Geo Factsheet

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Does the High Street Have a Future?

Introduction

The High Street is often taken as the symbolic representation of community well-being. If so, what does that say for many of our High Streets blighted by the appearance of urban decay? See **Figure 1**.

Figure 1 Boarded up High Street

The COVID-19 pandemic with its periodic lockdowns and associated restrictions on movement has certainly served to accelerate the decline of retailing but the warning signs were apparent long before March 2020.

Shops, including household names like BHS, Dorothy Perkins, and Mothercare, have been lost from the High Street at an increasing rate over the last ten years prompting calls for urgent action to attract shops back into town centres.

As the pandemic recedes, the question is, where will that leave the traditional High Street? Is a return to the traditional retail dominated High Street a viable proposition? Or is the High Street in need of re-purposing, and if so, how might it evolve in the future?

First, it is important to understand why many High Streets have been struggling.

Pre-Pandemic: High Street Under Pressure

The amount we spend on the High Street is a good indicator of the health of the High Street. According to the British Retail Consortium, in 2019 British retailers suffered the sharpest drop in sales for 22 years. The High Street has been losing shops and workers for a number of years due to a combination of factors (see **Table 1**).

Table 1 Store Closures on the High Street

Year	Closures	Jobs Lost
2018	14,583	117,425
2019	16,073	143,128
2020 (estimated)	20,820	235,704

1) A decline in trade in the High Street as a result of:
   - Competition from out of town shopping malls.
   - Changes to shopping behaviour and the growth of online shopping.
   - Years of austerity leading to a decline in real wages and purchasing power.
   - Decline in banks and building societies as they cut numerous branches (6,000 in 2010) and also travel agents with nearly 1,000 lost since 2018 as businesses move online.
2) Increasing rents and higher business rates which squeezed the profit margins of retailers.

For some high streets the impacts have been severe. The closure of flagship stores, like Debenhams, became the catalyst for the closure of many smaller chains and individual retailers, sparking a spiral of decline. This has left many High Streets blighted by boarded up shops, charity shops, pop-up establishments, and betting shops (see **Figure 2**).

However, other High Streets have continued to be successful particularly in our larger towns and cities. The question is why?

Figure 2 Bradford Town Centre

What Makes for a Successful High Street?

Although a key indicator for a successful High Street has historically been the strength of the retail sector, research conducted by Centre for Cities suggests that there are other factors at play. They find that the towns and cities with successful high streets are characterised by:

- A larger office and professional daytime population creating potentially higher footfall.
- The ability to attract higher skilled and better paid jobs particularly in the commercial and professional sectors.
- Higher spending power of the daytime working population. For example, people in Cambridge, York and London have on average £634 more to spend every month than those in Newport, Bradford and Wigan.
- Stronger economies and a wider range of amenities, including many specialist and premium options for consumers, whereas towns and cities with weaker economies struggle to provide more than the necessities.

There is a close link between economic health and spending in shops, bars, cafés, restaurants, convenience stores, gyms and entertainment venues. What that leads to is the emergence of a vibrant, visually interesting and popular high street (see **Figure 3**). Conversely, the limited spending power of those living and working in towns and cities with weak economies leads to high vacancy rates on their high streets (see **Table 2**).

Table 2 Best and worst performing towns; Centre for Cities (as measured by business closures in 2018)

Top 10 best performing towns	Bottom 10 worst performing towns
Brighton	Barnsley
London	Belfast
Luton	Dundee
Manchester	Hull
Milton Keynes	Mansfield
Northampton	Plymouth
Norwich	Stoke
Reading	Sunderland
Slough	Swansea
Warrington	Wigan

Notice from the table:

- The absence of larger cities (Belfast apart) from the list of worst performing towns.
- The least successful towns tend to be located in areas which were more heavily dependent on a manufacturing industrial base in the past.
- The preponderance of successful cities in the relatively more prosperous south of the United Kingdom.

Figure 3 A successful High Street

The Impact of the Pandemic

Two points are important when assessing the impact of the COVID-19 pandemic as measured by spending on the High Street.

1) The lockdowns in March, November and January 2021 have been interspersed with periods where restrictions were fully or partially relaxed.

2) The effect of the lockdowns and the removal of lockdown was not uniform across the country with the devolved governments of Wales, Scotland and Northern Ireland developing their own policies and strategies for managing COVID-19.

a) Timeline of lockdown and recovery

- Lockdown in March and April saw a drastic decline in footfall and spending to just 80% of pre-lockdown levels.
- Between May and September with easing of restrictions footfall recovered to 64% of pre-lockdown levels and spending to 83% of pre-lockdown levels.
- In September recovery stalled in all of our High Streets.
- The November lockdown caused retail sales to fall by nearly 4% in the run up to Christmas, a usual peak.
- The January 2021 lockdown exacerbated the decline with both non-essential shops and entertainment venues all closed.

b) Significant variation in terms of impact and recovery across the UK

A significant impact of the pandemic has been to alter the *status quo* in terms of success. High Streets that were successful pre-pandemic are now struggling. This is particularly true for the High Street in our larger cities.

