



Response to the Housing, Communities and Local Government Committee on Supporting our high streets after COVID-19

From British BIDs

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A submission from British BIDs to the Housing, Communities and Local Government Committee on Supporting our high streets after COVID-19

This submission to the Committee on Housing, Communities and Local Government on Supporting our high streets after COVID-19 is from British BIDs (Bb) the decade old membership organisation focused on serving the 329 Business Improvement Districts (BIDs) in the British Isles.

Our headline requests are that:

BIDs, local authorities and property owners should work together to curate new solutions on the high street and in town centres.

BIDs are well placed to play a leadership role, as many are already doing. However, for BIDs to play this role more effectively, the relevant Regulations should be amended to enable BID terms to run between seven and ten years, and for property BIDs to be permitted throughout the UK.

Some of the current plans for Future High Streets Funds, Heritage Action Zone monies, Town and City Growth Deals and potential other streams, such as the Shared Prosperity Funds, driven by a proportion of 'shovel-ready' capital projects, should be re-visited to ensure appropriateness in a post Covid world

A new "...to help out" be developed, with carefully constructed strategically targeted projects that would allow other parts of the leisure, retail, tourism and hospitality industries to be kick started.

Empty properties must have creative solutions to ensure our towns and cities remain places where people come to live, work, rest and play.

Thousands of small businesses need to move into empty or redundant buildings, with affordable space to 'try out' ideas and test their business model, restoring them as they do so.

The current Treasury fundamental review of business rates must be effected as soon as possible, and the business rates 'holiday' must continue until the review is completed. Bb is clearly submitting a response to the Treasury review.

Planning and licensing regulations continue to be relaxed, as they have during the pandemic, to allow more street café culture, safe and welcoming spaces, and new business start-ups

The new planning regulations must be used to allow landlords to repurposing retail space to create a modernised, differentiated and exciting use mix, with residential as a likely option, closely followed by health and community¹.

Better supported public transport, better sanitising of public transport, spot tests on public transport be enabled to allow a faster return to office working.

Employers be given grants to develop cycle plans for staff, including secure storage for bikes whilst at work and every new car park have to include secure cycle parking

Government and local authorities invest in flexible working spaces so that employers can take desks in the flexible space, staff get exercise and socialisation, and possibly large HQ type-buildings get replaced by corporates having desks in every major urban centre.

Finally, the BID industry itself will play an absolutely crucial role in the future of high streets. However, long-term solutions not only require short-term interventions but also a strategic approach. Local stakeholders and their outputs would, therefore, be greatly advantaged by 2 important policy interventions on behalf of BIDs: (1) for second term BIDs and beyond to be given the ability to 'renew' for longer than 5-years where more strategic business plan proposals require longer to be effected, and (2) for property owner BIDs to be permitted countrywide so that owners and occupiers can jointly invest in improvements required. BID terms a for up to 10-years and the inclusion of property owners would provide a unique mechanism to enable the types of improvements and the changes required.

British BIDs

Bb provides leadership, advice, training, conferences, research, accreditation, ballot support, products and services. We have over 170 members across the sector and we have a team of BID practitioners providing information advice and guidance to BIDs across the country.

A BID is a business-led and business funded body formed to improve a defined commercial area. The benefits of BIDs are wide-ranging and allow businesses to decide and direct what they want in their area, be represented and have a strong voice in issues affecting their trading area. The BID collects a levy, the money from which is ring-fenced for use only for the benefit of those within the BID area. Typical BID projects help to increase footfall and spend, improve staff retention, reduce business costs, and enhance marketing and promotion activities in the area. Typically, a BID is a private limited company, with a Board representing its levy payers, that enables businesses to work together with other stakeholders to plan infrastructure, work on pollution, improve traffic flow and movement, give guidance in place shaping vision activities,

¹ <https://www.savills.co.uk/insight-and-opinion/savills-news/289941-0>

have powerful networking opportunities with neighbouring businesses, and allow assistance in working with the Council, Police and other public bodies.

The BID mechanism allows for a large degree of flexibility and as a result BIDs vary in shape and size. The average size of a BID includes 300-400 business premises, with some of the smallest having fewer than 50 premises and the largest over 1,000. Annual spending is typically £200,000-£600,000 but can be as little as £50,000 and as much as £2 million.

Currently there are over 133,424 businesses within BIDs, investing £132,493,286 into their local economies, and Bb uses its membership structure to communicate with and speak for them.

Methodology

We have collated comments from our members in formulating this response by way of a call out to all within and connected to the BID industry, including not just the BIDs themselves but the businesses that fund them. We have also completed a piece of research with the New Economics Foundation Consultancy on *BIDs and the New Normal: their responses to the COVID-19 pandemic of 2020*², which allowed data collection from a stratified group of over 60 BIDs, and having given presentations and workshops on the research new follow up material emerged that is documented here. Bb also held a workshop on the topic of the workforce returning to the office, and what more could be done to support this, and this feedback has been woven into this evidence. Bb also has an Advisory Board of industry experts which then reviewed and gave the final approval to this submission.

