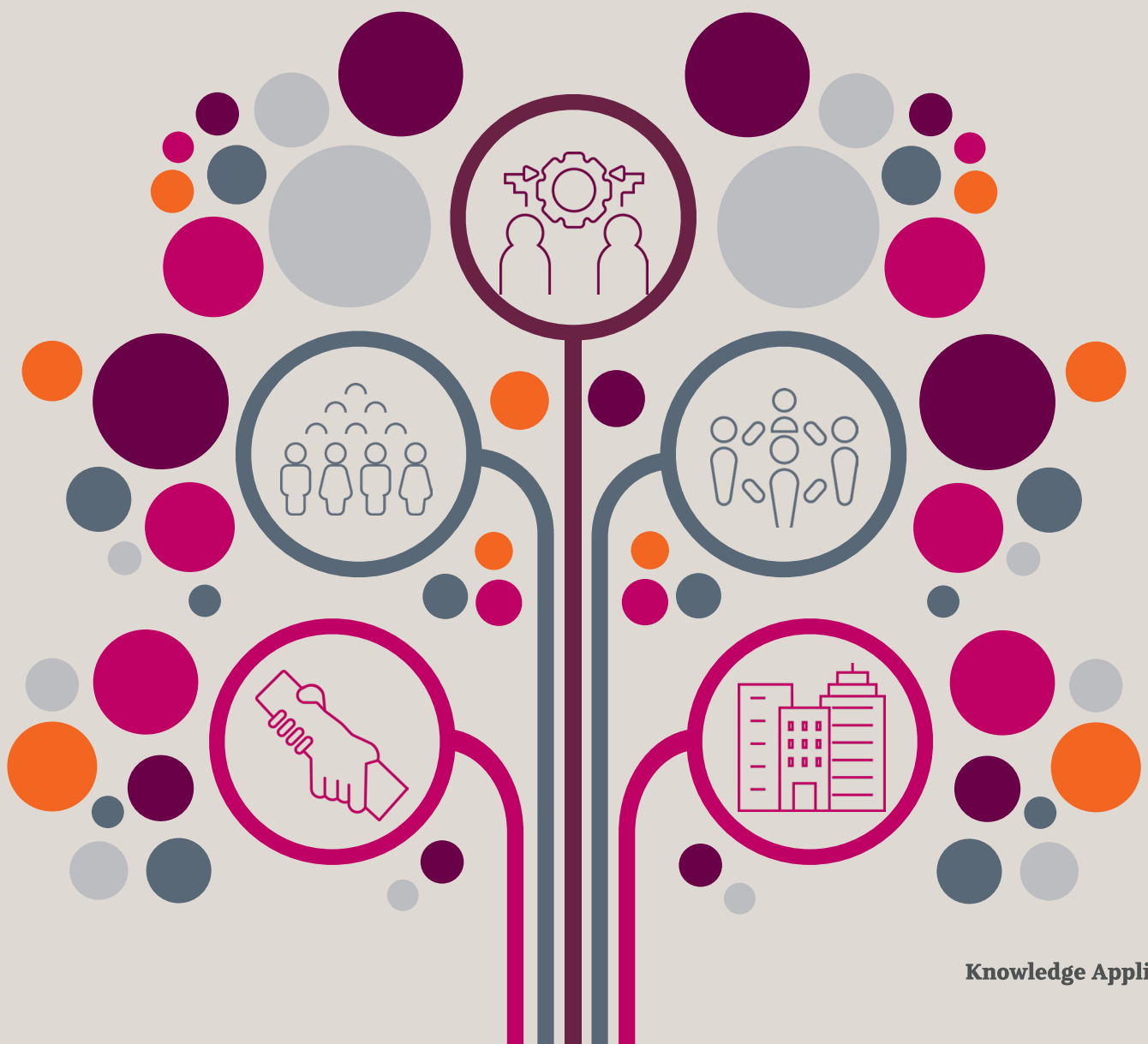


Community businesses and high streets: 'taking back' and leading forward

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Summary

This report takes a strategic look at the role community businesses can play in addressing the challenges of UK high streets. It considers how community businesses can succeed in high streets, what they can contribute, and what support they need to make a long-term difference to restore 'pride in place' in struggling town centres.

The research, undertaken in spring 2022, was guided by three questions:

- How can community businesses succeed in high street contexts?
- How can community businesses contribute to high street regeneration?
- What is the strategic potential of support for community businesses in high streets?

High streets are defined in this paper as places that are at the centre of their communities in three ways. Physically, they consist of a (usually) central cluster of buildings and public spaces. Economically, they contain a mix of activities that generate work and income and provide services for a wider community. Socially, they are a focus for people to gather for work, leisure or because they live there.

The context

The future of the high street is a persistent challenge that has unfolded in the UK over several decades and is not amenable to short-term solutions. High streets face the complex and knotty challenges of changing retail trends; dysfunctional property ownership; the erosion of local government; changing patterns of consumption; digital transformation; and climate risks.

However, examples of existing action show that there are opportunities for community businesses to act now, even within a dysfunctional system.

Government policies and initiatives can support some of this community-based action. The Levelling Up white paper focuses on restoring 'pride in place' within disadvantaged communities, and addressing economic inequalities. Existing funds such as the £3.6 billion Towns Fund, and the forthcoming UK Shared Prosperity Fund, could help to further this agenda.

Power to Change has already taken action on several fronts to support community businesses in high streets and to advocate for policy change. Three key strands of work have emerged:

- **Platform Places**, a new social enterprise designing services to change the culture of how communities access and own property, including a matchmaking system to help communities rent buildings from asset owners, on fair terms for both parties.
- A proposed **High Street Buyout Fund** to acquire and renovate strategically important high street assets for community use.
- **Community Improvement Districts**, a new approach to governance designed to give social purpose organisations a voice in local decision-making on high streets and town centres.

Together, Power to Change's work and the thrust of government policy can be understood as attempts to rebuild people's sense of connection with the places at the heart of their communities. This 'place attachment' is often expressed as an emotional response to loss or the threat of loss, but can also galvanise locally-led action to revitalise places.

Succeeding on the high street

The report identifies opportunities and challenges for community businesses on high streets, and the forms of support they are likely to need.

The **opportunities** include:

- restoration of **symbolic spaces** that are regarded as locally significant;
- re-use of **available spaces** left vacant by their owners;
- repurposing of **adaptable spaces** that can meet community needs;
- **new customers** who can bring new activities into high streets; and
- creating **new constellations of interests** to drive change.

The **challenges** include:

- affordability and accessibility;
- funding;
- inappropriate policies;
- poor planning;
- loss of local government capacity; and
- insufficient community capacity.

The **support needed** reflects those opportunities and challenges. It includes:

- help in getting **access to property** at the right price;
- **financial support**, including at-risk seed funding;
- supportive **governance and regulation**; and
- help in building **skills and networks**.

Contributing to high street regeneration

We discuss three forms of strategic contribution community businesses can make to the broader prosperity of the high street, which we describe as **regeneration, reintegration, and reorientation**.

Regeneration concerns the wider economic, social and cultural wellbeing of the high street. Community businesses cannot make this happen on their own, but they can occupy niches in the high street economy where change can be catalysed. These include:

- A niche in **time**, occupying and animating buildings on a temporary or 'meanwhile' basis while the private market recovers;
- A niche in **space**, bringing landmark buildings back into use or occupying a cluster of buildings that can create wider ripple effects;
- A niche in **the market**, bringing new economic activities into a high street to complement and expand the existing offer.

Reintegration involves creating high streets that cater for a wider mix of users and bring communities back into spaces from which they have been excluded, either because of the preponderance of conventional retail uses or the absence of spaces that cater to their cultural and social needs.

While communities cannot solve every high street challenge on their own, increasing the community focus of high streets can bring in more diversity; extend dwell times; attract more resilient occupiers that are less likely to disappear because of market conditions; catalyse greater reinvestment in the locality; and encourage stronger local leadership and governance.

Reorientation involves refocusing high streets on new types of need or creating new high streets out of clusters of community-focused activity. This is a long term prospect but there are some examples that could signal the way forward, such as Baltic Triangle in Liverpool, where a new economy centred on creative industries is emerging around one road, Jamaica Street, that never previously had a 'high street' history (see section 5.3).

The long-term difference community businesses can make

We identify five ways in which community businesses and their supporters can make a long-term difference to the challenges of the high street.

First, they can **create clusters of activity** with a focus on social purpose and the common good. Clusters of buildings and enterprises are likely to have greater effects than individual initiatives, allowing greater networking and cross-fertilisation of ideas.

Second, they can **support new or emerging forms of economic activity**, including hybrid commercial and social businesses (for example, combining co-working space with affordable housing) and new social hubs offering a mix of learning, food and drink, meeting spaces and more.

Third, they can act to **slow down or prevent gentrification** processes, keeping value within communities rather than creating value for speculative developers. Community asset ownership, supported by appropriate finance, can play a key role in stopping the boom and bust cycle that affects many town centres.

Fourth, through the work of funders like Power to Change they can play a national role in helping to **create conditions** that support high street revitalisation. Projects such as Platform Places, Community Improvement Districts and the proposed High Street Buyout Fund can build a climate that enables new initiatives to develop and grow.

The fifth aspect of positive long-term change is the role of national government in developing a supportive matrix of **policy and funding**. This includes continuing with what helps (including 'town centre first' planning policies), adapting what can be improved (such as funding programmes), and beginning to address long-term problems such as business taxation, property law and local government finance.

Recommendations

Because this report looks to the medium to long term, its recommendations focus on **principles and behaviours** rather than specific short-term actions that are likely to have limited impacts. The recommendations are addressed to different groups of stakeholders and are detailed further in section 7.2.

Government should:

- Prioritise use value over land value.
- Support revenue spending as well as capital programmes.

- Incentivise partnership rather than competition.
- Start to address long-term challenges such as local government finance.

Local authorities and their partners should:

- Prioritise organic change before major developments.
- Welcome and resource civic entrepreneurs.
- Support and fund social purpose lenders.

Property owners and agents should:

- Invest for the long term rather than seek quick gains.
- Recognise the social value created by community businesses.
- Become more available and accountable.

Community businesses should:

- Think of places before buildings.
- Find partners and allies beyond the community business sector.
- Be ready to adapt to changing circumstances.

Funding organisations should:

- Consider places as well as projects when allocating funds.
- Support skills as well as projects and assets.
- Support risk-taking and experimentation.
- Provide patient capital on terms that match community businesses' needs.

Introduction

This report considers contemporary debates in the UK about the future of high streets and town centres, and asks what role community businesses can play in restoring 'pride in place' in these locations. It steps back from the immediate detail of initiatives currently promoted by Power to Change and its partners to consider strategic questions about the challenges and opportunities that now present themselves. While this paper is set in the context of current trends and policies, it discusses how community businesses can play a fuller role in the high street ecosystem in the medium to long term.

This work was commissioned by Power to Change in early 2022. It forms part of a suite of research undertaken by Sheffield Hallam University's Centre for Regional Economic and Social Research (CRESR) as Power to Change's evaluation and learning partner.

Although the paper takes a strategic view, it is grounded in current realities. It recognises that many aspects of the systems that influence the vitality of high streets and town centres are dysfunctional and not amenable to short-term solutions: they will require political choices with wide-ranging impacts. The focus here is on the opportunities and challenges within the systems that exist now, and how community businesses can make the most of them.

