

# A 3 PART RESEARCH PAPER ON PROPOSALS TO REJUVENATE NORTHERN HIGH STREETS

## PART ONE CENTURIES OF THOUGHTLESSNESS



Paris is considered *cool*. New York is thought *hip*.

But what brand metaphors do the town centres of Northern England deserve? Well *cool* or *hip* are not in Wigan's brand lexicon that's for sure. From Huddersfield to Halifax, from Bolton to Bradford, from Rochdale to Rotherham, the aesthetically appalling and dour High Streets of the North have brand attributes that are not replicated throughout most of Western Europe. Only the formerly communist Eastern Europe can match our Northern town centres with a similarly depressing nature.

Is there anyone to blame for this appalling situation? Well, perhaps.

It's probable that any collective notion of urban vision never existed during the World's first industrial revolution of the mid Eighteenth century. The English 'North' was *the vanguard* and there's much evidence to indicate that most mill owners were disinterested in their own towns, building their country piles well away from the grime, dust and the proletariat who toiled in their factories. Sadly, only four enlightened owners of the time; Lord Leverhulme (Port Sunlight); George Cadbury (Bournville); Joseph Rowntree (New Earswick) and Sir Titus Salt (Saltaire) exemplified a vision for the future of their town and their workforce's welfare.

Yet in Europe, industrialisation went ahead too, though with an architectural and town centre planning vision that the UK North has never witnessed. And worst still, the current recession has heaped even more misery by creating partial 'ghost-towns' in most UK High Streets, and not just the North either.

Even the celebrated TV retail expert Mary Portas, now a discredited UK Government adviser from her links to Retail Park developers, Westfield Properties, will struggle to reverse this trend because you cannot open a shop without the notion of having customers; but where will they come from if they have no money to spend?

The Ernst and Young Item Club of UK economists are forecasting little or no growth in consumer spending for at least 10 years to come (Times 16.05.2011) so growing household debt, food and petrol needs will always surely trump the sales of candles or pastrami sandwiches. And we haven't even mentioned the increasingly negative effects of the Internet on the High Street, nor the long term damage to town centre investment



caused by thoughtless decisions to allow massive hypermarkets and even more monolithic *out of town* shopping centres such as the Trafford Centre, Meadowhall in Sheffield and the Metro Centre in Gateshead.

So with the life-blood sucked out of the high streets of Northern towns paralleled with the worrying increase in the binge drinking culture of younger generations, what exactly are the brand attributes of the likes of Bolton and Bradford town centres? Are there any positives to be found at all?

### **Northern Attributes**

When talking about the branding of a town's High Street, there are a number of key attributes to consider; people; architecture, infrastructure and commerce.

People in the North are different from the South - of that there is no doubt. Apart from London, anti-social behaviour is far more prevalent in the North and much of the blame



could be laid at the door of the *sink estates* or sprawling council housing estates, ill-conceived after WW2. The town centres of Halifax and Bolton, for example, are virtual no-go areas on a Friday night for anyone not wanting to get drunk, vomit and or fall down. Fighting is endemic too and brings shame onto British Society.

The point to grasp here is that this *Neanderthal* behaviour, fuelled by bars vying with very cheap alcohol, is putting off the middle classes from coming into town as well as discouraging more sophisticated venue operators to not even bother with evening time opening. In Bolton town centre after 6pm, there is not one convenience store, delicatessen, cinema or café open. What message does that send? And Bolton is no different from the rest.

It certainly doesn't inspire tourists, that's for sure. I didn't see many French or Belgian car plates last time I was in Rotherham.

In terms of architectural themes, the most ubiquitous buildings in Northern towns are Victorian, with their many castellated edges and coverings of dark, depressing grime. A few good buildings, usually the town hall, will have been cleaned up, and when they're done, they do look marvellous and grand. But these are just the precious few.

The dark grime makes the buildings appear run down, even if they are not, and coupled with the prevalent rain and grey weather of the North, can encourage and promote the local population's depression. Occasionally, a private sector high quality renovation is carried out, for example the Old Market Hall in Bolton. It's been very tastefully worked, but unfortunately it is surrounded by *a sea of grot*.

