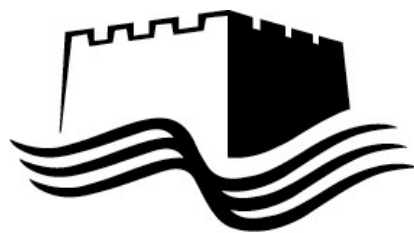


Supporting the delivery of successful town centres (high streets and markets)

Scrutiny Challenge Session Report



TOWER HAMLETS

**London Borough of Tower Hamlets
April 2015**

Councillor Joshua Peck

Chair of the review panel, Chair of Overview and Scrutiny

Our town centres and markets sit at the heart of our communities and are essential for both the social and economic health of those communities.

They provide some of the places – shops, post offices, cafes – where our residents meet and interact with each other, and where they have the casual face-to-face interactions that are the first steps to building social capital and cohesion. They help to make communities where people want to live – where they can easily access the goods and services they need for their daily life, where they can meet friends and socialise, and where vibrant, interesting things happen. And they offer over 10,000 jobs (often good entry-level jobs for those looking for work) and the opportunity to start your own business.

Town centres and their markets should therefore be at the heart of our economic regeneration strategy. Yet when I became a councillor here nine years ago, I was met with blank faces when I talked about town centres – only Canary Wharf was seen to meet the definition and it wasn't under the council's control. As a consequence, little co-ordinated support was available to our town centres and retail units were allowed in every new block of flats built in the borough, dissipating the focus of town centres and damaging many.

That has changed. The Core Strategy is built around the idea of our town centres being at the heart of the 'hamlets' that make up our borough and we have a dedicated Town Centre team to support our town centres.

Yet town centres face massive challenges – from changing retail habits, from crippling business rates, from pressure to convert shop units to residential – and if our town centres are going to survive then our response as a council needs to be dynamic and entrepreneurial, and it needs to be about more than just making sure the street are clean and safe. The next phase of our approach to town centre management needs to be about the curation and intervention that creates places where people want to shop and spend their leisure time.

The ideas in this report came from the private and public sector organisations that already do this and hopefully gives us the confidence that we can do the same.

Summary of recommendations

- **Recommendation 1:** Develop a vision for each town centre that identifies the unique selling point and retail offer it needs to attract its target market
- **Recommendation 2:** Promote the opportunity for local town teams to be formed by residents and businesses and put in place a toolkit to support this. Encourage these town teams to be engaged in the development of the local vision
- **Recommendation 3:** If feasible, develop a range of economic, environmental and social regeneration initiatives to attract footfall and spend, encourage new businesses and support existing businesses into town centres – examples include:
 - Support in initial establishment of websites and business associations/forums for marketing of the town centres to consumers and other enterprises;
 - Continuation of the use of art, cultural activities and events to establish town centres as destinations, with a presumption on these being resident-led where possible, with support and technical assistance (ie in securing Council licences and approvals) provided by the Council;
 - Strategic, focussed grant programmes for shop front improvements which support the agreed vision and objectives of town centres;
 - Pop up shops, stalls or kiosks which allow both the Council and businesses to ‘test the water’
 - Explore the potential for ring-fencing future business rate growth from schemes like this to forward fund them
- **Recommendation 4:** Develop a high streets and town centres policy which establishes a local vision, strategy and plan for town centres in the Borough, focussed on economic regeneration as the central objective. Ensure that any update of the Town Centre Spatial Strategy (July 2009), as part of the Local Plan review, takes the above into account
- **Recommendation 5:** Adopt suitable town centre KPIs, starting with the ATCM model which measure the economic and wider health of our town centres
- **Recommendation 6:** Review role and responsibilities of the Roman Road Town Centre Manager post to ensure it is focussed on delivering the targeted interventions identified in the Roman Road Vision and, subject to funding, roll out for other town centres across the Borough
- **Recommendation 7:** Review the support available to local businesses in the Borough and proactively promote it
- **Recommendation 8:** Provide data analysis that will stimulate potential opportunities in the Borough’s town centres, including qualitative and quantitative data, demographic analysis of the resident and working populations, outline existing market analysis, and external drivers for change
- **Recommendation 9:** Explore the potential for Business Improvement Districts (BIDs) within the Borough and, where potential BID areas are

identified, work in partnership with the business network to promote the business benefits to local enterprises, including the GLA's programme of support for future BIDs

- **Recommendation 10:** Explore developing a package of inducements that could be offered to targeted businesses identified as essential in town centre visions
- **Recommendation 11:** Explore the viability of an approach whereby the Council will consider, in a small number of cases, taking on a short-term lease and grant-funding the fit-out to create a unit to market to specific retail uses identified as essential to the development of a local town centre vision
- **Recommendation 12:** Roll out the policy for accepting new traders into our markets to ensure that the retail offer within markets can be more actively curated
- **Recommendation 13:** Finalise and formalise the Council's approach to proactively establishing and using tools to encourage owners of vacant high street retail premises to bring them back into use
- **Recommendation 14:** Identify and engage with absentee landlords to identify current premises use and explore options for alternative uses
- **Recommendation 15:** Convene a working group to identify how retail units may be protected through planning measures from unsuitable conversion as part of the Local Plan review
- **Recommendation 16:** Develop a retail unit viability study

1. INTRODUCTION

- 1.1 It is widely recognised that town centres, high streets and markets are vital in supporting opportunities in employment, social capital and economic growth in the area. However, there are many challenges facing town centres including changes in the way people shop, changes to the population demographic, strategic competition and national legislation to name a few.
- 1.2 According to the LGIU¹, the key trends impacting on the UK's town centres are summarised as follows:
- Changing consumer expectations, and a preference for a combined retail and leisure experience
 - Consumer demand for convenience, including both large supermarkets and smaller convenience supermarkets
 - Online shopping and multi-channel shopping
 - Out of town retail
 - Changing demographics
 - Increasing homogeneity within the business centres, and
 - Difficult economic conditions, with consumers increasingly turning to discount stores.
- 1.3 The population demographic of people who live and work in the Borough has changed over recent years, becoming more ethnically diverse and with more households with an income of above £60,000. Therefore evolving the offer and encouraging new business which can capitalise on the needs of new consumers is an essential part of ensuring town centres thrive.
- 1.4 The Council has several key strategies which support the regeneration of town centres. They include the Enterprise Strategy, the Street Markets Strategy (August 2009), and the Town Centre Spatial Strategy (July 2009), which sets out how Town Centres could be developed to ensure 'they are places at the heart of local civic life, which are vibrant, inclusive and accessible'.
- 1.5 However, there was a high level of concern amongst some Councillors that these strategies lack strategic vision and innovative approaches to push economic growth in town centres, and that responses too often focus on relatively easy 'hygiene factors', such as security, street furniture and cleanliness, which should be the base point of good town centre management.
- 1.6 The aim of the Challenge Session was therefore to look at best practice models in order to explore what makes a town centre thriving, and identify actions which could better support town centres to thrive in Tower Hamlets. The session was chaired by Cllr Joshua Peck, Chair of Overview and Scrutiny. It took place on 8th April 2015.