This is because the retail sector doesn't exist in a vacuum. It is dependent upon passing trade or footfall as it is now more commonly called. That footfall comes from three sources.

- Commuters working in town centres in offices, shops, local government, public buildings and schools.
- Day visitors from the surrounding suburbs and outlying areas and tourists.
- Local residents (often ignored but significant in supporting businesses providing essential services on the High Street).

The office population creates a daily demand for a whole range of services from the Costa coffee shop on the corner, the shoe repair, the lunchtime snack or meal to the clothes shops, bookshops and gyms. Day visitors add to that demand and also help support the hospitality industry on the High Street. In addition, theatres, cinemas and large sporting venues generate night-time demand for restaurants, bars and clubs.

The effect of the lockdowns has been to reduce drastically that footfall, particularly in the large cities, which has a marked impact.

- Successful towns like Oxford only saw 8% of pre-lockdown footfall, whilst for London, Manchester, Birmingham, Leeds the figure hovered around 11% (**Figure 4**). People were often too frightened to use public transport to the city centre and the concept of a ‘shopping day out’ virtually disappeared.
- On the High Streets of larger city centres less than 20% of workers (on average) returned. For Manchester that equates 120,000 fewer workers coming into the city every day. For London, the figure is 1.5 million as people were expected to work from home!
- They also saw the largest decline in night-time visitors (down on average 50%).

Figure 4 Deserted High Street during Lockdown

One of the blogs to be found on the Centre for Cities website sums it up very succinctly.

“The army of office workers that arrived into our city centres and on to our high streets on a daily basis spending money in shops, cafés, bars was a strength, but now is its Achilles heel”.

- Whereas in those town centre High Streets which are in less affluent areas and had been performing less well, for example, Basildon, Sunderland, Middlesbrough and Burnley, footfall declined but by less, to 33% of pre-lockdown levels.
- It was these High Streets which also “bounced back” more strongly.

Source: *Centre for Cities*

There have been two reasons advanced as to why this might be so.

a) The less successful town centres tend to have a greater number of essential goods and services located on the High Street.

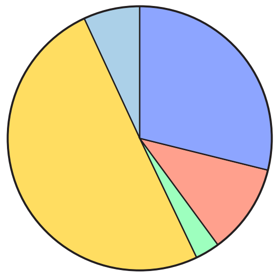
b) Office based employment is lower in those towns; a weakness before COVID-19 but now the opposite.

c) With increased numbers of people working from home the tendency has been for more people (commuters) to shop locally, rather than in the large cities into which they commuted on a daily basis with many people walking from inner city housing to smaller town centre shops, often bargain stores such as B&M and Iceland.

The High Street: What Next?

It is only in the last 70 years or so that the retail function has come to dominate the High Street. Historically our town centres were hubs where people could meet, trade, enjoy leisure time, and find employment. That is reflected, even today, in the mix of land uses that are found on High Streets in the United Kingdom (see **Figure 5**).

Figure 5 Land Use on the High Street



Source: *Office for National Statistics*

It is becoming clear that in the future, the retail sector will have a smaller physical footprint on the High Street as shopping patterns change and Helen Dickenson, CEO of the British Retail Consortium, accepts that there is now an excess of retail space on our High Streets. She predicts that the High Street will need to evolve beyond a narrow focus on retailing.

Commentators like Bill Grimsey and Martin Newman agree. They contend that the days of the traditional High Street with its narrow mix of fashion retailers and department stores (frequently creating clone town stores) is gone, and High Streets have lost the diversity of land uses that made them attractive in the past.

They argue that, rather than “clinging on to a sentimental vision of the past,” and asking how shops can be brought back onto the High Street, the COVID-19 pandemic should be seen as a watershed moment, the opportunity to move away from the old “normal.”

They argue that the High Street, particularly for small and medium sized towns, needs to be re-purposed for the 21st Century, in order to reconnect with the local communities.

This means returning the High Street to what it was formerly, a community hub for health, expanded housing, education, public services, arts, entertainment, leisure, convenience goods and services such as legal solicitors and banking. In this way,

1) To survive, the High Street needs to become a place where people live, work, relax and shop.

2) Expanding residential land use will increase the size of the local market which in turn will support a broader mix of local businesses and speciality shops.

3) The focus will be increasingly on the quality of experiences, the upgrading of the high street environment, more green space and fewer cars.

