

Appendix 8 - Property Acquisition in Town Centres – Guidance Notes (26.09.2019)

Introduction

Brent's town centres serve a wide range of needs. They are highly social, diverse and accessible places which support jobs, provide transport connections and are a place for communities to meet. They are the heart of the community – almost everyone who lives in Brent lives half a mile from a high street.

However, town centres across London are undergoing change, with many facing challenges which threaten the value they offer those living and working in them. These include:

- Increased rates and complex regulations
- Affordability pressures linked to rising property values
- Increasing dominance of online retail
- National-level policy changes and cuts to public services.

A number of town centres in Brent have relatively high vacancy rates that are clustered in peripheral areas of high streets. This is indicative of decline and action is needed to address this.

We recognise that the role and function of town centres must change from something retail-centric to something more experiential. Town centres must diversify, and the council has a vital role to play in ensuring Brent's town centres are able to thrive. By properly discharging our duties with regard to the acquisition of town centre property, we can intervene when appropriate in order to enhance town centres.

Commitments

This document is underpinned by key promises set out in the Borough Plan and the Local Plan.

Borough Plan:

We want to build resilient local communities. We are committed to rejuvenating nine priority town centres in the borough, and investing in initiatives which will reverse decline and support diversification, employment and enterprise.

Local Plan:

We will support the use of vacant or under-utilised sites for occupation by temporary uses that will be of benefit to a town centre's viability and vitality. Proposals for workspace, new markets and street-food outlets are encouraged as well as other seasonal and temporary uses. Temporary entertainment and leisure use will be supported, especially those which will potentially enhance and promote Brent's diverse communities, foster good community relations and help eliminate discrimination.

Rationale

The complex nature of property acquisition demands a case-by-case consideration of projects. However, acquisitions should be considered where doing so could promote or improve the economic, social or environmental wellbeing of the area, and add value to the community whilst not representing the best financial return (though the acquisition should represent the best consideration obtainable).

The following guidelines will help determine viability:

- A response to local evidence of a need – housing, workspace, cultural amenity, community space
- A response to growth pressures such as population growth and the need for new homes and jobs
- Improvement to the physical environment to enhance the experience of the town centre for visitors, residents and businesses
- Alleviation of local issues by improved place design, such as antisocial behaviour or environmental hotspots (e.g. fly tipping)
- Opportunities for upskilling the local population and helping to provide a sense of community/belonging
- A facility/enterprise that will be utilised by a variety of different community groups
- Viability of the site for development or commercial use (e.g. nature of tenure being offered. i.e. freehold or leasehold, the market value, price, condition of the property, return on investment potential, ongoing costs of ownership)
- Site investigations and valuations to establish whether there are any constraints on the site or any restrictions to the proposed use.
- Consideration of any existing or potential planning issues.
- Title investigation of the site
- Finance to be consulted with regard to VAT and SDLT implications of the acquisition.

Considerations when acquiring/leasing property for social, economic or environmental purposes, below the optimum commercial return on investment.

- If the intention is to lease the building to an organisation responding to local need and delivering social value, the council should consider the organisation's aims and how they link with our objectives
- Assess if there are viable alternative options
- Assess the revenue and potential opportunity costs to the council in the short and longer term
- Evaluate whether the community organisation is sustainable, and appropriately governed
- Allow for competition if there is interest from more than one organisation
- Clarify the level of collaboration required with the council, in response to the council's aims
- Consideration of the open market value of the property and the value for money of the proposition

- If the opportunity cost can be demonstrated to fulfil legal requirements

Consultation and evaluating local need

- It is preferable that evidence of need is established in the high street. This may be based on socio-economic needs, such as unemployment, skills and income. Or, it may be that there is an evidenced gap in local amenity, such as cultural space, community space or workspace.
- It is preferable that consultation will have been completed with local communities (which may need to include residents and businesses) to identify their perceptions of what is required in the town centre, what is missing, what would benefit the future of the high street, and their views on key assets. This can help to validate the proposed acquisitions and uses of buildings.

Assessment of socio-economic benefit to town centres

The following are potential measures of success, which will depend upon the preferred use of the building in responding to local need:

- Number of people that will benefit through participation or membership
- Reduced vacancy rates (particularly long term); improved/ widened offer Economic growth
- Creation of workspace/employment and apprenticeships; generation of business rates
- Improved public realm (clean, safe and green); Improved access via different transport/ travel modes.
- New uses (measurable by number of users and increase in physical footprint of community uses)
- Housing growth: New development (number of units).
- Vibrancy of town centres: Footfall and usage by different communities.

Decision making

- Acquisition of property will be governed by the principles set out in the Investment Strategy (reviewed annually), and the council's constitution. The Investment Strategy highlights the council's options to invest in *treasury management investments, service investments, and commercial investments*.
- It is suggested the Investment Strategy be reviewed to ensure it reflects the ability to consider socio-economic factors including community need.
- Any acquisitions will be in accordance with the council's constitution and Delegated authority will be applied accordingly.

Monitoring

- This document will be subject to regular monitoring and review.