

# HOW CAN WE DELIVER THE RENAISSANCE OF OUR TOWNS, HIGH STREETS & SHOPPING CENTRES?

ACES NATIONAL CONFERENCE

Presentation by:

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# Scope of Presentation

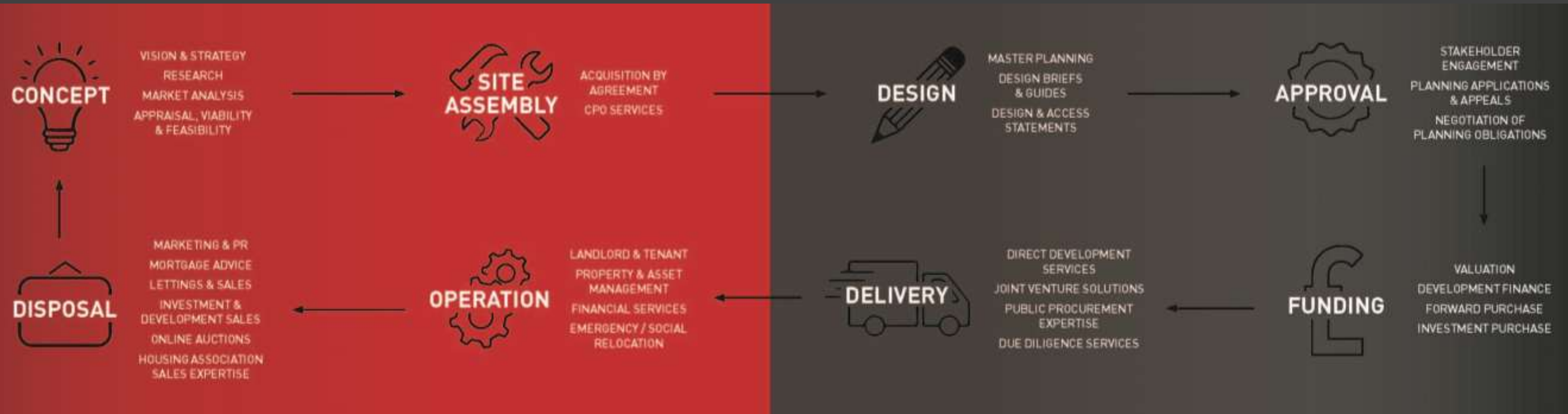


# Introducing LSH

Lambert Smith Hampton is one of the UK and Ireland's leading, and most progressive, property consultancies. Now more than ever, we work to ensure that our clients and communities remain connected, whilst relentlessly challenging the status quo and taking responsibility to find new ways to solve the biggest planning, regeneration and property challenges of our time.

**1,000+ EXPERTS 32 LOCATIONS  
ACROSS THE UK & IRELAND 7,700  
PROPERTIES MANAGED ADVISE ON  
£16BN OF PROPERTY EACH YEAR 1,000  
RAILWAY STATIONS MANAGED 15M SQ FT  
OF SHOPPING CENTRES MANAGED 18M  
SQ FT OF INDUSTRIAL & LOGISTICS + 7M  
SQ FT OF OFFICE SPACE TRANSACTED  
EACH YEAR 350 PUBLIC SECTOR  
CLIENTS 60% OF FTSE 100 ADVISED**

# Advising on all stages of the Regeneration & Property Lifecycle



# Experience & Track Record

**Lambert  
Smith  
Hampton**

**REGENERATE.  
REPURPOSE.  
REVITALISE.**

DELIVERING THE  
RENAISSANCE  
OF OUR TOWNS  
AND HIGH  
STREETS

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OUR WORK

**Retail and Town  
Centre Needs  
Assessment**



OUR WORK

**Tilbury Town  
Investment Plan**



OUR WORK

**Corby Town  
Investment Plan**



OUR WORK

**Grays Town  
Investment Plan**



OUR WORK

**Claremont, Blackpool**



OUR WORK

**Buxton Future High  
Street Fund**



OUR WORK

**Cranbrook New Town  
Centre**



OUR WORK

**Waterside North  
Exchange - Aylesbury  
Vale District Council**



OUR WORK

**Bath Bankside - Bath  
and North East  
Somerset Council**



OUR WORK

**Meridian Water:  
advising on 180 acre  
development in North  
London**



OUR WORK

**Rotherham Town Centre  
Masterplan**



OUR WORK

**Bicester Eco Town,  
Oxfordshire**

# Thought Leadership

VIEWPOINT - 17/08/2022

## NUTRIENT NEUTRALITY AND PLANNING REGULATIONS

How might Nutrient Neutrality targets affect future development and planning applications?

Find out more 



VIEWPOINT - 22/07/2022

## GOVERNMENT CONSULTATION ON COMPULSORY PURCHASE: A DIFFERENT PERSPECTIVE

Our Head of Infrastructure (Compulsory Purchase), Simon Bachelor, and Katie Matthews-Male, Director, offer a different viewpoint on the Government's recent consultation on Compulsory...


Find out more 

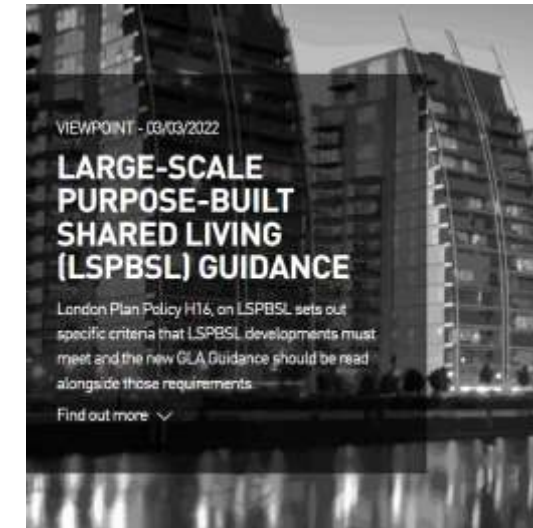


VIEWPOINT - 03/03/2022

## LARGE-SCALE PURPOSE-BUILT SHARED LIVING (LSPBSL) GUIDANCE

London Plan Policy H16, on LSPBSL, sets out specific criteria that LSPBSL developments must meet and the new GLA Guidance should be read alongside those requirements.

Find out more 



VIEWPOINT - 23/02/2022

## BUILT ENVIRONMENT COMMITTEE - MEETING HOUSING DEMAND

The Built Environment Committee's inquiry puts a stark challenge to the Government, to make serious and impactful changes to ensure new homes can be built to help meet demand.

Find out more 



VIEWPOINT - 17/02/2022

## LEVELLING UP WHITE PAPER - MISSIONS POSSIBLE OR IMPOSSIBLE?

Dr Owen Hawe and Atul Joshi, from our Planning, Development & Regeneration team outline the key headlines from the Levelling Up White Paper

Find out more 



VIEWPOINT - 20/01/2022

## FIRST HOMES - A NEW GOVERNMENT INITIATIVE

Explaining the government's new First Homes initiative, highlighting the differences and implications of this flagship, as against previous starter homes rules.

Find out more 



VIEWPOINT - 13/01/2022

## BIRMINGHAM CITY COUNCIL CONSULT ON CO-LIVING

Jeevan Thandi in our Planning, Development and Regeneration team gives insight on the possible introduction of co-living schemes in Birmingham

Find out more 



# Advice Built on Research



RESEARCH

**UKIT: Robust investment in Q2 masks growing caution**



RESEARCH

**UKIT Q1 2022: UK Investment Market Resilient Amid Headwinds in Q1**



RESEARCH

**Thames Valley & South East Office Report 2022**



RESEARCH

**Residential Sales Value Portal: your guide to residential property values**



RESEARCH

**Vitality Index 2022: Windsor & Maidenhead named UK's best-performing location**



RESEARCH

**UKIT Q4 2021: Investment surges to six year high**



RESEARCH

**Regional Office Market Report 2021**



RESEARCH

**Hotels Report 2021: the staycation-driven recovery**

HOW CAN WE DELIVER THE  
RECOVERY & RENAISSANCE OF  
OUR TOWNS, HIGH STREETS &  
SHOPPING CENTRES?

Lambert  
Smith  
Hampton

**Revo**  
Retail. Property. Community.





# Research Aims:

- What are the critical issues and challenges facing our town centres and high streets?
- Have these challenges changed over the last 2-3 years, and how?
- What realistic actions and interventions are needed to help deliver a town centre renaissance?
- Who should lead the recovery regeneration and renaissance of our town centres?
- What impact will ESG have on the future planning, development and management of our towns and high streets?