This will require:

- Devolution of power to local authorities and local communities empowered to re-design the High Street.
- Effective engagement with local communities to re-design High Streets to reflect their needs and aspirations.
- Strong leadership from within local authorities.
- Flexibility in planning and local taxation policies.
- A renewed focus on quality of the built environment with improved 'greening' and facilities for pedestrians and cyclists.

One example where this community focussed approach has been put into practice is Stockton-on-Tees, in North East England.

Case Study: Stockton on Tees: Creating a Community Hub

"You can't manage decline; you have got to fight back"

- Stockton on Tees is a market town in County Durham with a population of over 100,000.
- Like many towns the traditional high street had been in decline for a number of years.
- In 2011 the local council embarked on a regeneration plan focussed around the notion of the high street as a community hub not solely as a place to shop.

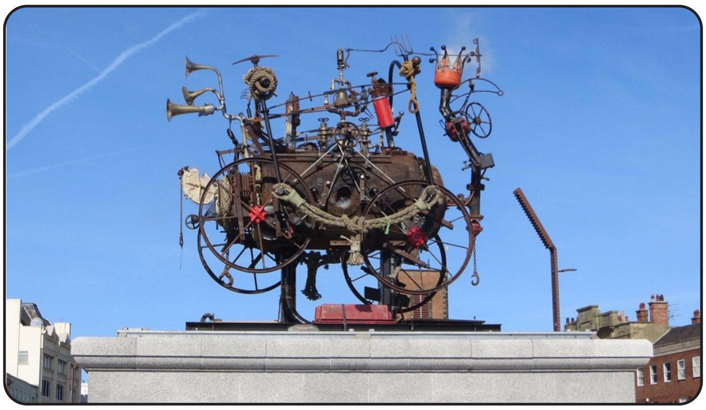
The "vision" was to re -purpose the High Street as a big outdoor community centre by:

1) Capitalising on the history and heritage of the town.
2) Providing support for a wider range of retailers and businesses.
3) Upgrading the river front as an attraction for local people.
4) Developing safe evening/leisure opportunities in interesting spaces.

The key features of the re-generation plan were as follows:

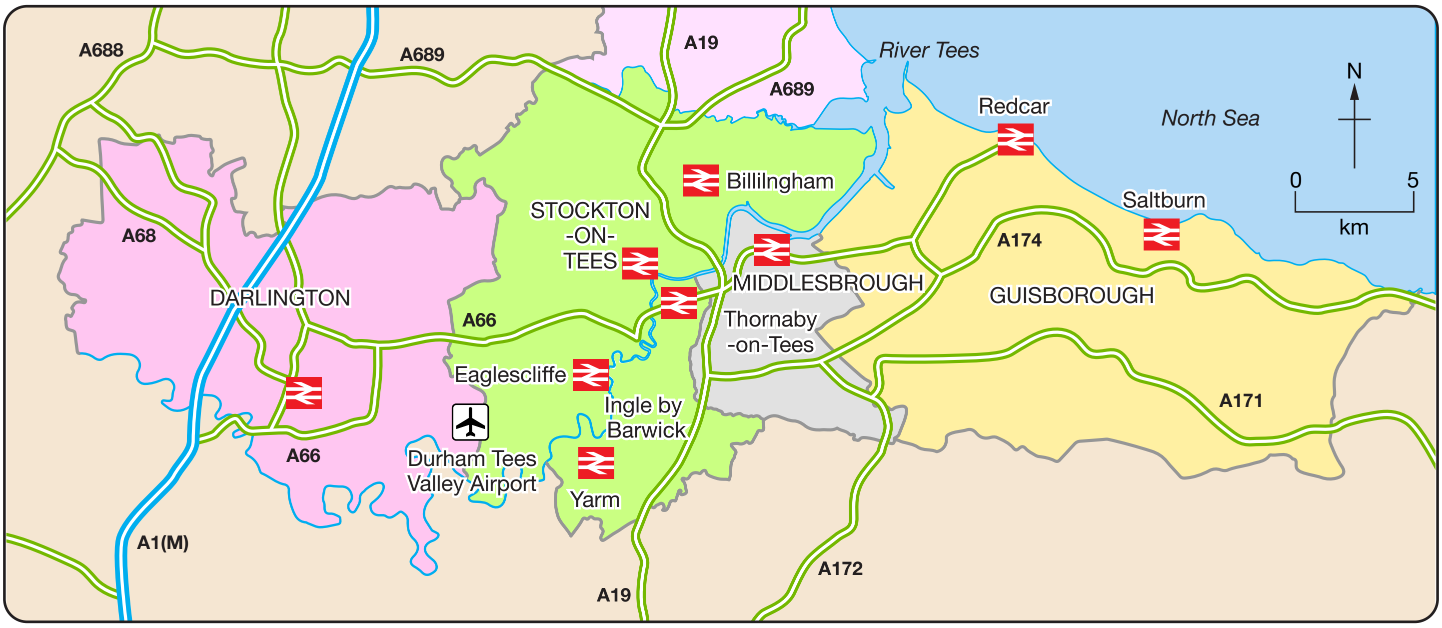
- The addition of artworks and landscaping in the high street to reflect the town's history and generate a sense of place. For example, The Stockton Flyer (see **Figure 7**).

