

## **Future High Streets Fund.**

### **Summary**

High streets lie at the heart of our communities and local economies, creating jobs, nurturing small businesses and injecting billions of pounds into our economy. But the way we shop and the way that communities use their high streets is changing: we're shopping more online, making fewer big shopping trips and shopping 'little and more often'. This changes the nature of what makes a high street successful.

The government is committed to helping local high streets evolve and adapt to these changes. We want to encourage vibrant town centres where people, live, shop, use services and spend their leisure time. The Future High Streets Fund will support and fund local areas' plans to make their high streets and town centres fit for the future.

### **Structural changes on high streets**

High Streets have been affected by major changes in the past decades, and the speed of this change is increasing. Online shopping in particular has become significantly more popular than it was 10 years ago. Between 2007 and 2018 online sales increased 6-fold while growth of in-store sales has lagged behind. In 2000 online retailing accounted for less than 1% of retail sales while in August 2018 almost a fifth of all retail sales took place online (ONS).

The rise in online retailing has reduced barriers to entry in the retail market. Online retailers are able to offer competitive prices, more choice and greater convenience than many high street competitors. In turn, consumers are changing what they want from their local high street: there is an increased importance on the overall 'experience' of high street shopping. People want local high streets to provide convenience, a sense of community and to add value through services not offered online. ([Institute of Place Management](#)).

As a result, high streets are having to evolve and adapt. Evidence shows that high streets with a wide choice alongside well designed and planned residential and office space more resilient to these changes and are adapting more successfully. In contrast, high streets that rely heavily on traditional retail without sufficient office space and housing surrounding the high street have found it harder to adapt to these changes and tend to be the ones that are struggling ([Public Health England](#), [British Property Fund](#)). Alongside this, local leadership is an important feature of successful high streets. Research shows that strong local leadership is an important feature of successful high streets. Research shows that strong local leadership is needed to support effective regeneration reconfiguring space, increasing the number of homes for young and old alike, encouraging more workspaces and reducing congestion with new infrastructure. Well-designed parking policy, active management of change of use of retail units and reinstatement of roads promptly to full use after roadworks can also support vibrant town centres. ([Institute of Place](#)).

## **Future High Streets Fund**

In July this year, the Secretary of State for Housing Communities and Local Government asked Sir John Timpson to consider these issues and make recommendations how to support local areas to respond to these changes. In the run-up to the Budget he made two recommendations to the Chancellor and Secretary of State: to set up a High Streets Taskforce to support local leadership and to establish a new fund to support local leadership and to establish a new fund to support the renewal and reshaping of high streets and town centres.

The Chancellor and the Secretary of State agree with Sir John's diagnosis and recommendations. Therefore, to respond, a new £675 million Future High Streets Fund will be set up to help local areas to respond to and adapt to these changes. It will serve two purposes: it will support local areas to prepare long-term strategies for their high streets and town centres, including funding a new High Streets Taskforce to provide expertise and hands-on support to local areas. It will also then co-fund with local areas projects including:

- Investment in physical infrastructure, including improving public and other transport access, improving flow and circulation within a town / city centre, congestions-relieving infrastructure needed to support new housing and workspace development and existing local communities, and the regeneration of heritage high streets; and
- Investment in land assembly, including to support the densification of residential and workspace around high streets in place of under-used retail units.

## **How the Fund will work**

Local areas will be asked to provide proposals setting out the overall vision that they wish to achieve for their high street and town or city centre and specific improvements that would contribute to the overall vision. There will be a competition for funding. It is expected that places will partner with the private sector in developing proposals.

Proposals will be assessed according to value for money and other elements of their business case (e.g. deliverability, strategic fit to the objectives of the fund and ability to co-fund bids where appropriate). Local areas will be expected to set out how their plans will enable local high streets to adapt to changes in consumer demands and then give details of individual projects with a clear economic benefit. It is not expected that local areas will bid for funding to expand traditional retail on their high street as such proposals should be funded commercially, or for short term enhancements or promotions. It is expected that the fund will contribute up to £25 million to projects per local area.

## **Support for Heritage High Streets**

The fund will also support the regeneration of heritage high streets (up to £55 million of the overall fund). This has two elements: helping to restore historic high street

properties through Historic England, and equipping communities with their own resources to put historic buildings back into economic use – for example as residential buildings, new work spaces or cultural venues, supported by the Architectural Heritage Fund.

### **Next Steps**

Indicative milestones for the Future High Streets Fund will be:

- MHCLG were supposed to launch a full prospectus for the fund ‘later this year’ I would imagine we can hope to see this in the New Year. This prospectus will provide further detail on the nature of projects that are eligible for funding and assessment criteria.
- Early 2019: launch of High Streets Taskforce to support local leadership.
- Spring 2019: during the Stage 1 application window for Expressions of Interest, MHCLG will undertake market warming, and local authorities build and develop private sector partnerships to deliver capital projects.
- Summer 2019: gateway assessment, with bids to be taken to stage 2 of application and local areas working up more detailed business cases.