

Leicester city centre: challenges and opportunities

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Future of Leicester city centre session

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Overview of the presentation

- What does pre-pandemic data tell us about the role Leicester city centre played, the performance of the city centre and the opportunities/challenges it might face now?
- A focus on high streets: how did Leicester city centre experience the Covid-19 pandemic, and what have we learnt from real-time data on footfall and spend?
- Next steps: what are the lessons for the recovery, and what are the policy implications?

How did Leicester city centre
perform pre-pandemic?

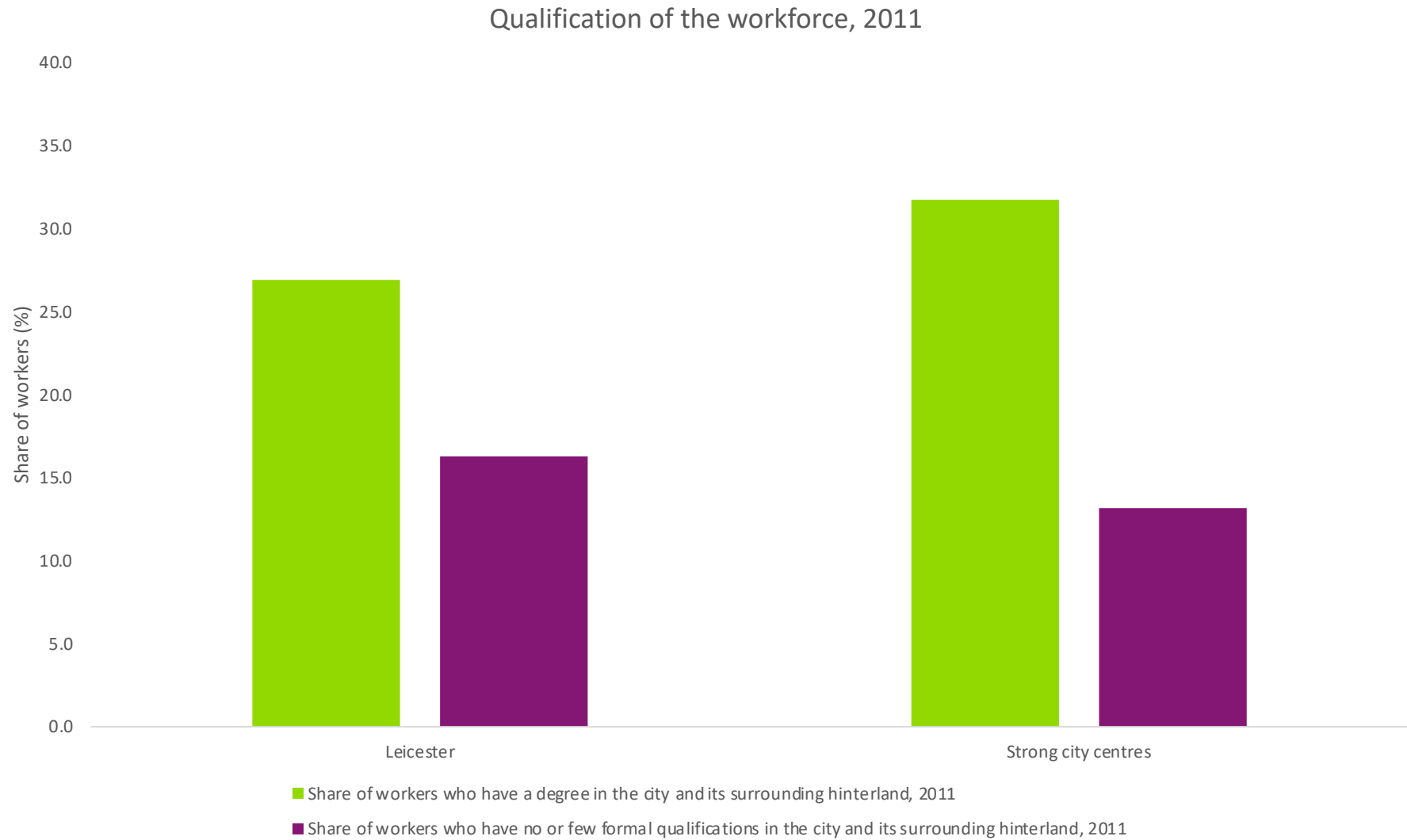


Looking at the strength of its city centre economy, Leicester did moderately well

