
Overview and Scrutiny Management Board - 25th November 2020

Report of the Director of Regeneration and Enterprise

Update on Annual Centres Healthcheck Survey

Purpose

1. To inform the Board of the work undertaken to monitor the vacancy rates of retail units within the Borough's strategic centre, Town Centres, district and local centres and the potential impact of vacant retail units to the Council's finances. The report also provides an overview on the work being undertaken to support the recovery of the Borough's Town Centres and High Streets more generally.

Recommendations

2. It is recommended that the Board:-
 - Note the contents of the report and the work undertaken to monitor the number of vacancy rates of retail units within the borough's strategic centre, town centres, district and local centres on an annual basis.
 - Note the ongoing work being undertaken to support the recovery of businesses within our Town Centres and High Streets, as well as the emerging plans in Dudley and Brierley Hill Town Centres.

Annual Centre Health Checks

3. As part of the local planning authorities monitoring report officers from within the Council's Planning Department conduct an annual survey of the Borough's centres to includes the strategic centre of Brierley Hill (including The Merry Hill Shopping Centre and Brierley Hill High Street Local Shopping Area) Dudley, Halesowen and Stourbridge Town Centre', the district centres of Kingswinford, Lye and Sedgley as well as the sixteen local centres across the Borough.



4. The survey assesses the levels of retail and other uses within each centre, together with the vacancy levels. Whilst mixed uses are promoted in local centres, the importance of local retail provision is also recognised. Data gathered from the surveys is used to inform the planning process both in the determination of planning applications and to influence future policies.
5. The latest 2020 Health check findings can be viewed on the Council's website at <https://www.dudley.gov.uk/residents/planning/planning-policy/dudley-local-plan/authoritys-monitoring-report/borough-centres-health-checks/>
6. For the Strategic Centre of Brierley Hill, The Merry Hill Shopping Centre had a vacancy rate as, at 17th August 2020, of 18%, with 52 units vacant from a total of 306 units. This compares with a 2019 vacancy rate of 16%. For Brierley Hill Town Centre the vacancy rate was 17% with 27 units empty from a total of 162 units which compares with a 2019 vacancy rate of 19%.
7. In Dudley Town Centre the vacancy rate, as at 18th August 2020, was 12%, with 83 units vacant from a total of 697 units. This figure remained unchanged from 2019.

In Halesowen Town Centre the vacancy rate, as at 24th August 2020, was 15% with 31 units vacant from a total of 201 units. This compares with a 2019 vacancy rate of 14.5%.

8. Finally, in Stourbridge Town Centre where the latest survey was undertaken pre-lockdown (17th March 2020) the vacancy rate was 10% with 24 units vacant from a total of 233 units. This compares with a 2019 vacancy rate of 8%.
9. Whilst it is difficult to compare Dudley figures to those at a national level, the Q3 2020 vacancy rates from the British Retail Consortium indicate that vacancy rates on the High Street nationally were 13.3% and for Shopping Centres slightly higher at 16.3% (British Retail Consortium 2020). Based on these figures it would indicate that Dudley is performing in line with those at a national level.
10. The Council have also recently commissioned Springboard to provide footfall data information for Brierley Hill and Dudley Town Centres to support the Future High Street Fund and Towns Fund bids respectively. As you would expect the latest monthly footfall figures (September 2020) for both Town Centres indicate a reduction in footfall from the similar period in 2019, with Brierley Hill seeing a footfall reduction of -26.4% and Dudley at -29.3%, however, this compares with a West Midlands figure of -36.5% and a UK figure of -43.9%, indicating that the footfall figures for the Borough's Town Centres are performing above the regional and national averages.



Financial implications of vacant shops

11. Whilst it is not possible to breakdown the cost to the Council of unoccupied rate relief for retail properties only, in financial year 2019/20, the cost to the Council for unoccupied rate relief on all non-domestic properties was £3.9 million.
12. As the Council is taking part in a 100% Business rates retention pilot as part of the West Midlands Combined Authority, the Council incur the majority of that relief (99%) however, the calculation of this relief has been built into the Council's annual forecasts based on historic amounts paid. It is only when the actual amount paid in unoccupied relief exceeds the budgeted amount that this will impact on the amount of Council resources available to spend in the next financial year.
13. It should also be noted that unoccupied properties only receive an initial 3 months exemption from paying business rates after which full rates are payable by the property owner.
14. According to business rates records there are currently 236 retail properties in Dudley which are classed as unoccupied for the purposes of business rate relief.
15. For the financial year 2020/21, the Government has also introduced 100% retail relief for occupied (in use) non-domestic retail properties across Dudley. This relief is paid by Central Government and so, providing retail properties have remained occupied, Dudley will be guaranteed the non-domestic rates income on these properties.

