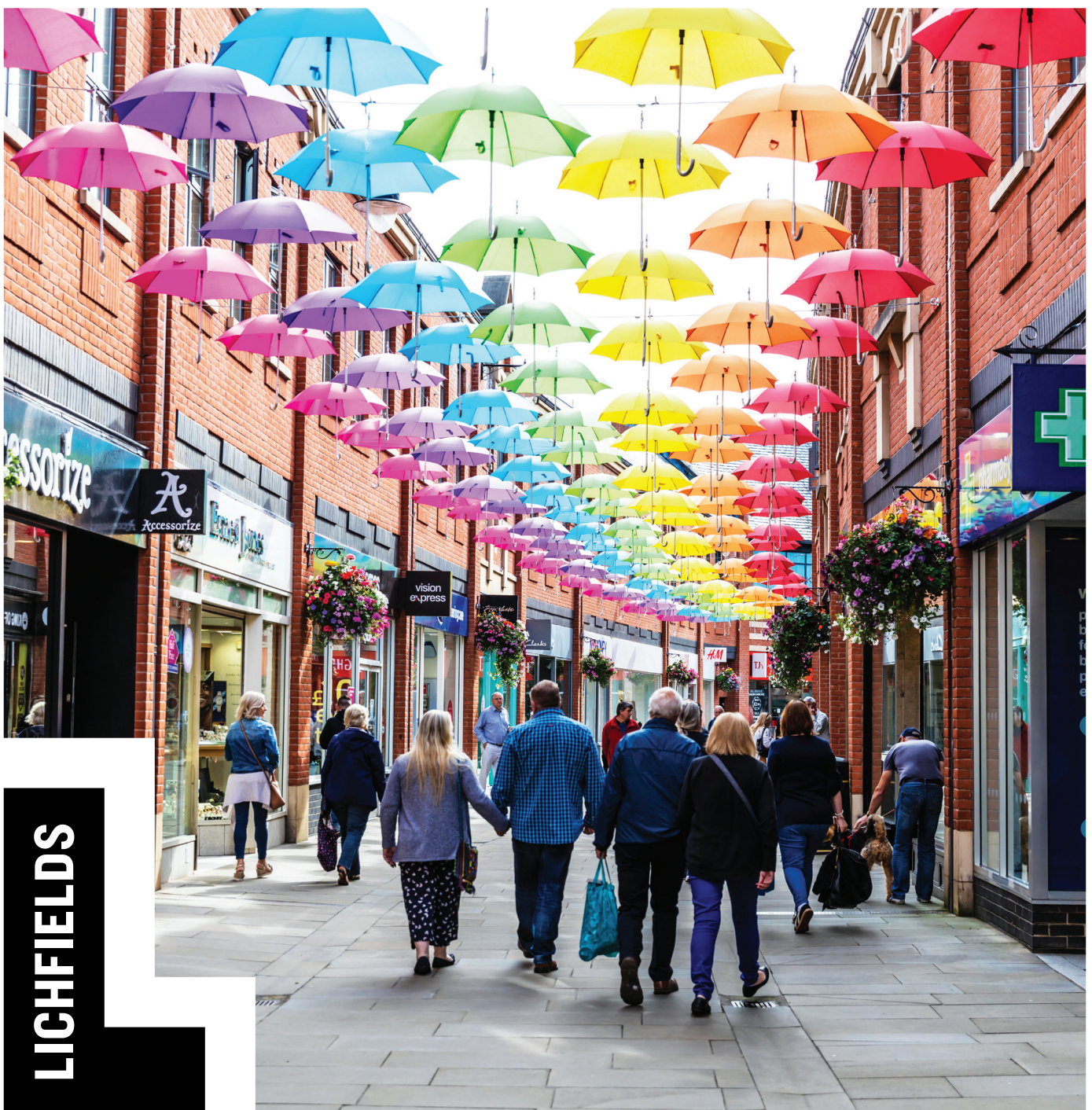


INSIGHT
JULY 2021

Moving on up?

Levelling-up town centres
across Northern England



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Executive summary

It has, without question, been a challenging year for our town and city centres.

As the global pandemic continues and lockdowns come and go, a raft of the nation's most famous retailers have disappeared from high streets across the country. As in the rest of the developed world, the Covid-19 pandemic has been a 'game changer' for the sector. With the growth in online shopping over the last decade or so, most centres had already devised strategies based on re-focusing their offer away from retailing and toward a leisure and food and beverage-based offer.

However, successive lockdowns have acted as a catalyst in speeding up changes in shopping behaviour, and impacted directly on the leisure and hospitality sector to the extent that it is now quite unclear how centres will function as restrictions ease.

In the North of England, our town and city centres have suffered more than most in recent years. While Covid-19 has sped up the process of change, even prior to the pandemic many centres were already experiencing major challenges due to both changes in shopping behaviour and weak underlying economic conditions.

The Government's Levelling Up Fund Prospectus, published in March 2021, identifies a total of £4.8 billion to be invested over the coming years to support town centre and high street regeneration, local transport projects, and cultural and heritage assets across the country.

In addition to the Levelling Up Fund, as part of the Government's wider package of interventions, there are three key funding streams, which have already seen a great deal of uptake across the North:

- **Future High Streets Fund** – This fund seeks to allocate £830 million to help deliver transformative changes to struggling high streets;
- **Towns Fund** – 100 cities, towns and areas have been invited to bid for part of this £3.6 billion fund designed for proposals which drive economic growth. In many places, town centres are integral to these schemes; and
- **High Street Heritage Action Zones** – Seeking to transform High Street buildings which can help to fuel economic, social and cultural recovery.

Town centre stakeholders are responding with a range of radical and ambitious projects. These include strategic interventions by local authorities, including through the acquisition of shopping centres and use of Compulsory Purchase Order powers.

While many centres are seeing shopping areas contract, this is opening up opportunities to introduce – or re-introduce – a range of other uses which offer potential to diversify and strengthen centres over time.

From our review of the various different funding bids currently under consideration, these uses range from residential, health and education uses, to uses focussed around visitor experiences – often heritage or leisure-based. With innovative and ambitious strategies now in place in many towns – and Government funding available to support delivery - there are grounds for optimism over the future of our town centres.

Our research reveals real evidence across the North of innovation, optimism and ambition in the town centre sector, which means the future may not be as bleak as many sceptics would have it. Over the coming year, we will be releasing a series of shorter Insight reports which explore the key themes identified in more detail.

Key figures

25%

of all UK jobs fall within the retail and leisure sector

8.5%

decrease in spending per capita on comparison goods during 2020

27%

online market share of all retail sales in 2020

13.7%

national average vacancy rate

£4.8bn

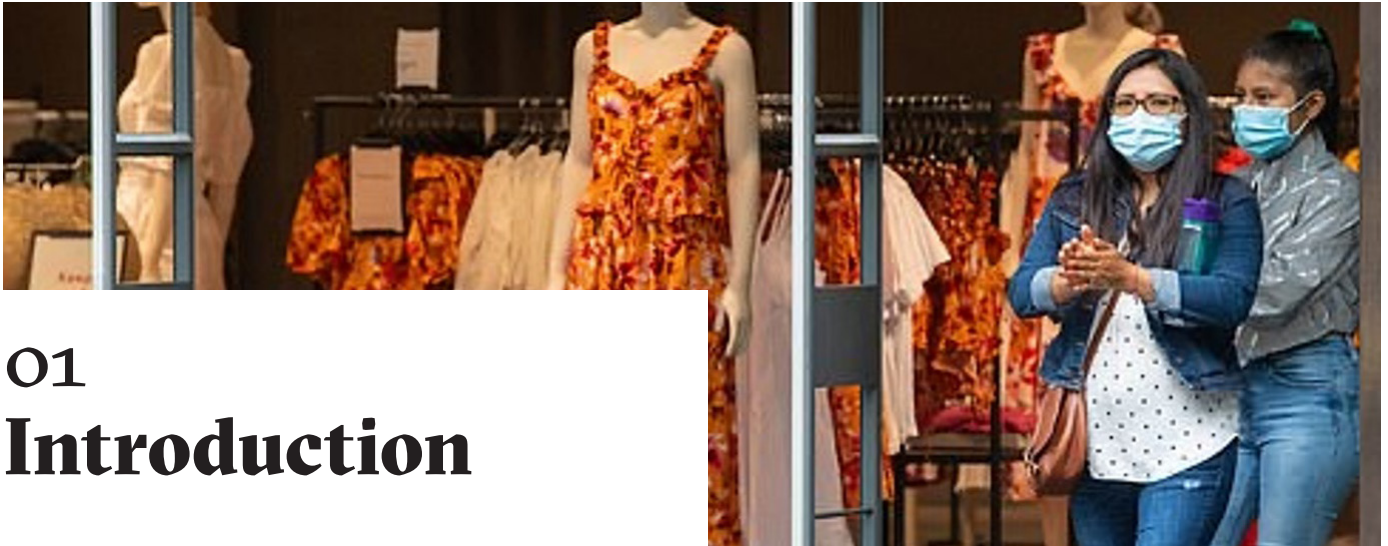
funding available through the Government's levelling up fund prospectus

