

# What's in store?

How and why cities differ for consumers

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# 00

## Executive summary

Cities across the country are considering their offer to consumers. Many with weak economies are exploring how an improved consumption offer can kick-start economic growth and prevent further high street decline. Both cities and national government are proposing solutions, ranging from increasing support for retailers and reconfiguring high streets to building new museums and theatres to draw in customers.

This report sets out the role cities play as places of consumption. It finds that:

- Cities are vibrant places where people go to spend time and money. Despite sometimes being characterised as dull job machines or simply playgrounds of the rich, this is not the reality.
- Cities offer a more diverse set of amenities than other parts of the country. A trip to the theatre or a celebratory meal out is most likely to take place in a city, as nearly two-thirds of specialist amenities are in cities.
- The density and scale of cities means they can sustain a richer set of amenities. This is most true of city centres. Their central location makes them accessible to enough customers to cater for more niche markets. On average, a quarter of city centre amenities are of a specialist nature.
- But not all cities offer this variety. There is a clear relationship between the economic strength of a city and the diversity of its amenity offer.
- Cities with stronger economies house a richer set of amenities, with many specialist and premium options for consumers. In contrast, cities with weaker economies struggle to provide more than the necessities. The limited spending power of those living and working in these cities mean it is difficult to sustain much more than the day-to-day, such as supermarkets and cafés, and their city centres suffer from high vacancy rates.

## Policy implications

If policy is to change this, and enable all cities to be vibrant places, it is vital interventions are based on an understanding of the role cities play as places of consumption and how this relates to their economic performance.

Currently, many economic policies focus on offering consumers more, or better, options. High street regeneration aims to support retailers by lowering their tax burden or investing in new shopping centres. Culture-led regeneration uses the development of theatres, museums and initiatives such as UK City of Culture, to generate economic development.

Attempts to improve the performance of urban economies by prioritising the consumption offer are unlikely to succeed. They do not address the fundamental reasons these economies are struggling or reflect the direction of the relationship between the economic performance of a place and its amenity offer.

Policy must focus on making cities more attractive to businesses, especially those providing well-paid jobs. This will provide those living and working in cities with the income they need to enjoy a greater range of amenities and keep them open.

To do this, cities with underperforming economies should:

- **Improve the skills of the workforce.** Cities should set up skills compacts that bring together all stakeholders involved in education and training and commits them to coordinate their work in order to achieve better outcomes. A more qualified workforce will attract businesses that provide high-skilled job opportunities and boost the economy.
- **Invest in the consumer offering, but not as the primary tool for economic growth.** Investments in amenities and culture have many public benefits and should be a part of each city's development policies, but should not be the lead tool to attract businesses. A strong amenity offering is not enough on its own – without improvements to skills – to attract businesses.
- **Remodel city centres away from a reliance on retail.** Alongside other policies to attract more high-skilled jobs, cities should adapt their high streets to better suit customer preferences. This means providing offices for new jobs and reshaping the high street away from retail and towards more food, drink and leisure.

Cities with stronger economies need to prevent the costs of growth limiting their vibrancy:

- **Build up and out to meet demand for housing.** A restrictive planning system has prevented the supply of workspace and housing from increasing with demand, resulting in rapidly rising prices especially in the strongest city centres. This must be tackled or unaffordability will prevent these cities being vibrant places of consumption.

Government has a role to play in supporting cities:

- **Ensure funding is open to investments which look beyond the high street.** The priority for struggling high streets is to attract jobs, rather than improve the retail offer. This means that funds, and specifically the extended Future High Streets Fund in England, must accommodate a range of investments, including the provision of quality office space in city centres.
- **Put less weight on direct economic outcomes in decisions about cultural investment.** Requiring that investments in culture and amenities aim for objectives such as job creation or local growth can distract from more feasible objectives.

# 01

## Introduction

The role of cities as places of consumption is currently a prominent topic among policymakers. As national and local governments look to revive weak economies and breathe life into empty high streets, questions are being asked about what cities should offer consumers and why some are struggling to do this.

Providing new and improved amenities continues to be an important part of local economic development policy. Building new museums or hosting programmes of cultural events, such as the UK City of Culture, are considered tools to spark economic growth in weaker cities.

At the same time, many cities are tackling the decline of their high street. Councils are in the process of designing policies to reverse the closure of shops, restaurants and local businesses that has left some town and city centres with large numbers of vacant properties.

Cities play a significant role in the national economy. In Britain, cities cover nine per cent of land, but are home to 56 per cent of businesses, 59 per cent of jobs and 63 per cent of output. Within this, cities play an important role as places of consumption. Their restaurants, theatres and shopping centres attract people from within and beyond their borders to spend time and money. Any policies designed to shape and improve a city's offer to consumers must be based on a full understanding of this role.

This report explores what cities offer consumers. It shows the amenities currently provided for city residents, workers and visitors and how this varies across the country. The reasons for this variation are shown by exploring the link between the underlying strength of a city's economy and its amenities.

## Box 1: Methodology

In this report, the term amenities refers to places where consumers go to purchase goods and services, such as gyms, restaurants, theatres and leisure centres. This definition of amenities does not include most free or public amenities, such as libraries, or natural amenities, such as beaches. These also play an important role as places to spend leisure time but are outside the scope of this analysis.

The analysis uses a dataset of amenities provided by behavioural bio-informatics company Locomizer, and compiles points of interest from across Great Britain. The result is data on 453,687 amenities. It is used because it is the most up-to-date and detailed dataset available. The coverage of this dataset has been estimated by comparing the data with that provided by other publicly-available sources, in particular data from the Office for National Statistics (ONS) Business Counts and the Valuation Office Agency. For example, the Locomizer dataset covers 89 per cent of amenities listed in the ONS Business Counts dataset.

Data on individual amenities is aggregated in four separate ways:

1. All amenities are split into two categories: day-to-day or specialist. Day-to-day amenities are those used regularly and by most of the population, such as cafes, supermarkets and clothes shops. Specialist amenities are instead used occasionally, or are used only by a small number of customers with specialist interests, such as yoga studios, restaurants and theatres. See Appendix 1 for a full list of how the amenities are split.
2. All amenities are split into three price groups: budget, mid-range and premium. Locomizer base these groupings on data from TripAdvisor, Zomato and similar sources. For amenities where price data is not available, groups are assigned based on the share of each place's remaining amenities (for which data is available) in each group, on the condition that no more than 20 per cent of a place's amenities are estimated in this way.
3. A number of specific subsets of amenities are created as part of the analysis and defined where they appear in the report. One example is 'food and drink', which includes cafes, restaurants, bars, pubs and fast food.
4. Amenities that are places to eat have also been categorised by their cuisine, as defined by Locomizer. In total 80,656 amenities have been assigned a cuisine, accounting for 50 per cent of food and drink amenities. The data includes 34 cuisines, such as Chinese, British and Korean.

These four methods of aggregation have been done separately. An amenity can be both day-to-day and premium, or both specialist and budget.

The analysis also uses a second dataset provided by Locomizer – see Figure 12 – that contains the average distance travelled to each city for all leisure trips made by non-residents. It is based on anonymised mobile phone data and covers some 850,000 trips made between February, March and April 2019 for cities in Great Britain. The data uses the following definitions:

- Non-residents: users whose 'home' location falls outside the city's boundary, as defined as Primary Urban Areas.<sup>1</sup>
- Leisure trip: a trip to a location that is not the user's 'work' location.
- Average distance: the median distance of all trips, measured from the user's 'home' location to the central point of the city.

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### **Box 2: Use of data**

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The use of the ONS statistical data in this work does not imply the endorsement of the ONS in relation to the interpretation or analysis of the statistical data.

This work uses research datasets which may not exactly reproduce National Statistics aggregates.

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<sup>1</sup> [www.centreforcities.org/puas](http://www.centreforcities.org/puas)



# 02

## Cities are places to play as well as to work

An inherent advantage of cities is that they provide both scale and density – many businesses, jobs and people clustered in one place. These qualities make cities attractive to businesses.

Scale provides businesses with many potential employees from which to hire, who choose to live in cities because they offer a wider choice of job opportunities. Density is especially important for businesses that benefit from the network of knowledge that cities, and city centres in particular, provide.<sup>2</sup> It is high-skilled businesses that export their goods and services that have most to gain, as explained in Box 3. Being located alongside like-minded firms makes it easy for them to share knowledge and work together, boosting their productivity.

It is for this reason that the UK economy is concentrated within cities, and why high-skilled exporting businesses in particular are based in urban locations.<sup>3</sup> Since these are the firms that contribute most to productivity growth,<sup>4</sup> cities play an especially important role in the national economy.

Cities are able to play an important role as places of consumption as well as places of production. The inherent benefits of a city allow it to support a greater number of amenities. Density and scale create a large market of customers – from within and beyond city borders – that sustains amenities. The fixed costs of setting up amenities can be spread across many customers. Box 4 illustrates how the scale of London supported the emergence of theatres in the 16<sup>th</sup> Century.

These arguments hold especially for city centres and their high streets. The funnelling of people into these central locations provides an opportunity to sell them goods and services. It is for this reason that high streets emerged in the first place, because the flow of people provided a market.

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2 Swinney P and Serwicka I (2016), *Trading Places, why firms locate where they do*. London: Centre for Cities

3 Swinney P (2017), *Why don't we see growth up and down the country?* London: Centre for Cities

4 Swinney P (2017), *The role of place in the UK's productivity problem*. London: Centre for Cities

### Box 3: The role of exporting businesses in city economies

There are two types of private sector business:

**Local services** sell directly to consumers. They include estate agents and amenities such as hairdressers and cafes. As a result, their location decisions are determined predominantly by where their customers live, work or trade from. They are also known as 'non-tradable' businesses.

**Exporting businesses**, such as investment banks, advertising agencies and manufacturers, sell their products or services outside their local area to regional, national, and international markets. Unlike local services, these exporting businesses are not tied to one local market. They are also known as 'tradable' businesses.

Exporting businesses are important for three reasons:

1. They generate income independent of the performance of their local economy, because they sell to other markets.<sup>5</sup>
2. They tend to be more productive than local services firms and are drivers of productivity increases over time. For example, while a hairdresser is as productive as 50 years ago, a worker in a car factory is now many times more productive.<sup>6</sup>
3. Exporting businesses have a multiplier effect on jobs in local services. The better they perform, the higher the local disposable income in the economy, so the higher the demand for the goods and services of local services such as shops and restaurants. All exporting businesses have a multiplier effect, but it is much bigger for high-skilled exporters than for low-skilled exporters. For example, for every 10 new high-skilled exporting jobs created between 1995 and 2015 in urban Britain, 17 new jobs were generated in low-skilled local services.<sup>7</sup>

For the purpose of this research, exporters and local services are defined using Standard Industrial Codes (SIC).<sup>8</sup> We use these to identify jobs in sectors that have the potential to sell to markets beyond their local area.

