



BRITAIN'S TOWN CENTRES
ON THE OPERATING TABLE

MORE THAN STORES

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MONTFORT

Executive Summary

The reasons why we've fallen out of love with our town centres and high streets are well understood. Footfall continues to drop at a staggering rate of 1% annually because of structural changes in the way we interact with traditional retail locations. Factor in the proliferation of digital retailers and online marketplaces, their accessibility and convenience, cultural shifts, competition, Covid-19 constraints to investment of the right type and timeframe, and you have a potent cocktail that is rapidly accelerating town centre decline.

Despite the sheer scale of resources needed to mobilise nationwide regeneration, Government attempts to resuscitate town centres and high streets are, at best, half-baked and, at worst, damaging. Sales levies, piecemeal reforms to business rates, VAT and licensing; cash injections, grants and temporary funding for high street businesses, are interim solutions spread thinly — carrying the risk of misallocating limited government funding and rewarding places where intervention may not have the greatest impact.

Why are we getting revival so wrong? How do we reverse the exodus from town centres and reassert the 'core' of local community? Our town centres could be secure, sustainable and vibrant places for future generations to enjoy. But it feels like we're misdiagnosing the illness and throwing short-term fixes at the issue to see what sticks.

At its heart, this report speaks to three hard truths that must not be ignored if we are to successfully promote and deliver long-term, large-scale regeneration.

First, town centres mean more to civic life than their retail offering. A new occupier isn't going to immediately attract new footfall, or guarantee footfall that is both constant and self-sustaining. The obsession with finding an 'anchor tenant', and incentivising recognisable brands to lay roots through favourable lease

terms, only perpetuates dependency and makes town centres and their high streets mirror-images of retail parks and shopping malls.

We suggest that sustainable regeneration and town centre revival that truly 'sticks' lies in planning for a wide range of uses - or 'anchors', to borrow that parlance - including retail but beyond it to span housing, flexible office space, logistics, healthcare, education, heritage reactivation and the innovative reuse of vacant land.

Second, we need to accept the fact that resources are limited. Public funding will not stretch to every place that requires it, so we must consider which places are more 'resilient' relative to those in urgent need of government intervention to 'regenerate'.

To that end, our Regeneration Index identifies and ranks the 50 most resilient market towns with the greatest potential for organic growth, and 50 market towns in most urgent need of government support through public spending and other interventions to kickstart regeneration.

Third, and perhaps most important of all, private capital does not have the policy pathway necessary to make investing in town centre regeneration financially or socially compelling. For that reason, public-private collaboration is viewed unjustly as an exception, rather than a natural outcome of good plan-making.

It is here that More than Stores recommends policies for every market town to prosper, by recalibrating the way that local authorities work with developers, land promoters, statutory consultees, consultants, investors and agents of change.

Introducing *More than Stores*

The Serum to Save Town Centres

Like winning the lottery, high profile occupiers in town centres and on high streets can be transformative. One international clothing company, one beauty franchise, one cutting-edge restaurant, celebrated bakery or in-vogue boutique; one 'anchor tenant', is enough to reverse a decade of malaise.

When a catch-all solution seems within touching distance, the temptation is to cling tightly to those odds — no matter how small. After all, it wouldn't only be the retailer that would stand to benefit. By their very nature, anchor tenants have a gravitational pull that creates footfall, and by extension revenue for surrounding businesses.

Of course, there will be a favoured few that will see their numbers called. And within that group a fraction will see enduring success. The remainder may only enjoy a temporary boon. Reliance on something that may not be there when economic conditions change can never be sustainable, even if it appears to be at the time.

For the majority less fortunate, waiting will be an opportunity lost.

Staking town centre revival on a retail-led solution; something hardly sustainable in the first place, is common across many pre-industrial market towns that are undergoing a crisis in identity and of form and function.

Instead of devoting resources to structural issues undermining growth, such as housing affordability, infrastructure and the accessibility of town centres, these market towns have stagnated.

At a time when regeneration is a policy priority, there couldn't be a better moment to recalibrate the way we think about town centre sustainability. Limited government funding and the lack of wholesale thinking about regeneration at scale also presents

an opportunity to set out precisely where investment of private and public capital will have the greatest impact.

More than Stores presents a framework for regeneration that consciously moves away from retail as the only measure of success of town centre vitality. Self-sustaining town centres, as this report outlines, depends on an array of 'anchors'. Town centres should blend and interweave retail with residential housing of mixed tenures, flexible office space, logistics, leisure and entertainment, with critical secondary and tertiary healthcare, education and community assets that reanimate the history that makes every market town unique.

Not every market town will have the local resources to do this without government support. By contrast, some market towns have all the necessary infrastructure to grow organically. To level the playing field and mitigate against the potential for funding to be untargeted and thinly spread, More than Stores outlines 50 market towns in most urgent need of government intervention to regenerate, and 50 'resilient' market towns where a more hands-off approach is possible.

Along with our policy recommendations to enhance public-private sector collaboration, this is the roadmap we can use to navigate regeneration. Town centres and high streets all too often rely on a retail 'anchor' to generate footfall, but let's not kid ourselves that this is a recipe for long-lasting success. If supported by policy to promote wholesale regeneration, imaginative and dynamic uses interlocking and adjacent to one another will herald places that are both adaptable and attractive in the face of structural change.

MORE THAN STORES



MEANWHILE SPACES



LIVING HERITAGE



LATER LIVING



RESIDENTIAL



HEALTH CARE



RETAIL



EDUCATION



LOGISTICS



BUILD TO RENT



OFFICE

The Context

Regenerating underserved town centres has been a cornerstone of successive governments' social policy over the past two decades.

In its latest incarnation, "Levelling Up", the notion of regenerating regional towns has been broadened to mean the creation of sustainable, vibrant places to live, work and visit. To that end, public funding embodied in "Town Deals" has principally been ringfenced for the repurposing of derelict and underperforming buildings, encouraging the creation of community-owned facilities and space for new retail-led enterprise, entertainment, leisure, and the commissioning of new public spaces for culture and learning.

Despite the emergence of several new government funding pots over the past five years, the general sentiment is that these have served to introduce further complexity to an already

bewildering amalgam of programmes – including the Future High Streets Fund (FHSF), Towns Fund, Levelling Up Fund (LUF), Brownfield Land Release Fund (BLRF) and adjacent heritage-related funds such as the High Streets Heritage Action Zone Scheme and The National Lottery Heritage Fund.

More importantly, the current funding regime tops out at as little as £9.9bn over the next five years, the same as the costs of construction of just seven Westfield London shopping centres, three King's Cross redevelopments, or 3.5% of the anticipated defence budget committed for the same period.

Town regeneration



£9.9bn over the next five years on town regeneration.

- 1 £1bn Future High Streets Fund [in phases, and capped]
- 2 £2.6bn Towns Fund [broken down into max £25m Town Deals]
- 3 £4.8bn Levelling Up Fund [in phases, and capped]
- 4 £250m estimated The National Lottery Heritage Fund [in practice, £250k to £5m]
- 5 £7.4m High Streets Heritage Action Zone scheme [£7.5m since inception]

TOTAL: £9.9bn

THE SAME COST OF CONSTRUCTION OF JUST



OR



OR



The anchors of sustainable regeneration

Awaiting further government investment is wishful thinking. And in light of this funding gap, to fully realise sustainable regeneration, we'll have to rely on public-private collaboration between investors, developers, consultants and local authorities while endorsing a planning framework that lends to and consciously supports a dynamic, multipurpose approach to regeneration.