Brief summary

For this review we have brought together a number of strands of thinking, on what might be happening, how BIDs and high streets will need to respond, what other agencies, including government, might need to do, and an Appendix with some case studies on BID leadership during the pandemic.

The major pressure points of adaption to rapidly changing customer habits, increasing online activity, the cost of high street rents and rates, and the level of debt in some of national businesses all lead to the need for major structural change; the pandemic might merely have exacerbated this, albeit in a dramatic and very sudden fashion.

Key issues for BIDs and high streets in the new normal are detailed in this response:

- The new collaboration and leadership
- Sector impacts in retail, leisure and tourism

² https://cdn.britishbids.info/publications/BIDs-and-the-new-normal_their-response-to-COVID-19-pandemic_BritishBIDs_June2020.pdf?mtime=20200610094558

- Return to the local
- Landlords, tenants and the changing use of space
- On-line trading
- Working from home and how long that might last
- Safe, welcoming and green spaces

At the same time the impacts of the pandemic: working from home, the change of use of premises to residential, the effect on leisure and tourism, the changing role of service industries and offices, the move toward supporting 'local' during the pandemic and how long that might last, and the changing format of town and city centres in the 'new normal' will be key issues for BIDs and the high streets that they manage.

Collaboration

The Covid-19 pandemic has shown us all how partnerships between local government, local agencies and businesses are vital, and in some cases have evolved to the point where we can now rapidly set up local systems to draw on the strength of each sector. Throughout this crisis, BIDs and their members have been part of efforts to ensure people received the food, medicine and other essential goods and services, providing advice and guidance on grants and loans, sorting out signposting, ensuring that businesses could work in a Covid-free environment and starting to promote towns and cities to attract the workforce, customers and clients back to a safe and welcoming environment.

It is clear that city, town and commercial centre resilience and adaptability, both during this crisis and beyond, will depend more than ever on cooperation and partnerships.

We believe that by using the agile and local crisis response as a model, combined with the natural entrepreneurial qualities of business, there is the opportunity to create a new culture of working together to both manage the change but also realise the opportunities for a different type of vibrancy on high streets which continues to provide jobs but also supports livelihood development, wellbeing and drives economic development in a sustainable and inclusive way. It would be good to see government celebrating and supporting this new collaborative culture at the local level.

A new level of partnership working

Key to this will be relationships but also how resources are pooled to make things happen. Whilst local councils may sometimes lack capacity, as the accountable public body, they still act as the fund holders for almost all significant central funding streams directed towards high streets.

The urgent nature of much of this funding, [for example, the emergency government coronavirus funding streams and competitive nature of programmes like the Future

High Streets Fund, Heritage Action Zone monies, Town and City Growth Deals³ and potential other streams such as the Shared Prosperity Funds, point to the need for a more proactive approach⁴ which would allow all users and stakeholders of BID and high street areas, to develop long term collaborative high street plans.

This would allow for submissions for investment to be informed by evidence of need and therefore leading to more sustainable outcomes, whilst also drawing on a wider group of people, leading to more creative and collaborative ideas which will gather their own momentum. It may be that some of the current plans, involving a proportion of 'shovel-ready' capital projects will need to be re-visited.

Leadership

One issue that has emerged is the need for leadership in these newly emerging partnerships. BIDs have taken this lead in many places, and

³ <https://www.centreforcities.org/case-study-library/case-studies-city-deals-growth-deals/>

⁴ <https://alternativecamden.com/Community-Improvement-District-BID-3-0>

APPENDIX 1 provides examples of these, and other commentators have pointed to the need for such leadership⁵. Local leadership is vital, it can be one individual or a collection of voices, and BIDs are well placed to provide this.

The 329 BIDs across the British Isles worked hard during the Covid-19 crisis. They provided information and advice on grant funding from government, using their levy payers' email and SMS contacts. They kept their Rangers or street wardens operational, keeping the properties of levy payers safe and secure, at a time when many had furloughed all of their staff. They advised their members on the various stages of the reopening as the rules became clearer, and they have been very heavily involved in the signposting of their towns and cities as people returned to shopping and food areas.

Most BIDs have done this with very low levels of levy payment, have in the main had to furlough members of their teams, and have thus done this with very small numbers of staff. This continues, even as they are starting to plan for Christmas and the New Year, and they are all developing marketing campaigns for their towns and cities to increase consumer confidence, so that those who are wanting to come back feel safe and return again and again.

Most BIDs are thus working flat out with extremely tight cash flows. We asked government for some assistance and received £6.1m to cover three months operational costs, with government saying that they are committed to supporting BIDs as they are "a proven and effective vehicle of leveraging private investment and have a significant role to play in high street regeneration"

BIDs, local authorities and property owners should work together to curate new solutions on the high street and in town centres. These places will need a future management strategy which is visionary and enabling and is supported by an effective delivery plan - for placemaking and in shaping how a place is used in the short, medium and long term. Where BIDs exist, they are well placed to lead this as they provide the framework to bring together businesses with other local stakeholders, and they have proven to be very effective at providing place-based leadership, setting a vision, and in delivering to it.