£830m

funding available through the Future High Streets Fund

£3.6bn

of Towns Fund investment available to support regeneration and growth



O1 Introduction

The last year has been hugely challenging for our town and city centres. As the global pandemic continues and lockdowns come and go, a raft of the nation's most famous retailers have disappeared from high streets across the country.

Neither Debenhams nor Arcadia's high profile Topshop or Burton brands have been able to secure buyers for their existing retail units, and those stores now add to the ever-increasing level of vacancy on the high street. These stores alone span 562 retail units totalling almost 1.4m sq m of floor space, or the equivalent of around 200 football pitches¹.

As in the rest of the developed world, the Covid-19 pandemic has been a 'game changer' for the sector. With the growth in online shopping over the last decade or so, most centres had already developed strategies aimed at an improved leisure and food and beverage-based offer. However, successive lockdowns have acted both as a catalyst in speeding up changes in shopping behaviour, and impacted directly on the leisure and hospitality sector to the extent that it is now quite unclear how centres will function as restrictions ease. In the North of England, our town and city centres have suffered more than most in recent years. While Covid-19 has sped up the process of change, even prior to the pandemic, many centres were already experiencing major challenges due to both changes in shopping behaviour and weak underlying economic conditions.

Notwithstanding this, Experian have identified that, prior to the pandemic, retail and leisure jobs across the Northern regions accounted for over 25% of total jobs, and there is little doubt that the retail and leisure sector remains integral to the performance of the North's economy.

However, whilst the outlook may initially appear bleak, we are confident that our town centres will continue to be pivotal to the future social and economic wellbeing of our communities. From a Government policy perspective, the pandemic has given fresh impetus to the 'levelling up' agenda, and improving the regeneration and resilience of town and city centres in the North is a key plank of these latest reforms.

The key difference between the latest policy interventions and those seen over the past decade is the availability of real and meaningful funds, injecting public money into town centre strategies and schemes where it is likely to have the greatest effect. As set out in the Government's Levelling Up Fund Prospectus, published in March 2021, a total of £4.8 billion will be available up to 2025 to support town centre and high street regeneration, local transport projects, and cultural and heritage assets across the country.

These interventions will need to be carefully directed in order to target those projects, proposals and sectors most capable of bouncing back from COVID-19. This Insight analyses the underlying shifts in how we use town centres and strategies available to planners, local authorities and developers in pursuit of town centre regeneration. Ultimately it seeks to illustrate the ambitious strategies being pursued by town and city centres in the North of England looking to re-emerge as an attractive focus for investment over the coming decades.

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¹ <https://twitter.com/AltusGroupUK/status/1359157110370664451>

O2

Context:

The high street in crisis

11,000

retail / leisure units
closed during 2020

Even before the pandemic, town and city centres across the UK were facing a perfect storm. The unstoppable rise of online retailing, shifts in consumer behaviour towards convenience, strong competition from out of centre retail, and a disproportionate business rates burden combined to cause major structural damage to many of our centres.

This exhibited itself in the form of large-scale failures of major retailers, increased vacancy rates, and significant reductions in rental levels. Centres lower down the retail hierarchy were particularly hard hit, with research undertaken by Lichfields in conjunction with property agents across the North East and Yorkshire areas showing a decrease in Prime Zone A Rents of more than 50% between 2004 and 2019 in many locations, and significant rises in commercial yields.²

Centre	Prime Zone A Rent – 2004	Prime Investment Yield - 2004	Prime Zone A Rent – 2019	Prime Investment Yield - 2019
Newcastle Upon Tyne	£325	4.5%	£275	5.5%
Metrocentre	£325	5%	£250	5.5%
Leeds	£300	4.5% – 5%	£225	5% – 6%
Sheffield	£275	5.5%	£150	6% – 7.5%
York	£200	5%	£150	5%
Middlesbrough	£140	5.75%	£65	7.5%
Durham	£140	5.25%	£90	6%
Sunderland	£130	5.75%	£85	7.5%
Hull	£125	6%	£70	9%
Darlington	£120	5.25%	£60	7%
Barnsley	£110	6%	£50	10%
Washington	£105	6.5%	£80	8%
Huddersfield	£100	6%	£45	10%
Scarborough	£90	6%	£45	10%
Hartlepool	£90	6.0%	£45	9%
Doncaster	£90	6%	£45	10%
South Shields	£80	5.75%	£30	7.5%
Wakefield	£80	6%	£40	10%
Halifax	£80	6%	£40	10%
Scunthorpe	£80	6.5%	£35	12%
Stockton On Tees	£70	5.75%	£25	7.5%
Redcar	£60	6.5%	£25	9%
Bishop Auckland	£55	5.5%	£20	9%

² Lichfields, @retail and Rees Denton, 2019

The emergence of COVID-19 and the associated public health response in the form of lockdowns, changing working patterns and social distancing has only served to exacerbate and accelerate these trends over the past 15 months. Overall levels of retail expenditure held up - while spending per capita on comparison goods declined by around 8.5% during 2020, this was effectively counterbalanced by an 8.4% increase in per capita spending on convenience goods.

However, there have been marked changes in how and where this expenditure has taken place. Non-store retailing (principally online retailing) accounted for 27% of market share in 2020; with the inevitable effect that over 11,000 retail/leisure units closed during the course of the year. Over 9,800 of these units belonged to national multiple retailers. This translates to an overall increase in the national average unit vacancy rate from 12.1% to 13.7%.³

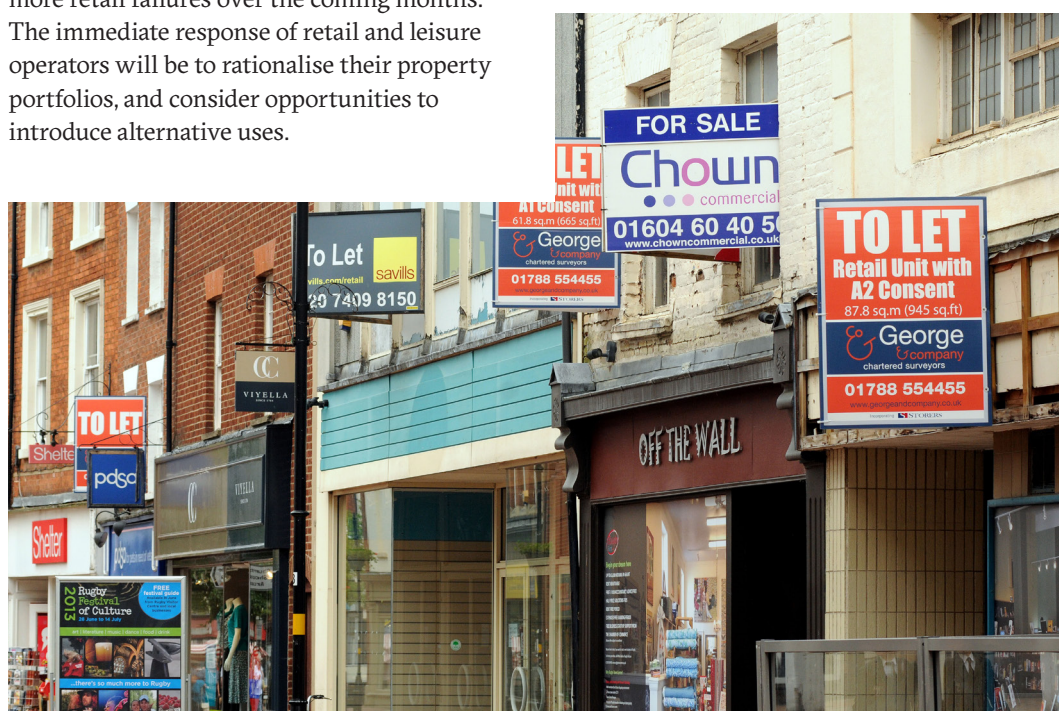
Whilst recent months have seen a gradual reopening of retail and leisure destinations, it is now highly unlikely that town centres will ever get back to pre-pandemic 'business as usual'. The remainder of 2021 certainly offers opportunities for a bounceback, but the decline in physical retailing will inevitably lead to more retail failures over the coming months. The immediate response of retail and leisure operators will be to rationalise their property portfolios, and consider opportunities to introduce alternative uses.