¹ Local Government Information Unit policy briefing: policy implications of recent trends in the high street/retail sector, January 2015

1.7 The session was attended by:

Councillor Joshua Peck	Chair of Overview and Scrutiny Committee; Councillor, Bow West
Councillor Peter Golds	Scrutiny Lead for Law, Probity and Governance; Councillor, Island Gardens
Councillor Rachel Blake	Councillor, Bow East
Cllr Danny Hassell	Councillor, Bromley South
Victoria Ekubia	Scrutiny Committee Roman Catholic Church Representative
Rev James Olanipekun	Scrutiny Committee Parent Governor
Shanaaz Carroll	Acting CE, Association of Town and City Management
Howard Dawber	Strategic Advisor at Canary Wharf Group
Stuart Fyfe	Head of Retail Leasing at Canary Wharf Group
Christine Lovett	Chief Executive, Angel AIM (Action; Improve; Maintain)
Keith Davis	Managing Director, Borough Market
Sam Neal	Programme Manager Physical Regeneration, Waltham Forest Council
Chris Paddock	Director, Regeneris Consulting Ltd
Andy Scott	Acting Service Head for Economic Development, Tower Hamlets Council
Chris Golds	Principal Licensing and Revenues Officer, Tower Hamlets Council
Maria Gerring	Business Partnerships Project Manager, Tower Hamlets Council
Vicky Allen	Strategy, Policy and Performance Officer, Tower Hamlets Council

- 1.8 The Scrutiny Challenge Session took the format of a meeting which was held in the Idea Store, Canary Wharf.
- 1.9 The agenda for the session included an introduction to the key issues under review by Councillor Joshua Peck. Following this, attendees heard from Shanaaz Carroll, the Acting Chief Executive of the Association of Town and City Management (**ATCM**) who spoke about the challenges for town centres, the work that the ATCM were undertaking to support businesses in town centres, and what the ATCM saw as the ingredients for a successful future for town centres.
- 1.10 A presentation from the Council's Head of Economic Development provided background information on past work and current action being taken by the Council to support town centres in the Borough. In addition, attendees also heard about the plans going forward, such as the Healthy High Streets project tackling unhealthy businesses and promoting the economic wellbeing of town centres and high streets; and the dedicated team supporting the delivery of the regeneration activity taking place in Whitechapel. With the opening of the new Crossrail station in 2018, this area has been identified as a growth opportunity, with plans including a civic hub, new homes, new jobs, upgraded Whitechapel Road and surrounding public squares and open spaces.

- 1.11 Senior representatives from other London town centres, high streets and markets spoke about the innovative approaches they applied successfully to support their economic regeneration. Finally there was a round table discussion focussing on answering the core questions for the session:
- a) What changes could be transformative for town centres in Tower Hamlets; and
 - b) What actions could the Council (and its partners) take to help achieve this?
- 1.12 In this report, the term ‘town centres’ is being used to describe all the town centres, high streets and markets in the Borough.

2. NATIONAL LEGISLATIVE AND POLICY BACKGROUND

Policy and delivery context

- 2.1 Activity in town centres in Tower Hamlets is influenced by national, regional and local policy. Government guidance ‘*Transforming Places; Changing Lives: A Framework for Regeneration*’ proposes that Government expenditure on regeneration in the future should be focused on:
- Improving economic performance in deprived areas;
 - Improving rates of work and enterprise in deprived areas; and
 - Creating sustainable places where people want to live and can work, and businesses want to invest.

The Portas Review

- 2.2 As part of the Government’s growth agenda, Mary Portas was asked to conduct an independent review of the high street’s future. In 2011, the Portas Review set out proposals for combating the decline of the UK’s high streets. The recommendations included a number of proposals to reduce regulation relating to the High Street, change planning regulations and to support new businesses. The most significant proposal was that “town teams” should be created in town centres, representing all stakeholders. A town team would be able to give strategic direction to beneficial change. Mary Portas suggested that there should be a number of pilot projects in town centres to test out her suggestions in different localities. In 2012 the Borough was chosen as one of the second round Portas Pilots for Watney and Chrisp Street Markets (see 4.3).

High Street Innovation Fund

- 2.3 In 2012, the Government announced the names of 100 local authorities, including Tower Hamlets, which would receive £100,000 each to support regeneration of town centres under the *High Street Innovation Fund*. Guidance was issued on the same day for use of the funding, and was mainly concerned with overcoming vacancies in commercial premises with new retail enterprise development (see 5.48 below).

London policy framework: the GLA

- 2.4 GLA priorities have affected the delivery of a number of Outer London Fund and London Portas Pilot projects. There is a preference for projects which:
- bring disused buildings and vacant land back into use;
 - put on events to support community use of the town centre concerned;
 - redesign public space;
 - smarten shop fronts;

- support businesses;
- create partnership networks;
- improve transport;
- support suitable site development projects.

London policy framework: London Councils' Report: Streets Ahead? – putting high streets at the heart of local economic growth

- 2.5 In July 2013, London Councils issued a report *Streets Ahead* which celebrated the diversity of town centres and called for more local government involvement in High Street renewal. Specific recommendations included changes in planning policy to restrict changes of use; harmonisation between TfL priorities and local transport policy; coordination of business support initiatives; and better ways of tackling vacant spaces and commercial vacancies.

