

National Federation of Women's Institutes

2013 AGM Resolution briefing

Overview

The NFWI Public Affairs Department has compiled these notes to facilitate members' discussions on the resolution that will be voted on at the 2013 AGM.

The notes outline the key issues addressed in the resolution, the current status and policy environment on the issues raised, and the main groups already working on the subject.

Please use the notes to inform your further research.

2013 Resolution

Decline of our high streets and town centres

The NFWI notes with concern the continuing decline of our high streets and the damaging effect this has on local communities. We call on every member of the WI to support their local shops and make the high street their destination of choice for goods and services. We call on decision-makers to work collectively, at all levels, to help bring an end to the decline of our high streets and to ensure that high streets flourish and provide a focal point for local communities.

(NFWI Board)

These briefing notes are available online at www.theWI.org.uk/resolutions and on the Moodle. For further information contact:

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Proposer's position

The proper believes that our high streets have reached crisis point. Without urgent action, high streets will be irrevocably changed, with a significant social, environmental and economic impact.

Issue outline

The past 20 years has seen a severe decline in Britain's town and village centres. Changes in shopping patterns, along with an increase in out of town shopping centres and an increase in online shopping, has meant a steady decrease in footfall to our town centres. When combined with a slowdown in consumer spending, banks reluctant to lend, and increasingly high rental and business rates, many high street businesses are simply unable to stay afloat.

Anecdotal evidence cites boarded up shops, high streets lined with charity shops and once thriving town centres all but abandoned. The statistical data confirms much of this¹:

- In 2012, more high street chains fell into insolvency than ever before.
- The net number of store closures in 2012 totalled 1779, a tenfold climb from 174 in 2011.
- In 2012 18% of shops in Wales were empty, up from 17.3% in 2011 and above the British average of 14.2%.
- In 2012 Payday loan firms increased their high street presence by 20%. Pawnbrokers were up by 13%.
- In 2000 49.4% of retail spending took place on the High Street compared to 42.2% in 2011. This is expected to fall to 39.8% by 2014.
- The most common types of new independent shops that opened in 2011 were off licences, pet shops, clothing stores, pound shops, nail bars and charity shops. There was a decline in the number of florists, menswear, toy and sports shops.

Why campaign on this issue?

The high street is often a community hub, and provides much more than merely a place to shop. Many older people and those without cars rely on the high street for their daily and weekly shop. When high street shops close, individuals are forced to travel to out of town shopping centres. The decrease in footfall leads to a vicious cycle of falling numbers of shoppers and shop closures. It also jeopardises other town centre amenities dependent on a critical mass of consumers, such as banks, solicitors, doctors and libraries. These are in danger of either closing or moving to out of town centres.

The decline of town centres is of increasing concern to the Government and a raft of measures, policies and reviews have emerged to try to stimulate and revitalise town centres. *Town Centres First* was a policy developed in the mid 1990s to ensure the importance of town centres was recognised at the core of planning policy and decisions. It is a principle that has garnered cross party support, with the Communities Minister recently reiterating the Government's commitment to it.

Most recently, a high profile review from retail expert Mary Portas looked at ways to reinvigorate high streets and generate investment. The retail industry as a whole is worth

¹ PWC, PWC and the Local Data Company's retail store closure statistics show shutdowns climb tenfold in a year, 28 Feb 2013, <http://www.ukmediacentre.pwc.com/News-Releases/PwC-and-the-Local-Data-Company-retail-store-closure-statistics-show-shutdowns-climb-tenfold-in-a-y-1383.aspx>

tens of billions of pounds; it generates direct and indirect employment opportunities, and attracts investment. Shopping on the high street and in town centres directs this investment in a beneficial way for the local community that high streets serve.

According to the Portas Review, money that is spent on the high street is far more likely to stay in the local area with a much greater economic impact on the localised supply chain. Many of the big supermarkets emphasise job creation as a major selling point to their expansion, but in reality this is usually little more than job displacement. Furthermore, research by the Fair Pay Network shows that many staff employed by supermarkets do not have full time contracted hours, so are reliant on second jobs, overtime or state benefits to survive and are often being paid substantially less than the London or UK Living Wage.

In its response to the Portas Review, the Government committed to the majority of the recommendations. However the resultant funding earmarked for energising town centres is, in relative terms, small (a £10 million High Street Innovation Fund and a £1 million Future High Street X-Fund). Twelve 'Portas Pilots' – town based pilots to test some of Portas' recommendations – were launched last year with funding awards of £100,000. Recent negative coverage of the pilots, including claims that only a fraction of the funding has been spent by many of the town centres has led to a review of the pilots being delayed.