- High skilled exporting businesses are a key determinant of the strength of a local economy
- They drive productivity growth, which in turns benefits local services
- And they tend to prefer city centre location

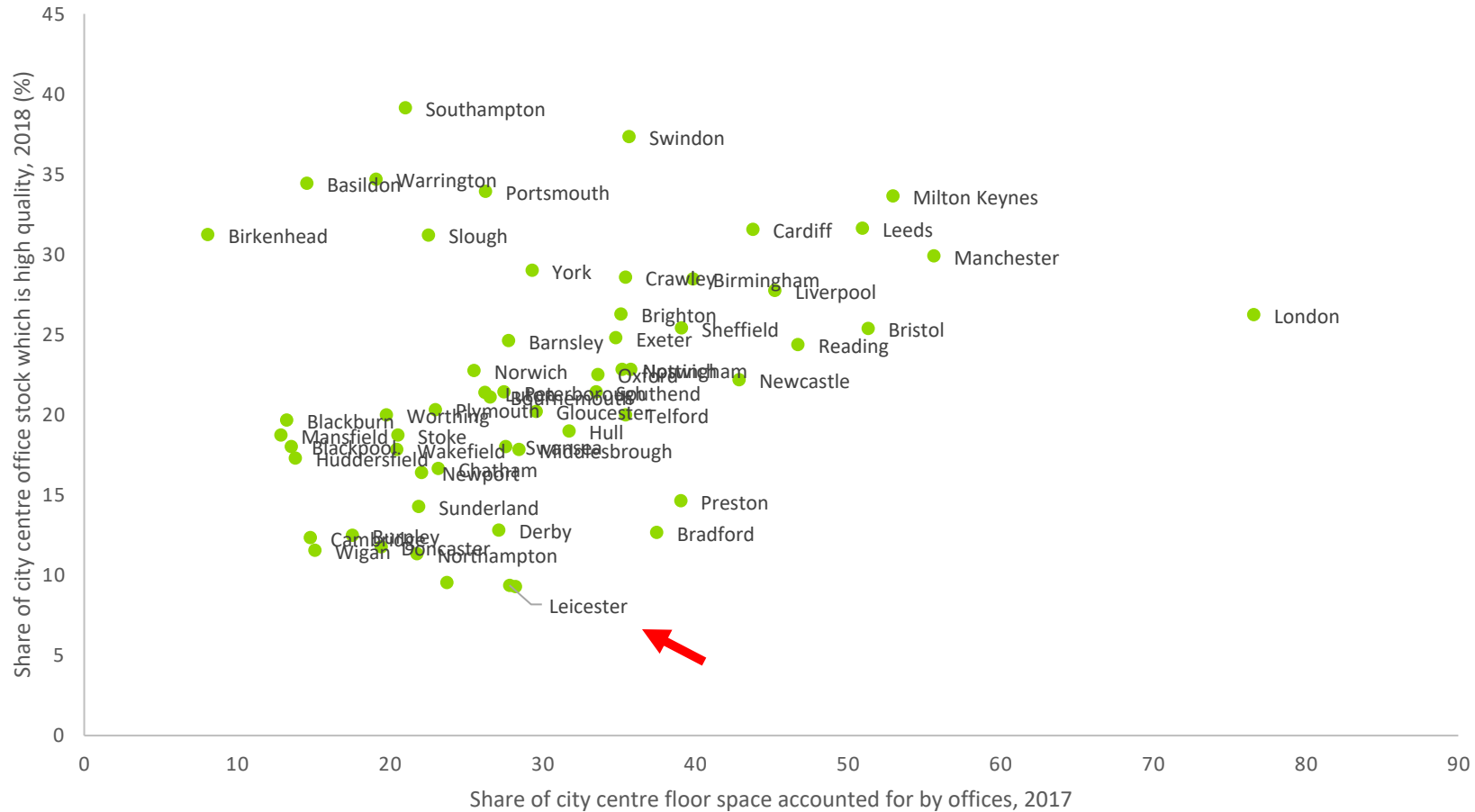


What did Leicester city centre offer businesses as a location? Skills



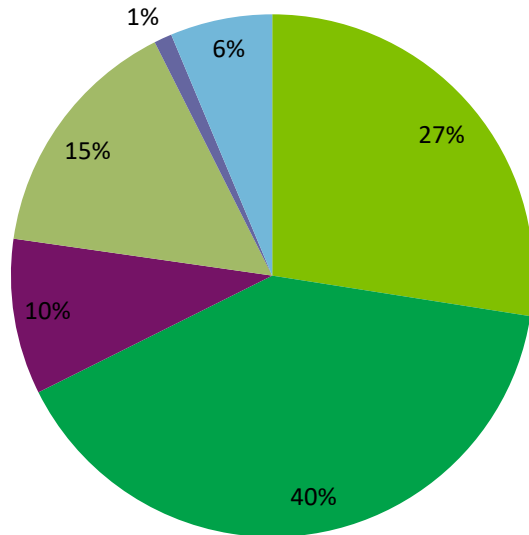
