

# MAYOR OF LONDON

**Shaun Bailey AM**

Chair of the Economy Committee  
C/o [Lauren.Harvey@london.gov.uk](mailto:Lauren.Harvey@london.gov.uk)

**Our ref:** MGLA180321-8745

**Date:** 6 September 2021

Dear Shaun,

**Re: Response to the London Assembly Economy Committee's report High hopes: Supporting London's high streets in the economic recovery from COVID-19**

Thank you for your predecessor's letter of 17 March enclosing the London Assembly Economy Committee report – High hopes: Supporting London's high streets in the economic recovery from COVID-19. I am sorry for the delay in responding.

I congratulate the Committee on drawing together such a broad range of experts and fully acknowledge the Committee's commitment to this subject. The report comprehensively identifies the challenges facing high streets in London – many of which have been heightened by the COVID-19 pandemic.

I highlight below where I am working in close partnership with others and already highly active – in line with your recommendations; not least through the partnership work with London Councils and the London Recovery Board via the High Streets for All Mission.

The London Recovery Board has been established to develop and deliver a cross-London recovery programme. The Board's leadership is shared by the Greater London Authority (GLA) and London Councils and includes representatives from the Government, business, civil society and representatives of the broad stakeholders that represent Londoners. The Board is focused on identifying shared priorities, opportunities for collaborative working and providing a focus for shared endeavours.

The Recovery Board has adopted a grand challenge and 'mission' based approach (based on the work of the Institute for Innovation and Public Purpose at University College London). This approach is calibrated to foster widespread collaboration across different levels of the public, private, third sectors and communities across London.

The High Streets for All Mission is one of nine missions that the Recovery Board approved in September 2020 to respond to and deliver against the Recovery Board's grand challenge of 'restoring confidence in the city, minimising the impact on London's communities and building back better the city's economy and society'.

Through the High Streets for All mission, we are continuing to work with a range of diverse partners to foster a culture of ideas, collaboration and invention in order to bring vacant and underused buildings into productive use; promote local employment; protect existing community and cultural spaces; and introduce new types of businesses and civic organisations. Supported by the Recovery Board, the mission proposes to:

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1. Develop the capacity of local authorities and town centre partnerships to work with community groups and the private sector to plan for, safeguard and directly deliver a diverse, resilient and thriving mix of high street and town centre activity within easy reach of all Londoners and at all times of day and night.
2. Work with Transport for London (TfL) and the boroughs to promote walking, cycling and wider accessibility, enhanced public spaces, parks/urban greening and cultural engagement.
3. Pilot high street Innovation Zones (alongside Night Time Enterprise Zones and Creative Enterprise Zones) and related planning, licensing, property management and economic development approaches (including discretionary rate relief).

Importantly, in line with the Recovery Board's cross-cutting principles, high street recovery efforts will also respond to the climate emergency; will take action to ensure high streets are genuinely inclusive, participative and equitable places – promoting race equity; and will recognize that high streets are where Londoners are at greatest risk of poor health and are places used disproportionately by the vulnerable and those most in need of support.

As oversight for the work of the mission is already effectively established, there are no plans for an additional High Street Board. More detail on the current governance of the mission is provided below in response to recommendations 1 and 2.

I have asked mission partners to consider the remaining recommendations of the High Hopes report as they continue to develop the advocacy, policy and investment priorities that our high streets will need to successfully restructure and serve the needs of their communities.

Appended to this letter is a summary of key reflections and ongoing areas of work that relate to the recommendations of your report.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Sadiq Khan', with a small '2' written below the 'h'.

**Sadiq Khan**  
Mayor of London

## **Annex**

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## Mayor of London's response to the recommendations of the London Assembly Economy Committee's report High hopes: Supporting our High Streets after COVID-19

### Recommendations 1 and 2

The Mayor's High Streets for All recovery mission must be backed by a London High Streets Board, which urgently analyses the extent of both the long-term and COVID-19 related threats to the city's high streets, develops recovery strategies as set out in this report and is consulted on the immediate actions needed to drive London's high street's survival and recovery. The High Streets Board must be set up immediately after the Mayoral election and start work straight away.