Infrastructure is also important to creating a town that people are proud of. And by that we mean the quality of the roadways, streets, paths, streams and rivers. Pedestrianised areas are one of the few plus points for Northern towns - most have them and they work well.

Unfortunately, streams and rivers have not been so cleverly developed as features. Most are ignominiously buried in tunnels and pipes many metres below our Northern High Streets. And yet perversely, rivers are the very lifeblood of so many famous towns and cities throughout the World. For example, would Paris, Lyons, Milan or Montreal be anything without their charismatic waterways? For the town planners of Northern towns, it seems tarmac was always the preferred surface.

And finally, High Street retail commerce has spectacularly come off the rails over recent years as we have witnessed the likes of Oddbins, Woolworths, Ethel Austin, MarkOne, Viyella and loads loads more go bankrupt or move into a Company Voluntary Administration (CVA). Only recently, Mothercare, for generations a High Street stalwart said it was moving all stores to out of town locations only.

With many High Streets having over 15-30% of shops empty, Mary Portas will most certainly struggle with this recessionary problem

## **PART TWO            INNOVATE BUT LEARN FROM OTHERS TOO**

*Having reviewed the history of Northern High Streets and chronicled their generally negative brand attributes, Part Two of the series reviews some of the key features of iconic town centres across the UK and Europe to see if copying their ideas is worthwhile.*

So what are the brand attributes of the UK and Europe's most iconic town centres? Carefully avoiding cities, which generally have different investment patterns to smaller towns, the following might be considered part of Europe's cherished townscapes; Shrewsbury, Harrogate, Durham, Falmouth, Llandudno, St Malo, Lugano, Montreux, Annecy and Odense.



And of the sample towns mentioned, only Harrogate has no obvious water feature, though it is a spa town of international standing, however. All the others enjoy the favoured attribute of river, lake or sea plus have some fabulous buildings which are all generally free of grime and well maintained. As tourist destinations, their town councils do not seem to tolerate run down properties; why should they, it's bad for their image. Similarly, none have much in the way of high-rise buildings, two or three storeys is typical.

Interesting from a retail perspective, not one town is overrun with large stores, their prevailing architectural styles do not easily facilitate megastore development. In contrast, these towns exhibit a wide range of distinctive and differentiated small shops, selling products predominantly targeted towards the more affluent consumer and tourist.

From a social and cultural viewpoint, what is striking in all of these towns is the complete lack of pub concentration or the existence of what are, in effect, super pubs or large drinking taverns. For whilst Shrewsbury, Falmouth and the other great British towns have some amazing pubs and inns, they are not super concentrated in a very small area as say Bolton or Wigan. Of course pubs are a truly idiosyncratic feature of the British Isles, whilst the Continent has very very few, save the odd Irish import - aren't they just everywhere!

Finally, another noticeable feature is that restaurants generally far out-number the availability of bars or pubs. All have either only one or no large drinking tavern (Llandudno has just one largish Wetherspoons for example) and lots of small restaurants catering for most food inclinations. Many restaurants will be in small back alleys, locations not normally used in Northern towns like Rotherham or Rochdale.



## Creating a New High Street Vision

Any proposals to change the High Streets of Wigan and Huddersfield brands from grey and dour to bright, green and vibrant must involve the lessons learnt from reviewing the positive attributes of the iconic towns of Europe, use paradigm changes in planning law and for finance, utilise Government infrastructure incentives and pension fund cash.

Those planning changes include the use of compulsory purchase to provide green amenity and park areas surrounded by quality apartments; tourism boosted on the back of excellent accommodation, greater amenities and destination iconic architecture; the total eradication of anti-social behaviour; greater numbers and diversity of people in town after 6pm 365 days a year; a greater diversity of shops coupled to an increase in middle class leisure and cultural activities; a change in the planning laws regarding inappropriate concentrations of large drinking taverns.