What does this look like in practice? What are the 'anchors' we should be building into large-scale regeneration, beyond high street retail, leisure and entertainment which we're already familiar with? While it is difficult to cleanly disassemble and isolate every component, there are clear asset classes that serve as anchors which ought to coexist with one another:



• **Housing** Affordability constraints place a ceiling on the sustainable growth of town centres. To shake off this worsening situation, regeneration should prioritise the provision of

private and social housing at mixed tenures, including build-to-rent (BTR) and later living accommodation in central, ultra-sustainable urban locations, either standalone or through the repurposing of vacant spaces near to high streets; residential development near community focal points; and family housing for rent in appropriate suburban locations.



• **Healthcare** The Covid-19 pandemic proved to be a significant inflection point for our National Health Service and its relationship with the third sector. Especially in the context of routine

treatments and minor diagnosis, the town centre would be well-suited as a hub for these functions - if enabled by planning policy - to alleviate strains on centralised hospitals at a time of structural population ageing.



• **Flexible offices** Hybrid working is here to stay, and as employers reach for talent further afield and the flexibility of working patterns emancipates employees from the daily commute,

market towns - with their lower rents and dynamic floorplates - can offer a way to host flexible work when a building would otherwise be underoccupied.



• **Meanwhile spaces** Where there are vacancies within the town centre, these voids could be reduced through temporary occupation. 'Meanwhile' use, for example, using

an empty ground floor to host creatives, handicrafts, volunteering or community exhibitions, ensures a continuity of excitement within the lifeblood of a town centre.



• **Education** Higher education institutions have the patient capital, long term outlook, ESG expectations and the desire to connect with the general public to catalyse regeneration. In some

instances, this will be the repurposing and conversion of buildings centrally to facilitate education; timetabling to support and incubate new businesses; campus expansion to entice new businesses to lay roots; and the accommodation of a student body which brings with it spending power.



• **Heritage** The identity of a town centre is as much about its built fabric as its community. In many cases, iconic heritage has slipped into disrepair or is underperforming for

want of preservation, when it could be enhanced and sensitively reconstituted. This distinguishes one town centre from another at a time when the offering appears almost unanimously identical and can often be configured as a combination of civic, cultural and leisure uses.



• **Logistics** High street retail might see the rise of e-commerce as a potential threat, but town centres themselves can accommodate the variegated logistical requirements of on-

demand shopping, from warehousing and storage on the periphery of a community, to micro-distribution facilities, dark kitchens and localised parcel delivery units, which bring further footfall into town centres.

Each anchor co-exists in a sustainable, diverse approach to regeneration, while bringing opportunities for employment ('anchor tenants' in their own right), revitalising local retail and fuelling civic pride in a town centre as more than a purely transactional destination.

Town centre anatomy

Market towns that strive for diversity, inclusivity and multifunctionality will be rewarded for being adaptable in how they plan for a genuine mix of uses.





Living above the shop isn't a new idea. We need to reimagine and reinvigorate town centre living using a diverse range of traditional rental, build-to-rent (BTR) and later living to drive economic activation.



Bringing the community back in

Curing an Affordability Epidemic

When did our town centres become places to work and play, but not to live?

We can't speak of sustainable urban centres without mentioning the essential role of housing. The population that lives in and around town centres is a high street's consistent footfall, the genesis of its social infrastructure, and the backbone of repeat business necessary for local trade to thrive.

The under-provision of housing over the past few decades, when coupled with wage stagnation, has made renting or buying a home more expensive in real terms than it has ever been. For those looking to lay their roots in market towns, particularly established and growing families, the cost of accommodation in a period of deep intergenerational inequality means they're forced to look further afield, either in a different settlement or on the fringes of a community detached from the town centre. This creates atomisation as town centres are up ended by a disparate array of smaller parades to cope with their growth, and 'hollows out' town centres of their residential function over time.

Housing is a sophisticated market in demand terms. While the system we're accustomed to is designed for the for-sale market, build-to-rent (BTR), co-living, student accommodation and family housing, to rent and to buy are all vital, density-appropriate housing tenures to ensure the efficient and sustainable use of limited space in urban centres.

Capital&Centric, Farnworth



Eddington, Cambridge



Latitude Blue, Leeds



In these cases, we'll have to think carefully about both ends of the density spectrum. Locking out a certain degree of civic society and artificially creating cultures inside and outside congestion zones or those greater or less serviced by community transport potentially accelerates the steady dilution of the relevance of town centres to a town's population.

“Build-to-rent (BTR), co-living, student accommodation and family housing, to rent and to buy are all vital, density-appropriate housing tenures to ensure the efficient and sustainable use of limited space in urban centres.”

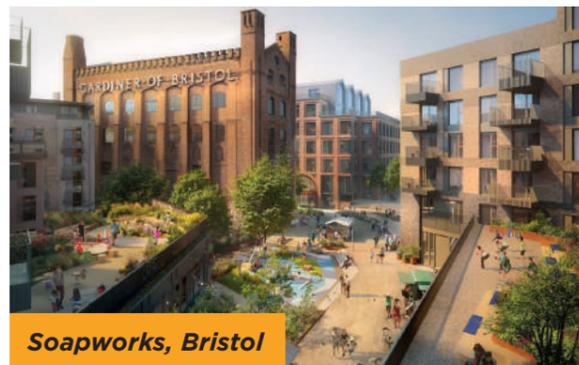
There is an appetite politically for intensification, too, and so while the distribution of housing from city-to-village is important to promote choice, existing urban centres – including market towns – are fertile ground for a greater concentration of dense, space-efficient developments.

Where interconnectivity is greatest, a larger population in the immediate locale is the critical mass necessary to re-instate the role of town centres as a physical core of a community. These developments bring people, and a mix of tenures.

Historically, housing was an inseparable part of a town centre. Sources of land, like old brownfield sites, infills, conversion of existing offices and redundant retail premises, can complement the repurposing of space above the ground floor of retail units and shopping centres. If brought forward quickly, with a planning system that can flex to prioritise reinvention of these underperforming assets,

we'd curate communities closely related to, and invested in, the health and vitality of the town centres and high streets in which they are situated in.

Of course, brownfield land is not available in droves, especially in market towns. Balanced communities require a range of house types situationally that sit adjacent to a town centre, serviced by green infrastructure that is environmentally sustainable and future-proofed, ready for renewable energy.



Soapworks, Bristol

The Almere, Milton Keynes



Town centres inclusive of every age

Better provision of later living accommodation in town centres will be essential if the UK is to manage its changing demographics. Bespoke later living space in town centres will let retirees rightsize their living space, free up larger homes for families and create footfall.

Chocolate Quarter, Keynsham



Reintroducing Later Living back to Town Centres

Town housing for old age and retirement has its roots in medieval almshouses, designed as a means of independent, low-cost living. Today, social isolation, immobility and segregation from the community are dominant criticisms of out-of-town retirement communities and care homes. Why do we approach the elderly so differently than we used to?

