

MUNICIPAL YEAR 2016/2017 REPORT NO. 218

MEETING TITLE AND DATE:

Cabinet – 15 March 2017

REPORT OF:

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Agenda – Part: 1

Item: 8

Enfield Town Master Plan and a Strategy for Vacant Shop Premises in Church Street

Wards: Town & Grange

Key Decision No: 4474

1. EXECUTIVE SUMMARY

- 1.1 Enfield town is the borough's principal town centre and the Council is bringing forward a masterplan to guide planning and investment decisions for its successful future. However, since January 2016, a number of vacant shop premises in Church Street has increased to a level that is now impacting on the viability and trading of the street and negatively affecting the character and appearance of the conservation area. Given the length of time and persistent nature of the vacancies along Church Street, options to address this situation require consideration.
- 1.2 The Council is preparing a framework Master Plan for Enfield Town, which will include planning and development options for the north side of Church Street between the Market Square and Little Park Gardens. This will form the basis of consultations with affected property owners and occupiers.
- 1.3 This report sets out the work being undertaken and initiatives being explored as part of the master planning process.

2. RECOMMENDATIONS

- 2.1. That Cabinet approves the preparation of a development strategy for vacant shop units on Church Street, as part of the Enfield Town Framework Master Plan.
- 2.2. That Cabinet supports ongoing dialogue with owners and occupiers of affected properties to explore options, as set out in paras. 3.13 to 3.15, in advance of any future reports to Cabinet to implement the reuse of the vacant premises, including, as a last resort, acquisition.

3. BACKGROUND

- 3.1 Enfield Town is identified in the current London Plan (published March 2016) as one of London's 35 major town centres and is the only major centre within the borough. As such, it serves a distinct and critical role as a hub of economic and commercial business activity. Enfield's Local Plan Core Strategy (approved in 2010) supports Enfield as the main destination for comparison goods shopping and as the priority for new retail development. The Core Strategy also identifies a need for developments that will foster a diverse evening and night time economy. Further to this, recent analysis as part of the preparation work currently being undertaken for the local plan have highlighted the growth potential of the centre to accommodate more retail, office, leisure and residential uses.
- 3.2 However, despite the positive outlook overall, since January 2016 the number of vacant shop premises in Church Street has remained at a level that is impacting negatively on the viability and trading of the street. This particularly affects premises towards the Chase end and the northern side of Church Street with several long-term vacancies having deleteriously affected the economic and environmental well-being of the town centre, and is negatively affecting the character or appearance of the conservation area. This also impacts on the perceived health of the town to visitors, particularly as these vacant units are located on one of the town's principal shopping streets. For this character to be so diminished by such a level of vacancies obliges the Council to consider action.
- 3.3 Visual surveys to record the level of vacancies on Church Street undertaken in January 2016 and January 2017 recorded a significant level of vacancies on the north side and confirmed that the level of vacancies had increased with the units vacant a year earlier remaining so. The vacancy rate within the identified survey area along Church Street is 24% compared to the rest of the town centre that has a current vacancy rate of 8%. This vacancy rate clearly compares unfavourably to the rest of the town centre, which would indicate that the presence of these vacancies is due to more than just 'churn' or readjustment of the market and points to a more fundamental, structural set of circumstances involved.
- 3.4 The closest major centres to Enfield Town, located in neighbouring Outer London Boroughs Barnet and Waltham Forest, are Edgware and Walthamstow respectively. Their overall vacancy rates stand at 9% in Walthamstow (Waltham Forest AMR, 2016) and 5.9% as an average across Barnet's town centres (LB Barnet unpublished data, 2016). This compares to the current vacancy rate in Enfield Town of approximately 8%. However, it is worth noting that neither Walthamstow nor Edgware harbour pockets of vacancies similar to the situation on Church Street.