5 Rowthorne R (2018) Combined and Uneven Development: Reflections on the North-South Divide. *Spatial Economic Analysis* 5 (4) Pages 363-388

6 Moretti E (2013) *The New Geography of Jobs*. New York: Houghton Mifflin Harcourt

7 Magrini E (2019) *Opportunity Knocks? Economic outcomes for low-skilled people in cities*. London: Centre for Cities

8 For detailed definitions see Appendix 2 in: Magrini E (2019) *Opportunity Knocks? Economic outcomes for low-skilled people in cities*. London: Centre for Cities

### Box 4: The emergence of theatres in 16<sup>th</sup> Century London

In *Triumph of the City*<sup>9</sup> urban economist Edward Glaeser explains how cities made the first theatres possible. Up until the 1500s, drama troupes travelled around the country performing. By constantly moving to new locations, the actors could access enough viewers to support themselves.

But by the 16<sup>th</sup> Century, the growth of London provided a permanent base for actors. The city's size gave them access to large enough audiences – even in a fixed position – to make ends meet. Not only was the city's size important for finding customers, it also helped actors meet and work together in a time before drama schools.

When looking at all amenities, cities do not seem to play this role. Instead, amenities follow the distribution of the population. Cities are home to 56 per cent of all amenities in Great Britain, which is in line with the 54 per cent of the population who live in cities.

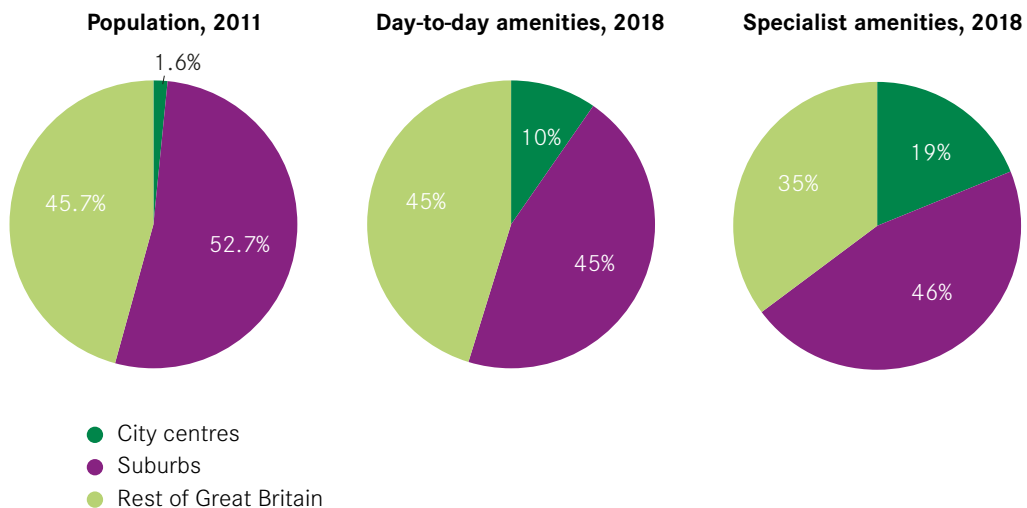
But when amenities are broken down into a number of categories, differences start to emerge, and the benefit of an urban location becomes clear. This can be seen in four ways.

### 1. Cities are home to more specialist amenities

In 2018, cities were home to 65 per cent of all specialist amenities, such as cinemas, restaurants and theatres (see Figure 1). These amenities were particularly clustered in city centres, which accounted for 19 per cent of these amenities, despite being home to less than 2 per cent of population.

This is particularly the case for performing arts venues, as Figure 2 shows. In total, 81 per cent of these venues were city based in 2018, and over half were based in city centres.

**Figure 1: The distribution of population, day-to-day and specialist amenities across Great Britain**



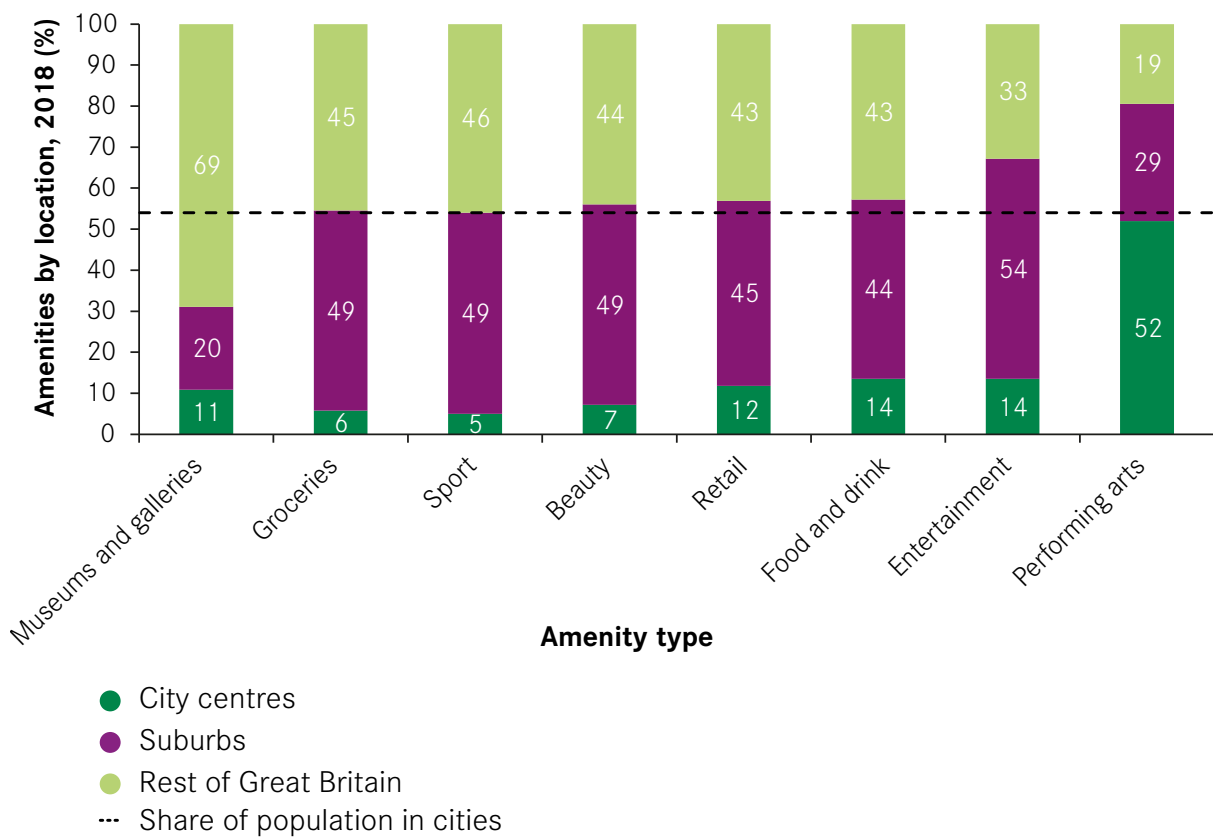
Source: Locomizer (2018), 2011 Census

9 Glaeser E (2011) *Triumph of the City*. London: Pan Books

In comparison, 55 per cent of day-to-day amenities are in cities, which is again in line with the distribution of the population. Looking at more specific amenities, beauty salons and retail follow a similar pattern, with 56 and 57 per cent respectively in cities. This is because the vast majority of these amenities are day-to-day (such as hairdressers and clothes shops) rather than specialist (such as tattoo studios).

An exception is the location of museums and galleries, which includes historic houses. Despite being specialist amenities, these are predominantly located outside cities. This is because their locations are often set by factors other than the ability to maximise customers, such as their proximity to a historical site.

**Figure 2: The location of amenities by category, 2018**



Source: Locomizer (2018), 2011 Census

## 2. Cities are home to more premium amenities

Premium amenities – those selling more expensive goods and services, such as designer retailers or Michelin-starred restaurants – are more concentrated in cities than the population. This can be illustrated by looking at the distribution of specific food and drink amenities: fast food and restaurants.

Cities offer slightly greater access to fast food – a cheaper way to eat, on average – than other parts of the country. Cities house 59 per cent of these amenities, as shown in Figure 3. But restaurants – a more expensive way to eat – are much more city focused. Over two-thirds of the country's restaurants are located in a city and one in five restaurants is in a city centre.

**Figure 3: Spread of fast food and restaurants across Great Britain, 2018**



Source: Locomizer (2018), 2011 Census

Note: Fast food and Restaurants are subsets of the 'food and drink' category in Figure 2

### 3. Cities offer a greater variety of amenities

The range of amenities on offer in cities is wider than in other parts of the country. The fact that cities house more specialist and premium amenities than other parts of the country shows this, but it can also be further illustrated by looking specifically at the variety of places to eat available in cities.

In particular, cities offer consumers a greater variety of cuisines. In cities, 40 per cent of places to eat provide British food. The five next most common options account for 36 per cent, so nearly a quarter of places to eat provide less common cuisines, such as Indonesian, Argentinian and Korean.

In contrast, in the rest of the country the majority of places to eat provide British food, and just 6 per cent provide cuisines outside of the top six.

City centres are more diverse than suburbs. While 'other' cuisines account for 21 per cent of all restaurants in suburban locations, this rises to 29 per cent in city centres.