It should be obvious to anybody that the elderly are as entitled to access town centre services as much as anyone else.

And yet, too often, we plan for care communities that are wholly disjointed from where the community congregates – a relationship of isolation exacerbating mental and physical decline.

This is a demographic that will need more consideration in the decades ahead of us: data from the Office for National Statistics shows the population in retirement will increase by 31% to 16 million people by 2041. Never before has the UK dealt with such high demand for property that meets the needs of retirees and the elderly: and with a wide range of needs that cover retirement, sheltered housing, assisted living, and extra care facilities.

Almshouses, Bedford



Integrating later living into the very heart of our communities and high streets is not a new or revolutionary idea. Societies all over the world have been doing it for centuries: almshouses once formed the centre of English towns and villages, and many continue to operate, providing more than 36,000 elderly people across the UK with housing and a community.

shops, restaurants, and other amenities. Right-sizing into town centre later living can also achieve wider societal benefit. For example, it has the potential to free up larger homes for younger families in suburban locations, helping to alleviate serious and perennial pressures in the UK housing market and giving younger people a chance to get onto the property ladder or size up from small flats when having children.

“31%”

The total UK population in retirement by 2041
ONS

“500,000 later living homes”

Can be unlocked by 5,000 high streets
Assael Architecture

This model has seen rapidly growing success where it has been implemented across the UK today. Lifestory has built two retirement schemes in the historic Regency spa town of Cheltenham specifically located close to the high street and within easy reach of coffee

Relocating later living back into high streets also mitigates the ‘silo effect’ that suburban and out-of-town later living facilities can have on mental health and wellbeing, offering greater opportunities for socialisation.



Part of the vibrancy of high street life is walkable communities that promote purpose and belonging, with tangible research-led evidence that engagement with a community can help prevent many physical and mental conditions commonly associated with later life.

Later living developments offer concentrated communities in a safe environment, with all the benefits of addressed health inequalities. It also saves money for the NHS, generating money and creating economic activation for adjacent businesses, which calls into question the benefits of a dedicated use class to urgently meet this pressing need.

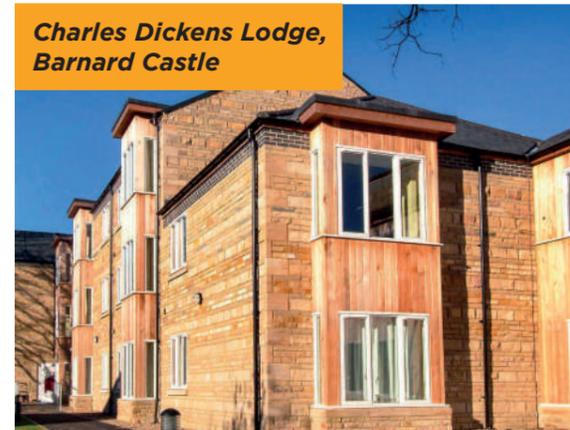
Cathedral Green Court, Peterborough



Marlborough Buildings, St Albans



Charles Dickens Lodge, Barnard Castle



Middleton Hall Retirement Village, Darlington





Rethinking the primary point of care

The Covid-19 pandemic saw people treated in village halls and car parks, and showed that healthcare can exist outside of hospitals and surgeries. A wider medical presence on our high streets can help drive occupancy and better access to health services.

Learning from Unconventional Approaches to Healthcare

The urgency of the Covid-19 pandemic, and the speed required to deliver vaccines into the arms of a nation, demanded structural change in the way we interact with healthcare.

At the height of the Covid-19 recovery plan, when pop-up health clinics and vaccine centres arrived in car parks and lay-bys, on the town square, and surfaced in previously vacant premises on high streets, healthcare looked radically different than the traditional hub-and-spoke arrangement of a local GP surgery convening with a regional hospital.

For NHS services seeking to deliver healthcare services more effectively and appropriately within the community, necessity has been the mother of invention. Produced during the pandemic, the NHS Confederation's Health on the High Street report is recognition that a broader range of minor, more routine treatments could be more accessible in town

centre locations, without costing more than the current system.

Embedding health services in town centres has advantages in its accessibility, efficiency of delivery, effectiveness and additional capacity which can help address health inequalities, but it is operationally complex. NHS provision has scarcely changed for 70 years, and while there have been framework changes to rationalise procurement, referral and triage, the provision of healthcare is difficult to separate cleanly.

GPs are talking about the possibility of new health and wellbeing hubs, crossing over from traditional healthcare in large, purpose-built infrastructure to decentralised care. Why did we wait for a pandemic to set up vaccination centres on the high street, convenient for people's everyday lives and easy to access? We could have been delivering MMR or flu vaccines in places convenient for the population for years, while reducing pressure on the health service and GP surgeries.

While small changes, like empowering pharmacists to diagnose and prescribe to treat minor illnesses, won't require as much physical logistics to take forward, the availability of real estate in the right areas and its repurposing to accommodate a broadened service provision is not in the thinking of policymakers or local authorities.

Towns and cities are expanding with developments on their peripheries without allowing for vital health infrastructure, be that GP practices, pharmacies or dentists. Comprehensive research from the BBC found in a third of the UK's more than 200 council areas no dentists were taking on adult NHS patients, while eight in 10 NHS practices are not taking on children. We can't sit back and allow the gradual disintegration of the consensus of the Beveridge Report that delivered free-at-the-point-of-use healthcare for millions.

Where primary care has made it into town centres, scaling up these facilities poses another conundrum. This is more essential than we might think: as new, sustainable housing for older demographics will make its way into urban centres, healthcare provision in town centres will need to absorb higher demand from a wider catchment, which isn't accurately predictable.

Reacting to the sheer volume of patient registrations risks GPs being short-staffed and constrained in the absence of a planning system that is responsive to localised health needs as they arise. GP practices receive a colossal volume of enquiries that could be better dealt with elsewhere in specialised practices, including minor ailments or mental health problems.

Regeneration, irrespective of where it is in the UK, will need to be cognisant of the way demographic change will shape and underpin the demand for local services. Sustainable town centres can expect to see a rising tide of in-town later living accommodation because of the benefits both the elderly and local businesses stand to gain by being in close quarters.

There should also be a role for public healthcare bodies to be statutory consultees on new developments and expanding town centre-based healthcare services, coordinating planning with integrated care system population health plans in mind. After all, there was a time when town centres were the primary point of care for minor injuries, chronic disease management and rehabilitation.

There is an enormous opportunity in light of the adaptability seen during the Covid-19 pandemic to relocate certain minor functions of the NHS and social care services into a civic space. There may also be the integration of public-private services in the form of community hubs, which act as knowledge centres and minor treatment facilities to alleviate pressures on the NHS' core infrastructure.

To do this, we'll require a needs-based approach that identifies and plans for suitable space for healthcare services in town centres and high streets, and a more active role for health bodies to be involved in the planning of spaces within town centres that affect population health - now, rather than later.

Taking flexible offices to town

The way we work has changed: the pandemic and socioeconomic factors have broken the monopoly of the physical office. We need to re-evaluate what role modern offices play in our high streets.