Covid 19 Business Support

16. The fact that shop vacancy rates in the Borough haven't seen a huge increase as a result of the Covid 19 pandemic is in part due to the huge amount of work undertaken by Council departments to ensure small businesses and retail, leisure and hospitality businesses benefited from the Small Business Grant Fund (SBGF), and the Retail Hospitality and Leisure Fund (RHLF) launched by Government following the lockdown measures introduced on 23rd March 2020.
17. In total circa £58.7 million business grants have been paid out to circa 5270 businesses in Dudley via the business grant schemes (including the discretionary grants fund which launched in May 2020).
18. The recently announced Local Restrictions Grants following the introduction of national lockdown measures from 5th November to 2nd December will continue to provide grant support to businesses who have been forced to close or have seen their business severely affected due to national restrictions including all non-essential retail. The Council are currently finalising the applications process for these schemes.



19. In addition, officers from Regeneration and Enterprise, Public Realm and Communication and Public Affairs (CAPA) have led on the “Reopening the High Streets Safely” programme (European Regional Development Fund) to support the safe re-opening of Town Centres and High Streets.
20. Funding has been used for the *Shop Local*, *Explore Local* and *Stay Local* campaigns, which has included the development of posters, barrier covers, and bollard covers which will start appearing around the Borough. The Reopening High Streets team are also working with local community groups in Dudley and Stourbridge to develop more permanent public realm interventions to encourage social distancing including raised decking and parklets.
21. This has complemented the work of the Directorate of Public Realm who led on the Emergency Active Travel Funding (EATF) to support the use of physical infrastructure (barriers, cones and signage) to enable the safe reopening of High Streets within Dudley.

The Future of our Town Centres and High Streets

22. Whilst the above measures are providing immediate support for our Town Centre and High Street businesses it is clear that there is a structural change occurring in the way that local residents and communities access services and the affect this will have on the future role of the Borough’s Town Centres and High Streets.
23. As part of the People’s Panel project (Innovation in Democracy project) in November 2019, the Council engaged with 50 randomly selected local residents to identify their top three priorities for Dudley and Brierley Hill Town Centres.

Dudley Town Centre

- Be safer with less crime
- Be full of public squares to meet, eat, relax
- Be home to first rate entertainment with venues for live music, comedy and festivals

Brierley Hill Town Centre

- Be livelier with open public spaces for people to sit and congregate
- Involve local people in creating community events and participation
- Be safe with less crime



24. This focus on the development of community spaces as a focal point for Town Centres moving forward, where people can eat, meet and relax in a safe and secure environment are fundamental to the emerging plans being developed as part of the Brierley Hill Future High Street Fund application and St Thomas' Quarter / Dudley Towns Fund bids.
25. These bids will also see a greater focus on residential uses within the respective Town Centre's through the repurposing of underutilised retail uses to reflect the changes occurring within the wider retail sector and to ensure the future sustainability of our Town Centres moving forward.

Finance

26. There are no direct financial implications arising directly from this report.

Law

27. There are no direct legal implications arising directly from this report.

Equality Impact

28. There are no equality implications arising from this report.

Human Resources/Organisational Development

29. Officers from within the Planning Service undertake the Centres Health Check Survey on an annual basis. In addition, staff resources from across the Council have been redirected to support businesses to access Covid 19 business grants as well as working to ensure the Borough's Town Centres and High Streets were able to open safely through the introduction of social distancing measures.

Commercial/Procurement

30. None arising directly from this report. The procurement of Springboard was undertaken via the Council's Contract Standing Orders.

Health, Wellbeing and Safety

31. In continuing to deliver support to businesses throughout lockdown the health and wellbeing of staff and businesses has been considered throughout.





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List of Background Documents

Dudley Borough Strategic, Town, District and Local Centre Healthchecks April 2020

<https://www.dudley.gov.uk/residents/planning/planning-policy/dudley-local-plan/authoritys-monitoring-report/borough-centres-health-checks/>

Springboard Footfall Report September 2020 Brierley Hill High Street

Springboard Footfall Report September 2020 Dudley High Street

<https://brc.org.uk/news/corporate-affairs/shops-shutter-as-covid-continues/>



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