Lambert Smith Hampton

PLANNING REGENERATION + INFRASTRUCTURE

Delivering transformational, sustainable and viable developments, assets and places

lsh.co.uk

HOW CAN WE DELIVER HEALTHY, VIABLE & RESILIENT TOWN CENTRES?

ACES Conference

September 2023

Dr Steven Norris BA MPhil PhD MRTPI

SCOPE OF PRESENTATION

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1. WHAT ARE THE ISSUES & CHALLENGES

2. WHAT ARE THE OPPORTUNITIES FOR TRANSFORMATION?

3. WHO SHOULD LEAD & FUND TOWN CENTRE REGENERATION?

4. WHAT HAVE WE LEARNT?

HOME OF THE KNOWLEDGE NETWORK

PROPERTY EXPERTS
ACROSS THE UK & IRELAND

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Smith
Hampton

1,100 EXPERTS 30+ 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

INTRODUCING PR+I

OVER 120 PROFESSIONALS COVERING 10 CORE AREAS:

- PLANNING CONSULTANCY
- DEVELOPMENT CONSULTANCY
- TOWN CENTRE REGENERATION
- URBAN DESIGN & MASTERPLANNING
- ECONOMICS & PLANNING POLICY
- TRANSPORT & INFRASTRUCTURE
- COMPULSORY PURCHASE
- VALUATIONS
- PUBLIC SECTOR
- EXPERT WITNESS

THERE'S MORE TO LSH

ADVISING AT EACH STAGE OF THE REGENERATION LIFECYCLE

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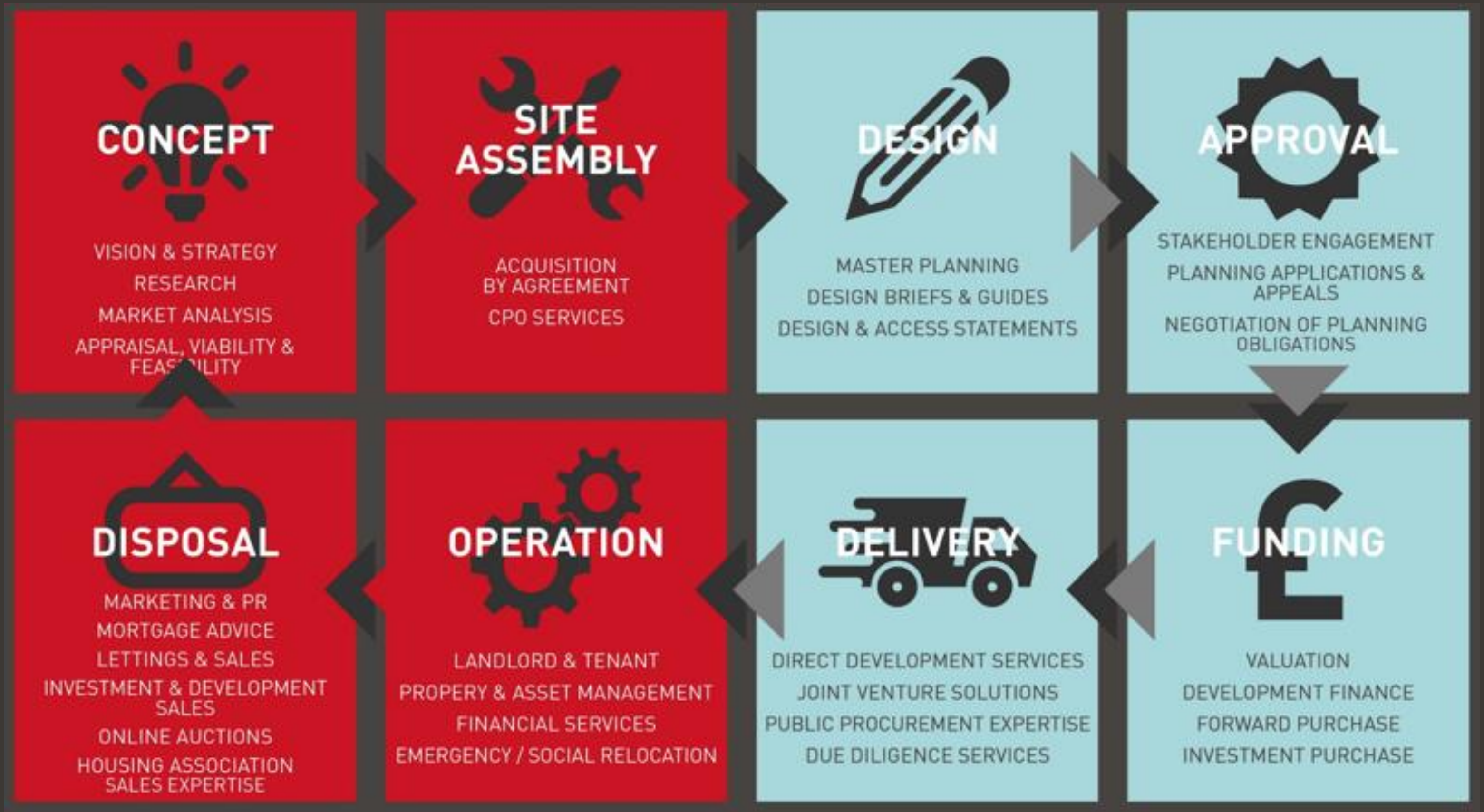

