to requirement test to demonstrate that there is no reasonable prospect of the business space being occupied for business use.

Sweeping changes have also been introduced to the Use Class Order, to the effect that there are no longer protections in place for sports centres, most shops, post offices, health facilities or nurseries. Small convenience stores are only protected if there is not another similar store within a kilometre. At a time when people want to support their high streets and are more reliant on local services, it's vital that communities can decide how to plan their local area in the way that suits them best.

The introduction of new Class E in the Use Classes Order means that local planning authorities may have to plan for the uses in this new Class in a very different way to ensure that sufficient capacity for different uses is provided. There are also concerns about an increase in retail and other main town centre uses in out of centre locations as change of use within the new E class would no longer require planning permission (see above).

A series of recent stakeholder engagement exercises have highlighted the view that recovery efforts will be hampered by expanded Permitted Development Rights, and proposed changes to the 'Use Class system.' Both of which in a city like London where affordable space is scarce will lead to existing employment uses, including light industry and low cost or low threshold workspaces to be severely diminished, with the impact of this being felt most in the fringes and in outer centres, where the most affordable spaces are used by start-ups, local charities, artists and makers and from experience the spaces used to showcase immediate recovery.

As a result, London will need to rely further on strategic interventions – Policy London plan and investment models Good Growth Fund etc. Local authorities will need to directly intervene, develop new planning / licensing tools and work with others to acquire and manage assets, experiment and seed new uses if they want to maintain a healthy social and economic mix in town centres and support local communities and ultimately deliver the recommendations of the committees report.

4- The progress made on implementing the recommendations of the previous committee's report of February 2019.

We welcomed the recommendations of the committee's previous report. We share the belief that high streets and town centres can survive and thrive if they are supported to adapt and diversify. The advocacy activities, supportive policy framework and investments of the Mayor are all geared towards enabling a compatible vision of high streets as community gathering places, where a rich mix of uses and activities including independent retail, community businesses, arts and culture and health and social care services combine with housing to create a space based on social and community interactions.

In London we believe that local partnerships supported by all tiers of government are better placed to support the structural change needed. We are however in no doubt that this will require substantial central government funding which can in turn help catalyse and unlock significant and necessary private sector investment.

We concur with MHCLG Committee that this funding needs to be enhanced, and as recommended above, we call for an equitable regional distribution of the Government's support offer to date. London has 20% of the nation's High Streets, many of them in dire need of investment, others presenting significant potential for experimentation, for private sector partnership and can provide a platform to pilot a response not only to impacts of Covid 19 but also the longer-term structural challenges discussed in your report.

We are witnessing innovative partnerships forming at the local level, to create the conditions for high streets and town centres to flourish in the future. We showcased ten such examples in the recent Good Growth by Design publication, High Streets and Town Centres – Adaptive strategies. However, this activity needs to be nurtured and the learnings and approaches transferred to many more high street locations across the capital.

TfL Streetspace

Whilst designed to help address the immediate impacts of COVID-19 certain recommendation of the Committees report can be said to have been taken forward by the delivery of TfL's Streetspace for London strategy. The delivery of which has demonstrated that it is crucial to consider the wider context of high streets, responding to the immediate public health imperatives around enabling social distancing on street; encouraging Londoners to avoid unnecessary use of public transport; and focusing on strategic movement to prioritise walking and cycling.

The strategy, in combination with the right planning, licensing and business rate interventions should have benefits into the medium-term recovery phase and into longer-term benefits of London. These include supporting the health and wellbeing of Londoners by providing space for active travel, good air quality and safe roads, and enabling economic regeneration by facilitating more walking and cycling to local high streets and town centres, while providing sufficient space for social distancing and supporting local businesses by maintaining freight access and encouraging clean 'last-mile' freight solutions.

Business Rates

Regarding the call for a level playing field between online and high street retailers, the Covid-19 pandemic has increased the urgency of the reforms needed to the business rates system, such as those proposed in the Committee's 2019 report. The GLA welcomes the Government's fundamental review of business rates and will be responding to the call for evidence in detail. It is vital that in response to the current crisis the Government brings forward genuine reforms to business rates in England, to enable local government to support high streets more effectively.

Planning

Planning is crucial to high street and town centre transformation. Given this, the Government should ensure that planning powers are fit-for-purpose and sufficiently responsive to the needs of high streets. We believe that permitted development rights (PDRs) risk undermining the strategic vision that a community has developed for its high street or town centre. The Government should suspend any further extension of PDRs, pending an evaluation of their impact on the high street. Policies should reflect the wide variety of local circumstances. Councils should be actively encouraged to develop town centre strategies and use their powers positively to renew their town centres. Where PDRs impact negatively on the sustainability, well-being or amenity of an area, , councils should be given greater support to introduce Article 4 Directions to remove PDRs in the affected area where appropriate.

We have also welcomed the Governments 'Our Plan for the High Street', not least the work of the High Street Task Force, which has really come into its own in response to Covid 19. We know that local authorities and local town centre partnerships are benefitting from the advice and support offer provided by the Task Force. Whilst this is clearly ramping up, we reiterate our call for an equitable regional share of this resource.

On Local Action

The Greater London Authority has increased its support for strategic and local partnerships including town centre managers, business associations, Neighbourhood Forums, trader associations and Business Improvement Districts, and is working to ensure these are inclusive and representative of the local community. Significant funds have been administered through the Mayors Good Growth fund and TfL's Liveable neighbourhoods funds to support high streets often following and supporting partnership formation and strategy development.