**Figure 4: Variety of cuisines on offer in cities and the rest of Great Britain, 2018**



Source: Locomizer (2018)

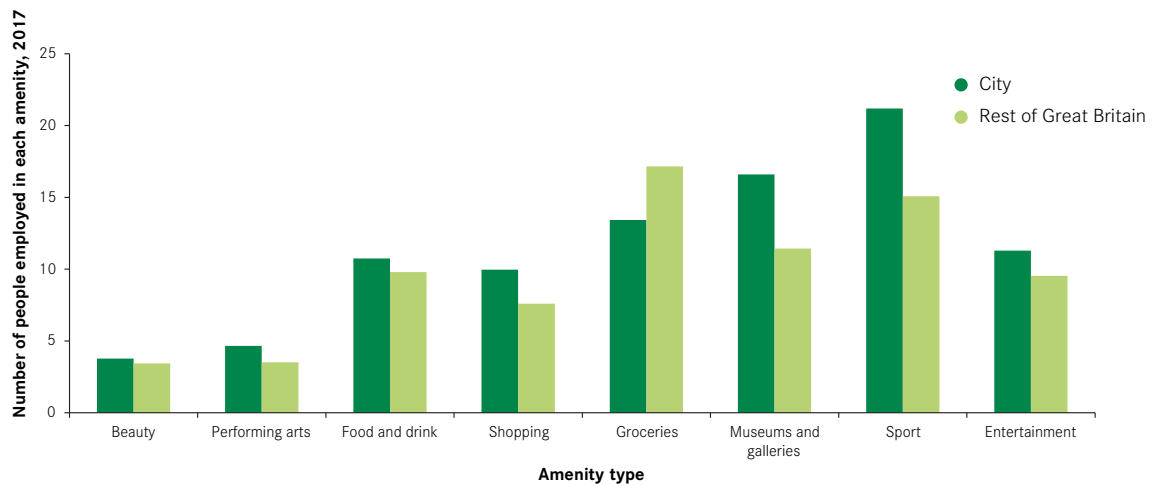
## 4. Cities are also able to support larger amenities

The average number of employees employed by an amenity tends to be larger in cities than elsewhere. This is particularly the case for museums, galleries and sports facilities. The average city-based museum employs 17 workers, compared with 11 workers elsewhere in the country, as shown in Figure 5. Access to a city's large population means venues can attract large enough audiences to recover fixed costs.

Groceries are the only type of amenity with larger shops outside of cities. This is likely due to the number of small convenience stores in city suburbs and the scope for out-of-town supermarkets to be much larger due to cheaper property prices.

Data on employment for city centre amenities is not available.

**Figure 5: Size of amenities in cities and elsewhere, 2017**



Source: ONS business counts (2017), ONS Business Register and Employment Survey (2017)

In summary:

- Cities are not just important as places of production, but also as places of consumption. Their density and scale means they can house amenities beyond the day-to-day amenities provided in all parts of the country.
- Cities house more specialist and premium amenities than other places. They also offer consumers a greater variety of options for how to spend their leisure time, and can sustain larger venues and amenities than towns and rural locations.
- City centres are especially well placed to play this role. As a result many more specialist and premium amenities, such as restaurants and performing arts venues, cluster in them.

# 03

## How does the amenity offer differ across cities?

While, in general, cities are able to play host to a range of amenities, there is variety in the amenity offer seen across cities. This section looks at the scale of this variation and the reasons why it occurs, in order to shed light on the link between a city's economy and its amenity offering.

### All cities offer a base level of day-to-day amenities

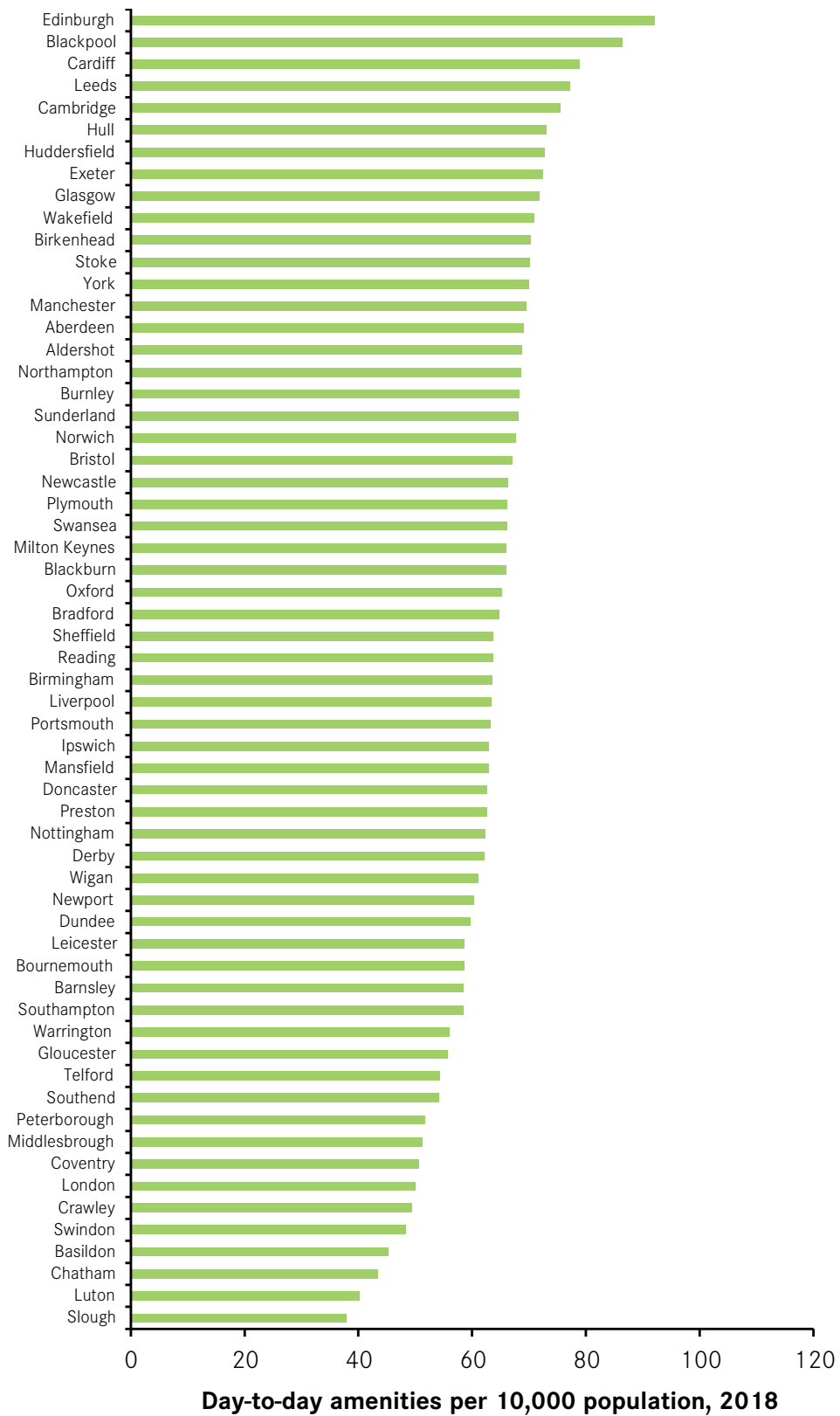
The majority of cities offer similar access to day-to-day amenities. Figure 6 shows that the number of these amenities available ranges from 38 per 10,000 residents in Slough to 100 per 10,000 residents in Brighton. This variation is mainly driven by cities at the extremes. Half of all cities provide between 56 and 69 of these amenities per 10,000 residents.

Similarly, there is little variation in the availability of budget amenities across cities. This ranges from 37 per 10,000 residents in Blackpool down to 16 in Basildon. When Blackpool and Worthing are excluded, the remaining 60 cities provide between 16 and 26 amenities per 10,000 residents.

This is despite significant variation in the performance of these cities' economies, the strength of a city's economy being measured by its ability to attract high-skilled exporters (see Box 5). It is not the case that stronger city economies offer fewer budget amenities, as shown in Figure 7.

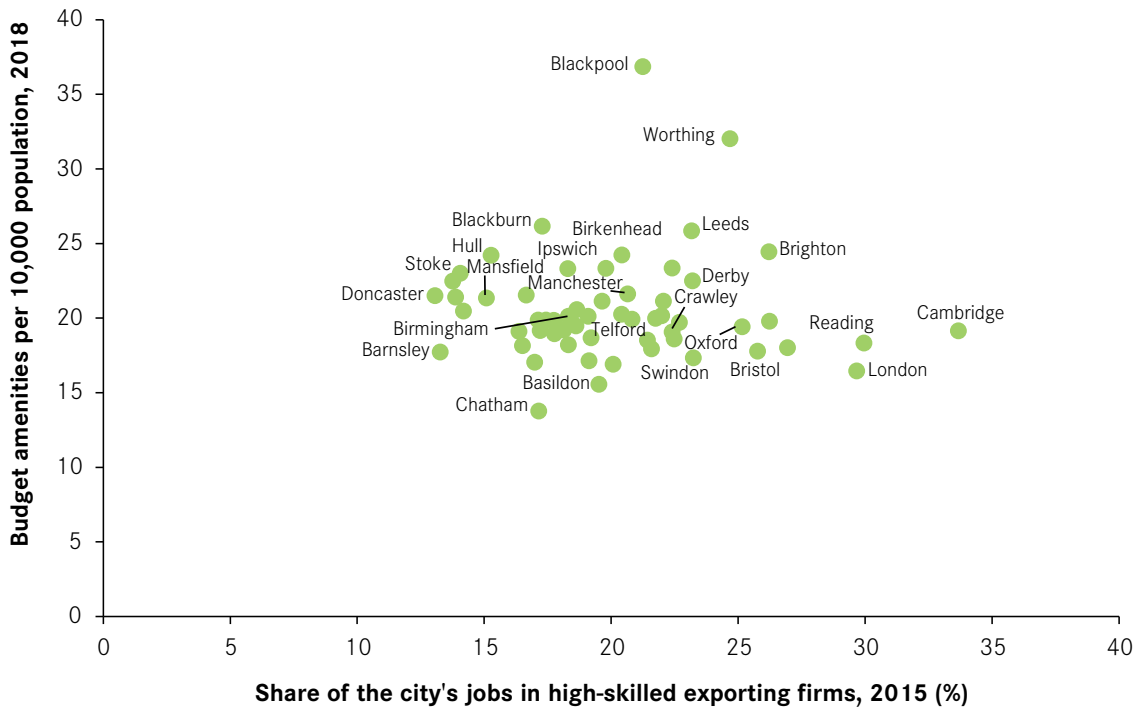


**Figure 6: Day-to-day amenities per 10,000 people in each city, 2018**



Source: Locomizer (2018), ONS mid-year population estimates (2017)

**Figure 7: Relationship between economic strength and budget amenities**



Source: Locomizer (2018), ONS Business Structure Database (2017), 2011 Census, ONS mid-year population estimates (2017)  
 Note: This chart only contains data on cities in England and Wales due to unavailable data for Scotland and Northern Ireland

Brighton offers the same number of budget amenities (24) per 10,000 residents as Hull, despite having more jobs in high-skilled exporting firms. This is because the majority of budget amenities are also day-to-day amenities, such as discount stores selling household supplies or low-price supermarkets, and so are distributed across cities in a similar way to population.

There are however exceptions. Blackpool and Worthing house more budget amenities than other cities, 37 and 32 per 10,000 residents respectively, compared with the average of 20 for British cities. The ability of these coastal cities to attract visitors may contribute to this as it provides an additional population demanding day-to-day amenities.

