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## Understanding The Portas Review

An Independent Review into the Future of the UK's Towns and Cities

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## Understanding The Portas Review: An Independent Review Into the Future of the UK's Towns & Cities

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In May 2011, UK Prime Minister David Cameron announced an initiative to undertake a comprehensive national review of the UK's high streets. Cameron's announcement of the review came on the heels of the Government's removal of Regional Development Agencies (RDAs) and – as a result – significant cutbacks in public sector funding which had previously been injected into local governments and economies to encourage town centre management and growth. The RDAs were replaced by Local Enterprise Partnerships (LEPs) and a policy emphasis on 'Localism' to address challenges, as well as significantly fewer public sector resources to support the work. As the economic recession hit nearly simultaneously, the national Government faced significant criticism that little was being done to support town centres.

David Cameron tapped Mary Portas – an established personality in the world of UK retail marketing – to develop a report to identify what the public and private sectors could do together to overcome struggling high streets and promote the development of new models of prosperous and diverse centres.

The report aimed to:

- Make the case for the high street, and its importance in promoting economic growth, creating jobs and improving quality of life in local areas; and
- Explore new business models for high streets relevant to today's consumers, and determine how best to implement and manage the new model; and
- Recommend what action government, businesses and other organizations should take to create diverse, sustainable high streets where small businesses and independent retailers are able to thrive.

This report formed part of the Government's work on the Growth Agenda, which identified retail as one of six sectors capable of delivering significant economic growth and stimulating employment in the post-economic crisis period. Cameron's advancement of this review served as an important and visible indicator of the importance of town centres to the overall economy, as well as their critical role in fostering employment and local commerce.

### **About The Portas Review**

Known more as a TV personality than high street expert, the choice of Portas to write the review came as a surprise to some. Still, her involvement in the project would bring a significant awareness to the struggling state of the UK's town centres that might not have otherwise been realized.

Portas undertook a six-month review of the UK's high streets, and her work resulted in the publication of The Portas Review in December 2011. The Review sets out 28 specific recommendations and argues that the UK's high streets cannot simply focus on retail any longer, but must offer something new and different – an experience that goes beyond retail with creative uses of public space and a vibrant evening economy.

Portas' recommendations fall into the following five categories:

- **Run town centres as a business is run:** Portas cites a need to create Town Teams that bring together visionary, strategic and operational management for high streets; she also talks of empowering Business Improvement Districts (BIDs) to take on more responsibilities and powers, and addresses initiatives to spur entrepreneurialism on the high street.
- **Get the basics right to allow business to flourish:** Portas' recommendations include adjusting business taxation rates to support independent businesses, improved approaches to managing parking in town centres, addressing town centre accessibility and safety issues, and overall deregulation of the use classes to make it easier for various business types to enter the market.
- **Level the playing field for Town Centres:** Portas makes a case for utilising the National Planning Policy Framework to create a 'town centre first' development strategy to slow the growth of out-of-town development. She also argues for a requirement that requires larger national retailers to support and work with independents.
- **Create stronger responsibilities for property owners:** The UK taxation system is focused more on the business than the property owner, and Portas makes a case for putting more responsibility on the property owner to drive redevelopment and reuse of properties by creating disincentives for vacancies and negligence to buildings.
- **Give communities a say:** Portas aims to empower communities to vision and implement the future of their own city centers, believing this involvement will also mean long-term commitment and investment community-wide.

Portas' report closes with a final, important call for action – to pilot her recommendations in a variety of UK locations to test what works and what doesn't.

### The Portas Pilots

The Government responded swiftly within a few months of the report's release. With £1 million as an incentive, the Government issued a call for towns to compete to become a 'Portas Pilot' and initiate creative plans to realize their own town vision. Initially it was envisioned that 12 pilot communities would be accepted, splitting the £1 million between them. The Government put no constraints around the use of the funds in order to allow creativity and entrepreneurialism in the approaches to high street revitalisation. Applicants need only be ad hoc groups of people (e.g. Town Teams) who had interest in coming together to focus on the town centre.

The response was overwhelming, with some 400 communities submitting creative bids. The interest led to a proposal that Government fund:

- An additional 12 Portas Pilot communities
- A £500,000 investment to help communities interested in creating business improvement districts access loans to cover their start-up costs
- A High Street Innovation Fund directing £10 million in resources directed towards local governments in areas facing significant vacancies and blight – including some devastated by the 2011 riots – to help bring entrepreneurs to their communities
- A £1 million future High Street X-Fund to reward the areas delivering the most effective and innovative city center plans

### TRIALS AND TRIBULATIONS

In concept, The Portas Review – and the Government's quick response to it – should have jumpstarted relatively significant changes in the fabric of the UK town centres. In reality, implementation of the recommendations, and getting the Portas Pilots off the mark, has been much more challenging than first envisioned.