A place-oriented strategy can be used to leverage public funding and private sector investment, and in harnessing expertise from local businesses and national retailers, whilst drawing together the numerous different arms of local and regional government that are involved in town centre management, including development management, planning policy, licensing, regeneration, waste and recycling, street maintenance, environmental health and community safety. Ideally, officers and elected members of the local authority should be involved in this process, and Neighbourhood Forums

⁵ <http://www.vanishinghighstreet.com/wp-content/uploads/2020/06/Grimsey-Covid-19-Supplement-June-2020.pdf>

should also collaborate where they exist. This approach will help align planning and licencing with regeneration: it is the boroughs in which these three disciplines work closely and collaboratively that we see the most successful improvement of high streets and town centres. Town centre strategies will need to strike the right local balance between economic recovery and growth, social benefit and residential amenity.

BID Regulations 2004

For BIDs to play this leadership role more effectively, we ask that the relevant BID Regulations are amended to enable BID terms to run between seven and ten years, in certain circumstances.

Property owner BIDs

In February 2017 the first draft of the Local Government Finance Bill (2017) was published and included the proposal that Property Owner BIDs should be extended to all areas within England. This legislation fell at the change of parliament.

The rationale for Property Owner BIDs is to achieve a long term and strategic approach for places. To achieve this, it is felt important to engage with property owners alongside occupiers. A Property Owner BID can develop a distinct stream of delivery and should address the needs of those who will pay the levy. It is most likely, although not a requirement, that Property Owner BIDs will bring forward area improvements schemes such as physical projects (landscaping, streetscape, building enhancements etc.).

Thus, we ask that the legislation be brought back, and the regulations changed to enable property BIDs to be permitted throughout the UK, rather than the current limitation to London.

Long term resilience

We believe that the responses to the Covid-19 crisis will continue to be area and sector specific, with further downturns likely in leisure and dining, chain retail and those businesses with a reliance on footfall⁶. This might be compounded by a decline in demand for traditional, fixed office space, and a growth in more flexible working formats, including shared space, home working and part home/part office routines.

This will mark a significant difference for many places, as it is these sorts of businesses that have often been the anchor approaches to high street renewal that institutions have used as a basis for their investment strategies and decision making. Thus, we will need a new approach to high street renewal.

⁶ <https://www.theguardian.com/business/2020/may/12/landsec-cuts-value-of-portfolio-by-12bn-covid-19>

Sector groups and Sector Councils

The government has already set up sector groups and Sector Councils as part of its Industrial Strategy, and we look to them to lead on a wider range of issues as part of this new future. Clearly, they will have a key role to play here, and we are interested in how the Industrial Strategy, the Industrial Council and the various sector Councils work together and have shared and agreed output measures.

Retail industry

There have been a multiplicity of reports emerging around the likely scale of empty units and the corresponding impact on the high street.

Whilst there are reports of some retailers threatening to downsize or even 'hand in their keys' on multiple stores, to those already in administration⁷, and reports of small businesses struggling to keep afloat⁸, it is still far too early to predict the extent of the fallout. However, given that both property owners and businesses are under threat it is probable that, in some areas, it will be extensive, and many businesses won't reopen their doors, or will try but not be able to maintain their business due to declining footfall and demand.

There are some encouraging signs of new small local businesses moving swiftly into freed-up spaces, using the post covid-19 spirit to work with local authorities, using a more relaxed attitude to licences and planning regulations to allow start-ups to blossom. There is a plethora of stories across high streets in BIDs about new user practices and levels of service⁹

Over the coming months high streets will increasingly look to people who live closer to their areas for footfall. There are signs that people are currently using their local high street more, for goods and services¹⁰ but also exercise. Therefore, the creation of safe and welcoming spaces will be critical to maximising the benefit of the footfall that exists and attracting more people as the public safety measures ease.

This more relaxed attitude toward licensing and planning needs to continue, along with the local authority support for safe public spaces. Thus, we look to the new planning regulations to allow building more homes on the high street, and a building programme that then provides replacements for retail such as doctors, dentists, hospitals, schools, medical centres, libraries, kindergartens etc

⁷ <https://www.retailresearch.org/whos-gone-bust-retail.html#bycompany>

⁸ <https://www.bbc.co.uk/news/business-52772948>

⁹ <https://www.theguardian.com/getting-back-on-track/2020/aug/19/seven-ways-independent-businesses-are-creating-new-customer-experiences-during-coronavirus>

¹⁰ <https://www.theguardian.com/business/2020/aug/30/independent-shops-enjoy-business-boost-due-to-commuting-drop>

The 'experiential' and the creative industries.

Before the lockdown, the 'experiential' had become a key element in many high streets, and BID's had been responding to that change, with an emphasis on events, a returning interest in key anchors like libraries, theatres, cinemas and museums, supported by high quality food and beverage.