What did Leicester city centre offer businesses as a location? Office space

Office stock quality and quantity in city centres

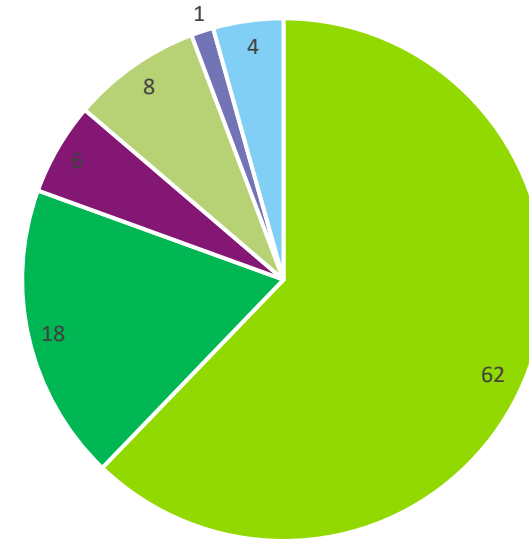


Retail dominates Leicester's commercial space

Commercial space breakdown- Leicester city centre



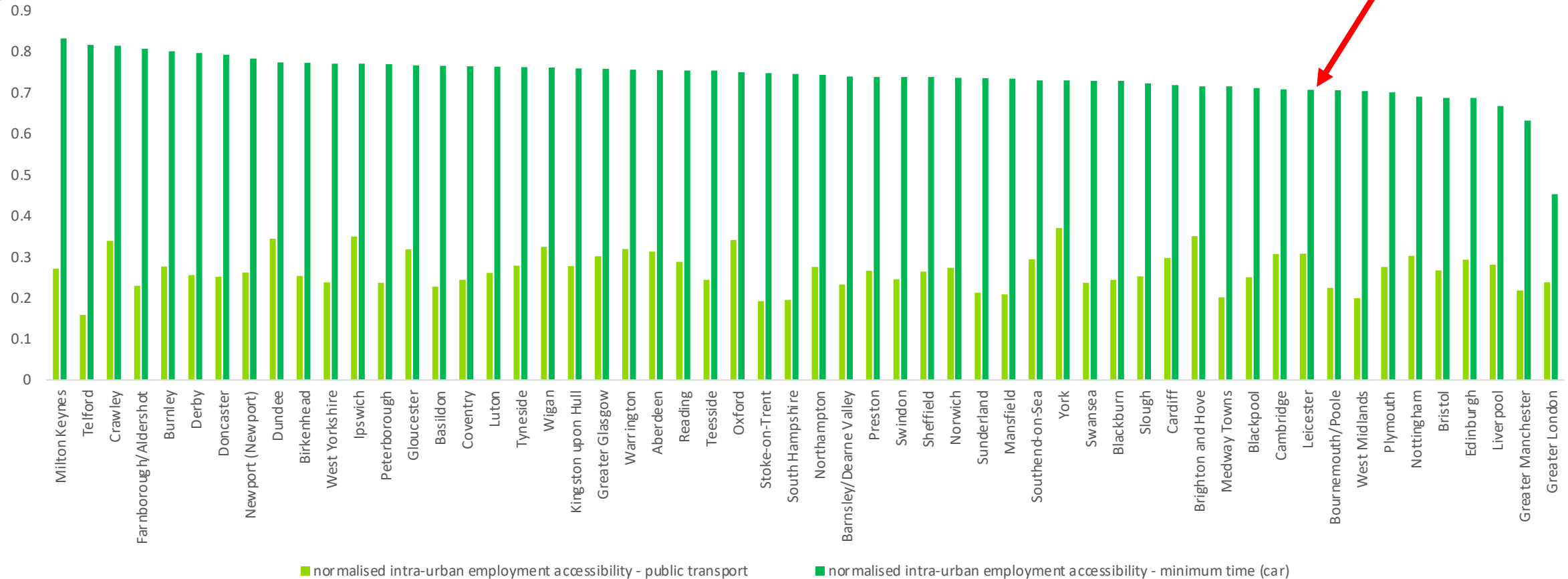
Commercial space breakdown- strong city centres



