

Vacant Units & Town Centre

Land Use Efficiency Action Plan



CHELtenham
BOROUGH COUNCIL

CHELtenham
BID Local businesses
improving
our town 

Contents

Introduction	2
Action Plan Objectives	2
Key stakeholders	2
Why is this work important now?	2
Background	4
National Context	4
Conclusion	6
Action Plan	7
Actions for each vacant unit	10



Introduction

The way people access town centres is continually evolving and it's important that town centre stakeholders monitor and adapt to these changes to ensure the viability of their centres into the future. Cheltenham Borough Council and Cheltenham BID have committed to a focused and sustained effort to reduce the number and impact of vacant properties in the town centre. This action plan sets out the measures that will be taken alongside the evidence for this approach.

Action Plan Objectives

- Understand the current and ongoing position of empty units in the town centre
- Encourage the conversion of empty and underused space to maximise brownfield residential development
- Take enforcement against unsightly empty premises to clean up our town centre
- Work with landlords, agents, and town centre businesses to ensure that stakeholders understand key issues facing town centre development
- Encourage flexibility of the planning system and future strategic planning to bring more residential accommodation to the town centre
- Identify opportunities for meanwhile use where appropriate
- Highlight opportunities for regeneration and recognise the value of key development sites within the town acting as a catalyst for lasting change

Key stakeholders

- Cheltenham Borough Council
- Cheltenham BID
- Cheltenham Economic Advisory Board
- Cheltenham Chamber of Commerce
- Cheltenham Civic Society
- The Federation of Small Businesses
- Other business groups
- Gloucestershire County Council
- Property owners and landlords
- Agents promoting premises in the town centre

Why is this work important now?

Improving the vitality and viability of the town centre has wider economic implications as increased business opportunities lead to greater employment and a vibrant town centre will attract more visitors and residents. Supporting the high street and increasing town centre living are key drivers set out in the council's Corporate Plan 2023-2027 - <https://www.cheltenham.gov.uk/corporate-plan>. Delivery of this action plan will contribute to the outcomes identified in the Corporate Plan.

According to the Department for Levelling Up, Homes and Communities (DLUHC), up to

172,000 commercial properties are empty across the UK and 80% of these have been vacant for more than two years. The national vacancy rate for High Street shops is currently an average of 13.8%¹

Online shopping is often cited as the reason for the increase in High Street vacancies but in fact the picture is more nuanced than this with other contributory factors including the long-term proliferation of out-of-town shopping centres, the viability of rents and investments, and the change in consumer habits sparked by the Covid 19 lockdowns and the cost-of-living crisis.

The impact of online shopping is reducing nationally compared to the boom experienced during the Covid 19 pandemic. In January 2021, UK internet sales reached a peak of 37.8% of all retail sales but this is currently 26.1% (July 2023)². While this figure may lead to some cautious optimism from high street retailers, this is still higher than it was pre-Covid and shows that fewer shoppers are spending in person, ultimately leading to an oversupply of physical retail space in many town centres.

Alongside this, out-of-town retail parks provide local competition to High Street retailers. Costs for retailers to base themselves on retail parks can be lower than in town centres due to competitive rents and the fact that retail units are often newer and therefore more efficient. In addition, easier access for motor vehicles and longer opening hours provide incentives to shop which are not offered by traditional town centres.

Although more people may be shopping online or out of town and even though the impacts of the Covid 19 pandemic are still being felt, the town centre still serves a valuable purpose. Cheltenham has a reputation as a foodie and festival town and the official Cheltenham tourism brand, Visit Cheltenham (managed by the council's Marketing Cheltenham team) promotes the town as a destination for leisure and culture. This is enhanced by the opening of leisure businesses like escape rooms, indoor golf, axe throwing and darts venues as well as new cafes and restaurants in the town centre. Footfall in January to May 2023 was almost a third higher than footfall for the same period in 2022³ and Cheltenham welcomed 1,765,000 visitors in 2021, generating around £122 million in visitor spending⁴.