- 3.5 Following conversations with the commercial agents for property owners on Church Street it is confirmed that they make a balance of judgement between accepting lower rentals on shorter terms and holding out for higher rentals on longer terms. They perceive they get criticised if they either fill up the high street with short-term occupiers, such as charity and betting shops, or if they risk nil income for a period in the hope of getting a better quality tenant. Long vacancy periods may affect expected rentals of nearby shops, and property owners are in competition with each other for good quality occupiers, but need to some extent to collaborate on actions to maintain rental levels from tenants. However, there has been little evidence to date of property owners and agents working together in support of any wider area strategy, which is symptomatic of the disparate pattern of ownership in Church Street.
- 3.6 Feedback from agents also confirms that the ceiling heights and frontage width of premises constrain the number of potential occupiers, many of whom seek higher ceilings and more flexible retail space. Consequently, they tend to look to occupy vacancies in Palace Exchange or Palace Gardens, before considering Church Street as a location.
- 3.7 In short, there appears to be no single factor that prevents the units from being let, and market investigations have revealed that all have relatively standard lease arrangements and are being advertised on common terms. The single biggest factor is likely to be the level of rent being asked for the units, which in the case of Market Chambers in particular seems very high for the town. There is also no significant change in the rental profile of the town as you move west along Church Street, with asking rents still broadly the same as in the more prime locations despite there being lower levels of footfall and weaker 'frontage' for these units.
- 3.8 Much of the town centre is a designated Conservation Area. All of the vacant properties along the north side of Church Street are noted to make a positive contribution with buildings that still reflect some of the ambience of a market town. *"Church Street's distinctive character derives from its numerous red brick 'parades' of shops from the late 19th and early 20th centuries".¹* Conservation Management proposals specifically recommend shopfront fabric improvements to 1-15 Church Street, and 1-13 Church Street have recently been nominated for Local Heritage Listing so that their character is taken into consideration in considering planning applications and other applications for alterations or additions.
- 3.9 Given the length of time and persistent nature of the vacancies on Church Street, potential options to address the situation have been

¹ Extract taken from Enfield Town Conservation Area Character Appraisal 2015

considered by officers. A proactive approach is advocated, as supported by the National Planning Policy Framework (paragraph 23) *“where town centres are in decline, local planning authorities should plan positively for their future to encourage economic activity”* and under the Council’s duty under section 71 of the Planning (Listed Buildings and Conservation Areas) Act 1990 to prepare proposals for the preservation and enhancement of conservation areas.

- 3.10 The Council is currently preparing a framework master plan for Enfield Town, to be taken forward for adoption in late 2017. This masterplan will set a vision for the centre for the next 5-15 years, and will form a background report for the new Local Plan, currently in the early stages of preparation. The master plan will cover the whole town centre, including the vacant properties on Church Street. During its preparation local owners and stakeholders are being consulted on its content and scope. This consultation includes workshops with landowners and agents, including those associated with the vacant properties on Church Street, to explore various options and strategies to tackle underlying issues and respond successfully to the growth potential of the centre. The next round of workshops is confirmed for the 3rd March 2017 and part of this process will explore the future vision and strategy for these vacant properties on Church Street.
- 3.11 Following the workshops in March, a public consultation Draft Masterplan will be presented to Cabinet articulating a clear direction and implementation strategy for Enfield Town.
- 3.12 In addition, the Council is also commissioning a health check and investigation into the wider economy within Enfield Town. This will also help shape the strategy for the vacant properties on Church Street. This piece of work is currently being commissioned and will provide market intelligence to inform options going forward.
- 3.13 The objective is to work with landlords and agents to bring these vacant units into sustainable use through ongoing dialogue. Options are being explored through the Master Plan to look at an alternative and flexible planning response, taking into consideration Church Street is adopted primary shopping frontage and within the conservation area, which particularly limits options for uses such as residential at street level. The types of initiatives set out below will be subject to further investigation and dialogue with property owners and there may be other options that follow from this. These options are not exhaustive but are likely to include investigating the following:
 - a. Establishment of an Enfield Town Retail Action Group or similar body as a partnership between landlords, agents, stakeholders and the Council to promote and drive the revitalisation of vacant units.
 - b. Explore the appetite to establish of a local agent/owner group such as a Business Improvement District (BID).