OUR CLIENTS INCLUDE

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GOOD COMPANY
A NETWORK OF LEADING BRANDS

First

Camden

Locat ED

ICR The Institute of Cancer Research

IWG International Workplace Group

Homes England

Essex County Council

bam

Aitch GROUP

Charnwood

BRITISH FILM COMMISSION

LNER
LONDON NORTH EASTERN RAILWAY

Department for Education

virgin atlantic

Persimmon
Together, we make your home

NHS

HS2

ENFIELD Council

BBC

Hertfordshire

The Methodist Church

Nationwide

CORNWALL COUNCIL

KIER

TOWN & SHOPPING CENTRE ADVISERS

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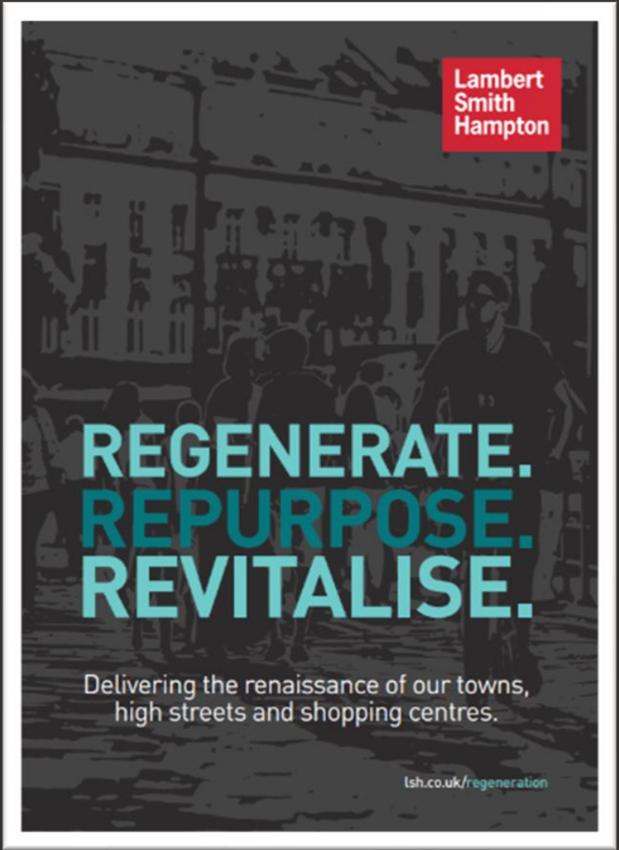

TILBURY TOWNS FUND

We prepared the Town Investment Plan (TIP) in 2020 that helped secure £23 million of capital investment from the Government-backed £3.6bn Town Deal Fund, made available to 101 centres. Underpinned by wide-ranging engagement and consultation with stakeholders and the local community, the funds will help to kick-start key projects and interventions in Tilbury Town Centre; including new healthcare and youth facilities, improvements to the Station Hub Gateway, and stronger connections to the riverside and port.

CANNOCK CHASE DISTRICT COUNCIL

We provided property and planning advice to help inform the Council's £24m bid to secure Levelling Up Funds, matched by £14m of Council funding. The money will be used to help deliver new cinema and theatre improvements, along with offices and housing in the heart of the town centre.

GRAYS TOWNS FUND

Project managed and prepared a Town Investment Plan (TIP), securing nearly £20 million of capital funds. This will provide a "once-in-a-lifetime opportunity to transform the town into the leisure heart of Thurrock"; including creating a brand new river front destination.

CORBY TOWNS FUND

We unlocked £20 million of capital funds to help deliver new regeneration and infrastructure projects across the town centre. The TIP involved significant collaboration, engagement and partnership-working during the height of the pandemic. This helped inform the preparation of a robust vision, and prioritise key interventions; including the repurposing of a long-term vacant building in the town for new education uses.

ROTHERHAM BOROUGH COUNCIL

Advised on the preparation of a Town Centre Masterplan and Delivery Strategy. This provided a long term vision for the town centre and identified key development opportunities. Our involvement has since extended to the Council's Future High Street Fund (FHSF) and Town Fund bids in 2020, which secured over £45 million of capital funds.

HIGH PEAK BOROUGH COUNCIL

Advised the Council on its bid submission for the Government's Future High Street Fund for Buxton Town Centre. We led a multi-disciplinary team on the preparation of a commercial masterplan and business case, which helped to unlock £6.6m of funds to progress a mixed use redevelopment focused on The Springs shopping centre and surrounding sites. We have been retained to advise on the procurement of a development partner to deliver the comprehensive redevelopment.

RESEARCH & THOUGHT LEADERSHIP

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https://www.lsh.co.uk/explore/research-and-views

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Revo
Retail. Property. Community.