### **Box 5: How does a city create a strong economy?**

The economic success of a city is determined by its ability to attract exporting businesses. Since they export, they can inject money into the local economy. Among exporting businesses, it is high-skilled exporters, such as engineers and financial services businesses that bring the most wealth to a local economy.

Given this, in this report, the share of a city's jobs in high-skilled exporting firms is used as a proxy for economic performance – the higher the share, the stronger the economy.

As they sell to many markets, these businesses could in theory locate anywhere. Their location decisions are based on the advantages that different places offer them. In particular, in deciding where to invest, high-skilled exporters tend to look for two things: access to knowledge and high-skilled workers.

In recent years, cities in the Greater South East (Greater London, the South East and East of England) have tended to be better at offering businesses these benefits, and this is reflected in the strong economic performance of these places.

## Strong city economies are able to sustain more specialist and premium amenities

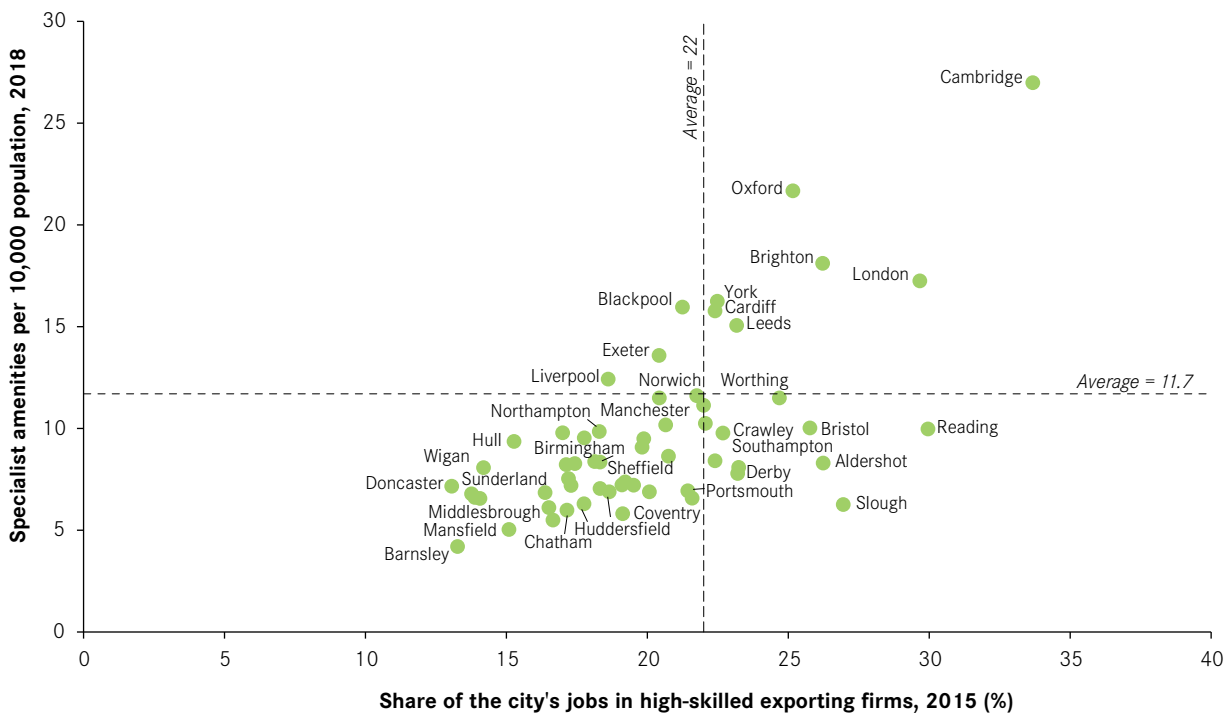
There is much greater variation across cities in the availability of specialist amenities. Unlike day-to-day amenities, this variation is related to economic performance. Cities with stronger economies are able to sustain a greater offering of these amenities.

In Cambridge there are 27 specialist amenities for every 10,000 residents while in Barnsley there are just four, as Figure 8 shows. Cambridge has more than five times as many restaurants as Barnsley, and more than double the number of art galleries.

Most of the difference between cities is driven by specialist food and drink amenities, such as restaurants and bars. Cultural amenities – including performing arts, museums and galleries – make only a very small contribution, ranging from two for every 10,000 residents in Cambridge to 0.1 in Slough.

While the positive relationship between economic performance and specialist amenities is relatively strong, there are some exceptions. Slough and Reading have fewer specialist amenities than expected given their strong economies. Blackpool, meanwhile, has many more amenities despite a weaker economy. The reasons for these exceptions are explored in case studies 1 and 2.

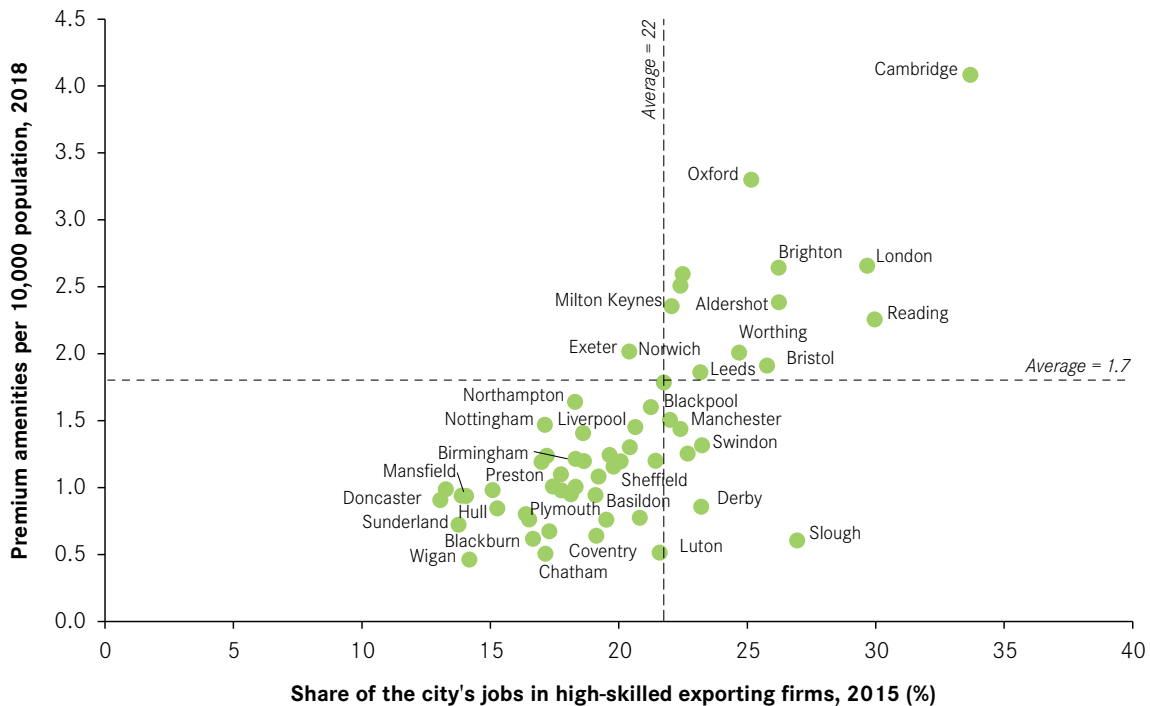
**Figure 8: Relationship between economic strength and specialist amenities**



Source: Locomizer (2018), ONS Business Structure Database (2017), 2011 Census, ONS mid-year population estimates (2017)  
 Note: This chart only contains data on cities in England and Wales due to unavailable data for Scotland and Northern Ireland

Strong cities also offer greater access to more expensive amenities. There is a positive relationship between economic strength and a city's offering of premium amenities (see Figure 9). For example, Cambridge provides four premium amenities for every 10,000 residents while in Wigan there is less than one for the same number of people.

**Figure 9: Relationship between economic strength and premium amenities**



Source: Locomizer (2018), ONS Business Structure Database (2017), 2011 Census, ONS mid-year population estimates (2017)  
 Note: This chart only contains data on cities in England and Wales due to unavailable data for Scotland and Northern Ireland

The prominence of high-skilled jobs in exporting businesses in stronger city economies means those working in the city are more likely to be in higher-paid occupations, raising spending power and demand for amenities in the city. The disposable income of residents rises as economic performance improves. For example, gross household disposable income in 2017 was £23,487 in Cambridge but only £12,623 in Blackburn.<sup>10</sup>

An amenity located in a strong city economy benefits then not just from the scale of the urban market, but also from this additional spending power. Combined, this is enough to sustain more specialist and premium amenities.

So stronger city economies are able to offer both a base level of day-to-day amenities and access to more premium and specialist amenities, while weaker cities can offer only a more limited selection. This counters the popular claim that cities are playgrounds for the rich.<sup>11</sup> Instead, those that cater for wealthy consumers often provide just as well for those with less to spend.

<sup>10</sup> ONS Gross Disposable Household Income (2017)

<sup>11</sup> <http://cityobservatory.org/the-new-mythology-of-rich-cities-and-poor-suburbs/>

Importantly, there are no weak city economies with a strong specialist or premium amenity offer (no cities are in the top left of Figure 8 and Figure 9). For example, Doncaster has just 13 per cent of jobs in high-skilled roles in exporting firms and the third lowest productivity of all UK cities. It is able to sustain only seven specialist amenities and one premium amenity for every 10,000 residents. Those living and working in weaker cities do not have sufficient spending power to sustain as many theatres, restaurants and cinemas as in stronger cities. As a result, running specialist or premium businesses in these places is not as viable as it is in a city such as Brighton.

