

NO VACANCY

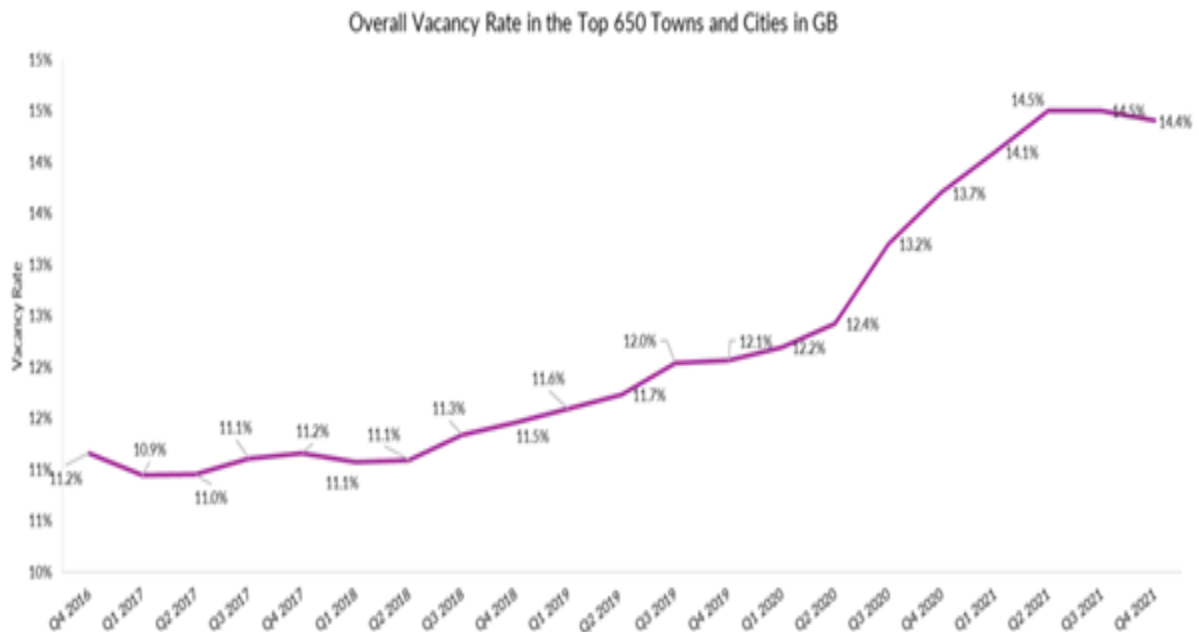


Tackling High Street Vacancy

Local Authorities, Business Improvement Districts, civic groups and other place stakeholders are seeking ways to tackle excessive vacancy in their high streets. Though the problem is multifaceted, it is everyone's, and the means to address the problem lie in collaboration. No Vacancy is a 'shovel-ready' programme which can be delivered by a team of experts in partnership with any town centre to reduce vacancy and strengthen local place vision.

Context

Many of the UK's town and citycentres are negatively affected by retail unit vacancy, with significant rises in empty shops numbers recorded in recent years, as illustrated in the graph below:



Source: Yahoo! Finance

These data mask regional disparities in vacancy rates, the type of retail uses being lost to the high street and the underlying causes for vacancy. However, they provide a picture of the long-term trends, exacerbated in the short term by the Covid-19 pandemic, of growing vacancy in the high street. Rising energy costs - unless tackled - will only fuel the downturn.

Retail unit vacancy has a deeply negative impact on place in terms of appearance, resident and visitor perception, attracting anti-social behaviour, provoking adverse media coverage, as well as a range of financial effects including discouraging inward investment and making it harder for existing businesses who may then also leave, exacerbating the problem. Where the local authority is the owner of vacant property the effect is compounded in lost rent, business rates payable, upkeep and re-letting.

Fundamentally the high street ecology needs to change to fit with the issues it faces. What is the objective of a 21st Century high street? The Institute for Place Management, High Streets Task Force, Grimsey Review and others are redefining the high street as a place to bring people together, a central place that can service the needs of the catchment by way of services, leisure, retail, learning, residing, health and wellbeing.

At this point in time, many local authorities have little relationship with (often absent or disinterested) landlords, buildings can lie empty for extended periods, reducing the viability of the high street, exacerbated by progressive poor repair adding to the costs of bringing a unit back into use. LA's have typically had little power in closing the gaps and or have not felt it was within the council's remit to tackle the issue of vacancy, despite the damaging effects it has on town and city centres.