1.1. The research questions and our approach

Three questions guided our approach to this research:

1. **How can community businesses succeed in high street contexts?** This question considers why high streets and town centres might be important locations for community businesses; what opportunities exist; what challenges community businesses face in operating there; and what support they value.
2. **How can community businesses contribute to high street regeneration?** This question is about the wider impacts community businesses can have within a place. It considers whether they can have catalytic effects within a local economy, what scope there is for creating 'community-led high streets', and how community businesses might create new models for the high streets of the future.
3. **What is the strategic potential of support for community businesses in high streets?** This question focuses on the long-term potential of community businesses to create better places. It considers how local and national policy, and public and philanthropic funding, could work together to revitalise high streets through community businesses.

The research took place between January and April 2022, but drew on the author's earlier work over the last 15 years on high street and town centre regeneration. In undertaking this work we were aware of several other strands of work within Power to Change under the banner of its 'Take Back the High Street' campaign, and this paper aims to complement that work while minimising duplication.

There were four phases to the research:

1. A one-to-one interview with the CEO of Power to Change and a scoping workshop with seven members of staff at Power to Change.
2. A focused evidence and policy review to ground evidence from fieldwork in an up-to-date understanding of key policies and concepts.
3. Semi-structured interviews with national experts on high street regeneration, including members of the UK government's High Streets Task Force, the chair of a parliamentary select committee, civil society leaders and academics.
4. Case study interviews with practitioners in four towns and cities, selected to reflect a range of community-based interventions in key locations.

In addition, the author attended a two-day conference on 'the cultural life of towns' at Royal Holloway University of London in April 2022 and used this opportunity to sense-check some of the findings and recommendations with a wider group of stakeholders.

The context: crisis and opportunity

2.1. Defining the high street

The idea of the 'high street' is usually taken for granted as a street, or cluster of streets, at the heart of a town or city with a predominantly retail focus. The Office for National Statistics, in its dataset of high streets in Great Britain, defines high streets as places that are a 'named street predominately consisting of retailing, defined by a cluster of 15 or more retail addresses within 150 metres' (ONS, 2020).

Government policy tends to describe high streets rather than defining them. So, for example, Build Back Better High Streets (MHCLG, 2021), describes high streets as 'focal points of local pride' and 'drivers of economic growth, jobs and innovation' (p6). The Portas Review (2011) describes high streets as 'the heart of towns and communities'.

Brett and Alakeson (2019), focusing on the opportunities for community businesses, define high streets as 'streets or small collections of streets which act as the physical centre of a local community, whether that community is itself a small town or part of a larger town or city'.

Without becoming bogged down in semantics, a concept of the high street matters because concepts drive plans, policies and projects. Not every place with the name 'High Street' actually functions as a high street - and many places could function as high streets that have not traditionally been thought of as such. In this paper, high streets (and, frequently, the town centres of which they are part) are defined as places with a threefold centrality that is:

- **Physical:** they contain a physical cluster of buildings and public spaces which are usually central within their location.
- **Economic:** they contain an economic cluster of activities that generate work and income or provide services for a wider community.
- **Social:** they are a focus for people who gather for work, to access services, for relaxation and/or because they live there.

Retail, traditionally, has been an integral part of that mix. But from the late 19th century to the early 21st century, retail and leisure uses tended to crowd out other functions, leaving many high streets as retail deserts with little life other than shopping. This has been exacerbated by the growth since the 1980s of out-of-town shopping centres and retail parks, followed by the clearance of swathes of town and city centre land for purpose-built shopping centres.

The high street, as defined here, is first and foremost a hub of activity. The social centrality is paramount. People come together and gather in buildings and spaces designed or adapted for the purposes they want to achieve. But it is also a hub of memory: it is often a place of significance because of a continuity of activity, sometimes over many centuries. Memory and emotional attachment matter because they generate what is often described as 'pride of place' or 'sense of place'. Revitalising high streets is often framed in terms of restoring such attachments. This report considers both the activities and the attachments needed to create thriving places.

2.2. A persistent crisis

The 'crisis' on the high street is a classic example of a 'wicked problem' (Rittel and Webber, 1973): a challenge characterised by being framed as a problem; by overlapping complex policy domains; by a continual search for 'solutions'; and by the unintended consequences of the actions taken to achieve a solution.

In the case of the high street, the framing of high street decline as a problem can be traced back at least to the Thatcher government, which commissioned possibly the first of numerous reports on 'the future of the high street' (National Economic Development Office, 1988). One expert interviewed for our research contributed to the John Major government's policies on 'vital and viable town centres' published in 1994, and commented:

The "crisis" has been pretty much perpetual since the 1950s when the supermarkets first arrived, and the high street has been in supposed crisis pretty much constantly ever since, so this is not new ... Because people aren't really diagnosing what's happening they are proposing superficial solutions, all things which do no harm, improvements and tree planting and pop-up businesses and all those sort of things, but actually what they're not doing is understanding the depth of the issues facing the high street.

There is not room in this paper to do more than sketch out those issues, but they have been well reported in government and academic publications over the last 30 years. Among the factors contributing to the 'wickedness' of the problem are:

- **Changing retail trends:** the last 50 years have seen a process of generalisation (bigger supermarkets muscling out smaller specialist retailers), concentration (purpose-built shopping centres, both in-town and out of town, often mainly accessible by car) and globalisation (multi-national brands edging out localised and independent retailers). Some sectors are rapidly becoming obsolete. Department stores, which until recently were considered 'anchor tenants' within high streets, are on a downward spiral: between 2016 and 2021, a total of 388 department stores closed, accounting for 83 per cent of UK department store space (Jahshan, 2021). The upsurge of internet retail in the last decade is the latest example of the removal of local identity from retailing.
- **Dysfunctional property ownership:** property ownership has also become increasingly distant from the location of buildings, with commercial property seen as an investment for pension funds or private equity groups hoping to 'flip' assets quickly to cash in on rising values (Grimsey, 2012). The desire to extract profits has frequently led to inflexible and costly rents that exclude small and start-up businesses, and to practises of irresponsible ownership where vacant properties are landbanked for their book value rather than brought back into use.
- **The erosion of local government:** since the onset of austerity policies in 2010, local authorities in England have been forced to function with constantly reducing resources against a backdrop of increased responsibilities and demands for statutory services such as social care, resulting in a 26 per cent drop in spending

power overall while social care accounts for 61 per cent of service spending (National Audit Office, 2021). At the same time the business rates system, which local authorities increasingly rely on to fund their spending, penalises town centre uses compared with out-of-town premises.

- **Changing patterns of socialising and consumption:** traditional gathering places such as pubs and places of worship are slowly disappearing from town centres, although prior to Covid-19 the restaurant sector was growing.
- **Digital transformation:** internet shopping now accounts for nearly 27 per cent of all retail spending (ONS, 2022), but the impact is wider than this - the shift to on-demand entertainment is challenging the traditional opening hours of town centre businesses, but also offering new opportunities to animate public spaces.
- **Climate risk:** risks from climate change continue to increase, and flooding, water shortages, and extreme heat could all affect the viability of town centre environments, while global supply chains are vulnerable to climate-related disruption (UK Climate Risk, 2021).
- **Planning for yesterday's challenges:** local planning is frequently based on inaccurate predictions of economic growth and consumer spending, and has led to the approval of numerous developments that have failed to deliver the promised benefits. Plans are out of date more often than not: an analysis by CPRE in 2020 found that only 30 per cent of statutory Local Plans were less than five years old and had taken account of land supply needs for the coming five years (CPRE, 2020).

2.3. Acting now in a dysfunctional system

The multiplicity of factors affecting the fortunes of high streets pose a dilemma for social investors and funders such as Power to Change: should the focus be on changing the system through policy and legislation, or finding niches within which new possibilities may emerge? Both sets of actions carry risks. Policy change is time-consuming and slow to implement, and circumstances have often changed by the time reforms are in place. But localised action without policy change can be undermined and frustrated by systemic factors.

Power to Change's work (see section 3.2) acts within a dysfunctional system in three significant ways. It is identifying and exploring **opportunities for community businesses** to make a difference within high street locations, or locations that could become high streets in future. It is also **making the case for places** as physical centres of communities and the role of community businesses within them: the message is that despite decades of distant ownership and a homogenous retail offer, individual places still matter in distinctive ways. Thirdly, Power to Change is **making the case for investment** in enterprises and locations that may not currently be commercially attractive, but have the potential to breathe life back into places that appear to be in decline.

Place focus: Hastings Commons - alternatives to a dysfunctional system

Change happens at the margins. New ideas and practices emerge in neglected and overlooked spaces, within communities or organisations. Sometimes those margins are hidden in plain sight.

Hastings is a marginal town, bursting with marginal spaces. It has the liminality of all past-their-prime coastal resorts, overlaid with a fixation with an event that happened in 1066 when the tides of law and language turned.

What happened in 1066 instituted a system of land ownership that continues to play out to the detriment of communities. Take the Observer Building, opened in 1924 as the headquarters of the *Hastings & St Leonard's Observer*, in an era when local newspapers had clout.

As the print industry waned, the *Observer* moved out of its premises in Cambridge Road in 1985, leaving 40,000 square feet of office space vacant. Owner after owner - 13 in all - bought and sold the building over three decades, leaving it empty and decaying while they sought to benefit from the ever-rising price of land.

Whatever was happening to the value of the land, the value to the community atrophied. When the building was finally bought for community uses in 2018 for £1.15 million, the basement was deep in dead pigeons. It had become a symbol of irresponsible landlordism: ownership as institutionalised neglect.

The Observer building has been bought by local organisations and social entrepreneurs who have come together as the Hastings Commons - a collective of community businesses led by White Rock Neighbourhood Ventures, which is a partnership between Heart of Hastings Community Land Trust, Meanwhile Space and Jericho Road Solutions.

The principle of the commons is that value and care are both shared. Rights and responsibilities are balanced. The idea of the commons is as integral to the Observer project as the writing in a stick of seaside rock.

'It's really important to have to make the effort and define yourself against a system that doesn't work,' the organisers say. The whole point, for them, is that value doesn't accrue to the community if you try to work either on traditional commercial principles or via big public sector projects - *'the only way to achieve what you want is doing it yourself'*.

After 15 'gruelling' years of community engagement, planning and fundraising, the Observer building is being renovated as coworking space and affordable housing, with a rooftop terrace with a splendid sea view for community and cultural events, and a creative and digital hub that will turn the ground floor back into the social centre it once was when people used to pop into the newspaper office to place their funeral notices or order pictures of their kids in the school play.

And that's not all. The Hastings Commons is infiltrating the west end of the town centre, a historic area known as Trinity Triangle consisting of elegant Victorian buildings constructed when the town was a booming seaside resort. Some, such as 12 Claremont, are architecturally fascinating structures that have been neglected over many years. From being a dingy hostel, 12 Claremont is now being brought back to life as a home for Project Art Works, an arts collective shortlisted for the Turner Prize.

Others, such as Rock House on Cambridge Road, are modern structures that don't attract the same kind of emotional response. But it too is now generating value for the town: affordable places to live, and workspace for tech and creative businesses.

Then there's Rose Cottage, a former stables in a back alley now used as a learning space and artists' studios. The alley itself, once a place to avoid if you valued your safety, has its own pocket park and could become a setting for open-air social events, with the nearby Harper's Caves, built into the sandstone cliff, offering opportunities for extra seating or catering.

There are experimental spaces, too, such as the Common Room on the ground floor of Eagle House, a self-organised drop-in centre with comfortable sofas covered with bright patchwork quilts and space for groups to meet and chat. Local people are invited to make what they want of the space - the inverse of traditional forms of ownership, where what happens is determined by the money to be made.