The Structural Opportunity of Hybrid Working

The unchanging traditional office format has been dealt a terminal blow by kitchen tables, local cafés, and working from home en masse, which would have been unimaginable before the pandemic. Flexible working patterns raise challenges for our high streets and town centres, many of which include office-based commercial real estate that sits in an awkward grey space.

Offices accounted for around 11% of all addresses on British high streets in March 2020, with sectors using office space making up between 29% of high street employment in the North East and 49% in London. Offices have represented not only a significant part of our town centres in terms of raw square footage of commercial real estate, but also a significant driver of footfall, as local ancillary businesses from cafés to food delivery to couriers are supported by their presence.



Working from home and the part-time use of offices has shaken up where people live, as well as where people work. Reduced dependency on the commute opens up the potential to live further away from cities' economies, notably into market towns. Flexible, more mobile working practices will also translate into more sophisticated demands for working space in these areas, including co-working and short-term leases.

Market towns may not yet be fully adjusted to this new reality, as the 'flex' model of office leasing is still nascent in metropolitan cities. The availability of space and the dynamics of competition between regional companies might also mean there is less of a need to sell an adjustable fee - though the prevalence of homeworking might well mean businesses see no benefit in a flagship office at all without a more flexible agreement.

Rather, we can flip this on its head as a structural opportunity. The large flagship offices of established business may well become a thing of the past, but the inherent flexibility of the nature of much of modern professional work allows us to approach the concept of the office in a more flexible and dynamic way.

That, in turn, permits office providers to be flexible, not least in the pay-per-desk space where town centres could benefit from being landing pads for hybrid workers seeking a furnished office space in close proximity to their home.

“Offices make up a significant proportion of UK high streets, accounting for 11% of all addresses.”



Meanwhile spaces

Town centres and high streets have suffered from the rigidity not only of use class but of thought. Meanwhile use provides the ultimate flexibility of tenure and space and creates texture and variety on moribund high streets.



Stoke City Council's building, and the Hilton Hotel construction build



Making Efficient Use of Spare Capacity

Short-term 'meanwhile' leases and time-share spaces are examples of flexible stopgaps that ensure high streets and town centres remain active as seasons change. In contrast to shopping centres, which have only recently embraced flexible retail leasing, town centres have a history as home to transitory services.

Whether it is the rigidity of the planning system, or councils' administrative approach to leasing, town centres and high streets lack the necessary agility to accommodate transitory, seasonal and part-time uses, which could fill the voids left by departing retail.

A 'meanwhile' use refers to the temporary repurposing of vacant space or brownfield land to create micro-retail, cultural or community space, similar to property guardianship – allowing the vacant space created by the changing face of the high street to be better used in the short term.

Meanwhile uses can help to build high streets that retain flexibility, fluidity and resilience in amenities and offerings to consumers, residents and visitors throughout economic cycles. It removes 'decline factors' on the high street, such as the establishment of betting shops or charity shops which have an impact on perception and psychological confidence in the high street in the minds of users.



Capacity and demand can be managed in the context of changes to market conditions and consumer taste by incorporating a greater commitment to short or mid-term leases for meanwhile use projects – including, where applicable, residential meanwhile use. Meanwhile use also provides spaces for independent start-ups and small businesses while reducing empty space and vacant units on high streets, creating opportunities for local businesses.

Meanwhile use reduces the 'urban blight' effect of vacant shops, which drive down footfall and contribute to a lack of confidence in the high street. Academic studies conducted into the so-called 'Rust Belt' in the United States, in cities such as Detroit and Pittsburgh, have suggested that leaving a unit empty can have profound long-term consequences in terms of decreased economic outcomes, activity and wellbeing, and increased crime and antisocial behaviour.

Meanwhile can also be used for residential purposes – for example, repurposing an old pub in an area that can no longer support it as a viable business as flats or a single dwelling – on short, medium or long-term leases as part of property guardianship schemes, where vacant property is revitalised and maintained. With the right regulatory framework in place, town centres and their high streets can accommodate dynamic combinations of uses to ensure a rhythm of continuous activity, driven by the optimal use of space at each season. This could include nurseries and more formal education, like IT, in spaces where they can seasonally occupy them with discounted rent and fewer overheads associated with purpose-built real estate; but also business incubation, volunteering, community events and exhibitions, pop-ups and host local enterprise – everything that supports the lifeblood and individuality of a town centre.



Universities and colleges can be town centre placemakers

Some of Britain's most visited high streets are in university towns. Providers of higher and further education have increasingly been recognised as significant providers of footfall and economic activity, delivering training, skills and higher education on the high street.

The Power of Public-Private Collaboration and Patient Capital

When polytechnics became fully fledged 'new universities' in 1992, and colleges obtained their independence from local authorities, market towns stood toe-to-toe with the UK's traditional centres of learning for the first time.

Since then, student demand for regional education in areas like York, Durham, Worcester, Lincoln, and Chichester has skyrocketed, driving economic activity in regional centres while their campuses mint new research, employment opportunities and industry start-ups.

The unrivalled growth of universities and their student bodies in market towns and the 'town versus gown' complex this creates desires

innovative forms of local engagement. When many universities are a market town's largest employer, their role transcends teaching.

Town centres and the communities they serve stand to benefit from more active higher and further education providers. Especially as universities and colleges take up space within and on the periphery of high streets, they bring with them student spending power, patient capital and a long-term outlook to regeneration and business growth that re-activates underperforming and vacant land for public good.

The University of Worcester is an example of mixed-use regeneration in action. Originally situated within its single site St John's Campus on the southwest of Worcester city centre, the institution's ambitions to expand catalysed the redevelopment of Royal



Worcester Infirmary, directly connected to the city core. In addition to repurposing listed assets, the city campus co-locates education facilities with space for business incubators and student accommodation – creating public green space and walkways that stitched together subsequent acquisitions of poorly used brownfield land.

The University of Worcester's library, the UK's first public university library



“In partnership with Worcester City Council, the University of Worcester has re-imagined legacy assets such as Worcester's printworks district and the Worcester Royal Infirmary to create places that act as a bridge between Worcester's student community and the general public.”

Elsewhere, in Oxford, recent acquisitions by Jesus College, Exeter College and St John's College are representative of several examples of universities taking space directly on high streets. In these instances, universities can take a long-term stake in their community as genuine placemakers, reconciling visually appealing conversions suitable for departmental studies with public-facing ground floor uses.

In some instances, the capital spend of universities' estates can correct suboptimal urban planning, as in the case of the

University of Lincoln's redevelopment of an old railway distribution yard in the heart of Lincoln city centre. Cutting away a redundant use opened up a significant portion of the city centre for public realm. Here, the campus blends seamlessly with the retail heart of Lincoln and the university's plans encompass ancillary incubation space for city arts.

University expansion isn't without potential conflict, and local authorities must explain the benefits of certain trade-offs to the public. Increasing numbers of students attending further and higher education means more commercial and retail activity, but 'studentification' requires suitable accommodation. This population is transient, and while this may mean student housing, a purpose-built variety is more advantageous than houses in multiple occupation (HMOs) which detracts from the availability of necessary stock for residents looking to put down roots. More recently, local planning authorities have sought to manage housing stock and control the numbers of HMOs through directive planning policies.