Many members will be familiar with 'transition towns' that have sprung up across the country and also operate globally. These towns are part of a community-led process that helps the town/village/city/neighbourhood become more sustainable. The initiative has seen communities launch projects in areas of food, transport, energy, education, housing, waste, and the arts; offering a localised and small-scale response to the global challenges of climate change, economic hardship and shrinking supplies of cheap energy.

Five transition towns have developed local currency schemes that promote a currency unique to their area. The schemes are designed to work in conjunction with pounds sterling for use by local traders and independent shops. This local currency sticks to the area and is designed to develop local businesses and promote production and trade in the local area. In Bristol (the latest transition town to adopt its own currency in the form of the 'Bristol Pound') the recently elected Mayor has announced that his entire salary of £51,000 will be paid in the local currency.

Some common problems

- **Internet shopping**

Shopping habits and consumer behaviour have changed. People are spurning the high street in favour of the comfort and convenience of their computer. Online retail sales have increased from 4.8% of total retail sales in 2007 to the present total of 12%. This is set to increase to 30% by 2020. It is estimated that town and shopping centres will shrink by 27%². Tax avoidance by some online retailers has been blamed in part for tempting consumers away from the more expensive high street and onto the internet with online firms benefitting from international guidelines that allow online firms to pay much lower corporation taxes than other companies.

A recent report by Econsultancy, *How the internet can save the high street*, claims that to succeed in this challenging environment retailers will need to dovetail their 'offline' activities with increased online savvy, using digital technology and communications to drive

² Local Data Company cited in End of Year Vacancy Report 2011, February 2012. Cited in House of Commons Library Standard Note: The retail industry SN/EP/06186.

customers into their shops.³ John Lewis has had notable success in tailoring their traditional retail model with online activity, investing in the latest online technology and piloting new concepts such as high street collection points for goods ordered online. Whilst this approach will be more difficult for smaller independent retailers, internet platforms such as 'Openhighstreet.com' and 'Myhigh.St' both allow customers to shop locally online.⁴ Detractors argue that small independents won't be able to compete with the major retailers on price and accessibility, but those that have signed-up to the platforms reference sales that they simply wouldn't have made without the schemes.

- **Consumer spending**

Financial uncertainty means that consumer spending continues to contract. Figures from the British Retail Consortium show that in the run up to Christmas, spending was slower compared to the previous year, both on the high street and in out of town shopping centres, with only the online retail market seeing growth.⁵

- **Closure of high street chains**

The huge spike in store closures seen in 2012 has largely been attributed to the failure of high street giants. Since the resolution was proposed in September last year, HMV, Jessops and Comet are just some of the famous names that have gone into administration. These closures are having an impact on the remaining shops that they leave behind. According to a recent article in the Financial Times "...the scale of closures among the big chains is having a knock on effect on independent retailers, many of whom rely on chains to anchor high streets, and act as a magnet to shoppers."⁶

- **Business rates**

In response to stagnating and falling consumer spending, the British Retail Consortium (BRC) and Taxpayers Alliance has recently called on the Chancellor to freeze business rates across the retail sector to reinvigorate spending. Rate relief is available for many smaller businesses, some rural businesses, and businesses in 'enterprise zones', yet many small business owners are struggling to make these payments. Local authorities do have the ability to set business rate discounts in accordance with the Localism Act 2011, provided these discounts are funded by the local authority. The government is expected to publish research on the extent to which local authorities are making this provision available for small businesses shortly.

- **Planning**

Planning rules for out of town developments have been criticised as being too lax and driving consumers out of town centres. The new National Policy Planning Framework published in 2012, gives a presumption in favour of 'sustainable development' – in the case of high streets, this means town centres should be given precedence for development first with the pursuit of planning that "promote(s) competitive town centre environments" and policies "to support their viability and vitality".⁷ Meanwhile, regulations for existing premises have been

³ *Marketing Week*, 26th September 2012 <http://www.marketingweek.co.uk/news/digital-will-save-the-high-street/4004029.article>

⁴ *The Observer*, 15th September 2012 <http://www.guardian.co.uk/money/2012/sep/15/virtual-high-streets-local-shops> and *The Daily Telegraph*, 28th August 2012 <http://www.telegraph.co.uk/finance/businessclub/9502932/Open-High-Street-scheme-to-help-shopkeepers-compete.html>

⁵ BRC, KPMG Retail Sales Monitor, December 2012, <http://www.kpmg.com/uk/en/issuesandinsights/articlespublications/newsreleases/pages/brc-kpmg-retail-sales-monitor-december-2012-christmas-fulfils-low-expectations.aspx>