This is no utopia. The dozen spaces that form the Hastings Commons are a tiny portion of the town centre and the members of the Hastings Commons are only too aware of the sweat and risk involved in their work.

While they celebrate their independence and DIY culture, they know too how important it is to work with funders and draw on the support available - from Power to Change, local authorities, and government schemes such as the Towns Fund. In total they have accessed 89 different grants and loans. But they are critical of the way public regeneration funds are managed and distributed:

What you get from funders never works the way it ought to work. We're treated like beggars all the time - the rules we experience all the time are so stupid. We have to come up with stupid solutions all the time because of the stupid rules.

Examples of 'stupid rules' include the five-case business case required by the Treasury's Green Book; capital funding that isn't geared to the delays and snagging involved in actually running a development project; and plans led by the size of funding pots rather than the size of the job to be done.

So what would help? At-risk pre-development finance from funders such as Power to Change, allowing communities to develop their plans. Planning and funding rules that recognise social value. And, they say, being credited for the work they are doing.

An outline of evidence and policy

This section sketches out some of the key factors to take into account when considering how Power to Change and other funders can act within the context outlined in section 2. It covers current UK government policy relating to high streets and town centres (mainly in England, but noting some differences with the other nations of the UK). It then briefly describes the key initiatives undertaken by Power to Change. Finally, it contextualises this work in terms of place-based system change and the idea of 'pride of place'.

3.1. Government policies and initiatives

A raft of policies and initiatives have been announced in recent years that address the situation of high streets and town centres. The image of run-down high streets has become a shorthand for the range of problems policymakers seek to tackle, although the connections between policy and the prospects for high streets are not always obvious. The most relevant initiatives are:

- **Levelling Up white paper** (HM Government, 2022). At the time of writing, the white paper, published in February 2022, is the document that does most to provide a sense of coherence to the Westminster government's policies on high streets. A central aim is to restore a sense of 'pride in place' within communities that may be run-down or disadvantaged. The ambitions of the white paper are extensive, depicted as 'system change' and summarised as 'people everywhere living longer and more fulfilling lives, and benefiting from sustained rises in living standards and well-being' (p. xii). The overarching ambition is backed by 12 'missions' to address geographical inequalities, one of which is that 'by 2030, pride in place, such as people's satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between top performing and other areas closing' (p. xviii). There are specific proposals to give local authorities the power to require high street landlords to rent out vacant properties to prospective tenants through a compulsory rental auction process (p.211) which have been fleshed out in Part 8 of the Levelling-up and Regeneration Bill, introduced in Parliament in May 2022.
- **Towns Fund**. Announced in 2019, the Towns Fund¹ is an overarching economic growth initiative focused on relatively deprived areas where the population is concentrated in towns rather than cities. It 'targets funding at those places with economies that are performing relatively less well to the England average, whose residents are living on lower incomes, and where larger proportions of the population have low skill attainment'. Originally given a budget of £1.6bn, it now

¹ <https://www.gov.uk/government/publications/stronger-towns-fund/stronger-towns-fund-questions-and-answers>

has funds of £3.6bn. This consists of £2.3bn of Town Deals money shared between 101 towns, plus £830m from the Future High Streets Fund. The Future High Streets Fund,² announced in 2018, supports capital projects with grants of up to £25m in 72 places, prioritising 'shovel-ready' projects.

- The **Build Back Better High Streets** plan (MHCLG, 2021), focuses on some of the persistent challenges facing high streets. Five issues are prioritised: bringing empty buildings into use; supporting high street businesses; improving the public realm; creating safe and clean spaces; and celebrating pride in local communities. Only the first of these addresses an aspect of the 'wicked issue' assemblage outlined above in section 2.2.
- The **UK Shared Prosperity Fund**, the long-awaited successor to EU structural funds, will be worth £2.6bn over the period covered by the 2021 spending review and applies to the whole of the UK. Unlike other funds for high street initiatives, the Shared Prosperity Fund will be managed by local authorities rather than through a central competition. The fund's prospectus, published on 13 April 2022, declares the government's mission to be 'fundamentally about levelling up people's pride in the places they love and seeing that reflected back in empowered local leaders and communities, a stronger social fabric and better life chances' (DLUHC, 2022).
- The £220m **Community Renewal Fund** is an interim funding pot to support investment in skills, enterprise and employment prior to the launch of the UK Shared Prosperity Fund. One fifth of the fund is earmarked for 'investing in communities and place'.
- The £150m **Community Ownership Fund**³ supports community organisations that want to buy and transform local assets. It emphasises the need to invest in 'everyday infrastructure' such as community centres, pubs, and high streets. Capital grants of up to £250,000 are available which must be at least matched by funds from other sources. Launched in 2021, it runs for four years and covers costs involved in buying or renovating property for community use across the UK.

In **Scotland**, policy on high streets is based around priorities outlined in response to the Town Centre Action Plan published in 2013. Policy was subsequently updated in 2015 and 2016 (Scottish Government, 2016) and is driven by a 'town centres first principle' agreed with local authorities. More recently, the Scottish Government has consulted on a new national planning framework⁴ (NPF4), which sets out its ambitions to support sustainable, liveable, productive and distinctive places through the planning system. National policies are supported by a series of toolkits that can be used to shape local initiatives, including the highly-regarded Place Standard⁵ which provides a framework for assessing the quality of a place against 14 different criteria. A new Retail Strategy for Scotland was launched in March 2022 (Scottish Government, 2022), with a focus on improving working conditions, meeting climate goals and reviving town centres.

Town centre initiatives in **Wales** are supported through four programmes brought together under the umbrella of 'transforming towns'.⁶ These consist of a £100m targeted regeneration investment programme which concluded in 2021; 'building for the future', a £54m programme which concludes this year, mainly financed through European Regional Development Fund (ERDF) allocations; an interest-free loan fund

² <https://www.gov.uk/government/publications/future-high-streets-fund>

³ <https://www.gov.uk/government/publications/community-ownership-fund-prospectus/community-ownership-fund-prospectus>

⁴ <https://www.gov.scot/publications/scotland-2045-fourth-national-planning-framework-draft/pages/1/>

⁵ https://www.scotlandstowns.org/place_standard

⁶ <https://gov.wales/support-improve-town-centres>

administered by local authorities; and a £6m coastal communities fund, which is now closed. A range of toolkits for town centre projects is available at the Audit Wales website.

3.2. What Power to Change is doing

Over the last three years, Power to Change has highlighted the potential for high streets as hubs of community business. Its first intervention, Take Back the High Street (Brett and Alakeson, 2019) made an argument ‘to return communities to their rightful place in the debate about the future of high streets’ (p. 6). Using case study examples, they suggested community ownership and use of high street properties could unlock wider regeneration, but only if given sufficient support from central and local government. It identified significant barriers to community activity, including high rents, opaque ownership structures and the lack of a voice in decision-making.

Recommendations included strengthening the community right to buy (enshrined in the 2011 Localism Act) to match the rights available in Scotland through the Community Empowerment Act. It called for £250m of funding from the Towns Fund to be earmarked for community ownership (a total of £150m has now been offered), as well as community representation within Business Improvement Districts and more support for groups to create neighbourhood plans. Local authorities should support community organisations through asset transfers and a brokerage system to connect organisations with vacant properties.

A further paper (Lee and Swann, 2020), supported these initial arguments with case studies of six locations where community businesses had made a significant impact in high street or town centre locations. Like the earlier report, it identified barriers to success including fragmented ownership and a lack of transparency, and opportunities including building capacity within community businesses and providing flexible finance.

Power to Change continues to explore opportunities to influence policy on high street issues, especially around community ownership. Alongside this, it has developed three strands of work designed to test the potential for community businesses to make a significant impact on high streets. These are:

- **Platform Places:** A project led by Rebecca Trevelyan, co-founder of the Library of Things and supported by Power to Change, to bring together property owners and community businesses that need access to space. To tackle the problems and scale what’s already working, Platform Places is developing two services designed to change the culture of how communities’ access and own property:
 - **A matchmaking system to help communities rent buildings** from asset owners, on fair terms for both parties.
 - **An incubator to help communities to acquire and activate buildings** via a proven, multi-asset acquisition model known as a ‘Community Development Trust’ (CDT). The ambition is to seed one such Trust in every town and city centre, to facilitate a local vision, acquire and activate multiple assets, and partner with the council and other asset owners.
- **High Street Buyout Fund:** Power to Change is calling on government, charitable foundations and investors to capitalise a £350m fund to bring more than 200 ‘strategically important high street assets’ into community use. The fund could support the purchase of individual buildings or groups of buildings within the same place; the intention is that it would act as a landbanking agent for community organisations, holding property until they could raise funds to adapt or renovate them. The buyout fund could operate as a revolving loan fund or as a time-limited fund which would aim to repay investors within 12 years. It would be designed to

tackle two of the persistent challenges facing community businesses: the lack of ready access to capital, and the problem of fragmented or opaque ownership.

- **Community Improvement Districts:** This project is designed to address the lack of community involvement in decision-making around high streets and town centres. Starting with two pilot projects in London (Wood Green High Road and Kilburn High Road) and expanding into a further five locations across England in 2022, it plans to test approaches to town centre regeneration that give local communities a greater say in planning and investment. A discussion paper (Stephenson, 2020) outlines five potential models for Community Improvement Districts. They could be resident-led neighbourhood organisations; adaptations of existing business improvement districts; partnerships between residents and businesses; expanded versions of existing neighbourhood forums; or formalised versions of 'town teams', local voluntary partnerships focused on town centre improvements.

3.3. High streets and place-based system change

High streets, and Power to Change's work within and about them, offer an opportunity for place-based change that sits between a systemic approach and disconnected localised projects. Systemic place-based approaches are usually regarded as comprehensive efforts to tackle locational disadvantage, bringing together strategic partners to address inequalities (Public Health England 2019, Crimeen et al., 2017, Taylor and Buckley, 2017). They often rely on the catalytic role of community-based organisations (Crisp et al., 2016) and work across multiple themes to achieve complementary objectives. Much of Power to Change's investment in places could be regarded as a quest to put community businesses at the heart of such systemic approaches, both making the case for the particular contribution community businesses can make and catalysing new partnerships or programmes (Hitchin, 2018; Power to Change, n.d.)

High streets offer a catalytic rather than a systemic opportunity. While interventions in and around high streets interact with and impact on wider systems, they do not seek and cannot achieve system change in themselves. Rather, they seek to create enabling conditions for businesses and organisations that could lead to greater social, economic and environmental benefits further down the line.

Interventions in high streets can be thought of as 'urban acupuncture'. Urban acupuncture is a term coined by Jaime Lerner, the former mayor of Curitiba, Brazil, to describe rapid, targeted changes in the urban fabric or in the animation of space (Lerner, 2011) and defined as 'a hyper-localised healing treatment through place activation to enliven and recreate cities' (Houghton et al., 2015).

3.4. Place attachment: a way of understanding 'pride in place'

Notions of animating and activating space highlight the human connections that are central to ideas of revitalisation. These connections are not just social and economic - people getting together to trade or converse - but are also emotional, and intertwined with ideas of civic pride or loss and grief. The notion of 'pride in place' underpins many of the current government's policies.