Likewise, universities extending their services to compete for grant funding and inbound talent jeopardise their relationship with their local community if they grow without public justification. Plugging into existing civic infrastructure – rather than duplicating what is already well-established retail, office and leisure and isolating them on campuses – fosters pride amongst students and the permanent community. The right balance manifests as a 'velocity effect', attracting further investment in a much more blended town-university offer.



Lincoln University's conversion of the adjacent railway distribution yard

Coventry Friargate masterplan



“Local councils approaching their higher education institutions with the intention of collaborating long-term can reap the rewards of transformative urban planning at speed and scale.”

The availability of the Town Centre Transformation Fund has provided a helpful catalyst to revitalise, re-purpose and re-energise existing buildings. North Warwickshire and South Leicestershire College has been engaging with Nuneaton and Bedworth Borough Council to relocate its catering training facility and restaurant into the town centre. The proposed new college centre will include a business incubation centre and play a significant part in the £20m Transforming Nuneaton project which is also looking to include a new library facility.

Ultimately, universities and colleges have to play a role in town centre regeneration – at the very least as statutory consultees as they should rightly be, but more importantly as a force for large-scale change. Whereas our education institutions could comfortably sit

“Sustainable and socially impactful town centre redevelopment is the co-location of publicly accessible services with a mix of complementary uses that are tightly knit together.”

on the sidelines, the requirements of ESG in legislation and policy and the pathway to carbon neutrality by 2050 mean that connectivity with town centres is more important than ever.

It's a huge challenge. The size and order of these estates means planning should happen now, raising issues from retrofitting legacy buildings and repurposing new acquisitions to the adoption of energy-saving technologies and effective timetabling.

In equal measure, the opportunity has never been greater. Public-private sector collaborations can revolutionise community interactions with universities and colleges while these institutions exploit a gravitational pull that makes market towns more tempting for businesses to call home.

“St Modwen's regeneration of Longbridge co-locates up to 15000 students at South and City College's campus with biodiversity-led green space, housing, prime logistics, a district for local businesses and was the catalyst for the creation of a brand new Longbridge town centre out of the ashes of the 400 acre site of the former Rover works.”



St. Modwen's redevelopment of Longbridge



Making a modern identity out of unloved heritage assets

British towns have a unique cultural and industrial heritage. They need to do more to champion this if they're to succeed.

Anchor Heritage

Industrial and cultural heritage unique to our market towns is one of the greatest casualties of our fixation on reviving retail.

Town centres that are multifunctional in purpose and function will not solve the issue of homogeneity in their appearance and identity. Although the co-location of offices, logistics, healthcare and education with housing and retail might catalyse high street and town centre activity, these places will still struggle to

be sustainable if they are not seen as the core of communities and offer more than shopping malls and established retail outlets.

Local authorities and their masterplanners have more tools to achieve this than they might think. After all, centuries of industrial and cultural heritage are baked into the bricks of town centres, and you'd be hard-pressed to find a market town in Britain without a handful of well-preserved buildings that are unique and distinctive in both period and style.



When regenerating a town centre, we can use these heritage assets to our advantage. Run-down churches, dilapidated town halls, medieval pubs and gathering places can be sympathetically restored to house new uses that promote community interaction. They could be converted into music venues as in Luton's Hat Factory district, or community cafes that function as exhibition spaces as in the renovation of St. Alban's Town Hall. Retail, offices, and other uses will coalesce around distinctive and long-treasured buildings that differentiate one town centre from the next.

Local authorities can put heritage at the heart of their regeneration strategies by adopting local design codes that spotlight heritage assets in town centres and quarters with special historical significance. Where heritage assets are underperforming for a community

because they're underutilised or dilapidated, councils as the guardians of local heritage – with the aid of a collaborative public-private Heritage Review Panel similar to design review panels – could adopt priority regeneration plans to scope out the type of uses that these buildings may be compatible with, and how developers could support their funding.



Heritage Review Panels may be the coordination needed to ensure that heritage assets perform for the local community. In 2019 the Government's Future High Streets Fund provided £95 million to Historic England to manage the preservation of heritage high streets and towns across England known as 'Heritage Action Zones'. Funding was intended to "improve the physical realm around the high street, and support activities that encourage people to engage with heritage". But without public-private sector collaboration, this has proved slow-moving and piecemeal.

Across the UK we can see countless examples of towns that have failed to capitalise on their own heritage. We might look to Paisley in Scotland, famous once for its patterned fabrics exported all over the world, or the famous potteries of Stoke-on-Trent where local crafts formed the hard core of a community for centuries.

Layers of culturally and societally important industry, civic engagement and trade cannot be ignored in the regeneration of market towns and high streets. A history of industry and local craft is an advantage and a characteristic of our market towns and high streets that can anchor and steer local regeneration - now and into the future.

Hat District, Luton



Town Mill, Lyme Regis



Leeds City Square



Hub-and-spoke logistics

The rise of the just-in-time model has made clear the need for last-mile logistics real estate on our high streets. 'Small sheds' can drive occupancy and help new models of consumption to thrive.

Hyper-localised Distribution

The image of warehouses next to motorways, what we'd call big box logistics, is in a state of change. Same-day delivery and the depth of the digitally enabled retail and restaurant marketplace is taking logistics into the town centre mainstream.

The convenience of plugging into digital marketplaces, their range of choice, and the general certainty of stock and delivery has made titans out of early movers in e-commerce. Amazon's annual revenue is thin margins away from the UK's entire annual government revenue, while Alibaba's market capitalisation is converging on Belgium's total GDP. These are colossal companies, with millions, if not billions, of users, where the competition is to reach the most amount of existing and potential customers through a faster, leaner and more operationally consistent service.

To service a burgeoning online marketplace and the delivery of these goods at scale, 'big box' logistics, warehouses, and large fulfilment centres are critical, physical organs that connect global products with local customers. Purpose-built and repurposed warehouses, and the strategic transport infrastructure they tap into, provide the

necessary means to transport and distribute door-to-door.

The issue with large warehouses is that they are expensive to run, and difficult to source and build. Demand has also become 'hyper-local': a challenge when large online marketplaces are seeking to decarbonise their supply chains. The UK is especially complicated due to the enormous amount of legacy infrastructure, in contrast to the U.S. where a more simplified transport network is more accommodating of innovations such as driverless HGVs and automation, and the grid capacity required for large-scale electrification.

Pressures mounting on the traditional logistics model will accelerate change. Many of the largest merchandisers are scaling back their exposure to large-scale warehouses and are reassessing the role of atomised, micro-fulfilment centres, using less carbon-intensive transport to move supply. They're curious about Deliveroo, Gorillas and Just Eat, and the recent proliferation of dark kitchens, or 'virtual restaurants', that service a hyper-local customer base through the occupation of small, non-consumer facing spaces weaved into the fabric of town centres. 'Last-mile' logistics – though it has different definitions – relies on the golden thread that sustainably



links large-scale warehouses with small micro-fulfilment centres.

At all scales, the competition to secure sites is huge. Land values of logistics real estate outstrip residential in many areas. This has meant the industry has had to take up and repurpose space that wouldn't be as optimal as something purpose-built.

