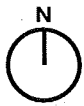


**Written submissions received for the London Assembly's
Economy Committee investigation into Empty Shops**

Number	Organisation	Contact/Title
Sub-001	Camden Town Unlimited	Simon Pitkeathley - <i>Chief Executive</i>
Sub-002	London Borough of Bexley	Rozina AkramTown - <i>Centres Regeneration Manager</i>
Sub-003	John Lewis Partnership	Natasha Jones
Sub-004	London Borough of Croydon	Rahima - <i>Future Growth Officer</i>
Sub-005	British Property Federation	Ian Fletcher - <i>Director of Policy</i>
Sub-006	British Bankers' Association	Mark Cazaly - <i>Government Affairs Advisor</i>
Sub-007	British Retail Consortium	Dan Morgan - <i>Local Government and Taxation</i>
Sub-008	London Borough of Lewisham	Kevin Turner - <i>Economic Development Manager</i>
Sub-009	Charity Retail Association	Wendy Mitchell - <i>Head of Policy & Public Affairs</i>
Sub-010	Speakto	Clare Richmond
Sub-011	Federation of Small Businesses	Matthew Jaffa - <i>Senior Development Manager for London</i>
Sub-012	The Bartlett School of Planning	Dr Claudio de Magalhães
Sub-013	ExtraVerte Ltd	Liz Crew - <i>Director</i>
Sub-014	Westminster City Council	Cllr Astaire - <i>Cabinet Member</i>
Sub-015	Association of British Bookmakers	Dirk Vennix - <i>Chief Executive</i>
Sub-016	Grosvenor	Jenefer Greenwood - <i>Director Sales & Lettings</i>
Sub-017	Barnet Traders & Barnet Town Team	Gail Laser- <i>Chair</i>
Sub-018	London Borough of Brent	Tony Hirsch - <i>Head of Policy & Performance</i>
Sub-019	Ealing Broadway BID	Matthew McMillan - <i>Chief Executive</i>
Sub-020	Southwark Living Streets	Jeremy Leach - <i>Chair</i>
Sub-021	London Borough of Hackney	Guy Nicholson - <i>Cabinet Member for Regeneration</i>
Sub-022	LSE Cities	
Sub-023	GLA	Boris Johnson - <i>Mayor of London</i>
Sub-024	London Borough of Sutton	Kirsty Allen - <i>Economic Renewal Unit</i>
Sub-025	London Chamber of Commerce and Industry	Iain Smith - <i>Public Affairs Manager</i>
Sub-026	London Borough of Waltham Forest	Sam Neal - <i>Programme Manager</i>
Sub-027	London Borough of Richmond	Sean Gillen - <i>Economic Development Manager</i>
Sub-028	Meanwhile Foundation	



CAMDEN TOWN UNLIMITED

Productive and pro-active initiatives to promote local enterprise.

"A Business Improvement District is a partnership between a local authority and the local business community to develop projects and services that will benefit the trading environment within the boundary of a clearly defined commercial area". (National BIDs Advisory Service)

Camden Town Unlimited (CTU) is a Business Improvement District (BID) Company in Camden – the implementing agent for Camden Town's BID – set up to campaign for and secure improvements to the area around Camden High Street. CTU ensured that the BID status was renewed in February 2011.

A board consisting of local business leaders, borough counsellors, as well as the police and community representatives, has campaigned for and delivered projects from a £10 million programme of public realm improvements to increasing policing in the area, and improving recycling facilities.

In this example, the BID is managed by the private sector, which CTU sees as key to its success. However Chief Executive of CTU, Simon Pitkeathley, is full of praise for LB Camden's supportive, yet hands off approach, "I would commend Camden for not asking us to behave like a local authority and for understanding the differences between a

Business Improvement District and a local authority and using these differences to their advantage."

LB Camden joined forces with CTU to launch a pop-up shop project in early 2009 to tackle vacancy in the high street. This began with four pop-up stores, three of which have now been let to long-term commercial tenants. CTU made the scheme even more valuable by securing help from award-winning local advertising agency RKCR/Y&R to offer a temporary drop-in branding and advertising advice surgery to Camden's small businesses.

A unit above one of the pop-up shops was leased to a small graphics business for the duration of the project, and this proved so successful that a further high street project was born: 'Collective' offers low-cost or rent-free space on the High Street, to new businesses and individuals working in the creative industries. As well as diversifying the high street economy, this supports CTU's vision of Camden Town's status as a creative district.

Camden's BID started life as a Town Centre Partnership. Although considerable public-sector capital was needed to form the BID, the effect is to transfer the delivery of some town-centre services to the private sector, potentially reducing ongoing Borough costs.

Local Authority / LB Camden

Initiating Organisation / Camden Town Unlimited

Funding Bodies / LB Camden, Camden Town Centre

Partnership, LB Camden s.106

Timescale / January 2009 – ongoing

Partner Organisations / LB Camden; private investors, RKCR/Y&S

Project Costs / Approximately £100,000 to set up BID from scratch



Above; Camden Town Unlimited pop-up gallery opening evening, Camden High Street
 'Collective': workspaces for new creative businesses, Camden High Street

KEY SUCCESSES

- Initiated successful pop-up shops programme: local shops reported increased footfall and turnover, and one-off events also benefitted local trade.
- Currently delivering streetscape improvements, launching town centre marketing campaign, and discount cards scheme.
- Camden Town Unlimited ensured Camden's Business Improvement District status was renewed in February 2011.

HOW TO MAKE IT HAPPEN

- Learn from some of the successful initiatives of BIDs such as CTU and consider how your borough could help to seed similarly positive initiatives through private sector partnerships.
- A BID will only be appropriate in some cases: consider other forms of business organisations. A document produced by National BIDs Advisory Service (www.ukbids.org/files/files/LA-BIDs.pdf) provides useful information about BID formation.
- Recognise that the private sector does not function like a local authority, and consider which organisational structure is most appropriate in the local context of a BID.

Having run several pop up shops in Camden Town (see attached from GLA document) and having secured funding from the Mayor's Regeneration Fund for a wider, innovative approach to the problem, which we're launching in the Autumn in conjunction with LB Camden, we have found that by far and away the most difficult aspect when it comes to running Pop up shops is getting ones hands on the keys to a property. Most owners, including local authority property teams, are not terribly interested in anything that isn't rent paying. This attitude often seems to go hand in hand with owners of properties in poor states of repair suggesting a general disinterest in their asset and its impact on the locale beyond the simple financial. This despite the fact that we have proved that use of pop ups decreases vacancy times and promotes trade to peripheral shops.

We have also found the commercial agents can be a hindrance. With one notable exception, the agents in our area seem to regard our activities as a nuisance. We assume this is because they see that our work highlights their own shortcomings in letting the property on behalf of their client, as well as the fact that there's no fee for them in it.

We would also highlight a broader problem of over inflated rents. We often see first time occupants in our High Street taking on unsustainable leases, often with punitive personal guarantees, that inevitably lead them to professional, and often personal, bankruptcy. For the landowner and the agent this is often a plus as the rent is covered long after the business has gone under, via the personal guarantee, and results in new fees for the agent each time a new tenant is signed up.

We would suggest looking into the use of the following.

1. Business Rate Relief

A simple system of NDR relief for temporary use would encourage owners to seek out temporary users during void periods. This might also give temporary occupants time to test out ideas before having to pay high rent and rates.

NB: To avoid unintended consequences it would be worth looking at how development might be treated. It would not be ideal if an owner felt disincentivised to develop and maintain a property if they thought that they would be better off with a temporary occupant than a vacancy whilst they do works.

2. CPO Threat

In our High Street we suspect at least two properties of having long term problems with drains. The owner employs Dyno Rod to clean things up temporarily during lease negotiations leaving the poor tenant with a major health issue, especially for food retailers, which falls to the tenant to resolve once the lease is signed. We suspect that on two occasions this has contributed to the tenant going out of business. Focussing responsibility for this sort of major repair on the owner during vacancy periods, via tools such as CPO threats, might force errant owners to take more responsibility for their premises.

3. Restrict the use of Personal Guarantees

We would also suggest looking at banning the use of personal guarantees within lease arrangements. There cannot be many other forms of business facility provision that requires one to continue to pay for something long after it is no longer of use to your business. As has been outlined above, these

punitive arrangements could be seen to be contributing to the maintenance of artificially high rents and are, in our view, simply unfair.

4. Commercial Property Register

This could be a simple site for commercial vacancies that enables would-be occupants to look at potential sites and compare rates and facilities etc. For the owner it would mean a free (or very cheap) alternative and balance to the agent and a chance to objectively benchmark their property. Whilst one can hear the complaint from the agent community, it might help their owners to be more aware of market rates as well as helping to regulate the market and keep rent inflation in check.

NB: If legislation were used to back up the use of such a register it would be far more effective and could also form the basis for a full property register for England & Wales.

Simon Pitkeathley
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Camden Town Unlimited
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London Borough of Bexley Response to:-

London Assembly -

**London's High Streets: bringing empty shops
back into use.**

(London Committee - Investigation)

Please see below London Borough of Bexley's response to key questions for investigation.

Why do some high streets in London have a higher vacancy rate than others?

- Lack of offer. High streets offering predominately retail with limited diversity a struggling to compete with the draws of large retail parks and online shopping.

Recent research on Sidcup High Street in the London Borough of Bexley (Sidcup Study, 2012), identified that the "lack of diversity in offer and services as a key reason for local residents not shopping on the high street."

- Limited unit sizes play a role, where local high streets lack range of unit sizes that attract and meet the needs of investors.
- High streets lack a range of service/entertainment facilities, to drive up footfall.
- Vacant office/housing units above shops, are contributing to lack of activity on the high street.
- Poorly maintained public realm and physical environment.
- High streets in some areas are not responding to the growing/changing needs of a local demographic.
- Transport connections, some high streets are more accessible than others, coupled with a mix of offer that caters for a day time and night time economy therefore creating an active high street all day long.
- Vacancy rates mask variations from primary and secondary frontages, and often primary frontage rates are lower than secondary.
- Lack of focused promotion and marketing activity
- Lack of dedicated town team

What is the impact of high level of shop vacancies on the local community and economy?

Long-term vacant units promote messages of decline and lack of investment/investor confidence, which does little to support the local economy. This is further perpetuated by those units that have remained vacant for a long time and have fallen disrepair. Vacant units can create an unattractive environment for local communities to shop in, as well as reducing the offer on the high street and therefore reduces visits to the high street.

What innovative uses of empty shops have helped boost high streets in a sustainable way?

There are examples of using vacant units for, consultation, gallery spaces, education and training suites and pop-retail and entertainments spaces. e.g. Franks Café in Peckham, Margate Pop shops project, Coventry art space.

We are exploring a range of options at the moment to finalise our Empty Shops Programme:

- window dressing/ window vinyl
- High Street Galleries - Working with local schools, colleges and residents to show and promote art/crafts in vacant units.
- Landlord and agent engagement to promote the value of maintaining vacant units.
- Working with landlords to support short-term lets to promote temporary meanwhile uses - Pop-up shops, events, e.g. retail, cinema, entertainment, training and learning.

Does London need to control the speed of certain types of shop, and if so how can this be done?

In some high streets there is an abundance of charity shops, hairdressers and takeaways. There does need to be some control to promote diversity but the market will also play a role based on what consumers want.

There has been some changes to planning policy over the years that allows for better the control of uses. (A3 previously a large category, covering food and drink, has been split to A4 and A5 to allow for more clear understanding of proposed uses). More could still be done, the recent proposals to protect existing designations of vacant units, whilst other uses are tried out on a temporary basis without the need for planning application to agree this is welcome.

Further work is also needed for local authorities to fully understand their high streets and how they operate. Through capturing, analysing and using consumer preference and demographic information to support town centre programmes and initiatives.

Understanding your audiences through gathering and analysing information on:- demographics, and population predications, spending patterns, footfall patterns, experian credit data etc. This will allow LA's to make sound broad assumption on the type of uses to promote and attract into a given high street, uses which the area can sustain based on the analyses to diversify the offer on the high street.

Large shopping malls operators are very good at gathering this type of information and using it to drive up sales/footfall and attract investors. We need to do this more effectively on behalf of our local high streets. Having access to this type of information can support local plans and offer a more focused approach to attracting the right type of uses into empty shops through town centre programmes and initiatives.

How can Local Authorities, business and community groups in London implement the findings of the Portas Review.

The key comment is the Government needs to look at the practicalities with regards to implementation and provide further support in certain areas:-

Town Teams – whilst the concept of town teams and its purpose is fair, the time, resources and support required for towns is considerable and needs further consideration. Giving teams the resources, support and empowerment to ensure they are effective is key. More practical support and guidance is needed for those individuals seeking to set up a town teams, either through networks and forums to allow the sharing of best practice and/or through advise and training initiatives on how to set up and developing effective teams.

Markets – Town centres that are affected by Charter Laws, needs further consideration it places an added burden, in cost and liability on the council and the trader which can stall and discourage entrepreneurs and Local Authorities. These ancient laws need to be considered and appropriate guidance offered at a national level.

Business Rates issue needs to be considered at a national level. Locally we can consider how we can use the business rate relief to support meanwhile uses.

In-terms of implementation – a range of departments Economic Development. Planning Policy, Development Control, Street Works, Housing Teams need to work collaboratively along with key stakeholders and partnerships/town teams to begin to build on these recommendations were applicable and where realistic given resources.

What Practical Steps can the Mayor and GLA take to bring empty shops back into use?

At the moment there is obligation for landlords to keep vacant units safe but nothing to ensure they look attractive – therefore we are left with unattractive frontages. Further investment and education on the impact of unattractive frontages with landlords with potential incentives. Ensuring legislation and business rates relief supports meanwhile uses to encourage a longer term lets into empty shops.

There also needs to be a greater care and consideration and guidance on design of new developments in town centres. Particularly flats in town centres and their amenity space. Examples where balconies being used as tips etc, can be seen in a number of town centres which spoil public realm and deter investment. Additionally consideration on how the public realm and design can support footfall to high streets and town centres at design stage needs to be promoted and encouraged .

The government needs to look at the Businesses Rates system, with retailers reporting the crippling effect rates are having on business in the current climate. Profits margins are falling and retailers are struggling and finding little opportunity to increase these as spending power has decreased the rate obligation remains the same and becomes a significant burden. In times of economic difficulty there needs be flexibility built into the system, so Local Authorities have the freedom to respond quickly to issues that may arise. A flexible system of rates that responds to pressures business face in these times will go a long way to ensuring that independent retails can ride out the recession and continue to survive.

London Assembly Inquiry: What can be done about London's empty shops?

John Lewis Partnership Submission

August 2012

The John Lewis Partnership submission to the London Assembly Inquiry makes five key recommendations for tackling the issue of London's empty shops. Our view is that where investment is targeted on tackling empty shops, the focus must be on diversifying into services and alternative uses. For thriving high streets to be part of the London landscape a fully integrated approach is needed across all of our recommendations and a sustained, long-term strategy is key to delivering this.

- **Select high streets for investment**

The John Lewis Partnership is committed to the high street and we believe in their future. The majority of John Lewis and Waitrose shops are located in town centres and we continue to invest in new retail space. But as we have said for a long time now, there are profound changes taking place in retail due to technology, meaning less demand for retail space. British Retail Consortium data show that the vast majority of high streets are now competing for fewer shoppers both in terms of the number of visits and the percentage of household spend. The average number of shopping trips per person fell by 18% between 1995 and 2009, with primary centres benefiting from the 'destination' effect. About half of the population shopped in the 90 largest trading locations in 2009, compared to over 200 locations in 1971¹. In London, where there is a high concentration of high streets, we are recommending more targeted investment in areas of high potential, allowing peripheral retail units to be redeveloped or brought into alternative uses, and focussing retail provision so as to allow a smaller core retail area to survive.

- **Encourage diversification and alternative uses**

By the beginning of 2011, the internet was responsible for nearly 10% of all retail sales, up from 6% in 2009². This trend is increasing and in this age of multi-channel shopping, London needs to give consumers a reason to visit high streets by putting them back into the centre of the community. By finding alternative uses for empty shops, from offices and schools, to nurseries or community and youth groups, diversification could start to reverse the decline in footfall to high streets and have a positive impact on the local sense of community.

- **Reduce the cost of high street location and access**

In many instances, it is more expensive for retailers to operate on the high street than in other locations or through e-commerce. To establish a more predictable cost of physically locating shops or services on high streets, we would like to see a more stable business rate environment, with annual increases based on a smoothed annual average rather than a one-month snapshot, and based on CPI, not RPI. Evidence from our own stores also shows that the high cost of parking charges are negatively affecting footfall, with councils using parking charges as a key source of income. From our own experience we have been able to reverse this by working with city centre management teams who were, for example, able to achieve parking charge reductions at key times of the day.

- **Support effective high street management teams**

We support the Portas recommendations on high street management. The managing directors of our John Lewis stores are already very involved in BIDs and 'Town Team'-like bodies which we find to be largely effective and which should be rolled out more widely. 'Town Team' groups in London should more consistently include local community representation and the GLA should

¹ Leading Globally BRC Report

² Leading Globally BRC Report

encourage high street management groups to mentor smaller/independent retailers, for example through mentoring, advice, donations or employee swaps.

- **Establish unique identities for high streets**

To compete effectively, London high streets will need to offer a unique experience, with the right mix of retail and other attractions to engender loyalty. The BRC recommends that local partnerships, local authorities and retailers create and manage effective branding for a locality to build a 'sense of place'. We agree that consumers must have a reason for choosing to spend time and money in a location, for example through themed events, loyalty schemes and informative marketing. We would argue that diverse high streets, with a balanced mix of shops and other cultural and community destinations, offer the best way to achieve this unique sense of identity.

Members' Room
Town Hall
Katharine Street
Croydon
CR0 1NX

Tel/Typetalk: 020 8726 6000

Richard Berry
City Hall
The Queens Walk
London
SE1 2AA

Your Ref:
Our Ref:
Date: 9 August 2012

Dear Richard

RE: London Assembly Economy Committee investigation into empty shops

Please find enclosed our response to the evidence gathering: London Assembly Economy Committee investigation into empty shops.

Croydon BID and other stakeholders were consulted as part of the process to elicit a comprehensive response to the questions you posed. Croydon is an important retail centre in South London and we benefit from a proactive town Centre BID, which continues to deliver outstanding events and activities in our town centre. However, like other towns and cities across the UK, Croydon is not immune to movements in the economy. Footfall in the town centre is at its lowest since the beginning of the recession in 2009 and the number of empty units in some of our town centre areas and district centres continue to rise.

Looking ahead, Croydon as a Portas Pilot and recipient of the High Street Innovation Fund has a tremendous opportunity to be able to address the issue of empty shops in an innovative way. We intend to test some of the ideas in the Portas Pilot and to take these a step further. We hope to share emerging best practices across London and hope that other London boroughs are afforded the same opportunity through potential future schemes.

As the Cabinet Member for Communities and Economic Development in Croydon, I welcome this investigation and hope that it will lead to fresh thinking and new approaches to revitalising some of our high streets most in need.

Yours sincerely



Cllr Vidhi Mohan
Cabinet Member for Communities and Economic Development

Investigation into empty shops London Assembly Economy Committee Investigation

Croydon Council's Response

August 2012

1. Why do some high streets in London have a higher vacancy rate than others?

The reasons as to why some high streets in London have a higher vacancy rate than others are specific to the challenges and issues experienced by high streets: competition from neighbouring shopping precincts; the retail mix on offer; the location; image and perception of an area; proximity and density of residential properties and population; the level of crime in the area and the status of regeneration plans in the vicinity. Another factor is the availability of local support networks, such as traders associations, BIDs, etc and whether the area has a 'voice' determined by participation in neighbourhood planning events, consultations, meetings etc.

Most businesses / business associations will argue that in the current economic environment, all high streets are under threat of businesses folding up resulting in empty units and the commercial decline for their high street. The fact remains that some high streets tend to have a higher vacancy rate than others because of the reasons stated above.

The following two examples show two different high streets in Croydon, which represent two ends of the spectrum.

Central Parade - New Addington

Neighbourhood high streets such as Central Parade in New Addington, historically has enjoyed lower vacancy rates and stable footfall compared with Croydon Town Centre. The reason for this is that the parade is a hub for community services and public amenities as well as a shopping location. The retail offer consists of clusters of smaller independent retailers (mainly convenience stores) interspersed with larger chains selling practical and affordable goods appropriate to need and income levels in the area. The retail offer is self contained which makes it less susceptible to competition from major shopping centres as residents have the option to travel further afield to acquire higher value goods not available in Central Parade. Rents and rates are more competitive.

Surrey Street - Croydon Metropolitan Centre

Surrey Street is the site of the town's historic market and adjoining streets, Exchange Square and Church Street. The area is part of the town's retail offer and despite its potential, is faced with a number of challenges such as high number of vacant units, negative image, poor quality surroundings and alleged marginal location to the town centre's high street. For this reason, the shopping area has been unable to attract the businesses and shoppers that are required for the economic uplift of the market and adjoining areas. The area received some support to help brand it as the town centre's heritage quarter as part of the recovery exercise following the civil unrest last August (Surrey Street / Church Street was the location of the civil unrest). For the reasons stated above, Surrey Street was selected as the location of the Portas Pilot. Plans are in hand to provide opportunities to attract new businesses, introduce creative and cultural products at the market, and turn Exchange Square into a food quarter.

2. What is the impact of high levels of shop vacancies on the local community and economy?

High levels of shop vacancies leave a deep seated impact on the socio economic vitality and vibrancy of an area. It sets off a downward spiral of economic inactivity leading to further deprivation and poor community morale which can lead to other social problems. A Cultural vacuum exists in these places in which communities struggle to find a voice which is needed to forge a strong entrepreneurial and social identity for the area in which they live. This is further exacerbated by the lack of national incentives which generate enterprise. Units will remain empty unless new business start-ups are supported.

Specific impacts:

- Reduced footfall on the high street as a consequence of vacant units affects trade of existing businesses and knocks business confidence. Businesses are therefore unable to compete with other high streets on an equal footing,
- Empty units attract public nuisance, anti social crime, leading to the decline of the area and poor public perceptions of the place.
- Negative image affecting the surrounding areas and the town itself.
- Failure to attract further investment – established and growing businesses reluctant to move in, developer's reluctance to invest in the area.
- Lost economic opportunity - 'meanwhile' uses can generate some trade activity.

3. What innovative uses of empty shops have helped boost high streets in a sustainable way?

Work in the District Centres

Croydon's District Centres received some funding in 2010 to improve business premises in high streets (with a focus on vacant units) through the installation of vinyl window displays. The resulting improvement in perception of the district centres led to an extension of the scheme to the Town Centre, where a further 13 'priority' empty shop units were identified for the installation vinyl window displays. Of that number, nine of the units have subsequently been let. The scheme has had a positive impact on the overall impression of the town,

Whitgift Centre

Landlords at the Whitgift Centre work to identify and make available properties/areas of land that have the potential for short-term use. The Whitgift Centre Management Team have are in the process of facilitating a number of initiatives which will potentially lead to empty units being taken up e.g. temporary talk cancer shop location, one stop shop for Alders staff facing redundancy following the administration of Alders. In the past, empty units have been occupied by e.g. a retail skills shop, managed by Croydon College.

Croydon Visitor Centre

Stanhope originally offered Croydon BID use of a vacant unit in the Town Centre on a short term lease basis when the BID considered setting up information kiosks in the town centre. This unit is now occupied by the Croydon Visitor Centre. The location of the unit in the Town Centre (at the entrance of East Croydon Station - one of the gateways to the town centre) meant that had it remained vacant, would have generated a poor perception of the town centre, whereas now it has become a hub for local information for visitors & commuters alike.

Portas Pilot

Croydon is the recipient of Portas Pilot Funding. It is anticipated that we will trial pop-up stalls / units at Surrey Street Market in collaboration with other London Boroughs. This will provide new and existing businesses with the opportunity to test trade their business in Croydon. A package of business support will support the business to set up and trade in a 12 month period. There is also an anticipated element of work to support young people (school/college leavers, unemployed) into enterprise in the area. Both elements could potentially encourage & bring a new mix of offer and creativity to the market.

Local festivals and events

Croydon BID regularly stages festivals and events in the Town Centre to increase footfall and dwell time and enhance everyone's experience of the Town Centre. Street performers, events and entertainment feature regularly in the Town Centre and more recently, following the 2011 civil disturbances, the "Love Croydon" events have been designed to restore confidence in the Town Centre and ensure it remains as a top shopping and visitor destination and a desirable place to do business. The BID has also been instrumental in piloting the Croydon Works employee loyalty card scheme.

4. Does London need to control the spread of certain types of shop, and if so how can this be done?

Yes - Some high streets have a disproportionate representation of businesses and services that restrict diversity in the consumer and business base and also contribute to the decline of the area. Pawn brokers, fast food outlets, betting shops and pound shops and other forms of regulated entertainment are endemic in high streets. A good mix of independent retailers, providing a range of products will encourage a diverse customer base and increase footfall.

Local authority licensing committees have a responsibility for issuing licenses for gambling and regulated entertainment venues. Most local authorities have cumulative impact policies which establish special areas in the boroughs where the accumulation of regulated venues is deemed to have detrimental effects. Local authorities can adopt a special area policy for high streets in decline, though this would mean *potential loss of income for the local authority*.

Similarly planning consent could be applied to prevent changes to use class for such premises in the interests of the area.