We are witnessing more Local Plans playing a role in setting the local planning policy context for the renewal and development of town centres and high streets, informed by evidence in town centre health checks.

As outlined above the London Plan recommends that action is taken at the local level to create town centre and high street strategies, tailored according to local needs and circumstances. A clear vision should be developed with the local community, taking account of the strategic role of the town centre or high street, opportunities for growth, potential to support regeneration, spatial characteristics, economic challenges, and location in inner or outer London.

We strongly welcome the emergence of strategies that consider the role of the night-time economy, as well as the cultural, heritage and tourism characteristics of the area. Town centre and high street strategies are beginning to cover a broader remit, co-ordinating a tailored approach to planning, environmental health, licensing, Healthy Streets, transport strategy, highways management, logistics and servicing, regeneration, air quality, investment and projects. But more support is needed here especially as Local authorities will be distracted with more immediate concerns.

Retailers

Several of the strategies supported by the Mayor's Good growth fund are supporting adaptation in retail and the adaptive reuse of former 'big' retail units into a broader mix including smaller and more independent retail offer, alongside other civic, social and cultural uses. Many of these investments are encouraging changes in retail behaviour and the emergence of retail experiences that cannot be found online. Supported by the GLA and the Mayors Night Czar and Night-time commission, research has been undertaken and due to be published on the costs and benefits of later high street opening hours. Pilot studies such as the Walthamstow Night-time enterprise zone are also investigating this issue.

The Mayor's Good Growth fund has been used by for example Sutton Council to purchase a former BHS in Sutton Town Centre to deliver the Sutton Works

project. A similar intervention is planned and underpinned by Mayoral funds in Wood Green by LB Haringey.

We are aware of private sector examples like the 3Space managed portfolio of empty spaces on upper floors of Barclays banks - <https://labs.uk.barclays/>. And larger chains taking their corporate responsibility into account i.e. John Lewis offering rooms in its stores for charities to host meetings. However, we haven't really seen much of an uptick in this in recent times.

It's often the Local authority that is innovating and taking the risk and then looking to subsidise the contributions made by retailers and or landlords as part of a new and more vital mix for the high street.

Landlords

The GLA has plans to collaborate more closely with Landlords and to support local partnerships with their plans to address fragmented ownership. We support the committees call for landlords to take an active approach, providing their tenants with good quality properties on a flexible basis and investing in and reconfiguring properties for new uses. We will be looking to support landlords to pilot more progressive asset management approaches to deliver innovative new uses and social value. We are already working with several local authorities to pilot innovations such as social value leases. We plan to develop similar collaborations with the private sector landlords and to encourage and incentivise them to engage in local partnerships and town centre transformation.

One such example which has emerged over the last 18 months is Petit Miracles. A small charity that provides training and work experience in traditional craft, restoration, basic DIY, painting & decorating, interior design trades, retail, entrepreneurship and business skills and who have a direct relationship with Land Securities in Shepherds bush. Local entrepreneurs are hosted in a business incubator which also provides retail opportunities in their shop on the first floor of the West 12 Shopping Centre in Shepherds Bush

However, it seems that the most responsive approaches aren't coming from landlords but from the leaseholders who may be stuck with long leases - it was banks as in the example above, now it seems to be broader. Stakeholders have outlined the following changes to help unlock this type of flexible use mixing and asset management:

- Change the definition of occupation for business rates to which currently erodes the empty rates incentive.
- Make it mandatory for landlords to grant leaseholders consent for alternative use of a property if the head lease holder is able to continue paying the rent (gov could use powers like they have done to stop evictions during Covid). Many shops sit vacant because the leaseholder can't get consent for a sub-let and it is blocked based on a perception of valuation and the impact on the portfolio.
- Change the 1954 Act to 'Opt in' for rights of tenancy not opt out.

Opening Hours

The committee recommended surveying businesses about their opening hours and consumer demand for extended operating hours. The GLA has commissioned Research into the Costs and Benefits of extended high street opening hours. It will be published this Autumn and will inform Borough's Night Time and Town Centre Strategies.

The GLA has also funded a Night Time Enterprise Zone pilot project in Walthamstow. The aim was to boost businesses and give Londoners better access to their high street after 6pm. The project tested extended opening hours in partnership with local businesses, residents, cultural organisations and the local authority. The evaluation report and recommendations will be published this autumn.

Finally, we share the committee's belief that our high streets and town centres can have a better and more balanced future. In London we are actively advocating for, providing a supportive framework for and investing in the adaptation and diversification of our high streets. We are proposing properly planned strategic interventions led by local partnerships including the local authority, local stakeholders and the wider community. And we believe due to the unique mix of need and investment opportunity that given the right support from central government that London's high street communities can immediately showcase economic and social recovery and pilot a response to longer term economic restructurings.

Recent GLA CIU Opinion Research confirmed that Londoners, whilst noting decline, value their high streets and recognise the continued need for them in the future. Longer-term, they see potential for London's high streets to improve and adapt through, for example, more mixed-use, pedestrian-friendly, high-tech high streets and new shopping experiences. Londoners acknowledge local authorities' responsibilities in this respect and want to see concerted efforts with regard to the necessary improvements, support local businesses, making use of empty shops, better use of their own buildings, and involvement of residents in shaping the future of their local high streets

Appendix 2 – Action for High Streets in London.

