

Debate Pack
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Debate on regeneration of city centres

1	Summary	3
1.1	Assessments of the economic condition of high streets	3
	The High Streets Task Force	3
	The Centre for Cities	3
1.2	Library briefings	4
2	Recent policies to support high streets	5
2.1	The Future High Streets Fund	5
2.2	High Streets Taskforce	6
2.3	Stronger Towns Fund	6
	Future of the Towns Fund	7
2.4	The Community Ownership Fund	7
	Future of the Community Ownership Fund	8
2.5	Levelling Up Fund	8
	Future of the Levelling Up Fund	9
2.6	Criticism of the competitive bidding process	9
2.7	The Long Term Plan for Towns	10

	Future of the Long Term Plan for Towns	10
3	Planning and compulsory purchase: Government policy	11
3.1	Plan-making	11
3.2	Compulsory purchase	11
3.3	Development corporations	12
4	Further reading	14
5	Parliamentary questions	16

1

Summary

A Westminster Hall debate on regeneration of city centres has been scheduled for 16 October. The debate will be opened by Catherine Atkinson MP.

This pack contains information on the current economic conditions in town and city centres and measures which have been taken to regenerate them, as well as regeneration policies which have been used by previous governments and policy announcements by the new government.

1.1

Assessments of the economic condition of high streets

The High Streets Task Force

The government's High Streets Task Force, in its [2023 Review of High Street Footfall in England](#), found that traditional shopping activities are no longer the main driver of visits to town centres, and evening and leisure activities are now just as likely a reason to visit a town centre. It identifies four key themes for high streets post-covid:

1. Footfall is up 3.5% (2023 vs 2022) but is still down 9% on expected levels post-COVID (since 2019)
2. The patterns of peak days and months for high street visits haven't changed post-COVID (since 2019)
3. Evening economy increase of 2% means footfall at 7pm now matches 9am
4. 2023 may signal the end of retail as high streets' dominant function.¹

The Centre for Cities

The Centre for Cities' [Cities Outlook 2024](#), published in January 2024, says that a decline in the economic performance of city centres equally affects commerce in other towns and villages in the region, and that busy city centres drive demand in other local centres:

There's no doubt that several towns outside the Greater South East are struggling, but the reasons for this are often found in their nearby cities. Big cities should be leading the regional and national economy, as is the case with comparable cities on the continent, creating wealth and opportunities for

¹ The High Streets Task Force, [2023 review of high street footfall in England](#) (PDF), p3

people who live in and next to them. The fact that they don't is bad news for neighbouring towns and villages. While a region's prosperity is disproportionately generated in these large centres of production, it is spread much wider. Centre for Cities showed in September how 'trickle out' is a thing – large cities provide prosperity for the towns and villages around them. But because they aren't generating as much prosperity as they should be, there is less for residents in these towns and villages than there should be. Politicians of all stripes need to recognise that while cities won't provide all the answers, it is hard to see a route to prosperity for struggling towns that doesn't involve an improvement in the performance of their larger neighbours. The affluent towns and villages around London and Bristol are testament to this.²

1.2 Library briefings

The Library's briefing on the [Retail sector in the UK](#) (11 October 2024) sets out key data and pressures facing the retail sector in the UK.

The Library's briefing on [Local growth funds](#) (9 September 2024) is a summary of current government administered funds designed to support local economic growth, including

- The Levelling Up Fund
- The Towns Fund
- The Community Renewal Fund
- The Shared Prosperity Fund
- Investment Zones
- The Long-Term Plan for Towns.

² Centre for Cities, [Cities Outlook 2024](#) (PDF), p4

2

Recent policies to support high streets

The previous government introduced several funding schemes designed to help high streets and town centres redevelop and adapt to a new era when traditional retail may no longer be the focal point of town centres. A High Streets Task Force was appointed in 2019. In 2021, the House of Commons Levelling Up, Housing and Communities Committee published a report, [Supporting our high streets after COVID-19](#) (PDF).

2.1

The Future High Streets Fund

The [Future High Streets Fund](#) was first announced in the 2018 Budget, with the then Chancellor Philip Hammond stating “if Britain’s High Streets are to remain at the centre of our community life, they will need to adapt”³ to increased online shopping leading to less physical retail and underuse of shops.