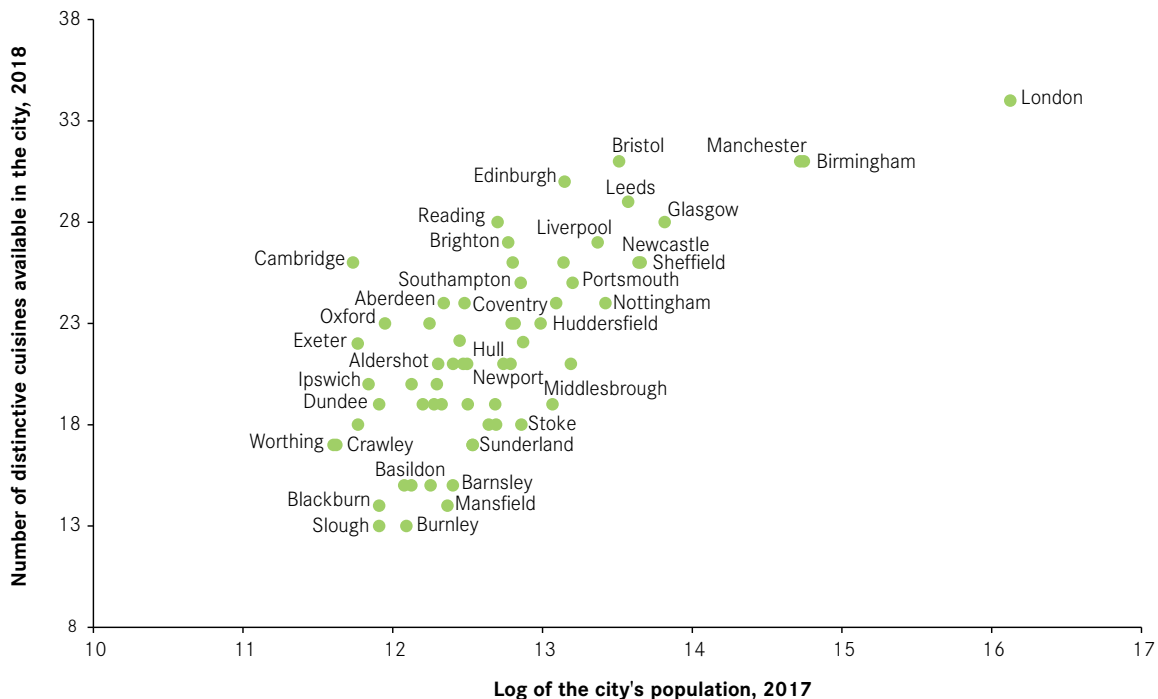
This finding has important consequences for policy, which are discussed in Chapter 5.

### Larger cities are able to sustain a wider variety of amenities

While, on average, cities offer a wider variety of amenities than other parts of the country, not all cities offer this range. As shown above, not all offer the same variety of specialist and premium amenities. These differences can also be illustrated by looking at the range of places to eat on offer.

The variety of food options a city can sustain is driven by the size of the city, rather than by economic performance. It is Britain's largest cities that offer the most variety, as Figure 10 shows. Manchester, Bristol, Birmingham and London contain the widest range of cuisines. In contrast, small cities such as Worthing and Crawley, have a much more limited choice, offering only 17 cuisines.

**Figure 10: Distinctive cuisines by city population**



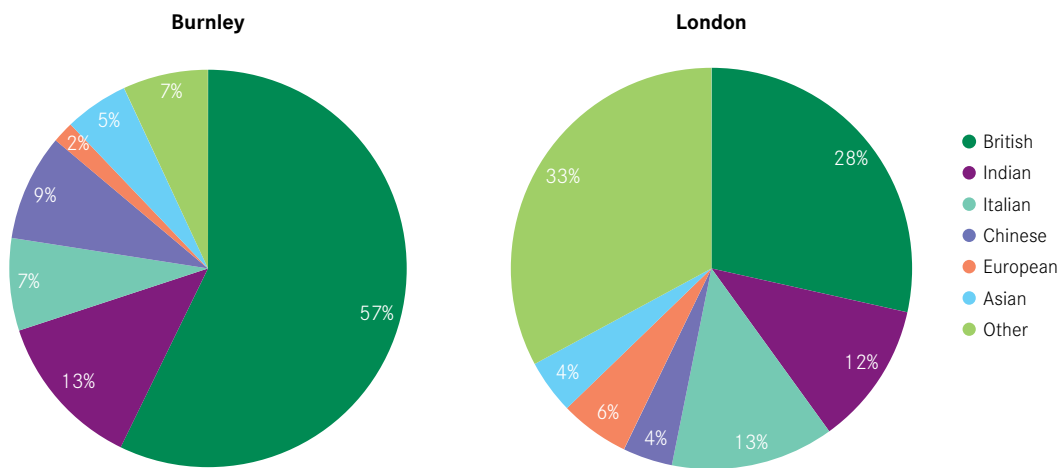
Source: Locomizer (2018), ONS mid-year population estimates (2017)  
 Note: This chart only contains data on cities in England and Wales due to unavailable data for Scotland and Northern Ireland

The size of a large city provides a sufficient customer market to contain both enough demand for less common amenities and the specialist workers to produce the good or service being sold.

Figure 11 compares the variety in Burnley and London, the cities with the least and most diverse food offerings. In Burnley, there are 13 different cuisines on offer but one – British – accounts for 57 per cent of all places to eat and drink.

In contrast, London offers at least 34 different cuisines, and British food accounts only for 28 per cent of places to eat. Instead, a third of London's establishments offer cuisines outside Britain's top six, including Nepalese and Korean. In Burnley, these less common cuisines account for just 7 per cent of the city's offering.

**Figure 11: Range of cuisines on offer in Burnley and London**



Source: Locomizer (2018)

As well as sustaining a greater range of cuisines, larger cities are also able to sustain a wider range of different-sized amenities. While large day-to-day amenities (employing more than 250 people) spread out across cities in the same way as population, this is not the case for large specialist amenities. Small- and medium-sized cities do not house any large specialist amenities – 29 per cent are in large cities and 71 per cent are in London. Only cities with significant scale allow these larger venues to recover their fixed costs.

## Case study 1: Slough – a strong economy with a weak amenity offer

Slough has one of the strongest economies of all British cities and yet it has a weak amenity offering. In both Figures 8 and 9, the city is an exception to the rule that stronger economies have more specialist and premium amenities, sitting in the bottom right quadrant. It also has the least day-to-day amenities per person of all British cities. The presence of high-skilled jobs in the city should increase spending power and so enable the city to sustain a wider range of amenities, but in Slough this is not the case.

Three factors are likely to contribute to this:

### 1. Unusual commuting patterns may lead to high earners spending their money elsewhere

The city has the highest share of workers commuting into the city from outside. In 2011,<sup>12</sup> 62 per cent of Slough's workforce lived outside the city while 57 per cent of residents commuted to jobs outside. For comparison, the average British city imports 42 per cent of its workers and exports just over a third of residents for work.

Not only does this swap of workers and residents take place, the occupations of each group differ. Of all the high-skilled jobs in Slough, 77 per cent are done by workers living outside the city. While 42 per cent of jobs are done by Slough residents, they do just 23 per cent of high-skilled jobs. In 2018, the average Slough worker's weekly wage was £135 higher than the average Slough resident's wage – the largest difference of all British cities.

As a result, while the strength of the city's economy should increase the spending power available to sustain amenities, especially more specialist and premium options as seen in other strong cities, many of those earning higher wages leave the city after work and so are likely to spend much of their leisure time and money in other locations.

### 2. Concentration of jobs outside the city centre weakens high street offer

More specialist and premium amenities tend to concentrate in a city's centre – as Figures 1, 2 and 3 show – but, in Slough, the location of jobs may limit the centre's ability to play this role, weakening the city's overall amenity offer.

Many of the city's most productive, high-skilled jobs are located in the suburbs. Unlike other strongly performing cities, Slough's city centre is not the part of the city with the highest concentration of jobs.

<sup>12</sup> 2011 Census data is used as this is the most recent source of detailed commuting data available



Instead, the trading estate is the densest location of employment, housing 23 per cent of Slough's jobs.

The 243 hectare estate – based in Slough's suburbs – is home to half of the city's manufacturing jobs and 44 per cent of jobs in information and communications technology, both of which are very productive industries in Slough. As a result, the city has a very strong suburban economy.

This means that many well-paid workers in the city spend their working days in the suburbs, reducing the chance they spend time and money in amenities on the city centre's high street.

### 3. Proximity to other amenity-rich locations may disperse consumers

Slough is near to many alternative destinations for consumers. London is accessible in 17 minutes by train and Windsor and Eton are even closer, all three with very strong reputations as places to visit. The capital hosts one of the highest numbers of specialist and premium amenities, houses the very largest venues such as the Royal Albert Hall and O2 Arena, and offers the widest range of amenities.

So, despite having residents with considerable disposable income, the seventh highest of all British cities<sup>13</sup>, some of their spending is likely to be dispersed in other locations. This is illustrated by the average distance travelled by visitors to spend leisure time in Slough and its neighbouring cities, as shown in Figure 12. Visitors to London travel 61 km, on average, to spend time in the city compared with the 14 km average for visitors to Slough.

Several other cities around London, such as Basildon and Aldershot, have similarly small average distances and weak amenity offerings despite strong economies. They too are likely affected by the pull of London.

**Figure 12: Average distance travelled by a visitor to each city**



Source: Locomizer (2019)

## **Case study 2: Blackpool – a weak economy with a strong amenity offer**

Blackpool's position in Figure 8 shows it has a relatively strong specialist amenity offer for its mid-ranking ability to attract high-skilled exporting jobs. This is especially significant given the city performs relatively worse on other measures of economic performance – it is in the bottom half of cities for resident and worker wages and ranks 46<sup>th</sup> out of 62 cities for the share of residents with a degree.

### **The city's status as a tourist destination provides an additional source of consumers to sustain amenities.**

Blackpool's coastal location has always made it an attractive place to visit. Its status grew with the advent of the railways, making it accessible to a greater number of people, and it thrived in the inter-war period as a holiday spot. Although its popularity has fallen from this peak, it remains a significant destination, estimated to attract 18 million trips by tourists each year.<sup>14</sup>

This is visible in its abundant accommodation sector. The city has 57 places to stay (including hotels, hostels and bed and breakfasts) for every 10,000 residents which is significantly higher than any other city. York ranks second on this measure, offering 11 per 10,000 people.

This additional population of visitors likely contributes to the ability of the city to sustain a larger number of specialist amenities than its residents and workers might do alone.

### **These visitors contribute to the city sustaining many budget and day-to-day, rather than premium, amenities.**

The city is also unusual because it does not have an especially strong offer of premium amenities, which is often the case for other cities with many specialist amenities. Instead, it has a very high availability of budget and day-to-day amenities (see Figures 6 and 7). The affordable nature of the city's visitor economy then does not make up for the lower spending power of residents and workers who cannot sustain a higher number of premium amenities.

<sup>14</sup> Blackpool Council (2018) Tourism Performance Update 2018. Accessible at: <https://democracy.blackpool.gov.uk/documents/s36486/ITEM%252010%2520-%2520Tourism%2520Scrutiny%2520Report%2520-%2520June%25202018.pdf+%&cd=7&hl=en&ct=clnk&gl=uk>

# 04

## How do city centres vary?

City centres should be the ideal place to locate a specialist or premium amenity. The central location of their high streets brings people together, maximising access to a city's customer market. But this is not currently the case in all city centres. Some high streets do not house many amenities beyond the day-to-day offer and are also struggling with high vacancy rates.