Increasingly, town centres are becoming attractive destinations to live for people of all ages. Younger people enjoy the vibrancy of town centre life, families with children enjoy the access to family-friendly activities and the convenience of shopping closer to home and older people benefit from being able to access services and local facilities, reducing the risk of isolation and promoting health into older age.

In turn, residents living in town centres provide many benefits to the wider economy with increased spend in local venues as well as natural surveillance (or 'eyes on the street'⁵) which leads to increased perceptions of safety in a place. The council's survey in 2021⁶ highlighted some of the perceptions about safety in the town centre at night and the importance of the night time economy.

¹ <https://brc.org.uk/news/corporate-affairs/retailers-cautious-to-invest-in-new-stores/>

² <https://www.ons.gov.uk/businessindustryandtrade/retailindustry/timeseries/j4mc/drsi>

³ Source: Cheltenham BID

⁴ Source: 2021 Tourism Economic Impact Assessment

⁵ Jane Jacobs, The Death and Life of Great American Cities

⁶ <https://haveyoursay.cheltenham.gov.uk/strategy/safer-streets-for-women-at-night/>

Background

In 2022, the council and Cheltenham BID jointly commissioned an independent agency, The Vacant Shops Academy, to conduct an audit of vacant units in Cambray Place, The Strand, High Street, The Promenade, and Montpellier. The initial audit in late summer 2022 identified 28 units out of a total of 200 (13.5%) as visibly vacant on the five streets surveyed. This is slightly better than the national average which stood at 13.8%⁷ and substantially better than that seen in some other comparable towns. It should be noted that this audit did not cover the entire town centre or wider district, but Cheltenham BID do collate vacancy data for their area and in the same period this was only 10.6%. The findings of this audit and **subsequent report** have been used in the preparation of this action plan.

In many ways, Cheltenham bucks the trend seen nationally. As referenced above, footfall numbers are increasing, and the value of visitor spend is a significant contribution to the wider economy. Annually, the town benefits from hundreds of thousands of visitors to more than 30 major festivals and hundreds of smaller events, contributing to the ongoing sustainability of many high-quality restaurants and retail experiences, both independent and nationally recognised.

Cheltenham is the shopping and dining destination choice for local and regional visitors. Landlords and agents cite a high demand from incoming businesses for shop units in the town, particularly in key streets where the footfall is high and while there have been a small number of longer-term vacancies, empty units in Cheltenham in the main experience active churn when users vacate.

However, despite these positive aspects, there are key areas of Cheltenham town centre which have higher vacancy rates, as well as longer-term vacant units that persistently remain un-occupied. It's important that local and regional stakeholders take an active role in ensuring the continued vitality and viability of the town.

In conversations with landlords and agents between October and January, it was established that two-thirds of the units that had been identified as vacant during the audit had since been let, or the landlords stated they were in the process of negotiation with prospective tenants. While this highlights the resilience of the Cheltenham market and underscores the attractiveness of the town, it does not detract from the requirement for the town to remain flexible in its thinking about the future of the town centre.

National Context

The macroeconomic picture for the UK is mixed and economists expect continuing turbulence due to the ongoing impact of rising interest rates and historically high energy prices. This is already having an impact on the retail environment and that is expected to continue into 2024.

National policy states that any property is exempt from business rates if it is subject to a building preservation order or is registered as a listed building under Section 54 of the Town

⁷ <https://brc.org.uk/news/corporate-affairs/retailers-cautious-to-invest-in-new-stores/>

and Country Planning Act 1971. This does not provide an incentive to a property owner to seek a tenant and the implications of this should be considered as part of the action plan. In addition, although successive governments have pledged to review the business rates system, national business groups including The British Chambers of Commerce and Federation of Small Businesses are calling for significant changes to be made in the way that premises are evaluated. As a council we have and will continue to lobby Government to help create the right conditions for investment in our town centre and will continue to monitor any developments in this area closely.