3. LOCAL CONTEXT

Local policy framework: LBTH planning policy

- 2.6 The Council's Local Plan provides the planning basis for activity to reinforce and improve town centres and the role they play in the quality of life for Borough residents. The Local Plan Core Strategy, which was adopted in 2010, includes a number of strategic objectives in relation to town centres intended to help bring about "a hierarchy of interconnected, vibrant and inclusive town centres that are mixed use hubs for retail, commercial, leisure, civic and residential [uses]."
- 2.7 The Council's Managing Development DPD, which also forms part of the Local Plan, includes more detailed policies to guide development in town centres. These include
- measures to protect A1 retail uses in town centres
 - restrictions on A5 takeaway uses in town centres and in proximity to schools and leisure centres, and
 - protection for local shops outside town centres.
- 2.8 A refresh of the Local Plan began in 2015 offering an opportunity to consider how the Council's planning policies can protect and support high streets and town centres, and in particular high street uses which fall outside existing town centre boundaries.
- 2.9 The Council is currently implementing a range of projects specifically focused in one way or another on the regeneration of high streets or town centres in the Borough. These include:
- Delivery of the Whitechapel Vision
 - The Council's Accelerated Delivery Programme funded initiatives in Roman Road, Brick Lane, Bethnal Green and Burdett Road
 - Portas Pilot initiatives in Chrisp Street, Watney Market and Roman Road
 - The Enterprising Town Centres Initiative pilot project in Roman Road, and
 - The Healthy High Streets Policy

3 TOWN CENTRES / HIGH STREETS AND MARKETS IN TOWER HAMLETS

- 3.1 Tower Hamlets has a thriving economy worth £6bn per annum that provides almost 1.4 jobs for every working-age resident of the Borough. At the time of the 2011 Census, there were 12,976 people employed in the wholesale and retail sector in the Borough (10 percent of all jobs available).
- 3.2 The Office for National Statistics recorded 14,940 businesses in the Borough for 2014; this number represents about 3.2 percent of the business stock in London. The majority of businesses in the Borough (89 percent) are micro business enterprises employing less than 10 people. 1,260 businesses in the Borough (8 percent) are classified as retail trade and 980 businesses (7 percent) are classified as food and beverage services activities.

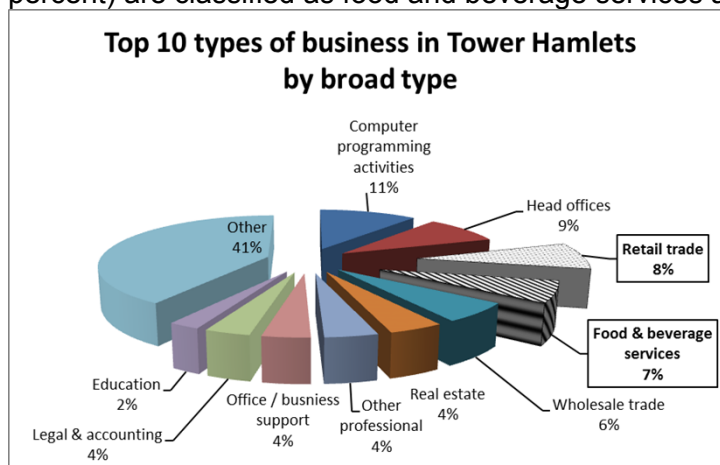


Figure 1: Nomis UK Business Counts March 2014

- 3.3 There² are 27 designated town centres in the Borough, with Canary Wharf being the most prominent. Canary Wharf is designated as a major³ centre in the London Plan and the Tower Hamlets Core Strategy with over 50,000sqm of retail floorspace including both comparison and convenience⁴ retail. It also includes services and leisure facilities. Canary Wharf serves a large weekday worker population as well as weekday and weekend residential population.
- 3.4 Nine town centres are classified as district centres (Bethnal Green; Brick Lane; Bromley-by-Bow; Chrisp Street; Crossharbour; Roman Road (east); Roman Road (west); Watney Market; and Whitechapel) – district centres comprise of groups of shops often containing at least one supermarket and a range of non-retail services such as banks, building societies and restaurants as well as local public facilities such as a library.
- 3.5 The remaining 17 are defined as neighbourhood or local centres meaning that they include a range of small shops of a local nature, serving a small catchment – typically containing a small supermarket, a newsagent, hot food take-aways, and similar small businesses.

² The designation criteria of Activity Areas, Major Centres, District Centres and Neighbourhood Centres can be found in the LBTH LDF Town Centre Boundaries and Balance of Uses Review – February 2012 (p6)

³ Information taken from draft alterations to the London Plan – January 2014 and LBTH LDF Town Centre Boundaries and Balance of Uses Review – February 2012

⁴ Convenience goods: Broadly defined as food, drinks, tobacco, newspapers, magazines, cleaning materials, toilet articles. Comparison goods: Other goods not classified as convenience goods. (NRPF definition)

- 3.6 In addition, the Borough has some of the best known and most successful street markets in London which are often co-located within town centres identified above. Street markets contribute positively to the economic and social well-being of the community providing access to affordable goods and complement mainstream retailing. They provide local employment and support local enterprise. Throughout the Borough, the markets provide a range of goods and services, serving the Borough's diverse communities. Some of the Borough's markets are specialist markets with a wider catchment whilst others are local markets which serve and support their local communities. It is estimated that LBTH street markets have a turnover of £21m per year.
- 3.7 There are ten local-authority managed street markets across the Borough. Additionally there are a number of privately-managed markets which operate within the Borough, including Brick Lane and Spitalfields Markets. The markets vary in size, days of operation and offer. Columbia Road, Petticoat Lane and Brick Lane are tourist markets with a high profile and London-wide catchment. The other markets in contrast provide a convenience offer which caters primarily for a local catchment.

Promoting the Borough's town centres, markets and high streets

- 4.8 The Street Markets Strategy (August 2009) aims to positively shape the markets as safe and lively places in which the community engages and which are thriving places of business and employment for local people. The Council's Enterprise Strategy aim is to encourage and support enterprise and entrepreneurial activity to increase opportunity, prosperity and mobility in Tower Hamlets by:
- supporting the establishment, growth and development of small and medium enterprises (SMEs);
 - providing an environment that supports a thriving and diverse economic base; and
 - supporting the Borough's enterprise economy by communicating local needs and wishes to influence audiences.
- 4.9 There has been a raft of initiatives which have aimed to both promote the Borough's town centres to consumers and to support new and existing businesses, including the *Taste Brick Lane* marketing campaign in March 2014, which widely promoted this famous food district to visitors and tourists through printed publications and social media and included food discounts and a street party. The *Shop Tower Hamlets* (#shoptowerhamlets) campaign in December 2014, consisted of three different promotional booklets for Roman Road, Bethnal Green Road, and Burdette Road, circulated to households promoting local shopping to residents with discounts included.
- 4.10 Supporting the economic regeneration of town centres, the Council was awarded £100,000 from the national *Portas Pilot Initiative*, to which a similar sum was achieved through match funding, for regeneration and promotion of improvements to Chrisp Street, Watney Market and Roman Road. The primary focus was to boost economic regeneration in Chrisp Street Market through lively events and diversification of the market's offer. Funding was used for a new outdoor dining area aiming to connect fresh produce sold in the market to the kitchens in surrounding cafes and restaurants. A continuous programme of events was established to attract custom, and