Potential actions for the Mayor:

- *A borough wide survey carried out to identify the potential loss of license revenue in areas which would benefit from a special area policy.*
- *Develop schemes to incentivise local authorities to establish special area policies for high streets*

The Portas Review

5. How can local authorities, businesses and community groups in London implement the findings of the Portas Review?

- *The establishment of town teams i.e. partnerships represented by multiple stakeholders would be a good starting point for developing a single strategic vision of the high street*

- *Identify initial resources* - (budgets and expertise) may be pooled such as has been done through community budgeting pilots in Croydon and various other partnerships.
- *Delivery through BID* - BIDs were recognised in the Portas review as a tried and tested model for delivering high street improvements. They are experienced in delivery and in most cases have robust project management teams to deliver activities. BIDS are in a good position to be able to deliver Town team activities, on behalf of the partnership. Resources derived from pooled budgets should be made available to them to enable delivery. The recommendation is that where BIDs do not exist but could be a viable option, local businesses should be encouraged / lobbied to set up a local BID.

6. What should London seek to learn from the Portas Pilots?

Effectiveness of the Town team concept - Whether the Town Team concept as a local partnership is effective in improving the high street.

The issue of long term sustainability to be addressed from the outset; resources are required to deliver Portas Pilot activities on an ongoing basis. The current funding for the pilot amounts to £100,000 and is considered as seed funding which will leverage in additional investment. The survival of the Town Team from the outset depends on the set up of a robust business model to draw in additional investment and funding.

Continuation of national focus on high street regeneration; Central government should think of making addition funding available to continue with the regeneration process. This funding may be used innovatively – for example, only available to match investment, only available for certain type of interventions, e.g. tackling business crime.

The Mayors Role

7. What practical steps can the Mayor and GLA Group take to bring empty shops into use?

a) Planning consent is not required where the former use and the new use are both within the same Use Class. This presents a disadvantage to high streets where the make-up of empty units consists of retail premises *as well as empty offices in Use Class B*. Offices not within A2 is considered as development and planning permission is required. Ideally, this should be considered as permitted development, where the change of use does not impact on the neighbourhood. This will allow the problem of vacant units to be addressed quickly and diligently.

Croydon is responding the current government consultation which addresses the issue of change between use classes and the General Permitted Development Order to reduce the burden on businesses.

a) Data availability - Croydon Council currently has access to local and regional data on empty units in town and district centres. The source of the data is South London Business and the commercial property agents operating in Croydon and in South London. Croydon is able to monitor the number of empty units in the borough undertake comparisons with other South London Boroughs.

Actions for the GLA

Make available consistent and robust data on the rate of empty retail and office units at a borough wide level which will allow boroughs to monitor and track the rate of empty units (similar to the data held on the London Skills and Employment Observatory)

b) Package of support to local authorities to help them promote their high street as incubators and encourage new business start-ups.

Actions for the GLA:

- Develop a borough wide brand; “shop incubator” which promotes areas with high levels of vacant units as pop-up destinations / and or enterprising destinations supporting new business / retail starts.
- Establish visual merchandising schemes for independent stores, as well as initiatives such as ‘design out crime’
- Incentivise local authorities to provide rate relief to new businesses and businesses relocating to an area.
- There is currently no provision for retail start-up support in local authorities and in the boroughs. There is a need for the GLA to work collaboratively with the British Retail Consortium and other organisations such as Metro Bank and other loan providers to provide quality business support, advice and guidance to businesses in the borough.
- Top up for tried and tested loan fund models e.g. Croydon Enterprise Loan Fund Ltd.
- Croydon understands that a evaluation is being undertaken to reallocate the remaining £12m ERDF funds. This could be reallocated to supporting the high street and will continue to meet ERDF objectives.

c) Put together a High Street Improvement Service to look at how London’s high streets can diversify, adapt and compete on an equal footing with its competitors and provide additional support to struggling high streets.

d) Support boroughs to expedite physical improvements to boroughs

The Public realm influences businesses decision to relocate. The Mayor can make a special case with respect to boroughs that are experiencing high vacancy levels and expedite any physical infrastructure projects in those boroughs.

8. How can BIDS reduce shop vacancy and what can the Mayor do to increase the number of BIDs.

BIDs are representative of the local businesses in the area. A certain amount of contingency planning could be undertaken to deal with empty shop fronts, prior to becoming vacant. BIDs would have a first hand knowledge of key business movements in the area. BIDS could fund shop front activity for meantime uses and work with the landlords, local authority inward investment teams and commercial property agents to ensure that the unit is take up as quickly as possible.

What can the Mayor do to increase number of BIDS?

- Lobby multiple stores to pledge support for BIDs
- Make available seed funding and resources to establish BIDs - This may include funding for set-up costs, project manager, etc.

- Funding to Pilot BIDs
Finance a small scale projects that could help demonstrate what a BID could potentially deliver. This would be similar to the approach adopted when the original BID Circle Initiative was undertaken in 2001 in order to test out the feasibility of BIDs in the UK.
- Support BIDs to raise capital finance for physical improvements.
Often the scale of the physical works is outside the scope of the BID in terms of providing the finance. The Mayor could support the BID to raise capital finance for medium scale improvements.

9. What measures to reduce shop vacancy should be supported by the Mayor's regeneration funding?

See question 7

For further information contact:

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London's high streets: bringing empty shops back into use



August 2012

The British Property Federation

- 1.1 The British Property Federation (BPF) is the trade association for the property investment sector. We represent larger investors in property; companies and pension funds who invest in all forms of property for the benefit of their shareholders and UK pensioners.
- 1.2 Our members have about 15% of their retail property holdings in high street shops (by number of leases), and have other high street interests including leisure facilities and offices. Members' holdings of high street retail premises have generally reduced over the past couple of decades as the sector's retail investment has diverted into shopping centres and retail parks, which our members can more easily control the ambience of, and that suits the floorspace demanded by modern larger retailers.
- 1.3 We welcome the opportunity to respond to the Committee and have tried to address each of the questions in turn for the purpose of this investigation but should you require any further information we would be happy to discuss this with you. Please contact Stephanie Pollitt on spollitt@bpf.org.uk.

Why do some high streets in London have a higher vacancy rate than others?

- 2.1 The combined impact of the recession on retail spending and changing consumer habits have resulted in a surplus of secondary retail on many high streets and much of which is no longer fit for purpose. Competition from other centres, including out of town, have also had a significant effect. According to the Local Data Company's statistics, out of town retailing took 28.1% of sales in 2000 compared with 31.5% in 2011. Furthermore, internet shopping has doubled from sales of 5.1% in 2000 to 10.2% in 2011. This is predicted to rise further in 2014 to 12.2%.¹ More generally, we perhaps underestimate the huge changes that have taken place in the way people shop, from Sunday trading, to more minor evolutions, such as convenience shopping via garage forecourts.
- 2.2 The strategy of multiple retailers is also a factor; they are shifting to bigger units, but in fewer locations, which often means that the right type of property is not available for them and they therefore seek out of town locations rather than central high street units.
- 2.3 There can also be particular 'local' reasons why a high street has more empty shops, for example, where it may be part of a redevelopment. In these cases, only short

¹ LDC End of Year Vacancy Report 2011, Feb 2012

term lets will be offered to ensure that when redevelopment can proceed it can be pursued easily.

- 2.4 Our experience is that prime retail space remains in demand and therefore is quickly occupied. Tertiary space on the whole, has also survived the recession well. The shop on a housing estate will always have a good catchment and natural events that create footfall – parents dropping off and collecting their kids from school, etc. The type of retail space that has suffered most during the recession has been secondary, often space on the fringes of high streets that is occupied by service providers, estate agents, travel agents, merged banks and build societies consolidating their space, etc
- 2.5 What is perhaps most interesting, but difficult to understand is how comparatively similar areas can vary in their number of high street vacancies, for example in London according to the Local Data Company, this varies from Wandsworth, which has a vacancy rate of 30.7%, whilst Feltham has a vacancy rate of 0.5%.²
- 2.6 It is not for us to point fingers. There may be local factors involved that we are not privy to. We cannot therefore answer why there is such variation, but getting to the bottom of it is something this investigation should be seeking to achieve.

What is the impact of high levels of shop vacancies on the local community and economy?

- 3.1 The impacts of high vacancy rates on the local community include a lack of overall choice for consumers and an impression that the area is rundown and not in use. This will in turn become self-perpetuating - the more empties the more disruption to footfall and lack of appeal to shoppers to visit a place.
- 3.2 Fewer retail shops means less competition and choice which can in some cases drive the price of goods upwards, requiring consumers to look elsewhere in order to find better value for money. Vacant properties also reinforce low levels of consumer confidence where consumers come face to face with boarded up shop units.
- 3.3 Disinvestment by retailers and landlords can lead to the decline of the surrounding area making it a less attractive prospect for future investors and will in turn make it harder to attract prime occupiers.
- 3.4 Empty shops, like empty homes, blight surrounding property and ultimately affect its value. Neighbouring landlords should therefore be interested in ensuring property is quickly brought back into use.

What innovative uses of empty shops have helped boost high streets in a sustainable way?

- 4.1 There are some very good organisations, such as 3Space, which seek to marry up empty property with prospective community occupiers. Such intermediaries can play a valuable role. Owners deriving no income from their property, and potentially the liability of empty rates, may balk at advertising property through traditional means. Smaller shop owners often don't even know where to go to advertise their space, and likewise prospective occupiers where to go to source it. Websites such as 3Space can help. Some for-profit portals also offer free advertisements to smaller spaces, for example, PropertyDNA.

² LDC End of Year Vacancy Report 2011, Feb 2012

- 4.2 Temporary use of empty shops by community groups can help high streets feel more vibrant. They encourage footfall which can drive trade to the existing retailers located there.
- 4.3 Short-term commercial use is also becoming more commonplace, via 'pop-up' shops.
- 4.4 Pop-up shops and meanwhile uses are good temporary solutions, but should not be relied upon in the long term.

Does London need to control the spread of certain types of shop, and if so how can this be done?

- 5.1 There has been a lot of debate in recent years about 'Clone Towns'. To a large extent we believe that debate is yesterday's. With the trend of multiple retailers towards fewer but larger stores the problem is disappearing and opportunities for independent retailers increasing. The challenge for many high streets going forward may be to retain some national retailers, or find a few good anchor stores.
- 5.2 The key for most high streets is to have variety. The 'mix' must be driven by what shoppers want. In the context of a shopping centre a landlord will have lots of data on which to base decisions about the retail mix, and will stand or fall on the decisions they make. On a high street, the local authority will not have access to such data and the consequences of restricting use are not felt by it, but by owners. There is also a danger in too much control of creating monopolies.
- 5.3 Too many suppliers of the same good or service tends to be a transient state of affairs and will be remedied by competition. What might be considered 'undesirable' uses, casinos, amusement arcades, nightclubs etc. tend to be already controlled by the use classes order, and/or separate specific requirements to obtain a license. Clearly there will always be scope to tinker around the edges of the planning and license requirements to ensure they are reflective of contemporary views and attitudes.
- 5.4 But in more general respects, if the ideal scenario is to have our high streets filled, then a greater degree of flexibility around the use-class system may be helpful and we note the current Government consultation on making more of temporary use.
- 5.5 The other challenge in terms of use is just ensuring that local authorities are up-to-speed with the changing face of their high streets and prepared to allow retail that is no longer required, to find other uses, such as residential use.

How can local authorities, businesses and community groups in London implement the findings of the Portas Review?

- 6.1 It is essential that all stakeholders come together and understand how the Portas Review recommendations can be applied to their particular high street. The Portas Review should be seen as a guide rather than a blueprint for action and should be adapted to the type of high street that the group is looking to improve.
- 6.2 It is important that a clear business plan is put forward and agreed and which has deliverable milestones that are realistic and achievable. Whilst investment is

important, creative thinking is also key to help ensure that ideas have a long term vision.

- 6.3 In parallel to the Portas Review, however, councils must be encouraged to monitor the health of their high street and make the appropriate provisions through their local development plans.
- 6.4 Empty property can blight a high street and have a contagion effect but there are other measures in terms of the mix that will also help indicate how 'healthy' a high street is. The Department for Business, Innovation and Skills, outlined in its report in 2010 that there are a number of factors that will help establish how healthy a high street is including pride and perception of the area, whether there is a diverse consumer offer and whether there is a diverse employment base in the area.³

What should London seek to learn from the Portas Pilots?

- 7.1 It is very early days in the establishment of the Portas Pilots. The key lessons that can be learnt thus far are probably:
- The scale of the task, with 371 bidders vying for 27 pilots.
 - On a more positive note, the fact that it got lots of local people considering the state of their high streets, voluntarily offering help and working together.
 - That relatively small sums of money can be put to inventive use.
 - That for many bidders no resource will be forthcoming, but that should not stop them at least developing a clear plan for their high street that they can coalesce behind. Just about any high street can do that if there is the will.
 - That the process can lever in other sources of help, often in kind, for example our own industry has established a mentoring programme to support the pilots.
 - A very specific issue to our own industry is that it is sometimes difficult to identify owners and that is something we are investigating further with DCLG.
- 7.2 The limitations of Portas Pilots should also be recognised, however. Whilst 'softer' measures may help to tide high streets through difficult times and in some cases arrest a slide, the retail sector is facing significant challenges and restructuring, and to remain competitive and sustain improvement High Streets will require long-term investment. Having a clear and shared vision should help attract investment, but investment is very constrained at present. One of the noticeable aspects of our larger shopping centre owners' businesses is that they invest a significant proportion of their profits back into improvements to their centres and tend to chose retailers who are like-minded in refreshing their offer. Many smaller high street landlords and occupiers are not doing likewise, partly because they are not making the same returns. How you break that cycle of lack of investment leading to lack of funds for investment is perhaps the biggest conundrum facing our high streets.

³ BIS: *Healthy High Street? A Healthcheck for High streets and Town Centre*, Nov 2010

What practical steps can the Mayor and GLA Group take to bring empty shops into use?

- 8.1 Empty shops policy in the UK is relatively unsophisticated in comparison with empty homes policy, which has been evolving over the past two decades. With empty homes policy there is a recognition that property is empty for a variety of reasons, some wholly legitimate, others simply reflecting inertia on the part of owners. Policy reflects this is clamping down on long-term empties, whilst offering relief for shorter periods.
- 8.2 As with other areas of policy, the Mayor has few formal powers in this area, which either sit at local or national level. The Mayor can promote meanwhile uses and help marry up those offering and seeking space through support for intermediaries.
- 8.3 The Mayor can also use his regeneration funding, for example the Outer London Fund, through small spending interventions to arrest the decline of high streets, or more directly help renovate space for community and small business use.
- 8.4 Local authorities are able to provide discretionary rate relief as Brent Council have done in Willesden Green, and with localisation are gaining additional powers to vary rates. In rundown areas this can help attract entrepreneurs.

How can BIDs reduce shop vacancy, and what can the Mayor do to increase the number of BIDs?

- 9.1 BIDS have been widely adopted since legislation was introduced and are a great way of bringing interested parties and investment together. However, one key area that we feel strongly about is the inclusion of property owners in paying for a BID and voting on it.
- 9.2 Property owners can currently be included on a voluntary basis but we believe that their contribution should be formally recognised as part of a BID given that they too have an interest, often longer-term and deep rooted, in the future of their areas and high streets.
- 9.3 Whilst primary legislation is in place in London in order for property owners to fund and vote on BIDs (*The Business Rate Supplements Act 2009*), secondary legislation has never been put in place.
- 9.4 BIDs are generally able to enhance an area which will in turn lead to greater vibrancy, but property owners must be recognised as part of the key stakeholder group for a truly coordinated approach. The additional funding that landlords contribute is useful, particularly in the current economic climate, but perhaps more important is giving landlords the vote on the BID business plan, which binds them far more into the process and its deliverables.
- 9.5 It is worth stressing that whilst BIDs can be very helpful. They are not a panacea, or appropriate in all circumstances. In a rundown area owners and occupiers may not have the funds to contribute. On smaller high streets the administrative cost of running a BID may not justify the sums the BID can raise.

What measures to reduce shop vacancy should be supported by the Mayor's regeneration funding?

- 10.1 Generally, we welcome the way the Outer London Fund has already been used in places such as Willesden Green and Leyton and also the approaches that have been taken by individual authorities, such as Southwark, to improve their respective areas. In all these instances small sums spent on cosmetic improvements, softer regeneration measures and marketing have had quite a noticeable impact.
- 10.2 Spending needs to be done in such a way that is both organic and sympathetic to the surrounding areas. When looking to undertake refurbishment and development works, consideration should be given as to the nature of the works required and their effects on existing businesses. Some London Boroughs have engaged in significant physical works to public realm and transport development and these can be significantly disruptive to businesses that are already struggling, for little perceivable gain. More sympathetic works such as refurbishing shop fronts, keeping the area free of litter and graffiti, installing planters and the like, may well be a better and more cost-effective solution.
- 10.3 Furthermore, whilst retail is important on the high street, it is not the only aspect that needs to be considered. There would be little point in spending funds to improve the appearance of the retail units if office and public buildings are unsightly, or flats above shops kept in poor repair. The best approaches by local authorities tend to be holistic and inclusive with occupiers of these premises also encouraged or forced to play their part.

Andrew Dismore AM
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Submitted via email to economycommittee@london.gov.uk

28 August 2012

Dear Mr Dismore

RE: London's high streets: bringing empty shops back into use

Thank you for your letter of 18 July 2012 and your invitation for the BBA to contribute to the London Assembly's investigation into empty shops on London's high streets.

You expressed an interest in the views of BBA's members towards the recommendation in the Portas Review about how banks should manage repossessed units on the high street:

20. Banks who own empty property on the high street should either administer these assets well or be required to sell them

I have been told that over the last few years a large number of banks have become landlords because of property repossessions, with no apparent interest in investing in the local high street that their new acquisition sits in. If banks can't actively manage their new portfolios they need to take responsibility or sell – perhaps even selling to communities. We should encourage local groups to use the new Community Right to Buy (in the Localism Act) as a method of taking on empty properties owned by banks and protecting our high streets. This would be a real opportunity to reduce voids and empower local people to get involved in their local high street and make their high street what they want it to be.

The BBA has consulted with its members who operate in the retail real estate market to establish whether the Portas Review accurately reflects current banking practice and members' responses to the Review's recommendation.

Members have confirmed to the BBA that instances of banks becoming landlords of empty retail properties are few and far between. In most circumstances where a customer (the shop owner) is in financial distress, the bank will seek to manage the business and in turn the premises of the business within a 'business support unit' designed to help the customer through its financial difficulties. The aim of this is ultimately to help the business 'trade out' of those difficulties - the banks very much view it as being far better to maintain and support the customer relationship than to hold an empty retail unit.

However, if the situation develops in a manner where the customer is no longer able to maintain their business - even with the bank's support - then a formal insolvency procedure will follow, such as a Law of Property Act Receivership or Administration. In either case the Administrator or Receiver seeks to sell the property to repay the lender. The BBA does not therefore believe that its members are holding onto a large number of empty shops with no interest in realising any value from the assets. However we do recognise that the receivership / administration process can take time so there may be a perceived issue here.

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The Government's response to the Portas Review advocated an industry-led cross sector taskforce to bring together landlords, high street partners and investors to consider how best to manage empty properties and bring them back into use e.g. temporary space for business 'start up' hubs as transitions occur. The BBA and its members support such an approach and would happily participate in any such cross sector forum at a national or local scale.

Please do not hesitate to contact me if I can be of any further assistance.

Yours sincerely,

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BRITISH RETAIL CONSORTIUM

for successful and responsible retailing



London Assembly

London high streets: Bringing empty shops back into use

About the BRC

The British Retail Consortium (BRC) is the lead trade association for the UK retail sector and the authoritative voice of the industry to policy makers and the media. We represent the whole range of retailers, from small independents through to the large multiples and department stores, selling a wide selection of products through centre of town, out of town, rural and virtual stores.

A key driver of economic prosperity, the retail sector generated £303bn of retail sales in 2011 – equivalent to one fifth of UK GDP – and plays a vital role in the regeneration of towns, cities and local communities. Retail is Britain's largest private sector employer, providing jobs for almost 3 million people and so is responsible for more than 10% of total UK employment.

Overview

The BRC welcomes the opportunity to respond to the London Assembly's New Economy Committee investigation into empty shops on London's high streets. Vacant units blight high streets, deterring investment and footfall. The BRC would urge the Mayor to focus his resources on leveraging additional and sustainable private sector funding to support high streets across the capital. High streets need to be effectively managed, carefully planned and have a widely recognised vision for future development if we are to maintain footfall, investment and reduce the vacancy rate.

The Mayor's Office, in partnership with local authorities, retailers and other businesses, need to work together to ensure high streets remain at the centre of our communities. Central government also has a vital role in providing the right cost, planning and regulatory framework to enable local actors to support their high street and reduce the overall vacancy rate.

BRC Position: Bringing empty shops back into use

- Reduce the cost of operating. Local authorities, supported by the Mayor's Office, should introduce Discretionary Business Rate Discounts where affordable.
- Manage accessibility holistically ensuring parking is viewed as an attractor rather than a revenue raiser and provide adequate and affordable public transport.
- The Mayor's Office should provide support to encourage Business Improvement District (BID) development across London.
- Empty Property Rate Relief (EPRR) should be reintroduced in full for six months to support investment and growth.

- Provide the right framework to enable Portas Pilot Town Teams and related initiatives to find match funding and sustainable revenue streams.
- Invest in high streets. The Mayor's Office should use existing regeneration funding to improve the public realm and ensure attractive and safe trading environments in targeted locations.

High streets in London

1. Why do some high streets in London have higher vacancy rates than others?

High streets across London share many basic characteristics while also encompassing a wide range of locations, often with widely divergent issues and ultimately viability. This diversity means that each location will need to develop local solutions tailored to local needs.

Evidence shows that properties are vacant because of a lack of demand brought about by changing consumer behaviour, a drive for increased productivity, poor local management and the increasing cost of operating. While these factors will have an impact on all high streets it is also clear that there is a growing divide between primary and secondary retail locations, with demand in primary locations still strong while many local high streets are experiencing significant challenges.

Lifestyle choices have driven more affluent and mobile consumers to spend longer periods in destination centres while using multiple retailers and online platforms for everyday convenience goods. For example recent research showed that the top 3% of Britain's shopping areas capture 25% of spending on non-essential items, highlighting a widening gulf between high streets.¹

Given London's unique nature some of the issues around consumer mobility will be different, with public transport playing a more significant role than in some other parts of the country. Out of town shopping may be somewhat reduced in inner London, but the divergence between primary and secondary retail areas will be even more marked. Despite these differences the fundamentals remain unchanged. High streets need to be effectively managed, carefully planned and have a widely recognised vision for future development.

Local authorities in partnership with local retailers, other businesses and residents need to work together to ensure high streets remain at the centre of our communities. Central government also has a vital role in providing the right cost, planning and regulatory framework to enable local actors to support their high street.

Response to vacancies

2. What is the impact of high levels of shop vacancies on the local community and economy?

In many cases as vacant units increase footfall declines, resulting in a negative feedback loop of even more vacant units and further reductions in footfall numbers. High streets must have a critical mass of shops and services to ensure consumers have a reason to visit them. Competition from out of town stores, e-commerce and other platforms means consumers no longer have to visit the high street but have an active choice of how and where to shop.

¹ CACI

The negative feedback loop of reduced footfall and high vacancy rates also ultimately result in lower levels of investment. Over the past five years UK retailers' investment has fallen by an average of 3.2% year on year in nominal terms, or 4.4% year on year in real terms. Over the whole period UK retailers' investment has fallen by 23% in nominal terms, or an even most substantial fall of 27% in real terms.

To secure internationally mobile retail investment, the cost of operating must be brought under control to better reflect the economic reality of doing business on the high street. Without investment, footfall will decline resulting in a greater number of vacant units.

The reduction of Empty Property Rate Relief has further eroded demand for high street units

The task of trying to reduce the number of vacant units on the high street has also been made more difficult in recent years by the reduction of Empty Property Rate Relief (EPPR).

In England retail vacancies stood at 3% in the year of the removal of EPPR. Today that figure stands at approximately 15%, demonstrating that the policy has had no effective influence on occupation in the four years it has been in force and has consequently exacerbated the situation through increasing tax on struggling businesses and deterring investors through punitive empty property rates charges.

Evidence shows that properties are vacant because of a lack of demand. A tenant paying both Business Rates and rent on an unoccupied building faces a considerable cash drain on their business. Commercial property remains empty because there is an excess of supply over demand, not because of a lack of incentives to occupy. In addition, companies holding leases on empty buildings are already legally tied into a rental commitment by their lease.

This extra tax burden will simply add to these fixed costs, further discouraging entrepreneurial investment in property at a time when investment in high streets is falling and new retail development is low.

Empty Property Rate Relief (EPRR) must be reintroduced in full for six months to support investment and growth. Taxing vacant units will result in less investment and more vacant units.

3. What innovative uses of empty shops have helped boost high streets in a sustainable way?

There are many innovative ways to improve the appearance of vacant units and maintain activity on the high street. One example from Sheffield has seen creative students from Sheffield Hallam University transform vacant units into public galleries on one of the city's most popular shopping streets. This has helped to bring the empty units back to life, improved the public realm, and actively promoted a unique sense of place, bringing students and other consumers onto the high street.

Solutions such as these are welcome and can help tackle decline, but do not address the fundamental problems. There is an oversupply of units in certain locations at the cost at which they are available. Creating further "affordable units" is not the answer and will only add to the issues of oversupply.