**The nature of the high street is determined by the underlying strength of the city centre economy.**

The composition and health of a city centre's high street is closely linked to the strength of its underlying economy. One of the core groups of customers sustaining local services on the high street is workers, and so the type and number of jobs located in the city centre has a significant impact on the nature of the amenities on offer.

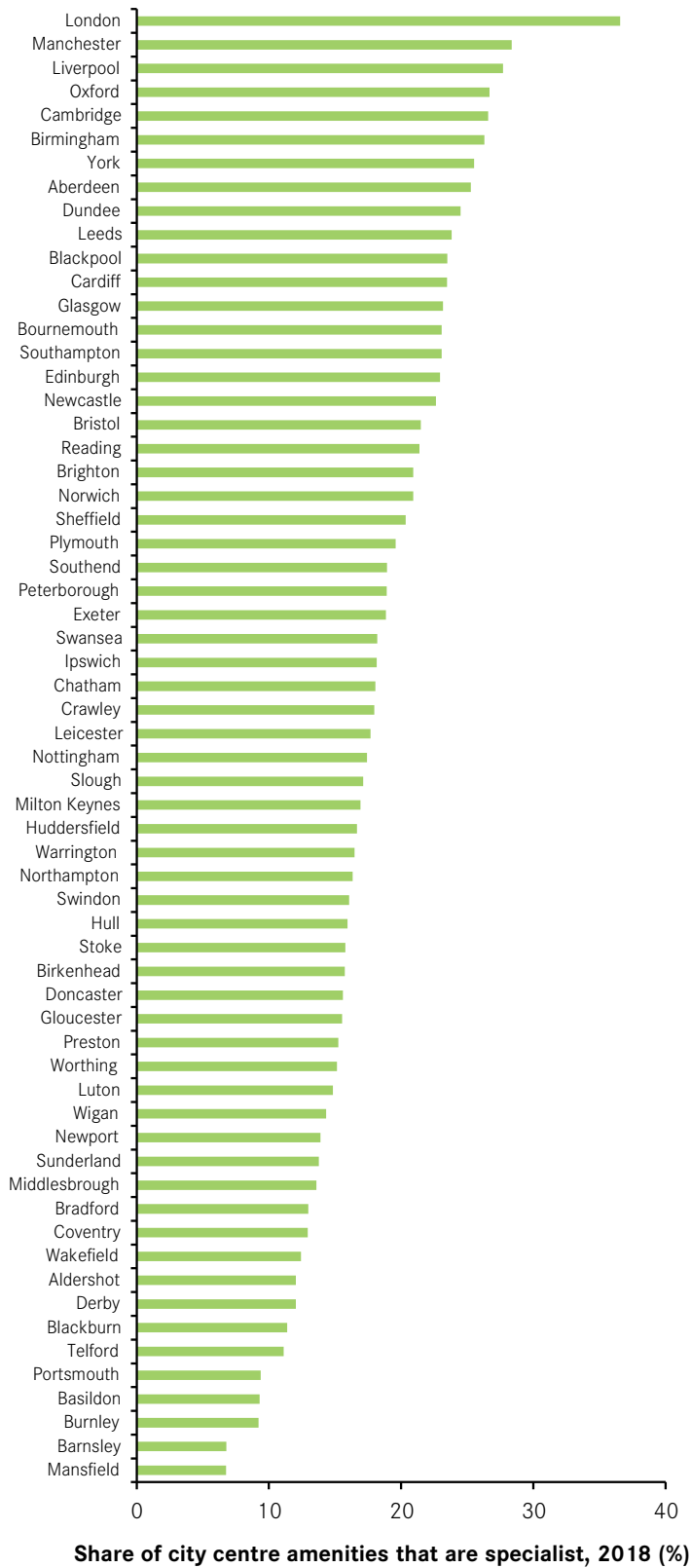
In strong city centre economies, the existence of many well-paid, high-skilled jobs in exporting firms means it is possible to sustain a healthier high street, which offers something beyond the day-to-day. This is seen in three ways.

### 1. Strong city centres have more specialist and premium amenities

On average, a quarter of a city centre's amenities are specialist while the remaining three-quarters are day-to-day. But in some city centres, the share that is specialist is much higher.

In London, 37 per cent of the city centre is taken up by specialist amenities such as cinemas, bars and performing arts venues; in Manchester city centre, they account for 28 per cent. In contrast, in Mansfield and Barnsley just 7 per cent of the city centres' amenities are specialist, as shown in Figure 13. The vast majority of the high street is devoted instead to day-to-day amenities such as cafés and shops selling clothes or household goods.

**Figure 13: Share of city centre amenities that are specialist, 2018**



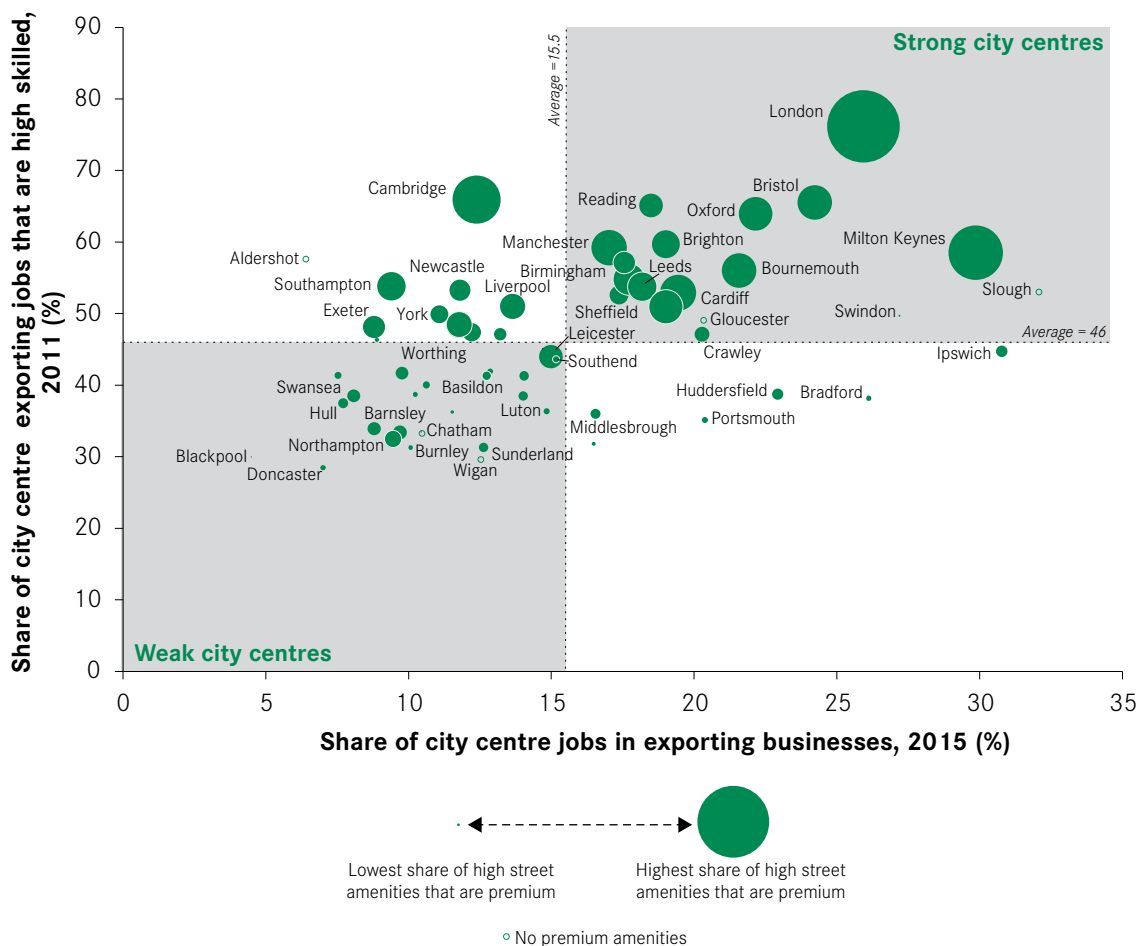
Source: Locomizer (2018)

The same is true for the ability of city centres to host more expensive amenities. The share of the high street taken up by premium shops and services is highest in London, at 11 per cent, and lowest in the five cities which have no premium amenities, including Gloucester and Slough.

The strongest city centre economies, which have attracted the most high-skilled jobs in exporting firms, host more specialist and premium amenities. These strong city centres are shown in the top right quadrant of Figure 14, as they have a large base of high-skilled exporting jobs. The size of the circles represents the share of high street amenities that are premium.

In contrast, the bottom left quadrant of the chart contains the weak city centre economies that attract few high-skilled exporting firms. Here, the very small circles show how rare premium amenities are on these high streets. The same pattern is seen for specialist amenities, with stronger city centre economies housing more.

**Figure 14: The size and composition of a city centre's exporting base and availability of premium amenities**



Bubble size: Share of high street amenities that are premium (as opposed to budget or mid-range). The larger the bubble, the higher the share that are premium. Unfilled circles have no premium amenities.  
 Source: ONS Business Structure Database (2017), 2011 Census, Locomizer (2018)

Note: This chart only contains data on cities in England and Wales due to unavailable data for Scotland and Northern Ireland

The presence of well-paid workers in and around the high street creates demand for amenities. These workers will often spend their lunchtimes and evenings using the shops, restaurants and bars near their workplaces, providing an additional source of footfall and spending power on top of residents and visitors. In doing so, they are sustaining local services firms on the high street. This effect of high-skilled exporting jobs creating and sustaining jobs in local services is known as the multiplier, and is explored in Box 3.

The top left quadrant of Figure 14 includes a group of moderately strong city centres. Their smaller number of exporting jobs, even though most are high skilled, limits the amenity offering they can sustain. As a result, most of these city centres have a relatively strong premium offering but lag slightly behind the strongest city centres in the top right.

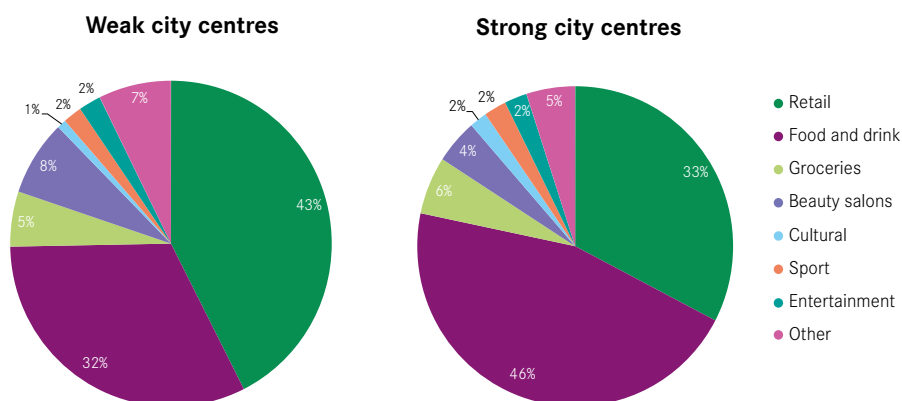
Cambridge is an exception to this, housing as many specialist amenities as many strong city centres. This is likely to be due to its ability to draw in large numbers of visitors, who generate additional demand for amenities.