1. Advocacy – the case for high streets

The Mayor recognised and championed the importance of high streets and town centres in his manifesto, which included the following pledges:

- **Support communities which want to keep the character of their high streets intact**
- **Prioritise the improvement of high streets, squares and public spaces across the city – including outer London and inner London**

To help deliver on his manifesto pledges and to establish the strategic case for advocacy, policy and investment, the Mayor published 'High Streets for All'¹¹ report in October 2017, highlighting the economic, social and environmental value of high streets from the perspective of Londoners, setting out the potential role of the public, private and third sector and made recommendations to deliver inclusive, shared and locally-responsive growth in high street locations.

In January the Mayor published the 'High Streets and Town Centres - Adaptive Strategies' guidance¹². This advocated a 'mission-orientated' approach to the challenges High Streets face and a related development of local partnerships and 'adaptive strategies' for high street renewal.

Following the start of the coronavirus pandemic, the GLA proactively involved partners and external experts to test the findings of the strategy to ensure the principles remain relevant in a starkly revised context and can continue to inform high streets recovery plans. A commonly expressed view was that following Covid-19 the challenges previously expressed are to be accelerated and or heightened and therefore the guidance and case for intervention, adaptation and diversification is all the more compelling and necessary.

Moreover, by committing to a joint mission across business sectors, all tiers of government, civil society, local partnerships, and community groups we can ensure London's many distinct neighbourhoods are served by diverse, inclusive and thriving high streets meeting Londoner's daily needs within a short walk or cycle ride. This will enable an expansion of civic, cultural and commercial activity into safer, more sustainable, greener and cleaner, streets and public spaces that can bring London's communities together and offer a community lifeline.

The Mayor has convened the London Recovery Board and Taskforce, co-chaired by the Chair of London Councils, Cllr Peter John, to co-ordinate the planning for London's long-term recovery effort, beyond the transition from lockdown. Membership of the Recovery Board is drawn from London Councils, business leaders, the community and voluntary sector, trade unions, academia and the health and police services.

The GLA and London Councils are committed to working collaboratively to develop specific recovery plans that respond to the social and economic needs of Londoners.

These structures will bring together City Hall and local authorities, as well as business and civic organisations to inform and respond to the Government's plans.

The London Recovery Board has agreed to adopt a mission-based approach. High Street renewal is at the centre of 1 of 8 such recovery Missions for London. The focus of which is to secure thriving, inclusive and resilient high streets and town centres in every London borough. And to promote experimentation and innovation to bring new life to vacant and under utilised buildings and public spaces.

By necessity this includes support to local authorities and town centre partnerships to deliver strategies, including direct property intervention, which safeguard a diverse social and economic mix of town centre activity.

This mission recognises that the pandemic has amplified existing inequalities and structural problems with the shape and function of high streets, for example further embedding online shopping behaviours. At the same time, the pandemic has reinforced the value of a quality local environment that supports the health and resilience of London's communities around the clock – encouraging walking and cycling, building relationships between communities, mitigating isolation, and the ability to work at or near home.

- 90% of Londoners live within 10 minutes of their local high street.
- Outside the centre of London, over half of London's jobs are spread across 600 high streets.
- Almost half of Londoners do not leave their local area daily.
- Two thirds of Londoners are regularly active at night, with 1.6m people working nights in the capital.

The mission calls for innovation and experimentation to respond to the immediate health crisis and related economic downturn, the climate emergency and the ongoing restructuring of the economy. It highlights that every high street will need a 'mission' orientated recovery plan which can evolve into a longer-term transformation plan or 'adaptive strategy'. The GLA, London Boroughs and London Councils have come together to develop and deliver the mission.

Allied to this mission development the recovery of London's high streets has been supported by a dedicated Task and Finish Group with a focus on the safe reopening of the high streets. Co-chaired by the Night Czar, the Deputy Mayor for Policing and Crime and the Chief Executive of a London borough, this group has brought together business leaders, transport planners and the police, plus licensing, regulation and communications experts to ensure successful, coordinated, high street reopening – both day and night.

2. Supportive policy framework

In London we intend to galvanize the enterprise, motivation and commitment of partners and draw on Mayoral Strategies - and related Good Growth guidance - to develop planning and investment models. The Mayor has put in place a range of strategies and policies to promote inclusive economic growth, social value, social integration, cultural engagement and a diverse range of uses. All of which aim to support – given the right funding package -

the recovery and long-term transformation of London's network of town centres and high streets.

The London Plan

The new London Plan provides the strategic policy framework for town centre development and implementation. It promotes the health, vitality and viability of town centres in line with the National Planning Policy Framework. The Plan supports a diverse range of uses and activities in town centres and facilitates their adaptation and diversification in response to the challenges and opportunities they face. It identifies the role and function of town centres and provides a broad indication of their future growth potential over the Plan period. The draft Plan recognises the social value of high streets and town centres, highlighting how they provide access to a range of shops and services, employment opportunities, social contact, and information and support. The Plan requires boroughs to take high streets into consideration when setting town centre boundaries, and asks that, in developing town centres strategies, boroughs pay particular regard to the social benefits of high streets and town centres, especially the formal and informal networks that support local communities.

The Mayor's Economic Development Strategy

Creating a fairer economy – one which works for all Londoners, and in which no one finds themselves locked out from opportunity – is central to the Mayor's Economic Development mission. Forty seven percent of London businesses outside central London are on a high street and 1.45mn employees work on or within 200 metres of a high street. They offer local and accessible economic opportunities for an inclusive London. The strategy supports the inclusive and diverse nature of London's high streets and town centres, helping Londoners to improve their economic and social wellbeing and helping communities to develop an understanding of the economic, social and physical condition of their town centres and high streets. It encourages stewardship of high streets and town centres by residents, communities and businesses, including Business Improvement Districts, to maximise local economic opportunities.