The Fund, which covers England only, was outlined in a policy paper, the [Plan for the High Street](#) (PDF), published alongside the Budget. This was in response to recommendations made by an expert panel on the high street set up in July 2018, which was asked to diagnose issues facing high streets and town centres and advise on practical measures for government to undertake.⁴

The Future High Streets Fund was initially worth £675 million, with funding awarded on the basis of a competitive bidding process. Local areas were invited to submit proposals setting out the “overall vision” of how they would transform their town centres and high streets. Bids were assessed according to value for money, deliverability, fit with the overall aims of the Fund and the areas’ ability to co-fund their proposals with the private sector.

The Fund did not make awards to local areas seeking to expand traditional retail on their high streets. It was intended to fund capital projects such as:

- Improving transport access to town centres
- Improving vehicle and pedestrian flow in town centres
- Congestion relieving infrastructure
- Infrastructure to facilitate new housing and office space

³ Financial Statement, [HC Deb 29 October 2018, 684, c 663](#)

⁴ MHCLG, [The High Street Report](#), 20 December 2018, page 7

- Projects that seek to substitute under-used and persistently vacant retail units into residential units.

72 towns were successful, receiving a total of £831 million.

The then Department for Levelling Up, Housing and Communities published Future High Streets Fund: accounting officer assessment in March 2024.

2.2 High Streets Taskforce

The High Streets Task Force was also announced in the Plan for the High Street (PDF) and was launched on 2 July 2019.

The High Street Task Force's role is to "strengthen local leadership in high streets and town centres in England", by "providing information, advice, training, knowledge and data".⁵ It is run by the Institute of Place Management on behalf of the Government.

The group also supports the towns shortlisted in the Future High Streets Fund Competition through the process of drawing up plans for redevelopment.

2024 is expected to be the Task Force's final year of operation.

2.3 Stronger Towns Fund

The 'Stronger Towns Fund' was first announced by the then Prime Minister, Theresa May, in March 2019 to aid those areas that had not "shared in the proceeds of growth".⁶ Initially, £1.6 billion in funding was announced, with £1 billion to be awarded on a needs-based formula and £600 million available via a competitive bidding process.⁷ The Stronger Towns Fund covers England only.

In a speech in July 2019, the then Prime Minister Boris Johnson committed an additional £1 billion for the Stronger Towns Fund, bringing its total value to £2.6 billion.

⁵ The High Streets Task Force, Who are the Task Force?

⁶ MHCLG, £1.6 billion Stronger Towns Fund launched, 4 March 2019

⁷ MHCLG, Stronger Towns Fund, 4 March 2019

The overall aim of the Fund is to ensure towns are “thriving places for people to live and work” – the following examples are listed as possible means of achieving this:

- Increasing density in town centres
- Strengthening local economic assets including local cultural assets
- Site acquisition, preparation, remediation, and/or development; and
- Making full use of planning tools to bring strategic direction and change
- Developing local transport schemes that complement regional and national networks
- Supporting the delivery of improved digital connectivity.

In September 2019, the government announced a [list 100 towns in England \(later expanded to 101 in July 2021\)](#) that been invited to develop Town Deals, with a total value of £2.4 billion. Invited towns were asked to establish a Town Deal Board to oversee the development of a Town Deal and its implementation, and a Town Investment Plan, setting out plans to increase economic growth, by summer 2020, with funding allocations decided on the strengths of Town Investment Plans.

Future of the Towns Fund

The Towns Fund is due to close in March 2026. The new government said in a September 2024 parliamentary question that it expected all funding recipients to have spent their allocated funding by this date.⁸

2.4 The Community Ownership Fund

The [Community Ownership Fund](#) was announced in the March 2021 Budget. Funding of up to £250,000, which must be matched by money which communities have raised themselves, is available to help communities buy or take over local community assets at risk of being lost, to run as community-owned businesses.

Bids are made through community and voluntary organisations with formal governance in place, such as a Community Trust. Local authorities including parish councils are not be eligible to bid, though parish councils may play a role in working with community groups looking to submit a bid.