Notwithstanding this, it is notable that the independent sector is now growing; taking advantage of prime pitch locations becoming available and more affordable rental values.

However, while this is good news and will certainly have a positive effect on the vitality and viability of centres over time, the demand for retail space is still modest and even over the medium to long term, the overall level of retail floorspace within centres is likely to be significantly lower than we have been used to.

It is in this context that a concerted effort from both public and private sectors is required to reinvigorate our town and city centres, and ensure they continue to have a future at the heart of northern communities. As part of the Levelling Up agenda, the Government is being more proactive in trying to lead this change.

The remainder of this Insight uses commentary and case studies to describe and critique a range of the different funding streams, regulatory changes and other temporary measures which form part of the proposed solution. In doing so, we will highlight the key themes underpinning the various transformational projects taking place across the North of England.³



© Alamy

³ Data sourced from Experian and Local Data Company, April 2021

03 'Levelling Up' and the fightback

£4.8bn

Levelling Up
Fund to invest in
high priority local
projects

As part of their Levelling Up Fund, the Government is looking to invest £4.8 billion in the highest priority local projects and everyday 'infrastructure' needed to improve lives around the country. By encouraging individual local authorities to bid for funding, the intention is to focus investment on projects which make the biggest difference to everyday lives, particularly in ex-industrial areas, deprived towns and coastal communities. It is also designed to help local areas select their own priorities for investment, with local stakeholders' support.

Theoretically, the result should be a range of projects and potential solutions bespoke to the individual circumstances of that town. By analysing over 100 bids to the funds listed below, Lichfields has identified a series of key themes which local authorities, planners and stakeholders across the North see as potential solutions to regenerate and re-purpose our town and city centres.

Key to this more proactive approach from the public sector are three different funding streams, which have already seen a great deal of uptake across the region. These are:

- **Future High Streets Fund** – This fund seeks to allocate £830 million to help deliver transformative changes to struggling high streets;
- **Towns Fund** – 100 cities, towns and areas have been invited to bid for part of this £3.6 billion fund designed for proposals which drive economic growth. In many places, town centres are integral to these schemes; and
- **High Street Heritage Action Zones** – Seeking to transform buildings which can help to fuel economic, social and cultural recovery.⁴

Town centre stakeholders are responding with a range of radical and ambitious projects. These include strategic interventions by local authorities, such as the acquisition of shopping centres and use of Compulsory Purchase Order powers. Whilst residential and other non-commercial uses obviously have a role to play in the transition to a more viable future for town centres, radical approaches are also necessary, including the removal of buildings and accepting, in some cases, the contraction of centres.

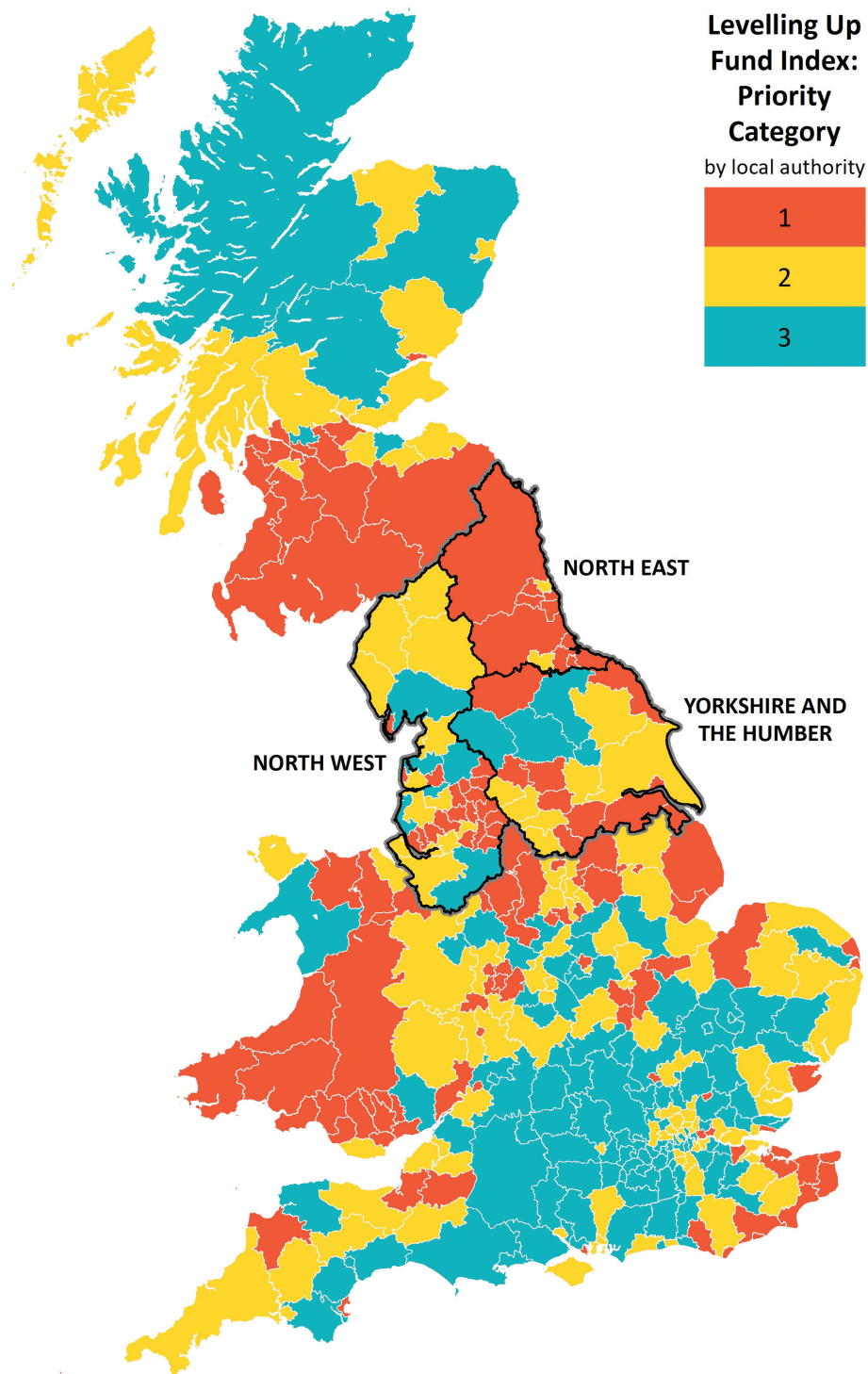
In response to COVID-19, outdoor spaces are also particularly important and have a longer term role in reinforcing community and creating opportunities for 'experience'-based events and festivals.

Other policy and regulatory levers have also been introduced to help facilitate town centre regeneration. These include changes to the Use Classes Order, and the creation of a new 'Class E' for commercial, business and service users to introduce flexibility and increase the adaptability of our high streets. New permitted development rights allow the change of use from commercial to residential without recourse to a planning application, and other temporary measures include streamlining the application process for pavement licences outside cafes, bars and restaurants.

While these changes are unlikely to drive the fundamental and strategic change needed in many centres, they do have the potential to support other initiatives.