To make vacant units attractive, costs must be brought under control to reflect the economic reality, with policies that allow diversification and create modern trading and leisure

destinations. This means local authorities using their powers to reduce Business Rates and viewing accessibility holistically by making it cheaper and easier for consumers to get to the high street.

Business leases must also be suitable especially for small business. The BRC has been working with the Royal Institution of Chartered Surveyors (RICS) to produce a lease appropriate for small businesses starting out in the retail sector. The lease simplifies the often complex and time consuming process associated with commercial property leases, and should attract new and independent retailers into vacant high street space.

The Portas Review

4. How can local authorities, business and community groups in London implement the findings of the Portas Review?

The Portas Review's primary accepted recommendation is the "creation of Town Teams with a core aim of creating a visionary, strategic and strong operational management structure for high streets". In other words, managing high streets like a business and creating a strategic vision. London has four Portas Pilot Town Teams which will be given the opportunity to demonstrate active place management and leverage further funding by working with local business and developers to create high streets fit for purpose. There are also many other BIDs and local partnerships which continue to do the same and should also be supported.

Many of the recommendations which have been accepted by government have shifted power to local authority level. The Portas report has encouraged local authorities to view parking as an attractor and not simply a revenue raiser. It also raised the profile of a range of issues including accessibility, proposing free controlled parking schemes that work for town centres and a new parking league table.

The report also recommended tackling the disproportionate burden of Business Rates and although reform of the Multiplier has so far not been accepted, local authorities should use their new powers to reduce the cost of Business Rates where affordable.

The Mayor's role

5. What practical steps can the Mayor take to bring empty shops into use? How can the Mayor increase the number of BIDs?

The Mayor has significant funds which could be used to kick start sustainable growth and investment in London's town centres. There is £221 million in regeneration funding to support high streets and small businesses, including the Outer London Fund, London Enterprise Fund, Mayor's Regeneration Fund and Growing Places Fund. There is also a further £300,000 for the three additional Portas Pilots in London.

The Mayor has pledged to double the number of Businesses Improvement Districts (BIDs) in London over the next four years but needs the support of local businesses to make this a reality. BIDs need the backing of local businesses through a ballot, with effective public sector support. The Mayor should use the funds available to him to provide seed core funding for BIDs and ensure the right conditions are in place to help BIDs prosper across the capital.

BIDs focus resources and deliver bespoke solutions to often very different retail locations, as is the case across London. They deliver sustainable solutions because they focus on the chief barriers to trade and growth affecting the high street in question. Funds can be targeted

on specific initiatives which will increase footfall and thereby demand for units on the high street. Effective local partnerships between local authorities and retailers initiated through a BID can help deliver more attractive and successful retail locations, with local money invested, providing tangible local benefits.

London Assembly: London's high streets: bringing empty shops back into use

London Borough of Lewisham submission

1 Introduction

- 1.1 The London Borough of Lewisham welcomes the opportunity to feed into this important investigation into empty shops in London's high streets.
- 1.2 Lewisham is delighted to have been awarded Outer London Funding for our high streets in Deptford and Catford. We are also very pleased to have supported our Forest Hill, Kirkdale and Sydenham communities in gaining Portas Pilot funding in Round 2.

2 Overview of Lewisham High Streets

- 2.1 In planning policy terms Lewisham has a retail hierarchy which doesn't classify 'high streets' but does look at different sized centres and parades. Parades are defined as having 4 or more shops and there are over 80 in the borough. There are two major centres: Lewisham; and Catford. There are seven district centres: Blackheath; Deptford; Downham; Forest Hill; Lee Green; New Cross and New Cross Gate; and Sydenham. There are five local centres: Brockley Cross; Crofton Park; Downham Way; Grove Park; and Lewisham Way.
- 2.2 There are significant plans for growth in Lewisham Town Centre, maximising the excellent transport hub here. Local high streets are greatly valued by local communities and have individual identities. There are a range of local markets and there is a commitment to expand and develop a stronger market offer through the Outer London Funds and the Portas Pilot.

3. Response to specific questions raised

- 3.1 *High Streets in London - Why do some high streets in London have a higher vacancy rate than others?*
 - 3.1.1 In Lewisham we have highlighted some key impacts on vacancy rates:
 - Quality of rental property available
 - Commitment of landlord to rent – some landlords will not consider shorter leases or staged rental agreements
 - Critical mass of offer – once this drops below a certain level, confidence and footfall reduce and the high street declines
 - There is limited retail stock owned by the council, reducing our direct ability to influence vacancy rates.
 - Commitment of local community – as demonstrated in Forest Hill, Kirkdale and Sydenham. Grassroots engagement promotes and supports the high street and engages businesses in joined up promotions and events.
 - Streetscape – our plans for Catford and Deptford include improving the public realm, encouraging footfall.

- 3.2 *High Streets in Lewisham - What is the impact of high levels of shop vacancies on the local community and economy?*
- 3.2.1 Retail is the second largest employer for the borough, so any reduction in the retail offer impacts negatively on employment in the borough.
- 3.2.2 Lewisham has a Local Assemblies programme that runs a total of 18 assemblies across Lewisham wards. These assemblies are an excellent way to engage with the local community and gather views and local interests. High streets and town centres are a priority for 7 out of the 18 local assemblies. The main concerns that residents raise are:
- Vacant units bring down the appearance of the high street and reduce the offer for local shopping
 - Reduction over previous years of more 'traditional' high street shops – butchers, florists, pharmacies etc
 - Uneven variety of shop types in high streets (e.g. high presence of fast food chicken shops and betting shops) – has an impact on people's desire to shop locally
 - In areas of very high levels of shop vacancies (e.g. Leigate) fear of crime and safety is raised as an issue – without active frontage and footfall these shopping areas become dark and quiet and therefore reduce the number of people walking through, creating a viscous downward spiral of decline.
- 3.2.3 However, the local assemblies in some of these areas have harnessed the community's concerns and ideas to work with the council, landlords, land owners etc to develop responses to these issues.
- 3.3 *Responses to vacancies - What innovative uses of empty shops have helped boost high streets in a sustainable way?*
- 3.3.1 Unusual spaces and locations can host many kinds of cultural activity. For example, in 2011 the Arts Service worked with Lewisham groups to deliver two pop-up creative spaces in Catford and Leigate shopping centres. This supported new businesses in selling their work and running intergenerational art workshops.
- 3.3.2 Leigate shopping centre has one of the highest level of vacancies in Lewisham. Lee Green Assembly identified this as a priority and has worked with many partners to start up a new community group (Lee Green Lives) and use a vacant shop for community and youth use. This included negotiating free rent and contribution to improving the unit from shopping centre owners Sy Modwens Ltd. The shop now hosts a number of community uses and is the base for the first dedicated youth provision in the ward. Lee Green Lives has also developed other projects in the centre including a new art mural over one of the larger vacant units; markets, Christmas events etc. They are now consulting with local people to ensure their views and concerns are taken on board by the owners in developing plans for developing the site.
- 3.3.3 Use of vacant shops for consultation events – e.g. joint planning policy and town centre regeneration consultation took place in Catford vacant shop in 2008.

- 3.4 *Responses to vacancies - Does London need to control the spread of certain types of shop, and if so how can this be done?*
- 3.4.1 In Lewisham we do see the need to control the spread of betting shops and takeaways. We also want to have further control over the future use of pubs.
- 3.4.2 Betting shops - Amendment is needed in relation to the classification of betting shops as A2 uses. Betting shops should be re-classified as sui generis. The concentration of betting shops in some of our town centres is increasing and there is local concern about the retail mix in some areas as well as the occurrence of crime and anti-social behaviour associated with betting shops.
- 3.4.3 Takeaways - We are looking at introducing a restrictive planning policy that would only allow takeaway shops to establish in certain areas that are not close to schools and where there is not already a concentration of existing takeaway shops. This policy is being drafted at the moment and will be proposed for inclusion in Lewisham's Development Management Local Plan which will be publicly consulted on in November/December 2012.
- 3.4.4 Pubs - We are also looking at introducing a restrictive planning policy that would introduce strict criteria to prevent the loss of a pub where possible and give the Council more control over future uses. This policy has the same timetable for consultation as the takeaways policy above.
- 3.4.5 Local residents, through a number of the local assemblies, have expressed concern about the high presence of betting shops and chicken / take-way shops in their high streets and would like to see planning legislation change to allow caps / limits to be imposed.
- 3.5 *Portas Pilot - How can Local authorities, businesses and community groups in London implement the findings of the Portas review?*
- 3.5.1 In Lewisham the allocation of Portas Pilot funding in Round 2 will enable a number of recommendations to be piloted.
- 3.6 *Portas Pilot - What should London seek to learn from the Portas pilots?*
- 3.6.1 In addition to the learning to come from all Portas pilots, the Forest Hill / Sydenham / Kirkdale pilot will provide unique learning about how urban areas can work together to mutually benefit each other – so improvement in one area is not to the detriment of its neighbour; so new initiatives can be strategically planned to benefit more than one area (e.g. rotational markets). Much of London is a 'string' of high streets, very different to traditional market towns that have one distinct centre. In this way London will benefit from the pilot being undertaken in these three areas in south-west Lewisham.
- 3.7 *The Mayor's role - What practical steps can the Mayor and GLA Group take to bring empty shops into use?*
- 3.7.1 One of the key challenges with options such as short term uses is the legal documentation and the costs involved. If the GLA group was able to develop a standard form of licence this would benefit landlords and potential tenants.

3.8 *The Mayor's Role - How can BIDS reduce shop vacancy, and what can the Mayor do to increase the number of BIDS?*

3.8.1 Lewisham does not currently have any BID areas and is not in a position to comment on the benefits of using BIDS to reduce shop vacancies.

3.9 *The Mayor's Role - What measures to reduce shop vacancy should be supported by the Mayor's regeneration funding?*

3.9.1 Both the Outer London Fund and the Portas Pilots will hopefully provide a wealth of evidence about process, ideas and tactics that reduce shop vacancies. Future funding based on this learning would enable Local authorities to share this learning and have the resources to enact best practice in local high streets.

4. Additional comments

4.1 Lewisham Council also provides guidance on creative short-term uses of vacant units on our website and details of this can be found at:
<http://www.lewisham.gov.uk/inmyarea/arts/info-and-marketing/Pages/Culture-in-empty-spaces.aspx>

5. Contact details

5.1 For further information, please contact:

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c/o Richard Berry
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London SE1 2AA

30th August 2012

To: All members of the London Assembly's Economy Committee

I am writing to welcome the Committee's investigation into London's empty shops and am confident that this inquiry will lead to some practical and helpful recommendations to support London's high streets in this difficult time for retailers.

The Charity Retail Association has noted that part of the remit of the investigation will be looking into retail diversity, as well as measures taken nationally and locally to bring empty shops back into use, and broader regeneration and investment issues.

The Association represents 80 per cent of charity shops in the UK, covering around 7,000 shops with its membership. This includes larger chains such as the British Red Cross and Oxfam, as well as numerous smaller hospices and charity retailers.

Over recent months, we have been disappointed that in some political debates on the future of the high street, charity shops have been grouped with betting shops and fast food restaurants in terms of their contribution to the UK's communities. Within this context, I felt it would be helpful to highlight to Committee members the role of charity shops in bringing empty shops back into use through occupation, increasing footfall and investing in London's high streets and shopping parades.

I have received many examples from the Association's members, too numerous to document here, of how they have occupied shop premises that have been empty for some time, worked with other local businesses to lobby for improvements (for example, free parking), contributed to increasing footfall (through events and promotions) and invested into improvements in neglected shopping parades and malls.

In addition, charity shops contribute as social businesses in the following ways:

- They reduce the UK's carbon emissions by 3.7 million tonnes of CO₂ every year through their re-use and recycling activity
- They provide 17,000 paid FTE jobs and 180,000 volunteering opportunities.
- They provide a source of high quality, low cost goods to some of our poorest communities. Just under 60 per cent of those on the lowest incomes shop in charity shops.



On top of this, they also raise over £220 million every year in the UK for a huge range of charitable causes – from national medical research to more local services which are delivered in and around the capital for London residents; including employment support, educational and training programmes, support for disabled people and environmental projects.

There was a recent press report this year which suggested that some charities were occupying shop premises inappropriately in order to relieve landlords of their rates liability and not actively using the premises. I would like to use this opportunity to point out that charity shops claim rate relief under a separate clause in the Local Government Finance Act 1988 from other charitable organisations (Section 64.10) – and are only eligible for rate relief if they are using the premises for the sale of wholly or mainly donated goods. This would seem to constitute 'actively using' the premises. We have not seen any evidence that charity *shops* are doing anything but trading in shop premises or that they are occupying premises inappropriately in this way. The Association feels a clear distinction should be made here in the public debate, as we are keen to ensure that charity shops are not implicated unfairly in these activities.

Current lack of consumer confidence, along with longer term macro-trends such as internet and out-of-town retailing are creating problems for smaller, independent traders. We are very pleased that the Committee is investigating how to support high streets better in London and would be happy to support in any way possible.

Yours sincerely,



Warren Alexander
Chief Executive, Charity Retail Association

London's High Streets: bringing empty shops back into use

Our focus is on the role the business community should have in the regeneration of town centres.

The Crouch End Project (CEP)

In 2007, worried by vacant shop units and having spoken to local businesses, I set up a business-led initiative to identify new ways to improve shopping for their customers and increase footfall and customer loyalty. Ultimately the goal was to help businesses to compete more effectively and respond to new market conditions.

Two key issues to address:

1. Businesses who have the interest and responsibility for footfall were ill equipped to meet the challenges.
2. The community want a flourishing town centre, but it no longer fulfils the role it once did in their lives.

CEP: An approach to empower local businesses

- Mobilize the business community to work together and find new ways to work.
- Identified key resources within the community to harness and involve.
- Apply marketing/branding skills to create a strong high street brand the whole community could engage with and that could properly compete both online & offline.

Outcomes:

Established trusted town centre brand that engages with wider community.

Examined the businesses role in town centre regeneration.

Involved over 100 local businesses and organisations since it began.

Run over 15 successful local events with businesses.

Encouraged new strategic partnerships, networking, pooling resources.

Introduced loyalty scheme with over 10,000 cards now in circulation.

Developed strong online presence, website and social media.

Main platform for businesses, community and further afield.

Income generated initially membership then from website and merchandise.

Trained local people to run and manage the project.

Opportunity to work with local schools and colleges on project development

Setting up as a CIC to attract new funding streams.

In the 5 years working in Crouch End, we have learnt a lot about mobilizing communities and the opportunities and challenges that exist within this.

SpeakTo Ltd.

Since setting up the crouch end project, we have worked with many other town centres. Our experience has shown that whilst all town centres are different and contain vast challenges and diversities within, there are, particularly in London, commonalities that allow and require a common approach.

Whilst parking, rents and rates are a perennial issue for most town centres and are a legitimate concern, we focus on what can be done aside from those issues.

How to make a town centre initiative sustainable

1. It needs to be owned locally - 'Of the community, for the community'

Each town centre needs individual assessment of its challenges and opportunities. Identify key resources; businesses, organisations, place, space and individuals. Create the optimum framework to enable the initiative to operate around. Galvanize, train and properly equip local businesses first.

2. To be Sustainable it must be viable.

Needs leadership and can't be run by consensus, businesses first. Long term marketing plan (not just one off events). Enable Councils and communities to play to their individual strengths.

3. Town Centres must compete on the same terms as any other retail brands.

Giving customers good reason to come back to the high street, adding value. Creating a strong brand, on and off line. Developing a platform for the whole community to engage with. Building a genuine dialogue with community through database development.

Businesses are at the forefront of any community and are a natural starting point for any initiative that can draw the wider community in. But they need careful leadership and direction in the beginning, and the right tools for the proceed.

In our opinion town centres can not only have a bright future, but a vital one . Essentially, our approach is about raising morale through proper support and leadership, and creating sustainability by placing responsibility in the right places, with the right support for the initiative to thrive.



Federation of Small Businesses

The UK's Leading Business Organisation

London Assembly Economy Committee Inquiry into Empty Shops

Response by the
London Policy Unit of the
Federation of Small Businesses

August 2012

Contact:
Matthew Jaffa
Senior Development Manager
Federation of Small Businesses
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The Federation of Small Businesses (FSB) welcomes the opportunity to respond to your review.

The FSB is the UK's leading business organisation. It exists to protect and promote the interests of the self-employed and all those who run their own business. The FSB is non-party political, and has more than 7,000 members in Greater London and 200,000 UK wide; it is the largest organisation representing small and medium sized businesses in the UK.

Small businesses make up 99.3 per cent of all businesses in the UK, and make a huge contribution to the UK economy. They contribute 51 per cent of the GDP and employ 58 per cent of the private sector workforce.

Why do some high streets in London have a higher vacancy rate than others?

Recent Local Data Company statistics shows that town centre vacancy rates stands at the highest ever recorded level of 14.6%.¹

The decline of the high street shows no signs of stabilising whilst businesses continue to face crippling business costs and negative externalities such as increases in parking charges and poor planning policies.

Poor parking policies remain a prime frustration of our members. Councils need to understand the damage that regressive parking strategies have on businesses. The drop in footfall leads to a rise in out of town movement and many shops lose their ability to remain sustainable. The FSB encourages councils to adopt free/reduced parking levies for short term stays to encourage people to shop locally.

It is also worth noting that troubled high streets are not confined to less-affluent areas. The Kings Road in Chelsea is a prime example of a once prosperous High Street that is struggling with empty shop numbers.²

What is the impact of high levels of shop vacancies on the local community and economy?

The Federation of Small Businesses has actively led a Keep Trade Local Campaign.

The campaign starts from the position that our high streets are community hubs, where small businesses play an active role. The goal of public policy should be to nurture an environment that aims for *long term* sustainable growth for *all* members of the community. Small businesses have a central role in delivering this goal. Further, to capture a full picture of high street performance, we define the 'high street' beyond retail: the high street is a rich, diverse economy encompassing many other economic sectors, from professional services to pubs and post offices. We hope your review will take a similar view.

The loss of choice within the high streets is the single greatest impact of high levels of shop vacancies. Customers should be able to visit a diverse array of retail outlets as opposed to a gradual disappearance of the fabric that makes shopping locally a pleasure.

The FSB is keenly aware that tackling the issues faced by our high streets is a complex task, and your review is challenging. The high street faces the structural challenge of the increasing use of the internet as a means of shopping. Consumer tastes and expectations have changed too, sometimes in unexpected ways, with high street businesses at times slow to react to new market conditions. But there is a strong argument that public policy, and particularly planning, has lead to structural

¹ <http://www.localdatacompany.com/> - LDC Shop vacancy press release June 2012

² <http://www.standard.co.uk/news/london/closing-time-in-kings-road-as-shops-fall-prey-to-the-slump-7443283.html>

changes not always to the benefit of high streets and the local communities they serve – in other words, to the detriment of long term sustainable economic growth – and which has underpinned the growth in the largest retailers.

Recent data shows that 50-70 pence in every pound spent in the local economy stays within the local economy. This includes money spent employing people in the locality and procuring local goods and services. The rise in empty shops merely escalates the problem of high unemployment and local social deprivation.

What innovative uses of empty shops have helped boost high streets in a sustainable way?

In December 2008, with a fifth of the 100 units in Brixton Village standing vacant, the owners of a 1930s indoor market in South London proposed a major redevelopment of the site. This was resisted by local people who set up 'Friends of Brixton Market' to campaign for the conservation of the market. The owners withdrew their proposal and then asked the local authority, Lambeth Council, for advice. Realising the need for an alternative to demolition, council regeneration officers suggested contacting Space Makers Agency who began a project to revitalise the market through small businesses and community initiative.

The project was successful with all of the 20 units remaining filled. Space Makers were able to build a genuine two-way learning relationship with Lambeth Council, already leading to a further project to revitalise vacant town centre spaces elsewhere.³

The dressing of windows of vacant shops has been addressed in areas such as Enfield, by improving the appearance of buildings and the overall area.

Enfield have utilised sporting or country scenes, local notices and terms available for letting as short-term instruments to dress certain windows. In the long-term, landlords welcome these measures and the shops are more likely to be re-let.

Does London need to control the spread of certain types of shop, and if so how can this be done?

The planning system is hugely important in shaping the character of our high streets and town centres. We believe the planning process has either by design or unwittingly helped create and reinforce the dominance of the large retailers. With significant plans for further out of town developments already in the pipeline, it is hard to see this dominance being addressed.

There has been an undoubted shift towards out of town retail, which has grown 35% in the past ten years compared to 13% in town during the same period⁴. In particular the number of larger stores located out-of-town has increased from just under 300 in 1980 to almost 1,500 in 2007⁵.

We have also seen a significant rise in Charity shops, pawnbrokers and bookmakers across our town centres. What is most evident about an increase in charity shops is the significant reduction given in business rates and the ability to sell branded goods in competition with independent businesses at significantly reduced prices. There do need to be checks and balances within the system to ensure that charity shops who wish to sell new, branded goods, do so at the market rate and pay full rates and salaries.

³ NESTA 2011 'Compendium for a civic economy'

⁴ (Local Data Company, Weathering the Storm, June 2011)

⁵ (The Competition Commission (2008) "The supply of groceries in the UK market investigations)

Far too often it seems that planning decisions are made without full comprehension of the potential impacts. Following the removal of the Needs Test in 2009 the focus has been on the sequential test and revised impact assessments to provide protection for town centres. However, we have concerns about the reliance on assessments that are:

- commissioned and paid for by the developer; and
- lengthy, highly technical and therefore inaccessible to the vast majority the public, elected councillors and even planning officers.

We would therefore like to see consideration given to how the 'impact assessment' can be made more independent and transparent so that the local community can have a greater say in proposals.

What is needed is some robust and independent empirical evidence, based on studies of the post development impacts of a variety of different developments, to help inform future retail planning policy and decisions.

By encouraging a greater proportion of locally based businesses and retailers, procuring more of their own goods and services locally, and working with their prime contractors to encourage greater supplier diversity local authorities can take the lead in stimulating sustainable growth in their local economies.

What practical steps can the Mayor and GLA Group take to bring empty shops into use?

The Mayor has identified £221 million of GLA and external regeneration funding, which he has pledged to use to support high streets and small businesses.

The Government has outlined its commitment to give local authorities greater freedom and we would like to see councils to embrace it for the benefit of their local economies. Councils should already be promoting the availability of Small Business Rate Relief to existing businesses and to attract new small retailers. However their discretion to use business rates as a tool to encourage new investment and support local businesses is currently limited. The Mayor and GLA group must find innovative ways to encourage local businesses to take up the 'retention of business rate' challenge – making it worthwhile for councils to participate.

The Mayor and GLA can also exercise their influence by supporting small businesses through their procurement activity and taking the lead in encouraging local supply chains. Our Keep Trade Local Campaign has always had at its heart the recognition that money which is spent with local businesses then stays in the local economy⁶. The FSB London team has produced a best practice procurement checklist that encourages Government of all levels to assist small businesses through the procurement chain.⁷

How can BID's reduce shop vacancy, and what can the Mayor do to increase the number of BID's?

The key is essentially about creating the right environment for enterprise and entrepreneurship on the high street. It is not for local authorities to be entrepreneurial themselves but to set the frameworks and conditions for their high streets to thrive, to set a vision for their area and then allow the private sector and local community to come in and take advantage of those conditions.

⁶ 50–70 per cent of money spent in the local economy stays in the local economy. Friends of the Earth – Shop Local campaign.

⁷ FSB London/ Centre for Local Economic Studies report, August 2012

[http://www.fsb.org.uk/policy/rpu/london/images/london%20final%20report%20jul'12%20\(2\).pdf](http://www.fsb.org.uk/policy/rpu/london/images/london%20final%20report%20jul'12%20(2).pdf)

What measures to reduce shop vacancy should be supported by the Mayor's regeneration funding?

Parking

Councils must consider carefully the impact of the availability and cost of parking on local trade. Parking should be seen as a vital service and not a quick and easy means of raising revenue as is often the case.⁸ The lack of affordable parking is detrimental to local trade, and many town centres are running the risk of driving shoppers away from the high street to out-of-town retail areas, where parking is often free of charge. In a recent survey of our London members, 64% said that the availability of parking had a detrimental effect on their business⁹. **The FSB would support a drive by the Mayor to actively promote free or reduced parking to incentivise businesses to shop locally as opposed to a default position of going to out of town centres such as Westfield and Brent Cross which offer free parking.** Westminster have moved from Sunday and evening charging to offering free weekend parking during the month of August – we need to build on this sensible approach.

Public space

The public realm and street environment are important aspects of the success of our high streets and help to stimulate vibrant and popular destinations for shoppers and visitors. Poor maintenance and management, empty dilapidated shops, the appearance of bus shelters, trees, public spaces, toilets etc can have a significant effect on the business environment. Councils must be mindful of the risks that cutting back on these areas can create and with plenty of examples of best practice to hand in our towns, also the potential positive impact they can have when action is taken to rectify the situation. The Mayor's regeneration fund must pay attention to this important issue.

Business Crime

One fifth of all reported crimes in Britain are committed against businesses¹⁰, at a cost of more than £2,900 over the course of a year to each business in the UK¹¹. A business that is frequently the victim of crime is at risk of closing down. In particular we need to encourage Community Safety Partnerships to take on board business crime issues. Tackling crime against businesses will help small firms to reappear, assist urban regeneration and lead to a renaissance of thriving high streets – particularly in the wake of the riots that affected significant parts of London in August 2011.