Academics often describe such emotional connections in terms of 'place attachment', a term borrowed from John Bowlby's theory that infants are biologically programmed to form attachments to their care-givers. Place attachment is viewed as a comparable emotional bond between people and places. Such bonds have 'a strong positive effect in defining our identity, in filling our life with meaning, in enriching it with values, goals

and significance' (Guiliani, 2003: 137). However, these bonds 'form and change over time' (Manzo and Devine-Wright, 2021: 1).

Anton and Lawrence (2014) distinguish between 'place identity', which concerns the personal meanings and feelings associated with a place, and 'place dependence', which concerns the ways in which a place meets a person's physical, social and economic needs. These assessments of the importance of a place are highly subjective and depend on personal stories and circumstances, but also operate at a social level through group behaviours and shared cultures (Scannell and Gifford, 2010). Importantly, they are often heightened through a sense that the place that is valued is lost or threatened (Fullilove, 2005; Mah, 2009).

This sense of loss and threat is a significant contributor both to community-based action and to the policy responses to change in high streets and town centres. In the course of this research one member of the government's High Streets Task Force described a 'profound sense of loss' at the disappearance of familiar retail landmarks, while a community organiser spoke of the anger felt by local people at the neglect of a town's architectural heritage. Much of the work supported by the Towns Fund focuses on the re-use of empty and run-down properties, recognising the negative emotions such buildings arouse within communities.

Place attachment can lead to different responses. In some cases it can catalyse action; in others it can lead to a sense of alienation and disconnection as places change. Community businesses may be able to influence these trajectories. The following sections consider the opportunities and challenges for community businesses in high street locations, and the extent to which they may be able to contribute to a wider reconnection between people and places.

How can community businesses succeed in high streets?

4.1. Why the high street?

Not all community businesses will need or want to locate in high streets. The challenges of succeeding in a high street that is run-down, or finding space in a high street that is too successful, can be prohibitive. However, the high street is often the traditional gathering place for the people that community businesses want to connect with and support. It is a focus for place attachment, as one workshop participant commented:

... a high street is something that's an important marker of how we feel about that place in a way that other things in town might not be ... seeing that decline is something that can really impact on people's feelings of a place, so community businesses see it as their role to say we've had enough and we want to revive this in a way that makes us feel good to be from this town, or this bit of town.

So high streets can present an obvious need for intervention, but also an opportunity because people still gravitate towards these locations. Being on the high street can mean catching passing trade, but it also offers the chance to bring new groups of people into town. As one interviewee commented, 'you put people together and the magic happens'.

The presence of community businesses on high streets can also actively contribute to the recirculation of money and resources within the local economy. Research for Power to Change (Archer et al., 2019, p.70) found that 56 per cent of spending in community-owned spaces stayed within the local economy. This compares with only 40p in the pound for large private sector firms. Community businesses can provide what one expert called 'glue in our town centres', helping to reinvest local spending within the community. Income from a community-run cafe, for example, can provide jobs for local people or be reinvested in improvements to the fabric of the building.

Community businesses can add to the variety and interest of a place, challenging the 'clone town' effect of ubiquitous chain stores and supermarkets. Typical activities may include food businesses, arts and crafts, community hubs, health and social care, and co-working - all sectors that generate footfall and interaction, bringing animation as well as economic activity into a place.

4.2. What opportunities are there?

Five types of opportunity are likely to be attractive to community businesses. These are:

- **Symbolic spaces:** Community businesses will often be attracted to spaces that have particular meanings or connections for local people, such as former town halls (as in Hebden Bridge, where a former town hall no longer wanted by the local authority is now a thriving community-owned hub) or department stores, which are often viewed as ‘anchor’ buildings within high streets. Often there is an explicit intention to save a building because of its emotional pull on a community. In Manchester, the Withington Public Hall Institute is reinventing a public hall built for the local community in 1861 as a café, restaurant and community arts venue with space for gigs, talks and exhibitions. Repurposing such buildings sends a visible signal to local people that something is being done to counter decline.
- **Available spaces:** Community businesses will often gravitate towards spaces where there is no obvious alternative tenant or owner. In such instances, community-based organisations can become an entrepreneur of last resort, moving in to find new uses for distressed assets that have outlasted their original purpose. Department stores, which have emptied rapidly over the last decade, are often considered ideal for community uses. However, renovation costs are high and landlords are seldom willing to write down the value of their property. Sometimes new commercial ventures will move-in - the former Debenhams store in Bournemouth is now home to a selection of makers and beauty-related businesses, trading under its original name of Bobby & Co - but private investment is most likely to favour more affluent locations. For community businesses, cheapness is often paramount, partly out of necessity but also because it opens up opportunities for repurposing. One interviewee from an arts-based organisation said their rule was ‘the more run-down the better’.
- **Adaptable spaces:** Buildings that are flexible and easily adapted to new uses are likely to be most attractive to community businesses. Markets in places like Radcliffe (discussed in Lee and Swann, 2020) provide opportunities to animate space with a continually-changing mix of small-scale activities. Buildings that can be used as community hubs, accommodating uses ranging from meeting places and cafes to repair and making spaces, provide opportunities to start small, experiment, and grow in response to need and demand with a mix of social and commercial activities. The Common Room, a flexible drop-in space being pioneered in Eagle House, Hastings, is an example of this test-and-learn approach. One interviewee described how a Bootle-based charity, Ykids, was rethinking traditional ideas of a charity shop in a local shopping centre: *‘it’s not a charity shop ... it’s like Harry Potter World meets a community hub meets a bookshop, it’s utterly amazing’*.
- **New customers on the high street:** Much has been said about the potential long-term impacts of increased homeworking resulting from the Covid-19 pandemic. While many will return to traditional patterns of work, there is likely to be an increasing degree of hybridity, with a significant minority of workers mixing office, home and co-working locations. While this provides new opportunities to repurpose high street buildings, the scale of demand needs to be considered carefully. More generally, high street buildings are increasingly likely to offer experiences and facilities that are more difficult to access online, offering opportunities to bring buildings to life with a different mix of users and at different times of day.

- **New constellations of interests:** Community businesses are not the only ones with an interest in reviving high streets, repurposing redundant buildings and supporting local communities. There are opportunities to link with resident-led groups, public services and private businesses in creating new alignments of interests to rethink spaces and activities. These could include rethinking traditional services such as libraries as they adapt to the loss of local government funding; new governance arrangements, linking with Business Improvement Districts or informal town teams; creating live-work spaces alongside housing providers; and connecting with business-led initiatives to engage with local communities such as the Love Wavertree campaign in Liverpool, where local businesses and community groups have come together to inject new life into a local high street. Upper Norwood Library Trust in south London is an example of a resident-led initiative that brings together a local authority library service, performing arts space and community venue. The case studies in this report all feature organisations that have made common cause with others within and beyond the community business sector.

Place focus: Huntly, Aberdeenshire - a web of support

Huntly is a small town of around 4,500 people in rural Aberdeenshire, just off the A96 between Aberdeen and Elgin. Its attractive listed buildings, clustered around The Square, are both an asset and a liability: an asset because they are part of the town's history, and a liability because they are not easily adapted.

The opening of two supermarkets on the edge of town contributed to the rapid decline of the central area which in the past had supported a cluster of local shops, including Cruikshank's, a locally-owned department store which traded for 143 years before closing in 2018.

Efforts to revitalise the town centre have been led by Huntly Development Trust (HDT) and strongly supported by Aberdeenshire Council, which brought local partners together in a 'town team' in 2017.

HDT has a track record of successful local initiatives, generating income from a community-owned wind turbine and a 64-acre farm, and channelling surpluses back into a range of local projects, including an ebike hire scheme, a community minibus and a car club.

The trust's focus has increasingly been on the town centre. Because of its remote location on a turning off the A96 there are few reasons to visit, and as trade has shifted from the town centre to the supermarkets there have been fewer reasons for local people to spend time there.

HDT is turning three key town centre buildings into community assets. The former Cruikshank's store, now known as Number 30, will be turned into a multi-use space, including a 60-seat cinema with retractable seating, allowing the space to be used for events and performances. There will be co-working space supported by high-speed broadband, a cafe and learning spaces. The hope is that the new building will open in 2023.

A former Royal Bank of Scotland branch reopened in 2021 as a community bookshop, run by 24 local volunteers. As well as hosting readings and events, this community business provides space for a banking advice service one day a week, replacing a service the town lost as banking moved online. An HDT worker commented:

It's a lovely example of a model of a community owned, managed and volunteer run bookshop which does lots of literacy work, also providing support services to the town, and also providing vibrancy to the high street and doing financially very nicely.

A third building, 11 Deveron Street, has recently been bought to provide a home for HDT's Huntly Travel Hub, hosting the ebike hire service. Plans for its conversion are currently under development.

In a town as small as Huntly, the repurposing of just a few buildings can make a big difference, giving people reasons to visit and recreating a sense of community. As well as providing services that people value, these actions rebuild people's emotional connection with the town, associating it with friendships and activities.

Rebuilding affection is done through supporting social connections, not just by improving buildings, as the HDT worker explained:

We have to build in that connectivity between the things that we're helping to create, that's why we focus heavily on training, opportunities for volunteering, jobs and again connecting everybody up, you put people together and the magic happens...

While HDT was the main driver of town centre improvements, the work is being done in partnership with a wide range of funders and supporters. The role of the local authority was

crucial in designating Huntly as a regeneration priority so that the community could access funding. Other partners include the Scottish Land Fund, which supports community ownership; the Scottish Government, through its Regeneration Capital Grant Fund; the Clashindarroch Wind Farm Community Fund; and Transport Scotland.

This web of support is not simply a case of assembling a patchwork of funders. Behind it lies Aberdeenshire Council's adoption of a 'town centre first' policy. In the words of one council officer,

We put that through Aberdeenshire Council in a completely different way to every other local authority in that every officer has to think about town centres whether writing papers or making decisions, it's part of the committee process like equalities.

This means that town centres are not just the responsibility of economic development officers or business specialists. Highways and planning professionals have to think about the effects on town centre businesses of decisions to change traffic flows or reorganise public services.

At the heart of the web, though, is an organisation that is prepared to act as a local leader and civic entrepreneur, identifying and exploring opportunities. There are still around 20 vacant buildings in Huntly town centre. In Huntly Development Trust, however, there is an organisation with the vision to see what might be done with many of them.

4.3. What are the challenges?

Many of the challenges to community businesses in high street locations have been outlined in Power to Change's previous work. The fieldwork for this report echoed some familiar themes. Rather than going into extensive detail here, this section offers an overview of seven of the most consistent challenges highlighted by participants in our research.

Affordable, accessible space: As outlined in section 2.2, the UK system of property ownership, landlord and tenant relationships, and business taxation tends to militate against efforts to bring empty property back into use for community benefit. Property owners are often perceived as inflexible and more interested in the book value of their assets than in the uses they could serve. Community businesses struggle to find suitable properties at the right price, or to get access to them when they have discovered the owners. Negligent ownership, where landlords sit on a vacant building in the hope of cashing in on upturns in the property market, is a recurring problem. A senior parliamentarian said:

At some point the market as a whole has to get it that traditional occupiers paying large rents for these buildings isn't going to happen, so there has to be a reality check amongst the owners of these buildings.

Related to this is the extended chain of players involved in property transactions, from owners to property agents and surveyors, as one interviewee commented:

... everybody's taking a percentage, you've got four sets of people so by the time you've finished, that's why you have to have 20% viability because that person's taking 12%, that person's taking 3%...

