

# Chichester District Council

THE CABINET

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## Pop Up Shop Initiative

### 1. Contacts

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### 2. Recommendation

**2.1 Following consultation with the Leader, the Divisional Manager for Property & Growth be authorised to agree terms for ‘pop up’ shop facilities in suitable retail units own by the District Council.**

### 3. Background

- 3.1 It is well documented that the High Street is facing rapid and unprecedented change, with the traditional ‘shop’ concept being one that is facing challenges in respect of changing consumer demands and expectations.
- 3.2 The Council purchased 10 retail units at Crane Street in Chichester in 2015, which have not been immune to the High Street changes, with a higher turnover of occupiers in more recent years and voids taking longer to let.
- 3.3 Following in house, agent marketing and online marketing through a national website, there has been limited interest and currently there are two units available to let, which is reflective of market conditions.
- 3.4 The average tangible cost to the Council of a vacant shop unit at Crane Street is £9,600 per annum, comprising business rates, utilities standing charges, buildings insurance, service charge costs and management time. It is also recognised that vacant shop units do little to entice footfall into an area and can have a wider negative impact on other shops in the vicinity.

3.5 These challenges are not unique to Crane Street, with the intention of this report being to pre-empt voids across the portfolio and have an agreed alternative route to facilitate short term use of those properties.

3.6 Pop up shops bring a number of benefits including :

- Drawing new trade to an area
- Enhancing the street visually, acknowledging that a vacant unit causes a negative impression of both the street itself and of retail generally within the town/city
- Provide an affordable opportunity for independent/start-up businesses in the city centre.
- Indicate a further commitment from the District Council to support local business and stimulate activity on the high street with the properties it owns
- Align with the recommendations of Chichester Vision to aim for the city to have the 'best retail experience in the south' through improving choice and encouraging points of difference and providing opportunity for independent shops.
- Establish an approach which could be shared with landlords of empty shops to encourage them to consider similar initiatives.

#### **4. Outcomes to be Achieved**

4.1 Returning vacant shop units to use, in an alternative way that enables smaller businesses and enterprises an opportunity to trade in a 'high street' location. A 'pop up' shop allows new products and concepts to be 'tested' in a retail setting, without the commitment or cost of a longer term lease.

4.2 Reduction in outgoings for the Council where there are empty units.

#### **5. Proposal**

5.1 That the Director of Growth & Place be authorised to agree terms for a 'pop up' shop, initially in a vacant unit at Crane Street. Should the initiative prove successful, it is proposed that officers be given delegated authority to set up similar CDC owned premises elsewhere, subject to prior consultation with the Leader.

5.2 The terms of occupation would be by way of Licence, with a nominal 'all inclusive' charge payable by the occupier, this charge being set at no less than £200 per month. This arrangement is not 'normal market terms' and as such is outside of the delegated powers of the Director of Growth & Place. The proposal, whilst not increasing revenue income, would reduce costs to the Council of empty premises and potentially bring wider benefit from additional footfall; it would also help contribute to the Council's corporate plan objective to 'improve and support the local economy to enable appropriate local growth'.

- 5.3 The 'pop up' shop would be managed by the Council's Estates team, with support from the Economic Development team. In addition to promoting the shop via the Council's own website and social media channels, there is the opportunity to work with other organisations such as Chichester College, University of Chichester and existing retailers, whom have expressed interest in this initiative, and would be able to help with contacts for potential occupiers. There is also scope to engage with other groups and enterprises that may have products or concepts suitable for this initiative.

## **6. Alternatives Considered**

- 6.1 Continue to market vacant retail premises for a traditional letting. This could result in void periods and associated costs.

## **7. Resource and Legal Implications**

- 7.1 There will be initial 'set up' costs to prepare a unit for letting via the 'pop up' concept. Some of those costs relating to health and safety and EPC checks and remedial works would be incurred in any event for a traditional letting.
- 7.2 There will be a need for management time from the Estates and Economic Development team, plus input from Legal services in the preparation of the standard Licence documentation from existing resources.
- 7.3 Occupation of a 'pop up' shop would be documented by way of Licence and each occupation would be limited to a maximum of one month at any one time, which will prevent any claim for a secure business tenancy.

## **8. Consultation**

- 8.1 Consultation has not been formally carried out, should the concept receive approval, officers will speak with organisations who have expressed interest in this idea.
- 8.2 In the event a suitable premises becomes available it will be advertised to the market, seeking expressions of interest.

## **9. Community Impact and Corporate Risks**

- 9.1 'Pop up' shops are becoming increasingly popular and there is a risk that other landlords decide to pursue this idea, saturating the market. It is felt that by establishing links with organisations such as Chichester College, and University of Chichester there will be opportunity to build a base group of occupiers to help reduce this risk.
- 9.2 Management of the arrangements will be overseen by officers from the Estates and Economic Development teams to ensure early identification and rectification of any issues arising that could pose either a financial, reputational or operational risk. This would include a set of criteria against which interest would be considered, both to ensure a consistent approach and to reduce the risks associated with having a completely 'open' offer.

## 10. Other Implications

	Yes	No
<b>Crime and Disorder</b>		X
<b>Climate Change and Biodiversity</b>		X
<b>Human Rights and Equality Impact</b>		X
<b>Safeguarding and Early Help</b>		X
<b>General Data Protection Regulations (GDPR)</b>		X
<b>Health and Wellbeing</b>		X
<b>Other</b> (please specify)		

## 11. Appendices

11.1 None

## 12. Background Papers

12.1 None