⁸ [PQ 3916, answered on 5 September 2024](#)

The total value of the Fund is £150 million - it is due to have eight funding rounds and will run until 2024/25. 8% of the total value of the Fund is reserved for bids from Scotland, 5% from bids from Wales and 3% for projects from Northern Ireland.

Future of the Community Ownership Fund

Asked in a PQ whether a new round of applications would be opened, the new government replied that it will seek to provide certainty by the conclusion of the Spending Review.⁹

2.5 Levelling Up Fund

The Levelling Up Fund was announced in the 2020 Spending Review. This stated the fund would be worth £4.8 billion, with £4 billion of this to be spent in England and £0.8 billion to be spent in Scotland, Wales and Northern Ireland. The Spending Review described the purpose of the Fund as follows:

This will invest in local infrastructure that has a visible impact on people and their communities and will support economic recovery. It will be open to all local areas in England and prioritise bids to drive growth and regeneration in places in need, those facing particular challenges, and areas that have received less government investment in recent years.¹⁰

The government published a prospectus alongside the March 2021 Budget which stated that the Fund would focus on capital investment in local infrastructure and would be delivered through local authorities in England, Scotland and Wales. Funding for Northern Ireland will not be delivered through local authorities, owing to “the different local government landscape”, compared to England, Scotland and Wales. There, “The UK Government will accept bids at the most local level, from a range of local applicants, including but not limited to businesses, voluntary and community sector organisations, district councils, the Northern Ireland Executive and other public sector bodies”.¹¹

The prospectus states funding will focus on those areas “most in need of levelling up” – those areas are determined by an index published alongside the prospectus that ranks local authorities by on a scale of 1 to 3, with those ranked 1 considered most in need and those ranked 3 least in need. These ranking are split evenly between all local authorities in England, Scotland and Wales – a third are ranked 1, a third ranked 2 and a third ranked 3.

⁹ [PQ 4725, answered 17 September 2024](#)

¹⁰ HM Treasury, [Spending Review 2020](#), CP 330, November 2020, page 4

¹¹ HM Treasury, [Levelling Up Fund: Prospectus](#) (PDF), March 2021, page 7

The ranking system is based on three criteria:

- need for economic recovery and growth
- need for improved transport connectivity
- need for regeneration.

Two funding rounds have been held to date, making 216 awards with a total value of £3.8 billion.

Future of the Levelling Up Fund

Asked in a PQ whether funding bids will be allowed to proceed, the new government replied that it would confirm plans in the Budget on 30 October 2024.¹²

2.6 Criticism of the competitive bidding process

A report by the Levelling Up, Housing and Communities Committee, *Supporting our high streets after Covid-19*, published in December 2021 looked at the effectiveness of these various funding schemes in supporting local authorities in town centre in high centre regeneration.

The report criticised the competitive nature of these funds, as it led to local authorities investing often significant resources and public money in developing bids that ultimately may not be successful. Consequently, the schemes did not necessarily reward areas most in need of regeneration funding.¹³ The report goes on to say that this approach could “lead to the opposite of levelling up”, where some areas decline further as others allocated funding gain strength.¹⁴

The report recommended greater devolution of funding for town centre regeneration to local government, rather than competitive bidding process run by central government.

¹² [PQ 7194, answered on 14 October 2024](#)

¹³ House of Commons Levelling Up, Housing and Communities Committee, [Supporting our high streets after COVID-19](#), (PDF) HC 37, December 2021, pg. 39

¹⁴ House of Commons Levelling Up, Housing and Communities Committee, [Supporting our high streets after COVID-19](#) (PDF), HC 37, December 2021, pg. 40

2.7

The Long Term Plan for Towns

Launched in October 2023, the [Long Term Plan for Towns](#) identified 55 towns to benefit from Long-Term Plans, backed by £1.1 billion overall,

to drive ambitious plans to regenerate local towns across the UK over the next decade. Each town will:

- Develop a Long-Term Plan to invest in and regenerate their town, based on the priorities of local people, and put to local people for consultation.
- Receive £20 million in endowment-style funding and support over ten years to support the Town Plan, to be spent on issues that matter to local people, including regenerating high streets and securing public safety. This plan will be put to local people.
- Establish a Town Board to bring together community leaders, employers, local authorities, and the local MP to oversee and deliver the Long-Term Plan.
- Use a toolkit of powers, from tackling anti-social behaviour to auctioning empty high street shops, reforming licensing rules on shops and restaurants and supporting more housing in town centres.