Meanwhile Space is an organisation that has worked for a decade to broker deals to bring empty spaces back into temporary use for community groups and businesses, and while it has grown significantly it cannot meet the demand for its services. The government's recent Open Doors scheme, working with Meanwhile Space to open up redundant high street spaces for community uses, was successful but small-scale and

time-limited. Platform Places could make a longer term impact, acting as a property agent for community businesses, but much depends on how well it is resourced.

Access to funds: The flip side of the cost of space is the resources available to community businesses. Being able to access grants or raise capital is often the first hurdle at which ideas for new enterprises fall. Several aspects of this challenge were raised by participants in this project. Private borrowing is expensive, and is frequently accompanied by demands for personal guarantees from the borrower. Capital grants are often loaded with stringent conditions and spending criteria which limit flexibility and adaptability: grants from the Future High Street Fund, for example, specifically prioritised 'shovel-ready' projects, curtailing the opportunity for genuine consultation. Business support services are seldom geared to the needs of community businesses, and there is limited technical support and advice available. A common bugbear is that funding is short-term. One interviewee in Scotland complained about the unrealistic timescales imposed by the Scottish Government:

They kept throwing one year funding at us that had to be committed by March to spend in September and it's really tricky to manage.

Inappropriate policies: While there are limits to the scope for redesigning policy to tackle intractable problems in the short term (see section 2.2), the research also revealed areas where policy could be changed relatively easily to assist community businesses and others in bringing high streets back to life.

One problem is that funding programmes are designed without consultation with the organisations that purportedly benefit from them. Timescales are frequently too short, with an emphasis on visible improvements that tend to favour cosmetic interventions. Money is available through centrally administered competitions, which reduces local accountability and encourages applicants to over-promise in order to attract support; and funding is typically geared to large capital projects rather than micro-interventions. There is little revenue funding that can be used to employ people and build local skills and capacity. A consultant who has worked on numerous high street projects commented:

There are reasonably significant amounts of money going around at the moment, £3.6 billion for the Towns Fund is not to be sniffed at ... but my worry slightly is that's being spent on superficials rather than fundamentals... We come across lots of places that have got their £15 million from the Towns Fund and are busy knocking down a shop to create a little park, lovely, but it isn't going to solve the problem, that's fundamentally not the problem that they're trying to address – but it gets done because it's what can be done.

Interviewees also reported frustrations with the Treasury-led approach to funding programmes, which values outcomes that may be antithetical to community benefit. Some found the requirement to produce a five-case business plan consistent with the Treasury Green Book (strategic, economic, commercial, financial and management) deeply frustrating: they felt they were wasting money on expensive consultants to come up with benefit-cost ratios to satisfy government requirements, when outcomes such as increased land values were not actually desirable in areas where affordability was the main problem. One community business leader said:

We paid [a consultant] £4,000 for two days' work for a business case for one building. It's a calculation based on a myth. It's like buying indulgences from the Pope. Treasury metrics are land value uplift which we don't care about, and labour supply which is based on tax revenue. It just doesn't capture any of the good things we do.

Planning: Despite decades of policies that espouse the notion of ‘town centre first’, local authorities continue to approve out-of-town retail parks and shopping centres accessible primarily by car rather than walking or public transport. Most local plans have not yet caught up with the reality of change in former retail hubs, or the opportunities available for repurposing town centre property.

Local government capacity: Local authority support for community businesses ranges from helpful and hands-on to non-existent. Capacity in economic development and planning teams has often been cut to the bone, with the exception of some unitary and metropolitan councils and mayoral combined authorities. In some cases, councils are in direct competition with community businesses for regeneration funds: in Hastings, for example, we were told that council officers had to raise funds for their own salaries from the regeneration grants they brought in. Other interviewees described some councils as antagonistic to community businesses. Conversely, others have supported initiatives under the umbrella of community wealth building that favour local procurement and actively seek to invest in the economic wellbeing of local people.

Connected to the challenge of capacity is a lack of awareness in some quarters of the benefits that community businesses can bring. Social value is not easily or consistently measured, and local authorities wedded to traditional approaches to economic development may not consider that community businesses have much to offer compared with private investors.

Community capacity: Community businesses don’t just need funding; they need advice, technical support and the opportunity to learn the skills they need to run successful enterprises in high street locations and to take on and manage buildings. Community organisations are often keen to repurpose buildings of historic and social significance, but these are often costly to maintain and adapt and can easily become liabilities rather than assets (Alakeson, 2016). Specialist skills are often needed to look after such structures.

Interviewees commented on the temptation to ‘do everything’ and the need to turn down opportunities that would overstretch an organisation. Fundraising can also be a significant drain on time and energy: a huge amount of work can be required just to get to the position of being able to start the project an organisation actually wants to do. Community businesses that rely substantially on volunteers find it harder to move quickly and respond to opportunities, as one high street expert noted: ‘It’s just hard, but not impossible, to make change happen if it’s not your day job.’ A member of the High Streets Task Force was more blunt: ‘I think the community business network, it’s great but ... it’s always going to be just a bit of a sideshow.’

As noted above, the challenge of capacity can also be an opportunity to forge new alliances with others who share comparable goals. Community businesses do not exist in isolation: they are part of an ecosystem of activity within high streets and town centres.

4.4. What support do community businesses value?

Community businesses working in high streets want support. The help they need falls into four broad categories.

Property: Community businesses value assistance in getting ‘the right property at the right price in the right place’. Power to Change is already supporting work to address this need through projects such as Platform Places. The help needed ranges from the temporary - sorting out ‘meanwhile’ licences to enable community businesses to use property on a short-term basis - to long-term issues such as asset transfer and community ownership. They need access to information, as it is often hard to know

who owns a high street property, and brokerage so they can negotiate with owners and their agents. If they are not buying property, community businesses need sufficient security of tenure to enable them to confidently plan for the future and invest both in the fabric of buildings and the activities that go on within them.

Finance: Financial support is not only about grants or loans. What community businesses often value most is a 'leg up', as one interviewee put it - actions that may be small in themselves but can level the playing field between a community business and a private enterprise. Catalytic funds are particularly important: money that helps community businesses develop their plans, capacity and business cases before taking on a property.

Funders need to include community businesses within their plans: interviewees noted that in Union Street, Plymouth, where Nudge Community Builders are playing a significant role in reinvigorating a run-down city centre street, the local authority has not included the street within its area earmarked for Towns Fund support.

There are times when large sums of capital are required, and organisations need to be able to borrow at preferential rates. Several interviewees commented on the need to be able to buy strategic assets quickly when they came on the market and hold them until business plans and funding were in place. The proposed High Street Buyout Fund could be a national response to this challenge.

Governance and regulation: While there is much frustration at the limited capacity of local authorities, community businesses value their role when it is performed effectively. In particular, local authorities occupy a unique place as convenors and enablers, with the ability to bring partners together, share information and learning, and broker solutions between competing interest groups. They can be active players in town centre and high street regeneration, investing directly in property (for example, through using funding sources such as the Future High Streets Fund to buy and create community assets) and curating space, as has happened in the Merseyway shopping centre in Stockport. Merseyway, once a privately owned shopping centre, has been bought by Stockport Council which is using £14.5m from the Future High Streets Fund to create an accessible new library, café and learning space to replace the town's outdated central library.

Local authorities can also use their planning powers to guide what happens in town centre sites, as well as intervening directly through the use of compulsory purchase orders (CPOs) - although as one interviewee commented, such actions are often regarded as 'quite incendiary' and may have unintended consequences. One local authority interviewee complained that simply writing a strategy for an area can encourage speculative property acquisition, preventing potential community uses of buildings:

Every time we write a strategy about what we're going to do or what we hope will happen it increases the land value, we're seeing that across another area of ours ... which is a potential new neighbourhood, land value's increasing there just by us having an interest...

More tailored actions, such as targeted business rate relief, can be more effective. Designating properties under Class E of the Town and Country Planning (Use Classes) Order 1987, which covers a broad range of uses associated with high streets and town centres, can offer potential users flexibility and facilitate transitions from one use to another.

Localised governance structures such as Business Improvement Districts can also be helpful, bringing community businesses (when invited) around the table with commercial interests. The idea of Community Improvement Districts, supported by Power to Change, could provide new models to involve community businesses in bespoke governance structures.

Skills and networks: The fourth area of support that community businesses appreciate is help in developing the skills to operate successfully on the high street, and the networks that enable them to be part of a wider community of businesses and social organisations within a locality. Some of these skills are specific - looking after historic buildings, for example, or negotiating a fair lease - while others are generic, including brokering, marketing and relationship building. Business advice, whether through local authority services or peer networks, was considered particularly important.

Interviewees also commented on the benefits of a mix of people and activities within the spaces managed by community businesses. One entrepreneur mentioned the importance of 'co-populating' with a range of complementary but different organisations, creating a sense of buzz and variety within a location. Often the support needed here is informal - people putting each other in touch with others who might help them - but to build those networks requires time, which may depend on access to flexible funding that allows organisations to engage in activities without an obvious outcome.

5

How can community businesses contribute to high street regeneration?

This section shifts the focus: rather than looking at how community businesses can succeed, it examines how community businesses can help high streets to succeed. It considers three themes: **regeneration**, or how niches of activity can bring the high street ecosystem back to life; **reintegration**, or how community businesses can recreate community within high streets; and **reorientation**, or how unexpected places can become new types of high street in areas never previously considered as such.

Place focus: Birkenhead: regeneration, reintegration, reorientation

Birkenhead lies on the south-west side of the Mersey estuary opposite Liverpool. Like Liverpool it has suffered from the decline of industry, population loss and entrenched deprivation; unlike Liverpool it has not been able to reinvent itself as a cultural destination. But the disadvantage of being left behind means that property is affordable and opportunities are there to be taken.

The former docks have been bought up by the property giant Peel, which is overseeing a 30-year waterside redevelopment with homes and offices branded as Wirral Waters. But the traditional town centre is tired and run-down, and the former commercial heart of Birkenhead around Hamilton Square and Argyle Street, just around the corner, is quiet.

Argyle Street links the town centre with the waterfront and Wirral Council sees the area as ripe for reinvestment. As prices have risen in Liverpool, creative organisations have taken the opportunity to establish a base across the Mersey.

Make CIC, which operates co-working and makerspaces, has hopped across the river from the Baltic Triangle, where they found themselves priced out of Liverpool's booming creative quarter. In the Grade 1-listed Hamilton Square they have been able to get a five-year lease on an office that might command millions in London, and a growing mix of artists and community businesses are moving in. Their community garden even has its own beehives, with the honey available in the on-site cafe.

In Argyle Street, Future Yard is establishing a live music venue, providing rehearsal and social spaces and creating opportunities to train for careers in the music industry - along with a bar, coffee shop and kitchen for people who just need somewhere to hang out. Soon Make will join Future Yard by buying a neighbouring building in Argyle Street as a permanent base.

For Wirral Council, it's all part of a wider regeneration strategy under the umbrella of 'community wealth building' that includes a £29 million Future High Streets Fund project to realign roads and build a new market, initiatives to improve wellbeing and job opportunities, and efforts to redirect the authority's spending to support the local economy.

The council describes creative industries as a 'golden thread' through Argyle Street, bringing the space between the shopping centre and the river back to life. This is not just a case of local authority boosterism, seeking to manufacture a 'creative quarter' out of empty space: organisations are already approaching the council looking for opportunities in this area. In the words of one council officer:

It's the connectivity between our town centre and the waterfront which is a key under-utilised asset and we recognise that Argyle Street is essential to the success of the waterfront and the success of the town centre and for our creatives themselves.