FROM RECESSION TO RENAISSANCE

WHAT IS THE FUTURE FOR OUR TOWNS, HIGH STREETS & SHOPPING CENTRES? 2023

OUR RESEARCH PARTNERS

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CIPFA The Chartered Institute of Public Finance & Accountancy

BPF BRITISH PROPERTY FEDERATION

iED Institute of Economic Development
Inspiring people - Improving places

ATCM association of town & city management

BRC

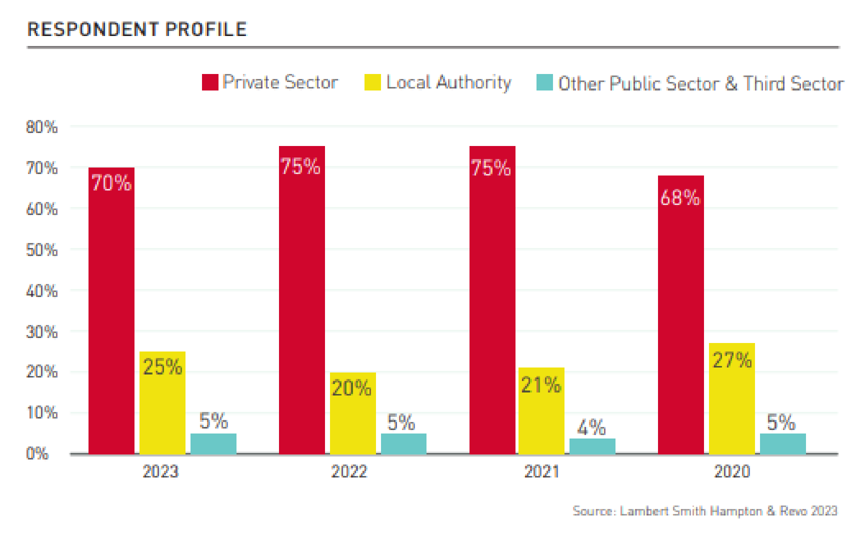
UK UKHOSPITALITY

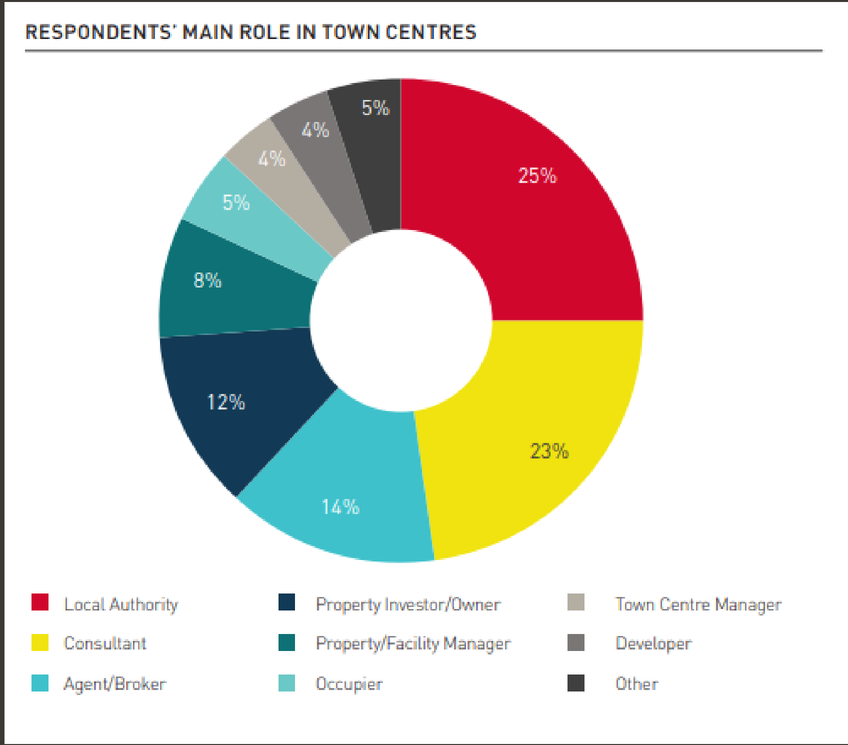
BE Built Environment Networking

ACES

COMPLETELY RETAIL

RESPONDENT PROFILE & ROLES





ISSUES AND CHALLENGES

A PERFECT STORM

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Interest rates @ 5.25%
Inflation @ 6.7%

UK gross debt @£2.5bn[1]
(100% of GDP)

Online Sales @ 26%

High Streets Vacancies @14%

Shopping Centre Vacancies @18%

Retail Park Vacancies @ 9%

Footfall c.15% down from 2019

wilko

408 stores / 12,500 jobs
2 warehouses / 300 jobs

Sources: include Local Data Company & Springboard

Notes: 1 @2023 (Q1)

RISING OCCUPANCY COSTS

TOO MUCH RETAIL

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RESPONDING TO THE CLIMATE CRISIS