On the outskirts of town centres, where the space is available for large-scale logistics, the race for scarce space and the benefit of the location will alter the viability of redundant retail parks and bring about conversion of these dilapidated areas to serve the demands of e-commerce. By contrast, within the core of town centres, logistics operators still need large spaces for micro-fulfilment but are capable of taking the 'backroom' space that isn't consumer-facing. Sweating our town centres to optimise the use of available land is where very small elements of the supply chain, like dark kitchens, can come into their own.

Logistics is compatible with towns, regardless of scale. There is a reputation that logistics comprises large, dirty buildings, and the quirkiness of the spaces available mean they might not be institutionally ideal from an underwriting and value perspective.

As supply chains become more local and less centralised, town centres must still facilitate a diverse spectrum of potential uses for the potential employment and gentrification logistics can bring. More employment opportunities in central locations serviced by public transport, even in the vacant spaces of dilapidated shopping centres where space is underutilised, fosters interplay and a consistency of footfall that spills over into town centre amenities.

Local authorities looking for a means to diversify town centres and high streets should consider Intu as an example of where a rigid focus on the right retail mix can be disastrous. Instead, identifying vacant space within dilapidated and under-performing buildings – such as in the back end of shopping malls and town centres – and making these attractive to a wider range of potential investors, developers and occupiers through an accelerated pathway to planning or financial incentives, town centres can secure their own success as competitive and differentiated places.



Introducing the Regeneration Index

Regeneration is more than retail vitality. A diverse interplay between uses achieves sustainable, lasting growth. But where should we invest our limited resources? Using housing affordability and accessibility to town centre services as indicators of a town centre's ceiling to long-term growth, we've scored over 300 medium-to-large sized market towns by their readiness for regeneration. The result is an indication of 'resilient' market towns that are more capable of accommodating further growth without intervention, and 'regenerate' market towns that most urgently require government funding to support their health and vitality.



Which market towns are resilient and which require government support to catalyse regeneration?

Town centre revival needs a new operating framework, which focuses on more than stores. At the same time, national investment needs to be streamlined to home in on market towns across England and Wales that are most suitable for regeneration.

Selecting market towns that are more suitable for regeneration than others is not an easy task. Those that exhibit high levels of footfall are not necessarily the most sustainable due to over-exposure to retail. Similarly, those successful in providing meaningful opportunities for employment might not be the most successful in the mix and variety on the high street.

In this report we've argued that a 'successful' town centre is one that is multifunctional, diverse, sustainable and resilient. These characteristics are complementary to one another.

Our ranking of town centre regeneration takes three factors into consideration: affordability and mix of accessible housing for sale and rent in and around town centres and high streets, employment-to-resident ratios, and population growth. Those that rank highly are those we classify as 'resilient': market towns that have the right balance to promote self-sustaining growth with minimal government intervention. By contrast, 'regenerate' market towns are those stifled by over-reliance on retail and general inaccessibility by the local population, which require government funding and other economic and social interventions to kickstart sustainable growth.

Our report ranks 50 market towns where, with limited resources, further investment will generate the greatest civic, social and community value. This isn't determined geographically, but on a range of demographic and social factors detailed below.

However, the market towns outside this ranking are just as important as those within it. Good investment opportunities might be lost because of high unemployment, or low population growth. Our study doesn't

consider social impact, or wider aspects of social deprivation, and it is in these areas, where other interventions rather than regeneration, are required.

Residential penetration: Heightening affordability ratios and the under-provision of new housing have a regressive effect on the vitality of town centres. Average earners squeezed out of market towns are pushed to the fringes of local communities, where distancing creates socio-economic and psychological dislocation from historically accessible economic centres. High street retail, reliant on consistent footfall, also loses out when market towns become larger and less concentrated, as smaller parades of shops in neighbourhoods overtake high streets in favour of their accessibility.

High levels of residential penetration in the areas immediately adjacent to retail on and around high streets is an indication of town centre resilience. Communities that provide affordable, dense housing of mixed tenures in their urban core lay the foundations for reliable footfall and give greater certainty to services in town centres. Town centres are also more investable as they can absorb a proportionally higher number of services while expecting consistent activity from residents.

Employment-to-resident ratios: Market towns with proportionately more employment opportunities suggest that they are less anchored or exposed to either retail, office, leisure or other tertiary sectors. Greater variety is an indication of market towns that are already configured to support multiple use classes, with the set-up to capitalise on the co-location trends outlined in this report.

Population growth: Receding population rates may be reversed through regeneration, but for the greatest return on investment it is the market towns with the fastest growing populations that will have the critical mass necessary to tip the opportunity cost of opting for dedicated shopping complexes and out-of-town retail parks that can act as a drag on footfall.

The Regeneration Index

Revealing the market towns in most urgent need of public funding to promote regeneration, relative to those that are resilient, and capable of accommodating growth with limited government assistance

Limited public resources to promote regeneration means that we need to be pinpoint accurate in our understanding of market towns in pressing need for funding, and those that have all the necessary diversification to grow organically. It is not enough to think of Levelling Up regionally, which may ignore underserved local communities across the country. We need a fuller picture, and a structured comprehension of where we allocate support.

The Regeneration Index is the first of its kind to study regeneration at a granular, town-by-town basis. Using ONS data covering 350 medium-to-large market towns and data covering population and employment growth and statistics to proxy for town centre diversification, The Regeneration Index ranks a market town by whether it is 'resilient', and more capable of growth with fewer government interventions, or 'in need of regeneration', where public funding should be prioritised.

At a high level, the Regeneration Index is a definitive ranking of market towns based on a 'resilience'/'regenerate' spectrum, to support policymakers', local authorities' and investors' decision-making to enable Levelling Up.

Our study reaffirms that there is a North-South divide and that this split is apparent even from a very local outlook. With notable exceptions, market towns in the North are more urgently in need of public funding to kickstart regeneration, while those in the South are markedly more self-sufficient, with a far greater tendency towards 'resilience' by the nature of their diversified townscape, supported by stable population growth and employment creation.

The Regeneration Index also highlights underserved market towns that may otherwise be overlooked by a regional review of public funding requirements.



Resilient

Regenerate

Top 50 resilient market towns

- | | |
|---------------------|------------------------|
| 1 Wakefield | 26 Maidstone |
| 2 Tewkesbury | 27 Warminster |
| 3 Cheshunt | 28 Leatherhead |
| 4 Paignton | 29 Ramsey |
| 5 Chard | 30 Gloucester |
| 6 Baldock | 31 Chelmsford |
| 7 Boscombe | 32 Bangor |
| 8 Chesham | 33 Wellington |
| 9 Bridgewater | 34 Altrincham |
| 10 Aldershot | 35 Gerrards Cross |
| 11 Billericay | 36 Winchester |
| 12 Brackley | 37 Staines-upon-Thames |
| 13 Rickmansworth | 38 Ashburton |
| 14 Amersham | 39 Blandford Forum |
| 15 Wokingham | 40 Teignmouth |
| 16 Dorking | 41 Northampton |
| 17 Lewes | 42 Ashton-under-Lyne |
| 18 Machynlleth | 43 East Grinstead |
| 19 Marlborough | 44 Petersfield |
| 20 Hemel Hempstead | 45 Dover |
| 21 Cheltenham | 46 Coventry |
| 22 Walton-on-Thames | 47 Hinckley |
| 23 Chertsey | 48 Kelso |
| 24 Sawbridgeworth | 49 Cowbridge |
| 25 Loftus | 50 Penarth |