So as well as having a focus on economic regeneration, there's also a drive to reintegrate the town - both spatially and socially. A community business leader explained that:

...our role there is to bring people to the high street for reasons that isn't shopping, it's to work there, to socialise, to engage in events and activities, we run classes, craft classes and other things to do, hobbies and all that sort of stuff, also matrix stuff, a bit of prototyping, a bit of knowledge transfer so our building is going to be a bit of a melting pot for that... So I think increasing the footfall is going to be a by-product of that and therefore opening a shop there is probably going to be more viable again and residential's going to be more viable than before.

In short, the idea is to put the heart and the people back into the area, but in ways that reorient it from the kind of activities that used to take place, repurposing buildings and spaces for contemporary needs.

'We will go into a place where nothing happens because nothing happens,' another community business leader commented:

Our motivation is to provide opportunities for local people and create a positive context. People don't want to be embarrassed about where they're from. They want a vehicle to express pride in where they live.

Wirral Council sees socially trading organisations as a central part of that process of rebuilding local pride:

I think what we've done now is said actually they are part of our economy and it's within our business support services contract about how we can support more socially trading organisations, but also how we can support all our organisations to have more social value in what they do.

In Argyle Street and nearby Market Street a cluster of socially-focused organisations is emerging: a 'social supermarket' called Make It Happen, charity shops, artists' studios, a mental health charity. The arts organisations meet in a network known as Left Bank Collective, focused on creating a cultural identity for Birkenhead that's bigger than any individual organisation. As one interviewee put it: 'As they attract people, you attract people - you get that effect of massing together, it's really important.'

5.1. Regeneration: the catalytic potential of community businesses

Studies of innovation and transition frequently highlight the potential for new configurations to emerge from niches of new activity. The theory is that 'protected' spaces that are not subject to typical market conditions can promote experimentation, product development and discovery. A similar approach underlies the theory of 'creative clusters' and 'culture-led regeneration' (O'Connor and Gu, 2010) in which arts- or culture-led enterprises are seen as the forerunners of wider place-based regeneration, as typified by the growth of music-related enterprises in Manchester and Sheffield in the 1980s and 1990s in response to deindustrialisation.

It might be tempting to transpose such theories into today's high streets, substituting community businesses for creative clusters and the decline of the high street for the challenges of post-industrial cities. It may be that with sufficient investment and support, community businesses could fulfil such a role, but the evidence of such wider impacts does not yet exist. Even in Hastings, where a cluster of community businesses has emerged in a tightly defined part of the town centre (see Place Focus, p.6), what is being achieved is currently small-scale in the context of the town centre as a whole, and against the odds.

This is not to say that community businesses cannot exert such a catalytic effect. Some of the evidence signposts the possibility of such effects emerging (see Place Focus on Huntly, p.16). What we can say is that community businesses offer a niche where innovation and experimentation can take place.

There are three ways in which such a niche can offer wider regenerative potential. The first, which has been well explored since the 2008/9 financial crisis triggered a wave of closures across high streets, is a **niche in time**. Community businesses can occupy vacant premises on a temporary or 'meanwhile' basis while the private market recovers. Meanwhile Space CIC has developed an extensive portfolio of such projects. International examples such as Renew Newcastle in Australia have been widely celebrated. A new example geared to contemporary challenges in the wake of the Covid-19 pandemic is Meanwhile in Oxfordshire,⁷ which has received funding to fit out and let up to 30 empty high street buildings to local, independent and community-led organisations. Such temporary interventions may become permanent if they find long-term support or a commercially viable business model, or they may animate space sufficiently to allow the private market to recover.

Secondly, community businesses can create a **niche in space**. They can cluster within groups of vacant buildings, creating a sense of variety and activity greater than can be achieved through the repurposing of a single shop or office building. In doing so they build a local reputation and identity that can nurture the place attachments discussed in section 3.4. Midsteeple Quarter in Dumfries, where community-based arts organisations are seeking to acquire buildings in line with a locally-led masterplan for the area, is a well-known example. Hastings Commons, working more organically, has a similar place-based focus. Baltic Creative in Liverpool (see section 5.3) has developed such a niche in a once-marginal area.

Third, community businesses can create a **niche in the market**. They pursue activities that might not always be commercially viable, from community arts to repair cafes. These activities usually have a social focus, aiming to be inclusive and affordable and offering catering specifically to marginalised or vulnerable groups. In doing so they

⁷ <https://makespaceoxford.org/meanwhile-in-oxfordshire/>

open up the high street to new people, adding diversity to what can often be a monochromatic mix of traditional high street activities, as one interviewee commented:

... putting more community businesses into your town centre is fulfilling some of your social aims around cohesion, social capital building, creating places where people can come together and meet intergenerationally. So what's brilliant about them is that bringing together of economic objectives and social objectives...

While community businesses operate in a wide range of sectors, those emerging in high streets tend to offer a similar mix of activities: arts, wellbeing, co-working, food, and events, often with an element of affordable or sub-market housing.

5.2. Reintegration: can there be 'community high streets'?

The idea of 'community high streets' sounds attractive and has been adopted as a rallying cry by some commentators. However, we need to be realistic about the scale of potential impact. In most places the notion of a 'community takeover', in which buildings are acquired en masse for community uses, does not tally either with the scale of the challenge or with the resources and ambitions of local communities. As one commercial developer interviewed for this research commented, '*anybody who's thinking that an entire town centre is going to be transformed just through community use is a little bit delusional*'.

Building on the idea of community businesses as a niche in which new thinking and practices are developed, it is possible, though, to foresee the development of community-oriented high streets in which community businesses and organisations are key players. In some respects this would be a reworking of the traditional high street, where public services, faith and voluntary groups played a significant part in the mix of uses alongside retail, offices and living space. A central role of community businesses in such locations would be one of reintegration: binding back together the different groups and interests that make up the 'community' in any space, rather than privileging commercial uses. Our research showed five ways in which community businesses could contribute to such a process of reintegration.

Diversity: Community businesses bring in people who might not otherwise feel welcome or included in retail-dominated high streets. Those who are vulnerable or minoritised do not always feel that commercial spaces are geared to their needs or tastes. Community businesses can provide traditional high street activities such as cafes or arts spaces in ways that are often more welcoming and accepting than those offered by their commercial counterparts:

[They] won't hassle you about moving on from their café once you've finished your cup of tea, they will just let you sit there and chat to your friends, so it's about being in a shared space where conversations can happen and people can feel included.

If groups are beginning to use high street locations instead of travelling elsewhere or staying at home, there are likely to be spillover effects. These may be economic (visitors to one facility also becoming customers of another) but will also be social: the presence of people in a location attracts other people.

Dwell time: Community businesses often offer activities, from arts to co-working, that keep people in a location for longer than a typical shopping trip would do. The longer a person spends in a place, the more likely they are to use more than one facility there - someone spending a day in a co-working space, for example, may also visit a local cafe for lunch or for meetings, and may then go to a pub or cultural attraction after work.

Resilience: Because of their combination of business and social missions, community businesses often have a commitment to place that is lacking among commercial investors. During this research we were told about a manager at a Marks & Spencer store who had been a strong participant in local partnerships and was passionate about the town centre where he worked, but this counted for nothing when the firm's head office decided to close the store. Community businesses, by contrast, are more likely to be rooted in a locality and to look creatively at ways to adapt if their business model is not successful. As one interviewee said, they are 'in for the long game'. They work from an ethic of care rather than profit, which reduces the risk of being caught up in cycles of boom and bust.

Reinvestment: Community businesses reinvest in the communities they serve. They often have organisational structures that stress public rather than private benefits – Community Benefit Societies, for example, established under the 2014 Cooperative and Community Benefit Societies Act, are run by shareholding members and are required by law to act 'for the benefit of the community'; while Community Interest Companies (CICs) can make a profit but cannot be sold for private gain. Where they take over empty buildings, whether as tenants or owners, they invest in the building's fabric and reverse the visual and reputational damage caused by dereliction. They often reinvest on multiple fronts, providing a variety of social benefits by repurposing vacant buildings: there might be community activities on one floor, co-working or offices on another, and affordable housing above them. Because community businesses are generally owned or managed by their members (the average community business has around 200 members involved in governance), local accountability and reinvestment is built in (see Archer et al., 2019).

Leadership and governance: Community businesses offer opportunities for what one interviewee dubbed 'local champions' - individuals who are passionate about the places where they live and get stuck into activities to improve those places. Such individuals are sometimes regarded as irritants - they constantly challenge received wisdom and existing plans - but can also instil a vision and sense of the possible among their peers. But alongside visionary leadership goes partnership and accountability, and community businesses can assist with this too, widening participation in town centre governance and working with local people to listen to and amplify their concerns and ideas.

Alongside these elements is a particular opportunity to rediscover local high streets that has arisen from the combination of the obvious failings of retail-dominated town centres and the effects of the Covid-19 pandemic. Lockdowns and homeworking have created a greater sense of locality for many people, and while the social isolation has often been problematic, it has contributed to a growing debate about the role of the 'neighbourhood'. In the words of one interviewee:

What I think we're going to see after Covid, I think we're going to see something that happened after the second world war whereby the whole idea of place, what's special, what's attractive, people getting involved, people caring more, I think we're going to see people caring ... about what goes on in their local community cos they've connected to it walking around, whether it's connecting with a park, connecting with the high street, with the local schools, people are realising place matters.

Alongside the growing challenge of climate change and the need to reduce carbon emissions, ideas of the 15-minute or 20-minute neighbourhood are now being taken seriously. In Scotland the ideal of the 20-minute neighbourhood is now being

formalised in national planning policy,⁸ while in Paris, mayor Anne Hidalgo has championed plans for a '15-minute city' in which everyone can reach essential services within a 15-minute walk or cycle ride and the city follows 'the rhythm of people, not cars'.⁹

5.3. Reorientation: creating future high streets

Much of the national debate about the future of high streets has assumed a spatial fixity: what was once the high street should always be the high street. This is open to challenge on two counts. Not everywhere with the name 'High Street' functions as a high street, and many of them have not done so for decades or more. And many places that are not high streets as defined by the Office for National Statistics could become high streets in future: the architect Terry Farrell, for example, advocated for London's Crossrail stations to be designed as future high streets for London communities, with retail and travel closely integrated. Most major travel hubs, such as Birmingham's New Street station, are now also significant retail centres - but their ownership, management and costs do not make them amenable to community uses.

Community businesses do have opportunities to create 'future high streets', but these are likely to be in much more marginal places. Places that have been abandoned by the commercial market, or that have never had a commercial heart, present an opportunity because costs tend to be relatively cheap and there is less competition for access; there may also be fewer restrictions on potential uses. Such future high streets could be defined as spaces that are **affordable, accessible and open to new forms of activation**. There is no model or template, but there are emerging examples that are worth watching to assess the potential for creating new mixes of activities in places that have been marginal.

In and around Jamaica Street, Liverpool, the **Baltic Triangle** is an example of an established cluster of businesses based around arts and cultural activities, well networked and marketed and appealing to a young, relatively affluent clientele. The Baltic Triangle's website pitches this as a mix of DIY creativity and a development opportunity, asking investors to:

Imagine an area where musicians rub shoulders with photographers, artists, fashion designers, digital agencies, architects, film-makers, young entrepreneurs, recording studios and there's a bunch of drinking holes and eateries, nightlife venues, internationally acclaimed arts festivals and galleries to drop-by on. That's us... Quietly, under the radar, just getting on with our stuff.