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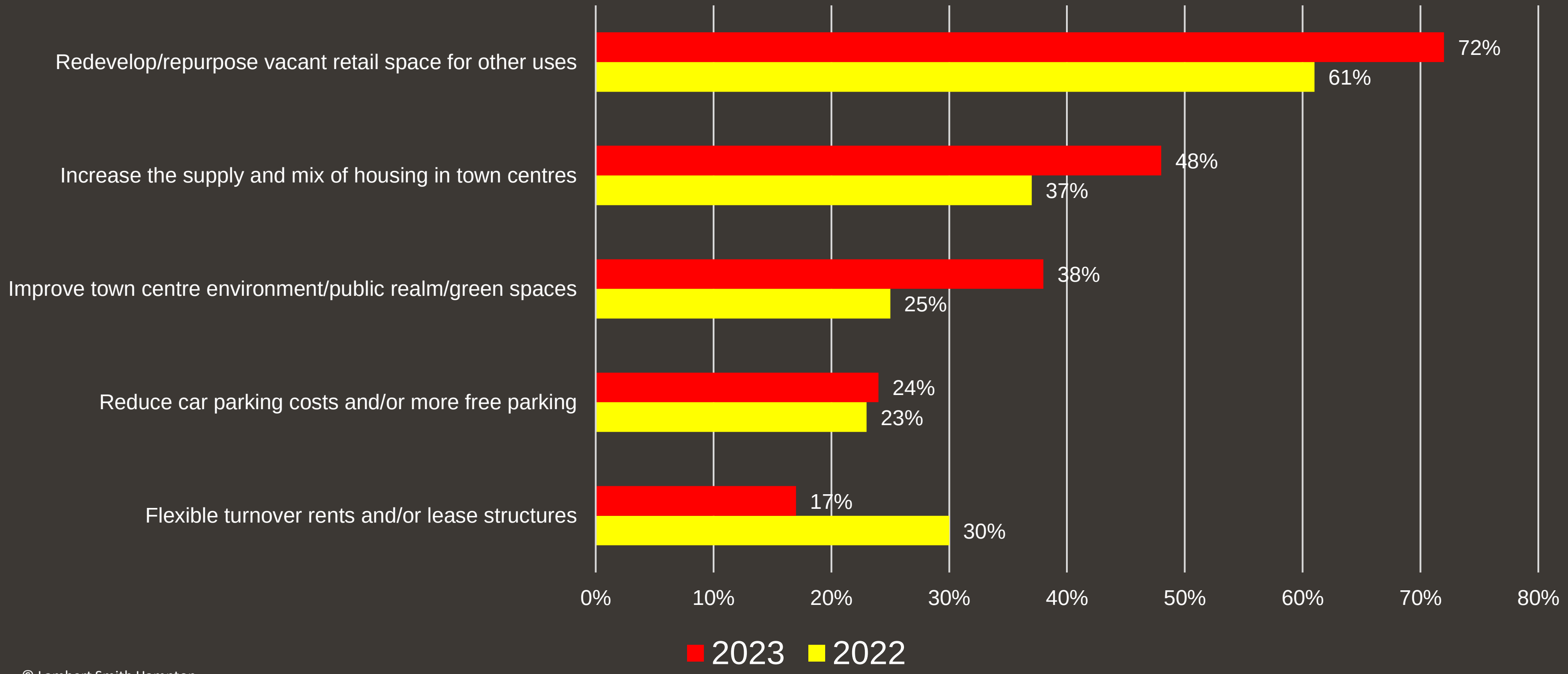
Which five main local interventions for towns and shopping centres do you believe will most help address the UK's pledge to tackle climate change over the next ten years?

TOP FIVE KEY INTERVENTIONS	2023	2022	2021	CHANGE IN RANK (2021- 2023)
Improve public transport network	**70%**	66%	31%	↔
Provide more infrastructure for electric vehicles	**43%**	53%	41%	↑
Provide infrastructure for healthy and active travel	**43%**	44%	25%	↑
Prioritise retrofitting over demolition/rebuild	**43%**	N/A*	N/A*	N/A
Improve building energy efficiency	**42%**	N/A*	N/A*	N/A

WHAT ARE THE OPPORTUNITIES FOR TRANSFORMATION & GROWTH?

BUILDING TOWN CENTRE RESILIENCE

What 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?



OPTIMIUM CRITICAL MIX OF 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?