The Mayor's Strategy for Social Integration

The Mayor's aim is to improve social integration in London. This means enabling people to have more opportunities to connect with each other positively and meaningfully. It means supporting Londoners to play an active part in their communities and the decisions that affect them. It involves reducing barriers and inequalities, so that Londoners can relate to each other as equals. It is about our bonds as citizens, and how we interact with one another.

In 2018, the Mayor set out his vision for a more socially integrated city. The Mayor's vision goes beyond the usual approach to social integration, which often places emphasis solely on interactions between people of different nationalities, ethnicities and faiths. His approach considers other interconnected aspects of our identities and accounts for structural barriers Londoners face to social integration. In the Mayor's 'all of us' approach, social integration is a matter for everyone, which involves and benefits us all. A socially integrated city is a healthier, fairer, safer and more resilient city.

The strategy recognises that London's neighbourhoods, high streets and public spaces are vital for bringing people together, providing opportunities to build relationships, participate and collaborate, and access important services. Yet, if we do not plan, design and manage it well, the built environment can serve to separate and isolate.

The Mayor's Transport Strategy

The adopted strategy sets out the Mayor's Healthy Streets Approach, which puts people and their health at the centre of decision-making, helping everyone to use cars less and to walk, cycle and use public transport more. This approach is designed to improve air quality, reduce congestion and help make London's diverse communities greener, healthier and more attractive places to live, work, play and do business. This can have transformative implications for many high streets. Prioritising more space-efficient modes of transport will create more space for people to shop and spend time. Reduced traffic dominance and lower speed limits will create a safer and more attractive environment, improving health and wellbeing. A new approach to freight and servicing including retiming and consolidation will reduce the impact of large vehicles. Better walking and cycling infrastructure throughout surrounding neighbourhoods will make active travel the first choice for the journey to the local high street, both day and night.

The London Health Inequalities Strategy

The Mayor recognises the impact that the built environment, including high streets and town centres, has on mental and physical health and wellbeing and on health inequalities. The draft strategy highlights the Mayor's 'health in all policies' approach which means that the Mayor will systematically consider health and health inequalities in everything he does, including his support for high streets and town centres.

The Mayor's Culture Strategy

The Culture Strategy sets out priority areas for culture. As outlined in the strategy, six Creative Enterprise Zones have been established across London to help artists and creative businesses put down roots, with strengthening links and cross-supporting high streets a central aim for some Zones. The strategy also recognises that many Business Improvement Districts are partnering with cultural organisations¹³ and artists to improve the experience of the high street. The Mayor's Cultural Infrastructure Plan has been launched alongside a Cultural Infrastructure Map. This enables boroughs to understand what cultural infrastructure is on their high streets. The Mayor's flagship London Borough of Culture competition places culture right at the heart of our neighbourhoods, celebrating communities and hidden cultural gems that all Londoners can take part in and enjoy. Town centres are key locations in the delivery of all these programmes.

The Mayor's Vision for London as a 24-Hour City

The Mayor appointed the UK's first Night Czar in 2016 to boost London's economy and improve Londoners' lives after 6pm. The Mayor published a 24-Hour City Vision calling for a more diverse night-time offer across London's high streets and town centres. In 2019, the London Night-time Commission recommended that the capital's night-time economy should play a major role in helping to save the capital's struggling high streets. It outlined opportunities to make the most of shops and public buildings, which are often empty at night, to tackle the decline in the high street.

Research has shown that 92 per cent of councils in England believe that the night-time economy can be key in preventing the decline of high street retail. The GLA is implementing the Night Time Commission's recommendations in order to better support high streets. This includes: creating a Night Time Data Observatory; providing guidance for boroughs; publishing research on the costs and benefits of extended opening hours; and running a Night-time Enterprise Zone pilot project in Walthamstow, to trial later opening hours, boost businesses and give local people better access to their high street after 6pm.

3. Targeted and place-based investment

The GLA is working at a variety of scales, from parades of shops to metropolitan and international centres, to support local partnerships (in collaboration with local authorities, Business Improvement Districts, town teams and other local partnerships) to develop packages of advice and investment in high streets and town centres. To ensure this investment is inclusive, the GLA promotes a strategic place-based approach and encourages delivery partners to begin with a thorough understanding of the place and the community served by the high street or town centre, recognise the social value of high street economies, engage harder to reach citizens, and champion high streets as public spaces.

In the last two years, approximately £35 million of the Good Growth Fund has been directed towards high streets and town centres improvements, with the idea of investing in the creation of new public assets, particularly those which develop new models of creating and capturing the value such as community shares or co-operative structures. The successful proposals are supporting civic infrastructure, affordable workspaces, cultural infrastructure, support SMEs, fund public realm improvements, and the promotion of local businesses, creativity and market opportunity.

A further £139m has been made available through TfL's Liveable Neighbourhoods programme (2018/19-2022/23). This funding is targeted to transform London's high streets and town centres to deliver attractive, healthy, accessible and safe neighbourhoods for people. The funding supports Local Authorities to implement area-wide schemes to promote active travel, green infrastructure, public realm quality and design, reduce car use, road danger and improve air quality.

A small-scale funding and support are available for local community groups via the Mayor's Crowdfund platform to develop strategies for high street projects that are citizen-led. Crowdfund London is currently piloting civic innovation necessary to enable recovery and long-term resilience.

