



Scottish Labour Party Scottish Policy Forum Consultation Revitalise Our High Streets

Introduction

The development of Scottish Labour's manifesto for the 2021 Scottish Parliament elections is proceeding in a series of stages enabling maximum participation by our members and stakeholders. Some issues do not fit into the general policy headings because they have cross-cutting considerations.

One such issue is the action required to revitalise our high streets and town centres. This consultation paper seeks views on this issue.

Scottish Labour recognises that our high streets and town centres are more than places to shop, they are places we go for company, culture and character. We are committed to properly funding local government so that people and services that build cohesive communities are protected. That includes developing a retail sector industrial strategy based on Labour values.

Context

Our high streets and town centres, the focus of local communities, are in crisis.

The number of shops closing their doors across Scotland's high streets is accelerating¹, with more than five stores per week being lost in main shopping destinations in the first six months of last year. The town centre vacancy rate for Scotland was 12% in January, up from 11.1% in October and above the UK average of 9.9%. The number of stores in Scotland is forecast to drop further.

The Scottish Retail Consortium (SRC) "Retail 2020" report² forecasts that jobs in retail will in future be higher-skilled, more productive and better paid, but that there will be fewer of them. Moves in this direction are already underway, with official data showing a drop of 6,000 retail jobs in Scotland last year.

At the same time, public services in the high street have been cut. Initiatives aimed at boosting the local economy are of limited value if public bodies are forced to withdraw footfall and spending power by closing their high street premises.

¹ <https://www.pwc.co.uk/who-we-are/regional-sites/scotland/press-releases/scotland-store-closures-july-2019.html>

² <https://brc.org.uk/src/campaigns/priorities/src-building-momentum-on-the-journey-to-better-jobs/>

High street retail

The SRC argues that the latest data on shop closures and jobs is further proof of the profound transformation affecting the retail industry, due to changing shopping habits, rising cost pressures and becalmed consumer spending. While these challenges are not going away, they also argue that policymakers can play their part through a more concerted effort to halt and then begin to reverse relentless rises in costs.

In their report³ *'The Future of Scottish Retail'* the SRC also highlights the higher proportion of stores in Scotland, although there are fewer head office roles. While productivity data is not always reliable, Scottish retail productivity appears to be growing at a slower rate than elsewhere in the UK and research and development spending is also growing more slowly.

They argue that the Scottish Government should develop a Retail Industrial Strategy, stop penalising larger businesses, strengthen physical and digital infrastructure, improve training and regulation, as well as minimising differences in policy approaches with the rest of the UK.

The shop workers union USDAW argues that every shop that closes impacts negatively on local communities and our town centres.

Their *'Save Our Shops'* campaign⁴ calls for:

- Economic measures to create a more level playing field between the High Street and online retailing. Particularly on taxation.
- Fair pay and job security for retail workers – a minimum wage of £10 per hour, tackle zero-hours and short-hours contracts, investment in skills and training.
- Government action to protect jobs in the retail sector. Retail jobs are real jobs – retail is a key part of the economy providing jobs and income for millions of families.



While USDAW highlights actions retailers can take like improving customer experience and service, they also focus on wider policy changes. These include the reform of business rates, transport and measures to attract people back to the high street and town centres. They also emphasise the importance of people, through better wages, training, worker voice and secure employment contracts.

³ <https://brc.org.uk/media/234065/the-future-of-scottish-retail.pdf>

⁴ <https://cms.usdaw.org.uk/retailstrategy.aspx>

The Westminster *'High streets and town centres 2030'* report heard that to compete and be successful, high street retail needs to carve out a separate role, focusing on providing "experience" and "convenience". The loss of banks and cash machines are a particular concern.

There are a number of innovative examples of this around the UK. For example, The Mayor of London's adaptive strategies report⁵ includes ten case studies from London high streets.

Government Initiatives

The Scottish Government's Town Centre Action Plan was published in 2013. It agreed the *Town Centre First Principle* with COSLA in 2014, which aims to put the health of town centres at the heart of decision-making. They also fund Scotland's Towns Partnership (STP)⁶, which has developed a range of resources to help partners understand and improve their town centres.

These initiatives encourage a wider approach to revitalise town centres, including housing, use of buildings, non-retail enterprises, public services, planning, infrastructure and business rates. The last progress report⁷ was in 2015. In March 2019 the Scottish Government announced a £50m Town Centre Fund, which local authorities can use to fund the themes in the Town Centre Action Plan.