market traders and café owners were offered workshops and mentoring and a new market business directory and website to help boost their businesses. As part of the package of works at Chrisp Street Market, designers will produce recommendations for changes and improvements to Watney Market and Roman Road. The proposals will build on new facilities established at Chrisp Street, continuing the theme of healthy living. Through the important lessons learned at Chrisp Street, it is hoped that further funding will be secured for Watney Market and Roman Road for similar activities in the future.

- 4.11 In March 2015, the Mayor of London announced a further round of recipients for the *High Street Fund*; two of the 42 town centres across London are in the Borough. Whitechapel was awarded £520,000 for a package of improvements, designed to increase workspace provision in previously vacant buildings and provide business support to promote a lively economy, to build on the momentum of change in Whitechapel. Chrisp Street was awarded £283,000 for a suite of interventions including a new co-working space, tailored business support and business loans are supporting new enterprise and existing trade.
- 4.12 For markets, the Council took part in the national initiative to support new market stall holders through the *First Pitch* scheme. First Pitch is a market trader start-up scheme run by the National Market Traders Federation (NMTF), delivered in partnership with market operators all over the UK offering free trade for up to five days during Love Your Local Market week. If traders meet the specified criteria, and, if trading has gone well, they can continue to trade on the market for a further 12 months at discounted rent. Practical support from the NMTF is provided including mentoring to help traders make a success.

5. KEY FINDINGS AND RECOMMENDATIONS

- 5.1 This Challenge Session arose because there was a concern amongst some Members that there had been no strategic review of the Council's interventions so far to assess their effectiveness in their aim of supporting the regeneration of the Borough's town centres. Members felt that interventions so far were focussed too much on physical regeneration, cleaning and security, and cultural activities, and less on active interventions to address the market failures of local retail economies. There was a strong belief amongst Members that supporting a thriving local retail economy was essential to improving economic prosperity in the Borough.
- 5.2 In addition, some Members were concerned that town centres were not responding to the retail needs of the Borough's changing population demographic (a shift towards more young, professional, affluent residents). Members felt that the spending power of this potentially under-served market could help stimulate economic regeneration around the Borough rather than being concentrated in small pockets.
- 5.3 The aim of the Challenge Session was therefore to identify what interventions the Council could make that would be transformative in supporting the economic regeneration of the Borough's town centres. To this end, Members heard evidence from Officers from the Council's Economic Development service, the ATCM, Angel AIM, Borough Market, Canary Wharf Group Ltd, and Waltham Forest Council. Members focussed the round table discussions

on stimulating economic regeneration through building relationships, such as: between potential shoppers and retailers, between retailers and landlords; and between landlords and the Council.

- 5.4 At the session, issues relating to leadership, support and engagement were identified.

Putting together a retail offer which is right for each town centre

- 5.5 Shanaaz Carroll from the Association of Town and City Management (ATCM) identified the ATCM's main ingredients for the future town centres as local planning and strong leadership. Participants agreed and said that as leaders they used their wide experience, local knowledge and 'gut feeling' when first establishing a strategic plan of action for regenerating their respective town centres. Christine Lovett from Angel AIM said that she sought out and spoke to landlords to get support for a long term commitment to the economic viability of the town centre including getting them share her vision for the right mix of businesses within the area. She spoke about how she persuaded one landlord to pick one type of retail business over another to help create that right mix, despite the landlord achieving a reduced rental income by doing so.
- 5.6 The report '*Retail-led regeneration why it matters to our communities*'⁵ says securing an anchor tenant is key to the success of the town centre as it can attract trade to the high street and influence the remaining tenant mix. Stuart Fyfe from Canary Wharf Group said that his gut feeling when working on the regeneration of Marylebone high Street was to identify Waitrose as the anchor store for the high street as he felt that this would set the tone for regeneration and subsequently attract the range of other identified shops that they saw as crucial to attracting the audience they were targeting. Sam Neal from Waltham Forest Council said that for Wood Street, a competitive process for the empty units in the indoor market was set with the aim of attracting the right mix of tenants that would boost the overall appeal of the town centre.

The value of Unique Selling Points

- 5.7 All participants agreed that it was important for town centres to identify their own unique selling points (USPs) and use this to develop a vision, strategy and action plan. However there was some debate about the extent to which consulting with residents about the strategic direction of town centres was useful. Some participants felt that consulting local residents and businesses could lead to a stifling of ideas and creativity because they were not always best placed to see the bigger picture, especially knowing about and understanding external factors which are not in their or the Local Authority's control, for example the impact of Crossrail and the changing demographics of the Borough. Councillor Golds agreed, highlighting the opening of the five Tesco Metros on the Isle of Dogs which despite local resistance to them not being 'the right kind of retail needed', are much used.
- 5.8 Emphasising the point about creating a USP for each town centre, Chris Paddock from Regeneris said that retailers should be discouraged from competing against other town centres in the locality. Also he said that retailers should be encouraged to work together within the town centre and become complementary to nearby town centres such as the City Fringe area

⁵ Retail-led regeneration, why it matters to our communities: DTZ, Business in the Community, BCSC Educational Trust 2008.

with 'Tech City' and the neighbouring Whitechapel which could capitalise on sciences. Councillor Golds highlighted the 'two Stratfords' – the new Westfield and the old Stratford shopping centre which complement each other in terms of retail outlets and catering for different shoppers.