It is these very anchor roles that are most at risk in the new normal, with many BID's in their discussions working out how cinemas, and theatres, or the small food and beverage offering high quality experience could survive the current problems in the short-term.

For some urban centres, given that the whole cultural sector of music venues, cinemas, and theatres are possibly unlikely to re-open for a period of time, there is the very real concern that people will just not want to take the risk, with one survey suggesting that more than 60% of people would rather wait longer before they go to the movies (67%), museums (64%) or concerts (64%)¹¹. This is a major challenge for town and city centre BID's, that is being worked through.

Return to the local

There is a sense that some local business communities, with small footprints, serving a local, increasingly working from home group of users are benefiting. Such communities remember those retailers that have been caring and supportive in the pandemic and may keep using them. Those who could 'walk to the shop' would increase in number as working from home became more normal and the generally smaller high streets in suburban or small market towns might prosper.

This has been reinforced by analysis showing that 'small town' footfall has declined less during the COVID-19 pandemic than the larger city centres¹². The High Streets Task Force suggested in recent research that, whilst high streets may not recover to pre-Covid footfall levels, "...the historic decline in footfall we've seen doesn't mean that all high streets are failing...it shows how that their function is changing...during and after lockdown, local high streets have been people's lifeline, for essential retail and services, and as a gateway to local parks and green-space".

Such BID's and their high streets will lead the return to an earlier more traditional set of aims and objectives and mirror what Mary Portas is calling a new emerging 'kindness economy'¹³.

¹¹ <https://tinyurl.com/yb26fc4e>

¹² <https://www.highstreetstaskforce.org.uk/news/task-force-research-shows-local-high-streets-being-rediscovered-after-covid-19-lockdown/>

¹³ https://www.ted.com/talks/mary_portas_welcome_to_the_kindness_economy?utm_campaign=edspread&utm_medium=referral&utm_source=tedcomshare

Tourism

There is much discussion on quarantine and local lockdown rules in the UK, with visitors from some countries required to provide a reason for travel and an address before being allowed into the country, and local visitors worried about booking to attend an event and then finding it gets locked down before or during a visit. This is likely to have a major impact on the visitor economy, with those businesses that rely on domestic and international tourism being the hardest hit. Currently the World Travel and Tourism Council is estimating that once the outbreak is under control, it would take up to a year for the tourism sector to return to its normal levels¹⁴, and in some countries it might be several years before the outbreak is under control.

On the other hand, the summer has already shown that traditional seaside and tourist attractions across the British Isles are being revived, with packed out campsites, hotels and restaurants booked out until the end of October in parts of the UK, and the beginning of coach trips and rail journeys to holiday resorts.

Again, the Tourism Sector Deal¹⁵ offers an opportunity for the government and tourism industry to come together and deal with some of the issues of skills, demand, and marketing in a new and dynamic fashion.

Hospitality industries

Feedback from BIDs and members in the industry suggested that in some places the future of the hospitality industry sector looked uncertain, but the impact of the Eat Out to Help Out scheme, and the inventiveness of many in the industry has resulted in survival and indeed success for some. Recent OpenTable¹⁶ data suggests that the picture is changing, with over 90% of restaurants open for bookings and a year-on-year net growth on some days.

An increase in pavement dining has been one of the solutions¹⁷. Towns and Cities around the world are looking at regulating the way people gather together with social distance rules while planning how to jumpstart the economy. Allowing businesses to take to the streets is seen as a measure that might provide assistance to businesses; restaurants and bars will be able to open yet maintain physical distancing¹⁸.

¹⁴ <https://www.weforum.org/agenda/2020/03/world-travel-coronavirus-covid19-jobs-pandemic-tourism-aviation/>

¹⁵ <https://www.visitbritain.org/tourism-sector-deal-announced>

¹⁶ <https://www.opentable.com/state-of-industry>

¹⁷ ⁸⁵ <https://www.cambridgeindependent.co.uk/news/coronavirus-how-cambridge-city-centre-will-adapt-as-cars-make-way-for-street-diners-9110909/>

¹⁸ <https://www.glasgowtimes.co.uk/news/18463882.open-streets-save-glasgows-restaurant-scene-glasgow-might-reopen/>

Additionally, the saturation of the casual dining market by mid-level chains has led people to seek out a growing market of independent restaurants and cafes with these making up 70 percent of all new food and beverage (F&B) openings in Glasgow in 2019¹⁹.

One great success of the crisis has been the Eat Out to Help Out scheme. The government have developed a response²⁰ that could help rebuild local economies which could comprise carefully constructed strategically targeted projects that could engage all stakeholders, with consistent branding. Many parts of the economy could be kick started through these carefully constructed strategically targeted “...to help out” programmes.

Owners and occupiers

Whilst government support recedes for salaries and other associated overheads, and the risk of decline in custom and footfall becomes clearer, rents and more flexible occupational costs (e.g. turnover, rather than fixed, rents) will play a crucial role. The working relationships between owners and occupiers will be key to survival rates and improvement strategies. Most property owners recognise their interdependency with their occupiers and are entering into more flexible agreements. However, the recent failure of Intu²¹ demonstrates the fragility of the situation.