The Baltic Triangle area was never a high street. Formerly a mix of industrial and commercial units with a smattering of brick warehouses, it sits on the edge of the city centre and less than 15 years ago was earmarked as a 'managed red light district' for Liverpool. Its revival began with the reuse of warehouses as music venues, followed by the repurposing of former commercial buildings as workspace for creative and digital businesses, based around the work of Baltic Creative CIC. As activity increased, Jamaica Street became a kind of informal high street with coffee shops and bars, a public green space, street markets and festivals. One interviewee reported that building frontages had been realigned to face onto the street:

⁸ <https://www.gov.scot/publications/scotlands-fourth-national-planning-framework-position-statement/pages/5/>

⁹ https://www.transformative-mobility.org/assets/publications/TUMI_The-15-Minute-City_2021-07.pdf

A lot of the newer developments have altered the orientation of the buildings so there are shops now facing into Jamaica Street, it's still definitively the artery of the area and it's gone from strength to strength.

As development continues and new residents move into an area that was previously dominated by light industrial uses, the mix of services and facilities in the Baltic Triangle is likely to increase.

At the mouth of the Mersey estuary, another potential future high street is beginning to emerge in Bootle, one of the most deprived communities in the UK. **Safe Regeneration** is a community business based beside the Leeds and Liverpool Canal, supported by Power to Change and leading a coalition of 29 local organisations in the £38m #destinationbootle project. Here the canal basin is the potential future high street in an area currently known more for its boarded-up buildings and lack of green space. Plans include the development of a business hub around a marina offering watersports and outdoor activities, the refurbishment of the canalside Lock and Quay pub as a community venue, and a community growing project to create wildflower meadows and shared vegetable plots. Arts and cultural activities and community-led housing focus on meeting local needs and providing job opportunities for local residents.

Peripheral neighbourhoods and estates may also provide opportunities to create new types of high street. In areas where the commercial market has failed or never developed, community hubs can become the focus for clusters of businesses and social activities linked to 'community anchor' organisations. An example is **Centre4 in Nunthorpe, Grimsby**, an area that has never been regarded as a town centre but is starting to fulfil high street functions for local residents. Since 1995 Centre4 has supported local regeneration activities, and a quarter of a century on it has a purpose-built community centre, a gym, a community shop providing affordable groceries, a nursery, office space, sports facilities and wellbeing services. The difference is that the street has yet to be animated in the way a traditional high street offers: the area is largely residential and the density of buildings is low. But over time and with the right planning framework, the services provided by Centre4 could be the start of something bigger, with community businesses at their heart.

These examples show possibilities rather than trends: most high street activities are likely to remain based around traditional locations, and generating sufficient activity in low-density residential areas will take decades rather than years. But where property is affordable and services can be clustered together in mutually supporting ways, different types of high street might emerge. The key is the mix of people and activities, and the opportunity to adapt and densify.

6

The long-term potential for community businesses in high streets

This section considers the longer-term potential for community businesses, in terms both of the contribution they can make and the support they need. It focuses on priorities for investment and policy, and how Power to Change and other funders, including government, might make a lasting difference.

6.1. Clustering for the common good

The case studies in this report, along with other examples cited, highlight the importance of clusters of activities and buildings in reactivating high street spaces - or spaces that could become high streets in future.

Such clusters tend to begin with individual community businesses or hubs, but investment in individual businesses does not create clusters. Where clusters have grown, there are some common factors that should guide future investment.

First, there is a vision and ambition for the place rather than the individual business. Sometimes this evolves from a set of activities, and on other occasions it is explicit from the beginning. Hebden Bridge Town Hall, brought back into use through a transfer from the local authority to a locally-run development trust, is an example of how a key building can be used to support a broader vision for place-based regeneration. Bradford's People's Property Portfolio (see Place Focus, p.31), though still at an embryonic stage, has a vision that extends beyond the success of the enterprises that support it. Baltic Triangle, conversely, has emerged as a location of activity and an identity has been generated in the process.

Clusters of community businesses can have a greater impact than clusters of private businesses, because they emphasise collaboration and a shared agenda of social benefit. Their focus is outwards and not only on their own survival and success. They can also, as in the case of Hastings Commons, contribute to developing new business norms, emphasising shared values and ambitions for local regeneration. They bring an enabling approach, described by one interviewee as 'the infrastructure for people to bring their ideas'.

Evidence does not currently exist, beyond the individual stories of some pioneering organisations, to show the long-term potential of supporting clusters of community businesses in such locations. But there is plenty of evidence from the commercial world to support the thesis that complementary businesses networking within a locality are more likely to grow and thrive. It would make sense to keep supporting such mutually reinforcing networks in the community business sector and to evaluate the long-term impacts of such support. This can be done through funding and expertise, but also through supportive planning and regulatory frameworks.

6.2. An emerging high street economy

The second long-term issue to take into account is that community businesses in high streets are starting to model a different kind of high street economy. Some of the activities are familiar - cafes or co-working spaces, for example - but they differ from the traditional high street economy in that they are often part of a portfolio of activities designed to meet local needs. Community businesses also bring in activities that have not traditionally been part of the high street business mix, such as affordable housing and informal meeting places where the emphasis is on creating spaces to gather rather than maximising food or drink sales.

In some respects high street community hubs could become the natural successor to department stores, providing a range of facilities and services under one roof. Just as department stores were once seen as the preferred 'anchor tenant' of shopping developments, community hubs could be given preferred status in landmark buildings as anchors of the local economy. To do that, their role and potential needs to be acknowledged and supported by planners, and they may often need support to acquire and renovate key buildings.

High street community hubs will also usually need the support of public or philanthropic funders to underwrite the costs of acquisition and refurbishment, and governance bodies such as the proposed Community Improvement Districts so that their work complements local priorities and supports wider place-based regeneration activities. Local plans should identify strategic spaces where community business activity will be prioritised, and this needs to be communicated across local authority departments and partner organisations.

6.3. Avoiding the gentrification trap

There is a common story of regeneration, especially when led by arts or 'creative industry' organisations, that proceeds from pioneering investments in run-down neighbourhoods, to the formation of networks of creative businesses, to the arrival of property developers, extraction of land value and rental income, and then to the eventual collapse or marginalisation of the initiatives that created the value for developers. Academic studies have charted this phenomenon but also highlighted its complexities in places such as Manchester's Northern Quarter (O'Connor and Gu, 2010). Hubbard (2017) argues that high streets too suffer from economic gentrification that pushes out traditional working-class uses of space.

Gentrification is a real risk that is already being encountered in some of the spaces and places referenced in this report. Baltic Triangle is seen in some quarters as a classic case: some businesses that moved in when prices were low can no longer afford to be there, and the hipster vibe of coffee shops and arts venues risks diluting the social impact of the more community-focused organisations.

Interviewees for this report recognised the risks, and acknowledged that community businesses could sometimes be seen as contributing to the problem: by bringing

empty property back into use they were supporting land values and highlighting the potential for speculative acquisition and development - 'creating value for negligent landlords', as one community business leader observed.

Organisations such as Kindred in Merseyside or the proposed High Street Buyout Fund could help to hold back gentrification, acquiring property and holding it in trust for community benefit. However, they need to avoid inadvertently becoming part of the problem by keeping property empty for prolonged periods until community businesses have the capacity to acquire it. Short term animation of empty buildings prior to conversion or renovation must be part of the offer.

In the longer term, there needs to be enough available property on or around high streets to meet community organisations' needs at an affordable price. There is unlikely to be a standard metric for this: in some locations two or three large properties may be enough. In others, even a dozen may feel like a drop in the ocean. So what matters is the capacity to respond to opportunities in ways that can take the heat out of the hottest property markets but inject a stimulus into those that are more moribund. A flexible, well capitalised resource such as the High Street Buyout Fund could provide a model to build on.

Place focus: People's Property Portfolio, Bradford

Bradford has spent decades trying to reinvent its shopping core. In 2004, a large area of the city centre was demolished to make way for Broadway, a development of more than 90 shops and eateries which was intended to provide a new focus to the city.

The new shopping centre finally opened in 2015, having been mothballed during the recession following the 2007/8 financial crisis - but since its opening the retail sector has continued to struggle. With its focus on international brands, Broadway has reflected wider trends as familiar names such as Debenhams, Topshop and Paperchase have disappeared.

One consequence of Broadway's opening was to leave the traditional shopping area known locally as 'top of town' marginalised. Some streets struggled; others, such as North Parade, became home to a new mix of independents. Overall, the property vacancies remain high and the city continues to search for a catalytic intervention: the current hope is that a successful bid for City of Culture status in 2025 will provide that boost.

Meanwhile, Bradford suffers from persistent deprivation and properties stand empty. But landlords appear oblivious of the demand that exists, or reluctant to meet it at a fair price. One business specialist complains:

I find it really frustrating dealing with landlords. I get at least two requests a week for space from community groups. Getting the keys from landlords is an absolute nightmare. Community businesses will have to empower themselves and equip themselves.

That self-empowerment is exactly what the People's Property Portfolio intends to do. Behind it is a group of civic and social entrepreneurs with experience of the depressing property cycle of landlords' neglect, community investment and developer profit. One arts organisation, Brick Box, moved from London after being priced out through such a process.

The People's Property Portfolio (PPP) brings together Brick Box and local entrepreneurs such as Assembly Bradford with specialists in community asset building, including Power to Change, New Economics Foundation and Locality.

The idea is to 'secure a cluster of buildings through community ownership and use these buildings to develop social enterprise and support cultural activity'. The plan is to start with Vintry House, originally built as a warehouse for Marks & Spencer and now owned by Bradford Council. Sitting opposite a planned new market in Darley Street, it could be an ideal home for arts and community activities.

The intention is not simply to create spaces for activities that struggle to find secure accommodation, but to make sure these spaces are not lost as property values rise. One of the PPP partners explains:

I think at the heart of it is this shared concern about gentrification and that there needs to be quite a firm pushback on that, otherwise we're just going to keep doing it.

Because PPP is targeting buildings that are currently owned by the public sector, the hope is that owners will be more open to the opportunities to create social value. In the longer term, PPP and its community allies want to be in a position to call the shots rather than pleading for an opening:

What we're hoping to do in Bradford is try and work with the council in this ecosystem model, where you're basically saying there's a campus of buildings that are owned by the public authority, cos they still own quite a few buildings in Bradford, and by the community... and then you're inviting existing landlords and developers into that to say this is how we work here, we don't do it your way, we do it our way.

PPP's backers and partners hope that as well as creating opportunities for community businesses, they will be able to build an alliance across the public, private and community sectors to improve the city centre. It's important, one interviewee commented,

...to see your fellow businesses as allies even if they're not community businesses, there's phone shops and vape shops and places where you buy tobacco and stuff like that so they've been an important part of how we create a community - because they are there.

It hasn't always been easy to work with landlords or even with the local authority. Partners in PPP complain of getting mixed messages from different council departments. But across the city there's a growing recognition that community businesses have something important to bring to the party - 'passion, willingness, expertise, knowledge and a vested interest in the community and people', as one interviewee observed.

6.4. Building on the work of Power to Change

Power to Change has recognised the growing national concern over the state of UK high streets and applied the experience of community businesses and community anchor organisations to the problem. In doing so it has highlighted the perennial challenges of access to property, affordability, governance and ownership. The challenges faced by community businesses are those encountered by any organisations looking to maximise value for local people in high street contexts.

