

**CABINET**

## Vacant Shops Funding 19 January 2010

### Report of Corporate Director (Regeneration)

PURPOSE OF REPORT			
To seek approval for the use of additional funding provided by central government to support high streets and town centres during the recession.			
Key Decision	<b>X</b>	Non-Key Decision	Referral from Cabinet Member
Date Included in Forward Plan	17 December 2009		
This report is public			

#### RECOMMENDATIONS OF COUNCILLOR ARCHER

- (1) That Cabinet approve the use of the additional grant allocation of £52,631 for initiatives to support temporary re-use of vacant shops and other retail support measures in Lancaster, Morecambe, and Carnforth
- (2) That Cabinet support option 2 for use of the funds, comprising a grant scheme to support re-use of vacant shop premises in Lancaster, Morecambe, and Carnforth, plus a second scheme to provide funding for promotional festivals/events in the retail centres of Lancaster & Morecambe
- (3) That Cabinet considers the amounts of funding to be allocated between the two schemes
- (4) That approval of the details of the two schemes is delegated to Councillor Archer as the Cabinet member with responsibility for the economy, in consultation with the Chambers of Commerce Cabinet Liaison Group
- (5) That in principle any underspend of the grant allocation in the financial year in which it is received be held in an earmarked reserve and this be built into the Council's Provisions and Reserves Policy for subsequent approval by Council.

#### 1.0 Introduction

On 3<sup>rd</sup> December 2009, the Secretary of State for Communities & Local Government announced the award of additional funding to 50 local authorities to help them support high streets and town centres during the current recession.

Lancaster City Council is one of the authorities awarded funding under this initiative, and is to receive an additional grant allocation of £52,631. The funding forms part of a package of support the Government is providing for town centres that have been particularly affected by shop closures and is aimed at helping local councils try out new approaches to make use of vacant shops and other ideas for boosting town centres

The funding is unringfenced and each local authority has discretion to decide how and when to spend it.

## **2.0 Proposal Details**

This is the second round of funding awarded nationally under this scheme. Information supplied with the DCLG grant offer letter highlights a number of examples of best practice by other local authorities (see appendix). Many of these have focused on the creative re-use of vacant shops, which has been a particular problem in many town centres.

Locally, the level of vacant shops is not particularly high in Lancaster city centre (although the situation may have been masked by short term lets prior to Christmas). Vacant shops are however a significant problem in Morecambe.

An initial meeting has been held with representatives of Lancaster District Chamber of Commerce, Trade and Industry, to obtain their views on how the funds might best be used. As a starting point, the meeting considered the following possible range of options:

- temporary use of vacant shop units for use by artists, creative industries, community groups, or new small retail businesses, using a new form of short term lease which has been developed by government
- some form of targeted promotion for the independent retail sector, which is recognised as playing a key role in creating the “distinctiveness” of Lancaster as a retail centre
- a grant scheme to help existing independent retailers improve their own shop front displays
- a specific short term marketing campaign, festival, or event
- pump-priming funding for development of a Business Improvement District. Whilst this would take some time to establish and would not have immediate impact during the recession, it would lead to long term, sustainable funding for enhancement of the retail centre
- some form of open competition, inviting ideas from retailers and/or the local community and funding the implementation of the best ideas

The consensus view from the meeting with the Chamber was that the funding might best be used by a combination of two initiatives:

- a small grants scheme to support the creative temporary re-use of vacant retail premises by artists or creative industries, using the new short term lease format. This should be operated across Lancaster, Morecambe, and Carnforth centres, and could also include support for temporary shop window artwork and displays, as well as temporary occupation of the premises.

- Funding for a small number of special events/festivals to promote the two main retail centres and draw additional trade into them.

It was suggested that £20,000 of the funding should be allocated to the grants scheme, and the balance used for the festivals and events. It was also recognised that it not be realistic to implement the two schemes during the current financial year and that the bulk of the funding would need to be carried forward into 2010/11.

It was also suggested that the details of the two schemes (including the design and choice of festivals) should be considered by the newly merged Chambers of Commerce Cabinet Liaison Group.

### 3.0 Details of Consultation

Meeting with Chamber of Commerce on 23<sup>rd</sup> December 2009, as outlined above.