- 5.9 Stuart Fyfe agreed, adding that he promoted the individual charm of town centres in the Borough such Petticoat Lane, Brick Lane, Columbia Road to businesses considering moving into the Canary Wharf complex as attractions for their workers.
- 5.10 Chris Paddock said that local councillors, as elected leaders for their communities, could be best placed to identify local visions for each town centre. He said that there was an information-providing and analysis role for the Council to play to support elected leaders in decision-making.
- 5.11 The Town Teams model has been heavily promoted and supported by the DCLG and the ATCM as a good way of getting together a partnership of stakeholders to provide leadership and management for town centres. In Tower Hamlets a Town Team was set up in Watney Market for the lifetime of the Portas Pilot but was then disbanded. In Chrisp Street Market the existing Town Team supported the delivery of the Portas Pilot initiatives and this work is still ongoing as is the Town Team. In Roman Road, residents and businesses set up the Borough's first town team and successfully bid for a small grant from the Portas Pilot project. The town team has become well established and now operates as the Roman Road Residents and Business Association (RBBA), a Community Interest Company. The RRRBA has developed a resident-led Vision for the Roman Road, and delivered a number of regeneration projects in collaboration with the Council.
- **Recommendation 1:** Develop a vision for each town centre that identifies the unique selling point and retail offer it needs to attract its target market
- **Recommendation 2:** Promote the opportunity for local town teams to be formed by residents and businesses and put in place a toolkit to support this. Encourage these town teams to be engaged in the development of the local vision

Healthy High Streets and social and environmental regeneration

- 5.12 A recent report by the *Royal Society for Public Health (RSPH)* named two Tower Hamlets High Streets (Whitechapel and Chrisp Street) in its top ten 'unhealthiest' London High Streets. The Society, members of the public and public health experts assessed high streets according to the types of businesses found and scored businesses on the extent to which they encouraged healthy choices, promoted social interaction, provided access to health advice and promoted positive mental wellbeing. RSPH's recommendations to create a healthier mix of retail in high streets included:
- Local authorities to be given greater planning powers to prevent the proliferation of betting shops, payday lenders and fast food outlets;
 - Public health criteria to be a condition of licensing for all types of business;
 - Mandatory food hygiene ratings linked to calorie and nutrition labelling for fast food outlets;
 - A limit of 5% of each of the above types of business on a high street in order to avoid oversaturation and provide affordable choice; and

- Legislation to enable local councils to set their own differential business rates to encourage healthier outlets and discourage those that are detrimental to health.
- 5.13 Andy Scott from Tower Hamlets Economic Development service spoke about the development of the Council's *Healthy High Streets Policy*. The policy aims to combine the recommendation from the Council's 2012 Fairness Commission report to limit unhealthy businesses (including fast food, payday loan and gambling outlets) and to promote the economic wellbeing of town centres, particularly in terms of the Use of Classification Order system, and the coordination of the wide range of Council services which have, or have the potential to have, an impact on the 'health' of the Borough's town centres. These range from strategic functions such as the development of planning policy, through periodic activity such as highways and public realm maintenance, to day-to-day operations such as street cleansing, markets management, or the work of Tower Hamlets Enforcement Officers.
- 5.14 The Mayor of London's *'Action for High Streets'* report recommends that successful town centres should be welcoming, distinctive, diverse and growing. Increasing the attractiveness and enhancing the character of the high streets through community events, public arts installations, lighting and festivals encourages people to spend their leisure time in the high street leading to increased footfall and spend. There was consensus amongst most participants that social and environmental regeneration was important and complementary in helping bring about economic regeneration; all three areas are interlinked. Both Shanaaz Carroll and Chris Paddock said that unless environmental issues such as cleaning up the public realm, lighting and community safety issues were addressed, it would be harder to attract the right kind of retailers to invest in the area.
- 5.15 Several participants felt that art installations, events and creating an overall environment for social interaction could also help to endear a town centre to consumers and create buy-in from retailers and other businesses. Howard Dawber from Canary Wharf Group reported that when Canary Wharf was being established he had a hard job to persuade retailers that this was good business sense which would draw in the customers who will then shop. Canary Wharf now hosts a variety of arts and events activities, many of which are free. Last summer this included table tennis pop up events and alfresco dance performances (Dancing City), monthly lunch market (April-September) supporting many small producers and independent traders as well as food from Canary Wharf's local restaurants and eateries. In addition, the large collection of public art in Canary Wharf group was a draw to visitors who might not usually visit the town centre.
- 5.16 In Wood Street, Sam Neal spoke about some of the small-scale ongoing physical and social regeneration projects such as a community planting day and an outdoor film screening. These events have complemented the market improvements and helped to revitalise the wider high street. Thirty shop front designs were developed through collaboration between emerging designers and shopkeepers. This has also provided exposure for the designers for future opportunities. The Wood Street Plaza was re-designed to make it more user-friendly with spaces to relax and play and with better connections to the market. New and existing businesses bought into the regeneration of the town centre. They worked together on the launch the regenerated town centre which attracted 500 people.

- 5.17 In Tower Hamlets, the High Street 2012 has carried out a shop front and building restoration programme along Whitechapel Road which has had a transformational impact on the way the high street looks and feels. An earlier programme in Roman Road was much smaller and pepper-potted grants along the length of the Roman Road East District Centre, meaning its impact was significantly dissipated.
- **Recommendation 3:** If feasible, develop a range of economic, environmental and social regeneration initiatives to attract footfall and spend, encourage new businesses, and support existing businesses into town centres – examples include:
- Support in initial establishment of websites and business associations/forums for marketing of the town centres to consumers and other enterprises;
 - Continuation of the use of art, cultural activities and events to establish town centres as destinations, with a presumption on these being resident-led where possible, with support and technical assistance (ie in securing council licences and approvals) provided by the Council;
 - Strategic, focussed grant programmes for shop front improvements which support the agreed vision and objectives of town centres;
 - Pop up shops, stalls or kiosks which allow both the Council and businesses to ‘test the water’
 - Explore the potential for ring-fencing future business rate growth from schemes like this to forward fund them
- **Recommendation 4:** Develop a high streets and town centres policy which establishes a local vision, strategy and plan for town centres in the Borough, focussed on economic regeneration as the central objective. Ensure that any update of the Town Centre Spatial Strategy, as part of the Local Plan review, takes the above into account
- 5.18 Members felt that there was currently no effective mechanism to assess the effectiveness of interventions on the economic regeneration in town centres. This is essential in order to ensure scarce resources are targeted in the most effective way. Establishing a Town Baseline as a snapshot of current standards and performance and conducting regular and systematic reviews of the town strategy and action plan is seen as a key element of a model for good leadership according to the DCLG-led *Future High Street Task and Finish Group*.
- 5.19 Members felt that indicators should be measurable and reported on a regular basis in order to ensure they are effective and to ensure remedial action can be taken if necessary. Indicators should benchmark the Borough’s performance against other Local Authorities.
- 5.20 With regard to identifying indicators to measure the success of regeneration, there was a consensus that the indicators toolkit produced with the study published by Gloucestershire LEP ‘*Successful town centres – developing effective strategies*’ should be used as a starting point rather than ‘reinventing the wheel’. It was felt that these generic indicators could be adapted where necessary to make sure they are locally relevant. The four composite indicators within the toolkit are grouped around the themes of performance, local economic context, size and diversity.