The London High Streets Board must have representation from a diverse range of business sectors, include small, medium and large businesses, businesses from both inner and outer London, and include representatives from local authorities, community groups, cultural organisations, last mile logistics companies, circular economy organisations and street market operators, to deliver a truly London-wide high street recovery that delivers inclusive growth for all across the city.

The Mayor fully supports the need to establish greater coordination across the Greater London Authority (GLA) and partners efforts with regard to high street recovery and renewal. It is for this purpose that the existing governance arrangement for the High Streets for All mission brings together expertise and capacity of key partners to steer the development and delivery of a mission action plan and to advocate for resources and regulatory change. Oversight is provided by the London Recovery Taskforce and the Economic Recovery Workstrand Subgroup, which together steer the development of the detailed programme actions to meet the challenges and aims as set out by the Recovery Board.

The mission is co-chaired by the Head of Regeneration at the GLA and the Executive Director, Place, London Borough of Enfield, who are supported by GLA and London Councils staff as part of the mission co-ordination group.

The co-chairs are further supported by an Advocates Board, established to bring together a broad range of knowledge and expertise on London's high streets and to provide diverse and expert advice in the development of the mission action plan and in particular the development of key advocacy positions. It includes representation from a range of business sectors, experts in social innovation, finance, property and retail, innovation and data Insights, town centre management, Business Improvement Districts (BIDs), workspace providers, cultural institutions, heritage experts and community engagement experts. Alongside local authorities, Transport for London (TfL) and Mayor's Design Advocates as well as anchor institutions such as universities.

A Mission Action planning group has been established to ensure a comprehensive range of policy objectives are synthesised as part of delivery planning and via the further development of supportive advocacy positions.

A mission lead has been identified in every London borough to make the link between strategic and local objectives and to help identify and nurture high street scale partnership formation and strategy development.

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Whilst the mission has focused on longer term recovery, it has also been informed by the work of the High Street Reopening and Coordination Group, which responded to an urgent need for a joined-up approach and addressed a gap ahead of the reopening.

These groups, co-chaired by the Night Czar, Amy Lamé, the Deputy Mayor for Policing and Crime, Sophie Linden, and London Borough of Hounslow CEO Niall Bolger, brought relevant agencies and stakeholders together, increasing collaboration and knowledge exchange between a wide range of boroughs, BID, business groups and legal and data experts.

Furthermore, the mission has been developed in close liaison with the Ministry of Housing, Communities and Local Government and the National High Streets Task Force which provide guidance, tools and skills to help communities, partnerships and local government transform their high streets.

The GLA and London Councils convene a quarterly High Street Network to discuss and develop the High Streets for All Mission with key stakeholders. At these events, London's boroughs, BID, built environment professionals, property organisations, third sector partners, think tanks and community organisations, across the capital, are invited to contribute to the mission and share innovative approaches to high street recovery, renewal and long-term transformation.

## **Recommendation 3**

Working closely with the Federation of Small Businesses and the London Chamber of Commerce and Industry, the High Streets Board should establish and then issue advice on best practice, including COVID-security, for firms who want to move to timesharing their offices, due to a permanent increase in staff working from home.

The Mayor fully agrees that there should be a clear advice offer in this respect. This is why the London Business Hub currently provides links to a wide range of information and guidance about working safely in offices and hybrid working options during COVID-19, including timesharing. The links are mainly under the ['External Resources'](#) section on the London Business Hub website.

Work is also underway to set up a dedicated resource page that brings this information into one place and:

- Introduces concept of timesharing and other hybrid working options.
- Signposts to useful resources and guidance.
- Provides tips/advice on working safely in shared workspaces.

## **Recommendation 4**

The London High Streets Board would be well placed to ensure that the potential challenges of any changes to the Permitted Development Rights regulations are being properly considered, and should issue advice and best practice guidance to ensure commercial districts are not threatened by inappropriate residential development.

The Mayor supports the intent of this recommendation to ensure that the potential challenges and risks posed to London's high streets and town centres from the Government's new permitted development rights are properly considered and addressed. As noted in his response to Recommendation 1, the London Recovery Board and its associated governance arrangements provide an appropriate basis for co-ordinating and taking forward the response by the GLA, London boroughs and a range of other organisations to support London's high streets. Joint advocacy positions have been developed between the GLA and London Councils in this respect,

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and discussions are ongoing. With regard to the specific risks posed by permitted development rights, further details are provided in the response to Recommendation 5 below.