- Strong city centres have triple the amount of office space
- Given the change retail has undergone in the past few years, this is unlikely to be an asset
- Share of industrial space: scope for re-purposing towards different uses?
- **The underperformance of Leicester city centre is reflected in its amenity offer: higher vacancy rates on the high street: 15% (Leicester) against 12% (strong cc)**

Improving transport accessibility will be key

Employment accessibility score, 2016



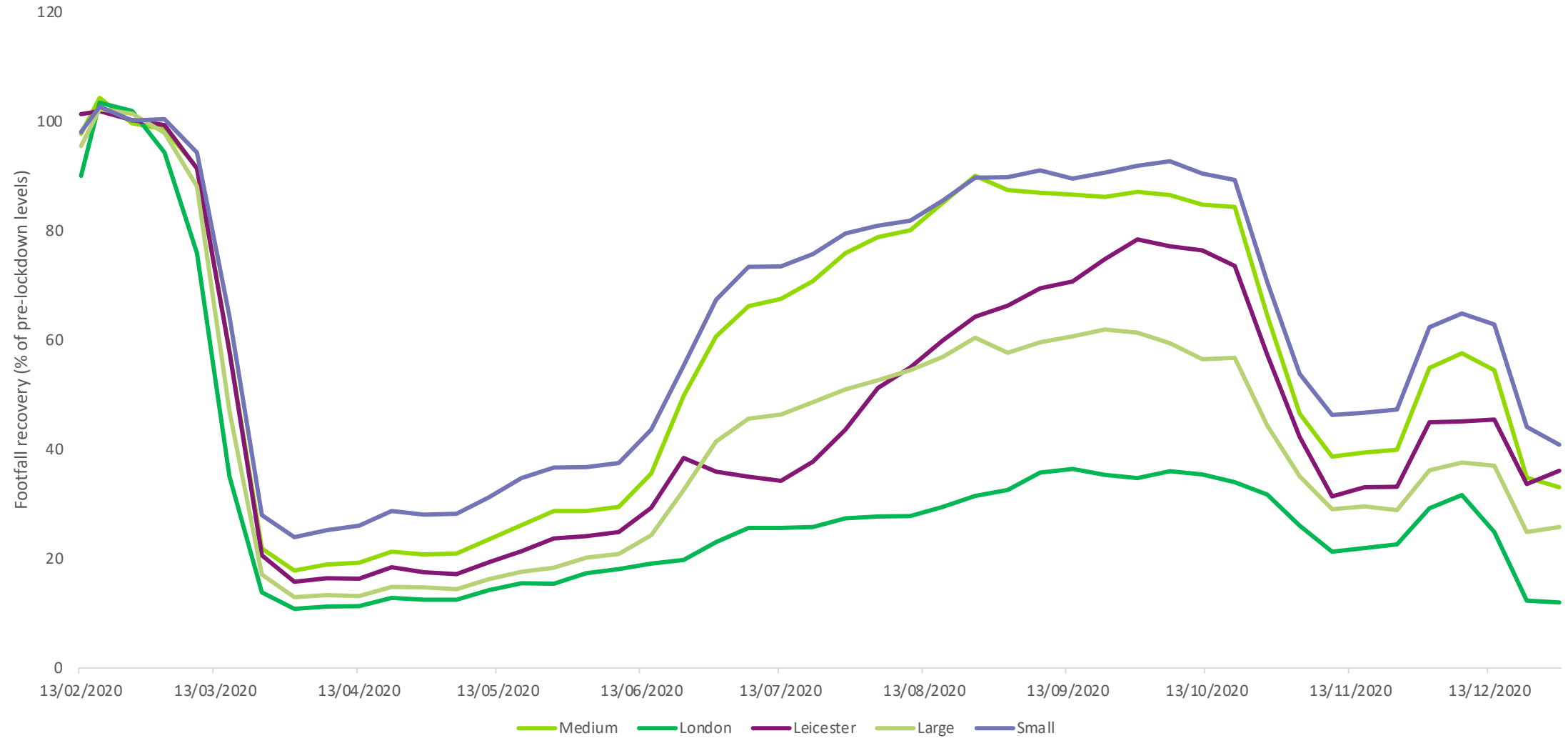
- Leicester is a dense and congested city
- But it can also build on higher than average active travel (walking + cycling) uptake