⁴ Prior to the current Government's announcement of the 'Levelling Up' agenda, earlier 'Heritage Action Zones' designated since 2017 sought to focus upon the regeneration of historic areas more generally. For the purposes of this research, we have focused exclusively upon 'High Street Heritage Action Zones' announced since September 2020.

Figure I: Government's Levelling up Prospectus dataset



Source: UK Government and Lichfields analysis

04 The North East

£220m

funding bid for the
North East region

The sheer variety of projects and bids across the North East illustrates both the scale of the challenge at hand, but also the range of innovative approaches adopted by public and private sector bodies in partnership. Across the region, our research shows that an unprecedented £220 million in funding has been either confirmed or bid for. This is made up of almost £100 million through the Future High Streets Fund, including the highest successful confirmed bid in the country for Sunderland City Centre, and over £118 million through the Towns Fund.

Funding is spread geographically across the whole region, but there appears a particular concentration within the Tees Valley. Galvanised by a vocal city region mayor, the Government's Towns Fund alone has so far committed over £20 million each to Middlesbrough, Thornaby, Darlington, Hartlepool and Redcar. Reflecting its importance in terms of jobs and prosperity, this commitment to town centre regeneration has been a key plank of the mayor's economic regeneration strategy, sitting alongside even bigger investments in local infrastructure at Teesside Airport, a new freeport and the redevelopment of Redcar's former steelworks.

Lichfields has been at the forefront of Government funding activity in the region, including through inputs to Towns Fund bids made by Redcar and Bishop Auckland, both of which were successful with funding awards of £25 million and £33.2 million respectively.

In Stockton-on-Tees, the Borough Council has developed plans to create a new central urban park. The authority acquired a 1970s shopping precinct, the Castlegate Centre, and is seeking to demolish the centre and create a large new urban park, which will connect Stockton's high street to the River Tees.

As part of the strategy, the local authority is encouraging retailers at the Castlegate Centre to relocate to the nearby Wellington Square shopping centre, which it also acquired in 2019. Both centres had very high levels of vacancy (around 30%) even prior to the disruption caused by Covid-19, and as well as seeking to deliver the new urban park, the strategy also aims to create a new core shopping area within the centre by concentrating retail uses in one location.

Elsewhere, Heritage Action Zones, including a further £3m of heritage-specific funding, have been announced in, Hexham, Middlesbrough and North Shields.

From a development perspective, immediately prior to the pandemic, Lichfields obtained planning permission for the redevelopment of the Newgate Centre in Newcastle and The Gates shopping centre (now Riverwalk) in Durham, both of which redeveloped and repurposed dated former shopping centres to introduce a broader mix of uses, including hotel and other leisure uses, and student accommodation. In Durham in particular, the pace of change continues to be remarkable, with other regionally significant developments also now under construction, including the new County Hall and Milburngate mixed-use scheme.

Figure 2: High Street Fund, Towns Fund and Heritage Action Zone bids in the North East

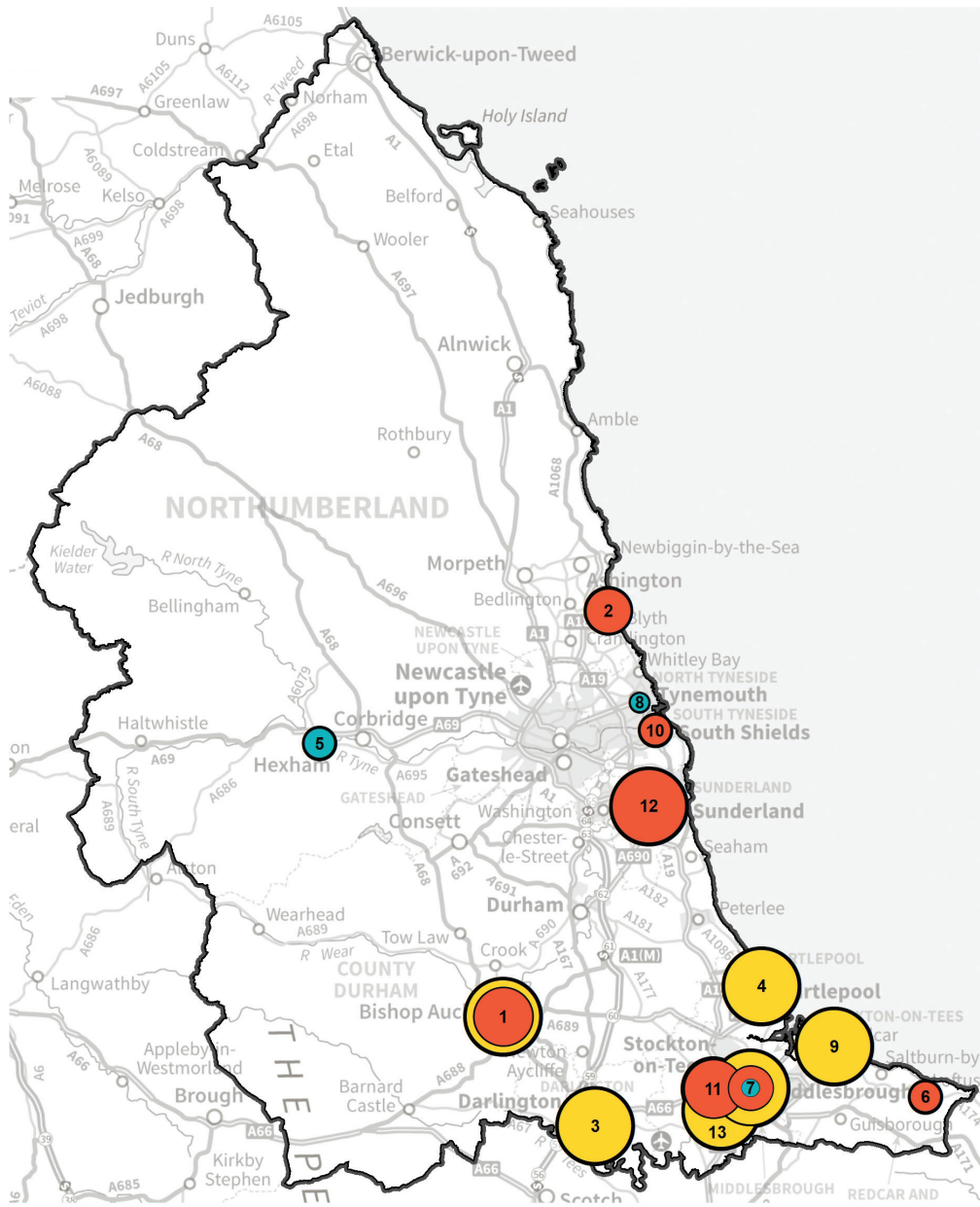
- Future High Streets Funds
- Towns Funds
- High Streets Heritage Action Zones

All funding bids either awarded or provisional

Amount:

- >£20m
- £15m - £20m
- £10m - £15m
- £1m - £10m
- <£1m

1. Bishop Auckland
2. Blyth
3. Darlington
4. Hartlepool
5. Hexham
6. Loftus
7. Middlesbrough
8. North Shields
9. Redcar
10. South Shields
11. Stockton-on-Tees
12. Sunderland
13. Thornaby-on-Tees



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Source: UK Government and Lichfields analysis

£33.2m

Town Investment Plan funding awarded to develop Bishop Auckland into a visitor destination of international appeal.

Case study: Bishop Auckland

Bishop Auckland has historically been the second largest centre in County Durham, after Durham City. Despite having a long history – not least through Auckland Castle, the 900 year old home of the Prince Bishops of Durham - the centre had fallen into steep decline in recent years for various reasons, including a contraction in employment in traditional industries and strong competition from out of centre developments.

However, following significant private sector investment from a wealthy benefactor, Jonathan Ruffer, keen to assist in the revival of the town, new strategies have emerged, largely based around the town's heritage. Ruffer established The Auckland Project, with the express aim of creating a world-class heritage, arts and faith destination.