All of this suggests that BIDs, local authorities and government need to be prepared and ready with creative solutions to ensure our towns and cities remain places where people come to live, work, rest and play. But what it also indicates is that there are emerging positive trends which can be drawn from and built upon.

Business rates and future plans

It is clear that the business rates holiday, the grants to certain businesses and the furlough scheme has been a life saver for most businesses. We understand that these cannot continue forever, but we ask government to make sure that the current Treasury fundamental review of business rates is effected as soon as possible, and that the business rates ‘holiday’ continues until the review is completed.

¹⁹ <https://www.savills.co.uk/blog/article/296792/commercial-property/glasgow-s-independent-restaurant-scene-is-thriving.aspx>

²⁰ Bill Grimsey. <https://twitter.com/BillGrimsey/status/1298717366088474625>

²¹ <https://www.theguardian.com/business/2020/mar/26/coronavirus-intu-warns-of-breach-in-debt-commitments-as-retail-rents-collapse>

Changing use of space

Before covid, in October 2019, Savills were predicting the rightsizing of retail portfolios and demand²² and outlining a renewed focus on strategic and/or strong convenient locations.

We believe there are thousands of small businesses across the UK who can move into empty or redundant buildings, which offer affordable space, to 'try out' ideas and test their business model, often restoring them as they do so.

Some of these vacant buildings are heritage buildings; whilst they can often be complicated and costly to restore there is a growing movement of support for their revival, both from a practical and social point of view but also a sustainability point of view as interest grows in the economic and environmental benefits for retrofitting existing buildings rather than building anew. The Architect's Journal #retrofirst campaign is a good example of this and is supported by names such as Hoare Lea and British Land²³.

Savills Re:imagining retail experts offer the insight that "high streets are perceived to require a significant reduction in retail space but expectations are that this is much less likely to happen due to fragmented ownership and lack of funding options"²⁴. This is an opportunity for local authorities, BIDS and government to work in partnership to proactively convene local stakeholders to think boldly and imaginatively.

Role of anchors

Traditionally the use of the concept of 'anchor' in regeneration terms has been the business or service that can act as a driver of footfall to or through, a high street or shopping centre. Having an anchor store at each end of a shopping centre or mall is proven good practice and one that is common across the world. However, more recently in the US a broader economic definition has been used, to encompass anchors of all shapes and sizes. They can be public sector bodies, universities, public libraries, hospitals, performance arts facilities, religious institutions, utility companies, medical centres, museums, and sports teams²⁵. These anchors not only play a physical role but also an institutional role, acting as stewards of resources and providing leadership in shaping local economies.

Throughout the pandemic, the physical role of anchors has been brought into focus, either in discussions about how to get them opened up again, safely but swiftly, or as

²² https://www.savills.co.uk/research_articles/229130/290755-0

²³ <https://www.architectsjournal.co.uk/news/more-top-industry-names-get-behind-retrofirst-campaign/10046432.article?blocktitle=more-on-retrofirst&contentID=24767>

²⁴ <https://www.savills.co.uk/insight-and-opinion/savills-news/289941/savills-reveals-three-quarters-of-retail-landlords-are-considering-repurposing-projects>

²⁵ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/414390/Anchor_institutions_and_small_firms.pdf

places where people have been able to go for support and advice, medical care or essential items like food. These buildings, including churches, GP surgeries, markets, convenience stores and community centres, have had to operate using strict social distancing and hygiene measures and rely on creativity and ingenuity to operate in ways that keep visitors and staff/volunteers safe.

The Savills report made clear that the four biggest priorities of landlords improving their retail spaces is with an enhanced leisure offer, improving public realm, urban living and shared workspace. It is thus no surprise that markets, food halls and entrepreneurial spaces feature heavily in masterplans. All of these uses point to better social cohesion, more loyalty and a more invigorated consumer experience. Or, to put it another way, “community is the new anchor”²⁶.

Universities and higher education as critical anchors

Universities, education and the student body of a town or city add social as well as economic value to local and broader areas and communities²⁷. Whilst the economic benefit and impact of students and universities is huge, the ‘soft value’ is incredibly important to support, nurture and involve communities which have sometimes been marginalized or excluded by changing economic and social conditions. As “one of few points of continuity in a community, universities remain underexplored as institutions with the resilience, adaptability and capital to act as anchors to lead work on reclaiming lost pasts and build sustainable futures.”

Changing mix of providers and sectors

Research suggests that a majority of retail landlords were already considering undertaking a repurposing project on their retail space in the foreseeable future to create a modernised, differentiated and exciting tenant and use mix, with residential as the second most likely option, closely followed by health and community²⁸. The Covid-19 pandemic has merely brought forward changes that were already being developed and the new planning regulations must be used to allow this by supportive local authorities who don’t say “retail must be replaced by retail” (the old zoning approach) but, basically, say that “if it helps to revive it’s a ‘yes’.