Impact of Covid-19



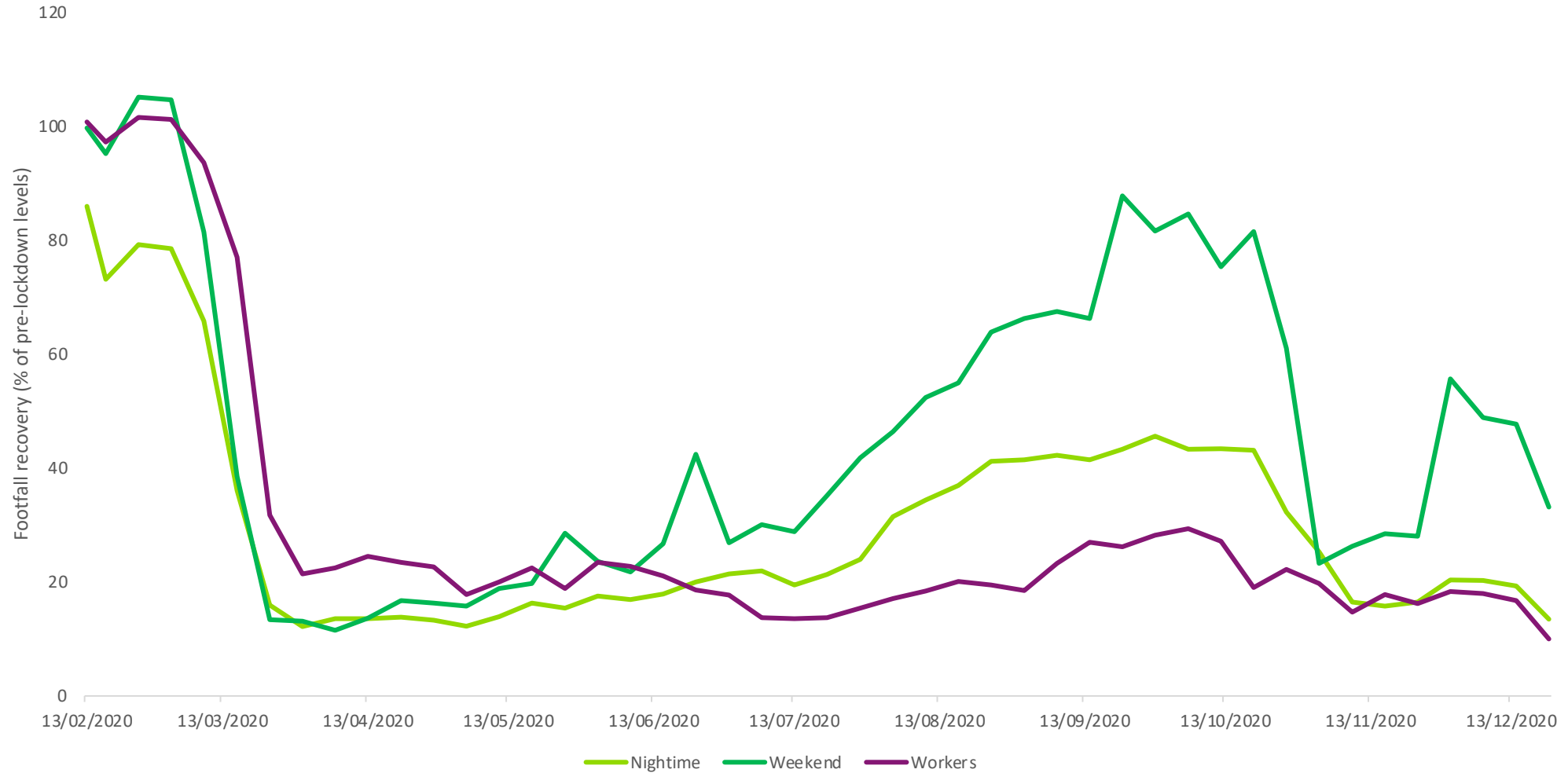
Impact of Covid-19: lockdowns had a significant impact on activity in the city centre