## **Recommendation 5**

The Economy Committee reiterates the concerns laid out in the London Assembly Planning and Regeneration Committee response to the Government's consultation Supporting housing delivery and public service infrastructure, specifically those concerns related to the impact that the consultation's proposed expansion of PDRs would have on the economy and ecosystem of the high street. The London High Streets Board must have a strategy for minimising any potential negative impact of PDR reform.

The Mayor shares the Economy Committee's concerns regarding the proposed expansion of permitted development rights. The Government's new proposals which allow the conversion of any shop, restaurant, office, light industrial premises, nursery, medical centre, or indoor sports centre under 1,500 sqm to residential use will be highly damaging for London. In the absence of mitigation, it would have a serious negative effect on high streets, town centres and London's Central Activities Zone.

We have seen how communities have come to rely on their local high streets during the COVID-19 pandemic. We know that the recovery must be a green recovery, and that new ways of working are beginning to emerge, which will require commercial space to be available in order to be re-used creatively.

The Government's new permitted development rights will undermine all of this at the worst possible time, forcing people to use their cars more as local shops and childcare facilities disappear; driving up the rents of creative businesses and small enterprises as they seek to invest in future growth; fragmenting high streets with sterile, in-active frontages, just as local shops and restaurants try to get back on their feet; disrupting thousands of jobs and destabilising the recovery of central London.

The Mayor is also concerned that the proposals would fail to provide genuinely affordable homes in London, and that the homes delivered would not be well-designed nor provide contributions toward the infrastructure that growing communities need.

We all want to increase the supply of homes and recognise that high streets, town centres and city centres have a significant role to play. We need to help them adapt and evolve in a way that would provide mutual benefits for housing delivery and economic growth, rather than sacrificing valued community services for inadequate poor-quality accommodation.

As noted in Recommendation 1, the London Recovery Board and its associated governance arrangements provide an appropriate basis for co-ordinating the response by the GLA, London boroughs and a range of other organisations to support London's high streets. We will continue to work with the London Recovery Board and its associated governance structures including the High Streets for All Coordination group and Advocates Board to explore ways to minimise the potential negative impacts of both Use Class and PDR reform on London's high streets. This will complement wider work we are undertaking with London Councils and Local Planning Authorities across the capital, including strategic evidence to support borough Article 4 Directions, to address the potential negative impacts of the new rights on the London economy as a whole, including high streets, town centres, industrial areas and central London.

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## Recommendation 6

The London High Streets Board must work to ensure that the Government's ongoing reform to business rates delivers for London's businesses, and ask the Mayor to lobby to alternative funding streams to ensure that any change in business rates does not impact investment in London's high streets.

The Mayor has supported the introduction and extension of the business rates reliefs for retail, leisure and hospitality premises in response to the COVID-19 pandemic. GLA officers have liaised closely with boroughs and Government officials to ensure the schemes are designed and implemented effectively. As outlined below, the Mayor, alongside London Councils, has continued to lobby the Government over reforms to the business rates system.

## Recommendation 7

The Mayor should advocate for changes to the tax system, to create a level playing field between online and in-person bricks and mortar businesses.

The Mayor continues to be a strong advocate for changes to the Tax System to benefit the local economies of London. The impact of the introduction by the Government of the online sales tax in April 2020 is not yet clear; however, it is disappointing that the Government did not earmark at least a proportion of revenue from this tax to local government.

In recent years, along with London Councils, the Mayor has repeatedly raised concerns regarding the sustainability of the business rates tax system, which is in desperate need of reform.

The Government's 'Business Rates Review' is therefore very welcome and the GLA and London Councils made a joint submission in the call for evidence made by HM Treasury in autumn 2020. The Chancellor announced in February 2021 that the Government would publish its final report on the fundamental review of business rates in the autumn when there is greater economic certainty.

## Recommendations 8 and 9

The London High Streets Board should lobby for increased support for BIDs as restrictions are lifted, especially securing financial support to account for the limited ability of businesses to contribute currently.

The London High Streets Board should lobby the Mayor and Government for a specific fund for BIDs, to enable them to develop joint websites to promote BIDs to the public.