Figure 7 The Stockton Flyer



- The refurbishment of the town's Globe Theatre in order to boost the evening economy.
- An events team was put in place to organise a series of events through the year including the Stockton Riverside festival which regularly drew over 100,000 visitors to the town pre-pandemic.
- The creation of thriving residential communities within walking distance of the town centre.
- Investment in library and leisure facilities on the High Street.
- The use of Heritage Grant funding to redevelop a former department store into the Fountains Court, an incubator for small business providing affordable accommodation at low risk.
- Two purpose-built spaces for digital and creative start – ups have been provided on the High Street and along the riverside.
- Business growth initiatives including a retail grant scheme to encourage businesses to occupy vacant premises have been put in place.

Figure 6 The Location of Stockton on Tees



Since re-purposing began in 2011, 30 new businesses progressed enough to move into the town centre, of which 10 are still trading. But the vision always extended beyond a like for like replacement of shops. As a recent BBC report revealed:

> *"On a bright sunny day, Stockton's potential is easy to see. There's plenty of "heritage", handsome historic buildings and a riverfront for the town to exploit."* (See **Figure 8**).

Figure 8 Stockton Town Centre

More importantly, over the years there has been a substantial improvement in the town centre approval rating by the local community. In 2011, 69% of residents expressed approval but by 2016 this figure had risen to 83%.

Other examples to explore include Ludlow (Shropshire), Elgin (Scotland) and Warrington.

The Future for The Larger Cities? A Postscript:

There is a general acceptance that the established "up market" High Streets in large city centres like Manchester, Birmingham and Leeds, will remain a focus for retail tourism. Helen Dickenson, for example, still sees a future for the major fashion brands in larger city centres, possibly with a different focus; the integration of offline and online shopping in which "click and collect" may well play a significant role.

It should also be possible for larger cities to adopt similar approaches to the Stockton model in their city centres. That said, high street businesses in the larger cities are much more dependent upon the twin armies of commuters and day visitors, and as yet it is unclear whether they will return any time soon. Even if they do, it is likely that recovery will be slow. In the meantime, businesses will close, and more premises will become vacant leading to a vicious spiral of decline.

For now, there are many questions to resolve post pandemic.

1) Will increased numbers of people choose to work from home for at least part of the week? If so, how many?
2) How will the attitude of the large companies towards maintaining expensive office accommodation in town and city centres change given the current drift towards working from home?
3) Will the general public be willing to return to public transport?
4) Will the shift to online shopping continue to grow and will it temporary or permanent?

It will take some time before answers to the above begin to emerge.

The Government Response – The Way Ahead?

The response of the current government has been two-fold.

1) It commissioned The High Street's Task Force in 2019. Run by the Institute of Place Management on behalf of government, the Task Force has been set-up to strengthen local leadership in high streets and town centres in England, by providing information, advice, training, knowledge and data to local organisations. Including,
   a) A COVID-19 recovery framework
   b) A route-map to transformation
2) It has also proposed a major change in planning laws, which will allow developers to redevelop vacant building into residential property without the necessity to apply for planning permission.

The High Street's Task Force resonates strongly with the community focus ideas of retail experts like Bill Grimsey and holds promise of a brighter future for the High Street.

However, it is questionable whether loosening planning controls which simply replace shops with apartments of questionable quality, does anything other than change one form of high street monoculture for another. Nor will it help create the vibrant community hubs envisaged by the proponents of change referred to in this **Geography Factsheet.**

Further Reading Research

- https://martinnewman.co.uk/the-future-of-the-high-street/
- https://www.drapersonline.com/insight/analysis/drapers-investigates-what-will-the-post-covid-19-high-street-of-the-future-look-like
- https://www.theguardian.com/business/2020/dec/06/dont-save-the-high-street-change-it-completely-says-retail-guru-mary-portas
- http://www.vanishinghighstreet.com/wp-content/uploads/2018/07/GrimseyReview2.pdf
- http://www.vanishinghighstreet.com/wp-content/uploads/2020/06/Grimsey-Covid-19-Supplement-June-2020.pdf

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