Many businesses will have to install metal shutters to avert night time crime – this has a detrimental effect on the look and feel of the high street. There could be a longer term strategy to make streets more welcoming if they had good security and an insurance policy underwritten by each Council that compensated businesses for any damage. The businesses may be encouraged to make themselves more welcoming and in turn generate a more thriving economy.

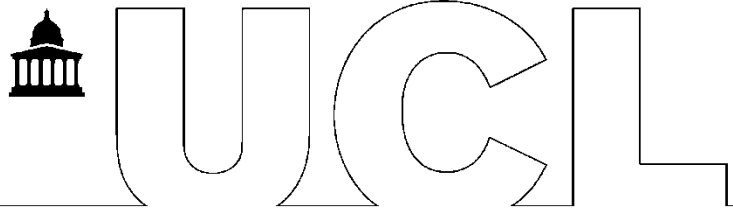
⁸ www.fsb.org.uk/london/charterforparking

⁹ FSB Infrastructure Survey(London survey data extrapolated), Feb 2011

¹⁰ South Wales Police Business Crime Recording Pilot with Greater Manchester Police and Home Office (2005)

¹¹ Localism and tackling crimes against businesses, FSB, (September 2010)

31 August 2012



Andrew Dismore AM
Chair, Economy Committee
London Assembly
City Hall, The Queen's Walk
London SE1 2AA

Submission to the Economy Committee's investigation on London's high streets – bringing empty shops back into use

This submission addresses issues pertinent to the Mayor's role in rejuvenating London's high streets, and more specifically, the points around BIDs as formulated in the paper setting out the background for the investigation.

BIDs themselves and the organisations supporting them such as UKBIDs and British BIDs we will be able to provide detailed suggestions about how BIDs can reduce shop vacancy and what measures the Mayor can adopt to facilitate the increase in the number of BIDs in London.

This submission addresses only one aspect of that question, and refers to the conditions for success of BIDs, which should go hand in hand with whatever measures the Mayor may adopt to facilitate their set-up and arguably with the effectiveness of measures BID might take to reduce shop vacancy.

I was responsible for a piece of research, sponsored by the Education Trust of the Royal Institution of Chartered Surveyors and completed in the spring of 2011, which looked at how BIDs were dealing with economic recession and public spending cuts. The focus of the research was not the whole of England, not just London, and it was based on a survey and 10 in-depth case studies in which London is well represented. The key findings of the research, summarised below, would suggest that BIDs are indeed an important agent in the management of town centres and their high streets, but their success cannot be taken for granted, especially as business feel the pressure of a weak economy and spending in public services decrease:

- The success of BIDs so far comes from their ability to demonstrate to levy payers that they create value for them and that they can deliver real improvements to their area. The harshening economic climate has intensified the need for BIDs to be accountable to levy payers and to work to an agenda of interventions with the widest possible support among them.

The evidence suggests that success comes mainly from recognition by local businesses of the role of the BID in the effective delivery of some specific outcomes. These are initiatives with reasonably wide support among local businesses (e.g. reduction of crime through CCTV systems, increase in footfall through particular marketing events, safe running of Christmas lights, etc.). Moreover, successful BIDs do not come into existence just out of nothing, but instead they are a step forward in the evolution from previous town centre management, regeneration or economic development partnerships with a significant business presence. The BIDs that have replaced these previous and mostly voluntary organisations are therefore carrying forward agendas that have been discussed widely and extensively, and embody long-standing cooperation between businesses and between them and local authorities. This grounding on a stable process of cooperation between local businesses and between them and local authorities is what makes BIDs effective and resilient. The institutional format of the BID with its accountability to local businesses and the certainty of the levy contribution certainly help in making BIDs effective agents in securing the vitality of town centres, but they need to be based on an already established collaborative effort.

- The ongoing recession and spending cuts have affected negatively BID incomes, but so far only marginally. Levy income, the largest source of income for most BIDs, has remained relatively stable, as has local authority in-kind support. However, there has been a general reduction in the availability of public sector grants, private sponsorship and other forms of additional income. The impact of this has been varied, and more serious on BIDs that need those sources of income to deliver on key agenda items. Programmes and activities run by BIDs are still overwhelmingly dominated by 'safe and secure' and 'marketing and events' issues. Recession and spending cuts have had so far only a limited impact on them, with funding shortfalls being compensated by reallocation of resources. However, the disappearance of grants and other additional income has caused some BIDs to postpone or interrupt important projects. Grants have also been vital for any significant capital expenditure, and this is now out of reach for many smaller BIDs. This means that it is important to think about how any new activities undertaken by BIDs to encourage the occupation of empty premises are going to be funded and how this will relate to the funding of other items of the BID agenda.
- BIDs have had to readjust their expectations of income and delivery potential to a much leaner economic and funding environment. Some BIDs have narrowed their focus towards a few core activities; others are re-thinking their roles and embracing new ones as service delivery organisations, community enterprises, business support entities, pressure groups, and so forth. This suggests the emergence of different 'models' of BIDs for different contexts, which are likely to become more evident as BIDs consolidate their roles in the management of their areas. It also means that BIDs will differ in how they can deal with the problem of vacant retail

space and in their ability to deal with the problem. Not all BIDs will be able to act in the same manner, and policy recommendations will need to be flexible.

The full contents of the research can be assessed in the following webpage:

http://www.rics.org/site/download_feed.aspx?fileID=11031&fileExtension=PDF

I hope this comments will be of some help.

Claudio De Magalhães

Richard,

I've been reading, with some interest, the articles about your study into the regeneration of the High Streets in London.

I'm the director of a practice formed specifically to help local authorities; community groups; town centre managers and anyone else who needs to improve areas with under-occupation of land and buildings.

We've been working with a number of groups looking at related problems and it's interesting to see you looking more holistically at the problem in London.

One thing that appears to be absent from your assessment (and from most other people's, to be honest) is the acceptance that maybe not all of the empty retail spaces will be filled again with retail offerings and how this is managed, and what this might mean for any given street.

As you note in the supporting document on your website, out of town shopping centres (and even "edge of town" developments) which are specifically designed for multiple retailers have the effect of drawing more and more footfall to them and even small, independent, retailers may find themselves compelled to move with the custom, leaving behind old high streets.

Nevertheless some towns and even some streets in cities seem to manage to buck the trend and retain their high street feel.

We believe each area is unique because of the combination of surrounding population, proximity to multiple retailers (including supermarkets) and the prevailing culture of the area.

If you want to see thriving high streets - look at Gloucester Road in Bristol (notwithstanding Tesco protests, there is a good balance of shopping, food outlets, supermarkets and other businesses); North Street in Bedminster, Bristol (regenerated

following the conversation of a derelict tobacco factory to a theatre and cafe) and Hitchin in Hertfordshire.

The fact is, however, these three examples share very little in prevailing culture or demographic.

We believe that local authorities have a role to play in their granting consent for large-scale developer-led mixed and retail developments since the developer typically ends up holding all the cards, wants to complete the developer in one fell swoop (ish) and seeks to populate the area after the event (eg the Crest Nicholson Harbourside development in Bristol). This leaves an area feeling sterile and takes a long time to integrate into its environment.

Similarly with high streets - we must resist the temptation to push a new "scheme" wholesale into an area without understanding its specific current customers, needs and where new custom may come from.

More gentle, incremental improvement may be a better approach for existing high streets and has the added benefit of allowing a "try it and see" approach to learn what suits an area best.

You're absolutely right that reducing footfall feeds into a vicious, descending spiral of decline and by using units more creatively, with a strategy for supporting the new uses whilst they bed in, this should help to bring back old frequenters, and encourage new ones.

Sadly, it's this strategy of support that's so often missing.

Money for art in empty shops projects is all very well for exhibitions etc, but if there's no champion in the council (or town centre manager) who has the time to help ensure that installations are of good quality and that, if necessary, are changed regularly and that the longer term view is supported then the novelty could well wear off even before potential shop lessees get around to considering that high street for their new business.

It's our view that real money needs to be spent to support the high street and that business rates concessions can go so far, but commissioning high quality, innovative

uses of empty shops (please, please no more depressing vinyl pictures of faux shop fronts) could support that work too.

We're not talking millions for a high street - but a sensible budget (from the local authority, s106 money, or a BID), an agreed plan and approach (scattershod funky uses can end up looking disjointed and tacky); management from a professional team and proper community engagement would all help make the investment worthwhile.

I know that at the moment you're looking for written submission, but if at any point in the future you'd be interested in a discussion, please do not hesitate to contact us. We're based in Bristol but happy to travel.

All the best with your work - it's important.

Kind regards

Liz Crew

Director, ExtraVerte Ltd



City of Westminster

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RECEIVED
29 AUG 2012
SECRETARIAT

Richard Berry
London Assembly
City Hall
The Queen's Walk
London SE1 2AA

Friday 24 August 2012

Dear Mr Berry

London's High Streets: bringing empty shops back into use

I refer to your above investigation and thought it helpful for the Committee to set out the City Council's views on this matter. Westminster is in the fortunate position that it does not have many high streets with high retail vacancy rates and so I will respond to just four of your posed questions.

1. What is the impact of high levels of shop vacancies on the local community and economy?

I believe that the impact of high levels of shop vacancies is particularly significant. First of all is the loss of the individual business and the jobs for the staff. Secondly there is the loss of rent to the landlord and the requirement to pay business rates. Thirdly there is the visual impact on the high street that broadcasts the economic failure to the local community undermining their satisfaction with their neighbourhood. In Westminster most of our commercial streets are in conservation areas and so the impact of vacant shops has a direct environmental impact on the character of the conservation area. Fourthly there is loss of that shop to local customers who may have to go elsewhere to purchase their goods or simply won't purchase that produce resulting in a net loss of consumer expenditure. Multiply this loss for each customer and each vacant shop and the subsequent impact on consumer expenditure (and tax receipts) becomes very significant.

2. Does London need to control the spread of certain types of shops?

I do not believe that the state should generally seek to differentiate between different types of shops over and above the controls in the planning system. All shops have a valuable role to play on the high street and at a time when shop vacancies are rising then restricting businesses who want to occupy empty shops seems perverse. However, there are times when too many shops providing the same goods or services do become detrimental to the High Street and local planning authorities should be able to have control to prevent, for example, too many betting shops locating in a particular shopping centre.

3. How can BIDs reduce shop vacancy and what can the Mayor do to increase the number of BIDs?

As BIDs often comprise both landlords and tenants then there should be scope for them to act to reduce vacancies in their particular BID areas. The Mayor could do more to support BIDs by being prepared to draw up baseline agreements in relation to Police services and also TfL services in BID areas that include roads for which TfL are responsible for managing.

The Mayor could also create a BIDs Development Fund to provide loans to prospective BID organisations that are then repaid once the organisation becomes a formally established BID. In Westminster we have found this to be helpful to prospective BIDs.

4. What measures to reduce shop vacancy should be supported and what practical steps can the Mayor (and local authorities) take to bring empty shops into use?

In our experience, the two most important factors affecting the success of high streets are property ownership and public realm. Where high streets come under largely single ownership, the landlord can develop and implement strategies to revive the area. We see this happening all over Westminster, and one of the earliest examples is that of Marylebone High Street where in the mid 1990s the landlord - the Howard de Walden Estate - has singularly reinvented the street from one full of charity shops to a bustling local high street. Where land ownership is fragmented, a long term strategy becomes impossible.

Where there is not a unifying landlord, we have found it useful to identify a venture in which owners and retailers could have an interest. This could be a street market, event programme or social enterprise which can all act as catalysts to bring new start-up businesses to areas and refresh the retail mix. For example, significant reductions in vacant retail units have been recorded on the Harrow Road area of Westminster following the introduction of a market and event space.

The second most important factor is the quality of the public realm. Again Marylebone High Street led the way with a refurbished public realm with less clutter and better accessibility and major landlords across Westminster are following this example. The Mayor has a role to play in financially supporting public realm schemes for the larger shopping centres of importance to London as a whole and similarly local authorities for more local high streets. The Council through its Civic Streets scheme has developed and implemented a programme of such schemes for its major high streets outside the West End.

I hope this is useful for your investigation and I would be happy to provide further information if necessary.

Yours sincerely



**COUNCILLOR DANIEL P. ASTAIRE
CABINET MEMBER FOR BUSINESS
WESTMINSTER CITY COUNCIL**



Mr Richard Berry
London Assembly
City Hall
The Queen's Walk
London SE1 2AA

6 September 2012

Dear Mr Berry,

London's high streets: bringing empty shops back into use

I am writing to you in my capacity as Chief Executive of the Association of British Bookmakers, to respond to the Greater London Assembly's investigation into empty shops on London's high streets.

I would like to take this opportunity to address any concerns about the number betting shops and to highlight the important contribution betting shops make to high streets and local economies.

The Association of British Bookmakers (ABB) is the leading trade association for high street bookmakers and represents the operators of around 7,000 betting shops in the UK, including Gala Coral, Ladbrokes, William Hill and about 130 independent bookmakers.

Betting is a popular British pastime with 8 million people visiting our shops every year. Betting shops are modern leisure retail businesses, offering customers state-of-the-art video and audio systems, comfortable furniture, alcohol-free refreshments and friendly staff. They are an important part of the retail mix on high streets; apart from post offices and pharmacies, they generate more footfall than other similar-sized outlets.

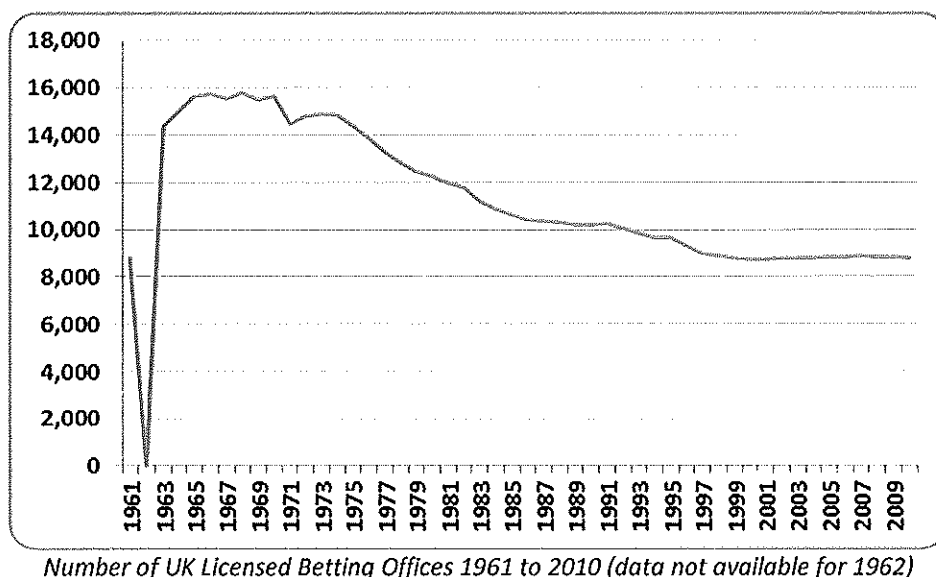
Number of Shops

Off-course betting was introduced in 1961 to solve the problem of illegal gambling. The policy was a success with consumer demand sustaining as many as 15,000 betting shops in the 1970s. Early legislation was highly restrictive as to the way in which a betting office could be managed and presented. For example, closed shop frontages were required, it was impermissible to provide refreshments and live coverage of sporting events was prohibited. Over the ensuing decades, Parliament accepted these restrictions were misplaced in a modern regulatory environment, and a process of liberalisation occurred. In return, our industry submitted itself to increased regulation. Most recently the Gambling Act 2005 which empowered the Gambling Commission to conduct a vigorous suitability investigation on every bookmaker.

There are currently around 8,700 betting shops in the UK and the number of shops has remained stable for 10 years. What has changed, following the Gambling Act 2005, is the ability of betting shops to open near existing shops. Like any other retailer, key factors such as the number of

potential customers entering the area, competitive presence, demand and overall cost of running an outlet help operators decide where to open new shops.

The following graph, using data provided by the Gambling Commission, shows the number of Licensed Betting Offices in the UK from 1961 to 2010:



Planning experts at Gerald Eve LLP believe this pattern shows a mature market in the provision of outlets which, setting aside the effect of growth in on-line computer based trade, is likely to remain in future.

Betting shops account for less than 4% of the country's 240,000 retail units. To put this into context, this representation is 22% less than bank branches, 25% less than charity shops and 60% less than fast food outlets.

Even in areas which are commonly cited as having the most betting shops, they make up less than 3% of retail units. For example, in London, betting shops make up 2.7% of retail units in Lewisham and 2.8% in Wood Green.

We are aware of a small but vocal strand of opinion that councils do not have the necessary powers to stop betting shops from opening up - this simply is not true.

Bookmakers are one of the most regulated retail units on the high street. Operators require two licenses: an operator's licence from the Gambling Commission and a premises license from a local licensing committee. A License will not be granted if it can be proved that a betting shop would cause crime or have a negative impact on young and vulnerable people. But the key word here is evidence. A moral objection to gambling is not enough.

Furthermore, as the Government suggested in its response to the Portas Review, local authorities can shape their town centres through the Use Classes Order system, Local Development Plans, Neighbourhood Development Orders and Article 4 Directions.

Economic Contribution

Betting shops make a significant contribution to the national and local economies. Despite challenging conditions for the industry, we still contribute nearly £1 billion in tax every year – about

£400 million more than we make in profit – and the industry supports 100,000 jobs in the UK. In London alone betting shops employ 11,500 people and contribute £627 million to the capital's economy.

Our sector takes on a relatively high proportion of young people, and provides them with structured training and long-term career opportunities. A recent study by the Centre for Economic and Business Research (Cebr) found that 25% of our industry's work force are 18 to 24 year olds – an age group with 20% unemployment currently – and 56% of positions are filled by women.

In London, high-street vacancy rates for commercial property stand at 10% and betting shops fill some of these, investing between £200,000 and £250,000 in each shop refit, and creating work for local electricians, glaziers and carpenters.

The betting industry also makes a significant contribution to local services paying more than £58 million in business rates each year.

Support for communities

Betting shops are highly regulated, licensed, responsible businesses who work pro-actively to tackle any issues in communities alongside the police, regulator, local authority and other businesses.

A good example of this is Lewisham, where our members recently signed up to the Deptford High Street Charter. The charter aims to encourage everyone to play their part in tackling crime and grime. It sets out what Lewisham Council and Lewisham Police can do to support businesses in Deptford High Street, and how businesses themselves can help to keep the local area safe, clean, green and liveable.

In addition to such initiatives, we actively support local communities by providing much needed funding for local groups as part of our social responsibility commitments.

The ABB has donated more than £10,000 to the Haringey Police and Community Amateur Boxing Club, which works to help disadvantaged young people turn their lives around and learn new skills through the discipline of boxing.

We are also supporting the Hackney Carers Centre, which provides emotional support for people caring for sick or disabled family members, and the ABB donation of £5,000 will cover 50% of the organisations counselling support for the next twelve months.

A donation has also been made to the 'Southall First' project, which offers young people in the area the opportunity to learn new artistic and creative skills, and to Lewisham Borough FC, where our donation will support the supply of their kit and equipment, and contribute towards the cost of purchasing a team minibus.

Summary

Betting is an everyday leisure activity which is enjoyed by millions of people.

The number of betting shops has remained stable over the past 10 years and planning experts believe that this trend will continue. Although high street bookmakers face the same challenges as other retailers, including the growth in online trade.

Betting shops make a significant contribution to the local communities and economies within which they operate. In London alone betting shops contribute £627 million to the regional economy and support more than 11,500 jobs.

There is a wealth of evidence from planning experts that betting shops actually drive greater footfall on high streets than standard retail units to the benefit of other retailers.

There is simply no credible empirical evidence that betting shops undermine growth or put off other retailers from locating on high streets - just the opposite in fact.

As one of the most regulated retail outlets on the high street, further regulation would significantly impact on our ability to operate, pay tax, offer employment and support local communities.

At a time when the high street is struggling, we believe the GLA should continue to do all it can to support the businesses which continue to invest in high streets and support growth in local economies.

The ABB and its members would welcome the opportunity to provide oral evidence to the Assembly if you believe this would be helpful to the investigation.

If we can be of any further assistance, please don't hesitate to contact me, or my colleague James Barrow, Public Affairs Manager, on 020 7843 2111 or via jamesbarrow@abb.uk.com.

Yours Sincerely,



Dirk Vennix
Chief Executive
dirkvennix@abb.uk.com

Richard

Sorry about the last minute.

I have been trying not to replicate the acres of writing already produced on the subject. The real issues for me are

1. The need for all Authorities to undertake a comprehensive user analysis of the high street space within their boundaries and identify not only the vacant properties, but more importantly the properties that are no longer capable of beneficial occupation.
 - a. Research shows that up to 30 % of retail space is potentially obsolete in its current form.
 - b. Non-commercial social users are often located at a distance from the heart of the community as they have previously been "priced out" of the neighbourhood.
 - c. The consolidation of the town centre can be encouraged by Local Authorities using CPO powers to gain control of property at the margins and ensure that they are offered to community/social uses.
2. Diversification of the retail offer suffers from the crippling economics that marginalises sole/independent traders.
 - a. Sole retailers have a torrid time, often depressing being stuck in their premises for lack of relief to get out, even for half an hour. Local Authorities/Employment initiatives could assist by supporting apprentice places with retailers, the deal being, free assistance for a number of hours per week in exchange for a structured training programme of learning in customer service, retailer, basic administration etc.
 - b. A local wifi "cloud" given as a free service to retailers with turnover below a certain threshold could help to encourage multichannel retailing. Again free assistance from the economic development unit in web skills would help. Not an expensive item in itself, but every saving helps.
 - c. Sounds counter intuitive, but smaller retailers suffer with the introduction of pop-up units which create buzz and divert sales from the incumbents.
3. Encouraging more people to return to town centres
 - a. This needs thinking through, but internet collection points in town centres assists those who are not at home to receive parcels and are discouraged from receiving them at work. Collection points will bring people back to a central point. The challenge then is how to keep them.
 - b. Pricing of car parking is crucial (apart from the need to remove all cars and use public transport). I know one authority who tried to encourage Christmas shopping by making all December Saturday parking free. What happened? All the shopkeepers filled up the car parks first thing in the morning.

c. Use of marginal properties for civic/educational uses as above.

I would be more than happy to contribute to debate when you get sessions organised

Best regards

Jenefer

Jenefer Greenwood
Director Sales & Lettings
Grosvenor

ISSUES AND CONCERNS RELATING TO CHIPPING BARNET TOWN CENTRE

- 1 There are a number of longstanding and properly constituted associations (residents and businesses) in Chipping Barnet. They have consulted their memberships on perceived positives, needs, problems and difficulties getting problems addressed, and have been lobbying the Council (LBBarnet) for several years.

Town Centre Strategy

2. A watershed came in 2009 when the council proposed the creation of a Town Centre Strategy Board (comprising Council Officers and volunteers from the above groups) to consider and develop a strategy to enhance the vitality and appeal of the town centre. This was welcomed by the associations and other local stakeholders, many of whom did large amounts of work on a this project. A strategy document was produced but abandoned prior to adoption allegedly on the basis that the Localism Bill was shortly to receive assent and processes would need to be reviewed. Nonetheless the document (attached at Annex A) is a source of information on the town's assets and problems. A synopsis follows.

Vision

3. An overall vision for the town centre emerged from the work, and an action plan to implement proposals.

Our vision is to make Chipping Barnet a vibrant destination town centre for local and surrounding communities – a place for all who live , work, shop and study here to be proud of.

This strategy will provide a framework for the future of the town centre which will protect what is best about Chipping Barnet and set parameters for high quality expansion of what it has to offer.

The focus will be on:

- *Respect for and celebration of the town's history*
- *Enlargement in the quality and range of shopping with the historic Barnet Market at its heart*
- *Improved accessibility to the town centre and better parking and traffic management*
- *Provision of high quality public realm and improved appearance of the town centre*
- *Enhancement of cultural leisure and student activities centred around The Bull Theatre and Barnet College.*

Positives

4. The strategy acknowledged the positives in the town and set out proposals to preserve/enhance them. Chipping Barnet distinguishes itself from other adjacent suburban town centres because it has its roots in Hertfordshire as an historic market town. The town has very many historic buildings, some listed, a market which has existed since the 12th century and coaching inns from its days as the main stop on the route north up the Great North Road. In the past efforts to protect these very positive assets have been largely unsuccessful. The market has had owners who have not respected it and done nothing to ensure its future. Owners of the buildings have made unsuitable and at times ugly alterations. The Council have issued guidance on the matter but to date enforcement action has been lamentable. Despite two sections of the town being in conservation areas the overall scene is ugly. At the moment the residents associations are pursuing the occupants over their shop frontages with mixed success. Business Improvement District status might give us the clout and some money to more actively pursue both the occupants and the freeholders; maybe to appoint a Town Centre Manager to help overcome trader apathy among the independents and the difficulties of engaging with multiples over local issues.
5. A positive step was the Council's production of a Planning Framework for three sensitive sites in the town centre – the market, the Spires Shopping Centre and the Territorial Army site.

Negatives

6. Negatives highlighted were high cost of parking, traffic congestion and pedestrian movement, street clutter, signage, the neglected and unattractive state of the churchyard, high rental costs and rateable values, plethora of empty shops and the approach from the tube station.