Advice and resources are available to boost night time activity on the high street. The Night Czar's 24-Hour London programme provides guidance, publishes research, gives access to new data sets and delivers a workshop programmes for boroughs and businesses. The report and recommendations of the Walthamstow Night Time Enterprise Zone pilot will be published shortly.

Street and covered Markets

The Mayor acknowledges the crucial role street and covered markets play in London's economic, cultural and social life, as well as London's international leadership in this area. The Mayor has provided support to the sector through the following measures:

- Launch of the London Markets Board, in 2017, which brings together experts from across the sector, from councils, private operators, community run and social enterprise markets, and trader representatives. The Board provides strategic oversight, promotes and informs Mayoral priorities, is developing an action plan to strengthen London's markets and advises on the delivery of a London Markets Strategy.¹⁴
- Publication of the report 'Understanding London's Markets'¹⁵ which captures the wide range of social and economic value of markets and the contribution they make to local places. Alongside the report, the first online interactive map¹⁶ of all London Markets was launched, providing a tool to search for markets by opening days and market type. Working with the sector, the GLA will continue to build the data and information that sits behind the map. The 10th International Public Markets Conference¹⁷ focussed on themes of inclusion, innovation, and impact, celebrated the vigour and diversity of London's street markets, and examined how they are responding to a range of challenges with a specific goal of securing tangible legacies for London's markets.
- Tomorrow's Market¹⁸ funded by LEAP, was launched in January 2019 and completed in March 2020. The initiative attracted new traders into the sector, to enable on-the-job learning, and to facilitate networking and skill sharing

Social Integration Design Lab

The Mayor's Social Integration Design Lab (2019) brought together London local authorities with experts in service design, regeneration and community engagement, to show how existing regeneration work can improve social integration. The Lab explored ways that regeneration can support socially just outcomes that support social integration, including, inclusive and accessible public spaces, equal recognition of needs and aspirations of diverse groups, participatory decision making on issues that affect local communities.

To build on the work of the Design Lab, this year, the Mayor launched, the Social Integration and Regeneration Learning Network which will bring together urban regeneration and social integration professionals and provide the space, time and skilled facilitation to local authority regeneration teams to come together and learn from one another on how to embed social integration principles into their work on regeneration. The Learning Network is open to both participants from the 2019 Lab as well as to local authority teams who are new to this programme.

The Mayor's Good Growth Fund has committed to supporting innovative models of civic and social infrastructure, including community-led schemes. Funding has also provided a social integration design lab type programme for several funded projects to further embed social integration principles into design practices.

Appendix 3

Transport for London evidence

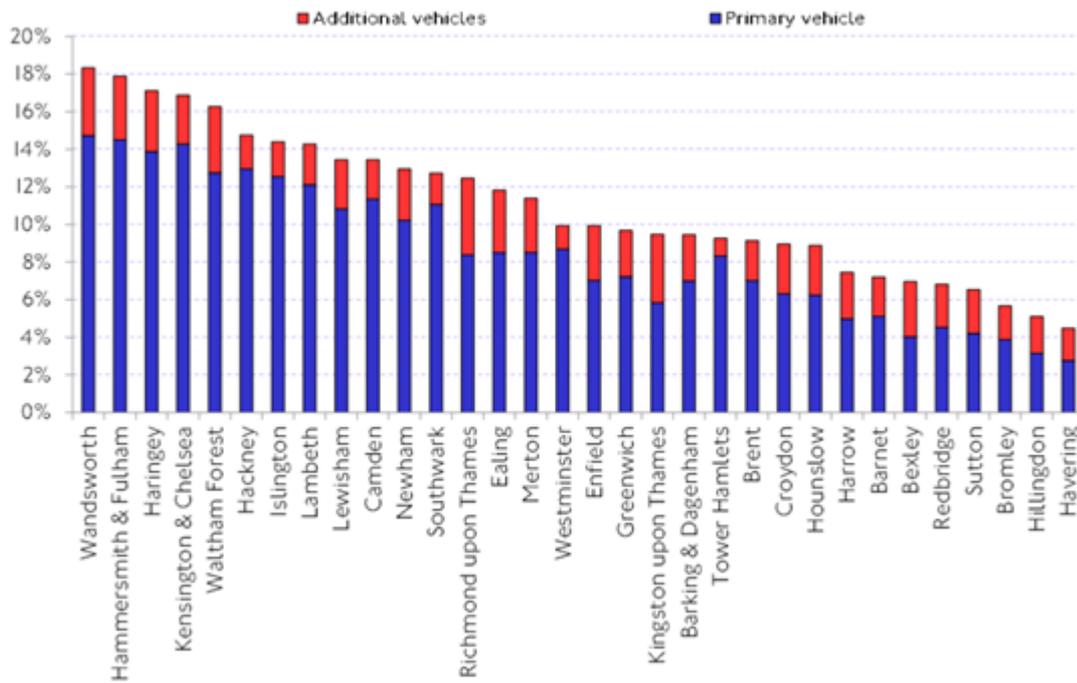
‘Supporting our high streets after COVID-19’

Transport for London (TfL) plays a key role in unlocking sustainable growth and economic development by integrating transport and land use planning to deliver strategic public transport investment. By 2041, the Mayor’s Transport Strategy aims for 80 per cent of all journeys to be made on foot, by cycle or using public transport. and for every Londoner to do 20 minutes of active travel each day, has the potential to save the NHS £1.7 billion in treatment costs over 25 years¹⁹. The Healthy Streets Approach (Appendix A) supports this target by enabling and encouraging walking and cycling, reducing the dominance of vehicles, traffic, congestion, and noise through reduced car use and facilitating sustainable freight. This in turn creates an attractive and inclusive city that is vibrant and safe, encouraging trips for leisure and social interaction.