The Scottish Government and Carnegie UK Trust has also funded an audit tool, Understanding Scottish Places⁸, which seeks to capture locally available data on towns. A number of towns, mostly in the west of Scotland, have used this tool and published outputs.

The UK Government announced⁹ 'Our Plan for the High Street' in the 2018 Budget for England. It included a cut in business rates, a £675m Future High Streets Fund, reform of planning and strengthening community assets. The Prime Minister in a speech in Manchester identified four things he believed needed to happen:

- Basic liveability – safe streets, affordable homes, good wages and great public services.
- Connections: Transport links, broadband and places people can meet and collaborate.
- Culture: Strengthening cultural and creative infrastructure.
- Power: Places need power, responsibility and accountability.

Few would dispute that these measures are welcome. However, they have to be placed in the context of long-term underfunding of local government. Small pots of targeted cash are of

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https://www.london.gov.uk/sites/default/files/ggbd_high_streets_adaptive_strategies_web_compressed_0.pdf

⁶ <https://www.scotlandstowns.org>

⁷ <https://www.gov.scot/publications/town-centre-action-plan-two-years-on-report/>

⁸ <https://www.scotlandstowns.org/understanding-scottish-places>

⁹ <https://www.gov.uk/government/publications/our-plan-for-the-high-street-budget-2018-brief>

limited value when the core services that our high streets need are being cut, year after year. To put the £50m Scottish Government fund into context; redundancy payments made by the UK Government for insolvent firms total more than £75m in Scotland alone.

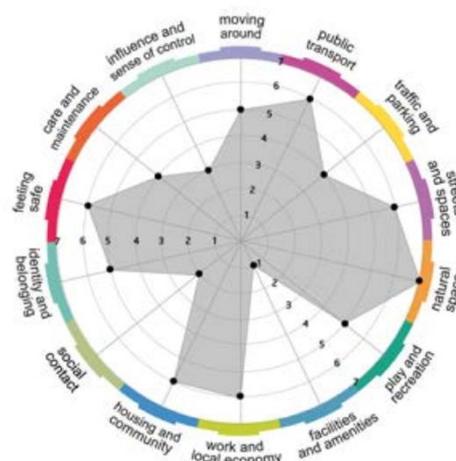
The recent Improvement Service benchmarking report detailed a 23% reduction in culture and leisure spending, 21% reduction in planning and a 28% reduction in economic development revenue spending. All services that are important to the high street.

Government initiatives are strong on rhetoric and process but may lack the urgency or scale needed to tackle the problems facing our communities.

Health on the high street

There is a wealth of evidence that place impacts on health and wellbeing and contributes to creating or reducing inequalities.

In an effort to improve the quality of places across Scotland, the Place Standard Tool¹⁰ was developed in collaboration with NHS Health Scotland (NHS HS), Scottish Government (SG) and Architecture and Design Scotland (A&DS). The Place Standard tool provides a framework for place-based conversations to support communities, public, private and third sectors to work together to deliver high quality, sustainable places.



Place Standard Tool

The Royal Society for Public Health publishes a report¹¹ 'Health on the High Street', which includes the 'Richter scale of health'. It argues that high streets have an important role in developing sustainable communities. However, this requires health needs to be prioritised by planners and other stakeholders. They recommend measures to make our high streets more health promoting including differential rent classes and business rates relief based on how health promoting their business offer is. Planning should also restrict the opening of unhealthy outlets where there are already clusters.

Building the high street economy

The UK, including Scotland, is one of the most unequal countries in the world - 44% of the UK's wealth owned by just 10% of the population. At a local level, this means that the wealth generated by workers, local people, communities, local enterprise and business in our towns and cities does not flow back to them, but instead is extracted by distant shareholders as profits and dividends.

¹⁰ http://www.healthscotland.scot/media/1394/place-standard-process-evaluation_may2017_english.pdf

¹¹ <https://www.rsph.org.uk/uploads/assets/uploaded/dbdbb8e5-4375-4143-a3bb7c6455f398de.pdf>

Community Wealth Building (CWB)¹² seeks to address this by encouraging plural ownership of the local economy, increasing investment in local economies using fair employment, progressive procurement and the socially just use of land and property. The Preston Model has started to turn this into practice and in Scotland¹³, North Ayrshire Council is leading the way by putting CWB at the heart of the Council Plan 2019-24.

