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Motion to Isleworth and Brentford Area Committee (IBAC)

Ensuring the economic sustainability and renewal of Brentford High Street

Proposed by: Cllr Hardy

Seconded by: Cllr Dakers

This committee notes our local area Hounslow Plan commitment: "Special Project 2: Ensuring the successful redevelopment of Brentford High Street including promoting and supporting community participation.", as well as our intent that in the plan that "the Area Committee will deliver on this priority during 2007-10...by developing and implementing a short term action plan with High Street Steering group to tackle impacts of development blight.

This committee believes the Brentford Area Action Plan (BAAP) should be seen as a useful tool to take forward the aspirations of the Community and not as a straitjacket limiting them. We acknowledge that the BAAP, being created at a time when conditions were considerably more favourable than they are now, may require increased definition, supported by 'special project 2', in order to respond to the current challenges with a view to achieving the long term aims stated in both the BAAP and the local Area Plan.

To take this work forward and support local small businesses we therefore move that the:

1. Economic Development Unit, along with the Strategic Property Unit (SPU), and Highways and Parking Department form a working party with interested Members to create and deliver by the end of June, proposals for consideration by IBAC to sustain Brentford Town Centre over the medium-term future so that the BAAP and Hounslow Plan special project have a reasonable chance of being achieved.
2. Working party proposals should include, but not be limited to:
 - Plans for rents on Council-owned properties to be set on the basis of *sustaining* tenancies - and thereby sustaining and maximising rents to the Council in the long term - rather than simply obtaining maximum income in the short term (see background note below);
 - Nominating an officer within Economic Development to report to IBAC and assume overall responsibility of ensuring that those proposals adopted by IBAC are implemented.

GENERAL BACKGROUND

Colliers CRE research on local shops and rent concluded: “ of 2,300 properties, rents equate to, on average, 6.94% of turnover. This compares favourably with typical high street ratios, which we estimate to lie mainly in the range 8% to 12% for comparison and non food retailers (although the ratio can be 15% plus dependent upon the pitch and specific retailer).”

Business turnover levels – approximate figures

Store type	Turnover £	Rent as proportion of turnover %
Café/ restaurant	160,000	10
Clothing	125,000	10
Convenience store	340,000	4
Dry cleaners	100,000	13
Fast food	150,000	8.5
Florists	125,000	7
Food retailers	260,000	5
Hairdressers/ beauty	80,000	11
Misc	180,000	8
Pet shop	125,000	8
Post office	150,000	5
Stationery / Cards/ Gifts	120,000	11
All	190,000	6.94

Source:

http://www.colliers.com/Content/Repositories/Base/Markets/UnitedKingdom/English/Market_Report/PDFs/LocalShoppingEnvironment.pdf

Rents for this sample group are typically in the region of £13k per annum. The fact that rent does not vary significantly by turnover/ store type (hence the significant shifts in ‘Rent as proportion of turnover’ above) may help explain why the number of local shops has reduced nationally over the past few years.

There is an opportunity for Hounslow to adopt a more sophisticated approach that brings in the same revenue overall from its portfolio of local shops but adjusts rent on the basis of likely turnover and therefore a business’ ability to absorb the rent within their cost base.

Of course it must be noted that turnover is not necessary an indication of greater profitability for a business (i.e. convenience stores with fast moving goods), but does suggest greater capacity to absorb rent.

Ealing & Brentford Consolidated Charity which manages several retail units in Ealing has just reduced its rents by 10% to help support its tenants through the current economic downturn and reduce volatility of revenue streams/ tenancies.

Background on Brentford High Street

Progress achieved since 2006/7:

- History in the High Street exhibition was run by the Layton Trust
- Launching www.brentfordhighstreet.com and the Wedge loyalty card scheme
- Completing of the Community Vision for Brentford High Street – a finalist in the Academy for Sustainable Communities annual awards
- Community-led efforts to raise funds for Christmas lights
- Introducing a new car park at the western end of High Street
- Funding to restore and relocate the St Lawrences War Memorial
- Improving the fairness of the Street Trading Licenses model
- Windows on Brentford High Street artwork project, supported by Brentford CLC and AllSigns Group
- Work is currently underway to introduce new branding for Brentford High Street and an integrated family of street signs and maps.

However, despite this progress, these interventions do not reflect the severity of the development blight and impact of the economic downturn now affecting Brentford High Street.

Proposals that should be considered by the working party and presented to IBAC for the re-generation of the High Street

- Increasing the transparency of the SPU with annual revenue targets for Brentford High Street: these to be brought to the local area committee and then Executive for approval. This should be linked to a new, fairer rent-setting model;
- Models for Town Centre Management – these could be a shared resource across several town centres in Hounslow or actions such as LB Hounslow communications starting to market town centres in HM Magazine; Economic Development co-ordinating a landlords forums; and/or our leisure provider running summer events in town centres;
- Selective conservation area extension – proposals should be developed and brought forward to the local area committee for extending the Grand Union conservation area to cover key areas of local interest on the south side of High Street;
- Costs and potential funding sources for widening the pavement on the South side of High Street in the town centre (and narrowing on the north side);
- Identify further incremental improvements to parking arrangements in the Brentford High Street area to encourage both daytime and evening trade;