Streetspace for London

The London Streetspace Programme (LSP) has been developed to address the challenges brought about by the pandemic, and seeks to reallocate street space to provide safe and appealing places for people to walk and cycle, and to promote safe re-opening of businesses to support the economy, especially in town centres and on high streets. Evidence shows those who walk to a high street spend 40 per cent more than those who drive, and that improvements for walking, cycling and the public realm can increase retail sales by up to 30 per cent²⁰. Research also shows that cycle parking delivers five times the retail spend per square meter than the same area of car parking²¹. Figure 1 shows that in some places up to 18 percent of street space is occupied by car parking. This means there is an opportunity to reallocate kerb space for people (widened footways, cycle paths and cycle parking) and businesses (outdoor dining spaces, places to queue) from cars that are often stationary 95 percent of the time. It is important to note that town centre vibrancy is not necessarily linked to car access, especially in urban areas.

Figure 1: Proportion of road space taken up by on-street car parking

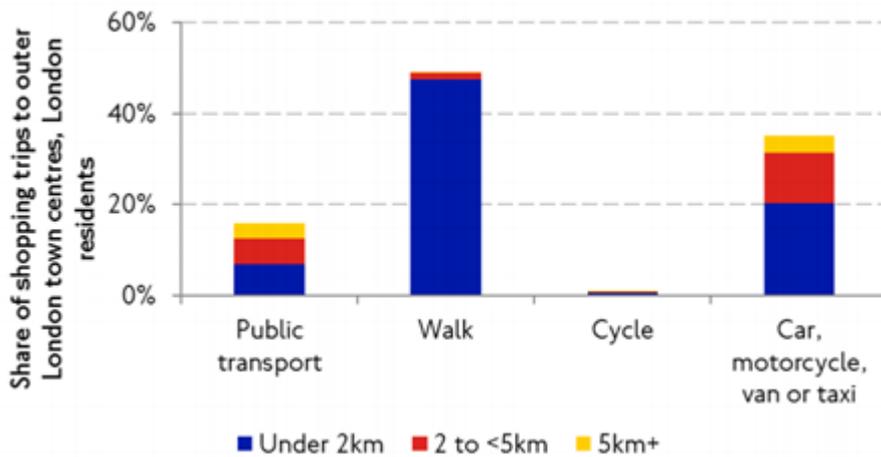


Source: Analysis of OS MasterMap Highways Network (2019) and London Travel Demand Survey

The LSP is delivering temporary cycle routes to extend the strategic cycle network, widened footways for people to safely queue and social distance, especially on high streets, town centres and transportation hubs and have also created bus-only 24 hour lanes to enable reliable bus service and provide for an equitable and sustainable mode of transport. This reallocation of street space has allowed people to visit shops and restaurants safely and help foster an economic recovery. TfL is supporting boroughs to implement LSP strategies to accelerate delivery of low traffic neighbourhoods and school streets to reduce traffic through residential streets. TfL is also supporting reallocation of kerb space from car parking to cycle parking and sustainable freight to further enable economic regeneration and improve social value of high streets. Through the LSP, London has created one of the largest car-free zone in any world capital. Evidence shows that 45 percent of visitors to London high streets visit for social and community reasons²². Improving high streets in London for walking and cycling has led to a 216 percent increase in people stopping, sitting or socialising²³.

Londoners have already shown incredible resilience and an ability to adapt their behaviours to protect their own health and wellbeing as well as keep others safe. They have also experienced the rewards of reduced car use and active travel – cleaner air, quieter streets, sense of community and exploring local neighbourhoods. Figure 2 shows that half of the shopping trips even in outer London were already being done by active modes and over 30 percent of car trips are under 5 km so could feasibly be cycled.

Figure 2: Outer London town centre shopping access by mode and distance



Source: London Travel Demand Survey (pre-Covid 19)

During Covid-19, the average cycling time for a single trip has doubled to 42 minutes, increasing the propensity of people cycling for longer distances and this behaviour may continue. On a spatial level, TfL has created an evidence base (see Figure 3 and 4) to identify where cycling infrastructure is needed most critically around high streets, town centres and transport hubs to enable Local Authorities to incorporate these infrastructure needs in their plans.

Figure 3: London areas with highest demand for additional on-street cycle parking (pre-Covid)