The Mayor has worked closely with London's BIDs since the beginning of the pandemic. During spring 2020, all 64 London BIDs were approached to understand how COVID-19 had impacted the day to day running of their organisations, on the services they deliver, their challenges and what immediate support they required. Their feedback and data were then used to lobby central government to demonstrate the need for emergency funding to be given in a form of a grant to all London BIDs to cover part of their management costs. All London BIDs were awarded funding via their Local Authorities. As per your recommendation, engaging with BIDs on a regular basis will remain a priority as well as lobbying the Government to request further support for London BIDs.

Throughout the pandemic, the Mayor's officers have been communicating with BIDs on a regular basis to update them and their members on the work done. Several BIDS, namely New West End

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Company, Croydon, Camden and Euston have been playing a key role as part of the recovery groups he has established.

London BID's are also involved in many of the Mayor's recovery missions including High Streets for All, business support for Small and Medium Enterprises, affordable workspace and the GND.

On 11 February the Mayor's senior adviser for Business & Digital hosted the 2021 annual BID's summit. Over 90 people attended the summit, which included representatives from over 60 inner, outer and industrial BID's. The Mayor will keep engaging and working with all London BID's on a regular basis to ensure they receive the support they require.

## Recommendation 10

The London High Streets Board, working with the Mayor, should develop a long-term strategy with measurable targets to ensure that London's diverse range of businesses continue to be supported in taking advantage of new technologies and shifts in consumer behaviour that have emerged during the pandemic, including continued support for small businesses for the development of fully functional, easy to use websites and the expansion of click and collect services.

The Mayor introduced the £1m Back to Business Fund in July 2020 to provide financial help to small businesses to shift parts of their operations online and adapt to trading in a safe, socially distanced way. Over £900,000 has been allocated in grants of £5,000 to over 200 small businesses to help them adopt technology. Many have used this funding to develop fully functional, easy to use websites, creating E-Commerce functionality and expanding click and collect services.

The Technology Adoption Service platform has also been launched, in March 2021 – a free, searchable online marketplace delivered through the London Business Hub that helps small businesses find the right technology solutions for their needs. Funded by the LEAP, the Technology Adoption Service will support productivity across London's economy by ensuring all businesses can get access to the technologies they need to adapt to trading through COVID-19 restrictions, and to recover, grow and innovate. For example, brick and mortar retail shops that have been forced to remain shut through the lockdown period can use this platform to find out more about which e-commerce solution might be right for them to help drive their online sales.

The High Streets Data Service will provide London-wide data on London's High Streets and Town Centres, allowing us to measure activity over time and compare similar types of high streets across London. The Service will show trends in footfall and spend, as well as vacancy rates, working from home patterns and overseas visitors – allowing us to set measurable targets, identify areas that are in particular need, and facilitate collaboration and learning across boroughs and high streets.

In February, the Mayor launched the £1m Mayor's Resilience Fund, funded by the LEAP, incentivising innovators to address socially impactful issues facing London, to help emerge stronger from COVID-19 and ensure the capital is prepared for future disruptive challenges. Working with Hackney Council, the Public Markets Challenge invites innovators to develop a scalable, transferrable, digital solution that creates a single gateway for trader licensing applications and that allows traders to access trading opportunities across London's public markets by making it easier to register across multiple sites and boroughs. Working with Hackney Wick and Fish Island, the Affordable Workspaces Challenge is looking for innovators to create solutions that will help local businesses to access and occupy affordable new space.

In March, the Mayor launched Designing London's Recovery, a £500,000 innovation challenge that uses a design-led approach at the heart of developing solutions to support London's recovery. This

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innovation challenge, funded by the LEAP, pioneers a way of working with organisations across London to solve the city's systemic challenges, created or made worse by COVID-19. Building design skills into the delivery of London's Recovery programme will drive further innovation and create a thriving environment under which local businesses can grow. One of the three innovation briefs tackles twin challenges around reimagining high streets and public spaces while addressing the climate crisis.

## Recommendation 11

The London High Streets Board should strategise for shifts in consumer behaviour at physical stores, including providing support for businesses that meet the growing demand for environmentally-conscious shopping, such as refill or charity stores.