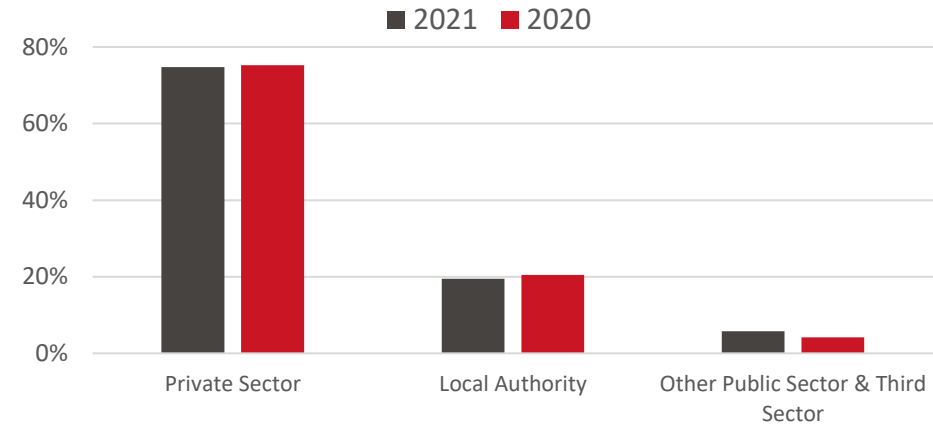
# Our Partners:



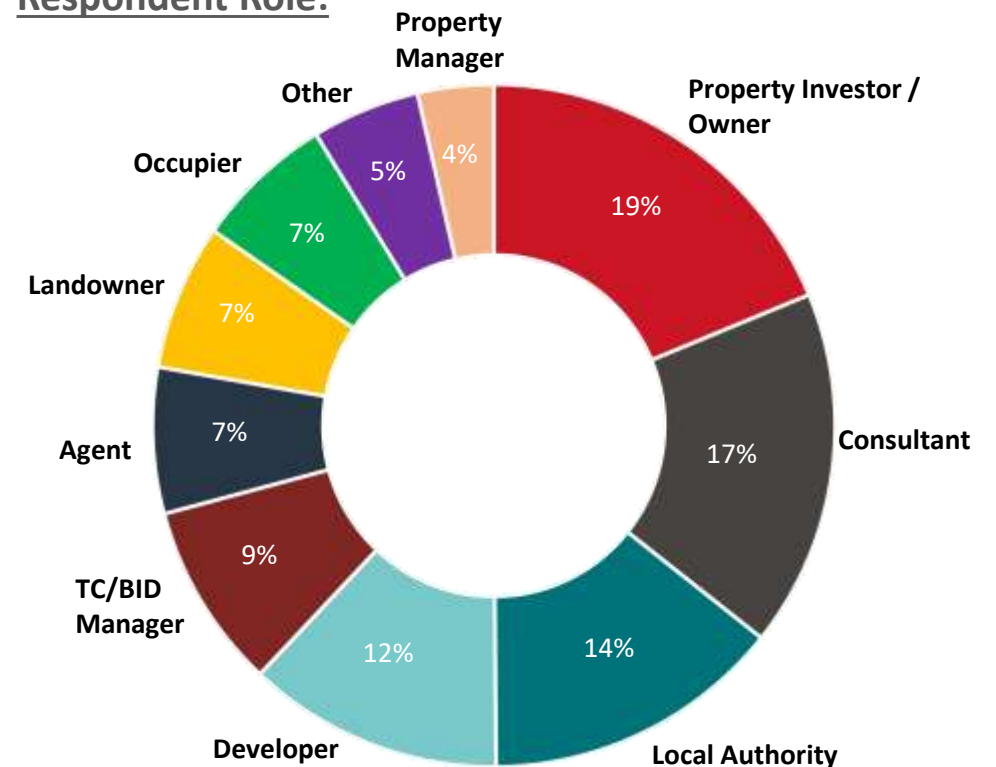
# Research Outline

- Online survey – Nov/Dec 2021.
- Builds on previous research:
  - 2020 - ‘Investing in the future: Can we fix our “broken” town centres?’
  - 2021 - ‘What next for our towns and shopping centres?’
- 300 responses from experts, advisors, and leading decision-takers across the public, private and third sectors.

**Respondent Profile:**



**Respondent Role:**



# ISSUES & CHALLENGES



**Our towns, shopping centres and high streets are facing unprecedented “once-in-a-lifetime” challenges to their future vitality and viability.**

**The drivers of change are bigger and more fundamental than we have ever witnessed before.**

**The COVID-19 pandemic that has gripped our nation and our lives since 2020 has further accelerated these trends.**

**DON'T PANIC!**

# The Big Issues?

What do you think will be the top three challenges facing Britain's high streets and town centres over the next five years?

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	2021	2020	Change in Rank
1. High business rates	54%	50%	↑

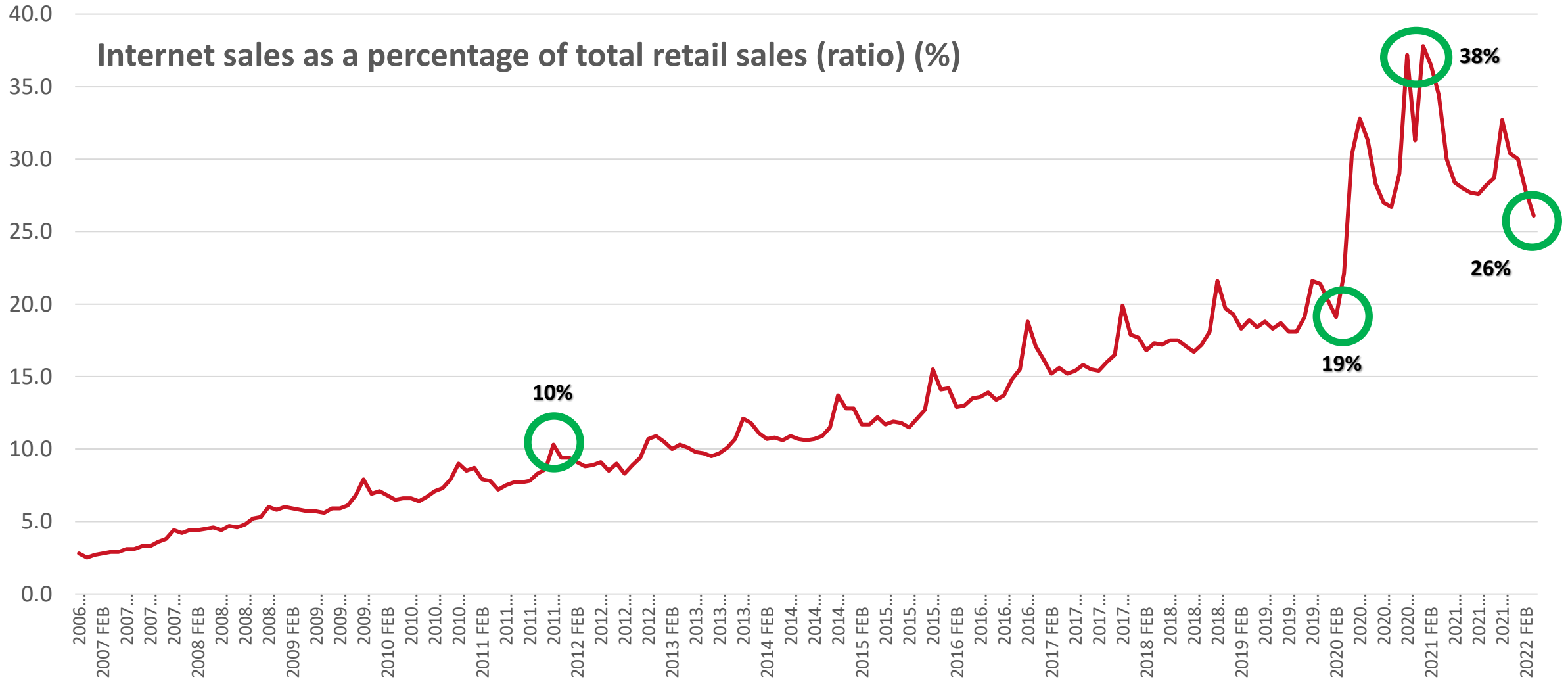
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2. Growth of online shopping	52%	70%	↓

# The Rise of Online

The growth in online sales represents a major challenge to our high streets and shopping centres that has been further accelerated by the impact of the pandemic. This was identified by over half of the respondents to the survey.





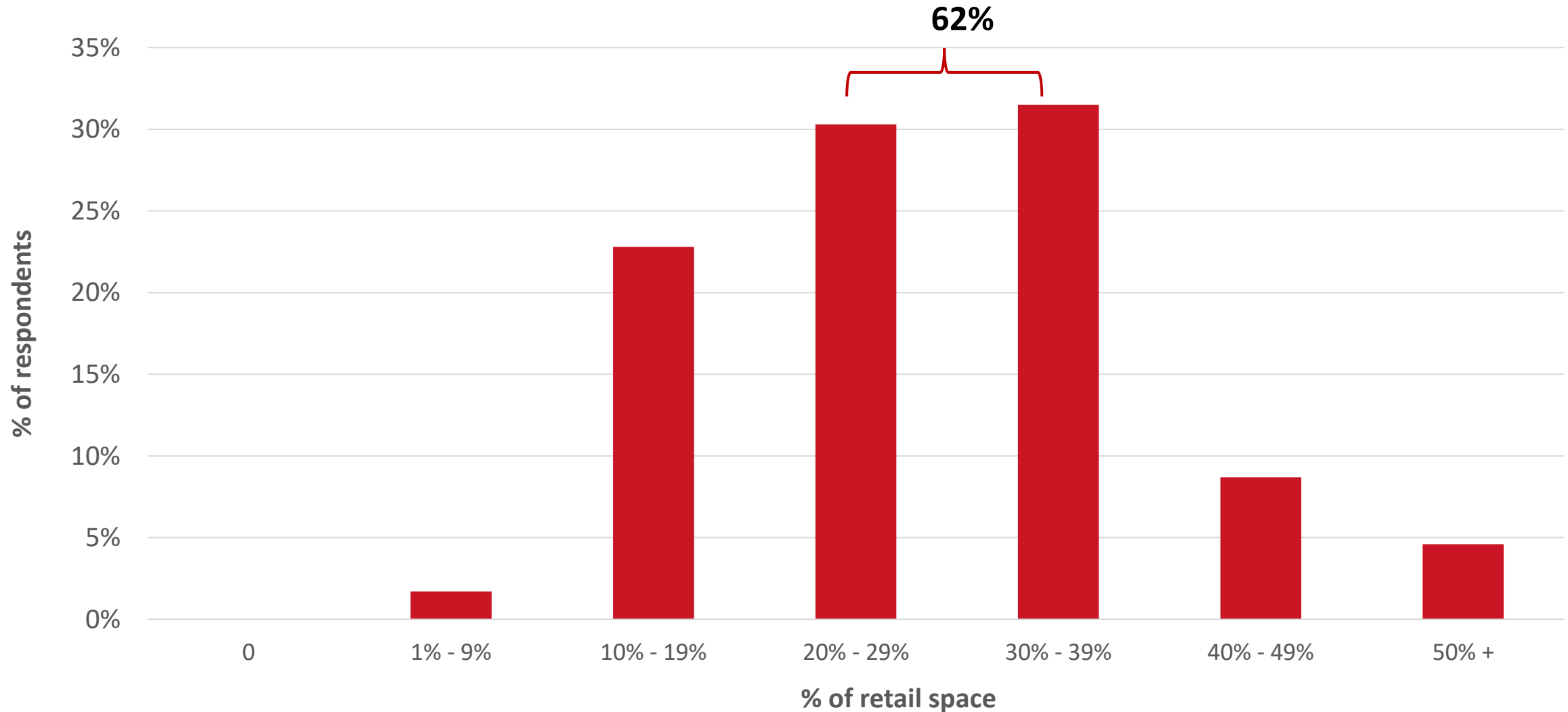
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1. High business rates	54%	50%	↑
2. Growth of online shopping	52%	70%	↓
3. Over-supply of retail floorspace	36%	43%	↔

# Too Much Retail Space

What percentage of our current town centre retail space (on average), do you think will need to be repurposed/redeveloped in order to create more viable town centres?