Following initial investment which has transformed Auckland Castle from an unknown private dwelling into an internationally significant visitor destination, the project broadened out into the creation of a series of nationally and internationally significant visitor destinations including a Faith Museum, Spanish Art Gallery (centred around the twelve Spanish masterpieces by Francisco de Zurbarán, hung in the Castle since 1756), Kynren (a spectacular theatrical night-time show which tells the story of England through local eyes), a Mining Art Gallery and a new viewing tower and visitor centre.

Following this initial investment, a town centre masterplan was prepared to guide the process of change, and Historic England designated the centre as a Heritage Action Zone.



© House of Hues, courtesy of The Auckland Project



© Kynren – an epic tale of England, Bishop Auckland

Against this background, a new partnership, Brighter Bishop Auckland, was formed by a group of statutory, voluntary and community agencies with the aim of driving up the centre's economic performance – and the partnership have worked with Durham County Council to bid for public sector funding for urban realm and other infrastructure developments to support the wider strategy.

In Bishop Auckland, the heritage-based strategy is still in the process of being implemented – and indeed continues to evolve – but it is already having a positive impact. Kynren attracted over 100,000 visitors in its first year alone (2016) and is understood to have provided a £4.5m boost to the local economy.

The positive impact of the various heritage-based initiatives in the centre is now fuelling wider investor interest, and other proposals are emerging to support the increased visitor numbers, particularly in the food and beverage sector.

This work has ultimately laid the foundations for a Town Investment Plan awarded £33.2 million of funding to develop Bishop Auckland into a visitor destination of international appeal. With opportunities to leverage between £200 million and £300 million of private sector investment, the plan is part of a much wider pursuit of sustainable economic growth. In addition, £19.9 million of Future High Street Fund monies will contribute to the provision of the physical infrastructure required to ensure the town can accommodate all of these additional visitors.

05 The North West

The list of areas within the North West receiving money from the Government's Towns Fund and Future High Streets Fund now totals over

£460m

Manchester and Liverpool have always been the dominant centres in the North West region, but the Covid-19 pandemic saw both cities deserted and essentially closed for business as people were urged to work from home. The decline of physical retailing has also been felt more in these higher order centres, with major voids opening up as companies went into administration and others rationalised their portfolios.

Whilst the impact of these closures on town and city centres has been significant, the empty premises left behind present new opportunities to introduce a broader mix of uses in the heart of our towns. For example, in Manchester City Centre, plans have already been approved for a mix of retail, leisure and offices in the Grade II listed Rylands Building that was until recently occupied by Debenhams.

Demand for retail floorspace in city centres is likely to continue to decline and more prime retail sites look likely to be redeveloped or repurposed for other uses as a consequence. However, both Manchester and Liverpool benefit from an existing mix of retail and commercial supplemented by a strong night-time and tourist economy. This, along with the eventual return of office workers, will ultimately bring back footfall and consumer spending power, and in this context, retailing is likely to continue to play an important role in their vitality and viability over the long term, albeit amongst a broader mix of town centre uses.

Conversely, like many other parts of the country, smaller town centres and local suburban centres in the North West have been rediscovered as a result of the Government's advice to stay at home and reduce travel – with people using local high streets and relying on smaller stores for convenience shopping, and cafes/restaurants for hot food takeaways, as well as other essential businesses.

The challenge for smaller town centres and suburban local centres in the North West is therefore how to maintain this renaissance. Local authorities and investors had already begun to acknowledge that centres needed to shift from their traditional retail focus and reinvent and re-imagine themselves as places with business, leisure and cultural offerings, along with new homes. For example, approved developments such as Church Wharf, Bolton and Burnley's Pioneer Place, and proposals such as the Galleries in Wigan, focus less on retail, and seek to provide residential and leisure uses in an enhanced public realm setting.

The list of areas receiving money from the Government's Towns Fund and Future High Streets Fund in the North West now totals over £460m. In recent bids made by local authorities for this funding, it is clear that there is a focus on improvements to transport and access, rationalising the oversupply of retail floorspace and providing facilities and facilitating events that will attract families and other groups.

While a trend for a number of years, there also continues to be a drive toward encouraging people to live and work in and around centres, and this remains a focus of regeneration frameworks such as the Bolton Town Centre Masterplan, Warrington & Co. 'Warrington Means Business', Preston City Living and the Stockport Mayoral Corporation.

Figure 3: High Street Fund, Towns Fund and Heritage Action Zone bids in the North West

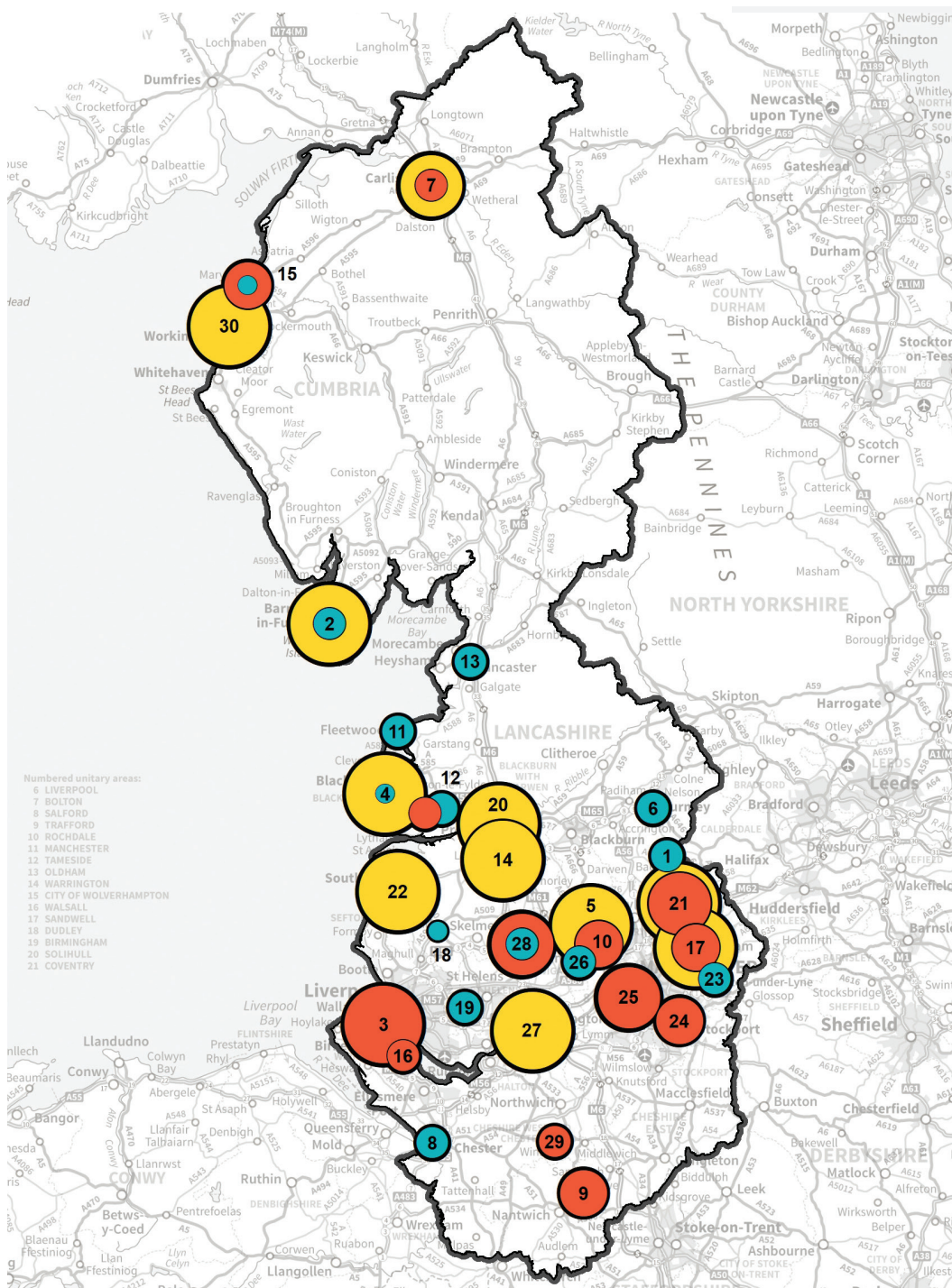
- Future High Streets Funds
- Towns Funds
- High Streets Heritage Action Zones

All funding bids either awarded or provisional

Amount:



- | | |
|----------------------|-----------------|
| 1. Bacup | 20. Preston |
| 2. Barrow-in-Furness | 21. Rochdale |
| 3. Birkenhead | 22. Southport |
| 4. Blackpool | 23. Stalybridge |
| 5. Bolton | 24. Stockport |
| 6. Burnley | 25. Stretford |
| 7. Carlisle | 26. Tyldesley |
| 8. Chester Rows | 27. Warrington |
| 9. Crewe | 28. Wigan |
| 10. Farnworth | 29. Winsford |
| 11. Fleetwood | 30. Workington |
| 12. Kirkham | |
| 13. Lancaster | |
| 14. Leyland | |
| 15. Maryport | |
| 16. New Ferry | |
| 17. Oldham | |
| 18. Ormskirk | |
| 19. Prescot | |



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Source: UK Government and Lichfields analysis

8,000

new homes within
Warrington town
centre

Case study: Warrington

Warrington is one of the largest towns in the North West. The town centre is located to the north of the River Mersey, almost equidistant between Liverpool and Manchester and is well connected to both cities by public transport.