Top 50 market towns to regenerate through public funding

- | | |
|------------------------|---------------------|
| 1 Derby | 26 Sandbach |
| 2 Caerphilly | 27 Durham |
| 3 Spennymoor | 28 Bolsover |
| 4 Barnsley | 29 Nuneaton |
| 5 Bridgend | 30 Keswick |
| 6 Selby | 31 Loughborough |
| 7 South Shields | 32 Neath |
| 8 Grimsby | 33 Mansfield |
| 9 Halifax | 34 Colchester |
| 10 Workington | 35 Holt |
| 11 Alfreton | 36 Wigan |
| 12 Wisbech | 37 Doncaster |
| 13 Ripley | 38 Oakham |
| 14 Beverley | 39 Worcester |
| 15 Warrington | 40 King's Lynn |
| 16 Preston | 41 Eastleigh |
| 17 Rotherham | 42 Leighton Buzzard |
| 18 Stevenage | 43 Carmarthen |
| 19 Diss | 44 Wolverhampton |
| 20 Barrow-in-Furness | 45 Wallsend |
| 21 Chesterfield | 46 Spilsby |
| 22 Worksop | 47 Truro |
| 23 Stratford-upon-Avon | 48 Lichfield |
| 24 Wrexham | 49 Chippenham |
| 25 Northwich | 50 Bawtry |



The policy priorities



Encouraging public-private collaboration

While the Covid-19 pandemic accelerated the trajectory of terminal decline that we see at street-level, the town centre of today is a directionless concept that has failed to stay relevant in an era of digitalisation and structurally different consumer habits. There are serious problems at the root of many British towns that residents and visitors alike would recognise, but which have not been properly examined.

Our relationship with public urban space and the way we interact with our high streets has changed. This is part of a wider multidecade trend and a profound societal value shift. We need a full overhaul of the way we organise and plan for our town centres, equipping them with the assets, infrastructure and spaces to provide meaningful long-term growth and revitalisation.

We need to create resilient, future-proofed communities and infrastructure if we are to avoid the challenges that a more volatile future presents. This means a proactive approach to sustainability by providing modern and resilient urban spaces that meet the needs and desires of a workforce and population with changing ideas of how they want to live their lives.

As an absolute priority, we need to put masterplanning at the heart of our wider effort to create urban economies that are sustainable – economically and environmentally – and place a greater value on our health and fulfilment, be that through a more beautiful and interactive high street, improved transport links, or comfortable and supportive places to retire.

Masterplanning was looked to in the post-war era to provide the solution – but while the concept was sound, the execution was flawed. We need to masterplan in a way that champions local heritage, not destroys it. Against these existing challenges, the pace of change is accelerating. The desire for a beautiful and prosperous high street cannot be mired in nostalgia and retrospection – the opportunities ahead of us are too immense, and we cannot miss the changes of the 21st century by being wedded to an outdated view of butchers, bakers and candlestick makers. We need to re-examine our own successful historical urban models and those that work in other countries to create a high street that is modern and sustainable without sacrificing the pleasures and benefits of heritage architecture and models.

By making widespread use of long-term masterplanning for regeneration and through marrying the powers of the public sector with the capital and expertise of the private sector via public-private partnerships, we can provide meaningful vision for the future and for this accelerated and exponential change. For too long, our town centres have been a rudderless ship. It's time for the UK to take the helm and put the high street back on course.

POLICY PILLAR 1

Reactivating brownfield land

Getting Creative with Vacant Space

Derelict buildings, vacant premises and underutilised pockets of brownfield land are scars on the face of our market towns and high streets, which we need to urgently address.

We can easily tell the health of a town centre or high street through the sheer prevalence of vacant spaces. Where they are highly visible, the inference is neglect, rot and decay; a community in decline, even in towns that are otherwise well-performing.

As more retailers disappear the argument that retail is simply in a state of transition is difficult to sustain. According to Savills, store closures in H1 2021 increased by 21% year-on-year, 14.5% of overall unit count, reflecting fewer changes in occupiers over time. Undeveloped brownfield sites add to public sentiment of stasis, especially if the town centre replaces less than it renews. Like lingering wounds, void rates will eventually cast significant doubt about the state of the whole.

Undeveloped space within town centres and high streets could be more buoyant and more competitive if the uses permitted within regeneration zones were expanded. Regeneration led by using urban brownfield land more flexibly fosters diversity in the occupier base that will make town centres more dynamic and multifunctional.

The potential for brownfield sites is immense. As well as unlocking housing of all types and tenure, office space, leisure and micro-logistics, brownfield sites could be activated as temporary or meanwhile events venues, such as staging open air concerts or pop-up theatres. They can be revitalised as urban wildlife parks, such as the Precollinear Park in Turin, or as community gardens and

allotments, which surged in popularity during the Covid-19 pandemic. There are ways, permanent or otherwise, to put back critical land into use for a community very quickly.

Where brownfield sites remain unviable local authorities should have more cards to play. Some of the biggest issues in bringing brownfield sites forward relate to land ownership, but also the significant increased remediation costs. If vacancy causes urban blight, then the issues that stop a site from being remediated and developed – such as land ownership complications and development costs – should be offset and those willing to take on the challenge incentivised by consequence of the social value that ‘filling the gap’ would generate. All too often, these sites are stuck through planning when they could be built out and delivered much quicker.

“Using brownfield land more flexibly fosters diversity in the occupier base that will make town centres more dynamic and multifunctional.”

Exempting developers from the Community Infrastructure Levy to unlock the viability of brownfield sites in town centres is an obvious solution, given the positive overspill that these developments can create for other local businesses. Similarly, where brownfield sites are dilapidated and off-market for a significant portion of time, the landowner should be incentivised to advertise the site and seek a development partner. Council-owned sites could be auctioned, with lower levies attached to the site's delivery depending on the time and speed to practical completion.

POLICY PILLAR 2

Fortune favours the brave

Local Authorities Must Embrace Public-Private Collaboration

High streets and town centres have not changed overnight. Their slow decline has been a multidecade and multigenerational process. We likewise cannot expect the fix for this problem to be achieved overnight but as part of a long and involved process of thoughtful regeneration.

This is where the desperate need exists for long term patient capital to undertake meaningful regenerations, where the private sector is capable of bankrolling change in a way that looks beyond short-term returns and thinks instead of the economic benefits of changing whole communities and reinvigorating traditional centres of commerce and industry.

While masterplanning might be viewed as the exclusive province of local authorities and the public sector, any successful comprehensive regeneration requires collaboration between a variety of stakeholders and interested parties – be that with community groups, local businesses, or private businesses. But collaboration can also help to clear the hurdle of funding for long-term redevelopment – and with the cost of achieving net zero by 2050 estimated to be in the province of £200 billion, a weight of private capital will be essential in helping local authorities drive meaningful change.

Local authorities can use LIBVs (Local Incentive Backed Vehicles) to help drive this change and encourage private sector partners to take a long-term view. LIBVs encourage private partners to think over the longer-term health of towns through multidecade regeneration as opposed to short sharp fixes that fail to address the root of issues affecting UK towns and cities.

