

**INFORMATION PROVIDED BY OFFICERS TO THE CHAIR AND VICE CHAIR
AT THE MEETING ON 6TH SEPTEMBER**

**List of Strategies Assets Team use to Support Business Tenants.
Notes for Scrutiny Chair and Vice Chair**

1. New (start up) tenants are provided with business support regarding their property responsibilities, costs, planning and maintenance requirements as business tenants. These are both general and also those specific to the building and they are leasing also the nature of their business. This is carried out by the property team one of whom won a West Midlands Regional award for business support in 2009
2. Rent free periods; typically new tenants are provided with rent free periods currently 3 months to 12 months. Although some prospective tenants are currently asking for as much 2 year rent free periods. For the longer rent free periods we structure these to include some rental periods each year so that tenants do not lose site of their commitment to pay rent and to aid the Council's cash flow.
3. Stepped rents are another technique used to support businesses during the period of their lease. Typically these reflect a reduction in the rental value in the early years of the lease and depend primarily on the conditions in the property market at the commencement of the lease and the length of the lease the tenant is taking.
4. Reduced rents in town centre sectors which have become less active e.g., Merrial Street, The Market, Lancaster Building.
5. Modifying the standard property sector 3 months rent in advance approach to 1 month in advance to align rental payments with tenants cash flows
6. Rental arrears are an issue for businesses at any time but in particular in the current protracted recession. The Assets Section have developed a strategy of early action and individual management of tenants who get into arrears to support them and gradually reduce arrears. The section are currently working to strengthen the system by improving the arrears reporting mechanism and to seek early court action where other techniques have failed.
7. Specific initiatives relating to creating extra footfall around Council owned retail properties. This includes a trail on Pink Day (27th October) from Lancaster Building to Merrial Street and within the empty shops at these locations there will be craft stalls.

Public Realm Position Statement September 2012

The Ironmarket work to introduce a taxi rank by Queens Gardens and modernise disabled parking in this area is complete.

Works on Barracks Road to introduce a new bus lane and re-align the bus station to take buses out of Hassell Street are progressing to schedule and are due for completion by the end of September.

Two different sized wooden mock up market stalls were placed on site to facilitate discussions with market traders. This has enabled design modifications to take place and a metal prototype market stall will be placed on site at the end of September for traders to test out and also to test its resistance to vandalism.

There is a slight delay to the remaining elements of work to close Hassell Street to through traffic and refurbish the market. A revised timetable for these phases will be available in mid September. The next task is to introduce an additional daytime taxi rank in lower High Street. This will require removal of market stalls at the lower end of High Street and traders displaced by this work will need to be re-allocated to different market stalls. Plans for this are well advanced and it is likely that all traders can be accommodated within the existing market area. For the later phase of work when the market stalls are being replaced some temporary road closures will be needed to temporarily accommodate market stalls.

Council support for Businesses in the Borough

Introduction

There are three areas of strategy that your officers use to support businesses in the borough. Firstly Assets Section do so through 120 plus business tenants that occupy properties in the commercial portfolio. Secondly the Assets Section support 80 plus small market traders on the various markets held on the "Stones". Thirdly the Regeneration Section have evolved a number of business support initiatives to encourage the SME's in the Borough to develop self help strategies such as Town centre events and the Town Centre Partnership. These are detailed on the attached sheets.

Support for Market Traders - 2012

Existing Traders

- Traders can use a 2nd stall on a 'regular casual' basis which means that they only have to pay for 1 stall if they are absent from the market, the 2nd is only paid for when used.
- Traders using 2 stalls can get a 3rd for free (space allowing). The same 'regular casual' system applies as above when traders are absent from the market i.e. reduced to $\frac{1}{2}$ rent
- Once traders have attended the market for 6 months they earn an annual allowance of 2 days holiday for every market day attended e.g. if they stand on all 4 market days 8 days holiday is earned
- Traders with arrears can pay these off in installments
- Traders absent with ill health that is supported by a GP/hospital medical certificate can apply to have their stall fees reduced for the period of the absence. Each case is taken on its merits
- Seasonal incentives for Jan – Feb, the 'kipper season' of poor trading. These are agreed annually and are generally designed to encourage attendance. For 2011-12:
 - $\frac{1}{2}$ stall fees on 28, 30 & 31 December 2011
 - 4 Jan – 27 Feb traders who attended for 5 out of 8 days (each market day taken separately) received a 50% discount on the stall fee which is paid back as credit to be used flexibly in the in the financial year starting April 2012
 - Specific offer to the plants men who struggle to supply stock in Jan/Feb – an 8 week rent free period in Jan/Feb in return for giving up their holiday entitlement for the April 2012 financial year
 - A stall fee reduction for the Tuesday licensed operator of £2.50 per stall for January/February 2012. This was matched by the licensee to reduce the cost of a stall from £20 to £15 for this period.
- Traders who wish to build up credit by a small overpayment each week can do so. They can use this flexibility when they wish to

New traders who sign up to the market

For established traders:

- 1st day full fee
- 2nd day 50% fee
- 3rd day no charge

For traders who are new to market trading:

- 1st day full fee
- 2nd/3rd/4th day 75%, 50% then 25% of appropriate fee
- 5th/6th day free.

New trader incentives are applied in this order to encourage traders to stand for a few weeks to build up their business