ENABLING TOWN CENTRE LIVING

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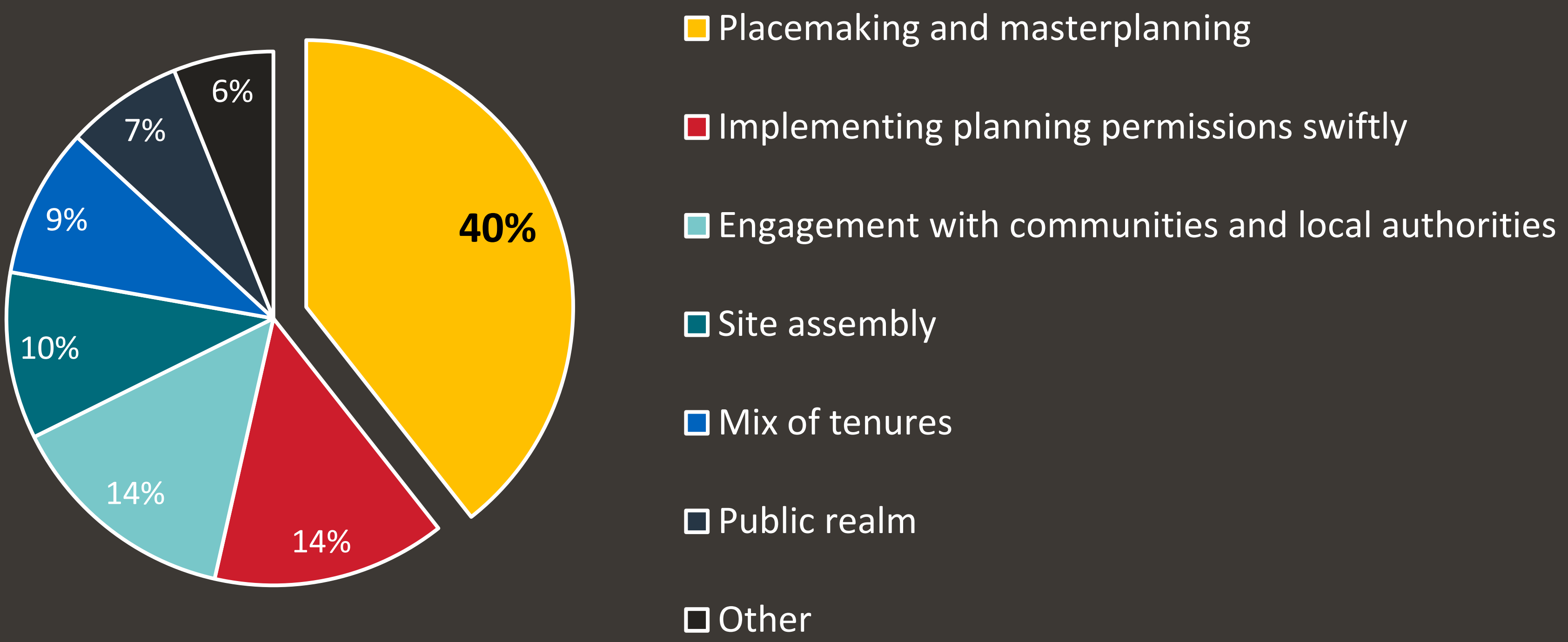
What is the one critical ingredient for enabling town centre residential development opportunities?



NHS COMMUNITY DIAGNOSTIC CENTRES

- **The Mall, Wood Green Shopping Centre** –
- **The Glass Works, Barnsley** – part of wider town centre redevelopment. Services include ultrasound, X-ray, breast screening, phlebotomy and bone density scans. Open 7-days a week.
- **Dolphin Centre, Poole** – Dorset Health Village in the former Beales store. Brings together primary, community and secondary care as well as local health support teams.
- **St George's Shopping Centre, Gravesend** - NHS ultrasound clinic offer patients a seven-day service.
- **Victoria Shopping Centre, Southend** -

CORBY – RAISING EDUCATION, SKILLS & CONNECTIVITY

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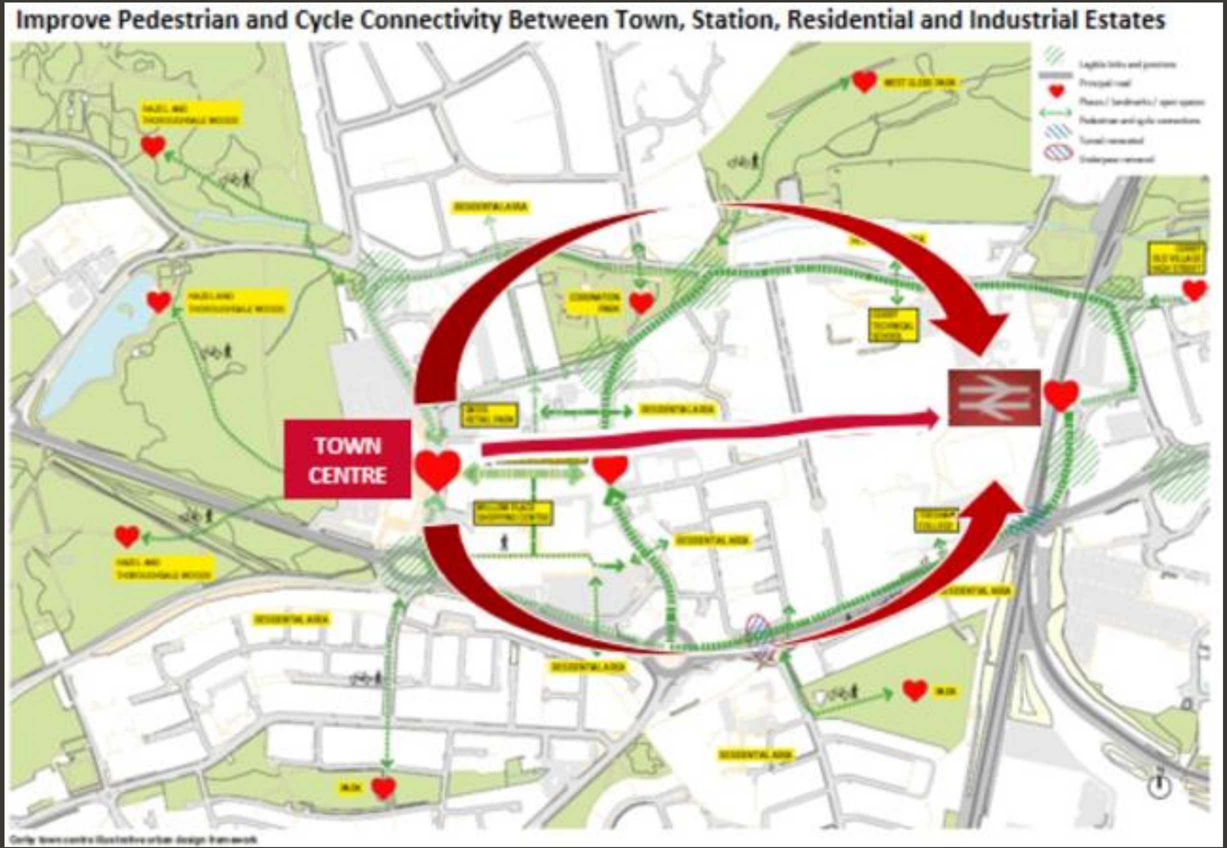
Long term vacant building in town