- c. Measures to incentivise new business start-ups/community initiatives to occupy the units.
 - d. Promote vacant units to cater for restaurant, café uses, with support for complementary public realm improvements and infrastructure with the aim of creating an evening economy cluster along Church Street.
 - e. Review adopted Local Plan policies for the shopping frontage to allow for more flexible uses beyond A-class.
 - f. Promote vacant units to cater for restaurant, café uses, with support for complementary public realm improvements and infrastructure with the aim of creating an evening economy cluster along Church Street.
 - g. As part of (e) above, investigate the potential for the Little Park Gardens car park to be opened beyond 8pm, enabling it to support evening economy uses.
 - h. Maximise the potential for new residential development on the site opposite Little Park Gardens car park to encourage greater local footfall in the immediate area.
 - i. The refresh of shop fronts and units as part of a shopfront improvement scheme to attract new businesses.
 - j. Other options to complement the above including extending the public realm works to improve connections between Church Street, the Markets and Palace Gardens / Exchange.
- 3.14 As part of the Master Plan, property ownerships and interests will be identified and valuations for development options for reuse of the vacant premises will be sought. Once options are explored, further reports will be presented to future meetings of Cabinet, including the funds needed to implement any acquisition and property improvements.
- 3.15 The Master Plan will also develop a framework to allow for owners to work together and collaborate in addition to competing for tenants and occupiers. Discussions on the establishment of a local agent/owner group such as a Business Improvement District (BID) could be opened up as part of the Master Plan consultation. A BID is business-led and funded body formed to improve a defined commercial area and could form part of a sustainable longer term strategy for Enfield Town. BIDs have already been established elsewhere in London in similar-sized major centres to Enfield. The most developed example is Kingston-upon-Thames, where the town centre is managed comprehensively, including marketing, through a team of 11 sponsored by BID members.
- 3.16 As a last resort the Council can consider acquisition, either by agreement or via the use of Compulsory Purchase powers under section 226 of the Town and Country Planning Act 1990. Section 226 of the 1990 Act allows a local authority to acquire land and premises if it thinks that the acquisition will facilitate the carrying out of “development, re-development or improvement” on or in relation to the land or it is required for a purpose which it is necessary to achieve in

the interests of the proper planning of the area in which the land is situated.

- 3.17 Before acquisition is considered, the Council must have in place a strategy to secure the economic, social or environmental improvements alongside a strategy to cover both financial implications and risk.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The Council could decide to not intervene, leaving the market to determine the future of the vacant units on Church Street. However, the vacancies on Church Street are now longstanding and have over a one-year period increased further in number. Vacancy levels are unbalanced when compared with the underlying vacancy rate across the rest of the town centre. Feedback from local agents has indicated a lack interest for longer-term rents, and a reluctance to consider shorter term rents due to the risk of direct criticism. There is also an absence of any strategy to consider alternative options to fill the units on a shorter term basis as a catalyst to revitalise the area.
- 4.2 Although the Council has acquisition options available to it, the use of these without an agreed strategy and before exhausting all alternative actions and initiatives with owners and agents would be premature. Acquisition would also require resources to be allocated, based on a full survey and assessment of the type and value of the business premises involved. These costs are difficult to quantify to any degree of accuracy at this stage as they will be dependent on the acquisition strategy and the properties affected. In addition, threat of acquisition may bring with it a level of blight to these properties that could be avoided by continuing the collaborative approach with landlords and agents through ongoing dialogue and the master plan process. Should discussions and exploring all alternative options with shop owners, however, prove unsuccessful, then the significant harm of vacant shops would require the Council to pursue acquisition. This could be as soon as later this year.
- 4.3 The Council has a number of options available to it to intervene, and is already pursuing measures such as using enforcement powers under section 215 of the Town and Country Planning Act 1990 to ensure work is undertaken to tidy up the current vacant and unsightly empty units. However, this action will only address the environmental impacts of these vacant units and will not in itself bring these units back into active use.