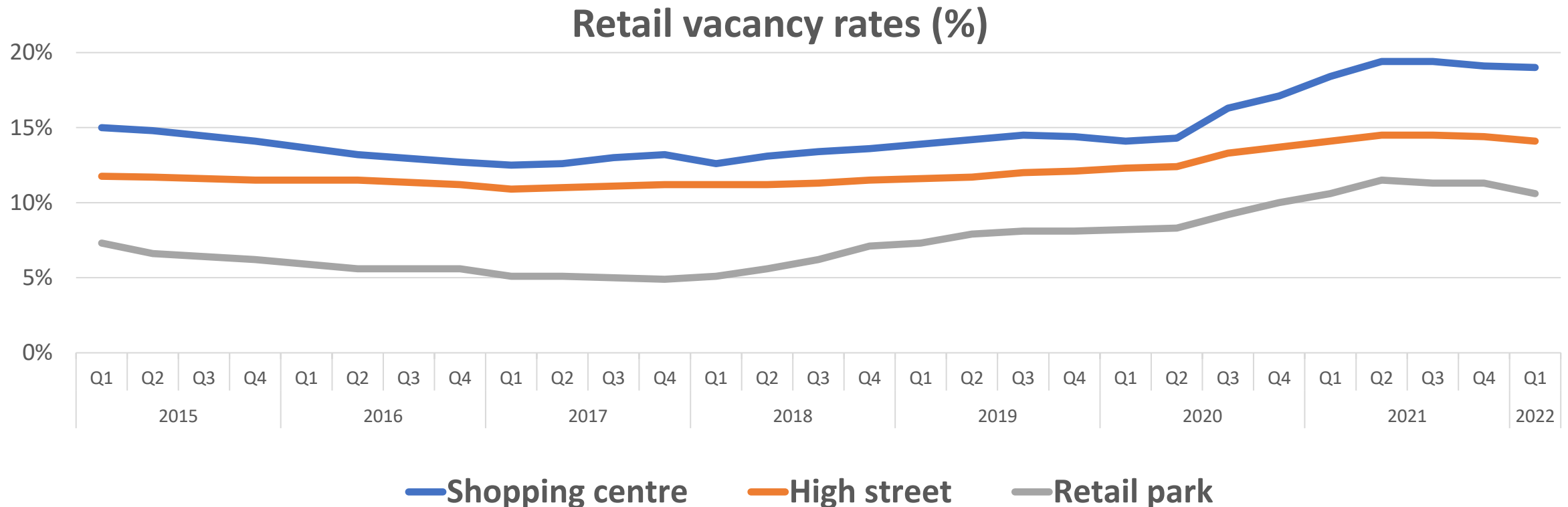


# Retail Under Pressure

In 2021 average retail vacancy rates in UK stood at a record high of 15.7%.

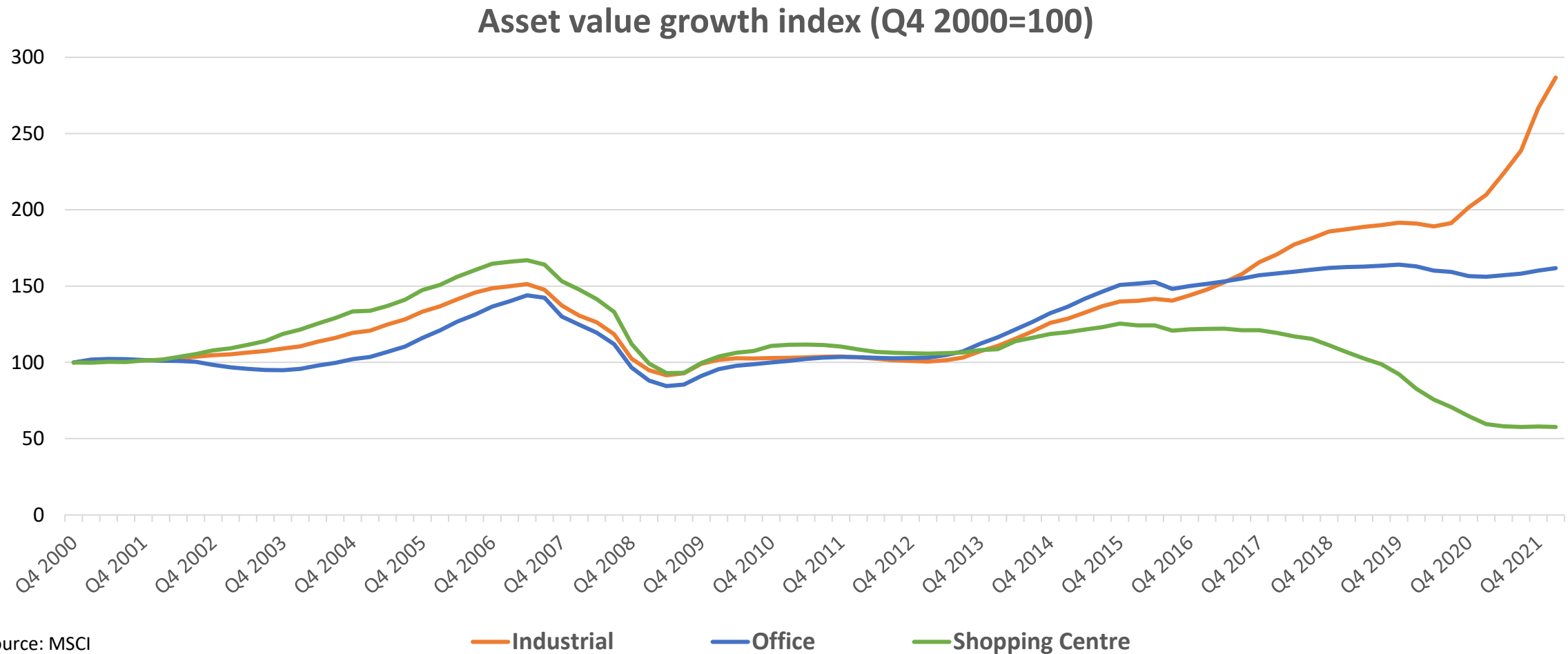
- Shopping Centres - 19.1%.
- High Streets - 14.4%
- Retail Parks - 11.3%

- Over 5,000 closed stores in 2021 v 6,230 in 2020.
- 40,000 jobs lost in 2020 v 74,000 in 2020.