- **Recommendation 5:** Adopt suitable town centre KPIs, starting with the ATCM model which measure the economic and wider health of our town centres

Dedicated support from councils

- 5.21 Members felt that offering practical support for businesses was essential to attracting them to the Borough's high streets. They felt that one practical measure which could be implemented was to make the process of setting up business in the area smoother, leaner and less bureaucratic. In addition, offering advice and guidance to potential and existing businesses could help them to establish roots and grow. It is recognised that there is a role for councils to provide effective business support for retailers; some examples from were explored at the Challenge Session are presented below:
- 5.22 Members heard that in the London Borough of Waltham Forest there is a Town Centre Programme Manager role for economic regeneration for specific areas in the Borough. Sam Neil explained that the role enables her to have a strategic overview of the issues in the town centre and engages with all internal and external partners for holistic problem-solving, making linkages with local business forums, council services (economic development, markets, clean and green services, transport, public health etcetera) and councillors in order to resolve issues collectively.
- 5.23 In the London Borough of Newham, the Council provides support to businesses within the old Stratford shopping centre (which is now competing with the adjacent Westfield City). The shopping centre has rebranded as 'Stratford Island' which now includes a new gallery space and events to attract consumers. To support the economic regeneration of the shopping centre, a new Business Lab has opened providing free support to help small businesses get off the ground and growing. There are free weekly workshops, seminars and one-to-one coaching and potential small business owners are able to use the space to meet clients and run events.
- 5.24 In Tower Hamlets the Council has been piloting a town centre management approach in Roman Road since 2013. This has included the appointment of a town centre manager for the area, delivery of Christmas events and support for the locally-organised summer festival, extensive engagement with local stakeholders, and the development of a detailed action plan for the area following a town centre competitiveness audit funded by ADP. Although it is too soon to assess the long-term effectiveness of this approach in making the town centre more economically successful, he said it has been widely welcomed by local stakeholders as an important step towards the revitalisation of the area.
- 5.25 The *Tower Hamlets Markets Strategy* identifies traders support and training as crucial for market traders to help them tap into the potential of the changing demographic in the Borough. The Council's business and enterprise section on its website offers advice on starting or expanding a business as well as pinpointing services relevant to businesses. It lists businesses and networking groups in the area, sources of business finance and grants, and sources of business support external to the Council. The Enterprise Team produces a quarterly enterprise bulletin highlighting emerging issues and research, events and signposting to partnership organisations who provide free training. Recent and upcoming workshops

and events advertised include: Inspiring Responsible Entrepreneurship organised by Business in the Community, The Food Exchange organised by Enterprise Nation, Visual Social Media Marketing organised by LSBC, and 6 steps to a better business organised by Action Coach. The Council uses its business database and social media to proactively market this support to business in the Borough.

- **Recommendation 6:** Review role and responsibilities of the Roman Road Town Centre Manager post to ensure it is focussed on delivering the targeted interventions identified in the Roman Road Vision, and subject to funding, roll out for other town centres across the Borough
- **Recommendation 7:** Review the support available to local businesses in the Borough and proactively promote it

Utilising data and research to support regeneration

- 5.26 Participants felt that one of the most important ways in which councils could attract retailers into town centres was by providing a strong evidence base of qualitative and quantitative information to 'set the scene' for potential investors.
- 5.27 The Mayor for London's 2013 *London Town Centre Health Check Analysis Report* written in March 2014 identifies massive changes, future growth and potential for Whitechapel and Canary Wharf town centres, reporting an increase in the 45 minute catchment area by 2031 of between 1.4m and 1.7m potential consumers due to population increase and improvements in transport links.
- 5.28 Experian has identified five key consumer trends that characterise certain consumer behaviours in light of the economy, demographic change, and changing technology. Combined with well-established trends such as the demand for convenience, experience and choice, a composite picture of the future UK consumer can be developed:
- Getting older: focus on good services and leisure in nice, safe, local places
 - Expect choice: want to be able to shop and live on own terms. Business must meet our needs – anywhere and anytime
 - Use technology: technology is part of life, use it for information, shopping, socialising and deal hunting
 - Driven by value: new outlook, less credit, high costs, depressed income
 - Want experiences: leisure is important; we want places that offer unique retail, cultural, social experiences.
- 5.29 Responding to these will depend on each town centres catchment requirements and USP. Chris Paddock said that research indicates that consumers want more authenticity, and alternative shopping experiences to complement the traditional mix of high street retail businesses. ATCM guidance advises town centres to assess current vacancy rates and gaps by retail category and use this insight to attract businesses / retailers based on the current and future demographic nature of the town.
- 5.30 Keith Davis said that Borough Market had used research which showed that many people do not start thinking about what to have for dinner until 4pm to

encourage market stall holders to open later and stay open later in order to capitalise. Stuart Fyfe said that Canary Wharf Group had spent a lot of time persuading retail businesses to invest in Canary Wharf; one of their main retailers initially said no when they approached them to be an anchor store because of their pre-perceived ideas and prejudices about the area. When liaising with retailers, CWG emphasise the working population and changing demographics in the Borough as retail modelling is often based on out of date or incorrect assumptions. (The daytime population of the Borough is 392,960⁶ or 430,326 including tourists, over 120,000 more than the resident population.)

5.31 The Council's Corporate Research Unit already produces a number of products which are available to members of the public via the website, although it is unclear whether this is actively promoted as a tool for businesses. Analysis of economic and business data is available to help in the understanding of business structures in the Borough, changes over time and new emerging employment patterns, focussing on key sectors and specific geographies in the Borough. The Local Economic Assessment includes a comprehensive analysis of the local economy, the labour market, including demand and supply relationships in the Borough. The Research Unit also produces fact sheets on the demography of the Borough, such as population key facts and population projections, which could provide invaluable insight for businesses.

5.32 However, some data sets, such as footfall analysis or demographic data grouped by town centre catchment, are not readily available.