It is far from certain that the market alone will address the issue of vacancy, but in cases where such efforts are made, it may not necessarily work in ways that offer maximum benefit to the place. The standard agent / landlord relationship is predicated on an outdated commercial model for which, in many places, there are dwindling numbers of potential leaseholders.

The flexibility of Use Class E allows more freedom for landlords to choose who to let to, but the range of uses needed for viable high streets aren't always easily available to agents, and some public and / or Business Improvement District sector innovation is needed to broaden the potential pipeline to include community businesses, university spin-offs, educational or health facilities, arts & crafts, culture, new services and co-working.

Relationships with landlords and agents must be built locally to develop trust, with some potential for grant or business development support for less tried and tested models to underwrite the risk. If a high street is to be a destination, we need to rethink its purpose, services and hosts. A curated high street with a new ecology surrounding it is necessary to convert high streets into thriving places residents, businesses and place leaders can be proud of.

Potential changes to Policy

In response to the vacancy problem, the Department for Levelling Up, Housing and Communities has included provision in the Levelling up and Regeneration Bill to provide a new power to Local Authorities that enables them to compel landlords to let spaces through an auction process.

The proposed new policy is to operate in a complex area with legal and financial implications for all those involved, including local authorities, landlords, agents and would-be occupiers.

Initial feedback from professional place leaders and managers on the new policy has included a range of concerns about its value as a potential solution to the challenges around tackling empty shops issues, its workability, the likelihood of local councils being interested

in adopting it and / or having the resources or skillset to do so, and the barriers that might prevent local, social enterprise and community businesses and organisations being among the occupier beneficiaries. There are other tools such as town centre frameworks and asset management strategies but alone they are not working and there is an ongoing problem with capacity.

No Vacancy delivers a standalone programme that aims to support local authorities in filling vacant premises now, with a process that also readies authorities to make full use of the powers if and when the bill comes to fruition.

The programme is designed to fit with the objectives of the UK Shared Prosperity Fund and other support for renewal, community connection, enabling local authorities to leverage capacity and work towards this goal.

Aims and objectives

The objectives of the programme are:

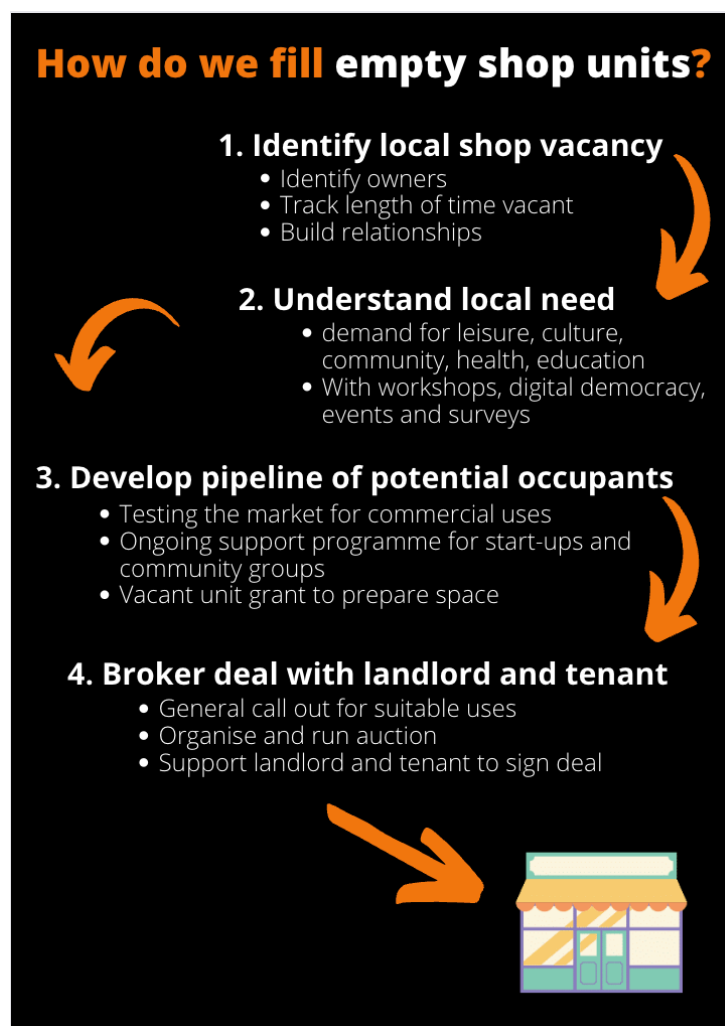
1. Reduce high street vacancy by identifying occupiers that meet the broad needs of the catchment
2. Deliver a curated approach to developing high street vision
3. Develop general guidance for local authorities and others wishing to reduce vacancy on the high street and use new powers in the Levelling Up Bill when these become available.

