

Midlands Engine APPG – High Street Regeneration: 12.30 pm, 24 May 2022

Attendees:

- Midlands Engine APPG Co-Chair: Darren Henry MP, Conservative, Broxtowe
- Midlands Engine APPG Co-Chair: Lord Ravensdale, Crossbench Peer
- Baroness Verma, Life Peer
- Baroness Burt of Solihull, Liberal Democrat Peer
- Jane Hunt MP, Conservative, Loughborough
- Kate Griffiths MP, Conservative, Burton
- Pauline Latham MP, Conservative, Mid Derbyshire
- Steve McCabe MP, Labour, Birmingham Selly Oak
- Joshua Stefan for the office of Darren Henry MP, Conservative Broxtowe

Guests:

- John Forkin MBE, Managing Director, Marketing Derby
- Amy Burton, Inward Investment Executive, Marketing Derby
- Rachel Shaw, Director of External Affairs, Midlands Engine
- Gayle Aughton, Senior Executive Officer, Midlands Engine
- Orlando Wind-Cowie, Senior Account Executive, Lodestone
- Christina Nielsen, Senior Researcher, Henham Strategy

Opening Remarks

Darren Henry: Opened meeting and welcomed speakers, attendees and guests to the APPG session on High Street Regeneration in the Midlands. Said that upcoming sessions of the APPG would be likely to focus on green growth, visitor economy, transport and local authorities. Then handed over to the Midlands Engine to talk about the materials available to MPs via the Midlands Engine Observatory.

Rachel Shaw: Highlighted the role of the Midlands Engine Observatory in supporting MPs with key data about the region and other materials, including analysis papers. Encouraged MPs to draw on these resources whenever needed and said that the Observatory would be happy to support them in preparation for debates or similar events. Then pointed out the fact sheet on Midlands High Streets and the recently launched Midlands Investment Portfolio, both of which were available in the room.

Darren Henry: Followed up and said that data and other resources can also be found on the Midlands Engine website (linked <u>here</u>). Then handed over to Baroness Verma to introduce the speaker and to lay out the importance of high street regeneration in the Midlands.

High Street Regeneration

Baroness Verma: Said that high street regeneration has never been more important in light of the challenges which city centres and high streets have faced, both during and following the Covid-19



pandemic. Baroness Verma explained that much of the policy thinking around high streets and high street regeneration is stuck in a 20th century mindset and focused on bringing back retail, instead we all need to encourage a shift to 21st century thinking, seeking a new approach to how we visualise mixed economies, and focus on how high streets can be regenerated for the benefit of left-behind communities, underpinning any focus surveys with communities with evidence based data.

Baroness Verma: Then introduced John Forkin MBE, who is the Managing Director of Marketing Derby and former Chair of the Midlands Engine China Trade and Investment Group. Explained that Marketing Derby is working at the very cutting edge of high street regeneration and won the Queen's Award for Enterprise in 2020. Highlighted that there is much to learn from the successes seen in Derby, and then handed over to John for his presentation.

Presentation

John Forkin MBE, Managing Director, Marketing Derby

- Marketing Derby: Explained that Marketing Derby is a true public-private partnership led by
 the business community in Derby. Said this operating model has enabled the success of the
 organisation, and that the organisation remains firmly focused on regenerating Derby to
 ensure that the city centre can be the best possible 'shop window' for the wider region.
- **Purpose of a city:** Said that the key thing to consider when thinking about regenerating a city is to ask what the 'city customer' wants from a given place, as essentially the role of a city is to create a customer. Explained that the first question to ask in this regard is where the money is generated in a city.
- Tailored solutions: Highlighted that in Derby, the answer to the above question is the business community. Derby is a city of many high talent and high wage industries, and the home of many major employers. However, explained that the problem in Derby is that the city leaks wealth, in the sense that high wages are not retained in the city and the city does poorly in terms of social mobility. Went on to say that this situation is unique to Derby and used this example to illustrate that solutions to city regeneration must be tailored to the place in which they are implemented. Said that the same interventions will not work everywhere, and this is why local and regional organisations focused on regeneration are so important.
- Types of challenges: Went on to say that the challenges that each city face can largely be captured in four different brackets, and these are: living, working, visiting and experience. Highlighted that each city in the UK will have their own unique strengths and weaknesses across these four domains. Then explained that in Derby, the bespoke solution has to be around wealth retention, as the city is broadly doing quite well in terms of living and attracting residents, however most of the high-wage jobs in Derby are not held by residents, but by people who are commuting into the city. Further said that in terms of visitors, Derby performs along the lines of the national average, but from an experience point of view, the city needs a total transformation.
- Recommendations: Concluded presentation by laying out three key recommendations to ensure that high street regeneration efforts are successful around the country. Firstly,



reiterated the need to curate city high streets in response to the needs of their specific customers, and to tailor high street regeneration efforts to local needs. Second, highlighted that for high street regeneration to be successful, the central Government must learn to trust local government and other local organisations. Explained that when funding is awarded for regeneration efforts, such as through the Shared Prosperity Fund, this is too tightly controlled by central Government. Said that instead, local authorities should be empowered to spend this funding flexibly in response to local needs. Third, said that we cannot fix high streets without first fixing business rates. Explained that the current business rates system is heavily weighted against high street businesses, and while business rates do not need to be abolished, they need to be weighted differently to ensure that businesses are not punished for being on the high street.