In May 2024, the then Department for Levelling Up, Housing and Communities issued [guidance to local authorities](#) on submitting a bid.

Future of the Long Term Plan for Towns

Asked in a PQ whether all towns selected to receive £20 million of funding would receive it, the new government responded that it would confirm next steps and a revised timetable in due course.¹⁵

¹⁵ [PQ HL822, answered 19 September 2024](#)

3 Planning and compulsory purchase: Government policy

3.1 Plan-making

Local plans are an important part of the process for local planning authorities (LPAs) designating which parts of its area are suitable for which types of development and setting out their plan for delivering growth and identifying appropriate sites. Once adopted, a local plan is a material consideration which must be taken into account in deciding planning applications.

Plans to speed up the process of making local plans and to introduce national development management policies are intended to reduce delays in decisions being made on development and regeneration.

The new government has consulted on [Proposed reforms to the National Planning Policy Framework and other changes to the planning system](#).

In Chapter 11 of the consultation, the government says that it intends to implement measures in [Part 3, Chapter 2 of the Levelling Up and Regeneration Act 2023](#) to expedite the production of local plans and to introduce National Development Management Policies (NDMPs). NDMPs are intended to set a standard framework for policies on nationally important issues so that local plans can focus on local issues. This, the government says, will make local plans [faster to produce and easier to navigate](#).

The Library's briefing on [Planning reforms in England: Levelling Up and Regeneration Act 2023 and further changes](#) (5 December 2023) sets out more detail on this.

3.2 Compulsory purchase

Local authorities can use compulsory purchase powers to acquire land for the purpose of local regeneration.¹⁶

The new government announced in the King's Speech in July 2024 its intention to introduce a Planning and Infrastructure Bill, including measures to "further reform compulsory purchase compensation rules to ensure that compensation paid to landowners is fair but not excessive where important

¹⁶ MHCLG, Guidance on the compulsory purchase process, updated 3 October 2024

social and physical infrastructure and affordable housing are being delivered”.¹⁷

Measures in [Part 9 of the Levelling Up and Regeneration Act 2023](#) allow local authorities to acquire land by compulsory purchase at a price which reflects the existing value of the land rather than the notional value it would hold if it carried planning permission for development (the ‘hope value’). They can use this power where they can present a justification that the land is needed for certain types of infrastructure in the public interest

A legal firm, Michelmores, speculates that the new government may “extend acquiring authorities’ existing powers to disregard hope value beyond their current limitations (housing, health and education), to a potentially wide range of public infrastructure projects.”¹⁸

The [Ministry of Housing, Communities and Local Government guidance on compulsory purchase](#) was last updated on 3 October 2024.

3.3

Development corporations

Urban Development Corporations (UDCs) were previously set up to secure the regeneration of an area by bringing land and buildings back into use, encouraging the development of existing and new industry, and creating an attractive environment.

Examples of UDCs include London Docklands and Merseyside in 1981 and in Bristol, Leeds, Central Manchester and Sheffield in 1988/89.

A [Royal Town Planning Institute blog](#) from 24 June 2024 describes development corporations as follows:

A tried-and-tested means of proactive planning, Development Corporations are time-bound, geographically-specific executive agencies, established when the state wants to firmly incentivise and guide the location of development activity.¹⁹

There are measures which have not yet been enacted in [Part 8 of the Levelling Up and Regeneration Act 2023](#) which would enable locally-led development corporations to be introduced and overseen by local authorities rather than Secretary of State, as in the past. The previous

¹⁷ [King’s Speech 2024 background notes](#) (PDF), 17 July 2024, p17

¹⁸ Michelmores, [What does a Labour government mean for compulsory purchase of land?](#), 10 July 2024

¹⁹ Dr David Mountain: [Development Corporations and the need for proactive planning](#), RTPi, 24 June 2024

government issued a consultation on draft regulations to enact these powers in April 2024.