New 6th Form College



MAKE OUR CENTRES ENTERTAINING & FUN

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PLANT, GREEN & REWILD

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1. Aesthetics – creating beautiful places & spaces
2. Air purity
3. Temperature control
4. Noise reduction
5. Oxygen
6. Water management
7. Psychological health
8. Physical health
9. Privacy
10. Economic benefits
11. Wildlife
12. Light pollution

Gloucester City Centre

Hammersmith

Harrow Town Centre

REPLACING BLANDSCAPE

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REPLACING BLANDSCAPE **WITH LANDSCAPE**

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TURNING THE IMPOSSIBLE ...

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INTO THE ART OF THE POSSIBLE

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The Broad Marsh Green Heart vision aims to reconnect Nottingham's ancient streets with a green space at its heart

DELIVERING THE VISION

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"put the 'marsh' back to the Broad Marsh, by introducing new urban wetlands"

The Nottingham Caves ("hidden gems of the City") uncovered & opened up as a major attraction, with a hotel above.

SHOPPING CENTRE FUTURES

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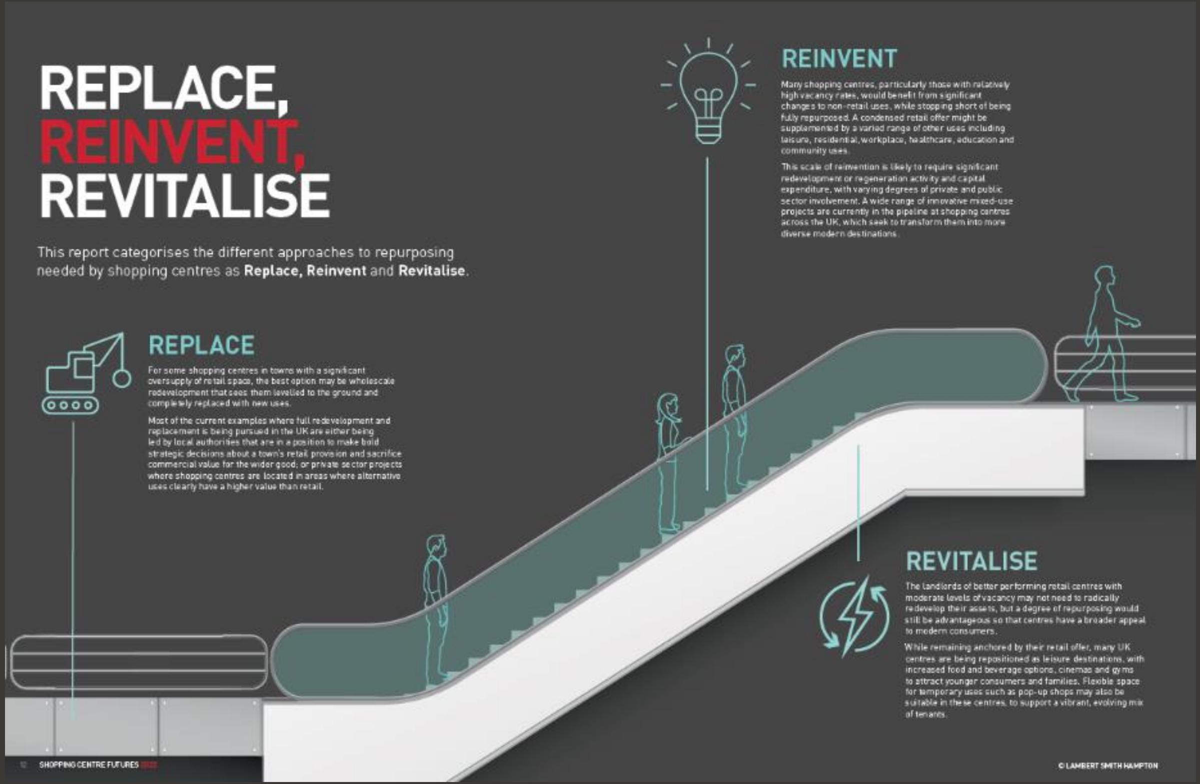
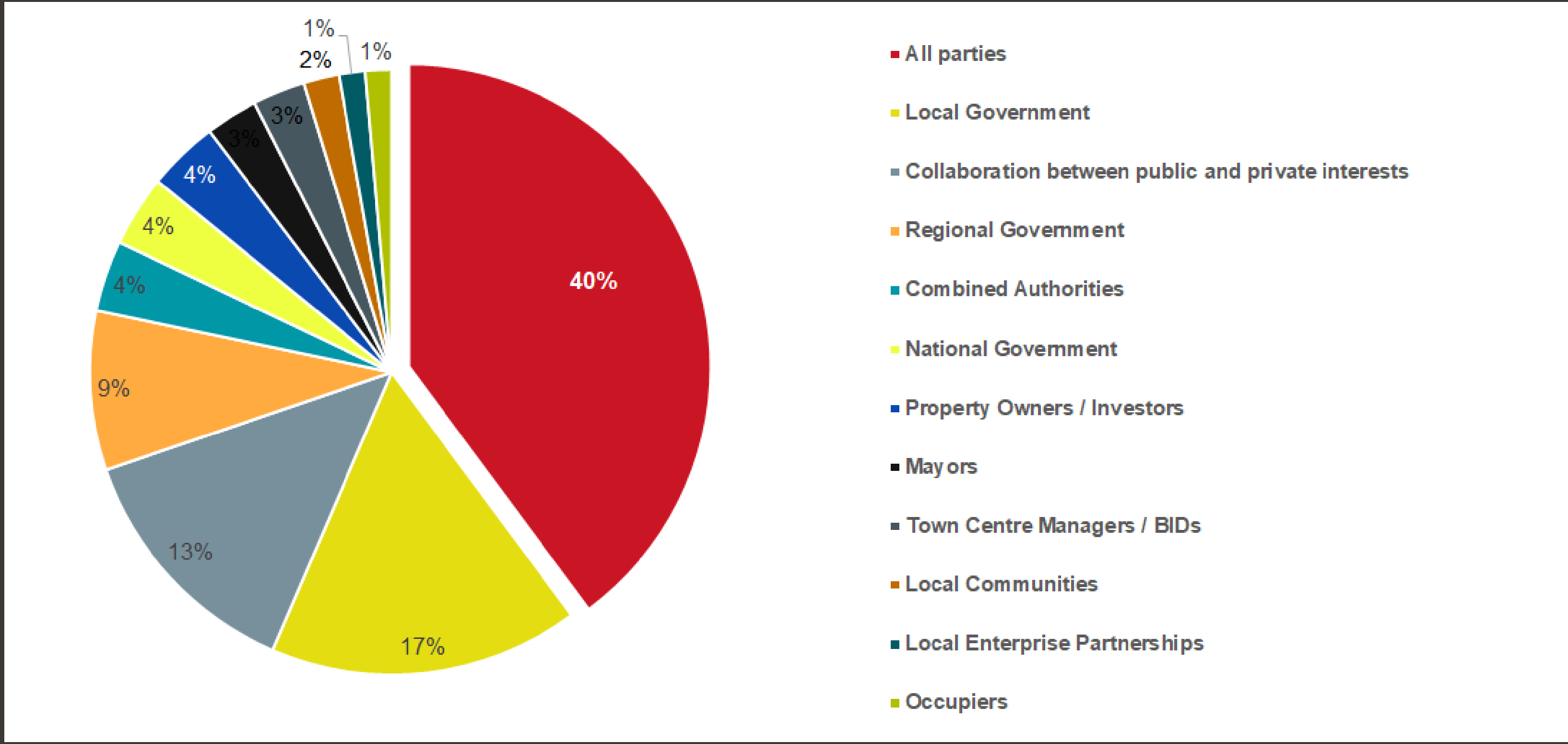