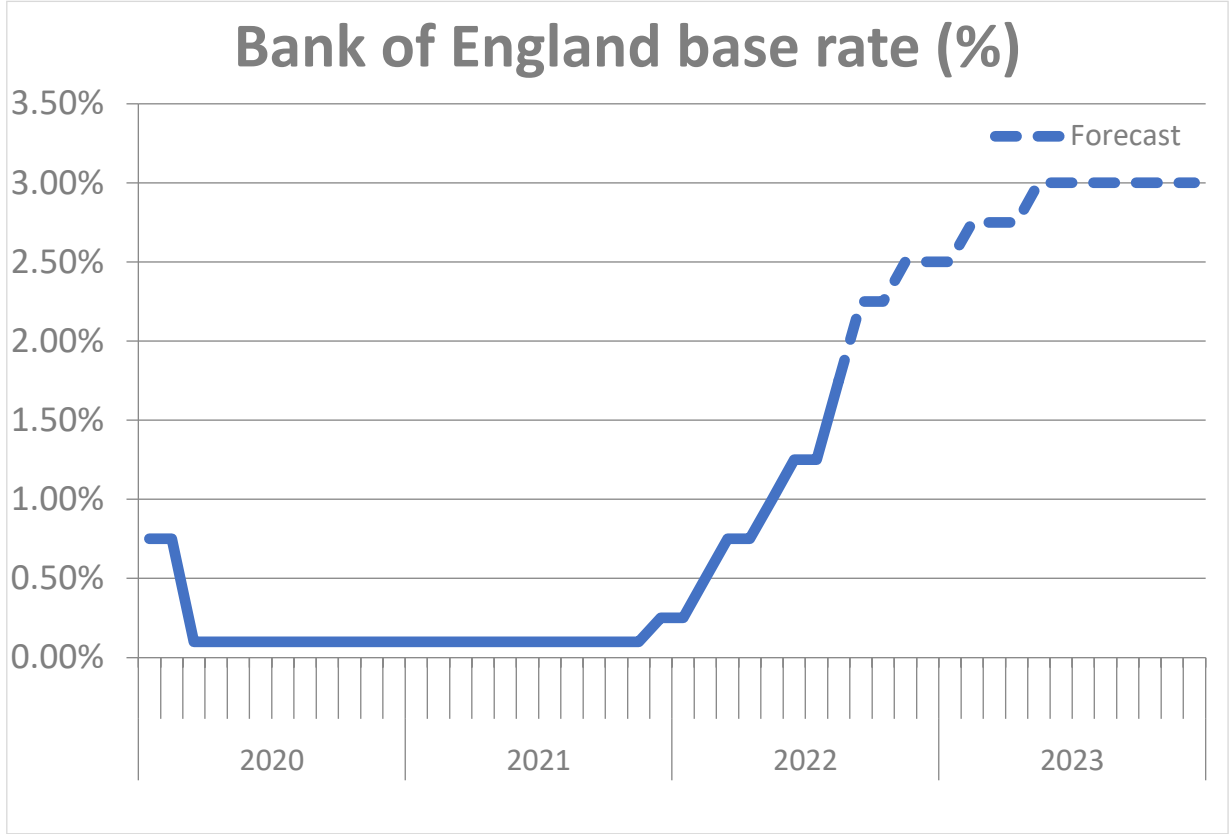
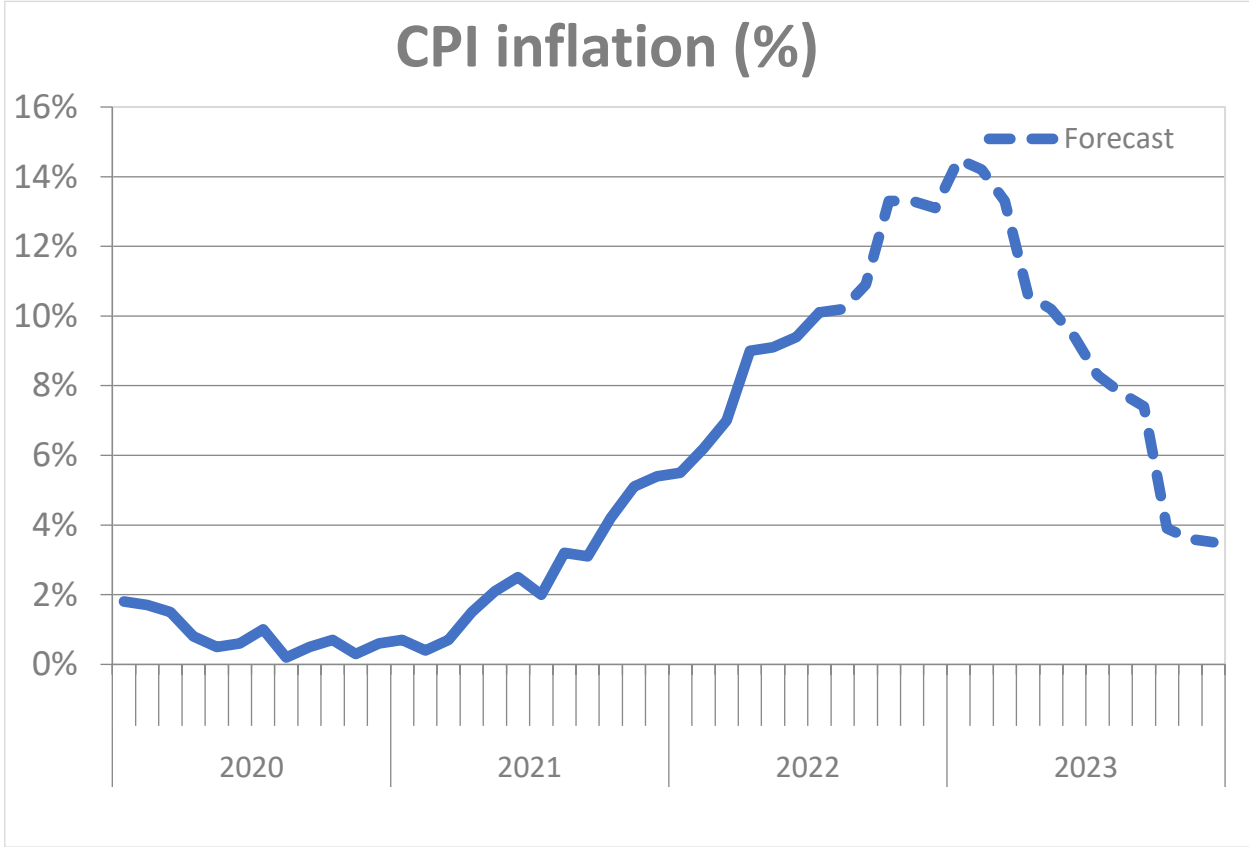


# The “Rise and Fall” of Shopping Centres

- Shopping centre asset values are 66% down on their peak (Q2 2007).
- Industrial values are up by 89% over the same period.



# Cost of Living & Energy Crisis



Source: Office for National Statistics/Capital Economics

# The Big Issues?

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2. Growth of online shopping	52%	70%	↓
3. Over-supply of retail floorspace	36%	43%	↔
4. Rise in home working / decline in office employment	26%	27%	↑
5. Lack of up-to-date plans and town centre strategies	22%	15%	↑

# Planning Reform, or Planning Muddle?

- **‘Planning for the Future’** White Paper - August 2020.
- **‘Levelling Up’** White Paper (LUWP) - February 2022
- **‘Levelling Up & Regeneration Bill’** – May 2022
- Reforms to **Permitted Development Rights (PDRs)** and the **Use Class Order (UCO)** system, including:
  - ❖ **New ‘Class E’** - September 2020.
  - ❖ **New ‘Class MA’ PDR** - August 2021.
- Delays in planning reforms have resulted in a policy vacuum that is creating uncertainty for both the public and private sectors.



An aerial, grayscale photograph of a city street grid. The image shows a dense arrangement of buildings, with a prominent church steeple visible in the lower-left quadrant. The streets are clearly marked, and the overall scene is presented in a monochromatic, high-contrast style.

# OPPORTUNITIES FOR INTERVENTION & REFORM?



# Optimum Critical Mix of Town Centre Uses?

Over the next five years, what will be the optimum CRITICAL MIX of uses and services in centres that will best help to underpin their success, and support viable regeneration & development initiatives?



# Government Interventions

What Central Government initiatives/interventions do you think will be most effective in supporting our towns, high streets and shopping centres over the next five years?

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<b>Top Five Key Initiatives</b>	<b>2021 (All)</b>	<b>2020 (All)</b>	<b>Private Sector</b>	<b>Public Sector</b>
1. Business Rate reform	<b>77%</b>	54%	80%	64%
2=. Online shopping sales tax	<b>41%</b>	n/a	39%	47%

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1. Business Rate reform	<b>77%</b>	54%	80%	64%
2=. Online shopping sales tax	<b>41%</b>	n/a	39%	47%
2=. Support / guidance for town centre strategies & masterplans	<b>41%</b>	19%	41%	36%
4. Levelling Up	<b>38%</b>	n/a	35%	51%
5. Other Government backed funds and/or tax incentives for new regeneration/ infrastructure projects	<b>34%</b>	n/a	36%	33%

# Need for Town Centre Visions & Strategies

Over 40% of respondents called for more Government support and guidance for town centre strategies and masterplans. This is another “*hot topic*” that was the subject to wide-ranging comment and feedback by respondents to the survey:

**“Consult with the public as to what they think and want, like and dislike, rather than imposing what local authorities or government think is best.”**

**“All towns and cities should develop a vision for their town centres following consistent guidelines. Local Authorities will need to buy in and make change happen as owner/developer or in a JV.”**

**“There is little to no hope for our town centres unless clear strategies are put in place with sufficient resource within local councils to manage and promote change in partnership with the private sector.”**

**We need to presume against all out of town and edge of town development to both repair our town centres and meet the climate change targets.”**

**“Understanding how people interact with place using digital technologies is vital for future renaissance.”**

# Town Investment Plans – Good Practice

*“Where possible, communities should be part of originating ideas, setting objectives and visions rather than just giving feedback on proposals that are already some way along. If communities feel heard and are invested in the success of the project(s), this should ultimately help develop a sense of pride and connectivity to place and community. And for some towns, the existing sense of pride and identity in their town can be a valuable resource for change.” MHCLG 2020*

1. Leadership & Governance
2. Partnership & Collaboration
3. Stakeholder & Community Engagement
4. Context Analysis
5. Visioning, Strategic Objectives & Spatial Strategy
6. Project Identification & Prioritisation
7. Alignment with other strategies, partnerships, programmes & investment
8. Early engagement with private sector and other funding bodies
9. High-level (Green Book) business case plan for each project and delivery plan



# Corby Town Centre

- New Town - 1950
- Closure of Steelworks – 1980s
- New investment – e.g. Corby Cube, Swimming Pool, Cinema.
- England's fastest growing town – pop 53,000 in 2001, increased to 62,000 in 2016, target 100k by 2031
- Significant housing development – over 14,000 new homes by 2031.
- Strong logistics / warehousing – provision 3x higher than national average
- BUT high levels of deprivation, poor health, education & skills gaps
- Poor links between town and station, and to residential and employment areas beyond.