Many councils publish¹⁴ town centre health checks, or similar reports. They measure changes in the use of retail spaces and look at transport and environmental issues. Others have taken initiatives to help local entrepreneurs. One example is Barking and Dagenham's 'Every One, Every Day', which has opened 'maker spaces'¹⁵ equipped with tools and equipment for new businesses. 90% of participants are women, not least because the centres include affordable childcare.

Former churches are emerging as secular meeting places. Thirty-five are already listed as post offices, others as bookshops, day centres and pick-up points for online shopping. Doncaster council is judiciously buying shops in particular town-centre locations, carefully thinking about the kind of businesses that will set a new tone¹⁶. Locally owned, independent and more artisan based.

Co-operatives and other forms of community ownership will always be a key element of Labour's vision for the high street. Initiatives like Inclusive Economy Liverpool are renewing the co-operative model in the city.

Other reports have highlighted the importance of bringing more housing back into our high streets. While this is important, housing will never build coherent societies without high streets, so housing initiatives must recognise the importance of creating a working community.

Several reports have highlighted the lack of landlord engagement together with disparate ownership and high rents as a barrier to high street transformation. This may point to looking at changes in landlord and tenant legislation.

¹² <https://cles.org.uk/wp-content/uploads/2019/09/CWB2019FINAL-web.pdf>

¹³ <https://cles.org.uk/blog/community-wealth-building-in-scotland/>

¹⁴ <https://www.falkirk.gov.uk/services/planning-building/planning-policy/monitoring-and-information/docs/health-check/>

¹⁵ <https://www.resilience.org/stories/2019-01-24/could-this-local-experiment-be-the-start-of-a-national-transformation/>

¹⁶ <https://www.theguardian.com/uk-news/2018/oct/11/amazon-v-the-high-street-how-doncaster-is-fighting-back>

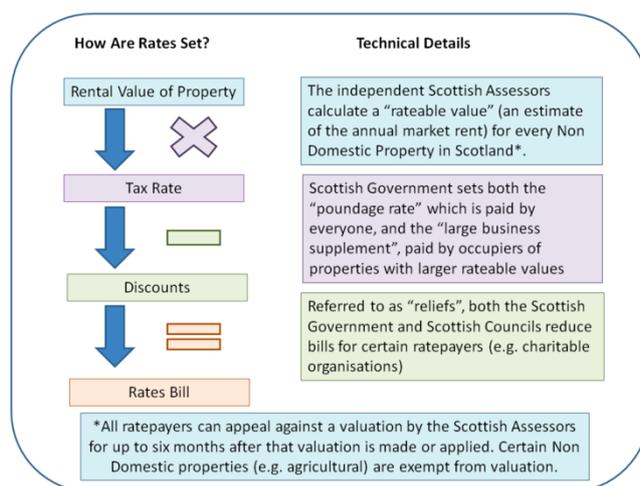
Funding

The Westminster Housing, Communities and Local Government Committee report *'High streets and town centres in 2030'* set out a vision for high streets that are; *"activity-based community gathering places where retail is a smaller part of a wider range of uses and activities and where green space, leisure, arts and culture and health and social care services combine with housing to create a space based on social and community interactions."*

However, they recognised that financial pressures on local government meant that central government funds needed to be enhanced. One source of funding should be to tax online retailers to ensure a level playing field.

Improvement Districts¹⁷ (formerly Business Improvement Districts) aim to share resources by persuading businesses to contribute additional funding to improve an area over and above council resources. There are 37 operational schemes in Scotland employing 67 staff. The amounts levied have been modest, £6.1m, an average of £175k per bid in 2018.

The main ask of the industry lobby is to reform (essentially to reduce) business rates. The Small Business Bonus Scheme already provides relief from business rates for businesses where the rateable value of individual premises is £18,000 or less. This has created 'rates deserts' in some areas and the Barclay Review recommend a full evaluation. In Northern Ireland, an evaluation found the relief was misdirected and suggested an initiative more targeted on town centres.



There are a range of other reliefs, which were considered by the Barclay Review¹⁸ and the Scottish parliament is currently considering legislation to implement aspects of the review. The review also recommended expanding the Fresh Start relief to help rejuvenate town centres with high vacancy rates. The Business Growth Accelerator rates relief scheme also aims to reduce the rates burden of those that invest in their property.