Darren Henry: Thanked John for his engaging presentation and opened the floor for questions.

Questions

Jane Hunt: Said that for the purposes of regeneration, West Midlands has a real advantage in Mayor Andy Street, as he serves as an advocate for the region. Asked if the East Midlands lose out by not having an equivalent advocate? Further, asked if Derby has in effect 'grabbed people' from other areas onto the high street, at the expense of other places?

• John Forkin: Replied that the East Midlands do lose out, as the region is too fragmented and having a Mayor would be an important conduit for better collaboration. In response to the second question, said that high street regeneration is not about competition but about providing both good city high streets and town/local high streets, which will cater for different experiences. The city high streets will have a larger geographical reach, as people will travel for city-type experiences and will use their town/local high street for different purposes.

Steven McCabe: Asked how to reconcile the tension between urban and sub-urban high streets? Further asked how cities can reconcile the ambition of wealth retention with issues like absentee landlords, and how to reconcile growth with clean air zones?

- John Forkin: Reiterated his earlier point that urban and sub-urban high streets serve different purposes for customers. Highlighted that the pandemic led customers away from city high streets, and instead, onto their sub-urban (town/local) high streets for things like café or restaurant visits. Went on to say that in light of this development, it remains important to focus on regenerating city high streets to ensure that they also continue to attract customers. This is especially important as city high streets act as shop window for a place or region, in a way which sub-urban high streets do not.
- John Forkin: In response to the point about landlords, said that conversations about city and high street regeneration absolutely have to include landlords, as they are both a part of the problem and the solution. Reiterated the point that not all city landlords are bad, but that in some places they should be asked to do more. Regarding clean-air zones, said that while these are a good idea in theory, cities must ensure that before they become car-less, the car



is replaced with accessible, functioning public transport and that urban areas are safe and comfortable to move around for visitors and residents.

Pauline Latham: Asked about the tension between urban and sub-urban high streets and about the potential for tension between cities, cited Derby and Nottingham as an example. Highlighted the very successful community initiative 'Love Belper' which is a locally-led effort to regenerate the high street in Belper in her constituency.

• John Forkin: Responded that city regeneration should not be seen as a zero-sum game between cities and suburbs. Highlighted that cities will always offer something that towns and suburbs cannot provide, such as cultural events, art, recreational spaces, football clubs etc. Explained that this is why you can have both thriving city and local high streets, because everywhere can provide different experiences to customers. As such, the focus should not be on competition between urban and sub-urban areas, but should instead be on ensuring that all areas can capitalise on what they have to offer and provide the best customer experience.

Baroness Verma: Asked why the policy conversation still supposes that we need to recreate city centres as they have always been, and how policy makers and regional stakeholders can move on from this?

• John Forkin: Responded that high-street regeneration is really about repurposing and focusing on improving the way places look and feel. Said that both national and local organisations have to get better at engaging residents and communities in conversations about how they want their local place to look and feel. Explained that this type of engagement cannot be effectively done in church hall meetings anymore but must instead mean undertaking well-tested and sophisticated market research.

Lord Ravensdale: Asked how important the compulsory purchase powers in the Levelling Up and Regeneration Bill would be in terms of enabling city and high street regeneration?

• John Forkin: Responded that his instinctive reaction to the compulsory purchase powers included in the Bill was that these might not be exactly what is required. Said that for the purposes of high street regeneration, the most important policy intervention would be an overhaul of business rates. Explained that while there is currently a significant amount of empty retail space in high-street buildings, converting this space into residential is almost impossible from a viability point of view. Said that a more nuanced approach to regeneration and the issue of vacant properties is needed. Explained that from his perspective, local authorities should be given the power to take a street or block and designate it as an 'emergency zone'. Such a designation should then obligate landlords in this area to work with the local authority to figure out what would be needed to regenerate.

Concluding remarks

Darren Henry: Thanked John again for his presentation and fascinating insights into the issue of high street regeneration, and thanked MPs and Peers for their valuable contributions and questions. Reiterated the importance of the Midlands Engine and the Midlands Engine Observatory in providing



supporting data for these conversations, both on high street regeneration and on a wide range of other issues.

Darren Henry: Reminded attendees that the next meeting of the Midlands Engine APPG will be on Tuesday 21 June, and the event will be focused on health and will be chaired by Dr Luke Evans MP (Con, Hinckley and Bosworth), who is also the Chair of the APPG sub-group on health.

Meeting closed