5. REASONS FOR RECOMMENDATIONS

- 5.1 The National Planning Policy Framework states that “where town centres are in decline, local planning authorities should plan positively

for their future and encourage economic activity” (Paragraph 23). Although the bulk of Enfield Town clearly does not fall into the category of a declining centre, this end of Church Street clearly does exhibit characteristics of a declining retail area, with long term vacancies and numbers of vacant properties continuing to increase.

- 5.2 Although the Council is undertaking measures including enforcement in the short term, this only addresses the environmental aspects and will not in itself lead to these units becoming occupied. The options outlined in paragraph 3.13 supported by an agreed strategy, would include measures for the longer-term reuse and occupation of these units.

6. COMMENTS OF THE EXECUTIVE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

6.1 Financial Implications

6.1.1 This report seeks that Cabinet approves:

- The preparation of a development strategy for vacant shop units on Church Street, as part of the Enfield Town Framework Master Plan.
- And supports continued consultation with owners and occupiers of affected properties to explore options to implement the reuse of the vacant premises, including, as a last resort, acquisition.

6.1.2 The report contains a variety of future options but does not in itself commit the Council to additional expenditure. Any future proposals with cost implications would need to be subject to separate reports and full financial appraisal.

6.1.3 The cost of consultation will be met from the existing Planning Policy Budget.

6.2 Legal Implications

6.2.1 The Council has a general duty to monitor its area and take steps to encourage the use of land and premises in accordance with national and local planning policy and the Core Planning Strategy.

6.2.2 The Council has a power of compulsory purchase under section 226 of the Town and Country Planning Act 1990 if this requires to be used to achieve the development, redevelopment or improvement of land or in the interests of proper planning for its area. In order for a local authority to be able to exercise the s.226 power it needs to be able to demonstrate that the development, re-development or improvement is likely to contribute to the achievement of any one or more of the following objects—

- (a) the promotion or improvement of the economic well-being of their area;
- (b) the promotion or improvement of the social well-being of their area;
- (c) the promotion or improvement of the environmental well-being of their area.

6.2.3 The proposals recommended by this report are within the Council's powers

6.3 Property Implications

6.3.2 Should the Council wish to pursue the option to purchase assets by agreement, consideration must be given to the revenue position that this would incur on the council in managing and maintaining the asset and this must factor in void periods.

6.3.3 Should there be a requirement to consider letting the asset at Less than Market Value, further consideration will need to be given as to the requirements of Section 123 of the Local Government Act 1972, the General Disposal Consent and state aid.

7. KEY RISKS

7.1 As the strategy for these vacant units has yet to be determined, the risks for any given action remain a relative unknown at this stage. However, as the strategy is developed through consultation and the master plan process a full risk analysis will accompany future recommendation/s for a particular course of action.

7.2 There is potential reputational risk for the Council if consultation is not undertaken in an appropriate way with local agents and owners. However, the consultation process set out for the master plan, which will develop the strategy for these units, will adhere to the Council's Local Development Scheme and will meet legal requirements to adopt the master plan as Supplementary Planning Document in due course.

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

8.1.1 Effective implementation of the development strategy for vacant shop units on Church Street will improve the shopping offer for all residents visiting Enfield Town.

8.2 Growth and Sustainability

8.2.1 Reducing the number of vacant shops in Church Street will increase the footfall and ensure that Enfield Town remains a popular, sustainable shopping destination.

8.3 Strong Communities

- 8.3.1 Town centres providing a range of retail outlets contribute to the development and maintenance of strong local communities.

9. EQUALITIES IMPACT IMPLICATIONS

- 9.1 Corporate advice has been sought in regard to equalities and an agreement has been reached that an equalities impact assessment is neither relevant nor proportionate for the approval of this report to support the development of a strategy for vacant shop units on Church Street.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

- 10.1 Implementation of an effective development strategy will contribute to achieving the Council priority outcome - 'diverse and attractive town centres and retail areas'

11. PUBLIC HEALTH IMPLICATIONS

- 11.1 There are no public health implications of preparing a development strategy, rather the implications will be dependent upon what that strategy states and its implementation.

Background Papers

None.