In 2022, a partnership between Legal & General and the West Midlands Combined Authority provided £4 billion for regeneration of West Midlands towns over seven years, providing housing, including social housing and factory-built homes, in addition to commercial property and a wider project of urban regeneration. With a very high relative proportion of brownfield land – the West Midlands is home to the National Brownfield Institute in Wolverhampton – the area is also at a high priority for levelling up.

Without an injection of private capital, the kind of fundamental and comprehensive regeneration that many towns in the West Midlands need would be impossible for local government to achieve.

POLICY PILLAR 3

Making it happen in planning

Comprehensive Regeneration requires Wholesale Solutions

Planning for regeneration is more confusing, and more challenging than it has ever been. A skills shortage in local authority planning departments is one factor, but there are others. Expectations to deliver greener, more sustainable buildings that are adaptable, biodiversity net gain and nutrient neutrality compliant, meet ever-expanding lists of conditions to discharge, alongside education to support emerging asset classes such as BTR and co-living, are necessary hurdles that developers must be prepared to clear.

In the context of a reactionary planning system, SME promoters and developers without the cashpile to meet more complicated requirements go belly up, stripping the competitiveness out of development. Regeneration demands a mix of developers, particularly those of a smaller, more local variety, because smaller sites – especially inner-town brownfield – which can be delivered at pace, work well with their debt and funding structures. Without them, we miss out on the piecemeal redevelopment of vacant sites so crucially important to town centre revival.

Enabling comprehensive regeneration that brings together the public and private sector into a singular vision is only accomplished through wholesale reform. Recent changes to legislation, like the introduction of Class E, which makes it easier to switch from one use class to another, appear to be a step forward. The reality, by contrast, is a short-term, fragmented solution to regeneration that requires a holistic strategy.

The risks of minor amendments to existing legislation and policy, and avoiding wholesale reform, is no more apparent than in the proliferation of betting shops on our high streets and in our town centres. Betting shops, which cut out an entire section of the community, and their universal presence in our local communities, are in every sense a product of a planning regime that at one time allowed for change of use without planning permission. Class E carries the same potential to create imbalances in mix, and distortions of the purpose of high streets and town centres, if the planning system preferences siloed development over something more transformative.

What should we be doing? A glimmer of hope shines through the government's recent consultation in compulsory purchase order compensation, which is designed to give local authorities certainty when it comes to comprehensive regeneration. The proposed mechanism to apply for a direction from the Secretary of State, and to establish compensation for affected landlords and building owners, avoids protracted legal battles to ascertain 'hope' value, which can serve to make regeneration unviable.

This is one proposed legislative change of many needed to make regeneration possible. Local authorities must be confident they can, together with a delivery partner, bring forward a vision that suits the scale of their ambition.

Inward investment, placemaking that creates social value, and the readiness of regeneration to decarbonise the built environment relies on legislative and policy change that is clear, indisputable, and for the long-term.

POLICY PILLAR 4

Expectations closing in

Preparing Town Centres for a Net Zero Future

A significant number of British towns and cities are at risk of serious flooding and other impacts from a changing climate. Storms across the UK in 2022 saw 150 flood warnings in place across England and Wales, with towns in Yorkshire, the Peak District and along the Severn at particular risk, and severe flooding in Northern Ireland. Beyond the impact on people's property and livelihoods, such weather events also cause acute economic disruption and further contribute to town centre decline.

National and international factors and decision-making will be essential for combating the climate emergency. But so much of the UK's effort will be made up of a steady accumulation of small changes we can make to our urban centres. The challenges of net zero will require us to think in a more nuanced way about the future challenges facing masterplanning, with issues like water and nutrient neutrality growing in recognition and importance.

Some of these will be easy fixes: in 2022 the UK Green Building Council found on a real-world pilot scheme in Cambridgeshire that many simple, low-cost changes could be implemented in masterplanning to achieve net zero, including 'minimising parking area to embrace the shift towards vehicle sharing, the use of swales to reduce stormwater drainage, and switching from asphalt to low carbon, permeable paving'. The scheme found that grey infrastructure, made up of roads, parking and kerbs, made up 88% of the masterplan's total embodied carbon, highlighting the absolute necessity of including innovative and practical transport solutions into our towns and cities.

Others, like car-dependency, are exacerbated by an ever-increasing marginalisation of housing from town centres. In these instances, it'll be a combination of housing supply to support affordability, preferential policies such as 'green privileges' in the form of free parking for electric vehicles and credits for sustainable public transport, and passive promotion such as an emphasis on the pedestrian experience that will have to be introduced simultaneously.

Town centres need to embrace green infrastructure as part of their revival. Just as with transport, embracing urban rewilding and the green reclaiming of town centres can help us to improve our environmental sustainability and climate resilience – such as removing the urban heat island effect in the face of future heatwaves – while providing people with better places in their towns and cities to play, work, exercise or travel.

In the short-term, we may have to accept the rising cost of aspects of development to achieve greater reductions in carbon emissions, and to accept the costs of carbon offsets and other mitigation measures. Understanding and embracing these factors will be crucial if the UK's towns and cities are to remain sustainable and flourishing against the acceleration of change facing economies and societies across the globe, from cultural shifts in how we work to changing conceptions of consumption and environmental harm.

Policy recommendations

Immediate opportunities to rejuvenate town centres through redevelopment are going unnoticed.

The Government, together with the National Brownfield Institute, must create a simpler, centralised National Brownfield Map using data from local authorities to catch and advertise residential and non-residential opportunities as they arise.

Comprehensive town centre regeneration is undermined by outdated legislation.

Compulsory purchase order rules that set fixed standards for remuneration and an expedited planning permissions process for town centre regeneration will allow for further private/public collaboration and reduce litigation involved in ownership disputes that otherwise hinders masterplanning.

Few incentives exist to redevelop brownfield sites in town centres when they are identified, especially among SME developers that contribute to the competitive balance.

National regeneration policy must allow for the constitution of "Town Centre Priority Zones" where exceptional policies apply. Local authorities must be obliged to set out "Priority Zone Policy" that incentivise quick uptake, such as community infrastructure levy and stamp duty exemptions; and green grants in recognition that small-scale opportunities in town centres tend to be less commercially attractive and more difficult for SMEs to finance.

Brownfield is still slow to move through planning.

An accelerated 'permission in principle' designation should apply to all sites within the Town Centre Priority Zone, subject to the review of the Regeneration Panel.

Town centre regeneration is given the same treatment as any other planning application.

Each local authority must assemble a "Regeneration Panel" with an expectation to (i) identify and prioritise regeneration opportunities, including underperforming heritage, (ii) coordinate town centre masterplanning, (iii) set out and advertise incentives for redevelopment; and (iv) select private sector partners to support project delivery.

There are no repercussions if land in town centres remains vacant or dilapidated.

If brownfield land remains without planning for more than two years after it has been advertised on the National Brownfield Map, despite the incentives available, an auction should be held to reassign title ("Prove It or Lose It").



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From acting for the majority of the country's top 10 national housebuilders as well as for significant institutional landowners, private builders and developers, to expertise that encompasses all aspects of affordable housing acquisitions, sales and development, later living, energy, logistics and commercial property, we provide legal advice that helps build communities, nationally. And we are proud to be an extension of our clients' teams, providing creative solutions and advice that helps fulfil commercial goals.

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