- **Recommendation 8:** Provide data analysis that will stimulate potential opportunities in the Borough's town centres, including qualitative and quantitative data, demographic analysis of the resident and working populations, outline existing market analysis, and external drivers for change

BIDS

5.33 Participants felt that Business Improvement Districts (BIDs) were often a good way of creating an environment where local businesses work together to build on economic attractiveness of the area and increase consumer footfall and spend. The ATCM actively promote BIDs and they are included in the Mayor of London's *Economic Development Strategy (EDS)* and the London Plan which highlight their role in 'place shaping' of town centres. Both the GLA and the ATCM fund a range of activities to support existing BIDs as well as future BIDs.

5.34 Christine Lovett explained that Angel chose the BID model to secure a number of years' worth of funding in order to achieve the ambition of economically regenerating the area. The BID Board spoke to businesses individually and independently of the Council, fostering relationships with businesses, and eliciting support for the BID. She found that businesses were often more positive towards an approach by the BID Board as opposed to the LA because they felt that the Board was working for them, and often felt that LAs worked against their best interests. The Angel BID has been a great success; fundamental to that success was a combination of the partnership work with the police improving safety in the area and the work of the BID Board in persuading tenants that this was the right option.

⁶ GLA London Datastore, Population during the daytime, Borough 2013 data released January 2915.

5.35 Both the GLA and ATCM acknowledged that not all high streets can or want to set up BIDs. Often there is a high proportion of businesses in town centres which are not eligible ⁷to pay the BID levy which could bring into question the viability of a BID. The decision to go for a BID is driven and led by businesses, there are statutory legal and procedural activities undertaken by the Council which are resource intensive and carry financial costs borne by the local authority. However the GLA offers some funding to ease this burden.

- **Recommendation 9:** Explore the potential for Business Improvement Districts (BIDs) within the Borough and, where potential BID areas are identified, work in partnership with the business network to promote the business benefits to local enterprises, including the GLA's programme of support for future BIDs

Attracting retail businesses

5.36 Attracting retail businesses is an important task in building healthier local retail economies. Many of our town centres have high occupancy rates, yet are missing key businesses that would support their transformation. Some of our town centres struggle to attract the specific retail businesses that have been identified as essential to the success of the centre's retail ecology. For example, the Roman Road East Vision – developed by the RRRBA – identifies good quality food as a key part of the Roman Road's offer going forward and singles out a butcher as the main priority to attract to the road. Despite efforts, it has proved hard to secure the interest of local butchers, who base their assessments of the Roman Road on its recent history of decline not on the opportunity that exists there. Some ten years ago, the anchor supermarket closed on Roman Road and a new Tesco is still yet to open, damaging the overall success of the retail centre as shoppers go elsewhere for their food staples.

5.37 Gloucestershire's '*Successful town centres – developing effective strategies*' report plots the 'performance' KPIs against the 'local economic context' KPIs to identify four different types of town centres and suggests local policy initiatives for each town centre 'type'. The '*Town Centres Futures 2020*' ⁸report also suggests examples of innovative ways in which town centres can react to the challenges and changes they face. Examples from both reports include:

- Developing local policies that build on the unique character of the area;
- Encouraging markets and other temporary attractions to encourage local food and craft producers to trade in town centres;
- Promoting a balance of daytime and night time economy;
- Promoting the use of 'click and collect' points within the town centres to encourage footfall;
- Investing in shop front and public realm improvements;
- Introducing empty property initiatives eg. empty shop management orders;
- Supporting local businesses eg through favourable rents, pop-up businesses and short-term/seasonal schemes;
- Investing in place branding and marketing; and

⁷ Businesses with business rates under a certain threshold are not eligible to pay the bid levy and do not have a vote.

⁸ Town Centres Futures 2020: an Experian marketing services white paper in partnership with the ATCM, September 2012.

- Helping business to access finance.

5.38 Participants identified a range of activities that they had undertaken to attract retail businesses into town centres. Sam Neal spoke about Wood Street's indoor market which is council owned and had a 50% vacancy rate. The council offered a three month rent free period to retail businesses with a further three months at half price rent. Offering a short-term incentive period of reduced rent helped to attract businesses looking for a high street presence and showed the demand for small and affordable start-up space in the area. Stuart Fyfe said that Canary Wharf, which launched in the middle of a recession, had also offered inducements in the form of subsidised rents in order to attract businesses into the centre.

5.39 Sam Neal said that during the rent inducements period, new tenants in the Wood Street Indoor Market were also offered free Wi-Fi, water, heating, rates and rubbish collection. Waltham Forest Council supported the development of a bespoke website and use of social media to help promote the market. The new web and social media platforms helped to build a strong following and brought positive media attention, and contributed to positive perception of the area and increased local enthusiasm for the market.

5.40 Some participants warned that councils needed to be cautious about the amount of support they offered as it could end up being a double edged sword if businesses expected high-level ongoing support. Sam Neal agreed, and said that Waltham Forest had learned from the experience of Lambeth Council where businesses on Brixton High Street were offered a six month rent-free period then straight into full rent. That scheme was deemed to have failed because businesses had failed to adequately consider the impact of paying rent after the grace period would have on their cash flow.

In markets, a slightly different problem exists, where most markets in Tower Hamlets operate at near full capacity (when temporary traders are taken into account) but where new traders are accepted almost on a cab-rank principle. This means that there is little ability to actively curate the offer within individual markets to ensure that they continue to meet changing shopping habits and demographics, and that local visions may be achieved.

- **Recommendation 10:** Explore developing a package of inducements that could be offered to targeted businesses identified as essential in town centre visions
- **Recommendation 11:** Explore the viability of an approach whereby the Council will consider, in a small number of cases, taking on a short-term lease and grant-funding the fit-out to create a unit to market to specific retail uses identified as essential to the development of a local town centre vision
- **Recommendation 12:** Roll out the policy for accepting new traders into our markets to ensure that the retail offer within markets can be more actively curated

Promotion

5.41 Canary Wharf, Angel and Borough Market also have strong web and social media presence, including details on the retail offer and a 'what's on' guide of

events. Some town centres in the Borough have created their own online presence, for example The Roman Road Resident and Business Association (RRRBA) which is run by a group of volunteers who also put on the Roman Road Festival, and run the Roman Road LDN website. The group also campaigns actively on planning issues and market management on Roman Road. Tower Hamlets Council promotes town centres through the weekly free newspaper East End Life, on the website and through social media @towerhamletsnow. The Economic Development team are also creating profile pages of the main town centres in the Borough on the Council's website. The information available will be about the services available, access routes, maps, festivals and events. There will also be links to individual websites, for example the RRRBA.