The town benefits from an inward investment and regeneration agency, Warrington & Co, and its flagship regeneration scheme, Time Square, is seen as setting the standard for future growth.

The Council's ambitions for the town centre were boosted in October 2020 when Warrington was identified as one of the first 7 towns to receive part of the £178.7m new Town Deal. The £22.1m investment will help to utilise vacant spaces and restore a vibrant town centre. Projects included within the Town Investment Plan include a health and wellbeing hub, bus fleet depot, sustainable travel programme, health and social care academy, digital enterprise hub, remastered cultural hub and a construction and civil engineering centre.

In 2020 the Council published a Masterplan setting out an ambitious strategy for the town centre up to 2040. At the heart of this strategy is town centre living which is viewed by the Council as fundamental to securing the town centre's future prosperity.

The Masterplan envisages delivering over 8,000 new homes within the town centre which will help to create a sense of place and facilitate other regeneration, drive retail footfall and create a larger market for leisure uses. Much of this will be delivered through the creation of high-density residential development in the peripheral areas that currently accommodate underperforming retail units.



© Warrington Borough Council



© Alamy

One example of this is the Cockhedge Shopping Centre which sits to the east of the primary shopping area. The Council is working in partnership with the owner to bring forward ambitious proposals to redevelop part of the shopping centre and the Council owned New Town House office building to create a residential-led mixed use development in the heart of the town centre. It is envisaged that in the region of 1,000 apartments will be created, with potential for a hotel, offices and ancillary retail. The eastern part of the shopping centre will be retained, with enhancements made that will aim to make it more attractive to future occupiers.

This project is just one of a number of significant residential developments coming forward on sites within or adjacent to the town centre including schemes at John Street, Winwick Street and Bank Street. The intention is simple - to turn the town centre into a liveable environment, creating sustainable communities and a population in town centres which will generate a 24-hour economy and, in turn, drive demand for services and facilities which contribute to vitality and viability.

The Masterplan also sets out a framework for green spaces and links (Circular Parklands), reinforcing the River Mersey as a key feature of the town, exploring the introduction of uses to replace retailing, enhancing cultural opportunities, putting business at the heart of Warrington and enhancing the transportation network and connectivity.

Yorkshire and the Humber

£413m

of funding has been allocated to towns across Yorkshire and the Humber from the Towns Fund alone

The staggering number of bids across the Yorkshire and Humber region highlights the challenges town centres are currently facing, whilst demonstrating the potential opportunities to reinvigorate these towns and secure sustainable futures.

Across the Yorkshire and Humber region, our research shows that an extraordinary £522 million in funding has either been confirmed or bid for, including £413m from the Towns Fund alone. Funding is spread geographically across the region, but there is a concentration in post-industrial towns in South and West Yorkshire. Towns in West Yorkshire account for almost £227 million of the regional funding, while towns in South Yorkshire have secured almost £150m. A number of ambitious towns have secured/are bidding for multiple pots of funding. Wakefield has been particularly successful in securing £24.9 million from the Towns Fund and almost £2 million from the Future High Streets Fund.

The Town Investment Plans prepared across the region showcase a wide range of projects aimed at driving long term economic regeneration. Grimsby was the first town in the region to secure funding, having been offered the opportunity to develop a pilot Town Deal in 2018, and is currently progressing a number of projects. In Grimsby, the Riverhead Square project involves the redesign of the public realm to create a high quality new public space. Alongside this, residential-led development of the waterfront Garth Lane site, seeks to reposition the centre of gravity in Grimsby Town Centre towards the water.

Connectivity is another key theme of the Towns Fund and Scarborough's proposals include creation of a new cycling and walking network linking South Scarborough's growing business and residential areas with the town centre and beyond, with links to Whitby, the Yorkshire Coast and the North York Moors National Park.

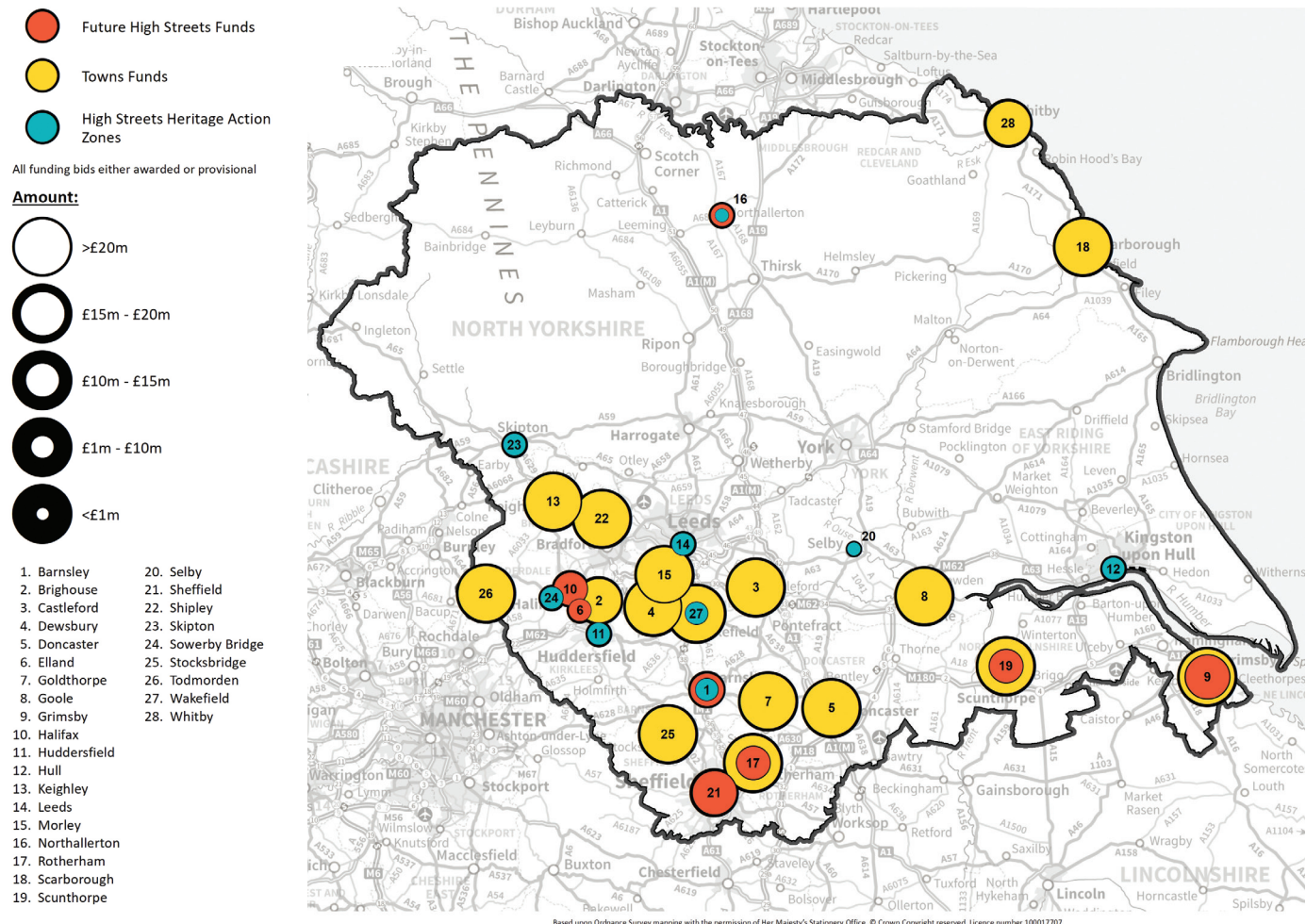
Across Yorkshire and the Humber £96 million has been secured/bid for through the Future High Street Fund. This will fund ambitious plans to help high streets adapt to changing consumer demands and ensure they are fit for the future.