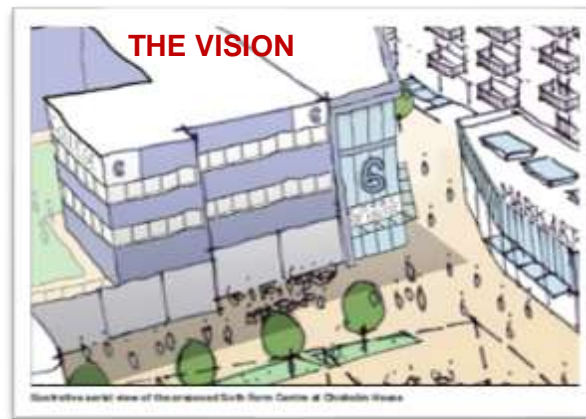


# Corby ‘Town Investment Plan’ (TIP)

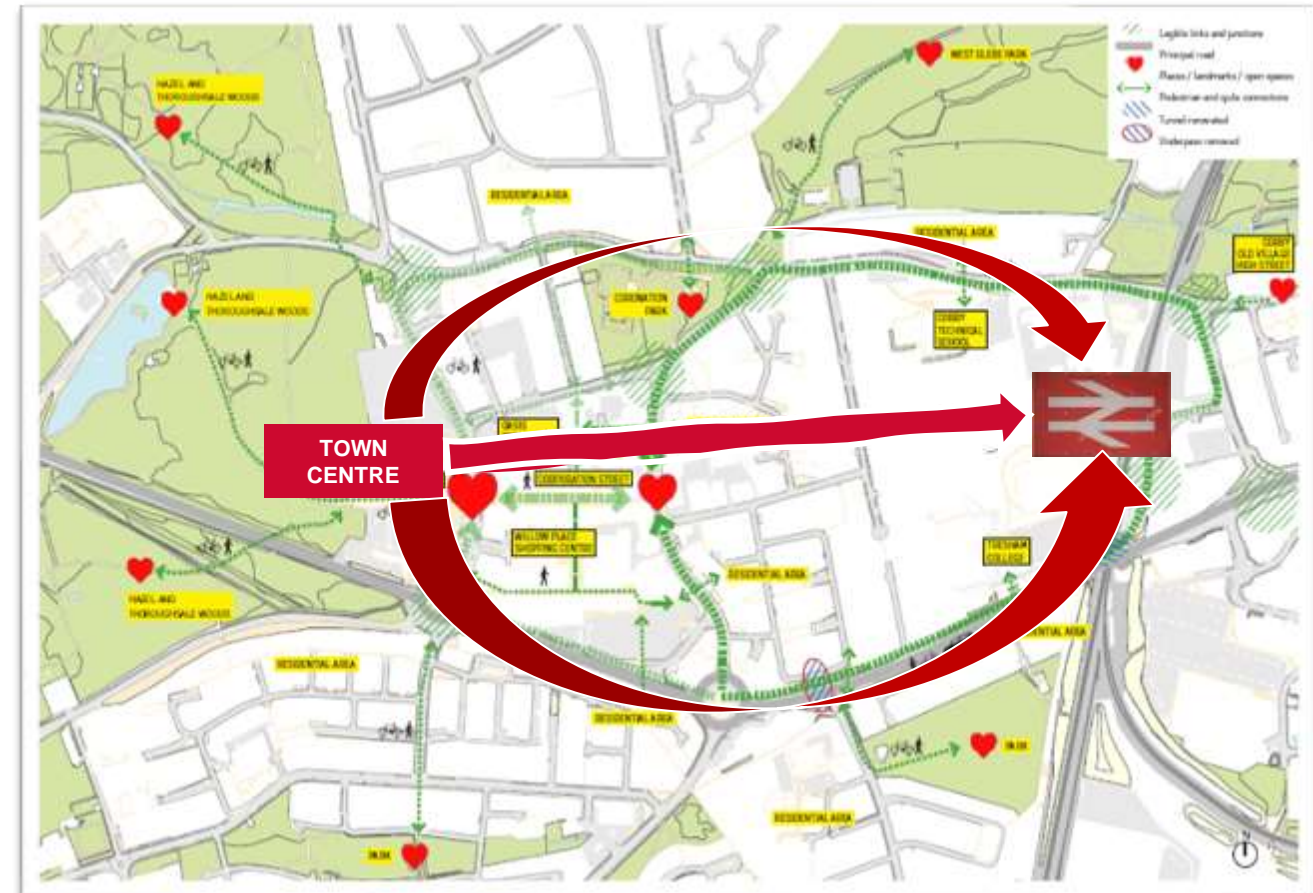
*“Our TIP will take Corby’s growth to the next level and we are excited to build on the strong collaboration we have developed with existing businesses, the community, landowners and stakeholders through the Town Deal Board.”*

Foreword to TIP by Chair of Town Board, Leader of Council & Local MP.

## Repurpose Vacant Building for New 6<sup>th</sup> Form Centre



## Improve Pedestrian and Cycle Connectivity Between Town, Station, Residential and Industrial Estates





# Tilbury 'TIP' Vision: "Hub-Heart-Heritage"

The Hub – Tilbury Station Gateway



The Heart – Civic Square & Youth Facility



Heritage – River Thames & Fort



**BEFORE**



**THE VISION**

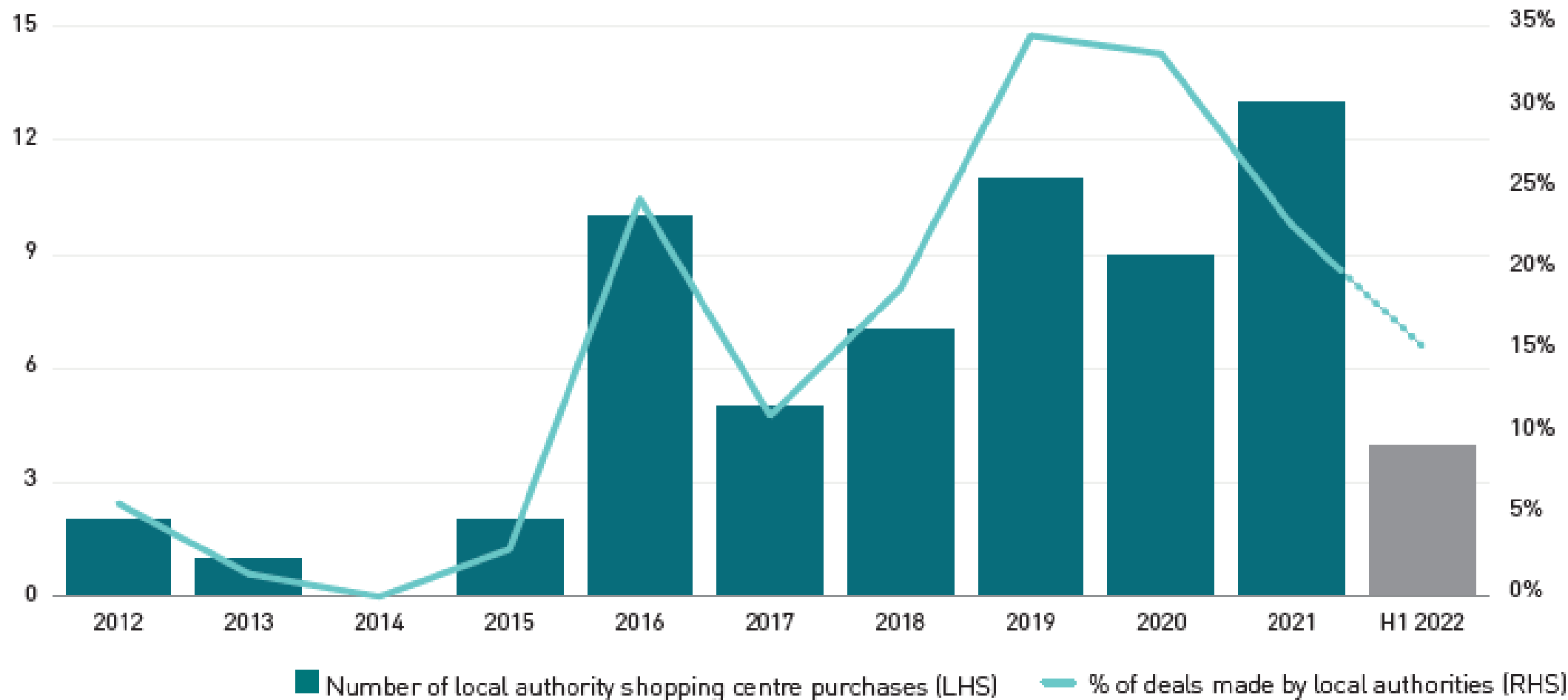
# Local Interventions

What other measures do you think will help to build greater resilience in our town centres over the next five years, helping to ensure their overall vitality and viability?

Top Five Key Initiatives/Actions	All Respondents	Private Sector	Public Sector
1. Repurpose shopping centres &/or vacant retail space	61%	62%	60%
2. Develop more homes in town centres	37%	37%	42%
3. Introduce more flexible turnover rents and/or lease structures	30%	30%	27%
4. Improve town centre environments/ public realm/ green spaces	25%	21%	38%
5. Provide new uses (e.g. professional services, care, fitness etc.)	24%	24%	20%

# Shopping Centre Transactions

- 516 shopping centre transactions over the last decade
- Local authorities purchased 64 shopping centres
- Equivalent to 1 out of 8 acquisitions



# REPLACE, REINVENT, REVITALISE

This report categorises the different approaches to repurposing needed by shopping centres as **Replace**, **Reinvent** and **Revitalise**.



## REPLACE

For some shopping centres in towns with a significant oversupply of retail space, the best option may be wholesale redevelopment that sees them levelled to the ground and completely replaced with new uses.

Most of the current examples where full redevelopment and replacement is being pursued in the UK are either being led by local authorities that are in a position to make bold strategic decisions about a town's retail provision and sacrifice commercial value for the wider good; or private sector projects where shopping centres are located in areas where alternative uses clearly have a higher value than retail.



## REINVENT

Many shopping centres, particularly those with relatively high vacancy rates, would benefit from significant changes to non-retail uses, while stopping short of being fully repurposed. A condensed retail offer might be supplemented by a varied range of other uses including leisure, residential, workplace, healthcare, education and community uses.

This scale of reinvention is likely to require significant redevelopment or regeneration activity and capital expenditure, with varying degrees of private and public sector involvement. A wide range of innovative mixed-use projects are currently in the pipeline at shopping centres across the UK, which seek to transform them into more diverse modern destinations.



## REVITALISE

The landlords of better performing retail centres with moderate levels of vacancy may not need to radically redevelop their assets, but a degree of repurposing would still be advantageous so that centres have a broader appeal to modern consumers.