Mayor's Outer London Fund

7. The next turn of the wheel was Chipping Barnet's success in Round 1 of the OLF. The associations got together to form a bid team (subsequently morphed into Town Team). It had its irritations – dealing with the Council's immensely bureaucratic processes and their intent on implementing their own cross borough initiatives which we did not want such as £35,000 spent on new litter bins; but it gave us some money to implement some of the initiatives from the abandoned town centre strategy. Funding achieved the following:
 - The redesign of the churchyard and creation of a new public space with benches and planting.

- Significant decluttering of the High St and planting of some trees and, where this was not feasible, hanging baskets. Sadly the church garden project overspent so much that there was not enough money to implement the heritage signage.
- Town Team were given a small amount of money (£26k) to spend on refurbishing six shop fronts to act as exemplars to the rest.
- Money was spent boosting the annual Christmas fair.
- Training for small individual retailers was bought in to help them present their displays. This had only mixed success.
- High St events prior to Christmas aimed at supporting the retail trade also had limited success.
- Sadly a Round 2 OLF bid prepared by Town Team was refused endorsement by the Council.

Outstanding Problems

8. Despite all this there is still much to be done and Town Team are looking for ways to improve the welfare of our town. In common with everywhere else in the land in the present recession we have empty shops and struggling retailers, but much can be done to improve the environment to make it attractive to shoppers and retailers. Many of the negatives identified in the draft Town Centre Strategy remain unresolved.

- Parking. This creates the most anger in the town from traders, shoppers and residents. Parking charges have been considered too high for many years and last year the rise was enormous. After much lobbying the Council have this month listened and reduced them in the car parks, although not on the High St. But it feels like Tesco – put the price up for a while then reduce it a bit. There is at least continuing discussion. One proposal in the TCS was to explore running a shuttle bus between station/town centre/library/hospital to encourage locals to shop in Chipping Barnet rather than travel to other centres where there is free parking for at least an hour. We are the only town centre with no free parking.
- Pedestrian/traffic movement. Feedback from surveys has indicated that the traffic/pedestrian balance needs to be tilted further towards pedestrians. The High St is the old Great North Road and is frequently clogged with traffic making the atmosphere unattractive to shoppers. Some pavement build outs adjacent to the pelican crossings were initially suggested by the Council but then withdrawn without any explanation. We have seen such schemes working well in other areas – Harlesden/Wimbledon. Nonetheless traffic has to be kept moving as freely as possible. There are problems with the weight of traffic but only limited opportunities for a traffic engineer to examine the options for the junction adjacent to the college/church but the report was, we understand, not particularly helpful. Traffic

flow is also interrupted south of that junction because buses have to stop on the carriageway, the layby being occupied by the 34 bus on layover. We have been told by TfL that funding can be made available to councils to effect major highway/street improvements. Thus far the Council has not applied for anything beyond routine LIP funding.

- Street clutter/signage. Although much of the signage built up over years has been removed with the OLF money there is still the proposal to install some heritage signage to the historical aspects of our town.
- Long uphill road from tube station to shopping centre. Although there are a good number of buses going past the station none of them are small enough to actually go down the approach road to the station. The shuttle bus idea might resolve this if it can be achieved.

Back to the Town Centre Strategy

9. Recently the Council has announced and started discussions about restarting the abandoned TCS. Much of what is left over unimplemented from the earlier draft relates to the parking/traffic/highways issues described above. Town Team are hopeful that a resumed TCS will achieve a political sign up to a proper examination of the issues here, and proposals in sufficient detail to present them to TfL for LIP funding.

10. There is still much to be done and Town Team are looking at all options to improve the welfare of our town, including the possible creation of a Business Improvement District.



London Assembly Economy Committee Investigation into Empty Shops

Response from Brent Council

The council welcomes the opportunity to respond to the London Assembly Economy Committee's investigation into empty shops. Brent recognises the importance of this issue and has been active in developing innovative approaches as part of our wider regeneration strategy, with support from the Outer London Fund in 2011/12, and is continuing to take work forward with a particular focus on Willesden and Wembley. The case study appended to this response gives some further information on progress to date and the council, as one of the boroughs most active in this area, has also contributed to the collective response submitted by London Councils.

Within your borough why do some high streets have higher vacancy rates than others?

The council endorses the overall assessment of the factors influencing vacancy rates set out in the response from London Councils; factors which are clearly in play in Brent's high streets. It is worth adding that not only do some high streets have higher vacancy levels than others but some parts of the high street have considerably greater levels of vacancy than other parts. For example, Wembley High Road is generally thriving for its main extent around Wembley Central. When there is vacancy, it is not long until this is taken up (a matter of weeks). Just a few hundred metres away however, the Wembley Triangle suffers from high levels of vacancy, but also persistent vacancy where commercial premises have not been occupied for many years. This raises a question as to whether some high streets may actually be too long, and that the supply of retail space actually outstrips demand, and where vacancy is persistent, this could be the case across economic cycles. Planning policy to protect or enhance the

performance of town centres has traditionally focussed on making the high street bigger and newer, even if there is no demand, rather than promoting its contraction.

In Wembley and in Willesden, there are stretches of the high road that suffer from persistent vacancy and in some cases the premises require significant levels of capital expenditure to bring them into use. Landlords are only likely to make this investment if they have a degree of confidence that they will have success in securing a tenant.

Vacancy levels are not always the result of trends in economic performance. There is often a back story behind the ownership that also has a significant impact on the likelihood of occupancy. Where high streets are characterised by smaller units, these can often be owned by individual freeholders that either have unrealistic valuations of their property or do not take a 'strategic view' of ways in which their units could be brought into use. Instead, the units remain vacant and the landlord just incurs the empty rates. Some premises may have actually be let, but just have never been occupied and where a tenancy is for a period of years before a break, it can sit empty even while the landlord is receiving a rental income.

What is the impact of high levels of shop vacancies on the local community and economy?

The evidence that we have is mostly anecdotal and based on projects we have delivered in Willesden Green and Wembley. Empty shops seem to lead to a state of disengagement between the high street and local people. They also seem to deter investment in the area as it looks empty and run down and lacking vitality – vacancy can lead to further vacancy.

The projects that we have delivered have energised people's relationship with their high street. Not only have empty shops been brought into use, a debate has been prompted as to what our high streets are for. People who would normally walk past long term vacant properties have thought about what they would do if the space was theirs. They are starting to understand that using it is easier than it would seem.

Has your borough trialled any innovative uses of empty shops that have helped boost high streets in a sustainable way? What additional powers would help initiatives of this kind?

Brent has embraced meanwhile activities to help transform high streets but also to deliver regeneration benefits from the empty spaces. Willesden Windows delivered a

range of initiatives with occupied shops and empty shops to try and improve performance. The basis of a town team is now emerging and a series of gatherings along the high street have energised people into thinking differently about their high street.

In Wembley, the Coming Soon Club has occupied a prominent vacant unit to try to foster a meanwhile culture and encourage people to think about what they would do with the empty space in Wembley. It has started to grow a community of interested people, developed ideas into business or community propositions and allowed people to try them out for no risk. It has produced a meanwhile handbook to help people to do their own projects and has prepared a strategy document to influence council property to allow temporary uses in high streets.

Brent Council is a founding partner of the Meanwhile Foundation, a nationwide charity that will help meanwhile projects to start and be governed with a long term legacy. This should be up and running by the end of this summer.

Government should consider carefully how its rates and taxation policies will impact ability to deliver interesting projects in empty shops. At the moment, we are able to persuade landlords because we have an incentive to offer them in respect of relieving them of business rates – without this incentive the projects may not get off the ground.

Does London need to control the spread of certain types of shop, and if so what powers do local authorities need to ensure this is done?

In the Portas review and elsewhere problems have been identified around the proliferation of particular types of shop or business, most commonly that there are too many charity or betting shops. To some extent, this is a function of prevailing economic conditions, evidenced by recent growth in pawn brokers and businesses offering short-term loans, where demand has grown significantly. On the face of it, there is a clear case for wider powers to control situations in which a certain kind of shop or business dominates a high street to its detriment. On the other hand, this would only be effective if the premises are then used by a different kind of business. There is also a risk that limiting uses that benefit from relief, such as charity shops, will discourage projects in empty shops that rely on relief to make them feasible.

Existing powers, such as supplementary planning documents are useful but under-used and often difficult and expensive to administer. The Portas review recommended

consideration of changes to use class orders and the council supports this as a practical option in some cases. Broadly, the council also supports proposals set out in the response from London Councils.

How can local authorities, businesses and community groups in London implement the findings of the Portas Review?

Brent has already pursued many of the options identified in the Portas Review as demonstrated in the case study below and the council is broadly supportive of the review's findings.

One obvious factor is resources. Most local authorities, including Brent, are not able to fund the kinds of town centre management operations that were once common. It is recognised that the approach taken in the past was not always successful and the council agrees with the Portas Review's broader and more flexible concept of Town Teams and is already working to deliver this concept in Willesden and Wembley. The council also recognises that landlords are significant players although, especially outside central London, many landlords do not own large portfolios and have limited resources. There is a need for some coordination around these issues and it may be that the GLA could play a role here.

7. What practical steps can the Mayor and GLA Group take to bring empty shops into use?

As noted above, the Mayor and the GLA group could assist in coordinating and promoting activity in this area, acting as a conduit for innovation and best practice and undertaking research to provide an evidence base for the development of policy. More directly, there is an opportunity to work directly with landlords and businesses owning or operating commercial premises across London, raising awareness and encouraging participation and cooperation with local authorities. The Mayor should also provide a key link between London and national government, promoting policy and legislative change as necessary.

The Mayor has already supported activity in this area through the Outer London Fund and should consider further opportunities to extend this work.

8. How can BIDs reduce shop vacancy and what can the Mayor do to increase the number of BIDs?

The council endorses London Councils' response on this point but would emphasise that BIDs, while valuable, are not the only option and equal prominence should be given to the development of Town Teams and related initiatives and to supporting the involvement of businesses and landlords in these.

9. What measures to reduce shop vacancy should be supported by the Mayor's regeneration funding?

The council supports the proposal from London Councils that consideration should be given to contributing to the cost of rate relief for meanwhile use, funded through the GLA's share of business rates. As noted above, continuation of schemes such as the Outer London Fund should also be considered.

In addition, the Mayor should consider how funding in this area could be linked to funding for empty homes. As the Portas Review noted, empty shops frequently sit beneath empty residential space and together these factors contribute to perceptions of decline and discourage both new investment and use of high streets by local communities. On the other hand, where residential units are occupied, footfall in commercial areas increases and business opportunities are enhanced. Action to tackle empty shops linked with action to tackle empty homes could deliver greater impact on both fronts.

Case Study

Brent Meanwhile Use

Brent has embraced meanwhile activities to help develop the local economy but also to deliver wider socio-economic regeneration benefits from empty retail units. Brent aims to take as holistic approach as possible to vacant shops. Linking together the borough's needs in terms of employment skills and training, supporting start-up businesses and bringing vacant properties back into use.

In Willesden Green, the council has delivered a range of initiatives with both occupied and empty shops. Queens Parade, a previously vacant storage unit, has been brought back into use to create affordable spaces for a cluster of 11 creative businesses. In return for affordable spaces and rate relief the businesses must deliver some form of 'community contribution', for example free workshops, providing work experience or exhibiting local artists work at no charge. The programme has also used an empty café space in the local library (located on the high street) to create the Library Lab, a co-working space with business development workshops and a crèche. Momentum is now building in Willesden Green and the grounds of a town team are now emerging, energising people into thinking differently about their high street.

In Wembley, the Coming Soon Club has occupied a prominent vacant unit to try and foster a meanwhile culture to encourage people to think about what they would do with the empty space in Wembley. It has started to grow a community of interested people, developed ideas into business or community propositions and allowed people to try them out for no risk. It has produced a meanwhile handbook to support residents in developing their own projects and has prepared a strategy document to influence council property services to allow temporary uses in high streets. Whilst the Coming Soon Club is now gaining momentum it has taken a lot of resources to engage local residents and landlords in the concept.

Brent demonstrates how even within one borough meanwhile projects will need different levels of officer involvement and project facilitation. For example it can prove

difficult to engage people in marginal town centres. The GLA could support boroughs by researching what circumstances or pathways can help to secure the sustainability and resilience of temporary projects. It could also work with boroughs to develop powers which provide disincentives to landlords with long-term vacant properties.

In order to continue to embed meanwhile use as a tool for delivering regenerative outcomes Brent Council will be a founding partner of the Meanwhile Foundation. This is a nationwide charity that will help meanwhile projects by holding leases, de-risking an organisation's involvement in meanwhile use, providing rate relief, streamlining procurement processes and ensuring the proper governance of projects. Once the charity is formed organisations interested in meanwhile use can plug into the benefits by forming a Meanwhile Partnership at the local level. For example once the Foundation is established a Framework Agreement will be established between it and Brent Council. This will set out the remit of the Brent Meanwhile Partnership and allow meanwhile projects in the borough to benefit from the Foundation's charitable status. The aim is for other boroughs to create partnerships of their own plug into the charity and therefore make it a long term sustainable tool.

London's high streets: bringing empty shops back into use

Ealing Broadway BID: Response to Economy Committee consultation
September 2012

Why do some high streets in London have a higher vacancy rate than others?

High street retail, particularly in London, is not in an inevitable death spiral. On the contrary, retail as an entertainment experience is still vital and despite the huge increases in online retail, visiting town centres and High Streets remains the dominant leisure experience for Londoners, particularly for 16-30 year olds. It is also a vital part of the economy - London's High Streets account for only 3.4% of the London's total property space, but employs more people than the CAZ (UCL/Design for London, 2010). Year on year, more retail space is being created in London, and the success of the two Westfield shopping centres, with the prospect of a third in Croydon in the pipeline, demonstrates that offline retail is still a viable and profitable investment vehicle.

However, it is clear some areas are more successful than others. Retail has increasingly become a lifestyle, leisure-led experience rather than a primarily transactional/acquisitive exchange, and the High Street needs to adapt to become a more holistic, enjoyable experience for the consumer. The quality of the public realm, transport facilities to the centre and tenant mix are the three most important factors that will determine how successfully a centre will deliver the high quality experience it will need to in order to attract the new, more demanding consumer. The quality of each of these factors will play a significant role in the number of vacancies on the high street.

There are a number of areas that have performed significantly better than others against these indices, and their success is largely down to one or more of three of the following factors:

- 1) **Single ownership estates developing holistic letting/management strategies across an entire retail district/High street.** The central London retail estates of Grosvenor, Crown and Great Portland Estate (comprising Oxford street, Regent Street, Bond Street and adjacent streets) and the Howard De Walden Estate (Marylebone High Street) continue to grow year on year, despite the recession. Furthermore, the new Westfield shopping malls and single ownership shopping centres across inner and outer London (including managed market sites such as Camden Lock and Spitalfields) have consistently outperformed nearby high streets. These results demonstrate the natural advantage enjoyed by areas where the focus of the landowner is on the performance of the high street/retail centre as a whole, rather than individual revenue streams from one or small parades of units within a wider centre. An attractive tenant mix is at the heart of the asset management strategies for these estates. To achieve this, groups will often reject high value deals for individual properties to maintain the integrity of the place identity across the whole estate, in order to drive sustainable and long term returns. Camden Lock recently turned down an offer from Burger King, despite receiving a BID with a premium four times the advertised rent for the unit, and Westfield's letting strategy includes targeted recruitment of specific retailers to specific units at below market level rents, to create the type of place identity which attracts both consumers and other retailers to the centre. Furthermore, this tenant mix approach can succeed off-prime too. In Brixton, a creative letting programme aimed at creating desirable tenant mix transformed a failing shopping centre on a secondary parade with a 20% vacancy rate into a fully let, thriving centre leading the revitalisation of the town centre as a whole. The most compelling evidence supporting the critical role of tenant mix in supporting area based success is that this turnaround was achieved without a redevelopment of the site, an extensive public realm scheme or an expensive advertising and promotions campaign.
- 2) **Place identity as a result of a critical mass of creative businesses, including retailers, operating in the same area.** Despite the role of joined up ownership and place management in determining the success of a retail area, there are examples where areas have grown as an identifiable place almost spontaneously. The most recent example has been the growth of east

London and particularly hoxton/shoreditch/hackney as a retail destination. Despite in many cases a fragmented ownership pattern, these areas have developed into a recognised retail destination as a result of a large concentration of innovative companies starting up within a relatively tight geographic location. The 'critical mass' of independent boutiques and start up fashion brands characterising this area have developed a self-supporting network and a strong and distinctive catchment pull, as consumers are driven to the 'one-off', unique and diverse product range, attracting consumers and more mainstream retailers to invest (further strengthening the offer)

However, the development of this place identity has been established through a much more wider growth in creative activity, resulting in the eventual development of a thriving retail district. The initial identity of Shoreditch was based on the growth of the creative industries and night time economy, enabled by a relaxed regulatory framework and cheap business/residential space. The subsequent retail district was a reflection of, and developed to respond to, the needs of this community and as a result, has provided a highly relevant offer for this new catchment district. In many other cases, High Streets have been slow to respond to changes to their catchment district and the disconnection between services offered and the requirements of their community have led to decline.

- 3) **Tenant/landlord relationships.** Retail remains the costliest property class psqm in London, and the most immune to devaluation (compared to other types of commercial property). Whilst this is in part good news, as it continues to bring investors to the high street, the high cost of rents/rates and upward only rent reviews are a significant barrier to entry. Furthermore, within the sector, the independents, crucial to helping the development of place identity, are increasingly unable to access the best value for high street space. During the recession, multi-national groups such as Sports Direct are able to renegotiate rental deals on a group wide basis, reducing the overall cost of business of their high street spaces. Independents and small operators do not have access to the same expert skills to negotiate these deals, or have a big enough footprint to incentivise landlords to offer such deals. In order to revitalise the High Street, there needs to be a mechanism wherein the landlord is incentivised to work with the tenant, and especially with independent/new start up retailers.

What is the impact of high levels of shop vacancies on the local community and economy?

Every vacancy, in every high street, is not making a single positive contribution to either society or the exchequer. At a financial level, generally the more vacancies on a high street, the less revenue is produced and the less economically viable the surrounding units become, as footfall starts to fall away. Catchment districts are dynamic, and they typically decrease disproportionately quicker relative to the range of retailers still available when businesses start to withdraw. This accelerates the decline of the surviving businesses, unless the unit is filled quickly.

As the catchment area declines, there are further implications for the local community. Evidence cited in UCL/Design for London 'High Street London' study indicates the importance of the high street as an employment centre, particularly for people within the local community. As shops become empty, access to employment declines, particularly at a local level. This has knock on impacts for social cohesion, as individuals and groups have less reason to visit the high street, reducing the chances for both formal and informal interaction

What innovative uses of empty shops have helped boost high streets in a sustainable way?

There are numerous examples of interventions that have delivered significant results. Specific examples include the Meanwhile Project on Willesden Green, Newburgh Quarter's partnership with PR agency Sister on Carnaby Street, and Brixton Village. In addition, there have been a number of BID led vacant premises schemes in Camden Town and Bankside. At the same time, there have been numerous less successful ventures and it is important identify the reasons which distinguish success from failure.

- 1) To deliver a successful scheme, the temporarily occupied unit has to attract a high value permanent unit back to the High Street. The costs involved with maintaining a permanent unit

on the high street, (even without rent) make a long term high street 'community' presence unrealistic without significant revenue streams. Therefore any temporary use scheme has to have a business plan and an exit strategy targeting a private sector partner to replace the temporary use in place to fund & manage the scheme successfully.

- 2) The use of the new unit has to be in keeping with the requirements of existing catchment and must be of sufficient quality, in appearance and product offer, as the best adjacent units. These projects should be designed to provide an attractive enough offer to maintain or enhance the size of the catchment district of that particular high street. Therefore the unit needs to provide a complimentary offer to the identity of the type of permanent tenant the project seeks to attract.
- 3) It needs to be high profile. A pop up shop is in effect a marketing campaign. It needs to reach out to potential consumers and act as a focal point to attract people back to the High Street. Therefore, the content of the shop needs to be carefully considered to attract as much media attention as possible and it needs to be supported by a marketing & PR campaign to get the message out there and draw people back into using their high street.

Does London need to control the spread of certain types of shop, and if so how can this be done?

One of the most significant points of differentiation between actively managed estates and other high streets has been the growth of gambling premises, low value takeaway units and charity shops/99p-style shops on unmanaged estates. There is a developing body of evidence that demonstrates that too many of these units reduces the value of the street for other investors, makes adjacent units unattractive to other retailers and reduces variety and diversity of product offer. Even though the number of these type of units have increased exponentially as a proportion of total of retail across London, it is noticeable that the numbers have not increased on managed estates such as Westfield, Regent Street or similar.

As a general rule of thumb, in order for a high street to remain healthy, it must maintain a minimum proportion of 80:20 high quality units to low quality units/vacancies. When the proportion of low quality (voids, gambling premises, takeaway charity shops and similar) rises above 20% the viability of the high streets is increasingly at risk. To deliver this mix, local authorities need to move to a more active, asset management approach measuring the quality of the tenant and its value to the high street, as used by private sector landlord groups, rather than relying on use class designation which has become increasingly ineffectual as a system of maintaining character and diversity - a takeaway chicken shop & a Michelin starred restaurant are within the same class, but will have very different impacts on the performance of the street and surrounding units.

What practical steps can the Mayor and GLA group take to bring empty shops into use?

There are a number of individuals and bodies already engaged in delivering projects across London, and a large pool of creative talent available to provide content for vacant units. The real issue is getting access to property, and the profile of the GLA mayor would most usefully be used to influence engagement with property and seed funding to help develop schemes across London. In particular, they should:

- 1) Raise the profile and successes of existing schemes
- 2) Shine a spotlight on landlords and use the profile of the GLA to broker partnerships between property agents/landlords. Finding a mechanism to incentivise landlords, and particularly their agents, in the process would significantly unlock the potential of these schemes.
- 3) Integrate a vacant property strategy (and identifying funding streams) into wider economic schemes. In particular, a vacant property strategy could deliver significant results in youth employment/entrepreneurship if vacant property was used as start up space for exciting young business and such a scheme, if well executed, could contribute towards overall economic growth targets across London.

How can local authorities, business and the community in London implement the findings of the Portas report?/How can BIDs reduce shop vacancies?

The most important recommendation in the Portas Review is the call for leadership and a strategy for all high streets or town centres encompassing factors including tenant mix, operational activity,

marketing and promotions, catchment demographics and KPIs (this list is not exhaustive). The High Street should be considered as a business in itself, not just a collection of businesses.

BIDS can do much more towards this agenda. In many ways, BIDs have taken over the role as estate managers in places where there are no major landlords (and work closely alongside them to augment the services in places where they do). They are able to negotiate with the local authority, police and other public sector bodies for better quality services and major public realm renewal to support business activity, sometime augmenting services with private sector funding where appropriate. They can also work on behalf of retailers to represent their views, deliver day to day solutions on street issues, cut costs with member wide deals in energy, gas and telecoms amongst other services, as well as place based marketing schemes – all roles usually delivered by landlord groups and/or shopping centre managers. However, within the current regulations, a BID will have very little impact, if any, on the tenant mix of an area.

The issue of vacancies, or at least a balanced tenant mix is emerging as the fundamental issue impacting the performance of town centres and it is not difficult to see a requirement for BIDs to shift focus from the janitorial role initially pursued to a more place/asset management role. Furthermore, the evidence from vacant property schemes across London demonstrate that the most successful and sustainable ones have been driven by private sector vehicles focused on delivering commercial benefits to a specific, business led geographic areas. In many instances, BID's are likely to be best placed to deliver the type of innovative, business led vacant property schemes ahead of local authorities, VCS bodies and the community.

However, to upgrade the role of a BID to take a more active control of managing high street mix, including potentially holding property assets, would require a rethink of the current BID model. The acquisition and management of a retail space is a highly skilled, complex and expensive process and to revive High Streets across the UK, BIDs must find a new sustainable mechanism where others have failed. There are two further recommendations within the Portas Review that provide a potential direction for further investigation.

The Portas Review advocates the greater use of CPOs to activate vacant space. Whilst the costs and timescales involved for a full CPO are likely to be too prohibitive to be useful in this case (In London, a single retail freehold CPO could easily cost £1 million+, and to fund the purchase of enough of a cluster to provide critical mass for any scheme, a local authority would have to find between £6-10 million, per high street), a possible solution is a 'CPO-lite', lease based mechanism, managed by a 'SuperBID' enabled to hold and manage property assets over 10- 15 year periods, either with sufficient access to financial instruments to undertake a debt-based purchase or financially backed by another body.

In the event of a problem vacancy, a BID/local authority could CPO a lease, at a value set by the market, for a specified period. The SuperBID would aim to create value by running a high profile tenancy programme that improves the value of the unit. Having stimulated demand, the SuperBID would assign the remaining portion of the lease to a carefully selected new tenant at a premium, drawing down an income from this deal. The surplus created would be re-invested in future vacant premises or other measures to improve the High Street

There would be a number of issues that would need to be considered to deliver this type of scheme, and not all BIDs or areas will be suitable, but this may well provide a viable and sustainable mechanism to produce long-term results. Ealing Broadway BID would be interested in participating in a pilot project of this type.

The Economic Arguments For Walking & Cycling & The Local High Street Economy.