Furthermore, after the Chancellor's Autumn Statement of Wednesday 29th November, a strong case must be put for a good share of his infrastructure funds. Building extra road lanes will never create the much needed apprenticeships for 16-24 year olds.

On the contrary, building new squares and town centre apartments will need quantity surveyors, plumbers, electricians, carpenters as well as service sector roles in convenience retailing, nursery nurses for children of working parents, healthcare workers for example. In effect town centres will need a radically altered service infrastructure to cope with the needs of the new inhabitants.

To get green parks and water features similar to those of all great towns and cities requires large scale compulsory purchase. Northern landlords have shown over the years that they plainly have neither creativity nor money to redevelop their dilapidated properties. Nor does



it seem that any pressure from their local council has been exerted over them or has the indirect force of rising land values worked either.

So why not bring in *the only highly regarded and trustworthy* land focused national organisation, the National Trust, and create an NT*Urban* sub-division. Using some public funds to start with, NT*Urban* should join forces with Housing Associations to compulsory purchase, with the appropriate Government planning approval, large non-performing areas of town centres and their periphery.

The Housing Associations should tap into the major cash reserves of the larger UK pension funds, creating a virtuous circle of finance.

We definitely do not need any more shops, especially charity shops, and these areas will be developed like the squares of Mayfair and Kensington with NT*Urban* owning the green square or artificial lake (discussed in Part One of the Series) for the nation and Housing Associations owning the surrounding plots. Architects and contracted builders will develop high quality apartments and flats up to 6 storeys high. This way, everyone gets the 'nice' view they crave for!

The Housing Associations should only build high specification, architect-designed flats and apartments using Russian and Nordic concepts of community heating overlain with solar

panels for cheaper utility payments. Provision should be made for underground parking and internal gym and leisure facilities and Government help sought to allow first time buyers to purchase these properties. The current 50% or fractional ownership programme is of considerable merit. Rents of shops underneath any flats should move up and down with economic cycles – 25 year upward only rents must be expunged forever

Many would argue that local councils should not be involved in any of this process as they cannot be trusted. Take the quick example of The Water Place, a fantastic swimming pool complex built by Bolton Council circa 1990. Demonstrating miraculous incompetence, they allocated no monies for maintenance and repair and The Water Place was shut down after just 5 years by the Health and Safety Executive for serious health hazards. Meanwhile, Edinburgh Royal Commonwealth Pool is still fantastic after 41 years and is a Grade One listed building considered one of "sixty key Scottish Monuments" of the post WWII period!

But creating desirable housing is only one aspect of town centre re-population. Flat dwellers will only return to the town centre if there are sufficient relevant shops, activities and recreation available after 6pm in their new urban location. For example, there will be a need for convenience stores (Bolton currently has none) and more, dare we say, middle-class cafes and bars, comedy clubs and other low ticket price live entertainment venues. A swimming pool and high spec gym would help too, possibly as part of the apartment complex themselves.

And to get the tourists into town requires two or three more considerations. Firstly, tourists need somewhere to stay - accommodation available in all price brackets - from basic but clean back-packers hostel accommodation to four star luxury and business class.



Secondly, tourists would like some destination architecture to marvel at too if possible. Tourists love the centuries old Tudor splendour of Shrewsbury, but the Sydney Opera House and the Guggenheim in Bilbao are not that old are they? So let's make the next batch of larger buildings in Northern towns iconic without following the example of Margate who managed to build the Turner Contemporary Gallery in the guise of a supermarket distribution depot!

Thirdly, *NTUrban* could create a national leisure and culture card, similar to their stately homes and rural landscape membership package around costing £75 per annum.

The *NTUrban* leisure card could be priced similar and allow all UK citizens and foreign tourists a choice of weekly, monthly or yearly cards for reductions and discounts at museums, art galleries, sports facilities and cultural venues such as theatres. This would boost attendances at all venues and create a virtuous circle of business development.

And finally and most importantly, the anti-social behaviour has to be eradicated for good. Who in their right mind wants to mix with drunks vomiting all over the pavement? The shameful conduct of many adolescents cannot be allowed to ruin the revitalisation of town centres and High Streets, otherwise all the creativity, enterprise and hard work will be all in vain.