To date, the initiative has yielded the following:

- 27 Portas Pilot Town Teams created, each receiving £100,000
- Up to 392 other Town Teams (unsuccessful Portas Pilot applicants) each receiving £10,000
- 100 local governments who each received £100,000 from the High Street Innovation Fund (oddly, local governments were not challenged to bid or compete for this money, it was given to selected governments based on a still yet-to-be-defined set of parameters around the economic state of the communities)
- The launch of a rather loosely-defined £1 million future high street competition, for which applicants must register by December 2012
- £1 million allocated for the development of high street neighborhood plans
- A network of support between the teams to share information

The biggest and most immediate challenge has been, it seems, supporting the enthusiasm of the ad-hoc Town Teams to undertake productive and purposeful activity while also managing expectations about what can be done with limited resources. Some have felt that this initiative was ill-designed as a short-term scheme to address ‘quick fixes’, and that the program does little to address the bigger, long-term challenges facing high streets.

Other issues that have emerged in implementing the Portas Pilots:

- The report called for the creation of new Town Teams and talked about BIDs, but failed to mention the value of many of the voluntary not-for-profit membership-based partnership organizations doing work in various communities around the UK. In fact, to an extent the report was seen as criticizing these organizations, arguing that they were often too narrowly focused and didn’t involve a broad enough constituency. In some cases, the push for the creation of new Town Teams has damaged existing town centre partnerships.
- Because of the loose-knit nature of many of the new Town Teams who were awarded funds, internal community conflicts have arisen over the use of the funds. As one Portas Pilot town said “the money is enough to be divisive, but not enough to make a difference.”
- Local government has been able to serve only as a conduit for the money, with it flowing through them to the applicants. Thus, local governments have no formal oversight of the funds. Because the national Government has put no real restrictions on the use of the funds either, the door has been left open for significant (and very non-strategic) misuse of funding. Additionally, local governments have been – in many cases – unwilling to get involved with the Portas Pilot applicants because of a lack of accountability. They are wary of putting matching funds in, thus missing a good opportunity to leverage national resources with local dollars.
- What the applicants do with the money once they are awarded has not necessarily been tied to the recommendations in The Portas Review, or even to what the applicants originally said they would use the money for in their applications.
- There are currently no reporting requirements back to the national Government about how the money is being used or the impact of it in individual communities.

Ultimately Government rejected Portas’ recommendations for all out-of-town retail planning applications to be subject to special approvals, actions to tackle empty and decaying retail properties, and incentives to develop BIDs – recommendations that could have potentially had a truly significant and long-lasting impact on the face of town centres.

It remains to be seen whether the Portas Pilot initiative will have a lasting impact in the battle to bring back the UK’s struggling high streets. Some communities appear to be embracing more long-term planning and identifying opportunities to utilize their money to leverage other resources or

create more sustainable funding sources (e.g. BIDs). Others seem content to spend their pounds on quick wins and small fixes.

### **WHAT CAN WE LEARN?**

The Portas Review has been important in a number of ways to all that work in this industry, even as it has faced significant challenges. Here is a summary:

#### ***What worked?***

- In concept, a national approach to exploring and addressing issues within our town centres is a good and important one. All town centres share common issues, be they economic, structural, programmatic or policy oriented. Taking an opportunity to find the common threads, identify them clearly, and begin to explore larger and more holistic approaches to address them, makes sense.
- The national Government’s willingness to put money behind programmes and projects that help all cities/town centers in some capacity could provide a great opportunity to leverage additional funds on a local level to be similarly invested in town centre initiatives.
- Understanding challenging policy issues on a national scale would allow local areas to learn from each other and implement approaches that work and are more consistent from location to location.

#### ***What didn’t work?***

- Many feel that while The Portas Review did touch on some bigger policy issues to be addressed, little has been followed of the bigger, more impactful recommendations and money has instead been focused on quick-wins and headline-grabbing initiatives that are unlikely to yield sustainable and long-term success. The program must be longer-term focused.
- Providing money directly to the communities, to informal groups of people just ‘interested’ in town centre development isn’t the most effective approach to revitalisation. These teams have often been unable to make the commitment needed to effectively use the funds and have struggled to clarify priorities before funds are spent. However, providing access to grants or funds to help existing organisations build capacity and become more sustainable could be very relevant.
- There has not been enough restriction and regulation around how the funds are used. It was thought that letting the loosely formed Town Teams have complete control over the use of the funds was the right way to foster change, but these groups have – in many cases – quickly unraveled when discrepancies over fund use emerge and there is no formal organisational structure to support effective decision making.
- No benchmarking or report-back requirements means that the Town Teams have little accountability for the money, and the Government isn’t taking advantage of an opportunity to effectively track the impact of the funds.
- Probably among the biggest disappointments is that there has been little work to address some of the policy-oriented recommendations in the report, recommendations that would certainly have a big impact in truly helping to jump-start the type of entrepreneurialism desired.

Overall, interviews with various town centre organisations and winning Portas Pilot communities across the UK reveal that perhaps the biggest plus of this review – and the fact that Mary Portas, a national celebrity, was tapped to write it – is that it has shed a huge light on town centre issues that wasn’t there before. It’s still too early to say with certainty the impact that The Portas Review recommendations and the Portas Pilots initiative will have on the UK’s high streets, but this approach and model is worth exploring and learning from.