There are a number of reasons why calls for more car parking in town centre areas should be treated with caution especially in inner city areas where the numbers of people living closeby within walking and cycling distance of a local town centre are so are high. While significant, the contribution of car-based business can be limited and there will be many locations where facilitating it to the detriment of customers on foot or who cycle can serve to suppress economic activity rather than improve it. The reasons for this fall into a number of areas:

1. Businesses often over-estimate the significance of car-based shopping.

A study in Bristol (1) found that retailers on a local high street overestimated the proportion of shoppers arriving by car by almost double at 41% compared with the actual proportion of 22%. In fact, over half of the shoppers had arrived there by foot, and greater proportions had arrived by bus and cycle than those estimated by retailers. The retailers also underestimated how far pedestrians had travelled to get to the high street; over 60% lived within 1 mile, possibly explaining the greater proportion that walked, and pedestrians generally visited more shops than those arriving by car.

2. Pedestrian shoppers deliver greater value overall to the local economy than those who drive.

TfL research (2) shows that the average monthly value of those who walk to a town centre is £373, those who arrive by bus is £282, train and tube £239 and by car £226. Although the value per visit by those who arrive by car is higher (£41) than for pedestrians (£26) the far higher frequency of visits by pedestrians delivers far this greater overall value.

3. Increasing on-street car parking is not necessarily the most cost effective way of increasing business in a local area.

Replacing on-street car parking with on-street cycle parking can deliver greater overall economic activity to an area. A study in Melbourne (3) found that although car drivers do spend more money shopping when they park than cyclists do, because bikes are more space-efficient, the space used for bike parking produces more economic activity than that used by cars.

The numbers from the study were:

Transport mode	\$ spent/hour	Parking area	Hourly revenue/m ² *
Bike	\$47	1.5 m ²	\$31
Car	\$65	13 m ²	\$6

*Based on car occupancy of 1.2 people per car and bike occupancy of 1 person per bike.

The average cyclist's expenditure is a 73% of that of a car user, but the space required to park a bike is only 12% of that required to park a car. From an economic perspective, therefore, it makes sense to allocate space for cyclists until saturation is achieved, and then to allocate the remaining space to cars.

4. Improving conditions for pedestrians & cyclists delivers a far greater rate of return for the local economy than trying to attract car-based business.

Improvements to the public realm in Exeter City Centre (4) resulted in an increase in retail zone A rental prices of £5 per square foot between 2006 and 2008, which have been maintained despite falling prices in the region. In Exeter, the increase in retail rental prices corresponded with an increase in footfall of almost 20% over the same period.

Local safety schemes (for pedestrians) and cycling schemes typically give a cost-benefit ratio of well over 10 and often over 20 compared to an average of well below 5 for local road schemes.

Overall, therefore, where large numbers of people live close by to a town centre (as inevitably occurs throughout London), the priority for economic impact is to ensure safe, pleasant and easy routes on foot or by cycle for local residents and the local community before investment in attracting business from car drivers.

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- (3) "Changing Car Parking to Bike Parking in Melbourne" Master of Urban Planning thesis, Alison Lee
- (4) Landscape Institute. 2011. Why invest in landscape? Landscape Institute.
- (5) http://www.livingstreets.org.uk/sites/default/files/file_attach/Making%20the%20case%20full%20report%20%28web%29.pdf (page 44/45)

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Our ref:
Your ref:
Date: 26 September 2012

Mr Richard Berry
Scrutiny Manager
GLA
City Hall
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Dear Mr Berry

London's High Streets: Bringing Empty Shops Back Into Use

I write to you further to correspondence with Andrew Dismore AM, dated 23rd July 2012. Due to constraints on officers' time during the Olympic & Paralympic Games, Mr Dismore agreed that Hackney Council could make a late submission to you on the above matter.

As an Olympic host & City fringe borough, as well as a centre for major regeneration, Hackney has the opportunity for significant growth during the coming years. Our three principal town centres within the borough all have very distinct identities, and are each experiencing economic growth, despite the difficult economic circumstances. Demand is very much outstripping supply in each of these areas.

Shoreditch is Hackney's biggest employment centre (providing 30,000 jobs), and is home to London's largest number of start-ups and Europe's highest concentration of tech and creative businesses. The market is leading this growth, with the Council working with the business community to help address certain infrastructure needs, to ensure there is an adequate supply of business space and the required ancillary services to meet the demand.

Shoreditch's high streets comprise of a lot of these creative and digital businesses, and this is interwoven with a first class mix of independent cafes, bars and night time venues. There is very little high street retail offer, but there are a vast number of boutique shops and the recent addition of Box Park has further expanded the retail offer in this part of the borough.

Dalston is already home to scores of creative industries and cultural organisations, including architects, photographers, music studios, fashion designers, web designers and publishers, and is rapidly emerging as a key destination to do business in London. Also home to Ridley Road Market, the town centre has a lively retail centre with very few available commercial premises.

Hackney Central is becoming a destination town centre. Over 100,000 people visit the area to see performances at the Hackney Empire each year, a number set to increase now that the Hackney Picturehouse cinema has opened on the other side of Mare Street. With the thousands of Council officers and other voluntary & community sector organisations working in the immediate area Monday – Friday, the town centre has potential business all through the week.

With the recent £5.3 million secured through the Mayor's Regeneration Fund, we are looking to make a number of major improvements to the Hackney Central area in the near future. This funding will develop a new fashion design and retail hub, creating up to 200 jobs, and attracting visitors and investment to the borough. The hub will be an anchor to attract fashion designers and retailers to open outlet stores east of the town centre, also incorporating studios, while funding for improvements to the nearby Mare Street Narrow Way is also in place.

Looking forward, Hackney Wick is an area rich in potential. Hackney Wick is home to almost a third of the Olympic Park, including the International Broadcast Centre and Main Press Centre, which will bring unrivalled digital connectivity to the area, and will form part of the East London Tech City initiative.

With demand outstripping supply across each of the town centres, there is very little commercial property available. The Council's Property team have a very low void rate, with those properties that are vacant in line for capital works to bring them back into use. Where vacant shops exist they are privately owned and tend to be outside the main centres.

One of the main challenges is having the resource and necessary information to contact the owners of these vacant units, as the market is so buoyant and the creative sector are also interested in temporary projects. Like every town centre the key is aiming to get the right balance and mix, ensuring the local economy grows in a sustainable manner, and is accessible to local residents.

Impact of Empty shops

It is evident that the prevalence of empty shops on high streets has a detrimental impact on the local economy and community. In Hackney we have a large creative sector desperate for low cost/free space and entrepreneurs looking to pilot new initiatives. In these instances, empty units can symbolise a unique opportunity for these ventures.

Hackney has less of a problem with vacant units than other boroughs, but does have a serious issue with the amount of pawnbrokers and betting shops on the high streets. As independent businesses fail, we have seen pawnbrokers and betting shops being able to take advantage of their financial status to secure these units on lengthy leases.

Hackney Central is the town centre where this is most visible. On the main high street there are five pawnbrokers and four betting shops, all within close proximity of each other. This trend has helped to further devalue the high street and is at odds with the Council's financial inclusion policies.

Hackney's response to bringing empty shops back into use

Despite empty properties not being so much of an issue for the borough, this was not the case at the beginning of the recession. Hackney Council launched its Art in Empty Spaces programme in early 2010. This programme was launched as a direct response to the negative impact that empty shops were having on our high streets, but also with the intention of integrating this work into the wider town centre partnerships programme; using it as an opportunity to promote the arts and to help increase the offer in the town centres. The programme has been supported through central Government funding, and is designed to provide temporary activities in vacant properties that will be useful and meaningful to Hackney's residents and visitors.

Working primarily with our Property team, the Regeneration Delivery team has been able to bring forward eight projects. A number of these projects have become self-sustaining and are still thriving a couple of years after opening to the public. By offering rent free, temporary leases the Council has been able to harness the creativity in the borough and bring a number of units and vacant land back into use.

Hackney's Property team have also found the programme has complimented their service, as the introduction of high quality cultural and engaging activity in these properties has helped to promote the units, generating interest in the neighbourhood and helping to market specific units. It is evident that Art in Empty Spaces has helped to boost the local economy. The projects have all attracted local, national and international press, with visitors coming from all over London and even further afield to visit the spaces. This increased footfall has had an indirect positive impact on surrounding businesses. On a number of occasions projects have linked up with local businesses for events or supplies, again boosting local trade.

The majority of the projects have linked into wider cultural programmes, such as the CREATE festival, and have been hosts for a number of high profile events, helping to attract visitors to the local high streets where the projects are based.

The Property team are constantly looking for opportunities to help expand the Art in Empty Spaces portfolio of projects, but with the economy so buoyant it has proven difficult to find opportunities in Council owned sites. However, we are now in a position where we have built up a case study of successful projects and therefore are also looking to partner with other landlords to help roll out new projects. Conversations are taking place with Network Rail and Registered Social Landlords, and this has already helped to fill a number of vacant B1 units under mixed-use, residential developments. More information on the Art in Empty Spaces programme can be found at www.hackney.gov.uk/art-in-empty-spaces.htm.

Issues with Prevalence of Pawnbrokers and Betting Shops

Unfortunately, the prevalence of pawnbrokers and betting shops are the single most problematic issue holding a number of our town centres back. The Council supports recommendations coming out of the Portas Review to strengthen local authorities' legislative powers to help ensure high streets are not dominated by these operations.

Changes to planning or licensing policy to give the Council's regulatory services more influence on the makeup of the high street would be welcomed. The prevalence of these businesses undermines all the efforts of the Regeneration Delivery team. In many respects empty shops provide opportunities, where as five pawnbrokers on one single high street does not.

Implementation of Portas Review

Hackney Council has been delivering against a number of the recommendations of the Portas Review for several years. A robust town centre partnership exists in each town centre, with good relationships operationally and at a strategic level with businesses, politicians and other stakeholders.

The borough has a plethora of successful and internationally recognised markets, and the Council has been leading in terms of best practice in bringing vacant units back into use.

Additional support from the GLA

The Council is currently delivering two projects in Hackney Central with the aid of £2million from the Mayor's Regeneration Fund, and additional funding from stakeholders and private sector partners.

The shop front improvement scheme in Hackney Central will provide independent businesses an opportunity to be part of the wider town centre transformation, and the fashion hub development will not only create a substantial amount of jobs, but will boost visitor numbers with the aim of creating a niche retail centre. The Mayor's Regeneration Fund is aiding growth in Hackney Central, and has the ability to attract further private sector investment. The Council is looking at other projects that have the potential to be supported by the GLA. Fiona Fletcher-Smith is aware of all of this work and is providing strategic assistance.

In terms of working with the GLA more closely on the regeneration of high streets, the Council would welcome the opportunity to look at the issues surrounding the prevalence of betting shops and pawnbrokers, and would also be interested in exploring more partnership working looking at public realm projects and schemes available to improve the general environs.

The existing town centre partnerships are currently delivering a lot of good work across the main town centres. Innovative revenue generating opportunities that include local business contributions are something that each of the Town Centre Managers are considering. The Council, collaborating with local businesses through the existing town centre partnerships, would welcome the opportunity to explore how this relationship can be enhanced.

Finally, it is recommended that high street regeneration work that leads by best practice is shared pan London so that local authority practitioners can learn from one another. The GLA could play a role in sharing this knowledge and expertise.

I hope that this information can be of use to the Economy Committee in their investigation. Please do not hesitate to contact me again should you require any further information from Hackney Council.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Guy Nicholson', with a long horizontal flourish extending to the right.

Cllr Guy Nicholson
Cabinet Member for Regeneration

CC: Andrew Dismore AM, Chair, Economy Committee, GLA
Jennette Arnold AM, North East London
Len Duvall AM, Leader of the Labour Group, GLA

03 September 2012

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LSE Cities

Dr Suzanne Hall
Research Fellow and Lecturer

For the attention of Richard Berry, Scrutiny Manager

LONDON'S HIGH STREETS: BRINGING EMPTY SHOPS BACK INTO USE

Thank you very much for your invitation to submit an outline of our research on London's high streets. We have located our findings on the detailed research of two of London's high streets, and have used our grounded knowledge to respond to the crucial questions outlined in the London Assembly brief.

Please contact us if you require any further information.

Best wishes,



Dr Suzanne Hall

London's high streets: bringing back empty shops back into use

Submission to the London Assembly's Economy Committee

Dr Suzanne Hall, LSE Cities, 31 August 2012

Research background:

A team at LSE Cities have been involved in two in-depth studies of two inner London streets, both of which are located in south London. Both streets - Walworth Road and Peckham Rye Lane - exhibit a relative economic and cultural vibrancy despite being located within areas with high indices of deprivation. A number of key lessons emerge from the close research of these streets that are more broadly applicable to a range of 'ordinary', rather than 'prestigious' high streets across London. Lessons relate as much to understanding the value of the particular retail innovations and adaptive strategies of small, ethnically diverse and non-affiliated independent retailers, as to the potential benefits of street stewardship. Questions of vacancy, innovative uses of empty shops, control, lessons from the Portas Review, and the use of BIDS are interpreted through real street settings, and through practical steps towards street vibrancy.

1. Key lessons from the Walworth Road:

Thresholds of support, mix of uses and public realm improvements

The detailed study of the Walworth Road was conducted over a two-year fieldwork period from 2006 to 2008, just including the early months of the global economic crisis. The focus of the Walworth Road study was the intersection of life and livelihoods on a multi-ethnic street, and explored the social and economic interactions between a diverse array of newcomers and the remnants of a working-class population. Key lessons learnt about the retail livelihood of this street include:

- The strong patterns of retail longevity and prosperity in part relate to the dense thresholds of support adjacent to the street. The street draws on a high numbers of residents within walking distance of the street and similarly benefits from the thoroughfare of an extremely

busy sequence of bus route. **High thresholds of support are key to street-based retail, and density and public transport play a primary role in underpinning these thresholds.**

- Independent retail tends to thrive because of the personal, face-to-face nature of the retail service. In addition two further aspects add to a strong customer base: either the unique particularity of the product (often associated with ethnically-specific goods), or a capacity to sell a wide range of goods, while maintaining a capacity to reassess the balance of this array on a highly regular basis. **High streets benefit from a balance of unique stores and a broader range of general convenience stores that need to remain highly adaptable. Similarly, a rich mix of public services and social spaces adds value to the street's vitality.**
- **The investment into the public realm design**, specifically the widening of the pavements and the increase of short term street loading and parking, **has been valuable to the overall efficiency of the street.**
- From 2006 and continuing over the period of economic crisis in which much high street retail diminished, the vacancies on the Walworth Road remained below 10%. Notable areas of retail growth were in beauty products and services, reflecting not only a national trend, but also **the need for high street micro-economies**, where for example, chairs in hair and nail salons are let out per individual per week.

2. Key lessons from the Peckham Rye Lane:

Micro-economies, sub-letting, increases in independent retail

Our second study, which commenced in January 2012 and is on-going over the course of 2012, is of Peckham Rye Lane.

- The economic vibrancy on this Peckham Rye Lane is extremely intense, **supported as above by a high residential density and good public transport links.** Vacancy patterns are below 10%.

- The **emergence of micro-economic retail practices and subletting of shop spaces** has allowed a number of business to ride out the recession, as well as permitting small retail operators access to well-located urban retail space. The return on retail rental for small spaces of between 2 and 4 square meters is extremely high – up to £500 per meter squared per month, making this the amongst the most expensive retail space in London, comparable with Knightsbridge. Sub-letting is not unlike ‘pop-up’ retail in that it permits comparatively spontaneous and adaptive practices to occupy space that is otherwise hard to let. Greater policy and/or managerial innovation is required to keep pace with these requirements, as well as to monitor their contribution to or relegation of street vitality.
- The growth of independent retail in London has substantially increased in recent years (Wrigley, Branson and Clarke’s (2009) paper, ‘Extending the Competition’s Commission’s findings on the entry and exit of small stores in Britain’s high streets’, for example, records a 78,5% increase in independent retail in London from 2000 to 2006). **In London this trend of an increase in independent retail certainly overlaps with migration patterns and the connections between thriving independent retail and immigration still need to be made.**

3. Further lessons:

Policy and planning

Both the ‘Portas Review’ and ‘PPS4: Planning for Sustainable Economic Growth’ call for the proactive planning of town centres and high streets, emphasising the significance of local particularities. Local planning and economic officers are often aware of broad retail trends in particular streets, but are similarly unaware of the specific and crucial retail dynamics. No detailed retail survey had been conducted on either the Walworth Road or Peckham Rye Lane, although both streets were undergoing regeneration exercises. Because of the dynamic pace of retail, and numerous shifts away from more conventional models, **it is imperative that basic surveys of the retail composition and vitality of high streets undergoing planning or BID initiatives are conducted.** In our experience, a simple

survey can be readily completed over a short time period, and is invaluable for understanding retail composition and complementary range of retail mix, retail duration and longevity patterns (as opposed to simply turnover), and adaptive responses to economic constraints as well as cultural needs and aspirations.

4. Further lessons:

Street stewardship

The Portas Review similarly emphasises the need for the agile management of high streets so as to maintain and update the crucial balance between large and small operators, permanent and temporary uses, and cultural and economic activities. **Our research strongly suggests the need for stewardship. However, a variety of coordination mechanisms need consideration**, as the BID mechanism, while valuable in certain contexts, is not universally suitable. In ordinary high streets, the following stewardship issues require consideration:

- How are small, independent and ethnically diverse proprietors given a voice, and what is the collective medium for discussion around the street's current and future vitality?
- How are small, independent retail assets balanced against larger, affiliated retail?
- How are outlets with comparatively small turnover but with high cultural value acknowledged?
- What public spaces, both formal and informal, assist street vitality?
- What are the range of programmes and events that can be operationalised across a year to advance the particular culture(s) of the street, and to increase thresholds of support?
- What is the appropriate mix of voice, accountability and authority between a coordinating structure, the local authority, local community groups, and local retailers, in relation to a particular street setting?

Publications resulting from this research can found at:

Hall, Suzanne, 2012 *City, Street and Citizen: The measure of the ordinary*, London: Routledge.

<http://www.routledge.com/books/details/9780415688659/>

Hall, Suzanne, 2012 ‘For the future good of our high streets we need a better understanding of the social and economic life of local worlds in the context of global change’, *British Politics and Policy at LSE* (14 Feb 2012) Blog Entry.

<http://blogs.lse.ac.uk/politicsandpolicy/2012/02/14/localism-high-street/>

Hall, Suzanne, 2011 ‘High Street Adaptations: Ethnicity, independent retail practices and Localism in London’s urban margins’, in *Environment and Planning A* vol. 43, no. 11, pp. 2571-

2588 <http://www.envplan.com/abstract.cgi?id=a4494>

GREATER LONDON AUTHORITY

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Date:

19 NOV 2012

Dear Andrew

Re: Economy Committee – London's High Streets

Thank you for your letter of 24 September inviting me to make a submission to your Committee's review. I address the themes that you wrote to me about below.

Regeneration Funding

The Mayor's Regeneration Fund Programme (MRF) incorporates £50m from the Greater London Authority and £20m from the Department for Communities and Local Government (the London Enterprise Fund).

This funding was announced following the civil disturbances of August 2011. The recipients of this funding were identified on the basis of an analysis of the areas worst affected by the riots, and the opportunity in these areas to support jobs and economic growth through investment. The main objective of the Mayor's Regeneration Fund programme therefore is to support economic growth in key priority areas including Tottenham and Croydon.

A business case was developed for each project which identifies the core aims and objectives of the project and the measures of success. These measures will be monitored throughout the course of the project as appropriate (some will be monitored monthly or quarterly, others will be tracked at the start and end of the project).

Four core job-related outputs have been identified which will be measured across all GLA programmes which are: direct jobs created, construction jobs facilitated, other jobs facilitated and apprenticeships started.

In addition to job outputs we will measure other programme level outputs and outcomes such as: employment support, improved public realm, businesses supported, new and improved business or commercial space, uplift in occupancy rates and increases in footfall. The focus of this regeneration investment is in lasting regeneration and supporting long term economic growth and therefore all project level outputs and outcomes will support this objective.

To date 12.8 per cent of the fund is in contract, 19.7 per cent has been fully approved, 60.6 per cent is at GLA Stage 2, and 6.9 per cent is at pre-GLA Stage 1.

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In terms of next steps, my teams are working closely with the boroughs to ensure that project due diligence has been completed and that projects are at a sufficiently advanced stage for the GLA to enter into grant agreements. This includes finalising the cost of projects, and agreeing the key output and outcome measures which will be tracked throughout the funding. It also includes ensuring that all parties are able to follow through with their funding commitments. For those projects not yet at the fully approved stage we will continue to work with them to ensure that proposals are of an acceptable standard for the GLA prior to finalising approvals and entering into grant agreements.

Portas Pilots

The GLA is indeed providing funding to three Round Two Portas Pilots within London. These are The Cut and Lower Marsh (LB Lambeth), Forest Hill, Kirkdale and Sydenham (LB Lewisham) and Chrisp Street and Watney Market (LB Tower Hamlets).

I am determined to drive growth and create jobs through the rejuvenation of London's high streets and the Portas Pilot initiative is a fantastic way to help us achieve this. All the pilots were primarily chosen for their innovative approach and commitment to community partnerships. There are a number of interesting initiatives arising from the London Pilots, ranging from working with a local college to offer business ready training to existing market stall holders, through to promoting healthy food initiatives and setting up an online town team to help crowd source ideas and engage hard-to-reach interest groups.

To date, the London pilots have received correspondence from the Department of Communities and Local Government (DCLG) outlining what it means to be a Portas Pilot and some guidance on the universal support being offered to all pilots. The universal offer consists of support from a number of organisations, including the Association of Town Centre Management, British BIDs and the British Retail Consortium. There has been a learning hub set up online where Pilots can share best practice and learn from others experiences as the project develops. All three of the London pilots also attended a national launch event in late September.

In addition to the offer of support being coordinated by DCLG, London's Portas Pilots will benefit from additional expertise from the GLA. As part of this, an assembled team of pre-procured consultants will be made available to provide specialist guidance to aid in the delivery of the initiatives. This approach has worked very effectively on our Outer London Fund (OLF) and Mayor's Regeneration Fund (MRF) interventions to date and hopefully will be a similarly positive resource for the Town Teams to draw down from. They will also have access to a dedicated design and project management resource, who will ensure that Pilots are in receipt of specialist design advice and are working within a robust project management framework to minimise any potential slippage.

We are planning to incorporate the Pilots under the umbrella of the OLF and MRF interventions. This will mean that the London Pilots will be invited to all future OLF/MRF networking events to ensure that learning is being captured and good practice shared across high streets.

Business improvement districts

London has the highest concentration of Business Improvement Districts (BIDs) in the UK with over 30 existing BIDs across the capital and new ones coming up for ballot over the next six months.

I strongly endorse the concept of BIDs and their role in the 'place shaping' of local town centres and industrial estates. My Economic Development Strategy highlights the role of BIDs in improving places by encouraging local businesses to fund mutually beneficial initiatives and work more directly together.

To encourage new BIDs, my officers have commissioned research to identify what makes BIDs successful, look for improvements in running BIDs, and recommend how knowledge and expertise can transfer from existing BIDs to new and putative ones. The research will also look at identifying potential areas of London where BIDs could be established in the next 12 to 24 months. It will explore the different options for BIDs, which could also include Town Teams. This work will relate to the current projects I am funding through the OLF and MRF - where embryonic organisations are flourishing and could potentially develop to become more formal membership groups such as BIDs.

My team will also explore whether new London BIDs require the support of loans to help them in the initial stages of development.

I will also explore the Super BID concept and the Government's response to the Portas Review and how relevant and practicable these are for London.

Finally, my officers will be exploring the feasibility and benefits of, and constraints to, creating sector-based BIDs (e.g. tourism, leisure) and cross-borough BIDs.

Landlords

Much of the GLA's work involves working with high street landlords. Our projects vary greatly in scale and type and include area-wide master planning, streetscape improvements, shop front improvements and temporary 'meanwhile uses' for empty shops and other spaces. Landlords are involved at each scale and type. There are also projects funded that are gathering business intelligence in local areas including information on freeholders and vacant property.

It is true that it is often difficult to find out who the owner is and how to contact them. Often there are absentee freeholders who have leased the property and then in turn spaces have been sublet. Persistence and careful on-the-ground enquiry are reported as being the most successful strategies. It is also true that once identified, finding ways of engaging positively with landlords can be difficult and time consuming and often conducted at arms length through lawyers or other intermediaries. The counterpoint to that though is that there are landlords in some areas who are more than willing to engage and indeed are at the forefront of regeneration projects in their area.

There are consultants who are experts in identifying and negotiating with landlords. 'Meanwhile Space CIC' is an example of this type of organisation. These organisations are also involved in projects funded by the GLA through my regeneration programmes.

The OLF and MRF are pan London and involve most London boroughs. They also provide an umbrella under which expertise and knowledge can be shared via GLA officers and through network meetings where participants in the programmes get together, indeed we have already discussed issues around landlord identification and engagement.

Diversity

I strongly support a successful and diverse retail sector (London Plan Policy 4.8) which is vital to ensure that Londoners have access to the goods and services that they need and to support the economic vitality and health of the range of town centres in London (London Plan Policy 2.15).

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In his response to my letter of 14 October 2011 regarding betting shops, the Secretary of State indicated that any changes to the Use Classes Order would be subject to a full consultation. The Government has now consulted on possible changes to the Planning Use Classes Order¹. On 10 September 2012, my Deputy Mayor for Planning responded to that consultation stating that I am strongly of the view that there is an urgent need to enable local planning authorities to control the proliferation of betting shops and to address the implications this can have for maintaining the vitality and viability of town centres, and for protecting their amenity and safety. We suggested that betting offices could be reclassified either as a "sui generis" use which would require an application for planning permission in each case, or to move them to a separate A class, and allow one way only changes of use without planning permission from betting shops to a shop use (Class A1) and/or financial/professional services (A2). The Department for Communities and Local Government is expected to publish its response to the consultation as soon as is possible following the close of consultation.