The Local Data Company suggest that the independent and small business sector has been growing steadily over the past few years and that the independent retail space has proved more resilient than chain retailing. “With independents currently representing 64% of the total UK retail landscape, the impact on this corner of the sector will be hugely influential to the overall health of our high streets.”²⁹

²⁶ https://www.revocommunity.org/private_documents/re-imagining_retail_-_savills_research

²⁷ <https://www.herts.ac.uk/heritage-hub/exploring-public-history/universities-as-anchor-institutions>

²⁸ <https://www.savills.co.uk/insight-and-opinion/savills-news/289941-0>

²⁹ <https://retailtechinnovationhub.com/home/2020/5/8/uk-retail-space-is-pretty-vacant-as-coronavirus-bites>

Research undertaken by the Federation of Small Businesses [FSB] into how small firms are navigating the Covid-19 crisis found that “Small businesses in towns, cities and rural areas have been innovating and reinventing themselves in order to survive as well as helping their communities” and have been on the frontline of local responses “carrying out key community roles during the crisis (57%), prioritising and supporting vulnerable customers (30%), donating provisions to local food banks (24%), supporting key workers (23%) and home deliveries to vulnerable customers free of charge (19%) as well as signing up to be NHS volunteers (9%)”³⁰ As a result of this the FSB are calling on the government to support local businesses through the Business Improvement Districts (BIDs) to help smaller businesses to bounce back by delivering services and selling goods locally.

The new planning environment

Planning flexibility is key in order that the planning system can support change across the broad spectrum of high streets and town centres and the government has said that the main driver of change has been the need to enable a repurposing of buildings on high streets and town centres. The new Class E allows for a mix of uses to reflect changing retail requirements. It will allow a building to be used flexibly by having a number of uses taking place concurrently or by allowing different uses to take place at different times of the day.

We believe that those town and city centres that succeed will likely be more compact, with a broader mix of offers including leisure, experiential retail and public services. Ensuring they remain vibrant, and diverse, will be a critical issue to help maintain London’s reputation as a great place to live. We believe that a planning manifesto³¹ should be extended to the whole country.

Online trading since lockdown

Data on internet retailing³² suggest that UK online retail sales rose by 22% in the first week of April compared to the same time last year. This rise was chiefly down to a select few categories such as beauty, electrical, home and garden and alcohol. Data are showing that one-third of consumers have switched to purchasing products online that they would have previously purchased in-store. Industry experts are expecting this behaviour to broadly continue as consumers begin to form new habits, with the survivors benefitting from strong trust in their brands, underpinned by fewer experiential stores that drive customer engagement and multi-channel sales³³.

³⁰ <https://www.fsb.org.uk/resource-report/new-horizons.html>

³¹ <https://www.londonfirst.co.uk/sites/default/files/documents/2020-01/Manifesto.pdf>.

³² <https://internetretailing.net/covid-19/covid-19/coronavirus-round-up-next-boots-debenhams-imrg-naked-wines-john-lewis-partnership-ons-and-more-21238>

³³ <https://www.alvarezandmarsal.com/insights/every-major-non-food-retailer-operating-negative-cashflow>

It is of course a myth that it is only the large international players who are using e-commerce; many small independents are now developing their web sites and e-commerce during the lockdown and are benefitting from both this brand loyalty and being local. The 15-minute walk culture can still be internet driven.

Working from home

Home working for office-based staff is viewed by many as a natural acceleration of distributed work patterns, but the impact on the economy of such a reduction is estimated at £480bn³⁴ and a return to a full economy only in 2025. This clearly cannot continue. Many European countries are performing better, with apparently only one-third (34%) of UK white-collar employees commuting again, well off the pace of their European counterparts, where almost three-quarters of staff (68%) have done so. In France – the leading European country among returnees – 83% of office staff have returned, whereas in Spain, Italy and Germany three-quarters (around 75%) are now heading back in³⁵.

Whilst many businesses will be looking to return to some kind of office base, often because it is clear that creativity and mental health are stimulated by teams working together, it is likely that there will be reduced demand for space³⁶. Whilst this indicates a rise in demand for co-working, shared workspace and smaller offices it also suggests fewer office workers shopping in their lunch hours and eating out or buying food. Of course, at a macro level, this is resulting in a shift of such spend from city centres to the suburbs and smaller towns as people work from home.

The limiters remain public transport, what happens with schools and flow through the building, like lifts³⁷. A Bb workshop asked that government consider radical solutions to the public transport systems and the way offices operate. Many organisations are looking at ways of working in a mixed-mode fashion – some days in the office and some days at home. This will allow both city centres and the smaller suburbs and market towns to coexist in an innovative manner. Government and local authorities could invest in flexible working spaces so that employers could take desks in the flexible space so that staff still get exercise and socialisation, and possibly large HQ type-buildings get replaced by corporates having desks in every major urban centre.