## 2. Strong city centres are less reliant on retail than weak city centres

A closer look at the composition of city centre high streets reveals how the strongest city centres offer a different mix of amenities. Not only do they provide more specialist and premium amenities, they are also less focused on retail than weaker city centres.

In the strongest city centres – those in the top right quadrant of Figure 14 – food and drink account for 46 per cent of amenities. In Figure 15, this is contrasted with weak city centres where this figure is lower, at 32 per cent. Instead, they are more focused on retail. The share of the high street which is retail is 43 per cent in weak city centres but only 33 per cent in strong ones.

**Figure 15: Composition of weak and strong city centre economies**



Source: Locomizer (2018)

Notes: 'Cultural' includes performing arts, museums, galleries and concert halls. This chart only contains data on cities in England and Wales due to unavailable data for Scotland and Northern Ireland

Stronger city centres are able to better match current customer preferences. Retail is taking up less and less space on high streets across the country as customers shift to online shopping, while places to eat and drink are less replaceable and so have not seen the same decline. Figure 15 therefore suggests that weaker city centres may be more vulnerable to the continued evolution of the high street.

'Cultural' amenities account only for a small part of high streets. This group of amenities, usually defined by policymakers as including theatres, museums, galleries and other performing arts venues, are currently prominent in discussions about what cities can offer consumers. But they account for only 1 per cent of the amenities on weak city centre high streets, and 2 per cent in strong city centres.

### 3. Strong city centres have fewer high street vacancies

As well as having a different composition, stronger city centres also have healthier high streets. Previous Centre for Cities research has shown that not all high streets are struggling<sup>15</sup>, as those in strong city centre economies have relatively few empty shops.

This is illustrated in Figure 16, which is the same as Figure 14 except the size of the bubbles now represents the share of high street services that are vacant. In the bottom left quadrant, empty stores account for up to a quarter of the high street. For example, in Newport the vacancy rate is 24 per cent and in Wigan one in five high street units is empty.

In contrast, city centres in the top right have much smaller vacancy rates. In Cambridge and Brighton, as little as 7 per cent of the high street is empty.

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<sup>15</sup> Swinney P, McDonald R (2019) City centres: past, present and future. Their evolving role in the national economy. London: Centre for Cities

**Figure 16: High street vacancies and the size and composition of a city centre's exporting base**



Source: ONS Business Structure Database (2017), 2011 Census, Local Data Company (2017, 2018)  
 Bubble size: Share of high street services units that are vacant  
 Note: High street services are defined as retail and leisure property uses.

This variation in the health of the high street calls into question the argument that online retail is the main cause of decline. Since the benefits of online shopping are the same in Cambridge as in Wigan, all other things being equal, online retail should mean a consistently high number of empty shops in all cities. Instead, it is the lack of spending power and footfall in many weaker city centres that limits the ability of cafés, restaurants and retailers to stay open.

Where the city centre economy is strong, there are many high-skilled exporting jobs providing workers with money to spend on the high street. This creates enough demand to continue to sustain bars, theatres and shops.



# 05

## The role of policy

Stronger city economies offer consumers a wider, richer range of amenities than weaker city economies. As well as economic performance, policy decisions also influence the consumption offer of cities, as this chapter examines. Interventions range from local authorities giving high streets a facelift to the creation of cultural strategies and quarters. The objectives of these policies vary – some aim to fill a gap in the market, such as providing a theatre, while others aim for wider benefits, such as attracting highly-skilled workers.

### Improving cities' consumer offers is a prominent part of economic development policies

Many economic development policies have at their heart an assumption that consumption-based policies can kick start economic growth. Improvements in the amenities and wider consumption offer of a city are used to address long-term economic weaknesses, such as high unemployment or low wages. As a result, this is a policy tool often used in weaker cities that are looking to attract business investment and grow their economy.

Within this broad policy area, two types of consumption-based policies are particularly prominent.

#### **1. Reviving struggling high streets by focusing on improving and protecting amenities**

The decline of the high street has become a major issue for policymakers in recent years. Policies to tackle empty shops tend to be consumption-led, focusing on updating and improving what high streets can offer, such as by hosting food markets or using technology to enhance the customer experience. By better serving consumer preferences, these policies aim to increase use of the high street and reverse decline.

Historically, policy aimed to revive high streets by improving their retail offer. This ranged from the direct provision of shops – such as the development of new shopping centres – to support for retailers, especially independent ones, with tax breaks to prevent closures. For example, the 2011 Portas Review advocated lower

business rates to reduce the burden on retailers and local businesses. There are currently calls for increased taxation of online retailers to weaken their ability to compete with retailers that have a physical presence.

More recently, the scope of policy has widened beyond retail to consider how high streets can adapt to quickly changing customer demands. The Housing, Communities and Local Government Select Committee has recommended reforming use classes to provide flexibility for properties to change use easily, something the Government is now considering.<sup>16</sup> The Government has also encouraged cities to consider lower parking costs to encourage residents to visit high streets,<sup>17</sup> is piloting new ways to use empty units by partnering landlords with community groups looking for space,<sup>18</sup> and is committed to supporting English cities with the £1 billion Future High Streets Fund.<sup>19</sup>

## 2. Culture-led regeneration uses the provision of culture to kick-start economic growth

Culture-led regeneration approaches focus on a specific part of a city's offer to consumers: the provision of 'culture'. This term encompasses a range of specialist amenities, such as theatres and museums, and events, such as music or literary festivals. By offering consumers a greater range of experiences and activities, cities aim to become more attractive places to live, work and do business. The 'Bilbao effect' has been an inspiration for many of these investments, which was the claimed positive economic benefit of the publicly-funded Guggenheim museum in Bilbao in 1997.

A high-profile example is the UK City of Culture award. Since 2013, the UK government has designated one city every four years a 'City of Culture'. The winner hosts a year-long programme of initiatives to celebrate its culture. Inspired by the European Capital of Culture award, one of the main objectives is to act as a catalyst for economic growth. Cities bidding for the award must aim to "create a demonstrable economic impact from the programme, through investment and innovation in culture and creativity".<sup>20</sup> Hull City Council estimated its 2017 award would add £60 million to the city's economy.<sup>21</sup>

Other culture-led approaches focus more specifically on physical amenities, and especially specialist amenities such as theatres, museums and galleries. The public sector is a major funder of many of these amenities, especially in weaker city economies across the UK. In the North East, Gateshead Council co-funds both the Sage concert hall and the Baltic gallery and Middlesbrough Council co-funds the Middlesbrough Institute of Modern Art (mima). In Wakefield, the council supports the Barbara Hepworth Gallery, which lists one of its aims as being 'a catalyst for wider regeneration'.

16 Housing, Communities and Local Government Committee (2019) High Streets and Town Centres in 2030. HC 1010 2017-2019

17 Ministry of Housing, Communities and Local Government (2018) The High Street Report. Accessible at: <https://www.gov.uk/government/publications/the-high-street-report>

18 <https://www.meanwhile.org.uk/pages/25-open-doors>

19 Ministry of Housing, Communities and Local Government (2019) £1 billion Future High Streets Fund expanded to 50 more areas [Press Release] 26 August. Accessible at: <https://www.gov.uk/government/news/1-billion-future-high-streets-fund-expanded-to-50-more-areas>

20 Department of Culture, Media and Sport (2013) UK City of Culture 2017: Guidance for Bidding Cities. Accessible at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/89369/UK\\_City\\_of\\_Culture\\_2017\\_Guidance\\_and\\_Criteria.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/89369/UK_City_of_Culture_2017_Guidance_and_Criteria.pdf)

21 Hull City Council (2014) Hull City of Culture 2017: Strategic Business Plan 2015-2018. Accessible at: [https://cmis.hullcc.gov.uk/cmis/Portals/0/HULL2017\\_STRATEGICBUSINESSPLAN\\_1518.pdf](https://cmis.hullcc.gov.uk/cmis/Portals/0/HULL2017_STRATEGICBUSINESSPLAN_1518.pdf)

## But policies focused on consumption should not be expected to lead economic growth

Most consumption-led regeneration policies are based on two assumptions:

1. Weak city economies have a poor consumption offer. In particular, the lack of specialist amenities in these cities – as shown in Figure 8 – is used as evidence that there is an undersupply of options such as theatres and museums.
2. Making a city more attractive to consumers will attract high-skilled workers because it is a more desirable place to live, which in turn will attract the businesses that are needed to grow the economy. This is the argument made by commentators such as Richard Florida, who claim that the amenities of a place are the main factor that attracts or deters workers.<sup>22</sup>

These assumptions are flawed in the following ways.

### **Weak city economies are unlikely to be able to sustain more specialist amenities**

The reason why weak cities have few specialist or premium amenities – as shown in Figures 8 and 9 – is because residents and workers have less money, on average compared with those in strong cities, to spend on an meal out or trip to the cinema. Similarly, high streets that mostly provide day-to-day amenities and have high vacancy rates struggle because of a lack of footfall and spending power.

The limited spending power of those living and working in cities limits their ability to use and benefit from new amenities and they may even be disadvantaged if property prices rise as a result of investment.

Cultural events and activities that are not part of a wider strategy of economic improvement also have a limited long-term impact given that they mostly provide a one-off injection of money into the economy. For example, studies evaluating the economic impact of cultural events such as the European Capital of Culture (similar to the UK's City of Culture award) found little or no positive long-term impact on the local economy.<sup>23</sup>

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<sup>22</sup> Florida R (2012) *The rise of the creative class*. New York: Basic Books

<sup>23</sup> <https://whatworksgrowth.org/resources/how-to-evaluate-sport-and-culture-european-capital-of-culture/>

## **Workers are more likely to choose a city for its job opportunities than its amenities**

People, particularly those with higher skills, do make locational decisions based on the desirability of a place to live. This includes a place's consumption offer, but tends to be more about housing, crime, school and the environment than specific amenities. But the main factor that determines where high-skilled workers live is access to jobs.<sup>24</sup>

Only when two cities offer similar work opportunities does the residential attractiveness – and so its consumer offer – become a deciding factor. Enrico Moretti cites Seattle to illustrate this point. While the cultural vibrancy and economic success of the city today could lead to suggestions that the former led to the latter, he argues the opposite is true: “it became a lively cosmopolitan playground for educated professionals after it started attracting all the high-tech jobs”.<sup>25</sup> An abundance of theatres, festivals and restaurants will not be enough to attract workers if there are few career opportunities.