### 4.0 Options and Options Analysis (including risk assessment)

Option	Advantages	Disadvantages	Risk
1) Do nothing option: do not use the additional grant allocation for retail support initiatives	Would support the revenue budget	Likely to attract criticism from local retail businesses, press, and DCLG	Could contribute to adverse judgment in future CAA assessments
2) Allocate funding to the two initiatives identified in consultation with the Chamber of Commerce	Allows the benefits to be spread across the retail centres of Lancaster, Morecambe, and Carnforth  Provides a “quick win” for the newly merged Chambers Liaison Group and should help build its capacity  Allows time for well planned promotional events to be worked up	A danger that the impact of the funding is dissipated across the three centres – targeted use of the funding on one specific initiative (eg development of a Business Improvement District) could have greater long term impact	A risk of poor take-up of the vacant shops grant scheme, in which case the funding might need to be reallocated
3) Support one of the other options identified in section 2 of this report	Depends on the nature of the option selected	Disregards the consultation with the Chamber of Commerce	That the option selected is ineffective because it is does not reflect the knowledge of the private sector

## 5.0 Officer Preferred Option (and comments)

Option 2 is the preferred option, because it reflects the outcome of the consultation meeting with the Chamber of Commerce and also retains flexibility in the use of the funds.

## 6.0 Conclusion

Cabinet are asked to approve the allocation of £20,000 towards a grant scheme to support re-use of vacant shop premises in Lancaster, Morecambe, and Carnforth, and £30,631 for promotional festivals/events in the retail centres of Lancaster & Morecambe, and to delegate the detailed implementation of the two schemes to the Cabinet portfolio holder for the Economy, in consultation with the Chambers of Commerce Cabinet Liaison Group.

### RELATIONSHIP TO POLICY FRAMEWORK

Complies with Corporate Plan Priority “Work in partnership to ensure a strategic approach to economic development and regeneration”.

Use of the funding to support Lancaster’s retail centre would also complement specific actions under the approved LDLSP Economy thematic action plan, including:

- Place shape LANCASTER CITY and RIVER SIDE as a regionally significant visitor and shopping destination
- Delivering a step-change in the City’s retail offer;
- Town Centre Improvement Partnership and Delivery Mechanism

### CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

No significant impact

### FINANCIAL IMPLICATIONS

Any grants or events funded under the scheme would be 100% funded from the additional grant allocation and there would be no net cost to the Council. There will however be some staff costs in administering the scheme, which will have to be met from existing resources.

The establishment of an earmarked reserve for any unspent grant would be built into the Council’s Provisions and Reserves Policy, subject to approval by Council. In effect, this would carry forward any such grant, to make it available to support spending in the subsequent financial year.

### SECTION 151 OFFICER’S COMMENTS

The s151 Officer has been consulted and has no further comments.

**LEGAL IMPLICATIONS**

There are no legal implications arising immediately from this report, but it will be desirable for Legal Services to be consulted and advise on the format of the new "model" leases being developed to encourage short term re-use of vacant shop units.

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments.

**BACKGROUND PAPERS**

Letter from Secretary of State for  
Communities & Local Government,  
3<sup>rd</sup> December 2009

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**Ref:** PWS



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3 December 2009

Dear Colleague,

### **FURTHER SUPPORT FOR TOWN CENTRES**

I am writing to let you know that I will announce tomorrow a further £2.6 million funding as part of this Department's initiative to support high streets and town centres during the recession. Your council is one of 50 local authorities that will each receive a grant of £52,631. In combination with the £3 million funding for town centres that we distributed in August, this will mean that 107 local authorities in England will now benefit under this initiative.

This funding forms part of a package of support we are providing for town centres that have been particularly affected by shop closures, as set out in the Government's guide "*Looking after our town centres*", published in April.

The recession is affecting town centres in various ways. The sight of boarded-up shops, in particular, can damage people's confidence in their local high street, perhaps prompting them to go elsewhere for shopping and entertainment. This can be a more of an issue in deprived areas where shop closures often compound issues like poor local environment, crime and anti-social behaviour, and worklessness.

The funding that we are allocating recognises that your authority is in the top half of the index of multiple deprivation and has relatively high shop vacancy rates. I hope that this support will prove especially useful in the run-up to Christmas, when high streets need to look their best to attract visitors.

A handwritten signature in black ink that reads "John Denham". The signature is written in a cursive, slightly slanted style.

## JOHN DENHAM

### Government Guide – “Looking after our town centres”

“Looking after our town centres” provided practical help for town centres and high streets in response to the recession. Copies of the guide can be downloaded from our website at:

<http://www.communities.gov.uk/publications/planningandbuilding/towncentres>.