It is clear that most employers are taking great care on their return-to-work policies, as part of their duty of care, with advice on work flows and use of lifts and there is a wide range of advice sheets from different employers which many BIDs are disseminating to

³⁴ <https://cebr.com/>

³⁵ <https://www.personneltoday.com/hr/uk-lags-behind-europe-on-returning-to-office/>

³⁶ <https://www.theguardian.com/technology/2020/mar/13/covid-19-could-cause-permanent-shift-towards-home-working>

³⁷ <https://amp-ft-com.cdn.ampproject.org/c/s/amp.ft.com/content/5281b079-d7da-49d0-a16c-a62c8f1a123f>

the members³⁸. Some employers, particularly the government, are already demanding that their workforce returns³⁹.

Many European cities are exploring free public transport, and with their smaller cities their commuting pressure is less. In the UK this needs to be accompanied with strong messages about the safety of public transport by using random Covid-19 tests at stations, and Covid-19 deep cleaning. There are advice notes to employers and commuters on using transport systems safely⁴⁰, and one MP is raising the issue with Transport for London⁴¹.

Cycling is now becoming a major travel option for many. We ask that employers be given grants to develop cycle plans for staff, including secure storage for bikes whilst at work and every new car park have to include secure cycle parking.

Creating welcoming and spaces

There is no doubt that a key issue is how social distancing and virus protection measures, which are likely to remain in place for quite some time, are executed in a way that keeps people safe on the High Street but also allows them to feel welcomed and as relaxed as possible so they are able to enjoy what should be a fulfilling experience.

There is clear evidence and practical examples that point to creative responses to the need for social distancing and virus protection measures which enable more human and welcoming reflections of how we might act collectively to keep each other safe. Using local people and local businesses there are greater opportunities for semi-permanent chalk, window paint, ribbons, rope etc which builds community around high streets, generating more of a willingness to return as a stakeholder as well as a consumer.

In cities across the world there is a growing momentum to create long term and fundamental changes to transport infrastructure. Mayors from cities in Europe, the US and Africa have formed task groups, principally around coordinating efforts for a low-carbon, sustainable recovery. As part of this many cities have already announced measures, from hundreds of miles of new bike lanes in Milan and Mexico City, to

³⁸ https://www.hermanmiller.com/en_gb/research/categories/white-papers/strategies-returning-to-the-workplace-covid-19/?gclid=EAlaIQobChMIoIk9_rrP6wIVQud3Ch2jKwbhEAAAYASAAEgJjCfD_BwE

³⁹ <https://news.sky.com/story/coronavirus-four-out-of-five-civil-servants-told-to-return-to-desks-by-october-12064211>

⁴⁰ <https://heartoflondonbid.london/wp-content/uploads/2020/07/Travel-Advice-for-West-End-Employers.pdf>

⁴¹ <https://www.thetimes.co.uk/article/we-can-save-londons-centre-by-testing-public-transport-and-passengers-g7trbdz7r>

widening pavements and pedestrianising neighbourhoods in New York and Seattle and car free zones in Central London⁴².

Whilst this is still nascent in other UK cities and towns it is likely to become a growing trend as other places follow suit, with an extra boost in England through the emergency active travel funding allocation to local authorities from the DfT with the first tranche released to support the installation of temporary projects for the COVID-19 pandemic, such as barriers and planters.⁴³

There is a growing debate about access to green space, in response to the need for people to exercise in nature during the pandemic, and conversations about its wider benefits for wellbeing are likely to feature prominently in recovery planning⁴⁴. Developers are increasingly seeing the benefits of incorporating outdoor green space into plans⁴⁵ and new offices are being created making use of biophilic design⁴⁶ which increases human connectivity to the natural environment through the incorporation of indoor plants and other vegetation.

BIDs are of course no strangers to creating welcoming spaces through increased planting, floral displays and attractive street furniture, which is a strength to be played and built upon.

A conclusion on the changing high street

The key headline projects of many BIDs: events, attractions, experiences, festivals, can no longer take place because of both budget constraints and social distancing. Yet users are keen to come into towns and cities after the lockdown to experience these very things: going to the cinema, theatre, or hairdressers, or meeting friends for drinks were the most anticipated events. Most people say they still want the same things, they want to shop locally a little more, to use the internet a little less, to use green and public space a little more, but they want to do so safely. BIDs will need to work with all local stakeholders to ensure this happens.

BID managers are already looking to the 'new normal' and recognise that it will be very different across the country: increased working from home, the reversion to residential, the effect on leisure and tourism, the changing role of service industries and offices, the move toward supporting 'local' during the pandemic, the acceleration of online and the changing types of town and city centres will require new aims and objectives and rethought business plans for many BIDs.