⁶ *The Financial Times*, 8th October 2012 <http://www.ft.com/cms/s/0/bbf25d14-114a-11e2-8d5f-00144feabdc0.html#axzz29kznMYC9>

⁷ Communities and Local Government, National Planning Policy Framework, March 2012, London

attacked because of the way they impact communities. Examples include former pubs being developed by supermarkets without needing to resort to 'change of use regulations', and local authority decisions to deny change of use planning to betting shops being overturned by the Planning Inspectorate.⁸

- **Supermarket dominance**

According to the Campaign to Protect Rural England (CPRE), the increased dominance of supermarkets alongside the decline of the high street has 'de-localised' our food shopping. A five year report by the CPRE looked at the scale and extent of 'local food webs' – the network of people and businesses that buy, sell, produce and supply food in a given area. The research demonstrated the crucial importance of local food webs to the economic, environmental and social well-being of an area, but found that the continued erosion of high streets, combined with an over-reliance from shoppers on supermarkets (accounting for 77% of all main shopping trips) led to unsustainable pressure on local food webs, undermining their future viability and creating a critical cycle of decline⁹.

- **Parking charges**

Councils are often criticised for charging for parking in town centres, however where car parks are not council controlled, they have limited sway to change the situation. Research published by the Association of Town & City Management and the British Parking Association showed that smaller and medium sized town centres were overcharging for town centre parking relative to the amenities on offer, driving consumers out of town centres.¹⁰

Policy developments of note

The National Planning Policy Framework 2012: (applicable to England only) recognises the importance of town centres and sets out factors for local authority consideration when formulating planning policy, with an emphasis on sustainability.

The Sustainable Communities Act 2007: (applicable to England only) enables local people to take action that they consider would help improve their area. It works by allowing communities or local authorities (in discussion with communities) to submit proposals to their local authority for government action to reverse community decline and promote sustainability.

The Localism Act 2011: gives local authorities more freedom to offer business rate discounts, provided these are met from local funds. The introduction of 'neighbourhood development plans' is designed to offer more practical opportunities for communities to get involved in development decisions that affect them, with a more meaningful say in decisions. The Act also brings in greater power for local people to hold their local authorities to account. The development of new 'community rights' is designed to ensure that people and communities have a bigger say over their area through a right to bid to take over services and land that is important to them such as libraries, pubs, community centres and local shops. While in principle these developments could help local communities, many of these initiatives are relatively untested. Government at all levels faces a significant challenge to engage all sections of communities to ensure that the concept of decentralisation truly works in practice. Recent NFWI research work on community libraries has revealed concerns about the long term sustainability of such initiatives.

⁸ Hansard, Communities and Local Government Oral Questions, Speaker – Natascha Engle, 4 February 2013, <http://www.publications.parliament.uk/pa/cm201213/cmhsrd/cm130204/debtext/130204-0001.htm#13020412000008>

⁹ CPRE, From Field to Fork, June 2012, London

¹⁰ Re-Think! Parking on the High Street, Ojay McDonald, 2013, London

The Regeneration of Town Centres Report and Vibrant and Viable Places: New Regeneration Framework: In January 2012, the National Assembly for Wales Enterprise & Business Committee produced a report following its inquiry into the regeneration of town centres. The report included 21 recommendations for the Welsh Government. At the time, the majority of the recommendations were accepted by the Government. Between October 2012 and January 2013, the Welsh Government consulted on its regeneration practices. The new framework for regeneration was launched in March 2013 with the publication of *Vibrant and Viable Places: New Regeneration Framework*. The framework promises a 'new approach to regeneration' with investment of £30m a year available. It is planned that this investment will be targeted in line with other Welsh Government policy priorities, including jobs and growth, ensuring a collaborative approach and that all spending considers regeneration.

What can the WI bring to this campaign?

The strength of the WI in such a campaign would likely be threefold:

- **The experience that members could share about their high street** - High streets will have to adapt to be sustainable and WI members are likely to have examples and experience of success stories from their communities and their high streets that could be shared.
- **The positive practical action that members could take to support high streets** - Such an issue would provide a wide range of practical opportunities for members to get involved in local activity, for example through campaigning, holding days of action and using local knowledge to bring successful case studies and initiatives to life in different areas – e.g. the 'Bristol Pound'.
- **The pressure that members can bring to bear on local and national government** - Such a subject would provide a wide range of opportunities for national and local policy influencing activity.

Further information

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