City centre footfall recovery in 2020



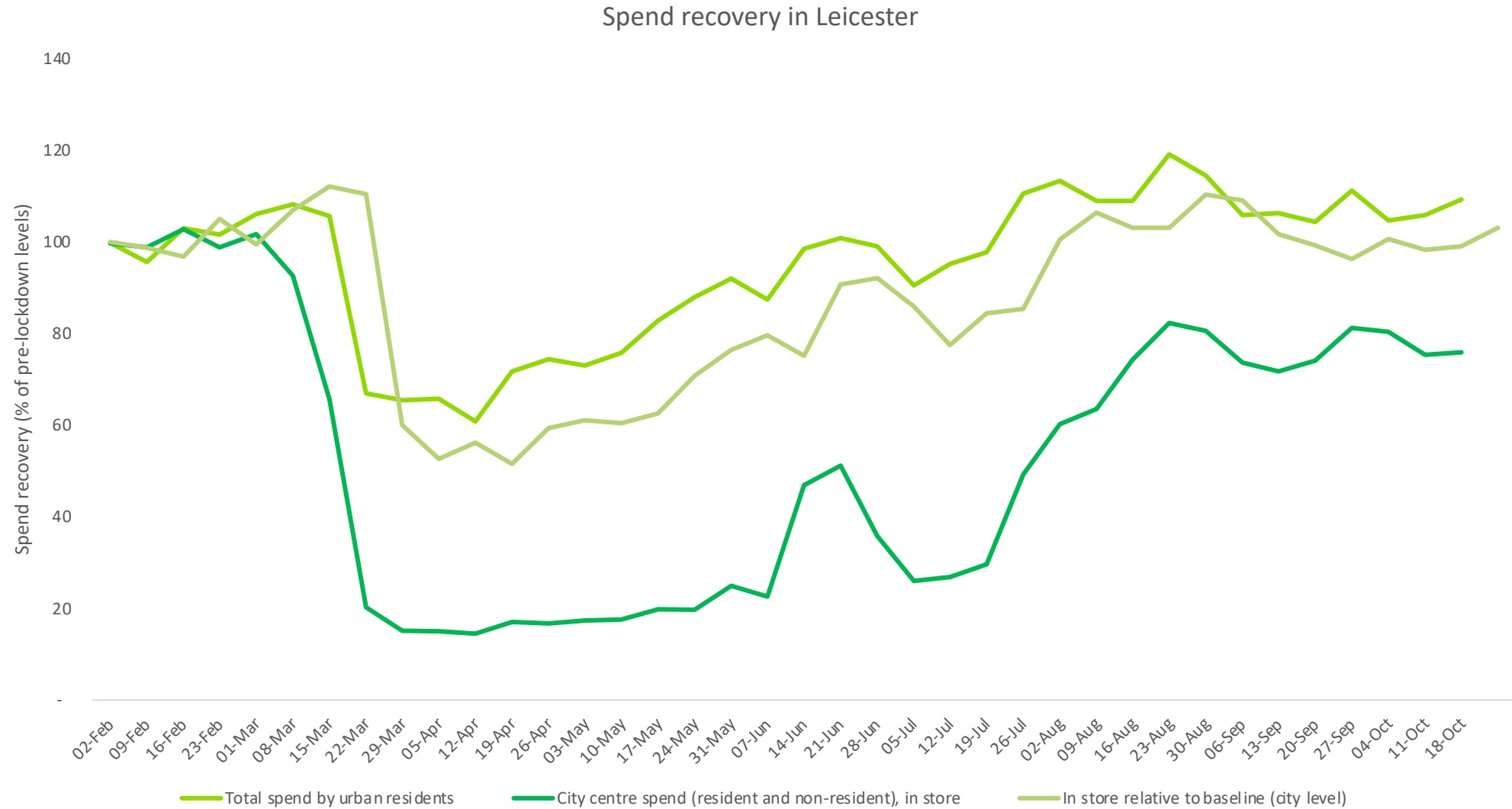
Although it progressively reclaimed its role as a place for leisure, not for work