While remaining anchored by their retail offer, many UK centres are being repositioned as leisure destinations, with increased food and beverage options, cinemas and gyms to attract younger consumers and families. Flexible space for temporary uses such as pop-up shops may also be suitable in these centres, to support a vibrant, evolving mix of tenants.



# REPLACE

## STOCKTON-ON-TEES CASTLEGATE SHOPPING CENTRE

Stockton-on-Tees is home to arguably the UK's most radical plan for shopping centre repurposing. The Castlegate Shopping Centre is being demolished along with a multi-storey car park and the Swallow Hotel, to make way for the new Stockton Waterfront project. This will create a large new riverside park including open, flexible space for community use, markets and large-scale events. The plans include a land bridge connecting the town centre with the River Tees, which forms an informal amphitheatre facing the waterfront.

Many of Castlegate's tenants have been relocated to the nearby Wellington Square Shopping Centre. The aim is to consolidate the town's retail space into a more compact core in Wellington Square and the northern section of the High Street. The need to reduce Stockton's retail space is made clear by planning documents supporting the Waterfront redevelopment, which put the town centre's vacancy rate at 34%, and the Castlegate Centre at 44%, in March 2021.

The old shopping centre was an unloved piece of 1970s planning which effectively blocked views and restricted access to the river. The new plans attempt to comprehensively remodel the town centre so that it is refocused on the waterfront. While retail space will be reduced, Stockton town centre should ultimately become a much more attractive shopping destination.

This type of blue-sky redevelopment, which forgoes commercial space in the pursuit of community goals, can only really be led by local councils, and not the private sector, because it involves the deliberate removal of commercial value. The progress of the Stockton project will provide an important litmus test for some of the more radical ideas currently being explored around town centre placemaking and regeneration.



STOCKTON-ON-TEES WATERSIDE (C&I)

## NOTTINGHAM BROADMARSH CENTRE

Nottingham's derelict Broadmarsh Centre is the subject of one of the UK's most ambitious projects to reimagine the future role of a failing retail centre.

Previously owned by Intu, the centre was partially demolished as part of redevelopment plans that were halted in 2020 when Intu went into administration. The centre is now owned and controlled by the council.

A new concept for the site, led by the celebrated designer Thomas Heatherwick, was unveiled in December 2021. The vision includes the retention of much of the structural frame of the old centre, with new spaces created within it to host leisure and other uses. A wildlife-rich green space is conceived, which will permeate the whole site and weave in and out of the frame. The proposal also includes 750 new homes, new commercial and mixed-use buildings and a hotel.



NOTTINGHAM - BROADMARSH CENTRE REDEVELOPMENT (VISION)

## SHREWSBURY RIVERSIDE, PRIDE HILL AND DARWIN SHOPPING CENTRES



SHREWSBURY - RIVERSIDE AREA REDEVELOPMENT (VISION)

to make the Darwin Centre the town's main shopping centre. The Pride Hill Shopping Centre has already been closed, with several of its retailers relocated to the Darwin Centre.

The council's current vision, unveiled in February 2022, envisages a leisure-focused mixed-use development replacing the Pride Hill and Riverside centres, as well as the Ravens Meadow car park and the bus station. The new development will potentially include a cinema, restaurants and bars, a transport hub, council offices, workplaces, hotels and up to 270 homes.

There are still significant obstacles to be overcome before the vision becomes reality, and the council's purchase of the shopping centres has attracted local criticism, as it bought them for c. £51m, and their value has since plummeted by more than 75%. However, by bringing multiple retail sites under its control, the council has given itself an opportunity to radically and strategically reshape Shrewsbury town centre as a more attractive leisure destination.

Shropshire County Council purchased Shrewsbury's three main shopping centres – the Darwin, Pride Hill and Riverside – in January 2018.

The acquisition was made so that the council could bring the sites under its ownership and enable future town centre regeneration. The council has since decided

## EDINBURGH OCEAN TERMINAL



OCEAN TERMINAL (CBH)

Ocean Terminal is a 420,000 sq ft shopping centre with a prominent location on Leith waterfront, but it has faced challenges in recent years, with two of its anchor tenants – Debenhams and BHS – going out of business.

Its owner, the Ambassador Group, has recognised the need to reposition the asset and to make more of its waterside position. It is seeking to part-demolish and remodel the centre, replacing the old Debenhams unit and a multistorey car park with a mixed-use development comprising housing, commercial units and new public realm that will open up the waterfront. A planning application covering phase one of the project was submitted in March 2022.

## OXFORD TEMPLARS SQUARE

Templars Square in Cowley, Oxford is a tired first-generation covered 1960s shopping centre which was acquired by Redevo, on behalf of a client, in late 2021. The property was purchased with a view to transforming it into a landmark residential-led mixed-use scheme, and pre-existing planning consent is in place.

The existing consent covers 226 residential units, a hotel, restaurants and public realm improvements. A multistorey car park and bridge will be demolished to clear space for flats, but existing retail will be retained.



OXFORD – TEMPLARS SQUARE (CBH)

## BURGESS HILL THE MARTLETS



BURGESS HILL – THE MARTLETS (CBH)

The Martlets Shopping Centre in Burgess Hill has been the subject of regeneration plans for several years. Its owner NewRiver was first granted planning permission to redevelop the centre in 2016, but a revised application was approved in 2020.

The current plans seek to reduce the retail footprint and add 142 residential units, a Travelodge hotel, Cineworld cinema, bowling alley, gym and a new public library. NewRiver is working with Mid Sussex District Council to bring the development forward, but progress may be dependent on securing central government funding.

## HAMMERSMITH LIVAT HAMMERSMITH

The former Kings Mall was purchased by Ingka Centres, the IKEA-affiliated shopping centre owner, in 2020. It was relaunched as Livat Hammersmith in February 2022, and is anchored by IKEA's first small-format high street store in the UK.

The Hammersmith centre is the first in Europe to bear the Livat brand, which is being rolled out globally. Meaning 'lively gathering' in Swedish, the Livat concept seeks to reposition shopping centres as 'meeting places' where communities can meet, eat and socialise.

Initiatives aimed at creating a community-focused centre include a programme of events and pop-up outlets; as well as some retail space that is bookable by the hour,

giving local businesses an opportunity to set up shop themselves.



HAMMERSMITH – LIVAT HAMMERSMITH

## NORWICH CASTLE QUARTER



NORWICH – CASTLE QUARTER

The former Castle Mall was rebranded as the Castle Quarter in 2019, with asset manager RwingtonHark seeking to reposition it from retail-led centre to a mixed-use family destination, with an enhanced leisure and entertainment offer. The centre now has a Leisure Quarter which features a cinema, bowling alley and gym alongside other entertainment options.

The next phase of the repositioning is Castle Social, a new food market incorporating five street food kitchens, a live performance space and a programme of regular events.

## SOUTHEND-ON-SEA VICTORIA SHOPPING CENTRE



SOUTHEND-ON-SEA – VICTORIA SHOPPING CENTRE

Southend-on-Sea Borough Council bought the Victoria Shopping Centre for £10m in late 2020, and has since sought to fill vacant spaces with a more diverse range of occupiers. An indoor climbing centre and an art gallery are among recently-secured tenants.

While these are bringing new life to the centre in the short term, the council's ownership of the centre will give it scope to develop longer-term plans as part of its wider regeneration aims; and the idea of moving council offices to the centre has also been mooted.

# Shopping Centre Investment Advice

- **St Nicholas Centre, Sutton** – advised LB of Sutton on £26m purchase of 441,000 sq ft centre in 2021 – targeting downstream planning, regeneration & asset management advice
- **Eastleigh BC** – Market & feasibility testing of 3 town centre sites. Providing advise on regeneration potential of Swan Centre (325,000 sq ft).
- **Galleries, Bristol** – Advising Bristol City Council on the redevelopment of a 1980`s centre with proposed mixed-use redevelopment.
- **Salford (Pendleton)** – planning, agency and viability advice for owners PRAXIS on application (2022) for 1,300 new apartments, reconfiguration of shopping centre and car parking consolidation.
- **Stafford BC** – Advising Council on acquisition of assets, to help deliver Future High Street Fund projects