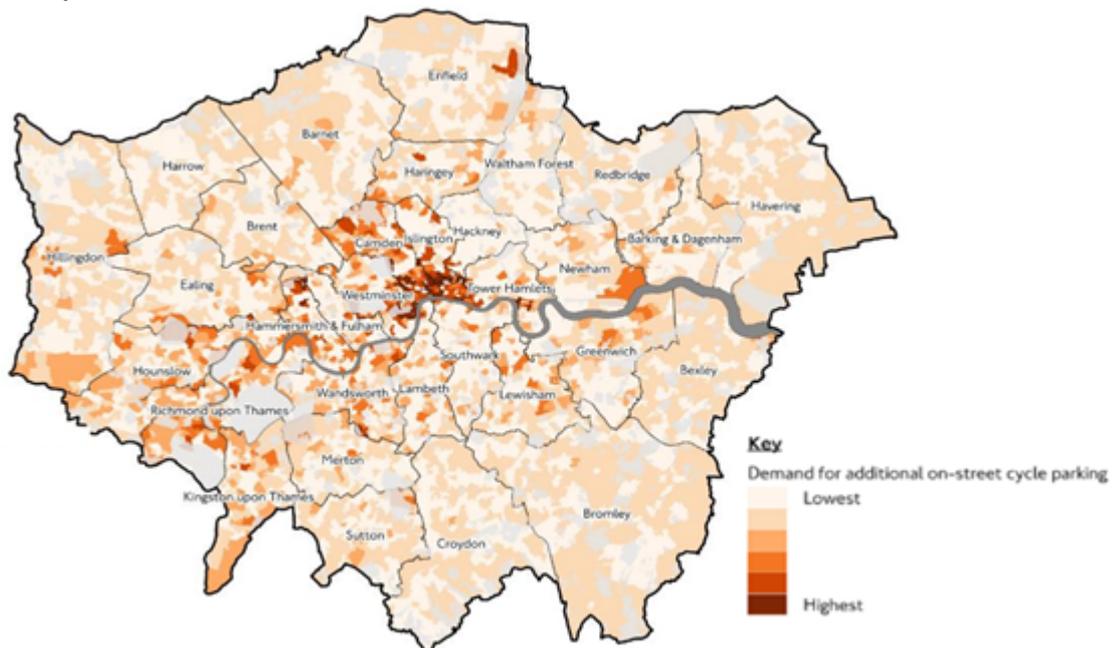
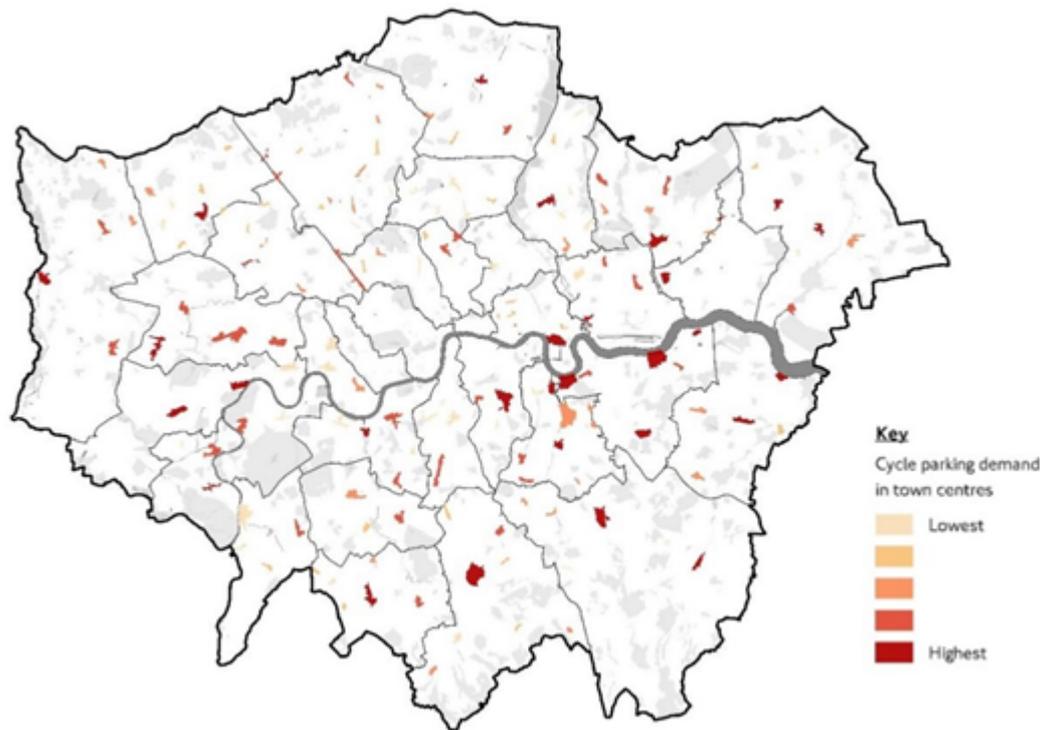


Figure 4: Demand for additional cycle parking in London town centres (pre-Covid)



To increase cycling levels further, TfL has done a detailed analysis of diversity in cycling²⁴ and identified funding to enable cycling to be more ubiquitous for diverse ethnic groups and age groups. Cycle Grants London funding programme, managed by Groundwork London, has more than £240,000 to help up to 30 groups offer a range of initiatives for people who may not otherwise ride a bike. These include training, loan bikes, guided rides and courses to teach basic cycle maintenance. The grants are designed for groups that are traditionally under-represented in cycling because of a range of issues, such as income, health, ability, skills or access.

Freight in London

There is a potential of a long-term shift in goods vehicle activity as the drivers of following demand factors may not go back to pre-Covid levels:

- Demand for office space is likely to be reduced as more people continue to work remotely. CEBR predicts that 30% of Londoners will be working from home on any one day in 2021 (up from 12% in 2019).
- The construction and logistics industry are not expecting work to return to normal.
- The eCommerce industry does not expect the “norm” to return as people may choose to keep habits made during lockdown. Figure 5 shows the overall freight impact in London including the increase in online shopping by 62 percent and online food by 122 percent from pre-lockdown levels. Figure 6 shows a further breakdown of retail recovery and growth in online retail.
- Home deliveries in 2020 are around 25% above 2019 levels and 40% above March levels as shown in Figure 7 and may continue to remain higher.