Regarding the matter as to whether similar measures should be applied to help control other uses such as fast food takeaways, it is important that the planning system is used to help manage clusters of uses in the interests of having diverse and therefore more vital and viable town centres. The National Planning Policy Framework emphasises the importance of an evidence-based approach to planning for town centres and I intend to conduct further research into the clustering issue.

Business rates

As you may be aware between 1 October 2010 and 31 March 2013, ratepayers will receive small business rate relief at 100 per cent on properties with a rateable value of up to £6,000 (rather than 50 per cent), and a tapering relief from 100 per cent to 0 per cent for properties up to £12,000 in rateable value (i.e. effectively 'double' relief). However these thresholds apply equally across the whole of England including London. Due to the higher rateable values in the capital only 16 per cent of businesses in London benefit from this scheme according to CLG compared to the national average of 26 per cent. This figure drops to only 7 per cent of businesses in Camden and less than 3 per cent in Westminster where rateable values are much higher than average.

I have not yet received a response from the Treasury to my request that the Government raises the threshold under which small businesses in London can claim additional rate relief to address this anomaly. This is particularly relevant given that high business rates are now one of small businesses' top concerns - particularly for retailers and small high street shops.

Yours ever,



Boris Johnson
Mayor of London

¹ New opportunities for sustainable development and growth through the reuse of existing buildings – consultation on possible changes to the Planning Use Classes Order, CLG 2012

Response to London Assembly Economy Committee
London's high streets: bringing empty shops back into use

Why do some high streets in London have a higher vacancy rate than others?

In Sutton our vacancy rates are below the national average, the Town Centre has a good mix of large national retailers having retained a number of its multiples but balanced with small, risk averse, entrepreneurial independent traders. We continue to attract a range of businesses and work hard to engage with and actively attract new companies into the centres. We also work closely with our existing businesses, resulting in strong traders networks and a newly formed Businesses Improvement District. The BID will actively market and promote the town centre to ensure that Sutton is able to remain competitive. Sutton has also been creative in its use of some of the vacant units with further information on some of these initiatives below.

Unfortunately this is not the case for other town and district centres and may be for a number of reasons; as mentioned above Sutton has been lucky to retain its multiples however across the country we have witnessed a number of our large national retailers disappearing from our high streets. Insolvency and a reduction/closure in the number of high street stores has had a detrimental impact on those high streets where that national retailer may be the anchor store with other local businesses relying on the footfall it generated.

An increase in vacant units due to a general decline in footfall suggests that high streets in their current state are unable to match the retail offer presented online and in nearby out of town destinations (again high streets in close proximity will ultimately see a higher number of vacant units). Therefore high streets that are able to mix shopping/retail with other uses such as leisure including restaurants and cafes or cinemas, theatres and gyms where people have to physically be present are also less likely to experience high vacancy rates. It is also about towns where community activities take place, markets and events that seem to be able to offer an experience wider than pure retail. Sutton has worked closely with their leisure sector including local gyms, bowling alley and cinema to ensure it broadens its offer.

It may also be that there are simply too many commercial units within some centres and that empty commercial properties on the fringes may simply no longer be required.

Parking is also a huge problem for a number of high streets and traders often blame a lack of footfall and subsequent closure of shops due to an inability to be able to pop to their local shops, this is in sharp contrast to the free parking provided by out of town centres.

What is the impact of high levels of shop vacancies on the local community and economy?

High levels of vacancies can have a serious effect on a wide range of people from local businesses to the wider community. Empty units create a general feeling of decline in the area, a negative perception of the centre resulting in further decline ("broken windows" effect) and often an unpleasant shopping experience.

It has an impact on the businesses that remain not only as fewer shops often means lower footfall but also a loss of pride in the area where they make their livelihood. This also applies to those who live in the area who may no longer wish to socialise in their local high street.

An increase in vacancy rates and lower footfall will often result in a lack of future investment from large national retailers who will locate stores based on the above factors.

A reduction in the number of job opportunities for the unemployed particularly young people looking for work in the retail industry and can take away that first step into the labour market.

On a more positive note however high vacancy rates has prompted local authorities to think of innovative solutions for the use of vacant shops for example to implement meanwhile use projects – a potential opportunity for small new businesses to test their ideas or for community activities to take place.

What innovative uses of empty shops have helped boost high streets in a sustainable way?

The LB Sutton recently won funding for a meanwhile use initiative, we will be delivering this in conjunction with Meanwhile Space to look at alternative uses of vacant shops with the aim that businesses entering the scheme are sustainable and supported throughout the process. Other creative and community uses of vacant space will be investigated with collaboration from the business and local community.

Recently a sum of £5k was awarded to a local library from a local committee participatory budget to allow for a community space to be created showing off community art and creating a space for children to be creative. It is hoped that this space will continue to thrive and form part of the community as part of the wider Outer London Fund project.

In Sutton Town Centre units within the local shopping centre have been made available for community purpose including arts and crafts and as a space for The Citizens University "The U" providing courses for local people.

The ability to provide the above however largely depends on having the required resources to provide rate relief, and the capacity to negotiate and link well with landlords.

Does London need to control the spread of certain types of shop, and if so how can this be done?

Yes. A number of town and district centres are oversubscribed when it comes to for example charity shops, betting shops and fast food restaurants. The public and traders seem to be very aware of this increase.

The Portas Review also identifies the need to address restrictive aspects of the 'Use Class' system. While there might be some benefits as identified in the review, it would need to be addressed with care. Sutton has just adopted local planning policy in the Sites DPD. This sets out the mix of uses in the town and district centres. The 'Use Class Order' already allows extensive changes between types of shops and identifies uses that might be appropriate in shopping areas. Moreover, the council has used the 'Use Class Order' to protect the high street, by limiting the level of change and to protect retail use. Council policy seeks to protect a minimum level of retail particularly along primary shopping frontages. Any relaxation of the 'Use Class Order' must not impact on this policy and needs to be selective if it is to achieve retention and even attraction of additional retailers. We do not have excessive numbers of betting shops however the proposal would serve as protection for the future.

How can local authorities, businesses and community groups in London implement the findings of the Portas review?

The relative stability of Sutton's town centre and the district centres cannot be taken for granted. It could deteriorate rapidly, if the Council and its partners are not vigilant and active in supporting the town and district centres both as commercial entities and as centres of community and civic life. The Portas Review provides a useful opportunity to review the Council's town centre management arrangements and identify further ways of developing and strengthening its town and district centre management strategies. It provides an opportunity to reinvigorate the TCP by broadening stakeholder involvement and membership to ensure that a collaborative high level vision for the high street is set. This will include strengthen the current links with landlord through projects such as meanwhile use.

The LB Sutton already has 'Town Team' arrangements in place through the TCP which is led by a range of partners, stakeholders and businesses and Councillor representation. While TCP meetings are attended and supported by various council service departments a greater representation of businesses and input into the visionary and strategic vision of the future of high streets is required. By implementing town teams the TCP role could be greatly enhanced and new stakeholders invited.

In terms of empowering successful Business Improvement Districts (BID) to take on more responsibilities and powers and become "Super-BIDs", the BID movement has proved very successful and currently BIDs are providing leadership in over 100 high streets and town and city centres across the UK (including 14 in London). There are also a further 36 industrial and commercial BIDs such as Kimpton Industrial Estate. Sutton Town Centre Bid was also successful in July. Experience thus far is that the majority of BIDs are successful at re-ballot which suggests that whatever BIDs are delivering, businesses like it and are prepared to pay extra business rates, in particular where they address an existing problem. Businesses can implement this by

becoming increasingly involved and communicating with fellow businesses. Councils can provide the support required to facilitate this however it often takes substantial funding to set up a BID.

Markets are consistently seen as making a positive contribution to town centre life and vitality local authorities can set up National Market Days encouraging businesses to “have a go”, facilitating this will encourage potential entrepreneurs and could attract more market traders and new markets to the area, creating a sense of community. It may also lead to businesses being confident enough in their product to think about taking on a commercial unit.

In terms of financial support at a time of restrained spending, the annually increasing burden of business rates has been considerable. Empty business rates are now only allowed for 3 months, with no further period of exemption. Sutton council already offers hardship relief. We have raised awareness of this provision throughout the recession in order to encourage take up, however Portas has meant that we will further investigate “Local Discount Schemes” with the Business Rates Team when business rates are re-patriated to the Council (2013)

Retailers should report on their support of local high streets in their annual report, Sutton has recently introduced the food hygiene rating system in the town centre. Already some pub chains are including a high rating in their performance management systems. Encouraging or requiring them to support local initiatives could be a similar measurement of responsible business practice and would be a positive step forward. This action would need to be initiated through the businesses.

In terms of exploring further disincentives to prevent landlords from leaving units vacant, Sutton has found that Community use of empty shops or placing images in the windows of empty shops is complicated by considerations of insurance, dilapidation, disputes and availability of vacant possession when a long-term tenant is found. Nevertheless Sutton welcomes such an exploration. The Council will be trialling the Meanwhile let through the Outer London Fund work in its district centres.

When looking at empowering local authorities to step in when landlords are negligent with new “Empty Shop Management Orders”. The report proposes a number of measures which aim to reduce vacancies in the high street. While Sutton town centre has maintained consistently low vacancy rates, there are secondary and tertiary parades where vacant shops predominate and discourage potential investors (Rose Hill Roundabout). Measures to discourage vacancies and encourage temporary productive uses of vacant commercial property are very welcome. While CPO powers can be effective tools in unlocking potential development sites it is important that there are real prospects for commercial or mixed use developments. There are some long term vacant properties where some form of mechanism such as the proposed ‘Empty Shop Management Order’ could have a role to play. Indiscriminate use of such a tool could however have the opposite affect to that desired and by creating commercial uncertainty in an area discourages private investment.

“Support imaginative community use of empty properties through Community Right to Buy, Meanwhile Use and a new “Community Right to Try”. These uses are currently being progressed in the Planning and Asset Management teams within the council. Meanwhile use is being piloted in North Cheam and Worcester Park and funded through the recent OLF bid

How can BIDs reduce shop vacancy, and what can the mayor do to increase the number of BID's?

As part of bid proposals businesses should be encouraged to look at the issue of vacant shops and alternative uses, Sutton worked closely with the BID steering group to ensure it was part of the programme and traders wanted this as well as they understand vacancies also affect their business

The Mayor should look to promote BIDs to large national retailers to try to stop national “NO” policies that do not take into consideration the merits of each individual BID and possibly invite national retailers to a BID conference to promote the benefits more widely of being part of a BID.

Generally improving the awareness of BIDs to retailers/offices and leisure industries as well as other types of BID – industrial estate etc would be very beneficial and make the campaign stage of the stage easier to facilitate.

Co-ordinate government departments who choose not to vote in BIDs and who feel it is not in their interest to vote – again explaining the wider benefits for them.

Look to increase the loan available from the current £500k, it takes huge resources to set up a bid, perhaps access to a grant for those most eligible may be a better option than a loan fund the will not stretch very far and when there are no guarantees of the success of the BID at ballot.

What measures to reduce shop vacancy should be supported by the Mayors regeneration funding? & What practical steps can the mayor and GLA Group take to bring empty shops into use?

The Mayors regeneration fund could continue to provide LA's with the opportunity to apply for funds or pots of funding to establish for example town teams so that more Outer London boroughs gain access to funding.

An increase in the promotion of outer London boroughs to ensure they get as much support as inner London.

The GLA should look to increase the awareness of projects such as meanwhile use to landlords and the positive effect on the community meanwhile use projects or use their influence to try to stop "stuck" properties. They could also promote the commercial/business benefits for their commercial unit.

A practical tool required is a landlord database or potentially a London/national convention for landlords to explain the advantages of encouraging their units to be occupied and to get them engaged in being part of the high street where their premises are located.

Consultation Response

Response to the London Assembly Economy Committee's Investigation into London's high streets

Introduction

1. London Chamber of Commerce and Industry (LCCI) is a not-for-profit organisation, representing over 2,300 companies in Greater London. We are the capital's largest and most representative business organisation with a membership ranging from small and medium enterprises to multi-national companies. Our members operate in a variety of sectors reflecting the true make-up of the London business spectrum.
2. We promote and defend the interests of London's business community, representing our members to the Mayor and the GLA, national government, the opposition, international audiences and the media.
3. LCCI believes that London's high streets are an integral component of the capital's economy, and are important to London's enduring attractiveness as a business location. Many high streets, however, have experienced decline in recent years so this investigation is welcome.
4. Many of the difficulties facing high streets are synonymous with the difficulties facing the independent, retail sector. Online shopping and out-of-town shopping centres, as well as weak consumer spending, are presenting a new reality that many high street retailers are struggling to adapt to. If more and more consumers are seeking the convenience of online shopping and out-of-town shopping centres, this has to be embraced and high streets must adapt. LCCI is confident, however, that high streets can adapt and that a market for attractive, vibrant high streets still exists in the capital.
5. It is important for this review to also consider that many businesses beyond the retail sector also want to see thriving and successful high streets in the capital. The owner of a small business that makes the more expensive decision to set up their office in the West End because they know this will help them attract better staff; the partner in a law firm that discovers an important international client has an interest in antiques so recommends they visit Portobello Road; the signmaker that specialises in making signs for shop fronts. The capital's high streets are a major artery providing lifeblood to the entire London economy, so this submission will seek to consider the future of London's high streets in the context of their full economic impact.

The impact of shop vacancies and declining high streets on the local economy

6. Businesses from across all sectors succeed when high streets succeed, and suffer when high streets suffer. To begin, businesses want to be based in prosperous areas with good local amenities as this allows them to attract employees. A thriving local high street can therefore influence a business's decision to locate to a certain area. An increase in shop vacancies on one high street can affect the desirability of the surrounding area as a business destination. Not only will this reduce the ability of an area to attract new businesses, it could potentially persuade existing businesses to move elsewhere.
7. Increases in shop vacancies also damage the local supply chain, again damaging businesses outside of the retail sector. The New Economics Foundation has conducted research showing the impact that spending in high street stores with a localised supply chain can have on the local economy.¹ This review has pointed out the vicious cycle of declining footfall that one shop vacancy can cause. Declining footfall, however, does not just damage other shops it also damages all those businesses in the local supply chain.
8. It should also not be forgotten that local businesses and their employees are an important source of footfall, so attempts to revive high streets should also consider the desirability of the wider geographic area as a business location. Just like many retailers are looking to out-of-town shopping centres, many office-based businesses are looking to move out of town also. Strategies for improving high streets, alongside strategies for generating business growth beyond the high street should therefore go hand in hand.

Making business rates work better for businesses and high streets

9. The Coalition Government has sought to reform the business rates system, through the Local Government Finance Bill, to provide an incentive for local councils to focus more on business growth, by allowing them to keep some of the proceeds of business rates growth in their area. The British Retail Consortium point out that 28 per cent of business rates are paid by retailers, so you would hope that retailers are set to benefit the most from any attempts to improve the business rates system.
10. However, a recent LCCI report, *Driving local growth: the business case*², explains the limited nature of the Government's reforms. Most importantly, by only allowing councils to benefit from new business rates growth this means that the only councils that will benefit are those that are able to permit the development of new business premises. For high streets, the main issue is the need for existing premises to be filled rather than the need for new premises to be built, so under the Government's proposals there are no new incentives for councils to attempt to fill empty shops. In fact, as the only incentive is to build new business premises, this arguably increases the incentive for more out-of-town shopping centres to be permitted.³
11. In LCCI's report we called for the Government to go further in its reforms and to allow for councils to be able to benefit from some uplift in business rates on existing premises. We came to this position after surveying businesses on what areas they would like to see prioritised by local councils, and the top three answers were investment in infrastructure,

¹ Sacks J, *The Money Trail: Measuring your impact on the local economy using LM3* (2002)

² LCCI, *Driving local growth: the business case* (2012) <http://www.londonchamber.co.uk/docimages/10342.pdf>

³ See Centre for Cities, *Urban Outliers: Will the Local Government Finance Bill incentivise growth in all England's cities?* (2012)

improving community safety and maintaining the built environment. If councils were to increase investment in these areas then business rates would increase as a result of the investment pushing up the rateable values of business premises. If local councils were able to keep some of this business rates growth, rather than just collecting it on behalf of central government, then LCCI believes it would increase the incentive for councils to invest. The example of BIDs is proof that businesses are prepared to pay more in business rates if they are able to see an improvement in the business environment as a result.

12. A stronger financial incentive to encourage councils to invest in areas such as infrastructure, community safety and the built environment would almost certainly benefit local high streets, and increase the likelihood of empty shops being filled. In fact, if provided such financial powers, high streets would most likely be where many councils first focus any new investment.
13. At present, however, the business rates system is not working for businesses, and retailers in particular. It has not been working for councils either, who have merely been working as tax collectors on behalf of central government. Government attempts to provide councils with more incentive to focus on business rates growth may be a good first step but need to go further.
14. As the Local Government Finance Bill has still not completed its passage through Parliament, there is still opportunity for the Mayor and GLA to make representations on this issue. Looking further ahead, and particularly in light of the Mayor's London Funding Commission, the Mayor and GLA should be looking at further ways for ensuring that business rates growth in London is used to invest in those areas that businesses want it invested, such as infrastructure investment and improving community safety. This will benefit all businesses, and high streets in particular.

The Portas Review

15. The Portas Review makes a number of valuable contributions to the debate on high streets. Perhaps the most valuable contribution it makes is its overall message when it states: "The new high streets won't just be about selling goods. The mix will include housing, offices, sport, schools or other social, commercial and cultural enterprises and meeting places". As was stated earlier, to a large extent many parts of the high street cannot compete with the new reality of out-of-town shopping centres and online shopping. That does not mean, however, that high streets will not remain a vital part of London's economic make-up.
16. The economies of agglomeration are well documented and cannot be overstated. It is one of the main reasons for London's economic strength, and successful high streets play an important role in this process. For example, the surge of digital companies in the Old Street area, and the resulting Tech City Investment Organisation, are not just a result of the relative inexpensive value of business premises in the area, but also because of surrounding areas such as Shoreditch High Street and Brick Lane acting as a magnet for young, creative entrepreneurs. The success therefore of Shoreditch High Street and Tech City cannot be separated and are, in fact, mutually reinforcing.
17. Attempts to revive high streets, and fill empty shops, must be aware of these agglomeration effects and must seek to be more creative when thinking about what type of businesses an area should be trying to attract. Ultimately, this depends on local needs so it is important that local businesses are engaged in this process.

18. Local businesses, however, often feel they are not properly consulted at a local level. The Portas Review points to the issue of parking fees as a good example of where local councils often put short-term financial concerns over long-term growth strategies. This is a position the majority of businesses with an interest in high streets would agree with. Unfortunately, this is another result of our centralised system of government funding. Parking fees are one of the few areas where local councils can raise revenue, so given the cuts local government is currently dealing with, it is unsurprising that many councils are looking at parking fees as a way to plug holes in budgets. It is examples such as these that reiterate the need for a better a system of local government funding, that encourages more long-term growth strategies.

Business Improvement Districts (BIDs)

19. BIDs, as well as Chambers of Commerce, are very useful organisations with which to engage. As BIDs require a financial contribution from local businesses it creates more of an incentive for businesses to give up their time and contribute to long-term regeneration strategies such as how to revive a high street.
20. The ongoing success of BIDs suggest that Mayor is correct to encourage their further proliferation. The key, however, is to ensure that any services provided by new BIDs are in addition to what is already provided by local councils and the GLA. Businesses should not be expected to pay more in business rates to have services delivered that should actually be delivered as a public service.

An Olympics legacy

21. The legacy of the Olympic and Paralympic Games will be a crucial topic of debate over the next few years and, quite rightly, that debate will focus on jobs and the regeneration of east London. One other useful area that this review should consider is the legacy for high streets and the retail sector. Sunday trading rules were, of course, relaxed during the Games so this review should consider whether a further relaxation could be beneficial. Moreover, this review could also consider what impact allowing night-time deliveries during the Games had on local residents and, if minimal, whether this could be extended in future. If this means less congestion on London's roads during the daytime, which would potentially be of huge benefit to our high streets, then it is something that should be considered.
22. LCCI has yet to come to a position itself on these issues but is currently in the fieldwork period of a survey, looking at how businesses performed during the Games, and we would be happy to share these results with the Committee once we have them.
23. For further information, please contact Iain Smith, Public Affairs Manager, at ismith@londonchamber.co.uk or call + 44 (0)20 7203 1911 to discuss this further.

Richard Berry
London Assembly
City Hall
The Queen's Walk
LONDON
SE1 2AA

Ask for: Sam Neal
Email: Sam.neal@walthamforest.gov.uk
Direct line: 020 8496 6753
Direct fax:
Date: 6 September 2012

London Assembly Economic Committee Investigation into empty shops on London's High Streets

Dear Richard,

Below is the response from the London Borough of Waltham Forest to the above investigation. We hope the experiences and insights are of use in your investigation. We have addressed each of the key questions.

Why do some high streets in London have a higher vacancy rate than others?

The experience of Waltham Forest is that there is fairly low vacancy levels in our High Streets. Synovate Retail Performance research for the Sunday Times in 2011 found Walthamstow to be the most resilient high street in the country showing an increase in footfall and spend over the past 3 years.

The Council has prioritised our High Streets, we realise they are the life-blood of our borough, employing many local people, often from BME groups and serving our local residents; however in these difficult times the high streets need our support even more.

The below table (fig 1) backs up this claim, showing the results of our annual town centre survey that monitors vacancy levels over the last 5 years. The figures show that in 2011 there was only one district centre (Highams Park) with a vacancy level equivalent to the London level of 10%. Over the last 5 years, despite the recession, there has been an overall decline in vacancy levels in all our town centres (excluding Highams Park).

Fig 1: Vacancy levels of ground floor units within Town Centres in Waltham Forest (as a percentage of the total number of ground floor units)

Centre Name	2011	2010	2009	2008	2007
Bakers Arms	5%	7%	8%	6%	6%
Highams Park	10%	10%	8%	5%	5%
Leyton	2%	5%	7%	6%	8%
Leytonstone	6%	8%	5%	5%	5%
North Chingford	5%	6%	5%	4%	9%
South Chingford	7%	9%	12%	5%	9%
Walthamstow Town Centre	5%	5%	5%	6%	5%
Wood Street	8%	12%	7%	8%	14%

Sources: LBWF Retail Surveys carried out in Dec every year



What is the impact of high levels of shop vacancies on the local community and economy?

However in the town centres where there are higher vacancy levels we find:

- The quality of the other retailers declines
- There is perceived increase in litter/ graffiti and lack of care for the areas – this is however hard to quantify or prove
- Vacant units may represent lost revenue from rents,
- A poor perception of a city or town centre, with subsequent, detrimental impacts on the local economy can develop
- Lack of choice for local shoppers develops, therefore forcing visitors to shop elsewhere, the result being the critical loss of the ‘local multiplier effect’ gained through local spend
- Vacant units, especially within areas that may suffer associated historic social and economic decline, may struggle to attract inward investment and new enterprises (established or start-up)
- empty, poorly retained retail units often negate the objectives of encouraging ‘Street-stay’ which is fundamental to increasing levels of spend in local areas
- The reduction of retail jobs as a result of a high level of vacant shops has a negative impact on the local economy through a parallel reduction in vacancies in the retail sector.

What innovative uses of empty shops have helped boost high streets in a sustainable way?

Where there have been vacancy issues the Council has taken decisive action. We are currently developing an adventurous and comprehensive regeneration programme, totalling £9m investment and looking at eight of our High Streets. Our programme will be looking to address the public realm and physical appearance of these areas, through shop front improvements, art interventions and highway/ planting and paving interventions; but our holistic approach will also bring together businesses and the local community as well as officers from across the Council to address other issues affecting these areas such as cleansing, enforcements, betting shops, marketing and empty shops. This programme resonates with many of the proposals for the nations High Streets detailed in the Portas review.

We have recently successfully delivered a series of shop front improvements in Leyton, along a key route into the Olympic Park and are currently on site with further shops in Walthamstow. The borough has recently re-designed and rejuvenated our street market in Walthamstow and have developed a series of interventions in Wood Street (including art interventions, events, establishment of a business forum and highway works) that Design For London identify as an example of good practice. I attach some images (appendix 1) from these successful projects for your interest.

We are very excited about our forthcoming programme and the opportunities it will open up for local businesses and the local community to see anew the wonderful assets we have in the borough already and to ensure that local businesses flourish, local employment opportunities are created and local people have town centres that they want to visit and meets more of their needs than just retail.

Wood Street case study

Wood Street is a relatively successful district centre with very few vacancies and a unique offer of niche shops. However, it is also a neighbourhood with some areas

which attract antisocial behaviour and safety concerns, and a number of underused spaces.

The Council has highlighted Wood Street as an area of great potential with its diversity of independent and unique businesses and surrounding residential community with spending power but who currently use the excellent transport links to leave Wood Street and spend elsewhere.

Since 2011 Wood Street has benefited from funding from both Transport for London (£1.8m) and the Mayor's Outer London Fund (£310k in round 1 and £1.5m in round 2). This funding has enabled Public Realm improvements to be made to the length of Wood Street and the Plaza as well as investment in the shop fronts and windows of local businesses, local business support and training, art interventions, rejuvenation of the Wood Street Indoor Market and lighting features.