4

Further reading

The Retail Bulletin

26 March 2024

[Adapting to change: Retail High Street regeneration ideas](#)

BBC News Online

10 January 2024

[Can pop-up shops help to regenerate our High Streets?](#)

FT

9 November 2023

[To fix towns, politicians must not forget about cities](#)

FT

25 October 2023

[Can Rishi Sunak's towns fund arrest decades of decline?](#)

Royal Society of Arts

September 2023

[Unleashing the potential of the UK's cities](#)

FT

21 August 2023

[Can King's Cross provide a template for UK regeneration?](#)

Policy Exchange

June 2023

[Better Places: A Matrix for Measuring & Delivering Placemaking Quality](#)

FT

20 May 2023

['New town' offers vision of how to breathe life back into ailing UK high streets](#)

The Planner

20 October 2022

[More soul, less shine: The new face of regeneration](#)

Centre for Cities

October 2022

[Making places: The role of regeneration in levelling up](#)

UK Onward

September 2021

[Turnaround: Learning from 60 years of regeneration policy](#)

5

Parliamentary questions

Retail Trade: Empty Property

Asked by: Andrew, Stuart

To ask the Secretary of State for Housing, Communities and Local Government, with reference to the oral contribution of 2 September 2024 by the Parliamentary Under-Secretary of State for Housing, Communities and Local Government, Official Report, Column 3, if she will publish a timetable for implementing high street rental auctions.

Answering member: Alex Norris | Department: Ministry of Housing, Communities and Local Government

Government is committed to supporting high streets and town centres, empowering communities and tackling the problem of persistent vacancy. Owing to the complex and technical nature of the policy, secondary legislation is required to implement High Street Rental Auctions. We are working through the legislative process and will confirm the commencement date in due course.

HC Deb 18 September 2024 | PQ 4983

Urban Areas: Regeneration

Asked by: Martin, Mike

To ask the Secretary of State for Housing, Communities and Local Government, what steps she has taken to rejuvenate town centres.

Answering member: Alex Norris | Department: Ministry of Housing, Communities and Local Government

We are committed to supporting the businesses and communities that make our high streets flourish.

We are funding new partnership models with High Street Accelerators, implementing High Street Rental Auctions, and introducing a strong new 'right to buy' for community assets, to empower local communities to rejuvenate our high streets and address the blight of vacant premises.

HC Deb 10 September 2024 | PQ 4497

High Street Businesses

Asked by: Sarah Olney

For too long, our high streets have been hostages to an outdated and damaging business rates system. Empty shopfronts and shuttered windows should never become the norm in our town centres. Small businesses in desperate need of a helping hand will have been deeply concerned not to see any mention of business rates system reform in the King's Speech. Can the Minister assure us that business rates system reform is coming soon and that, when it does, it will be a comprehensive replacement of that damaging system?

Answered by: Gareth Thomas | Department: Business and Trade

As I have said in response to previous questions, we are looking at that with Treasury colleagues. In opposition, we made commitments to introduce a fairer business rates system. Work on that is being led by Treasury colleagues, who will bring forward proposals in due course.

HC Deb 05 September 2024 | Vol 753 c409

Urban Areas: Capital Investment

Asked by: Toale, Jessica

To ask the Secretary of State for Housing, Communities and Local Government, what steps her Department is taking to help (a) improve town centres and (b) encourage companies to invest in Bournemouth town centre.

Answering member: Alex Norris | Department: Ministry of Housing, Communities and Local Government

This Government is fully committed to rejuvenating our high streets and supporting the businesses and communities that make our town centres successful.

Through the English Devolution Bill we will introduce a strong new 'right to buy' for valued community assets which will help this Government safeguard our high streets. This measure will empower local communities to reclaim and revitalise empty shops, pubs, and community spaces, helping to revamp our high streets and eliminate the blight of vacant premises.

Alongside these steps, my officials continue to work closely with Bournemouth, Christchurch and Poole (BCP) Council to support their town centre regeneration plans.

HC Deb 04 September 2024 | PQ 2661

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