

**Briefing Note to the Economic Development and Enterprise Overview and Scrutiny Committee. 20/3/2013**

**Town Centre Initiatives for Vacant Shops**

Purpose of the briefing Note.

This briefing note seeks to provide the Committee with an update as to the Council's Assets section's approach as landlords to supporting the retail businesses in its shops in the town centre. Furthermore, the strategies, and initiatives used to minimise the number of empty shops within its portfolio.

Existing tenants.

We allow some tenants to hold over at the end of their existing lease to provide them with the maximum flexibility of tenure in the face of the current economic recession. We have looked carefully at the rents we charge and where applicable have negotiated rental reductions. This contrasts with some private town centre landlords who are seeking rent increases from their tenants.

In a number of cases we have moved away from the property industry standard of quarterly rental payments in advance, to a monthly advance payment. This is much more closely aligned to tenant's cash flows, and consequently more easily managed by tenants.

Where tenants are in arrears we provide a close and supportive monitoring regime to help manage the situation and create affordable and flexible repayment of arrears. We have successfully retained a number of tenants in the town through this process.

New Lettings.

Incentives are provided for new tenants these include: rent free periods, stepped rents which start low and gradually build to market rental levels.

Break clauses in leases which provide the opportunity to, and minimise the cost of unsuccessful businesses vacating premises. Shorter lease terms than the industry norm.

General points.

The Council has funded the appointment of a Town Centre Manager who hopefully will provide a number of initiatives to create interest in the town both in the short and medium term.

At your last meeting we reported upon the Council's active participation in a pop up shop initiative. This proved to be successful over the Christmas period and we are talking to one partner organisation about a more long term presence in the town centre.

Through its initiative in bringing partner organisations into the Civic Offices the Council has brought some 200 jobs back into the town centre and retained another 100 plus jobs despite the closure of the police station.

We continue to work at bringing more jobs into the town centre to provide customer opportunities for the retail sector.