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High street crusade ignores the facts



“The high street should be at the very heart of every community, bringing people together, providing essential services and creating jobs and investment; so it is vital that we do all that we can to

ensure they thrive.”

So says Prime Minister David Cameron, kicking off an inquiry into how to save the high street. This aims to look at how Government, businesses and shoppers can address the problems of vacant shops, adopt new business models, prevent the proliferation of clone towns, and increase the number of small and independent retailers.

So are we trying to save small independent retailers or the high street? Are they synonymous? Do small retailers flourish only on the high street, as opposed to in a shopping centre?

The decline of the high street is all too well understood already. Internet shopping and home delivery is growing rapidly – it's cheap, easy and convenient. High streets tend to have awkward parking, often deliberately so, as governments have tried to discourage car usage in town centres and local authorities seek more revenue from car parking.

Legacy landlord contracts have stopped rents from being reduced. Restrictive planning conditions have discouraged larger shop units from being built in dense town centres.

Developers have built new shopping centres with covered pedestrian walkways. These are often in town centres or adjacent to high



Shopping centres have proved consistently popular and are also at the centre of many communities

streets, and have proved consistently popular with consumers. So why does the Prime Minister think that it's only high streets that “bring people together”? Apparently, it's only the high street that provides essential services. If by essential services he means libraries, social services and hospitals, then these are currently high on the Government's hit list for cuts. And these services are not generally seen on a high street anyway.

High streets apparently create jobs and investment. I guess he means small independent stores here. And the evidence for this claim is where? McKinsey did a study on food retailer productivity that concluded that larger stores were more productive, writing last year that: “A regulatory environment that allows the expansion of more productive modern supermarkets and convenience stores raises productivity because larger chains can profit from scale benefits in purchasing, merchandising and store operations.”

Now, when I studied economics, lower productivity was associated with lower investment, not higher. Mind you, I suppose, by definition less productive retailers need more employees.

So we have a Government initiative on retailing that seems to be based on prejudice, rather than facts and logic. One of our largest and most successful industries, contributing 8% of gross domestic product, is to be reviewed by a TV ‘celebrity’, on a mission to turn back time to a mythical golden age of the high street. It seems that the Prime Minister is intent on delivering the Big Society from Little Shops.

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