Many in local government have argued that business rates should also be localised so councils can do more to support small businesses, boost high streets, as well as set rates and discounts to reflect the local economy, as it was until 1992. This is not popular with larger retail enterprises in particular who are concerned about the additional administration costs and complexity.

Other forms of funding, including local levies, have been suggested, and these are covered in the Scottish Policy Forum's wider Communities consultation.

¹⁷ <https://improvementdistricts.scot>

¹⁸ <https://www.gov.scot/publications/report-barclay-review-non-domestic-rates/>

Wider sense of community

High streets and town centres do not exist in isolation. They have to be part of a wider sense of community of place and interest, a concept highlighted by the Christie Commission. While it is outside the scope of this consultation, our current Scottish Policy Forum communities' consultation¹⁹ highlights many of these issues. In particular, the importance of social infrastructure like libraries, community centres and voluntary organisations in facilitating community engagement.

Scottish Labour will rebuild communities devastated by austerity where the common good will come first. Creating the conditions in which every person can flourish and securing opportunities for those long excluded.

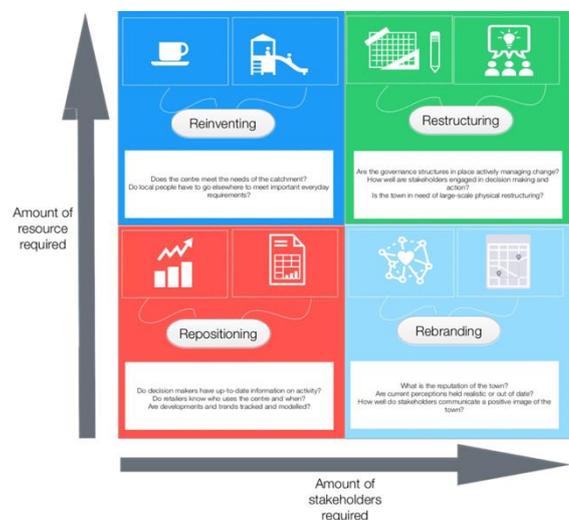
Taking action

The long history of initiatives across the UK to revitalise our high streets illustrates the complexity and diversity of the problem. They face huge forces of change, much of which is inadequately understood and not always supported by reliable data.

Academic studies show there are a wide variety of initiatives that can have an impact in different localities, such as the 25 priorities and 4Rs framework in the High Street UK 2020 project²⁰.

Business in the Community's (BITC) Healthy High Streets programme²¹ supported 100 high streets across the UK between 2014-2017. It had some success in attracting business investment, jobs and footfall. Their toolkit sets out the measures they believe are successful including:

- A clear vision that reflects individual strengths.
- Effective local partnerships between business and the local authority
- Develop a long-term plan (5-10 years), which identifies the activities need to deliver objectives and how you know you've made a difference.
- Learn from others who've done it before and secure funding.



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https://www.scotlabpolicy.org/uploads/3/9/5/5/39556225/communities_second_stage_consultation_final.pdf

²⁰ <https://www.emerald.com/insight/content/doi/10.1108/JPMD-03-2017-0032/full/html>

²¹ <https://www.bitc.org.uk/toolkit/people-places-and-pride-toolkit-practical-solutions-to-revitalise-your-high-street/>

Questions

- There is a broad consensus that the traditional high street has to change, arguably to one that is less reliant on retail operations. What vision should underpin high street policy?
- What public policy measures would be most effective in supporting retail operations on the high street?
- How can we promote healthier businesses on the high street?
- What measures will help develop the wider local economy, encouraging locally owned businesses to operate in the high street?
- What other services and users could operate from the high street?
- What changes in business rates and other forms of funding would help regenerate the high street?
- Which partnership processes and institutional support are most effective in supporting the regeneration of high streets?

This paper and questions aim to stimulate debate. Submissions would be welcome on any of the issues raised in this paper.

The issues discussed in this paper are part of our policy programme consultation process. It is not a statement of Scottish Labour policy.

Contributions and submissions are welcome. Please email submissions to: ScottishPolicyForum@labour.org.uk

When making a submission, please include the name, address, email and phone number of the submitting organisation or individual.

The deadline for submissions for this document is **12 May 2020.**