# LEADERSHIP & INVESTMENT

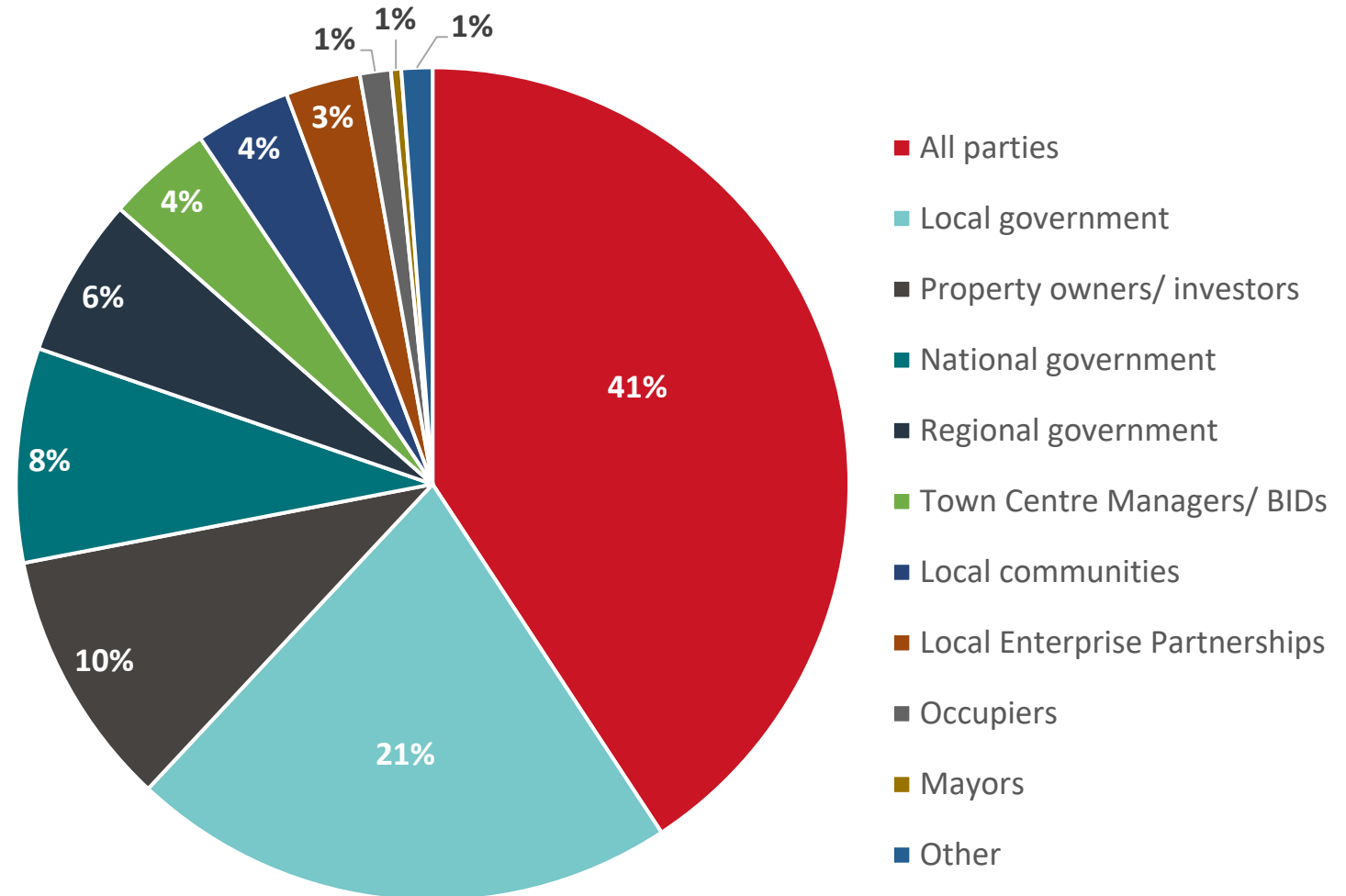




# Who Should Lead the Renaissance?

Who do you think should lead the transformation and renaissance of our towns and high streets?

- “All parties” – 41%
- Local Authorities - 21%
- Property Owners & Investors - 10%
- National Government - 8%
- Regional Government - 6%



# Funding Sources

How do you intend to fund key Regeneration & Development projects in the next 5 years?

Funding source	2021	2020	2019
Joint ventures/partnerships	36%	38%	46%
Public sector (all/part) funding	30%	24%	36%
Levelling Up / Towns Deal / FHS Fund	26%	31%	n/a
Institutional investors/ private sector	18%	24%	24%
Grants	16%	24%	23%
s106/CIL	12%	12%	18%
Bank loans	10%	21%	17%
Individual wealth	8%	17%	6%
Public Works Loan Board (PWLB)	8%	14%	22%
Income strips	3%	4%	n/a

# Government Funding Options

Fund	Objective	(£)
<b>Future High Streets Fund (2018)</b>	To renew and reshape town centres and high streets in a way that drives growth.	£1bn
<b>Towns Fund (2019)</b>	Economic regeneration of 101 towns.	£3.6bn
<b>Levelling Up Fund (2020)</b>	Supports investment in three key areas – (i) local transport projects; (ii) town centre / high street regeneration; and (iii) cultural and heritage assets. First round of the Fund allocated £1.7 billion to 105 successful bids. The 2 <sup>nd</sup> Round was announced in the Chancellor’s Spring Statement (March 2022) and builds on the LUWP.	£4.8bn
<b>Welcome Back Fund (2021)</b>	To support the safe return to high streets and help build back better from the pandemic.	£56m
<b>UK Community Renewal Fund (2021)</b>	To prepare for the UK Shared Prosperity Fund	£220m
<b>UK Infrastructure Bank (2021)</b>	Investment in infrastructure assets that drive regional and local economic growth or support tackling climate change.	£22bn
<b>UK Shared Prosperity Fund (2022)</b>	Succeeds the old EU structural funds. Provides funding up to March 2025 focussed on 3 local priorities – (i) communities and place; (ii) support for local businesses; and (iii) people and skills. All areas of the UK will receive an allocation from the fund via a funding formula rather than through competition.	£2.6bn

# Preferred Investment Classes

Which town centre asset classes are you actively seeking to invest in over the next five years?

Asset Class	All	Private	Public
Co-working space	42%	37%	50%
Retail - High Street	35%	33%	36%
Cultural/ Creative Uses	35%	16%	60%
Residential - Private	34%	33%	36%
Residential - B2R/ PRS	30%	30%	31%
Retail - all	29%	35%	21%
Commercial Leisure – F&B	28%	21%	38%
Shopping Centres	28%	30%	26%
Leisure - all	26%	26%	26%
Residential - Public	25%	14%	41%

# Investment – A “Sting in the Tail”

The current and future investment in the long-term commercial, social, and sustainable future of our towns, high streets and shopping centres was another “hot topic” raised by respondents.

*“Central government funding needs to recognise that the structural changes required in many town centres and high streets will have long term delivery timeframes.”*

*“Levelling up, Town Fund and Future High Streets Fund all have constrained expenditure periods which leaves local authorities looking for a ‘quick fix’ rather than solutions that create longer term sustainability”.*

***“There are huge opportunities at present, with unprecedented government funding ... (but) ... there is a risk that the resources aren’t there ... on both the client and construction industry side ... to deliver the projects in a timely manner. Ultimately this could lead to funding being withdrawn and therefore projects failing.”***

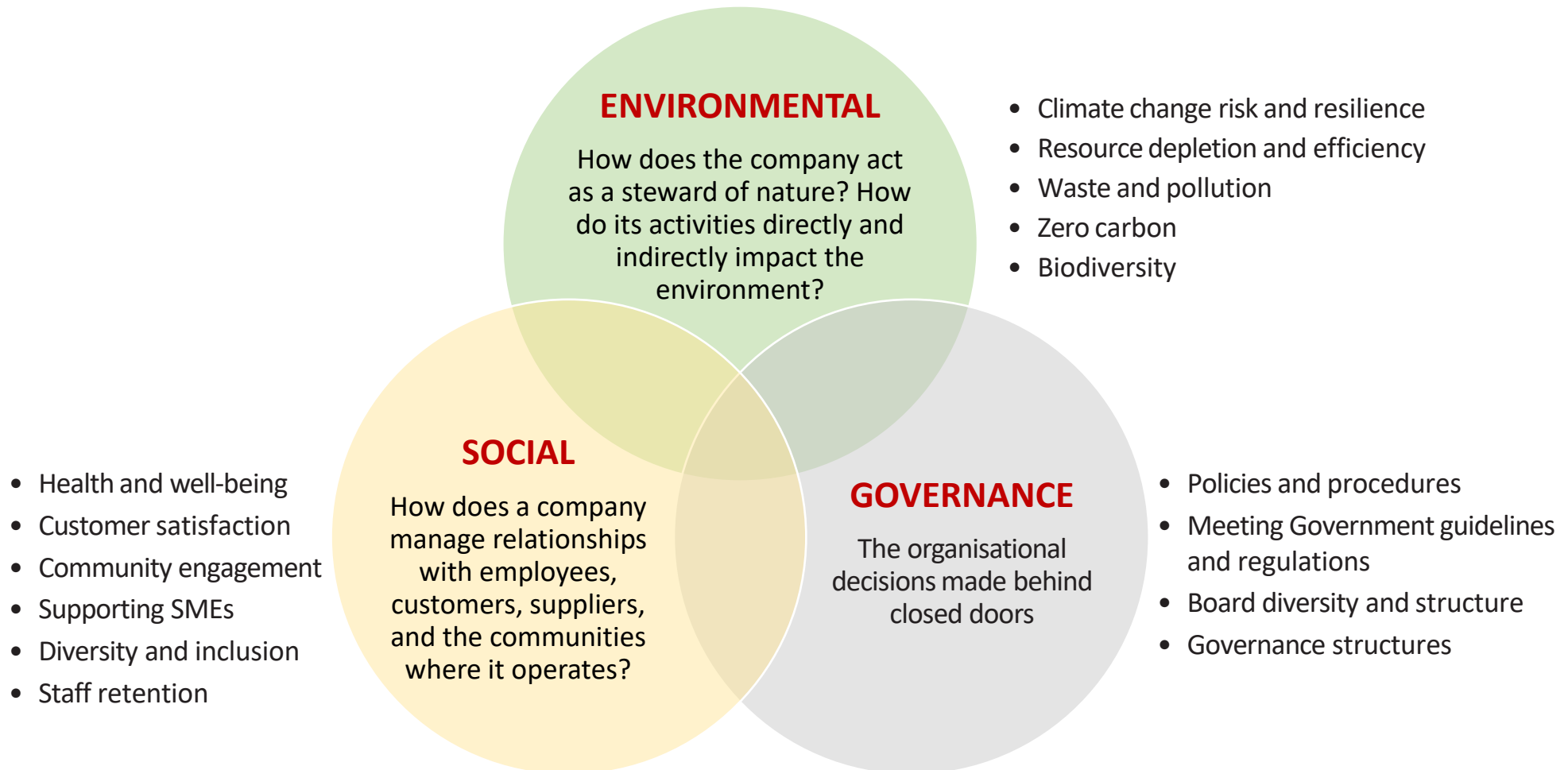
***“Central Government should also consider the revenue cost associated with applying for competitive funding streams and how that hinders the ability of some local authorities to participate.”***

An aerial photograph of a dense forest, showing a vast expanse of green trees from above. The image is semi-transparent, allowing the text to be clearly visible. The text is centered and reads "ENVIRONMENT & SOCIAL VALUE" in a bold, yellow, sans-serif font.