The consequences of this binge drinking culture is not just a penalty on the High Street either. Too much money is spent by the NHS dealing with the fallout as indicated by hospital consultants in the North East of England. They called in the media on Friday, 2<sup>nd</sup> December, for action to tackle a whopping 400% rise in liver disease amongst Geordie drinkers below the age of 40!

So from several angles, the Government must put the cost of alcohol up to stop the ridiculous pub pricing policies as indicated above.

Maybe we should look towards creating over 25s only zones, and most certainly review the planning laws for drinking taverns in town centres. Bolton's problem drinking zone is little more than a 200 x 200 metres square from the junction of Deansgate and Bradshawgate. The laws should be changed so these highly concentrated black spots are broken up with more restaurants and coffee bars.



### PART THREE: CRUNCHING THE NUMBERS

Being creative is all very well, but are the ideas affordable? With the UK still in economic gloom, analysing the financial viability of any project is very important if the visions are to come to fruition.

We now know quite a few things about the range and depth of UK and global economic woes. And of those things, several concern our local councils. We know they are not cutting much grass, hence the roadside jungles with blow-pipe Indians; we've just been told that they are not subsidising charities; and we know that they have had all their Government funding capped. So if we are to change the urban landscape for the better, it probably needs to be largely self-financing.

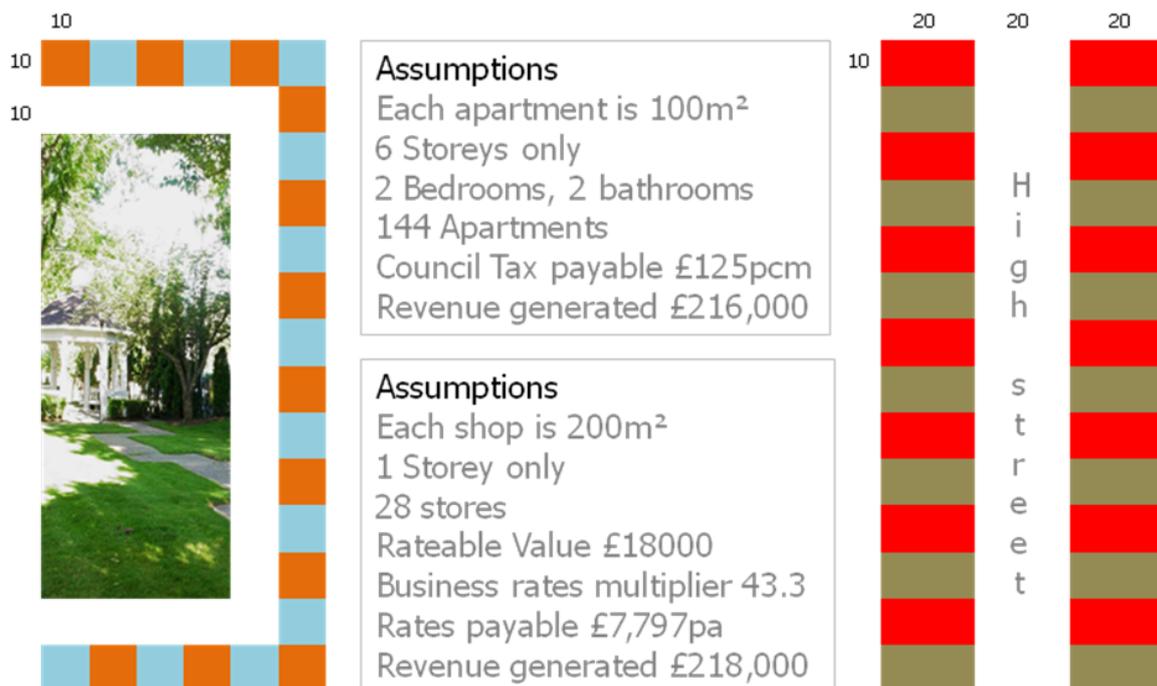
So let us consider a hypothetical strip of Zone B town centre peripheral land approximately 140 metres by 60 metres, say. Typically, this strip may contain around 28 shops, probably dilapidated to some extent and most likely 'well past their sell by date'. Because individual landlords own the stores, there is little or no incentive for any one shop to thoroughly and tastefully refurbish to a high quality.