In Halifax, investment is to be spent on restoring and remodelling the Borough Market to provide a shared space where people can shop, eat and drink, whilst also enjoying cultural performances. Alongside this, there are ambitions for a new 'mini' Eureka! - a family-friendly trail which will lead through the town centre and provide new footfall for existing businesses.

Similar plans are afoot in Rotherham which, in its role as Children's Capital of Culture 2025, is to provide a home for The National Centre for Folk & Fairy Tales. Here, the ambition is to capitalise on the stories of the Brothers Grimm, which offers the potential to attract a substantial number of new visitors to the town.

Just over £13 million of funding has been secured through High Street Heritage Action Zones and has been committed to improve historic high streets and act as a catalyst for wider town centre regeneration. This funding will contribute towards improving the quality of the public realm and restoring historic buildings, bringing buildings back into use/re-purposing them and enhancing the high street experience.

Figure 4: High Street Fund, Towns Fund and Heritage Action Zone bids in Yorkshire and the Humber



Source: UK Government and Lichfields analysis

£24.1m

awarded from the Towns Fund to deliver the Stocksbridge Town Investment Plan (TIP)

Case study: Stocksbridge

In March 2021, Stocksbridge was awarded £24.1m from the Towns Fund to deliver its Town Investment Plan (TIP) which aims to drive long term sustainable economic growth within Stocksbridge, providing new opportunities and infrastructure for future generations.

The TIP aims to breathe new life back into Stocksbridge high street, which is focussed along Manchester Road, through a combination of initiatives including the development of a new Community Hub alongside streetscape, public realm and transport improvements.

The development of a new funicular railway will provide better linkage between Manchester Road as the historic retail core of the town and the popular Fox Valley shopping and leisure park which has brought new customers and associated vibrancy to Stocksbridge.

The TIP aims to provide training, education and employment opportunities for local residents, attract visitors to the town and act as a catalyst for further investment and development in the future. In its first phase of regeneration, the TIP aims to diversify the town centre's economy and develop highly skilled, well paid jobs for the area with a focus on the digital, creative, clean growth, professional, scientific and technical sectors.

To achieve this, the Towns Fund investment will be used to create a Community Crossover Hub which will provide flexible start up, co-working and community space for residents.





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This will be supported by education and skills support and a modernised library service and community space with adult training and education services aiming, to support 400 local residents to upskill each year.

The TIP proposes a new funicular railway as a fun and innovative way to transport passengers and strengthen links between the existing 'high street' and the Fox Valley shopping and leisure park located to the east of the town, capitalising on the success of Fox Valley which has created vibrancy and commercial activity within the area. It is hoped that the funicular railway will also operate as a tourist attraction drawing visitors into the town.

Streetscape and public realm improvements will transform the town centre's physical environment, seeking to raise aspirations and create an attractive environment for investors, shoppers and visitors to the town.

The investment will also facilitate public transport improvements including a community bus network connecting the town with residential and outlying areas, aiming to transport 150,000 residents and visitors per year.

Improved cycle and walking trails will link the heart of the town with the surrounding countryside and Sheffield City Centre, capitalising on the location of Stocksbridge as a countryside gateway. Proposals include an extension to the Upper Don Trail to improve connections with Sheffield City Centre, a circular trail around Underbank reservoir and a visitor hub and cycle hire facilities within Stocksbridge to attract visitors and leisure users into the town centre. Within the wider town, the funds will be used to prioritise the health and wellbeing of residents through investment in social, youth, sport and recreational infrastructure.

Overall, it is a very good example of the benefits of public and private stakeholders working together to bring forward a Town Investment Plan.

07 Drivers of town centre transformation

Following our review of the different plans and projects currently under consideration, we have identified six key themes which appear to underpin the various strategies for town centre transformation. These are:



 **Health and wellbeing**

With reduced demand for high street shopping, and the impact of Covid-19 on demand for offices unclear, we need to find a reason to draw visitors into town centres. As well as more pleasant and healthy outdoor spaces and experiences, this could also involve locating other essential services - such as health and well-being facilities - close to transport hubs where they are well placed to meet needs and can help to maintain footfall.

Oldham's proposed 'Northern Roots' project has funding of £8m and would be the UK's largest urban farm and eco-park.

As described by the Council: "*this nationally significant project will create 160 acres of high-quality green space and environment enhancement for community use, a short stroll from Oldham town centre*".⁵

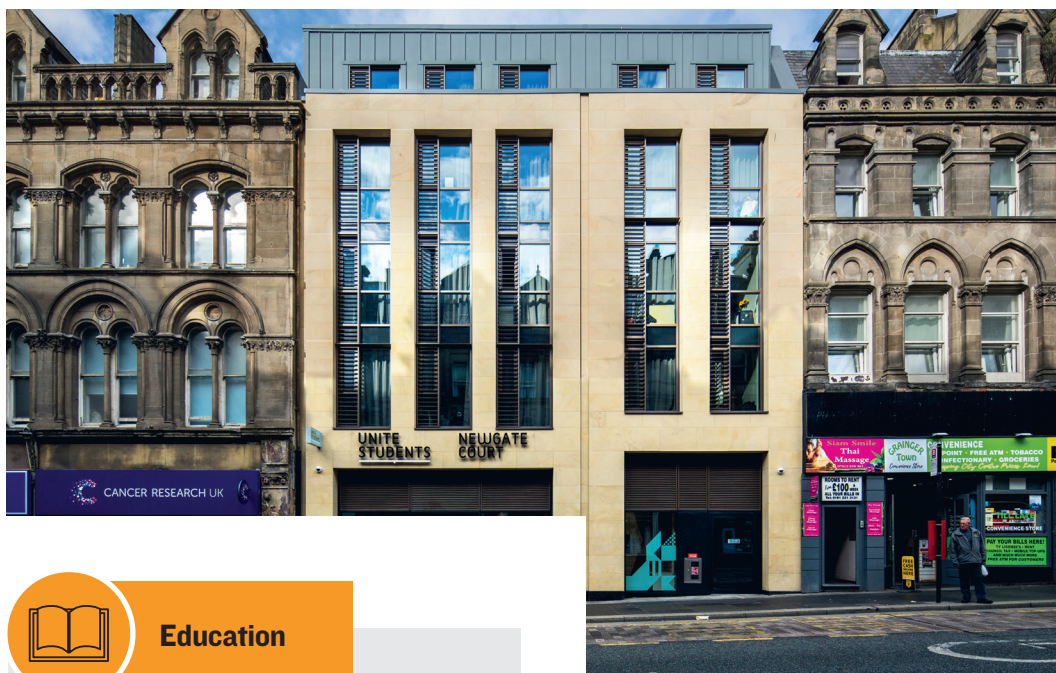
The funding will support the cost of enabling works and access routes, the construction of key infrastructure and including the visitor centre, education centre, market garden and mountain biking hub.

Through the various funding streams offered by the Government nationally there have been a wide variety of health and wellbeing proposals put forward.

In **Hartlepool**, for example, a new training facility within University Hospital of Hartlepool is to be developed, owned and operated by North Tees & Hartlepool NHS Foundation Trust in partnership with Hartlepool College of Further Education – Health and Care Centre of Excellence.



⁵ https://www.oldham.gov.uk/news/article/1965/41_million_town_investment_plan_submitted_to_boost_town_centre_regeneration#:~:text=The%20projects%20are%3A,stroll%20from%20Oldham%20town%20centre.