National support for town centres is available via The High Streets Task Force which has been in place since 2019 and was set up to strengthen local leadership in high streets and town centres in England. It is run by the Institute of Place Management and the council is a member of this institute to enable officers to access training, research, data, and best practice

Through the Levelling Up and Regeneration Bill, introduced to Parliament on 11 May 2022, the government is considering the introduction of High Street Rental Auctions, a new power for local authorities to require landlords to rent out persistently vacant commercial properties to new tenants, such as local businesses or community groups.⁸ The consultation period for this proposal closed on 22 June 2023 with no further update at the time of writing this action plan.

The National Planning Policy Framework sets out government's planning policies for England and how these are expected to be applied in the context of ensuring the vitality of town centres. Government guidance⁹ cites a range of planning tools which can help to support town centres to adapt and thrive, including

- Local development orders to bring forward development as part of a wider strategy to regenerate a town centre
- Brownfield registers which contain details of previously developed land that is suitable for housing development
- Compulsory purchase powers to support development and regeneration projects

At a local level, these require coordination to identify opportunities for this work to be incorporated into the Cheltenham, Gloucester, and Tewkesbury Strategic Local Plan and to ensure engagement with the council's planning peer review action plan. This will ensure a cohesive approach across council services to build in consideration of the issues with vacancies, for example planning, licensing, environmental health and compliance, as well as longer-term development opportunities.

It is important that the council and stakeholders take a holistic approach to the issue of town centre vacancies and consider the wider experiential aspects of visiting Cheltenham town centre (whether as a resident or as a visitor). Guidance from the Grimsey Review into the future of high streets in 2020 recommended, "creating spaces for civic and social use – and encouraging better quality streets, spaces and "third spaces", popular with local people and visitors"¹⁰.

⁸ <https://www.gov.uk/government/consultations/high-street-rental-auctions/high-street-rental-auctions>

⁹ <https://www.gov.uk/guidance/ensuring-the-vitality-of-town-centres>

¹⁰ <http://www.vanishinghighstreet.com/wp-content/uploads/2018/07/GrimseyReview2.pdf>

Similarly, the Arts Council England 'A High Street Renaissance' report¹¹ highlights the positive impact of culture on town centres and encourages investment in the arts as part of the mix of a successful place. Cultural organisations help to build local community spirit and pride and the council's continued and sustained focus on the cultural sector includes annual grants and in-kind contributions for the financial year 2023/24 of c.£1.9million, as well as membership and support for the Cheltenham Culture Board and promotion of cultural events and venues via Visit Cheltenham.

Conclusion

Cheltenham's town centre is outperforming many other areas and that is a cause for some optimism. However, the town is not immune to wider behavioural trends and the impact of macroeconomic factors. This provides challenges and opportunities - challenges in curating an environment in which our town centre can thrive, and opportunities to adapt for an even more vibrant future.

This plan represents a commitment to focus on the key issue of vacant retail space, understand the current position and put in place practical measures which will deliver tangible outcomes. The work will recognise the value of key development sites within the town as a catalyst for lasting change, in particular by encouraging the development of more homes in town centre locations that were previously used for retail.

Cheltenham Borough Council and Cheltenham BID will harness the power of a collaborative group of businesses, landowners, third sector groups and local people to deliver these outcomes.



¹¹ <https://www.artscouncil.org.uk/high-street-renaissance>

Action Plan

Action	Owner	Timescale	Outputs / Outcomes
Vacant Units Stakeholder Group meeting to be arranged. This will be an initial meeting, building on engagement to date, to include stakeholders and partners referenced in this report and will be followed by ongoing engagement with terms of reference to be agreed by the group.	CBC	Autumn 2023	First meeting takes place and Terms of Reference agreed.
Engagement with key national stakeholders and advisory boards including the Institute of Place Management, Heritage England, Association of Town and City Management, Arts Council England, Royal Town Planning Institute, and more.	CBC and BID	Autumn 2023	Engagement meetings take place
Identify current national and local policies that enable the Council to promote the outcomes being pursued, most notably conversion of empty space to residential.	CBC	Autumn 2023	Officers to produce vision paper to be communicated to local stakeholders.
Identify opportunities for this work to be incorporated into the Cheltenham, Gloucester and Tewkesbury Strategic and Local Plan and engage with the CBC planning peer review action plan, supporting and enhancing the joined-up approach across council services to build in holistic consideration of the issues with vacancies, for example planning, licensing, environmental health and compliance.	CBC	Autumn 2023	Engagement takes place
Develop a 'vacancy toolkit' information pack for landlords and building owners. To include best practice and practical guidance on local support services (for example security, cleansing, postal)	CBC and BID	Winter 2023	Vacancy toolkit is produced