With rateable values of approximately £18,000 each, these 28 shops would, using the standard business rate multiplier of 0.433, generate £7797 in business rates per year per store or £216,000 in total for all stores

Of course, if they happen to be charity shops, then they will be exempt from 80% of business rates thanks to the 1988 Local Government Act; Section 43. So the business rates take of that 140 x 60 metre strip will be seriously diminished.

If, however, all the shops were demolished en bloc, a Housing Association could build 144 top quality apartments of around 100 m<sup>2</sup> (1000 ft<sup>2</sup>) that surround a fantastic park area of 100m x 40m. The park would be owned by NTUrban for the nation in perpetuity and the council would accrue £218,000 in council tax.

### A Town Centre Space of 140 metres x 60 metres The revenues from 28 stores or 144 top apartments is similar



In other words, the loss of business rates from demolishing the shops, of which there are arguably too many anyway, will probably be completely balanced by council tax from the new apartments. And the more physical green or water amenities that are created the more the apartments will be worth. It's also worth noting that the local council keeps all council tax income whilst it has to currently pass over the vast proportion of business rates to the government, though there are moves afoot to change this situation.

Let us not forget too, the virtuous circle that can be created from having people back residing in the town centre aggregated to visitors and tourists staying in hotels and hostels. More people equals more venues, more amenities, more jobs, more revenue all round. A quick visit around the iconic towns of Europe reviewed in the third article in the series will soon show you that tourism definitely reduces the pain of recession.

Of course there is a catch, but it is not financial. People will only come back to live in town if the anti-social behaviour problem is totally and permanently resolved, of that there is no doubt.

### **Summarising the Vision**

No grass cutting, no charity subsidies, no to lots of things the Northern town councils used to do. All of which means that reducing car parking charges is not on their radar either.

But this is exactly one tactic that is needed right now to rejuvenate town centres. Because whilst our town centres are dying on their feet, out of town shopping centres are doing quite nicely thank you. Amplifying this point, Hammerson, one of Britain's largest property groups announced recently that shopper numbers passing through Brent Cross, Birmingham Bull Ring and their other centres were up 2.6% against -0.9% in general. People who want to spend money patently love hermetically sealed environments with all the major brands and unquestionably, free parking!



What this all adds up to is that the High Street has to evolve with a different retail mix. Zara, part of the Spanish Inditex Group has made no capital expenditure refurbishments nor bought any new UK stores in the last 12 months. So if they are not in Rochdale today, they probably will not be there any time soon.

The conclusion is painful but obvious – whatever town centre shops do in changing image, expand product ranges, redesign their interiors for example, will probably have little or no

effect at all. Other, much more radical changes are necessary to rejuvenate our Northern town centres in the long term. Those changes, many chronicled in the previous five articles can be summarised as

1. A zero tolerance to anti social behaviour. Without this nothing will ever change. And the recent riots may have lasting implications if not analysed, understood and remedied. Furthermore, to encourage more families to come into town on an evening, we need safe and pleasurable, bad-behaviour-free late hour public transport for mums and dads to take their elder children back home on.



2. A total change in attitude by British 1-24 year olds to service sector/minimum wage work and careers. Career pathways must be created where none exist today to encourage local youths to take up jobs currently very well supplied by immigrants, especially East Europeans.
3. By utilising George Osborne's pledge of massive infrastructure funding, genuine and sustainable apprenticeships for 16-24 year olds can be created in non-retail professions like building and surveying, architecture and healthcare.
4. Town centre inhabitants' means less commuting, less CO2 emissions, less need to build more roads or motorway lanes.
5. Creating a large number homes in rejuvenated town centres, possibly up to one million, means the UK Government can stop all greenfield expansion for the foreseeable future – the General Public don't want it and it will force councils to develop brownfield sites and consider the NTUrban /Housing Association proposition

Wholesale demolition of dilapidated buildings and shops is necessary because there is no incentive whatsoever for a single shop landlord to refurbish his store to a high standard when he or she is surrounded by a 'sea of grot'! We need to create the squares and parks of Kensington and Mayfair and surround them with high quality apartments. NTUrban to own the land for the country, Housing Associations to carry out the developments.