Of particular relevance to this investigation is the project called SHOPPORTUNITY. SHOPPORTUNITY pairs up artist, makers and designers with a trader with a view to them developing business specific, light touch, low cost but high impact intervention to the shop. This may be new signage, furniture, display design, window displays, lighting features, merchandising advice, new uniforms or events. This project is low cost (£2,500-£5k per shop) but can have significant impact and is particularly well suited for the long high streets.

Wood Street Indoor Market Case Study

In Wood Street the Indoor Market was over 50% vacant, the owners were considering part demolition and re-development. Through Outer London Funding however the Council worked with the owners to rejuvenate the market.

Small interventions were made which had a dramatic effect on the market:

a new entrance to the Marlowe Road entrance to the market (OLF funded),

- management and marketing of the opportunity and a launch event (OLF funded),
- provision of wi-fi, new toilets, internal painting, mending of the roof (owner funded).
- An offer of 3 months free rent and 3 months half price
- Targeting of traders such as Arts and Crafts and vintage sellers to provide a different offer to the rest of Wood Street and to attract visitors to the market and to Wood Street in General
- Establishment of a website
- Use of social media to promote the market

On 11 February 2012 the Indoor Market launched its new look with over 20 tenants including vintage clothing, up cycling, jewellery, art and craft practitioners, florist, film market and food offers.

Through the OLF funding, support from the Council and the commitment of the owners the market is now nearly full occupied with full rent-paying tenants and the market continues to get rave write-ups in publications such as Time-Out and The Stylist. On the day of the launch local cafes along Wood Street were having to turn customers away as they did not have enough seats, this demonstrates the catalytic effect such a scheme can have along the length of a High Street. The Council continues to support the indoor market, and other businesses along Wood Street through training and Marketing interventions. For more information on the scheme please log on to:

<http://woodstreetmarket.com>

The Mill, Walthamstow case study

The Mill was established for the local community in the St James Street/ Blackhorse Road area of Walthamstow as part of the Neighbourhood Challenge. This programme was initiated to support community-led innovation through funds from Nesta, and working with the Big Lottery Fund.

The Neighbourhood Challenge aimed to show how community organisations – when equipped with the right skills, practical tools and small, catalytic amounts of money – can galvanise local people to work together, to create innovative responses to local priorities, particularly in neighbourhoods with low levels of social capital.

Local residents association Blackhorse Action Group applied for a Neighbourhood Challenge grant to restore the former St James Street Library building for use by the community. Despite being up against more than 600 other groups, their plans, targeted at the residents' association area, were chosen to receive one of only 17 NESTA grants – and the ongoing work at the Mill <http://themill-coppermill.org/> is the result.

Leyton Town Centre Case Study

Waltham Forest council's High Rd Leyton Shop Front Improvement pilot scheme is now complete. The aims of the project are to:

- Support the economic success of Leyton town centre
- Improve both the retail and physical environment in Leyton High Road
- Provide a model of excellence in town centre and high street improvement(s)

The intention was to ensure that these investments instigate an immediate and sustainable improvement to the quality of the retail environment within High Road Leyton, and we have seen the installation of jolly new shopfronts, colourful facades, magic animated lighting and elegantly paved trottoirs as a backdrop to the lively, distinct and bustle. From an initial nine retail properties last summer the scheme has been extended to encompass works to 43 properties, across six retail parades.

The overwhelming response to the scheme is positive, and it is becoming increasingly evident that both the vendors and landowners involved in the scheme recognise the potential benefits anticipated as a result of the shop front improvement scheme. Subsequently, a number of the vendors have committed considerable resources to complete significant internal structural and design improvements to their retail outlets.

The resulting impact and success of the scheme has featured extensively in national newspapers, including The Guardian, Evening Standard, Homes and Property, and the Daily Mail, eliciting extensive comment and observations. This is somewhat unique (for a shop front project), and underlines the council's success in pre-empting a latent interest and demand for ambitious, forward-thinking retail-led public realm interventions.

As part of our on-going investments proposed along High Rd Leyton, Waltham Forest council are currently developing a programme, bringing together locally based residents who have indicated an interest in temporary retail usage, landlords, and council officials to create a progressive shop leasing framework that is amenable to all stakeholders interested in making use of vacant units.

The Council's new Regeneration Programme

Building on the success of the Leyton and Wood Street Pilots and a similar pilot that is currently on site in Walthamstow the Council is now rolling out this holistic approach to high Street regeneration in 7 High Streets, investing £9m of Council money. This shows the commitment the Council has to our high streets. Key to this programme is the joined up approach, combining capital investment in the public realm and in shop fronts with business support, training, art interventions, events, enforcement and licencing and close partnership working with local businesses and developers to encourage private sector investment to complement and enhance the public sector investment. This approach ensures longevity and sustainability of the investment and that issues such as cleansing and anti-social behaviour are addressed do not deter from the improved physical realm.

Does London need to control the spread of certain types of shops, and if so how can this be done?

In Waltham Forest, we have identified a number of uses that have had a detrimental impact on our town centres due to over concentration in certain locations. As a result, Waltham Forest has developed a number of innovative planning policies to protect and preserve the vibrancy of our town centres:

- Betting shops are recognised as a problematic use in the borough. Their clustering can degrade the image and undermine the primary retail function of our high streets. Evidence from Police bulletins also suggests they can become magnets for crime and disorder issues. For these reasons policies in our adopted Core Strategy and emerging Development Management Policies seek to restrict the future proliferation of such uses.
- In recent years there has been concern that the high number and concentration of hot food takeaways on our high streets and in our town centres are having a detrimental impact on their vitality and viability. The Council seeks to reduce the proliferation of any land use which reduces people's ability to be healthy, such as Hot Food Takeaways. Various policies and a designated SPD seek to control these uses, for example within the Primary, Secondary and Retail Centres no more than 5% of units shall consist of Hot Food Takeaways and in locations outside town centres proposals, Hot Food Takeaways which fall within 400m of the boundary of an existing school, youth centre and park will be resisted. The Council was shortlisted for the RTPI Planning Awards 2011 for our Hot Food takeaway SPD.
- In accordance with policy CS4 B (Social Infrastructure) the Council will seek to resist the loss and promote the enhancement of existing social infrastructure facilities in the borough. Public houses are defined as social infrastructure and as such the Council seek to resist their loss. Public houses are considered to be focal points for the community providing meeting spaces and entertainment venues.

While these policies have helped Waltham Forest control certain aspect of these potentially detrimental uses from blighting our town centres, national policy in the form of the use classes order means that in many instances, the Council has limited control over changes of use. The Use Classes Order, for example, allows changes of use from pubs to betting shops without the need for planning permission. There therefore needs to be a change in national policy to allow local authorities to manage such uses

– very much a concept within the spirit of the localism principles supported by the Government.

How can local authorities, businesses and community groups in London implement the findings of the Portas Review?

Waltham Forest feel that the key to implementing the Portas Review is the establishment of cross disciplinary teams both within the Council and with external stakeholders and partners, including local businesses, the Police, community groups etc, the Review have called these ‘Town teams’. The actual interventions and findings from the Portas review that can be implemented will vary from place to place but the principle of a ‘town team’ to drive forward interventions that make the high street more than just a shopping experience are key to implementing the Portas Review.

The Town team enables the development of these area specific interventions that utilise the various expertise of the group and potential funding streams accessible by different stakeholders.

Waltham Forest are already developing internal cross disciplinary teams that then actively feed into and engage with established business forums and local resident and community groups.

For example in Walthamstow, as part of the shop front improvement scheme an area at the junction of the High Street and a residential street that is prone to anti-social behaviour has been created as “the Street Gallery”. The space will have a rolling programme of art interventions, with the view that this new use will deter the current behaviours. The project is led by the Council but the selection panel has a wide cross-section of members, including local residents, a Ward Councillor, the free-holder and lease holder of the building and a local business.

The Council will also continue the skills work it currently undertakes through both its Adult Learning Service and employment programmes to ensure that residents of Waltham Forest have the skills they need to access vacancies in the retail sector.

What should London seek to learn from the Portas Pilots?

The key recommendations from the Portas Review that Waltham Forest would like to see explored in the pilots and learn from are:

- How to disincentivise landlords from leaving units vacant
- How local authorities can be empowered to step in when landlords are negligent with new “Empty Shop Management Orders”
- How local authorities can use their new discretionary powers to give business rate concessions to new local businesses
- The role “Town Teams” can be used to be a driver for strong operational management for the high street

What practical steps can the mayor and GLA group take in bringing empty shops back into use?

Waltham Forest feel that the Mayor and GLA group could undertake the following to assist in bringing empty shops back into use:

- Lobby the government to consider whether business rates can better support small businesses and independent retailers
- Lobby the Government to put betting shops into a separate ‘Use Class’ of their own

- Assist Local Authorities in working with Network Rail regarding vacant land that they own and enabling activity to be undertaken in a timely manner on these vacant sites/ land
- Employ its convening powers to encourage effective processes that bring together Landlords and local authorities, to devise mutually beneficial, imaginative and attractive agreements (frameworks) that will further increase the viability of utilising empty retail units for temporary purposes.

How can BIDs reduce shop vacancy and what can the Mayor do to increase the number of BIDs?

BIDs can help reduce shop vacancy by providing increased support to retail business in their respective areas and promotional activities designed to attract footfall and investment.

What measures to reduce shop vacancy should be supported by the Mayor's regeneration funding?

The Mayor's regeneration funding should look beyond existing models of occupation towards temporary use schemes such as 'pop up shops', as well as further investment in London's town centres through initiatives such as the Outer London Fund.

Thank you for the opportunity to feed into this investigation, if you wish to discuss anything further, visit any of the examples we have referenced or would like us to present anything to the hearing please do not hesitate to contact me.

Yours sincerely

Sam Neal
Programme Manager
Physical Regeneration

Appendix 1

Images of projects already delivered

Leyton Shop Front Improvements

shop fronts before



shop fronts after



Walthamstow Town Centre
Shop Front Scheme (currently on site) before



After



Walthamstow Street Market rejuvenation



Wood Street Regeneration

Shop front signage (image of work in progress)



Art intervention on hoardings



Art intervention/ projection event



Wood Street Indoor Market rejuvenation



INVESTOR IN PEOPLE

walthamforest.gov.uk

London Borough of Richmond upon Thames

1. Within your borough why do some high streets have higher vacancy rates than others?

A range of factors: competition for other centres outside the Borough particularly Kingston and Hounslow and from out of centre shopping; immediate market 'value' – some areas are more likely to have higher discretionary spend; relative footfall and range of shops; the quality and maturity of the local business/traders' association could also be a factor. A big factor is likely to be rateable value in relation to the footfall and potential revenue. Rates are generally relatively high across the borough but places like Richmond town centre are better able to withstand this.

Other factors include the type of landlord and their expectations. . Some areas like Barnes have landlords who own pension funds and are well known for wanting to achieve high rents and in some cases, landlords may be foreign investors who have little local interest but are prepared to wait until the right rent offer comes along!

2. What is the impact of high levels of shop vacancies on the local community and economy?

We know that it is a major concern for residents as they expressed this clearly in our recent residents' survey. 'Shopping in the high street' was the only issue that appeared in the top five issues in response to 'what is most important' and 'what most needs improving'. Higher vacancies are reflected in consumer and business confidence, as reflected in a range of surveys. Business become more vulnerable as footfall decreases and crunch times – such as when rates are due or leases are up for renewal – can be make or break. We see businesses offering discounts just to get trade but this can be a desperate measure.

Empty units also have an impact on potential new investment options – as potential clients see that the area is not that prosperous and then look elsewhere. Longer term, I think the empty units detract from social networking and vitality and people will chose to go and meet for a coffee/meal near to where shops are thriving.

3. Has your borough trialled any innovative uses of empty shops that have helped boost high streets in a sustainable way? What additional powers would help initiatives of this kind?

(Additional note added this week: we are now providing small grants to incentivise the temporary use of empty shops. This builds on the success of the Pop Up Britain shop in Richmond and is supplemented by a range of information to support potential applicants. For example, see attached)

We have used a couple of empty shops for cultural projects in Whitton and Twickenham. These provide a short-term impact but not ongoing. There is a 'Pop up Britain' unit operating in Richmond for 3 months – we will monitor the impact of this. Generally, we find that agents and landlords are still reluctant to be involved with temporary use as it is a lot of effort for little perceived return. They tend not to favour the 'template leases' provided by the Meanwhile Project and still fear not being able to rapidly remove a temporary user should they need to. There are still misconceptions I feel, about insurance and liability etc.

In terms of what might help, at the moment we do have the power already to reduce rates in some circumstances. However, the full bill remains with us, at a time that we are desperately trying to save money. If the Government provided Councils themselves with rate relief in proportion to that which we grant to empty shops, that would help.

4. Does London need to control the spread of certain types of shop, and if so what powers do local authorities need to ensure this is done?

Lots has been said about the spread of take-aways and betting shops etc. Changes to the Use Class order could help us control this.

The number of charity shops also needs to be monitored and controlled – particularly where they are selling new goods!

The conversion of pubs to supermarkets without the need for pp is also of concern to some residents.

5. What is being done in your borough to work with businesses and community groups to improve high streets and town centres? Can any more be done and if so, what resources/powers do you need to do this?

We directly support town centre business and trader organisations financially; We have new positions called 'Community Links' officers that are tasked with helping to link up and support the various interests in communities, including businesses, so that more can happen more easily.

Much work has also been done to improve the look and feel of three of our town centres, Barnes, Whitton and Twickenham through the Outer London Fund – Round 1. Some focus is also now being given to developing the "Town Team" approach for which there has been funding given to a limited number of town centres through the Mary Portas pilots. Richmond has not been given any of this funding to date, so extending this funding to other areas might be helpful.

6. What practical steps can the Mayor and GLA Group take to support boroughs to bring empty shops into use?

The Mayor must continue to take a firm line on proposals for expansion of out of centre retailing and when considering proposals for new floorspace within town centres ensure this will not have an impact on other centres.

Financial bottom line is the most important one for businesses. Rate relief and deferral are not really enough to help, especially given the Crossrail levy which negates any benefit from such schemes.

The legal framework around the requirement to maintain the outside of empty shops could be tightened. Derelict ones can bring a whole centre down.

This comes back to possibly offering some incentives to good landlords or disincentives to bad landlords who deal fairly with their tenants and do not price them out of the market with high rent rises, difficult break clauses and high dilapidation costs, etc. Promoting the Leasing Code of 2007 is one way – but these are guidelines only with little legislative teeth!!

Also –some additional funding given back to Local Authorities to help support a faster turnaround on planning applications relating to key retail areas – might also help to speed up the process of getting units filled.

7. How can boroughs work with BIDs to reduce shop vacancy, and what can the Mayor do to increase the number of BIDs and borough's ability to work with them?

BIDs can be expensive for Councils to start up and it may not be reasonable or feasibly to recover these start up costs from any new BID. A grant programme, as opposed to a loan scheme, for councils to start up BIDs could help. There is enough expertise already available through the ATCM to help us – perhaps their capacity should be supported.

Overall, more support and funding to be made available as was the case through the London Development Agency!

Sean Gillen

Economic Development Manager

London Borough of Richmond upon Thames

FINDING AND USING AN EMPTY SHOP

A STEP BY STEP GUIDE

Taking on a retail unit can be an exciting and useful way to increase your income or raise the profile of your business or organisation. It brings benefits to the landlord and to the high street too. There is a lot to do to make it happen, but these benefits can make it worth the effort.

This is a good time to be thinking about this. Although the borough has fewer empty shops than many other areas, there are some excellent opportunities around.

This step by step guide sets out the steps to take if you are thinking of using a shop temporarily, but most of these points also apply if you would like to use a shop longer-term.

SUPPORT FOR YOUR PLANS

Although the Council can't provide an empty shop for you, or negotiate on your behalf, we can provide support to help you bring your plans to fruition. In addition to this guide we provide an online property search tool to help you find a unit that is right for you and can help put you in contact with commercial agents.

We may also be able to provide a small grant to help you make temporary use of an empty shop. These grants are to support initiatives that complement the high street retail offer and ideally you will be able to demonstrate that you are also contributing financially. The grants are not for Pop Up businesses that would be able to take on a unit successfully without support. This includes those that operate Pop Up shops as their normal business model.

Please read through this brochure carefully. Once you have a property and have permission to use it, contact:

Telephone: 020 8831 6219

Email: business@richmond.gov.uk

For full details of the grant scheme and more information on all topics in this leaflet, see our business web pages:

www.richmond.gov.uk/business

Great support and resources are also available from:

www.startupbritain.co
www.meanwhile.org.uk



USING EMPTY RETAIL SPACE – PRACTICAL THINGS TO CONSIDER:

There are various financial and administrative factors for you to consider if you want to make use of empty retail space on a temporary basis. These include:

STEP 1 – IDENTIFY THE PROPERTY

- Visit the South London Business property database to find an available property in Richmond upon Thames (landlord's details will be available in some cases). You can access the database from our website or call the South London Business property team on 020 8253 4296.
- Contact your local town centre manager or business network to find out about available properties. Ask if they have the details of the landlord or managing agent.

STEP 2 – FIND THE LANDLORD

- If you have identified a potential property you may find a landlord or agents details on a board outside the property.
- In some instances once you have the properties address the contacts in step 1 above may be able to provide you with landlord's or agent's details.

STEP 3 – NEGOTIATE THE RENT AND LEASE

- Depending on the circumstances it may be possible to negotiate a short-term rent agreement at a reduced rate with the landlord.
- You will usually have to sign a contract with guarantees of payment. It may prove advantageous to pay the full rent in advance in order to secure a reduced rental agreement.
- The 'Meanwhile Project' provide a range of tools, resources and advice including model leases to cover temporary use.

www.meanwhile.org.uk

Points to consider when talking to a landlord or agent may be:

- An occupied shop is unlikely to fall into disrepair, become the target of vandalism or encourage squatters to move in, which can be a real risk to vacant premises, especially if unused for a long time.

- An occupied shop is easier to let than an empty shop. The longer a shop stays empty the harder it becomes to let.
- The landlord's costs during a vacant period are likely to be much lower if the shop is temporarily let (the costs of insurance, security and utility bills are usually borne by the occupier).
- Using the shop temporarily may also save them money on business rates that are payable on empty shops (see step 4 below).
- Using empty shops brings new life back on to the high street, benefiting neighbouring shops. It also increases local awareness of the premises, making it easier to let.
- It will also be easier for prospective tenants to explore the potential of the shop while it is in use.

STEP 4 – INVESTIGATE BUSINESS RATES

All businesses are subject to rates charges based on the rateable value of the property. These charges are called business rates and are collected by local government on behalf of Central Government. The Government also sets the level of rates.

- Full details of the rateable value of the property are available through the Valuation Office www.voa.gov.uk.
- You can sometimes get an estimate of the business rates from the advert for the property, such as those found via in step 1. If not, try looking at similarly sized properties in the same area as these may include this information. Alternatively you can calculate the rates by following the guidance at www.gov.uk/calculate-your-business-rates. You can also contact the Business rates team for help with this.
- If you are a small business wanting to use retail space on a temporary basis you may be eligible for Small Business Rate Relief.
- If you are a registered charity you may be eligible for an 80% reduction on the business rates (as long as the occupation is in line with the objectives of the charity).

You can contact the Business Rates team on 020 8891 7725.

STEP 5 – INVESTIGATE PLANNING REQUIREMENTS

- If you are considering making any changes to the use of the property or undertaking building work you may need to apply for planning permission

(as well as check that you have permission from the landlord to undertake these changes).

- Class A1 is the official category for a retail shop in planning terms. Generally, using any empty shop on a temporary basis for community use, an artist studio or any use falling outside the retail shop use would require planning permission, so a planning application would need to be made.
- Other associated alterations might include e.g. the installation of a new shop front; the installation of security shutters, the display of replacement signage; internal alterations to a listed building or any other elevational alterations. These are also likely to require consents from the local planning authority before any development commences.
- Richmond Council has a protocol for working with local business, which provides a commitment by the Council to assist local business through the planning process. See www.richmond.gov.uk/planning_protocol_working_with_local_business
- The Planning department can also offer informal pre-application advice to local community uses or businesses through a duty officer service. If more formal advice is required, it is through paid pre-application advice service.



STEP 6 – INVESTIGATE LICENSING REQUIREMENTS

You will be subject to the requirements of the Licensing Act 2003 if you decide to use the retail space to:

- Sell hot food or drink between 11pm and 5am.
- Offer regulated entertainment, i.e. music, dance, live music, recorded music or similar to the public (not as incidental background music).
- Retail alcohol.

The above activities require authorisation either by way of Temporary Event Notices (TENs) or Premises Licences. TENs are relatively quick and cheap to get but have a limited duration. Premises licences take at least 28 days for advertising and another month if contested.

You will be subject to the London Local Authorities Act 1990 Street Trading if:



- Trading occurs outside the frontage of the shop and it is within 7 metres of the highway, (includes footpath) unless the frontage is owned by the shop and the same types of wares are for sale inside as out, when no licence is needed.

You will be subject to the London Local Authorities Act 1991 Special Treatments if you use the premises for purposes such as:

- Massage, reflexology, nail treatments, etc.

There is a charge of £329 for registration as a provider of Mock Auctions.

This information is a very basic introduction. If you think a license might be needed in your case, it is best to speak to or email the Licensing team on:

Telephone: 020 8831 6455

Email: licensing@richmond.gov.uk



STEP 7 – ENVIRONMENTAL HEALTH

If you employ anyone, or invite the public onto your premises, you must take reasonable steps to ensure their safety.

For advice and guidance on sensible risk assessment, visit the Health and Safety Executive website www.hse.gov.uk or contact the Commercial Environmental Health team on 020 8891 7117.

- If you intend to provide food, whether for profit or not, contact Commercial Environmental Health on the number above for advice before you start.

You can also contact the Environmental Health team by email on commercialeh@richmond.gov.uk

STEP 8 – ARRANGING WASTE AND RECYCLING COLLECTIONS

Businesses, charitable organisations or community groups using retail premises will need to investigate and arrange suitable commercial waste and recycling collections. Full information about the legal requirements and how to set up a contract can be found on the website.

Email: commercialwaste@richmond.gov.uk

Telephone: 08456 122 660

STEP 9 – SETTING UP UTILITIES, IT AND COMMUNICATIONS PROVISION

You will need to research the commercial charges applicable to businesses, charitable organisations and community groups for provision of electricity, gas, water and IT services to the property.

Meanwhile Foundation



‘meanwhile use’ – the temporary use of buildings and land for social gain

The proposal to establish the Meanwhile Foundation has emerged from the experience of the Meanwhile Project over the past three years. It has particularly been developed in partnership with the London Borough of Brent as part of a three-tier legacy strategy for their meanwhile projects in Willesden and Wembley.

What became clear was that what was needed in Brent was, in fact, needed in many other places too: a national charity to provide practical support around leases and business rates, a series of local partnerships to take strategic decisions about meanwhile implementation, and a plethora of neighbourhood-level town teams to make things happen on the ground.

Alongside the Meanwhile Foundation’s practical work taking on leases to enable meanwhile use, it has an important wider role as a champion for meanwhile use as a tool for urban regeneration. It may also become a useful conduit for small grant support for meanwhile uses.

The founder partners are LB Brent and Locality and these organisations will have the right to nominate one director each to the board. The other directors will be recruited for their skills, expertise and influence.

Trustees in principle:

- Jess Steele, Director of Innovation, Locality
- Andy Donald, Regeneration Director, LB Brent
- Peter Cross, Yellowdoor
- Eric Reynolds, Urban Space Management
- Liz Peace, British Property Federation
- Julian Dobson, Urban Pollinators
- David Alcock, Antony Collins Solicitors

The Meanwhile Foundation will primarily work through partnerships with local authorities and other strategic asset holders, with the Meanwhile Brent Partnership as the pioneer. These partnerships will involve a contribution to the Foundation of £10,000 pa in cash or (in later years) by making available equivalent value-generating assets that can be used for meanwhile purposes. The Foundation will be seeking start-up funding from Big Lottery Fund and other interested funders as working capital before the business model is fully established.

OBJECTS OF THE CHARITY

1. The promotion for the public benefit of urban or rural regeneration in areas of social and economic deprivation (and in particular the Partnership Areas*) by all of or any of the following means:
 - the relief of poverty in such ways as may be thought fit;
 - the relief of unemployment in such ways as may be thought fit, including assistance to find employment;
 - the advancement of education, training and retraining particularly among unemployed people, and providing unemployed people with work experience and support where practical and necessary;
 - the provision of financial assistance, technical assistance, or business advice or consultancy in order to provide training and employment opportunities for unemployed people in cases of financial or other charitable need through help:
 - in setting up their own business, or
 - to existing businesses;
 - the creation of training and employment opportunities by the provision of workspace, buildings and/or land for use on favourable terms;
 - the maintenance, improvement or provision of public amenities;
 - the provision or assistance in the provision of recreational facilities for the public at large and/or those who, by reasons of their youth, age, infirmity or disablement, poverty or social and economic circumstances, have need of such facilities;
 - the provision of public health facilities and childcare;
 - the promotion of public safety and prevention of crime;
 - such other means as may from time to time be determined subject to the prior consent of the Charity Commission; and
2. To develop the capacity and skills of the members of the community in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society; and
3. The promotion of any other charitable purpose.

* "Partnership Areas" means the London Borough of Brent and such other areas of social and economic deprivation as the Board may from time to time determine