WHO SHOULD LEAD & FUND A TOWN CENTRE RENAISSANCE?

WHO SHOULD LEAD THE RENAISSANCE?

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



HOW IS THE RENAISSANCE BEING FUNDED?

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How do you intend to fund your key regeneration / development projects over the next five years?

Funding Source	2023	2022	2021	2020
Joint ventures / partnerships	**42%**	36%	38%	46%
Public Sector - Local Authority (part/whole) funding	**35%**	30%	24%	36%
Town Deals Fund and/or Future High Street Fund	**28%**	26%	31%	n/a
Levelling Up Fund	**27%**	26%	31%	n/a
Grants	**25%**	16%	24%	23%
Debt Financing	**19%**	n/a	n/a	n/a
UK Based Institutional Investors / Private Sector	**16%**	18%	24%	24%
s106 / CIL	**16%**	12%	12%	18%
Individual wealth	**15%**	8%	17%	6%
UK Shared Prosperity Fund	**13%**	n/a	n/a	n/a

GOVERNMENT-BACKED CAPITAL FUNDS

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Fund	Objective	(£)
Future High Streets Fund (2018)	To renew and reshape town centres and high streets in a way that drives growth.	**£1bn**
Towns Fund (2019)	Economic regeneration of 101 towns.	**£3.6bn**
Levelling Up Fund (2020)	Supports investment in three key areas – (i) local transport projects; (ii) town centre / high street regeneration; and (iii) cultural and heritage assets.	**£4.8bn**
Welcome Back Fund (2021)	To support the safe return to high streets and help build back better from the pandemic.	**£56m**
UK Community Renewal Fund (2021)	To prepare for the UK Shared Prosperity Fund	**£220m**
UK Infrastructure Bank (2021)	Investment in infrastructure assets that drive regional and local economic growth or support tackling climate change.	**£22bn**
UK Shared Prosperity Fund (2022)	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**

2023 UK VITALITY INDEX

For the third year running, the Opportunity Index is included in addition to the main index, putting a spotlight on those locations with the greatest potential to overcome current challenges and grow.

