What can London local government do about vacant shops

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Covering:

- Do we need to tackle vacant shops?
- What is the impact of vacant shops?
- What causes high vacancy rates?
- What are boroughs already doing?
- Suggested policy recommendations

- Nb – this is a London Councils officer perspective and has not yet been signed off politically!
Predictions suggest that by 2015 some high streets could see vacancy rates of 50%
Do we need to tackle vacant shops?
No...
Should public money be used to prop up a failure in the market?
Some high streets are too long and contraction/conversion to residential and other uses should be encouraged.
Tackling vacant shops will often mean extra support for certain businesses – what about those who haven’t received additional support?
However…
animated high streets support local economic growth

• Outside of the centre, more than half of London's jobs are on high streets
• 1.45 million employees work within 200 metres of a high street.
• There is huge growth capacity: nearly half of London's identified developable land is within 200m of a high street.
strong town centres provide civic value

- Our high streets are where last summer’s riots were concentrated
- High streets act as a ‘self organising public service’. This builds social capital and community cohesion
- Research shows that citizens who frequent high streets with locally rooted stores engage with community life more and are more likely to vote.
busy high streets enhance the cultural offer

• There is a spatial preference for concentrating cultural facilities in town centres (Evans and Foord 2008)
• The critical mass of the high street means it is the heart of the cultural economy (LGA 2012)
• Only 36% of high streets surveyed in a 2010 new economics foundation study retained their distinctive cultural character
research from boroughs suggests that empty shops impact negatively on the wider economy
Empty shops can increase crime or feelings of being unsafe
Empty shops can create disengagement between community and high street
Tackling empty shops is important, not only for the vacant premises, but for wider economic and social reasons.

The holistic economic health of the high street will draw benefits from animated retail premises.

However, boroughs should consider the long term picture of the high street – managed contraction may be beneficial in some areas, also strong evidence and justification is needed if some businesses are being supported over others.
Causes of empty shops
Geography

‘London’s High Streets’: Source GLA
Market forces
Types of business
Investment

Public realm
What are boroughs doing already?
Arts and culture
Supporting new business
And more...

- retail training unit
- a visitor centre
- a unit for people who have lost their job to gain support
- Advice and guidance – cancer care
- ‘mock shop’ – to stimulate ideas about what vacant units could become
We can do more…

Suggested policy recommendations
Working with landlords

• Explore options which could hold landlords who purposefully do not animate their property to account
• Investigate what processes of engagement work with landlords to encourage them to keep properties inhabited or reanimate them where possible
• GLA - broker arrangements with landlords with multiple vacant properties to offer units up for meanwhile use
• Promote meanwhile use as a viable option for landlords of empty properties
• Work with property industry, its investors and lenders to understand that previous values simply cannot be maintained and new lower value uses are the only option.
Changes in planning policy

- Change the use class order system - betting shops to be moved from class A2 to Sui Generis
- Provide a clearer definition in the Use Classes Order of what constitutes an A3 unit
- Make existing tools, such as Article 4 and LDOs more user friendly and less bureaucratic and expensive to implement.
- Boroughs may need to think radically about what their high streets are for and consider managed contraction into housing or other uses.
Making meanwhile use easier

- Boroughs - create links between regeneration and employment/business support teams to support entrepreneurs in accessing property opportunities and developing the skills to become resilient and sustainable
- Investigate what different types of support meanwhile uses might require to make them more permanent.
- Seek a commitment from the GLA group and London boroughs to think creatively about their vacant properties
- GLA - provide a contribution of rate relief/funding to meanwhile projects (possibly from proportion allocated through BRR)
- Additional revenue funding for meanwhile projects
Being clear about the impact of meanwhile use

- Does a let unit always = a good outcome?
- Provide a London wide analysis of the economic and social benefits of meanwhile use
- Consider this in relation to other possible uses of the high street, for example changing to new homes or services.