## **Consumption-based policies cannot fully address the fundamental reasons why businesses are not investing**

Weak cities struggle to attract businesses because they cannot offer them the workers or business environment they need. For example, in Hull just 27 per cent of residents have degree-level qualifications, the seventh lowest of all UK cities, and Middlesbrough has the 10<sup>th</sup> highest share of residents (12 per cent) with no formal qualifications. They also have a relatively weak amenity offer, with few specialist or premium amenities.

In contrast, cities like Brighton and Cambridge with high-skilled workforces (50 and 58 per cent of residents have degree-level skills respectively) attract many more of these businesses. As a result, they also have a much stronger amenity offer.

**This critique of consumption-led approaches to economic development is not an argument against cities investing in their consumption offers.** Cities should be investing in amenities, culture events and leisure facilities. There are many good reasons to do so, such as widening participation in the arts or developing children's interpersonal skills, as well as many economic benefits.

Instead, this is a critique of the view that these approaches can lead economic improvements rather than follow and support them.

As Moretti puts it, “a good quality of life does help cities attract talent and grow economically, but on its own, it is unlikely to be the engine that turns a struggling community into an innovation cluster”.<sup>26</sup> It is only when investments in culture and amenities are paired with other policies to attract businesses that they are able to contribute to economic growth.

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24 Storper M and Kemeny T (2015), *The rise and fall of urban economies*. Stanford: Stanford University Press

25 Moretti E (2013) *The New Geography of Jobs*. New York: Houghton Mifflin Harcourt

# 06

## Conclusions and policy recommendations

Cities play an important role in the UK economy as places of consumption, as well as places of production. Their density and scale enables them to house more specialist and premium amenities than other parts of the country, as well as sustaining larger amenities and offering a greater variety of options to consumers.

But this is not the case in all cities. While all offer a similar base level of amenities, only stronger city economies can offer something extra to consumers. The presence of more well-paid jobs increases the spending power of residents and workers and this means these cities can sustain more specialist and premium amenities than weaker city economies.

The varied performance of city centres across the country illustrates this. Strong city centres have both fewer vacant properties and more specialist and premium options. This is because of the presence of workers, especially higher-paid workers, in and around the high street. These high streets are less focused on retail and more on food, drink and leisure, making them less vulnerable to the ongoing shift towards online retail. Their success shows that retail's evolution does not have to cause high street decline.

Policy has been active in shaping the amenities on offer in cities across the country. High street regeneration has created new retail and leisure experiences in an effort to prevent vacancies, while culture-led regeneration has focused on improving the specialist and premium offer of a place in order to boost the local economy.

While these policies have many benefits, there is little evidence they achieve their economic development objectives. If those living and working in a city do not have money to spend, they will not benefit from new amenities or events, and if a city's workforce does not offer employers the right skills and qualifications then businesses will not locate there even if it has an exceptional cultural offer.

## Policy recommendations for cities

### 1. Weak city economies must focus on being more attractive business locations

City economies are weak because they cannot adequately offer businesses the benefits a city should – access to lots of skilled workers and an attractive business environment. To overcome this, local economic policy must focus on better offering these benefits and specifically the priority should be improving educational attainment.

**Cities should establish Skills Compacts to promote and coordinate action to improve education and training in the city.** City leaders and metro mayors should bring local stakeholders together – including schools, FE colleges, training providers, universities, businesses and the third sector – to commit to improving outcomes by working together, sharing knowledge and best practice, and raising awareness of existing initiatives. Measurable targets should be set to monitor progress.

**Cities should invest in their consumer offering, but not as the primary tool to achieve economic growth.** While these contribute to creating a more attractive business location, they should not be used as tools to lead economic development. Attracting businesses by boosting the skills of the workforce must come first before a greater consumption offer can be sustained.

### 2. Struggling high streets must strengthen their city centre economies

**In the long-term, policymakers should focus on attracting more business investment into weak city centres.** High street vacancies are a symptom of a weak economy, rather than the inevitable impact of the rise in online shopping. So rather than focus on improving the offer to consumers, policymakers must look beyond the high street and focus on economic growth. The presence of many workers in and around the high street, especially those in high-skilled roles in exporting companies, plays a vital role in sustaining amenities.

To attract and retain these businesses, the city centre location must offer access to the employees businesses need. This means that skills improvements are also essential for creating healthy high streets.

In addition, weak city centres need to offer businesses quality workspaces. Both the quantity and quality of offices are lower than in stronger city centres,<sup>26</sup> which is a constraint on growth. Where the private sector is not delivering space due to low rents or an unproven market the public sector may need to step in, carefully leading small developments.

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<sup>26</sup> Breach A and McDonald R (2018) *Building Blocks: the role of commercial space in Local Industrial Strategies*. London: Centre for Cities

**In the short-term, struggling high streets should be remodelled away from their reliance on retail.** As weaker city centres strengthen their economies, they will also need to adapt the stock of commercial property away from the current focus on retail and towards a more diverse mix of uses. One of the aims should be a greater focus on places to eat and drink, as already seen on stronger high streets. For places with too many shops, this may require knocking down derelict buildings and using land for public realm improvements.

Cities should make use of available Government funds, such as the Future High Streets Fund in England, to do this.

### **3. Strong city economies must manage the costs of growth to remain accessible**

The ability of strong cities to offer a range of amenities and prevent vacancies on the high street relies on their appeal as places to work, live and visit. Rising property prices – both residential and commercial – and congested transport systems could threaten this success.

**Cities must build up and out to meet demand for housing.** A restrictive planning system has prevented the supply of workspace and housing from increasing with demand, resulting in very high prices especially in the strongest city centres.<sup>27</sup> Tackling this will require both densification and expansion.

## **Policy recommendations for government**

### **1. Put less weight on direct economic outcomes in decisions about cultural investment**

Many bids for cultural funding currently require cities to show how investments will lead economic development and achieve objectives such as the creation of jobs. This means cities have to build this into the design of their policies. But this is unlikely to be feasible in many of the weaker cities these policies are aimed at. As a result, this criterion can unnecessarily divert attention from more important and feasible objectives of investments in the provision of culture.

### **2. Funds aimed at reviving the high street should look beyond retail**

One hundred towns and cities are currently developing business cases for how they would use their share of the £1 billion Future High Streets Fund. The new government must allow, and encourage, this money to be spent on more than amenity improvements, supporting the remodelling of high streets away from retail and towards more office space and a higher quality public realm.

The Fund should be seen as a complement to funding for wider economic goals, such as the National Productivity Investment Fund, because high street improvements will only be successful if city centre economies can be strengthened. This larger fund should recognise the importance of thriving city centre economies to the national economy, and also be available to cities investing to make their centres more attractive business locations.

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27 McDonald R and Bessis H (2018) City Space Race: balancing the need for housing and office space in cities. London: Centre for Cities

## Appendix 1 – Detailed methodology for amenities

Each amenity is categorised as follows:

<b>Amenity type</b>	<b>Category</b>	<b>Sub-group</b>
Beauty salons	Day-to-day	Beauty
Tanning salons	Day-to-day	Beauty
Tattoo studios	Specialist	Beauty
Adult entertainment	Specialist	Entertainment
Arcades	Specialist	Entertainment
Betting	Specialist	Entertainment
Bingo halls	Specialist	Entertainment
Casinos	Specialist	Entertainment
Children's activities	Specialist	Entertainment
Children's farms	Specialist	Entertainment
Cinemas	Specialist	Entertainment
Go Ape	Specialist	Entertainment
Go Kart	Specialist	Entertainment
Mini-golf	Specialist	Entertainment
Zoos	Specialist	Entertainment
Bars	Specialist	Food & Drink
Cafes	Day-to-day	Food & Drink
Cocktail bars	Specialist	Food & Drink
Fast food	Day-to-day	Food & Drink
Pubs	Day-to-day	Food & Drink
Restaurants	Specialist	Food & Drink
Wineries	Specialist	Food & Drink
Convenience stores	Day-to-day	Groceries
Food stores	Day-to-day	Groceries
Supermarkets	Day-to-day	Groceries
Arts and crafts	Specialist	Museums & Galleries
Historic houses	Specialist	Museums & Galleries
Museums	Specialist	Museums & Galleries
Concert halls	Specialist	Performing arts
Performing arts venues	Specialist	Performing arts
Beauty	Day-to-day	Retail
Stationers	Day-to-day	Retail
Department stores	Specialist	Retail



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Discount stores	Day-to-day	Retail
DIY Stores	Day-to-day	Retail
Electronics	Day-to-day	Retail
Fabric	Day-to-day	Retail
Fashion	Day-to-day	Retail
Florists	Day-to-day	Retail
Furniture	Day-to-day	Retail
Jewellery	Day-to-day	Retail
Other shops	Day-to-day	Retail
Pawn shops	Day-to-day	Retail
Photo printers/framers	Day-to-day	Retail
Second-hand stores	Day-to-day	Retail
Sports	Day-to-day	Retail
Golf courses	Specialist	Sport
Gyms	Day-to-day	Sport
Ice rinks	Specialist	Sport
Pilates studios	Specialist	Sport
Skiing centres	Specialist	Sport
Stadiums/sports clubs	Day-to-day	Sport
Swimming pools	Day-to-day	Sport
Tennis courts	Specialist	Sport
Leisure centres	Day-to-day	Sport
Yoga studios	Specialist	Sport

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## Appendix 2 – City centres typology

The cities in Figures 14 and 16 are categorised as follows:

<b>Strong city centres – top right quadrant</b>	<b>Moderately Strong – top left quadrant</b>	<b>Moderately Weak – bottom right quadrant</b>	<b>Weak city centres – bottom left quadrant</b>
Birmingham	Aldershot	Blackburn	Barnsley
Bournemouth	Cambridge	Bradford	Basildon
Brighton	Coventry	Huddersfield	Birkenhead
Bristol	Exeter	Ipswich	Blackpool
Cardiff	Liverpool	Middlesbrough	Burnley
Crawley	Newcastle	Portsmouth	Chatham
Gloucester	Nottingham		Derby
Leeds	Plymouth		Doncaster
London	Southampton		Hull
Manchester	Worthing		Leicester
Milton Keynes	York		Luton
Norwich			Mansfield
Oxford			Newport
Reading			Northampton
Sheffield			Peterborough
Slough			Preston
Swindon			Southend
Telford			Stoke
			Sunderland
			Swansea
			Wakefield
			Warrington
			Wigan





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