**ENVIRONMENT &  
SOCIAL VALUE**

# ESG Explained

Environmental, Social and Governance (ESG) concerns have wide-reaching impacts stretching beyond the organisational level. The actions of organisations have both indirect and direct social impacts on people, places and communities across the globe. Taking responsibility now, with clearly defined action plans can make for a better tomorrow.



# The Climate Challenge

Which five main local interventions for towns and shopping centres do you believe will most help address the UK's pledge to tackle climate change over the next ten years?

Key Interventions	2021	2020	Change in Rank
1. Improve public transport networks	66%	31%	↑
2. Carbon zero buildings	53%	35%	↑
3. Provide infrastructure to allow transition to electric vehicles	53%	41%	↓
4. Promote (10-15min) walkable neighbourhood concept	44%	n/a	-
5. Infrastructure to promote healthy and active travel	44%	25%	↓
6. Improved public realm / green spaces / tree planting	44%	19%	↑



**LOOKING FORWARD:**  
*Are there reasons to be  
Cheerful?*

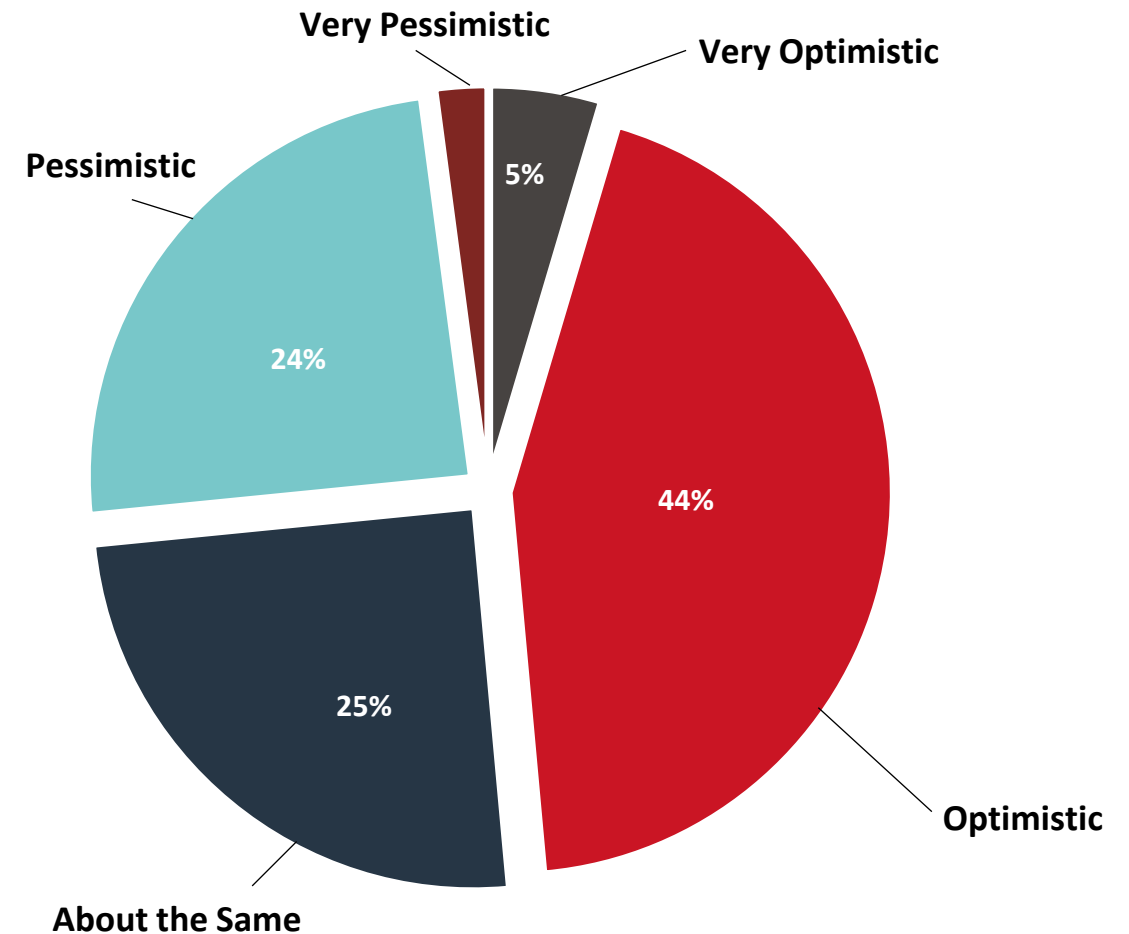


# Things Can Only Get Better .... Can't They?

Thinking ahead to 2025, how do you feel about the futures of the towns and high streets you are currently operating in, or engaged with?

Optimism was returning at the end of 2021.

- Just under half of survey respondents (49%) indicated they felt at the very least **OPTIMISTIC**.
- This is up from 38% in 2020 / but down from 65% in 2019.
- Interestingly, public sector respondents appear to be more positive about the future. Some 60% were optimistic about the future, compared with 44% in the private sector.



# What have we Learnt?

- Establish strong leadership and governance
- Involve communities and stakeholders from the start
- Develop robust evidence-based visions and investment strategies
- Repurpose unviable retail & office space, & shopping centres
- Replace with more flexible and diverse uses
- Introduce new homes with different tenures
- Invest in new physical/digital infrastructure
- Plan for more active modes of travel
- Restore civic and community pride
- Create beautiful, green, attractive buildings and places
- Build on the “walkable neighbourhood concept”.



## FUTURE GAZING

# THE CENTRE OF THE FUTURE

The shopping centre as we think of it now may not exist in the future. Retail-only centres will need to evolve into mixed-use locations, serving a wide range of community needs. These may no longer be thought of as shopping centres, but simply as town centres. While every location will have to respond differently to the needs of its local community, some key characteristics of successful future centres can be proposed.



### MIXED

Leisure, food and beverage, flexible offices, residential, healthcare, education and other uses may all sit alongside retail in future centres. The greater the range of commercial, residential and community uses offered by a centre, the more reasons that people will have to come to them and to stay for longer.

Finding the right combination of mixed uses will generate a 'halo effect', with consumers' positive experiences in one area making it more likely that they will use others, improving footfall and revenues across the centre.



### LIVING

Mixed-use centres with residential space will need to be integrated into the communities that live in and around them. Future centres will not survive if they are only places where people go to shop and then leave; instead they need to be locations where communities live, work, play and socialise.

By becoming living places with a resident population, demand will be created for a wide range of community services, including healthcare, education, libraries and sports facilities. The mixed-use centre of the future may essentially need to function as a town centre in itself, serving a broad range of public needs.



### 24/7

Across all commercial property sectors, one of the key post-pandemic challenges is finding ways to utilise and generate value from space for longer periods of the day and week. For shopping centres, this means adding uses that ensure they do not become dead spaces outside of retail hours.

Introducing residential space could be key, as it creates an on-site population generating 24/7 demand for services. Community, cultural and leisure uses will also bring life to centres at times when shops are quiet or closed.



### FLEXIBLE

Flexible space and leases will be needed to ensure that centres can attract a broad range of occupiers across sectors. Landlords will need to be flexible on terms, by offering short leases or turnover rents, or even setting aside some space that can be rented on an hourly or daily basis to support new and local businesses.

Flexible units that are easily divisible and adaptable to different tenant needs will also be required. Future centres may ultimately need to offer ultra-flexible space that breaks conventional sector distinctions and can be used as retail, leisure, work or community space; and occupied by different tenants depending on the time of day, or the day of the week.



### SUSTAINABLE

With ESG considerations continuing to rise up the agendas of investors, occupiers and consumers, there will be an increasing onus on centres to make positive environmental and social impacts. The shopping centre of the near future will need to be carbon neutral, and designed or retrofitted with features that reduce energy consumption and water usage.

Better integration with public transport and cycling links will help to reduce the emissions caused by travel to shopping centres. This will also be supported by the move towards mixed-use centres, as the addition of residential units will lessen the travel requirements of those living in these new homes.



### EXPERIENTIAL

The key advantage that physical retail and leisure operators have in an increasingly online world is their ability to provide in-person experiences that go beyond simply browsing and buying products. Shopping centres will increasingly need to cater to consumer demand for personalised, immersive retail experiences, and the human desire for social and face-to-face interactions.

An increased focus on experiences will see centres giving greater volumes of space to leisure and food and beverage uses, as well as providing flexible and pop-up retail spaces suited to local, artisan and boutique businesses.



While unprecedented challenges abound, shopping centres still have important roles to play within towns and cities. However, they may need to take on radically different forms in order to survive and flourish. Repurposing activity is key to securing the future of centres, but it must be carefully planned and implemented so that it supports bold new visions of their long-term roles at the heart of communities.

"I know of no single formula for success, but over the years I have observed that some attributes of leadership are universal and are often about finding ways of encouraging people to combine their efforts, their talents, their insights, their enthusiasm and their inspiration to work together."

Queen Elizabeth II address to the United Nations, July 2010



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Steve Norris is Head of LSH’s PR+I team, and also leads the Town Centre & Economic Regeneration team.

Steve has 30 years’ experience providing planning, regeneration and commercial property consultancy advice on a wide variety of retail and town centre issues for regional planning bodies, local planning authorities, developers, investors and operators.

His expertise ranges from the preparation of evidence-based town centre visions, action plans and regeneration strategies - informed by wide-ranging stakeholder & community engagement - to securing funding and permissions for major mixed-use schemes.

Since 2020 Steve and his team have successfully advised on the preparation of Town Investment Plans (TIPs) for his clients to help unlock funding from the Government-backed Towns Deal Fund. He has also advised on Future High Street, Welcome Back & Levelling Up bids.

Steve is a member of Revo (and sits on their Strategic Board and Regeneration Committee), and an expert adviser to the Government’s High Street Task Force. He is also a member of the Association of Town & City Management (ATCM); and chaired the annual RTPI conference on retail and town centres for over a decade.



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