Figure 5: Outer London town centre shopping access by mode and distance

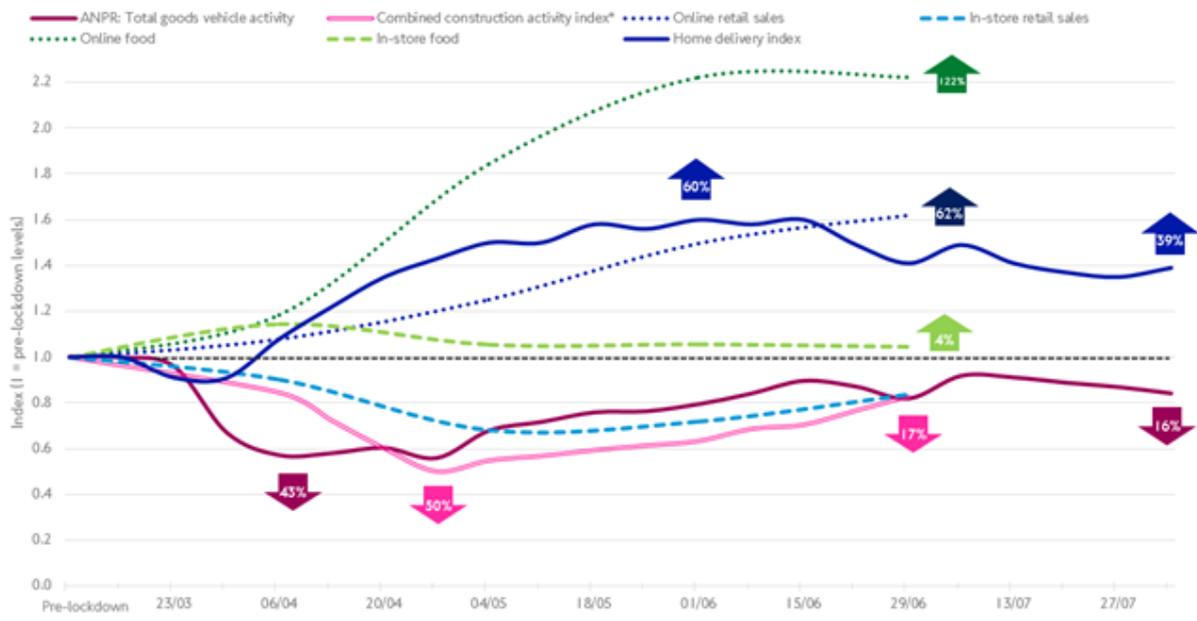
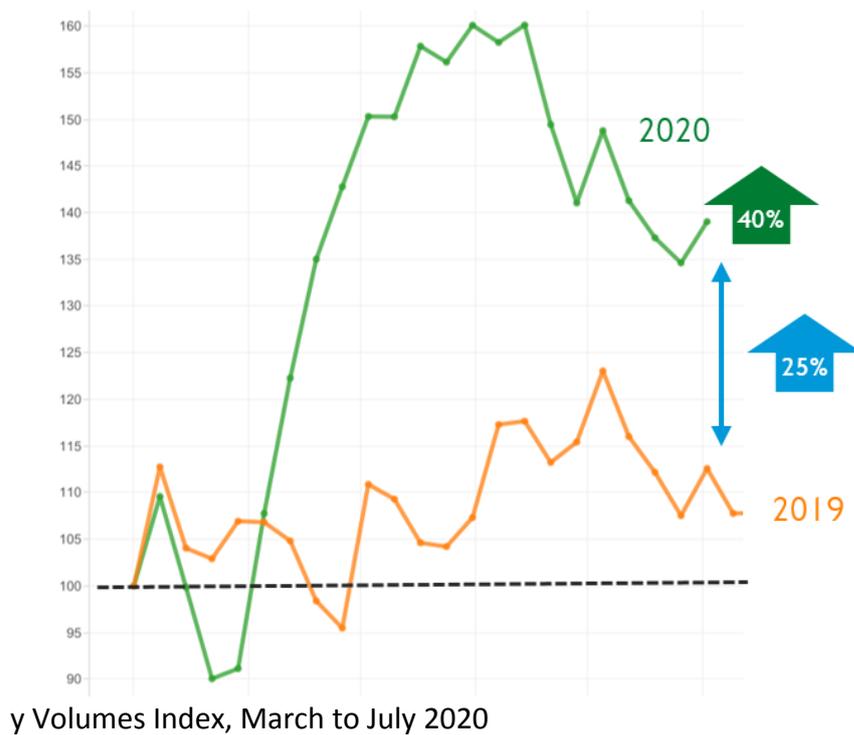


Figure 6: Percentage change in total and online retail sales, February versus June 2020



Figure 7: UK Home Deliver



Emerging freight solutions

Innovative freight solutions have emerged/accelerated since lockdown began. For example, [Sainsbury's](#) has launched a bicycle delivery service. After a successful trial in London, it is now being rolled out across the UK and others may follow. It is [reported](#)²⁵ that lockdown has created increased awareness of climate change and sustainability and could lead to people choosing to shop more locally and choose a “greener” delivery option when shopping online. An increase in “greener deliveries” would mean more last-mile deliveries being made by bicycles or other sustainable modes.

Conclusion

The high streets can be viable, vibrant and successful if the focus is on bringing people to these areas in a sustainable manner to enjoy, socialise, create experiences, and linger which will help in economic regeneration of the high streets. The public realm must be designed for people rather than vehicles, providing places for people to walk and cycle while enabling sustainable freight, reliable bus access and reducing cars, road danger, air pollution and noise.

Appendix A: Healthy Streets Wheel



Source: Lucy Saunders

September 2020