The Mayor has committed to accelerating London's transition to a low-carbon circular economy where, as much value as possible is extracted from resources through their use and reuse, and where jobs are created in the areas of reuse, re-manufacturing, repair, and maintenance. The Mayor recognises that high streets can play a key role in this transition, providing space for new business models that support new, more sustainable consumer behaviour.

Through the Good Growth Fund (GGF), the Mayor is supporting the development of a Circular Economy Department Concept Store, delivered in partnership with Groundwork London. The £50,000 grant will establish the store's e-commerce infrastructure. In addition, a brand and style guide will be produced to help secure space within the Central Activity Zone.

Through the GGF, the Mayor is also supporting the delivery of a sustainable community food market in Ilford Town Centre. The market deploys exemplar sustainable innovations such as a hydroponic farm and research lab and the installation of anaerobic digester power generation. The market is designed through the circular economy principles of disassembly and offsite manufacturing. The market will be operated by Mercato Metropolitano, with all food sold within the market sustainably sourced as well as deploying a no plastic policy. The environment and regeneration teams will continue to collaborate to share these best practice examples to inform future programmes including Future Neighbourhoods 2030 (see below) and High Streets for All.

The London Environment Strategy, London Plan, Economic Development Strategy, Transport Strategy, and the GLA Group Responsible Procurement Policy all contain integrated circular economy policies.

Refill and reuse are crucial elements of a thriving circular economy, so to help Londoners use less single-use plastic bottles the Mayor continues to support Refill London, a water refill scheme where businesses can sign up and offer free tap water refills to the public. 3,300 refill stations are now across the city. The Mayor has also entered into partnerships to install water fountains across the city, first with the Zoological Society of London (ZSL), with whom he has installed 28 free drinking fountains and now with Thames Water, with whom he has agreed to install over 100 more fountains – 54 of these have been installed already. Unfortunately, because of the COVID-19 pandemic, drinking fountains have been closed and installations have been temporarily suspended. However, the plan has been to reopen the drinking fountains over the summer and restart installations as soon as possible.

New data shows that London's £48bn green economy now supports five per cent of jobs in the capital. The Mayor's Green New Deal (GND) Fund supports the London Recovery Board's ambition

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<sup>1</sup> London's low carbon and environmental goods and services sector (its 'green economy', was worth £48 billion in 2019/20, employing 317,000 people across 14,000 businesses. The sector has grown from £24 billion in 2010/11,



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to double the size of the green economy in London to £100bn by 2030, an ambition that would kick-start greater job growth across the city over the next decade.

As part of the Mayor's GND, the Environment team is running a £7.5m Future Neighbourhoods programme, supporting neighbourhoods to accelerate the transformative change needed at a local level and achieve multiple environmental goals. Projects are expected to drive action across five cross cutting themes, including a zero waste, circular economy. This is encouraging applicants to consider how to embrace the circular economy and embed circular principles into their neighbourhoods and high streets. Significant effort has gone into aligning the Future Neighbourhoods 2030 and the High Streets for All Challenge to ensure High Street recovery is also focused on responding to the climate emergency and in particular promoting the circular economy.

The Mayor is also supporting green small and medium enterprises (SMEs) through two projects that are also part of the GND – Better Futures and ReLondon's Business Transformation Programme. Through grants and business advice, SMEs whose work reduces negative impacts on our environment will be supported to use circular economy strategies to minimise costs and explore new revenue models to create new jobs and safeguard hundreds of others. It will provide a digital platform to increase access to consumers and investors, as well as an SME accelerator programme.

## Recommendation 12

The London High Streets Board should drive footfall by ensuring that high streets are people-centred, with public space utilised to provide outdoor seating for hospitality premises and adequate space provided to facilitate last-mile deliveries by cargo bikes and pedestrian couriers.

As London's population grows, the demands on London's public realm to accommodate a greater variety and intensity of uses will increase. It is particularly important to recognise these demands in higher density development. The London Plan policy D8 Public realm makes it clear that the public realm, and the buildings that frame those spaces, should be attractive, accessible, designed for people and contribute to the highest possible standards of comfort, good acoustic design, security and ease of movement. It is also clear that the planning, design and management of the public realm will be an important factor in the response to the climate emergency, can help adapt the capital to predicted change in climate, build resilience and provide comfort.