6. Town centre inhabitants needed to be supplemented with tourists and business visitors. A small range of quality hotels, bed and breakfast rooms, and clean, basic hostels are minimum requirements.
7. NTUrban card for discounts and reduced rates on all town amenities such as sport, theatres and shops for example. Cards available on weekly, monthly and yearly basis to take account of all tourism and local needs
8. Reduce the eyesore of empty shops by increased use of 'pop-up' shops for temporary use by cultural organisations such as local art societies, museums and the like.

Secondly, develop the concept of 'kiosk shops' – small stores of 1000FT<sup>2</sup> or less where there are several electronic screens for browsing clothing or products for subsequent purchase. Delivery could, if they so wish, could be to that store too. There may also be a couple of changing rooms allied to a small range of samples for the shopper to try one and get a feel for sizing or, alternatively, there could be a 3D body scanner too for pinpoint accuracy.

Kiosk shops will help those retail brands, for example, Primark who would be looking for 15,000FT<sup>2</sup>, but the town cannot currently supply that specific space or smaller brands, for example, Hugo Boss, who would otherwise think the town was too small for them to financially support a presence.

9. Significant increase in numbers of amenities and venues in Northern towns to encourage the 'middle classes' to come into town on an evening. More themed weekends such as a chess congress, sporting events such as cycling time trials for example
10. People living permanently in town need convenience stores, delicatessens, coffee shops, and brasseries open all hours of the day.
11. Those town outlets selling food should be supplied, wherever possible, by serious local 'farmers markets' which need in turn to replace the increasingly tawdry current town markets that sell inferior food, frozen fish and meat from Thailand and the like, and poor quality lifestyle products. Good farmers markets could substantially reduce carbon emissions from un- necessary transportation
12. Break the super concentration of large drinking taverns. The police might not think it's a good idea, but this is where the anti-social behaviour starts.

## ABOUT THE AUTHOR

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Mike Phillips, is an MBA graduate of Manchester Business School and an ex director of both PricewaterhouseCoopers and KPMG, the latter role as Head of Retail in KPMG's Business Advisory Service (BAS) During the Nineties led consultancy projects from Moscow to New York, primarily focused on e-commerce and marketing issues within the retail and consumer goods sectors.

Prior to these roles, Mike wrote for several years for the Financial Times in London, where he authored reports on commercial and consumer issues whilst a freelance consultant to the UK Government's DTI. He is a member of the Chartered Institute of Marketing.

### **Significant Operational Retail Experience**

Award winning local retailer in Bolton for 5 years prior to full time MBA at Manchester Business School

Award winning Regional Manager with B&Q. 17 stores, 800 staff, £80m turnover. Increased sales 17% in Year One

Award winning Integrated Brand Marketing company, including numerous e-commerce systems for cars, pharmaceuticals and consumer products

### **Major Consultancy Roles**

Retail and consumer industries analyst and writer with the Financial Times

Director, Consumer Industries, PriceWaterhouseCoopers, Utrecht Holland

Head of Retail, KPMG Business Advisory Services, UK Based

### **Extensive UK / Global Retail Projects**

Market entry strategy for Coats Viyella threads into Russian markets

E-Commerce strategy for Vitec, global photographic company based in New York

Turnaround strategy for Cotswold Outdoor Stores when close to bankruptcy

Marketing strategy for American Tools in Denmark

Turnaround Strategy for Murmar-Phipps, Large UK shoe component company

E-Commerce strategy for Barry Callebaut, Belgium, World's largest chocolate company

Sales Staff Development for K2 Skis in UK

Creator of the Spar Regional Development Plan