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Education

Universities and colleges have long been key parts of daily life in our city centres. Opportunities exist to locate student populations in the heart of these centres, where they can contribute to vitality and viability.

University towns and cities across the United Kingdom undoubtedly benefit from the boost that students give to the economy, with thousands of individuals visiting and working in shops, restaurants, cafes and bars. With this comes a demand for student housing and a strong rental market, as well as a pipeline of purpose-built student accommodation.

Whilst the Covid-19 pandemic has seen a transition to online learning, it is clear that education institutions are assets for a town centre, providing accessible facilities at the heart of the community, enhancing town centre vibrancy and being a significant driver of footfall.

Earlier this year **Blackpool** was awarded £39.5m of Town Deal funding. Of this funding, £9m has been allocated to support the initial development phases of the relocation of Blackpool & The Fylde College to a new carbon neutral university campus in the town centre. The 'Multiversity' will create a world-class learning facility and support the town's wider regeneration strategy to create a year-round vibrant economy.

The spin-off benefits of locating education facilities in town centres cannot be underestimated, with the creation of new jobs, bringing vacant buildings and sites back into use and supporting growth through driving more people into town centres.

Furthermore, with many authorities aiming to increase the number of people living in town centres there is a clear need to ensure that future residents have access to a full range of services and facilities including education and healthcare.



Tourism

Many of the North's towns and cities have fascinating visitor attractions and dramatic physical and geographical environs. An ambitious and coherent tourism strategy can help town centres to make the most of these unique assets.

Tourism and leisure uses are taking a front and central role in many initiatives which aim to diversify and add vitality to existing town centres in the North of England. This has ranged from multi-million pound investments in new anchor attractions, to smaller-scale, 'grass roots' events and experiences which seek to reignite interest in the cultural heritage of town centres. Whilst the nature of these initiatives varies greatly, all share the common theme of seeking to attract new footfall and increased dwell time.

In **Scarborough**, a new cycling and walking network will be provided, linking South Scarborough's growing business and residential areas with the town centre and beyond, with links to Whitby, the Yorkshire Coast and the North York Moors National Park.

Like many towns, Scarborough also seeks to draw on its cultural heritage as a means of attracting new visitors.

As part of this, investment is to be made into the Harbour and West Pier in order to create a public open space which links to Scarborough's marine heritage, whilst also providing new commercial and business space with which to support the town's fishing industry.

To complement this, a new, year-round programme of cultural regeneration activity is to be delivered as 'Scarborough Fayre', linking a series of cultural and heritage events to be performed at various locations in the town and co-ordinated from a new headquarters building in the town centre.



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 Heritage

Many of our town and city centres have a rich and varied history which lives on. This has the potential to make a real contribution to the environment and attractiveness of these towns as visitor destinations.

Heritage Action Zones have been established in a number of towns with historic environments in order to maintain a focus on the rich but often untapped potential of our built heritage. On the basis of our research, local authorities across the northern regions are pro-actively seeking to use HAZs to promote the reuse of vacant space, refurbishment of existing premises, improvements to the public realm, programmes for cultural events celebrating local heritage and the creation of more pedestrian friendly high streets and centres.

For **Wakefield, Huddersfield, Hull Whitefriargate, Middlesbrough, Rochdale, Stalybridge, Tyldesley** and **Prescot** the HAZ focuses upon facilitating the reuse of significant amounts of vacant floorspace for a mix of housing, commerce and cultural uses. For **Leeds** Briggate and **Wigan** the HAZ will focus upon making the centre a more pedestrian friendly environment with attractive historic public realm and streetscape. In addition, on a smaller scale but reflected throughout all the HAZs, a key priority will be the refurbishment of existing premises on the High Street. This approach is to be taken in **Northallerton, North Shields, Hexham, Blackpool** and with the intention of creating a more desirable place for businesses, visitors and local people.



Digital and creative

With high street retailing in decline, flexibility is required to re-purpose the floorspace left behind by these vacancies. Utilising new funding streams and planning reforms, there is an opportunity to use vacant space to accommodate innovative small businesses which can contribute to the vibrancy and culture of town centres.

In towns and cities with older, unattractive office stock, demand has declined in recent years. Whilst permitted development rights have seen many of these redundant office buildings converted to residential or student housing, there remains a role for innovative businesses and creative enterprises in the regeneration of northern towns.

In seeking to establish a new culture for town centres, and particularly promoting an increased digital presence, a number of schemes are emerging which seek to provide and nurture flexible and attractive workspaces for smaller companies.

These new businesses, often start-ups, appreciate the social and environmental benefits of a town centre location, and add a further dimension to the vibrancy of their areas. By fostering creativity and innovation amongst like-minded new start-up businesses, not only do these new businesses create agglomeration economies in their own right, but they also add to the round-the-clock vitality of those centres.

In **Bolton**, part of their £22.9m bid to the Towns Fund will be used to refresh and improve the Cheadle Square area of the town centre. As well as improvements to the market, the Wellsprings building will be redeveloped to create an innovation hub for growing and start-up businesses in the creative and digital sector. Public realm projects will create a greener town centre, with improved footpaths and connections between key institutions, new pocket parks and public spaces. Bolton Central Library will also be redeveloped, to include flexible workspaces for local businesses and community groups.



Town centre living

As retail space recedes, it is more important than ever that our town centres are attractive places to live. As well as making an invaluable contribution to housing supply in our urban areas, maintaining a meaningful 24-hour population in town centres will in turn drive demand for services and facilities which contribute to the vitality and viability of the centres.

The Government has responded to the challenges affecting major retailers and ever-mounting pressures to boost housing delivery by introducing a new Class MA business and commercial to residential permitted development right (PDR) which will come into force on the 1st August 2021.

Town centre living has also been at the heart of a number of successful bids by local authorities for funding through the Future High Streets Fund and Towns Fund, where it is seen as an important part of supporting and diversifying the existing town centre offer, as well as a way of regenerating former employment areas within town centres.

Wirral Council is using its allocation of approximately £25 million from the Future High Streets Fund to progress its **Birkenhead** Town Centre regeneration plans, with its delivery partner Muse Developments through the Wirral Growth Company. A hybrid planning application has been submitted for a mixed-use redevelopment of 10 hectares of the town centre, including up to 651 new homes in a vibrant new neighbourhood around Conway Park station.

Town centre living is a key component of **Middlesbrough** Council's new City Centre Strategy, which aims to deliver a town centre which people move to for the cosmopolitan lifestyle, the high quality housing offer and the proximity to major amenities, job options and learning providers. This is to be achieved by bringing modern and attractive, yet affordable, living to central Middlesbrough, providing the infrastructure and public amenities that new residents will need, and making central Middlesbrough a safe and welcoming place to live.



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The Council has received provisional funding of over £14 million from the Future High Streets Fund to help create 650 new town centre homes for around 1,500 residents, with retail space converted to attract footfall and spending. The Council has also secured almost £22 million through the Towns Fund, with urban communities and place-making one of its five themes for delivering its economic ambitions and rebuild Middlesbrough's economic and social fortunes. The vision is for 2,000 new urban homes to be developed in the town centre by 2030, home to 4,000 residents. This will be delivered through new schemes at several key town centre locations and will include the conversion of redundant commercial premises to drive footfall in the town centre, develop a market for leisure activity and animate the town centre. The forerunner of these schemes is the Boho Zone, which has established itself as the centre of Middlesbrough's thriving digital industry, where up to 500 new homes are proposed alongside the reinstatement of historic street patterns and Market Place.



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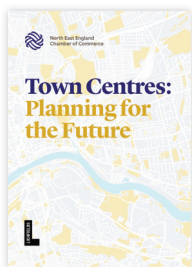
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Town Centres: Planning for the Future

A range of recommendations, to help secure the future of our centres.



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The future of our town centres' with 'How young people engage with town centres, and what this means for centres in the future.



Supporting the recovery of High Streets and Town Centres

Examining the transformational trends and pressures that have been placed on our high streets



Retail and leisure trends in England

The retail and leisure sector has supported the economy after the EU referendum with strong growth - can this trend continue?

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