⁴² <https://www.theguardian.com/environment/2020/may/01/city-leaders-aim-to-shape-green-recovery-from-coronavirus-crisis>

⁴³ <https://www.gov.uk/government/news/2-billion-package-to-create-new-era-for-cycling-and-walking>

⁴⁴ <https://www.sei.org/perspectives/covid19-value-of-green-space-in-cities/>

⁴⁵ <https://www.commercialrealestate.com.au/news/green-spaces-produce-healthy-workers-834064/>

⁴⁶ <https://biofilico.com/biophilic-design>

Creative thinking will be needed to address the issues of empty units and the need for increased and accessible green and public spaces. Good data, evidence and intelligence gathering, and management will be necessary. There will need to be increased training and development to ensure these changes can be put in place swiftly; BIDs may become more differentiated and training and support will need to become more specific for BIDs supporting industrial, seaside, commercial or retail communities as they all start to face very different challenges.

Whilst the situation has been bleak and uncertain in many ways, a proactive response which allows for a partnership to form which fully reflects everyone with a stake in the success of local high streets and city centres will allow for an imaginative response which will attract investment, drive footfall and enable new ideas to thrive and grow, creating a sustainable economy both now and into the future.

Appendix 1

Case Studies of BID leadership during the Covid-19 pandemic

Sheffield BID

The Sheffield BID was established in 2015 and represents more than 500 businesses. These include independent retailers, hospitality and commercial employers, across 244 streets in the BID area. The BID prides itself on being an influential business voice, active in the wider community and a key partner in shaping the future of Sheffield city centre.

The BID has actively supported the business community throughout the pandemic. It has launched a digital marketing platform which allows business owners to send promotions and offers directly to people's smartphones. Using cutting-edge geo-fencing technology which targets customers in specific geographical locations. The BID has secured free advertising credit for businesses who use the platform to support them in attracting customers post lockdown. The BID has also promoted the 'Eat Out To Help Out' scheme to support the businesses taking part.

During lockdown the BID supported businesses with information on how to access the grants and funds available, introduced a security patrol provision to monitor the area and reassure business owners, supported a Pay It Forward scheme and continues to worked alongside Sheffield City Council and the Police to create a safe, secure and sustainable reopening. This support included information, safety checklists, signage and advice on trading hours, social distancing, health and safety measures, staff wellbeing and training, transport, risk assessments, security, marketing and more.

Liverpool BID Company

The Liverpool BID Company works on behalf of over 1,500 businesses across two BIDs, a Retail and Leisure and a Commercial District BID.

Throughout the pandemic the BID has supported businesses with information on grant funding support that was available as well as providing security information to businesses, hosted business support webinars, worked on the Pay It Forward scheme, provided advice to employers around the Job Retention Scheme and provided a strategy for reopening post-lockdown.

Harrow BID

Established in 2014, the Harrow BID has promoted the 'Eat Out To Help Out' scheme and has promoted the reopening of the town centre.

Milton Keynes BID

The Milton Keynes BID worked in partnership with [Milton Keynes Council](#), [the Federation of Small Businesses](#)), [Milton Keynes Business Leaders Partnership](#)), [Destination Milton Keynes](#)) and MK Business Council to develop a plan to support the economic recovery of Milton Keynes and its surrounding suburbs. The BID also undertook a consumer survey ahead of the easing of lockdown to gauge residents attitudes to returning back to shopping and leisure activities. The BID provided comprehensive advice and support to businesses throughout the lockdown period and since reopening including working from home guides for businesses and signposting and support to financial support that was available. The BID also supported the NHS in delivering PPE to hospitals and Food Bank parcels to vulnerable people.

North Notts BID

The North Notts BID, established in 2017, is an area-wide BID, covering towns, industrial and rural areas within the Bassetlaw district.

The North Notts BID provided advice on keeping workplace the safe, business support and advice webinars, help with applying for grants and provided Street Ambassador patrols.

Activities during lockdown

- Supported the community by working with our local schools in order to support our GPs, care homes, Bassetlaw Hospital and First Responders. More information [here](#).
- How busy is my town?
Working closely with Elephant WiFi to introduce a system where people can see how busy their town is before choosing to visit/shop.
- Prepared and sent out a variety of videos to help our businesses get back to work safely.
- Working with our partners, LoyalFree, we developed local trails to help people survive lockdown, whilst promoting our businesses.
- Supported the RaiseTheBar campaign.

Ipswich Central BID

The Ipswich Central BID was established in 2007 and represents over 630 businesses. Covering the traditional town centre and historic waterfront area the BID provided business support throughout the lockdown period which included guidance on where to apply for appropriate grants, security signage and patrols for closed businesses, webinars and Q&A sessions and supported businesses who were able to adapt and provide online services.

The BID also worked alongside stakeholders to produce a comprehensive reopening strategy which provided both businesses and consumers with appropriate information

and support in line with Government guidelines. The BID also provided signage and way finding throughout the BID area on reopening.

Activities during lockdown

- Ipswich Central have been working with local authorities to re-open the town centre safely. The re-opening campaign can be seen [here](#).
- Created weekly Chairmans Insights to keep businesses up-to-date.
- Helped businesses to get their Small Business Grants.
- Turned our consumer website in to a virtual experience - highlighting virtual activities, shows, exercise classes, businesses who have been open for essential items and those offering takeaways and delivery services.