It:

- set out the benefits of looking after our town centres, showing how strong partnerships and positive management can help keep them attractive and vibrant places;
- highlighted the range of powers, guidance and tools that can help town centres, and showed some of the creative approaches that local partnerships are already taking in response to the downturn; and
- explained the steps that the Government is taking to help local authorities and their partners take positive action in their town centres, particularly in enabling temporary use of boarded-up shops.

We have seen many examples over the last few months of councils taking steps to promote their town centres and high streets. For example:

- *Camden and Birmingham* are using vacant units for “pop-up” shops. These enable local people to try out new business ideas for a few days – e.g. fashion designers selling clothes.
- *Barnsley* is running an integrated culture and town centre management programme to boost its main shopping area. This involves a seasonal culture programme, temporary gallery space, free parking on Saturdays, and using vacant shop fronts to display posters promoting Barnsley.
- *Darlington* is supporting a range of initiatives including window graphics for empty units which have helped the units to be let quickly, interactive arts workshops for local people in vacant shops, and a “shop local” campaign.
- *Redcar and Cleveland Adult Community Learning’s “Showcase”* project will develop creative and performance arts workshops incorporating new media and technology using existing learning centres and three new learning venues such as unused retail premises bringing shop front learning to the High Street. Video box installations will also be used to promote learning. Learning will be available during the day, twilight and weekend making it as widely accessible to all those in the surrounding communities.
- *Dursley* has used its successful “on view” scheme to develop a ten step guide to help and inspire other areas to use vacant shop windows as display space for local artists. Of the four shops that originally participated in the scheme, two have been let to new tenants and one sold for redevelopment. Dursley District Council plan to extend the scheme to the neighbouring town of Stroud.
- In partnership with Derbyshire County Council, *High Peak Borough Council* is running a number of free workshops for retailers on improving their marketing, productivity and customer care and has also produced a number of shopping guides to encourage visitors and local people to discover independent retailers.
- *Melton Mowbray and Market Harborough Councils* are amongst five local authorities that have come together in the Welland area of the East Midlands to launch a benchmarking process for regular year-on-year comparisons between 15 neighbouring towns. Benchmarking is a web-based system that can help towns track progress for key performance indicators, such as the variety of shops, and underpin future strategy development and cooperative marketing between towns. Nearly 60 towns are now participating in the benchmarking scheme across the country. Further information is available at [www.townbenchmarking.org.uk](http://www.townbenchmarking.org.uk).

- *Scarborough* – temporary use of an empty shop to accommodate a project office for volunteers preparing a lottery bid for a Maritime Heritage centre, allowing members of the community to learn about and input into the bid.

In Sheffield, young people are being trained in visual merchandising, the skills from which they utilise to create window displays in city centre shops in Sheffield. By the end of November FJF will extend this scheme to 18 to 24 year olds. This scheme both tackles the scourge of empty shops whilst giving young people the chance to learn new skills and further their opportunities in the jobs market.

In Preston, the council is using empty shops creatively to engage people in the arts, and bringing new energy to unused spaces. This year, people were involved in a series of workshops held in the Mall, where two artists delivered carnival costume workshops in empty shops. People were encouraged to come along and take part in creating some of the fantastic costumes seen during the council's annual carnival. Holding the workshops in the empty shops made them extremely accessible, offering a creative activity to people who would perhaps not normally seek it out, and also developing potential audiences for the carnival itself by promoting it in advance, and through inclusion. As a result, more people were involved in the carnival this year.

These examples illustrate the diversity of actions that are being targeted at both larger towns and smaller centres in rural areas. As *"Looking after our town centres"* highlighted, town centre partnerships including, where relevant, local town councils, business representatives, community organisations, and local service providers, offer a strong foundation on which to plan and implement strategies for keeping centres looking attractive for local people and visitors.

The Government is also providing support and advice in a range of other ways that can stimulate ideas for helping town centres of all sizes:

#### Arts Council England

**Arts Council England has made available additional funding of up to £500,000 to support artists and arts organisations who wish to develop projects which animate spaces in town centres, including empty shops.** The Arts Council intend this funding to target those areas in receipt of CLG funding to help them carry out artistic activities. Local authorities that choose to use some of this funding to promote arts-related uses in town centres are encouraged to work in partnership with artists and arts organisations who can apply for additional and complementary funding from the Arts Council. For further information about this funding through their Grants for the Arts programme please contact the Arts Council on 0845 300 6200 or see details on the website at [www.artscouncil.org.uk/actiononrecession](http://www.artscouncil.org.uk/actiononrecession). Arts Council England will support local authorities, artists and arts organisations who wish to apply for additional and complementary funding. This funding will be targeted at arts projects which animate spaces in town centres, including empty shops. [Further information: contact The Arts Council on 0845 300 6200 or see details on the website at [www.artscouncil.org.uk/actiononrecession](http://www.artscouncil.org.uk/actiononrecession).]