RANK	TOWN / CITY	REGION
1	NUNEATON	WEST MIDS
2	ST HELENS	NORTH WEST
3	WIGAN	NORTH WEST
4	TELFORD	WEST MIDS
5	WAKEFIELD	YORKS & HUMBER
6	PLYMOUTH	SOUTH WEST
7	SHEFFIELD	YORKS & HUMBER
8	LINCOLN	EAST MIDS
9	LIVERPOOL	NORTH WEST
10	WOLVERHAMPTON	WEST MIDS

WHAT'S IN IT?

The Opportunity Index encompasses an analysis of government funded support (Future High Street Fund, Towns Fund, Levelling Up Fund, City Region Deals and Enterprise Zones), forecasted population growth among 20-44 year olds, housing deliveries and future pipeline, and the ratio of retail to office stock. The last of these is indicative of opportunities to repurpose and regenerate.

WHITHER TOWN CENTRE INVESTMENT?

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- Different funds are fragmented
- Significant resource/time/cost incurred by local authorities
- Funds are short-term / need to be spent by 2024/25.
- Project costs have increased significantly
- Limited prospect of match funding from the private sector
- Need a joined-up approach - long-term/patient funding.
- Devolution could help.

WHAT HAVE WE LEARNT?

REASONS TO BE CHEERFUL?

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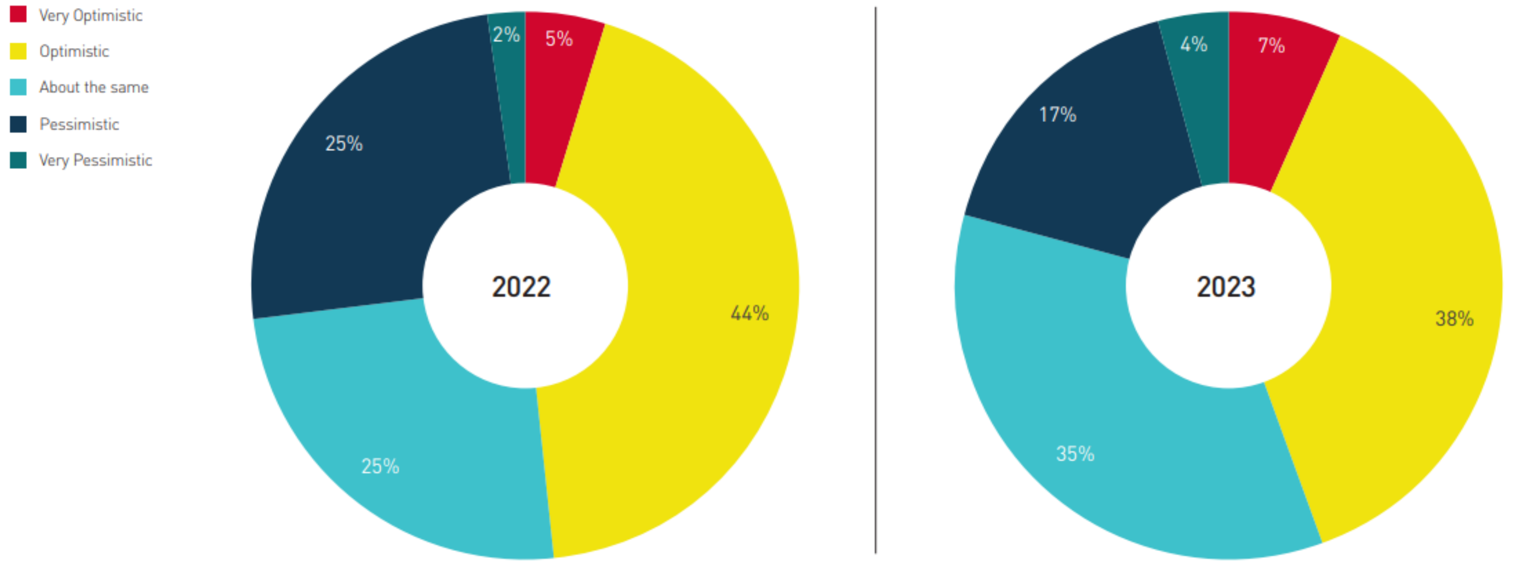
Thinking ahead to 2025, how do you feel about the futures of the towns and high streets you are currently operating in, or engaged with?



Source: Lambert Smith Hampton & Revo 2023

DELIVERING SUCCESSFUL TOWN CENTRES

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- Leadership and governance
- Stakeholder and community engagement
- Market-facing evidence-based visions and strategies
- Repurpose/Redevelop unviable retail/office & shopping centre space
- More flexible and diverse uses
- New & affordable homes with different tenures
- Invest in new physical/digital infrastructure
- Plan for more active modes of travel - “walkable neighbourhood concept”.
- Restore civic and community pride
- Create beautiful, green, attractive buildings and places

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.

DR STEVEN NORRIS

Executive Director

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Steve is an Executive Director, National Head of LSH's PR+I team, and also leads the Town Centre & Economic Regeneration team.

Steve has over 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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