Development Plans and development proposals should be based on an understanding of how the public realm in an area functions; identify barriers to movement that create severance for pedestrians and cyclists; and should also ensure that pedestrian amenity is taken into account including whether people feel comfortable and want to spend time/dwell in public space.

In a related way, the Mayor has also developed a draft Public London Charter that specifically looks at the management of new public spaces (areas) proposed by the applicant of a new development as being a public benefit. Consisting of eight principles and some additional guidance, the Charter seeks to contribute to the outcomes as above. In particular, the principle of 'Public Welcome' sets out that public space should be managed to be welcoming to all, and the principle of 'Openness' states that public space should offer the highest level of public access possible and be understood as part of London's continuous public realm, irrespective of land ownership.

The GLA's ambitious Freight and Servicing Action Plan (2019) shows how TfL is working with boroughs, businesses and the freight and servicing industry to transform how deliveries are made in the capital, reducing road danger and helping to clean up London's air and cut carbon emissions.

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employing 164,000 and 9,000 companies. <https://www.london.gov.uk/what-we-do/london-low-carbon-market-snapshot-2020>

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Deliveries by cargo bike and pedestrian courier contribute to the target to cut the number of lorries and vans entering central London in the morning peak by 10 per cent by 2026, and the increasing popularity of cargo bikes shows that they make business sense too. The recently opened Cycle Hub next to Kingston Station, part of the TfL-funded mini-Holland programme, has cargo bikes to rent. TfL's Healthy Streets officers programme works with businesses across London to help make the switch away from vans. TfL also recently confirmed funding for the first two cargo bike cycle hangars in Waltham Forest for local businesses, directly helping to tackle the issue of cargo bike parking.

TfL's Streetspace programme responded quickly to the immediate public health crisis by reallocating space from cars to pavements, giving more space for social distancing, but also creating space for businesses to use in other ways. 180 different interventions were supported on borough roads, including space for al-fresco dining on Northcote Road in Wandsworth, "streeteries" in Camden on Charlotte Street and Drummond Street, and wider pavements on The Cut that have enabled restaurants to reopen with outdoor seating. The strategy, in combination with the right planning, licensing and business rate interventions, should have benefits into the medium-term recovery phase and into longer-term benefits of London. The Mayor and TfL will continue to support these measures, as per the Mayor's specific manifesto commitment to "support the innovative use of timed changes to streets across the capital through 'School Streets', 'Summer Streeteries' and 'Lunchtime Streets'."

## Recommendation 13

The London High Streets Board must put both daytime and night-time culture at the heart of local high street recovery, and demonstrate how the Mayor's plans will support the culture sector in a transition away from the Culture at Risk Fund and towards long-term recovery.

The Mayor has prioritised culture in his £6m year-long re-opening campaign Let's Do London. The Mayor's Culture At Risk Office and the London Growth Hub will continue to provide support and advice to cultural organisations throughout the recovery from the pandemic. Local communities and boroughs are currently developing cultural and night time proposals for the Mayor's £4m High Streets for All Challenge. And he is committed to expanding this network of Creative Enterprise Zones and rolling out Night Time Enterprise Zones following the successful pilot project in Walthamstow.

The Mayor has committed to addressing the shortage of cultural workers following Brexit and the loss of workers to other sectors during the pandemic through new skills academies.

The Mayor's Culture team is continuing its flagship London Borough of Culture programme, supporting cultural activity in high streets across Croydon and Lewisham. A guidance and a new night time data observatory has been published to support boroughs as they develop night time recovery plans.

## Recommendation 14

The Mayor should continue to lobby the Government to reverse the decision to end tax-free international shopping.

The Mayor will continue to lobby the Government to reverse the decision to end tax-free international shopping, including directly to the new Secretary of State for the Department for Business, Energy and Industrial Strategy, Rt Hon Kwasi Kwarteng MP. In a follow-up response to the Mayor on the specific request to reverse the withdrawal of the VAT Retail Export Scheme, the

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Secretary of State made clear there is no shift in the Government's position and set out in more detail the rationale for the changes. The lobbying point is also raised in the London Roadmap to the Full and Safe Reopening of the Economy for the Government to consider.