Power to Change has identified some key issues and taken steps in the right direction. It has highlighted the contribution community businesses can make (Brett and Alakeson, 2019; Lee and Swann, 2020). Programmes such as Empowering Places have identified the opportunity for community businesses to play a catalytic role in disadvantaged places, and this experience can be tapped in future initiatives. The Platform Places project has highlighted the need for intermediaries to help community businesses access property and navigate the maze of owners and agents. Kindred is

showing the potential role for social lending in high street contexts, and the proposed High Street Buyout Fund could act as a much-needed social land banker. The pilot Community Improvement Districts will generate learning about how community businesses can play a part in local governance.

It is important to see all these initiatives in terms of their combined impacts and in terms of the overall challenge of high streets. All aim to create conditions in which community businesses can succeed, addressing different barriers to success. They need to be coordinated and supported in the long term to have any lasting impact. Power to Change and other funders, whether from government or the philanthropic sector, also need to be flexible in supporting experimentation and innovation in order to meet the overall objective: to bring streets and spaces back to life in ways that create long-term value for the communities they serve, supporting and building new attachments to place.

The current political emphasis on pride in place as part of a broad, if indistinct, agenda of 'levelling up', provides an opportunity to direct government resources and legislation to complement the work being done by Power to Change and by community businesses. This may also offer an opportunity for Power to Change or a successor organisation to take on a long-term role in supporting place-based community regeneration, building partnerships, brokering access to spaces and providing the expert advice community businesses will continue to need.

6.5. Improving national policy

There are no quick or simple policy fixes to the issues that have led to high street decline. Current initiatives such as the Towns Fund and the Levelling Up White Paper may be more of a stop-gap than a long-term solution. Systemic issues, such as local government finance and business taxation, have consistently been dodged in favour of more headline-grabbing initiatives.

In this context it would be wise not to expect too much from policy interventions. However, there are some achievable improvements that could contribute to longer-term changes that would support community businesses and their allies in generating local solutions to high street challenges.

First, government should **retain policies that are helpful**. Planning policies that put town centre uses first should be kept and strengthened. Policies that contribute to broader place-making objectives, such as encouraging active travel, should be continued and expanded. The Westminster government could learn from good practice in Scotland, adopting policies such as the 20-minute neighbourhood and tools such as the Place Standard (www.placestandard.scot), which provides a useful diagnostic framework for local partnerships and communities. Legislation along the lines of the Wellbeing of Future Generations Act pioneered by the Welsh Government could encourage local authorities to consider communities' future needs when drawing up Local Plans or development schemes.

Second, government should **support new forms of local governance** that encourage greater community participation. Legislation on Business Improvement Districts (the Business Improvement Districts (England) Regulations 2004) could be amended to ensure community interests are represented alongside businesses. Neighbourhood forums could be resourced and empowered to act as local social land bankers. Community rights to acquire land and property in England and Wales should be bolstered to at least match those that exist in Scotland. Funding for local government should be increased to build local capacity to support community businesses and the voluntary and community sector.

Third, **funding programmes should be designed to fit communities' needs**. The balance between capital and revenue funding needs to be flexible enough to allow bidders to central funding pots to develop initiatives to fit local aspirations rather than government-imposed rules. Requirements to demonstrate value for money need to reflect local circumstances and the social value community businesses seek to create. Funded projects should not be required to demonstrate increases in land values. There should also be a move away from competitive bidding for centrally-distributed funding wherever feasible. Instead of preferring 'shovel-ready' projects, government should support prioritise projects that offer the greatest scope for community involvement and co-design.

Finally, central government should set in train **cross-party commissions** on the future of local government finance, business taxation and landlord and tenant law. These issues will be controversial and cannot be resolved in the short term, so it is important to start building a political consensus for action. All political parties have an interest in creating stronger, more stable and more inclusive local economies, and controversies over the means should not be permitted to keep frustrating the ends.

Conclusions and recommendations

7.1. Three key messages

High streets are complex and their futures are unpredictable. But the evidence from this research shows that community businesses can play a significant part in shaping those futures for local benefit. The eventual outcomes will depend on a host of factors, many of them beyond the influence of community businesses.

However, there are three takeaway messages that are worth highlighting.

First, and obviously, **people, rather than buildings, make places**. The community businesses that will help to regenerate high streets are those that maximise footfall and animate spaces, creating reasons to be there. At the same time, community businesses are more likely to succeed in places that already attract people: they can benefit from passing trade just as private enterprises do. If a place is not easily accessible on foot or by public transport; if it has already been substantially abandoned; and if there is no nearby residential community, then community businesses should consider whether the costs outweigh the benefits. Where community businesses can build on existing attachments and forge new emotional bonds between people and place, there are big opportunities. However, they should be cautious about 'saving' particular assets. The emphasis needs to be on using them.

Second, high street regeneration is **a long-term ambition**. The complexities of a dysfunctional property system and a crisis in traditional retailing will continue to trouble high streets for many years. However, community businesses usually build on long term connections with places and commitments to the people who live there: a long-term problem is also an opportunity. But community businesses need long term protection, especially in terms of accessing and owning property. For some, managing property may be a distraction from the social benefits they want to create. Funders and advisers need to be skilled to help community businesses gear their ambitions to capacity and resources (including planning exit routes when needed). Funding arrangements need to promote an ethic of care and maintenance, not just the delivery of projects.

Third, community businesses and their supporters need to grasp the potential of high streets as **hubs of an emerging economy**. The projects mentioned in this report feature several common activities: arts and creative industries, residential accommodation, community gathering places, food and drink, making and co-working. Relatively few are involved in retailing as their primary activity, but as they grow, retailers may gather around them. High streets are well placed to host this mix of businesses, but they are not the only places where such clusters may emerge: estate-

based community anchor organisation may also serve a similar function at a neighbourhood level. What community businesses offer will be complementary to the activities traditionally associated with high streets, rather than replacing them, but over time some high streets are likely to take on a stronger community flavour. Planners and funders should take opportunities to encourage this process.

7.2. Recommendations

These key messages, alongside the more detailed discussion of the preceding chapters, can be supported by a set of **principles and behaviours** that can be exercised to modify or build on existing policy and practice. These are summarised below as recommendations for particular groups of stakeholders.

- **Recommendations for government.** Actions for government were outlined in section 6.5. To support these, a set of principles should be adopted in planning and policymaking to support community businesses in creating social value.
 - First, policy should **prioritise use value over land value**. This is vital in ensuring regeneration schemes have the hoped-for outcomes, and will be a key test of the ‘levelling-up’ agenda.
 - Second, funding should **support revenue spending as well as capital**. The reasons why capital spending is favoured have more to do with accounting policies and political expediency (including opportunities for ministers to be pictured opening buildings) than with community needs. Investing in places begins with investing in people.
 - Third, **funding should support partnership rather than competition**. This starts at the top: competitive bidding for funds encourages projects to compete against each other and to overstate their ambitions and outcomes in order to attract favour. Long term finance, awarded at least in part on the depth of collaboration involved in project planning, needs to become the norm. This will challenge ministers (of all persuasions) who like to regularly announce new allocations of money.
 - Fourth, government should **seriously address the big issues**. Property law and local government finance cannot be repaired on an ad-hoc and piecemeal basis. There are few political rewards in addressing these challenges, but they are not going to go away.
- **Recommendations for local authorities** and their partners. A similar set of principles applies to local authorities as to government. However, they should also adopt the following approaches:
 - First, they should support **organic change rather than boosterism**. Large capital developments and festivals such as City of Culture can make an impact, but the effects usually tail off over time and the shiny new facilities become tired and outdated. Low-key, flexible, adaptable changes can create spaces for people to contribute their own ideas and innovations. An ‘urban acupuncture’ approach based on the ‘lighter, quicker, cheaper’ principles advocated by the US Project for Public Places¹⁰ is to be preferred to large-scale redevelopment.
 - Second, they should **welcome and resource civic entrepreneurs**. By ‘civic entrepreneurs’ we mean individuals and groups with a vision for change, whether it be within a building or a neighbourhood. These are likely to include community businesses, but won’t be limited to the community business

¹⁰ <https://www.pps.org/article/lighter-quicker-cheaper>

sector. Civic trusts, charities, private business leaders and faith organisations are all groups where civic entrepreneurs may emerge.

- Third, they should **support social purpose finance organisations** such as Kindred in Liverpool City Region. Local authorities are often not best placed to understand the detail of community businesses' cashflow projections and financial modelling. But they can provide resources, either directly through loan or grant funding, or indirectly by leveraging the value of their property assets or reserves to underwrite social purpose lending.
- **Recommendations for property owners and agents.** Property owners that want to be part of prosperous high streets in the future and to protect the value of their asset need to consider some significant changes to their business model:
 - First, they should **invest for the long term**. This may result in lower rates of return in the short term, but places have not been well served by land value speculation and asset-flipping. There are examples of successful private landlords, such as Grosvenor and Peel, that have long term approaches to their assets. Landowners operating in high streets need to consider which businesses will still be there in 20 or 30 years' time.
 - Second, they should **recognise social value**. The social value created in high streets by community businesses may not readily translate into rates of return. However, by stabilising fragile property markets and animating spaces (including through temporary uses), community businesses and organisations can create lasting value for private owners. Owners should therefore make property available for short term uses, and consider offering social value leases for periods of five or ten years or turnover-linked leases to enable community businesses to contribute to high street regeneration.
 - Third, they should **be available and accountable**. Property owners should see themselves as part of the communities in which they invest, and accept the responsibilities as well as the rights that come from being part of a community. Without such accountability, stronger legislative measures may be required to make local property markets work for local benefit.
- **Recommendations for community businesses.** If community businesses want to contribute to the revitalisation of high streets, they could do so simply by running a business in a high street location. But their wider impact depends on much more than this.
 - First, community businesses should **consider places, not just buildings**. Action often stems from an emotional attachment to or desire to save a particular local asset. But the building, and the activities that it might host, need to be considered in the context of the place as a whole. The needs and aspirations of the people should take precedence over the needs of the building.
 - Second, they should **find partners and allies** beyond the community business sector. A hallmark of successful high street revitalisation projects is the extent of their collaboration and networking, linking with private and social enterprises, funders and local authorities. Partnership is a resource, but it can also be a drain on time - so community businesses should identify people and organisations that contribute to their sense of enthusiasm and ambition, in addition to the practical help they can offer.
 - Third, community businesses should **be ready to adapt** to changing circumstances. Their presence on a high street is likely to outlast governments and their policies and to survive economic cycles of growth and contraction. A business model that works when people have spending power may fail when times are hard.

- **Recommendations for funders.** Funders such as Power to Change are already working closely with community businesses to provide finance that meets their needs, but not all funders are aware of how best to support community enterprises on high streets. The following four principles are key.
 - **Consider place as well as projects:** the success of a community business on a high street may depend on the networks it can connect with, bringing people into the high street for a range of activities rather than just one.
 - **Fund skills as well as activities and assets:** community businesses have to learn quickly, and different skills are needed for acquiring assets and then operating them when renovations have been completed. Finance should be used to build community businesses' capacity as well as directly supporting their projects.
 - **Support risk-taking and experimentation:** pre-development finance for project planning, market testing and feasibility studies is often hardest to access, because there is no obvious return to a funder. Yet without such support, many promising projects will never happen.
 - **Provide patient capital.** Community businesses are engaged in the long haul of placemaking, and need to be financed accordingly. It can take many years to get from planning to asset acquisition to trading sustainably, so loans need to match realistic repayment timescales.

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