- 5.42 Shanaaz Carroll reported that the ATCM and National Skills Academy for Retail are working together to deliver a digital skills education project aimed initially at high street retail SMEs. The objective of the project is to fill the "Digital Divide" between small and large businesses, and to demonstrate that digital up-skilling could deliver economic and social results helping to revitalise town centres.

Engaging with landlords

- 5.43 One of the drivers for this review was the perception by some Members that there are too many vacant retail properties in the Borough's town centres. They felt vacant shop fronts did not help to foster a feeling of economic prosperity, and they felt that the Council could do more to engage with absentee, disengaged or obstructive landlords to bring them into the vision for retail-led regeneration.
- 4.44 Andy Scott reported that there is no lack of demand for retail properties in the Borough. The Borough's vacant business property rates of 8.6% across the Borough's major and district town centres compared to the national rate of 10.4% nationally⁹, occupation rates in the Borough are relatively high. Nonetheless, many good quality retail businesses that would benefit the offer of our high streets still struggle to find landlords willing to rent units to them and members were keen to investigate practical suggestions for dealing with those landlord who were absent or disengaged.
- 5.45 The ATCM '*100 Ways to help the High Street*' report suggests that many landlords would be open to taking an interest in the health of their town centre if for no other reason than that thriving town centres can be economically advantageous to the value of their property. The report suggests working with landlords to make empty units available for pop up uses, sometimes free of charge; offering shorter, flexible leasing arrangements; and visually enhancing vacant units to improve the look and feel of the property and surrounding area.
- 5.46 Christine Lovett acknowledged this issue as a major challenge in regenerating town centres – in Angel AIM area there are six major landlords and only around 10% landlord engagement. She said liaising with landlords was very important and said that perseverance in fostering good relationships was the key. She had had some successes where the Council had not because some landlords in the town centre had a poor opinion and relationship with local authorities, with landlords often seeing LAs as too bureaucratic.

- 5.47 It was recognised however that some landlords sit on premises for a host of reasons, including seeing properties solely as an investment opportunity, for pension funds or in the hope of converting to residential which is more profitable. Andy Scott advised that although some shops look empty, they are in fact acting as warehouses or overflows for nearby shops. Participants agreed that whilst it is often impossible to engage with some landlords, working with accommodating landlords could act as a catalyst which can bring round the disengaged landlords.
- 5.48 Participants agreed that it was easier to regenerate a town centre with your own business property stock. In Tower Hamlets the portfolio of business property stock for which the Council is landlord is very small. Sam Neil agreed - one of the reasons Wood Street was chosen as a pilot for regeneration interventions was because the indoor market was owned by the Council. In the wider Wood Street town centre she works with landlords who have empty properties but are keen to fill them. Subject to meeting specific criteria, the Council undertakes a revamp of the shop front (or provides grant funding for landlords to do so themselves). In return, the landlord gives the space for free for a period of time for the Council to offer to new businesses and for trying out emerging markets.
- 5.49 With funding from the High Street Innovation Fund, Tower Hamlets Council established a pilot project – the Enterprising Town Centres Initiative (ETCI) - using resources from the High Street Innovation Fund (HSIF) allocation and Section 106 funding. The pilot project was intended to identify owners of vacant premises in Roman Road, and come to an agreement with them about consenting to meanwhile uses – that is, temporary tenancies - in those premises in order to bring them back into use. The “meanwhile” tenants would be people who would occupy part or all of the premises in running a business, preferably somebody who had not run a business previously from commercial premises. Roman Road was chosen as the location for the pilot project, as it is the town centre within the Borough with the highest level of high street commercial premises vacancies. The intention was to roll a project out to the Borough as a whole on the basis of the track record of the pilot project.
- 5.50 The deal offered was that the Council would take a short-term tenancy for two years or more, take on the burden of business rates and prepare the premises for temporary uses. The Council would pay a rent of up to 30% of the going commercial rate, depending on the physical state of the premises, and in turn let the property out to new-entrepreneur tenants.
- 5.51 Despite intensive efforts, and negotiations with a number of owners of vacant premises, the Council was unable to find takers for a deal of this nature. This indicates that, in Tower Hamlets at least, there is not really a problem of long-term vacancies: the vacancies which are seen in town centres may indicate premises in which there are in fact uses happening, or premises which are off the market as the owners are hoping to convert them into higher income generating uses (especially residential) or premises which are vacant only transitionally, as they await new commercial tenants.
- 5.52 Lessons learned from the ETCI pilot, which was terminated in March 2014, has accordingly led to a rethinking of how HSIF resources can best be used

to support town centres in the Borough. Two initiatives are currently under consideration:

- 1) Establishing tools that can best be used to encourage owners of vacant high street retail premises to bring them back into use – that is, enforcement of planning regulations, where relevant, and the possibility of the Council using compulsory purchase powers as a last resort; and
- 2) Following the same principles as developed in the pilot project in Roman Road, but targeting non-retail commercial premises rather than retail premises. If vacant non-retail commercial premises are situated in or near a town centre in the Borough, meanwhile enterprise uses in those premises should help to improve economic conditions in that town centre.

5.53 A recent feature of town centre management in Tower Hamlets has been an accelerating trend in some town centres for landlords to apply to convert substantial portions of retail units into residential, with flats being built in basements and at the back of shops. Too often this results in retail units that are exceptionally hard to let for retail use because they are too small or oddly shaped, have lost part of their street frontage, or have little or no storage or service areas. Many of these retail units have remained empty subsequently, with the only viable use being office or service sector, further damaging the retail ecology of a town centre. Efforts to prevent these conversions have been hampered by the absence of town centre specific policies and data sets, including an SPD on retail unit viability.

- **Recommendation 13:** Finalise and formalise the Council's approach to proactively establishing and using tools to encourage owners of vacant high street retail premises to bring them back into use
- **Recommendation 14:** Identify and engage with absentee landlords to identify current premises use and explore options for alternative uses
- **Recommendation 15:** Convene a working group to identify how retail units may be protected through planning measures from unsuitable conversion as part of the Local Plan review
- **Recommendation 16:** Develop a retail unit viability study.