<p>Carry out a full audit of empty units in the town centre with an assessment for each unit to include:</p> <ul style="list-style-type: none"> • Does the unit need any remedial work? • Is the unit on the market? • How long has the unit been vacant? • Is there any market interest? • Are there any upper floors? <p>Data to be recorded and monitored and targeted actions for key units to be identified (see 'actions for each vacant unit' table).</p>	To be identified via the Vacant Units Stakeholder Group	First audit in Winter 2023 then six monthly after this	Audit created and updated six monthly. Headline results shared.
Targeted business support for business owners looking to start up or expand into town centre premises.	CBC and Cheltenham Growth Hub	Ongoing	Businesses supported
<p>Focus on continued support for the experience of visiting the town centre. This will include continued engagement with cultural providers as well as support for culture, events and experiential activity. This will include continued assessment of the visitor experience in the town centre.</p> <p>Wider focus on town centre issues as reported by stakeholders.</p>	Cheltenham Culture Board	Ongoing	Programme of town centre events and experiential activity delivered and promoted via Marketing Cheltenham
<p>Ongoing engagement with property owners, landlords and agents.</p> <p>This will take place via existing contacts or through developing new relationships. This will help us understand the key issues facing this audience and will provide early warning for future vacancies or trends.</p>	CBC and BID	Ongoing	Engagement takes place
<p>Identify and monitor best practice from other places.</p> <p>CBC and BID are members of the Institute of Place Management, Association</p>	All stakeholders	Ongoing	Best practice shared with stakeholders

of Town and City Management and a peer-to-peer network of other towns and cities working with the Vacant Shops Academy.			
<p>Monitor changes to national policy and seek to respond accordingly.</p> <p>This would include the proposed High Street Rental Auctions as well as other national policies.</p>	All stakeholders	Ongoing	Responses submitted when required
<p>Seek opportunities for national funding schemes which could help meet the objectives of this action plan, for example:</p> <ul style="list-style-type: none"> • Capital funding schemes to support building improvements • Funding for meanwhile and / or community uses 	All stakeholders	Ongoing	Opportunities highlighted to leadership team and members
Ongoing reporting of enforcement activity on empty premises and the outcomes of this.	CBC planning enforcement team	Ongoing	Note included in Action Plan review
Monitor planning applications for vacant retail units and highlight these to the stakeholders.	CBC	Ongoing	Updates fed into audit
Monitor local and national news or retail forums, as well as local networks to identify future vacancies in Cheltenham businesses.	All stakeholders	Ongoing	Updates fed into audit

Actions for each vacant unit

Proactive contact with property owners or agents to ask for more information about their intentions with the property, for example, how is it being marketed or have you considered a change of use to residential? To be done via template letter and agreed standard process followed for each.	CBC
Provide vacancy toolkit on best practice for managing an empty unit.	CBC and BID
Empty Shop Tidy Up: In the BID area, Cheltenham BID ambassadors provide a service to keep empty shop doorways clear of old post, flyers and litter as well as reporting damage to agents or landlords. Work with agents to encourage participation in this scheme.	BID
Identify a resource to carry out the empty shop tidy up scheme outside of the BID zone.	CBC
Work with agents to utilise attract shop window vinyl coverings for empty units where relevant and appropriate.	CBC and BID
Proactive promotion of the vacant unit via the We're Moving to Cheltenham website and social media.	CBC
Seek opportunities for short-term or meanwhile uses to encourage vibrancy and activity.	CBC and BID