Workers, weekend and nighttime activity in Leicester



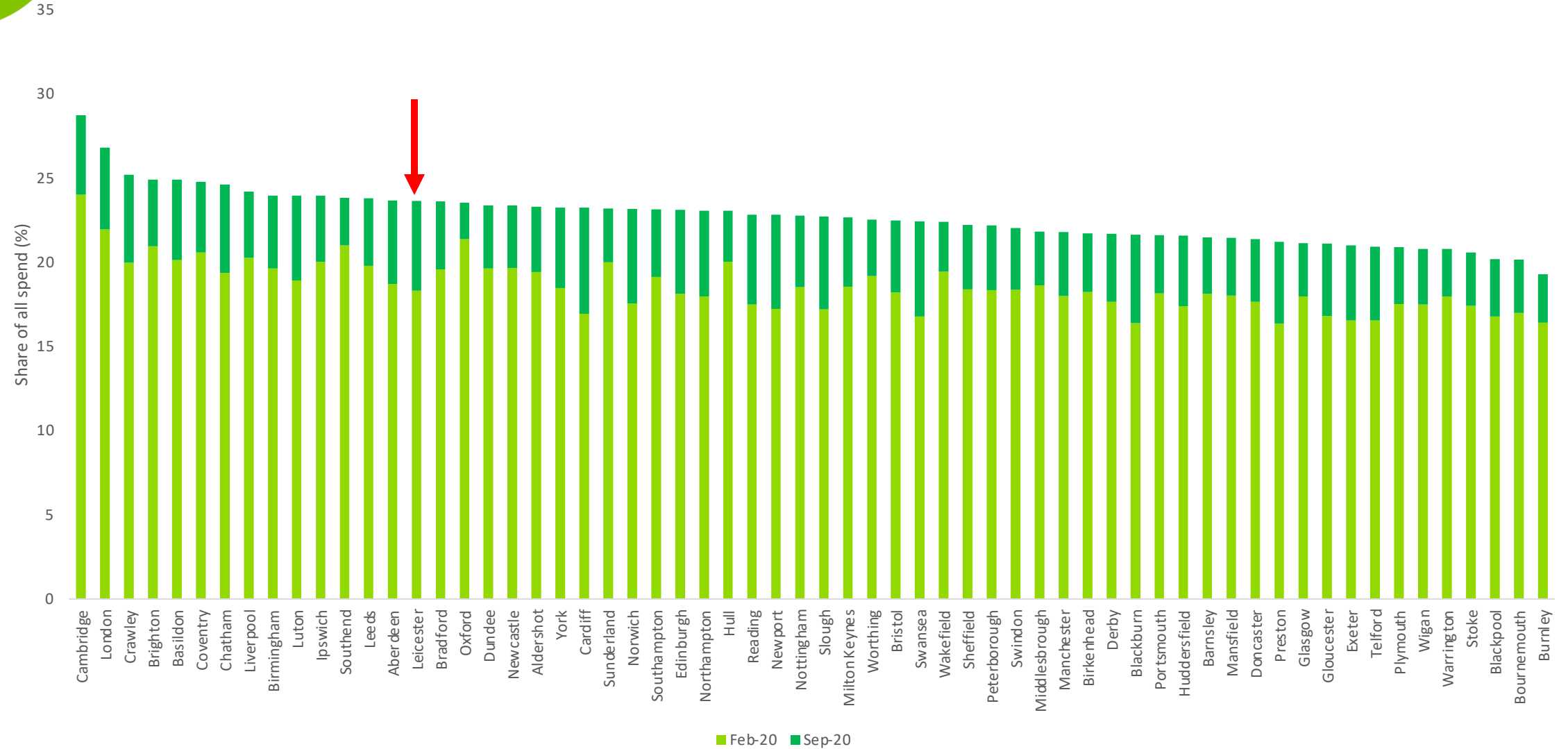


Overall spend recovered, but the city centre may have faced more challenges





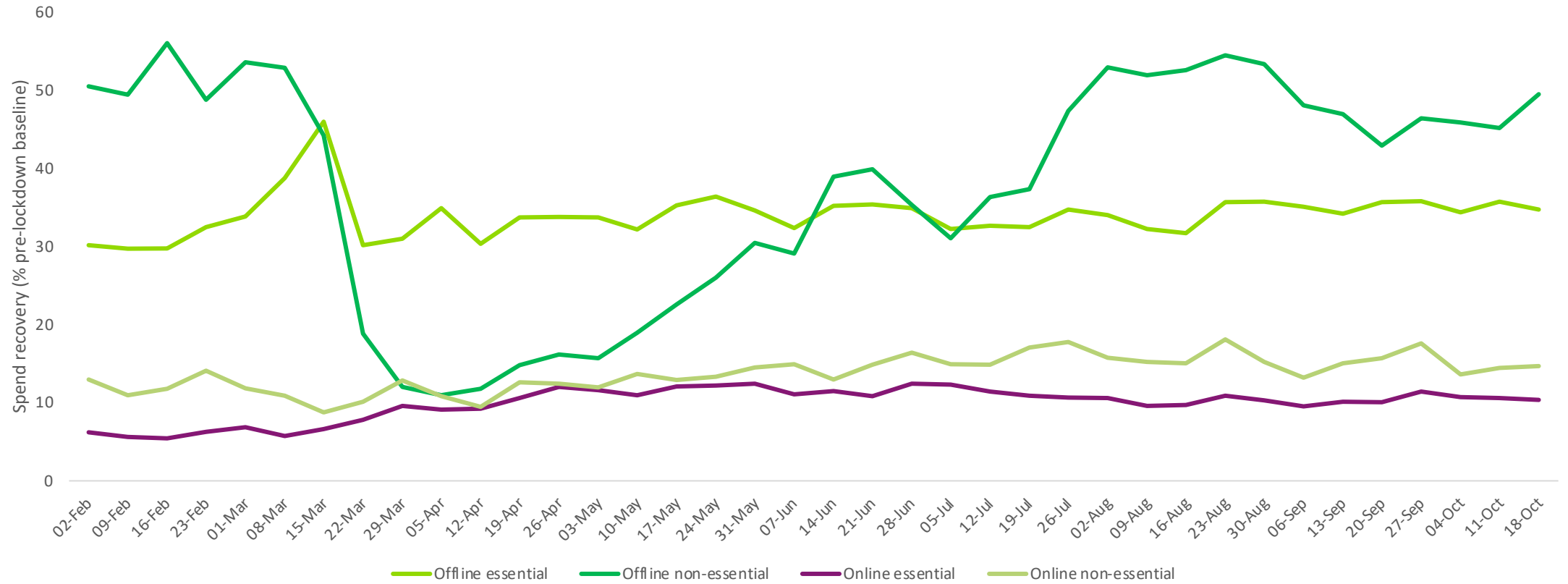
A noticeable but not dramatic increase in online shopping





Offline non-essential spend fell the most

Trends in spending, Leicester





Bricks and mortar shops have taken a big loss

- 10 weeks of loss spending in non-essential offline outlets
- Most of it is due to restrictions but also indirectly to remote-working patterns. The recovery of the city centre very much depends on when/the extent to which people return to the office once we enter the recovery phase
- There is a relationship between the uptake of remote working and the bricks and mortar (offline) spend recovery



Challenges, opportunities and policy implications



The main challenge for Leicester city centre precedes the pandemic

- Compared to strong city centres, Leicester city centre played a more muted role as a place of work
- Footfall data shows that it was mostly reliant on weekend trade/activity, as opposed to weekdays
- The challenge now lies in attracting high-skilled businesses, which will in turn benefit the whole local economy
- Policy needs to focus on making the city centre an attractive place for businesses to locate, which will require investing in skills, commercial/office space, transport, public realm



But Covid shone light on weaknesses, strengths and pre-existing trends

- Shopping and work patterns change, so we are likely to see long-term changes in demand for high street businesses to which the city centre needs to adapt
- Moving away from the over-reliance on retail is now a priority
- However, online shopping is less of a threat for the high street than the lack of spending power
- And there are reasons to believe workers will come back, even just a few days a week
- So the challenge is not simply to attract workers back to offices but to build a stronger labour market pool, which will boost footfall and spend



Summary- policy implications

In the short term	In the medium to long term
Rebuild trust in public transport, give confidence to return to the high street	Invest in the skills of the workforce
Revisit schemes like EOTHO and time-limited local vouchers for the high street to support local businesses	Move away from over-reliance on retail, adapt shopping space for education, arts and culture, leisure (specialist amenities in particular), and residential
Adapt new office space towards more flexible, multipurpose uses	Build (or repurpose) high-quality office space
Ease planning rules to allow for more flexible uses of the high street (ex: allow businesses to operate on pavements, using parking space)	Invest in the city centre's "liveability": reallocate public space for walking and cycling (beneficial for local retailers), towards a greener, less car-heavy city centre
	Invest in public transport, improve accessibility and flexibility (part time season tickets), build on existing active travel strength

Appendix: map of Leicester city centre