Project Overview

The pilot programme contains five process elements as summarised below:

- 1) **Understanding requirements** of LA and co-developing aim, objective, method, monitoring and evaluation for project as well as agreeing outputs.
- 2) Implement a system to **track vacant property** and ownership on selected high streets
 - Selection of key pilot high streets
 - Initial audit of high street vacancy, plus baseline vitality and viability audit
 - Electronic interface with Valuation Office Agency to upload properties declared vacant
 - Engagement with BIDs (where appropriate)
 - Ownership research
 - Surveyors report on condition of each unit and potential cost to return it to 'white-box' standard
- 3) Work with the catchment / community to **identify demand** / need for high street space via a programme of innovative engagement
 - Event programme (ideally run in or around empty units) to engage local groups in identifying need for retail and beyond (hospitality, culture, community, health, education, workspace and maker space).
 - Programme informed by wider context / data including Indices of Multiple Deprivation, previous consultations / visions, development pipeline, comparator and competitor high streets and planned investment

- Focus on the practical issues after broad brush visioning – will your idea work in this location? Is there anyone who can deliver this locally? Will enough people use it? Will it make money? Can it pay the rent?
- 4) A programme to **develop pipeline of possible occupants**
 - Development of viable start-ups and support for new businesses via LEP support programmes
 - Forming linkages with institutional partners such as universities and colleges, health partners, community organisations, arts, culture and creative enterprises and BIDs to identify possible occupiers
 - Work with agents to identify commercial tenants when they are needed
 - Development of a shortlist of potential occupants, matched with suitable units. Key criterion in matching process is vision set out by catchment
 - 5) Effective **brokerage between tenant and landlord** to support the curation of suitable uses, preparation of units and appropriate lease lengths.
 - Small grant to prepare the space and establish the business
 - Liaison between landlord and tenant to establish lease terms
 - Basic ongoing support for new businesses for the first 12 months.
 - 6) Project evaluation and draft end of project report (including all draft outputs) for comment, amendment and sign-off



Research impacts and measures of success

The Institute of Place Management will act as a research partner to the project, collecting baseline data on occupancy, auditing vitality and viability, footfall and spend (where data is available) to measure progress in a repeated process at the end of the pilot, six months afterwards. Qualitatively, the pilot will be studied throughout via a process of action learning to record the key pitfalls and points of progress to build a detailed understanding of the context for the new HSRA powers for policy makers.

Coordinating the action learning process throughout the programme, the IPM will support the delivery team in recording key learning in such a way as can be communicated to other local authorities in the guidance

Measured after six months on baseline data.

- Increased occupancy on high street
- Improved vitality and viability score after one year, including mix of uses
- Improved footfall
- Improved spend

Guidance will be developed from the final project report and research impact, with recommendations for Local Authorities on process, practice, costs and risks to delivering a programme. Guidance also focuses on more general ways in which councils can engage with landlords strategically to address vacancy in their centres.

About us

This programme comes from a consortium of experts in placemaking, community engagement and managing vacancy.

- BAS Consultancy is a placemaking company, with extensive experience in working with local authorities, Business Improvement Districts and communities to address place vitality, viability and resilience.
- Play:Disrupt, a community engagement specialist focuses on play centred consultation design to involve communities in a meaningful way in conversations about their place.
- The Vacant Shops Academy, which supports councils and BIDs to tackle empty shops issues works specifically to address vacant units in town centres, including addressing the skills gap in local authorities in tackling this vital issue.

Together as No Vacancy, we offer a process that aims to help fill spaces, support thriving places and ready local authorities to make the most of the bill when it comes to fruition. We can support local authority capacity and have designed a test process to deliver the work and reshape the high street for the future. The process targets current impacted high streets, but also supports development of new places adding a participatory level to usage of commercial spaces, that can help strengthen new communities as they develop.

The project has the endorsement of the Institute of Place Management, the professional body for place managers and leaders and the evaluation partner for the programme. A panel

has reviewed its aims, objectives and methods and ensured it has a sound theoretical underpinning.

Get in touch

For further detail, or to discuss the delivery of a No Vacancy programme in your centre, contact Ben Stephenson on ben@basconsultancyhome.co.uk or 07976 92 32 62.