#### The Meanwhile Project

**CLG is working with the Development Trusts Association to support the Meanwhile Project.** This aims to work with landlords, local authorities and potential occupiers to bring empty town centre properties into meanwhile use, allowing local people and community groups to experiment with new projects and enterprises, thereby relieving the burden for landlords of an empty property, and supporting high streets by stimulating new footfall and users in the town centre. To find out more about what other town centres are doing to encourage "meanwhile" community uses of empty shops, have a look at the website at [www.meanwhile.org.uk](http://www.meanwhile.org.uk): +this showcases meanwhile projects of all kinds and provides a link to the meanwhile network where people can share experiences on uses, leases, insurance, rates and other issues. The Project also provides valuable technical help through a Meanwhile Manual, and other tools.

#### Model leasing instruments

Local authorities can do much to promote the temporary or meanwhile use of empty shops. They can encourage owners to make property available for temporary non-commercial use, or they could take a lease themselves and then let on to temporary end-users. **We are publishing guidance on suitable meanwhile leasing instruments on our website**, catering for both these scenarios. The model instruments have been specially drafted to give owners the confidence that they can get their properties back for normal commercial use once the property market revives, while getting their basic costs covered.



### Flexible planning – local development orders

Via the Planning Advisory Service the Government is providing financial support to five authorities in the process of making **Local Development Orders** (LDOs). These provide a blanket local grant of planning permission for certain development in certain areas specified by the local authority. Two of the pilots, in Wycombe and Hertsmere, are looking to facilitate town centre regeneration by allowing flexibility of property use. The Government intends to support up to seven further LDOs in a second round of pilots which, it is expected, will be announced in early 2010.

### Commission for Rural Communities – market towns retail recession work

A few store closures in a small town can have a large impact on the appearance and vitality of the high street, which can have important knock-on effects for its sustainability as a place, particularly in rural areas. Smaller towns may have existing community partnerships in place involving local retailers, the town and parish council, and business and community stakeholders. Many may regularly monitor the health of their retail sector, employ a town centre manager or local volunteers, be part of a regional market town partnership or have previously participated in the Market Towns Initiative. Some may have conducted a “Market Towns Healthcheck” to provide a basis for agreeing practical schemes for delivering improvement to local town centres.

Further advice on good practice in helping small towns combat the effects of the recession can be obtained from regional development agencies, local town councils and community partnerships, or Action for Market Towns – the national membership body which aims to maintain the vitality and viability of small towns. Web resources include South East Rural Towns Partnership’s website <http://www.setowns.org.uk/>, and the “Prosperous Place” section of the Action for Market Towns website [www.towns.org.uk](http://www.towns.org.uk).

### The Learning Revolution White Paper

The Government set out its ambition to increase the number of spaces available for learning alongside other informal adult learning commitments in *The Learning Revolution White Paper* ([www.bis.gov.uk/learningrevolution](http://www.bis.gov.uk/learningrevolution)), published March 2009. From 2011-12, local authorities will be invited to take the lead role in planning and funding this kind of learning to meet the needs of local people, supported by funding from the Skills Funding Agency.

Empty shops provide an ideal setting for learning. Some of the 317 projects funded through the BIS £20 million Transformation Fund for informal learning (<http://www.transformationfund.org.uk>) have seized the opportunity to hold exhibitions, creative workshops and computer classes in vacant retail premises. These projects are bringing shop front learning right into the High Street and making learning more accessible to local communities – with day, twilight and weekend activities. BIS is also supporting learning champion schemes across the country so that learning opportunities reach all communities and not just the people who have already caught the learning bug.

### Sharing good practice

We would encourage local authorities to share the creative approaches that they are developing for boosting their town centres. We therefore propose to hold an event in late January or early February that will give local authorities receiving CLG’s funding an opportunity to showcase some of the approaches they are developing. If your authority is interested in participating in this event, please contact Rachel Edwards at the email address below: [rachel.edwards@communities.gsi.gov.uk](mailto:rachel.edwards@communities.gsi.gov.uk).