



Knowsley Council

Management of Council Owned Neighbourhood Shopping Parades Policy

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Part 1

1. Policy Aims and Objectives

1.1 The aims of this policy are:

- a) to establish a clear policy for the management of the Council's Neighbourhood Shopping Parades to ensure clear, consistent and equitable decision-making that has a positive impact upon the general health and well-being of the residents of the Borough.
- b) to set standards for the letting of shop units; and
- c) to describe the Council's arrangements for managing the Council's neighbourhood shopping parades

1.2 As stated in the Council's Corporate Property Plan, the Council is committed to using its property as a tool to directly contribute to the Council's key aims and objectives in addition to providing a financial return. To achieve our aims, the following policy objectives will be adopted, which will directly shape and influence the management decisions made across the Council in respect of the Council's Neighbourhood Shopping Parades:

- (i) The incidence of voids at parades should be reduced and the retail offer should meet the shopping needs of local residents, having regard to both economic trends and social factors;
- (ii) The management of the neighbourhood shopping parades should aim to minimise the negative environmental and health impacts of the parades and to maximise the potential positive impacts to local communities.
- (iii) Traditional businesses should be retained and encouraged to occupy shop units and to trade successfully, particularly where they provide healthy products (such as butchers and greengrocers),

1.3 This policy will be reviewed at intervals of not more than 3 years in line with the Corporate Property Plan and any revision will be notified to relevant persons.

Part 2

2.0 Background and Introduction

2.1 Local Context

During 2011/12 the management of the Council's shopping parades was the subject of a scrutiny review. The Scrutiny Working Group completed its review and proposed a series of recommendations which aimed at providing clarity in relation to the management of the Council's shopping parades and potentially provide additional support to existing and new local businesses. One of the recommendations was for the Council to introduce a formal policy for the management of Council owned shopping parades. It was considered that a formal policy would ensure clear, consistent and equitable decision-making and could have a positive impact upon the general health and well-being of the residents of the Borough.

The Council owns 21 shopping parades comprising 153 shops located within the Borough. The majority of the shops were built in the 1950s and serve local housing estates. The most modern parade of shops, set in its own grounds, was built in the 1980s. Some parades have been partly demolished and converted from multi-storey buildings to single storey parades. However, there are other parades where the shops occupy ground floor positions with flats above.

The current approach to the letting and management of the shops has evolved over many years via a series of resolutions, often in response to specific issues. There is a need to consolidate this position, formalise current practice and ensure all areas are covered.

2.2 National Context

Central Government has for many years sought to develop a successful neighbourhood renewal strategy to tackle the problems faced by people living in deprived neighbourhoods. A report by the Social Exclusion Unit in the late 1990s stated that:

'Neighbourhood renewal is about putting the heart back into communities. It's not just about bricks and mortar. It's about the people who live there and enabling them to live their lives in a way which most people take for granted. It's about generating a sense of belonging to and being part of a community. Vibrant local shops can play a vital part in this process.'

'Thriving local shops can provide employment for local residents and a pathway into new skills and training opportunities, can reduce crime and can improve health by providing a range of quality goods, including food, at affordable prices.'

More recently, The Government has published guidance on how local shops should be restored into vibrant business areas that are full of local character and sit at the heart of neighbourhood communities. The Government stated that "Parades should be thriving beacons of local business, home to the character of the neighbourhood community and the local shoppers' destination of choice."

It is acknowledged that local shops can provide a natural setting for residents to engage with each other, particularly elderly residents, who may have only limited contact with family and friends. Therefore, local shopping parades can support community cohesion within an area.

2.3 Policy Review

Members and officers via the Scrutiny Review have examined the role that the Council's neighbourhood shopping parades play in reducing the high levels of deprivation within the borough, in particular:

- How the management of the shops could improve accessibility for local communities to essential amenities and services, for example Post Offices, grocers, pharmacists and provision of fresh produce etc.
- The impact that anti-social behaviour has on the viability of shops having particular regard to the effect of voids on local communities (loss of services and environmental blight) as well as to the income loss to the portfolio.
- The part that some lettings within the shopping parades play in exacerbating levels of deprivation and health problems within local communities e.g. off-licenses, takeaways and betting shops.

Unfortunately, for economic reasons, traditional shop uses that could promote healthier living such as butchers, bakers and greengrocers are becoming increasingly rare. Mobility of shoppers and the pricing policies employed by large stores/retailers (loss-leaders or very competitive price offers) are drawing customers away from local shops. It is unlikely that this trend will be reversed although recent research has shown that the proportion of total spend through neighbourhood shops is holding steady at around 16%. If traditional trades are to be retained or increased on the council's parades it will be necessary to adopt a proactive and supportive approach.

The viability of shops on neighbourhood parades is currently determined by market forces. Many of the most popular and profitable businesses are suntan centres, hot food takeaways, off-licenses and betting shops. Such businesses are however associated with negative side effects, such as anti-social behaviour and crime, and potentially have an adverse effect on health. It is these side affects which have damaging consequences for the wider local community and do not support the Council in meeting its priorities.

Part 3 - Organisation and Responsibilities for The Management of Neighbourhood Shopping Parades

3. The Council has a devolved approach to the management of the neighbourhood shopping parades with responsibilities for various functions delegated across the directorates of the Council to encourage and enable issues to be addressed at a local level wherever possible.

The overall responsibility for Neighbourhood Shops currently rests with the Director of Regulation and Enforcement but during the course of the year (2012/13) will transfer to the Director of Business Investment and Sustainability, with the day to day management being the responsibility of the Asset Management Team (Directorate of Corporate Resources).

3.1 Asset Management Team (Function)

A new structure for the future delivery of Asset Management was approved in April 2011 and has been implemented. The Asset Management Team has brought together Asset Management, Estate Management, Property Maintenance, Project Management, Energy and PFI Contract Management. This has paved the way for closer joint working and improved services in areas such as property performance, estate management, maintenance and data management.

Nevertheless, there remain a number of facilities management, financial, environmental health and other operational activities connected to the management of the shops, which will be undertaken across the Council and that will continue to be delivered by services across the organisation. These include: -

- Cleansing and street scene services
- Business Rates
- Security and Retail Violence
- Health and Safety, Food safety and hygiene
- Business liaison and investment
- Healthy Living Promotion*
- Duty of care for waste disposal
- Environmental crime

* This is currently delivered by the Knowsley Public Health Team, which is likely to become part of the Council's structure following the abolition of the Primary Care Trusts in March 2013.

It is essential that these operational activities are co-ordinated to ensure that a consistent borough-wide approach is being adopted. To this end, more recently, a multi disciplinary cross-directorate Shop Management Working Group has been established to ensure that the operational management decisions relating to the council's shopping parades are made in a more co-ordinated manner.

The first meeting of the Working Group was on 29 May. The Working Group reports directly into the Land and Property Steering Group with agreed actions or operational issues and performance information.

3.2 Shop Management Working Group

The Shop Management Working Group is attended by the following officials representing each Service:-

- o Asset Manager – Strategic, Asset Management Team (DCR)
- o Principal EHO, Environmental Health & Consumer Protection Service (DCR)
- o Revenues Manager (Business Rates) DCR Borough Treasurer
- o Health and Regeneration - Project Officer, Regeneration (Public Health Team/DRES)
- o Business & Sector Development Manager, DRES Business Liaison & Investment (DRES)
- o Technical Advisor, DNS Street Scene (DNS)
- o Community Safety Manager, DNS Neighbourhood management (DNS)
- o Compliance and Prevention Officer, Active Leisure (DWS)
- o LDF Senior Planner (CEO)

The group now meets on a monthly basis with support coming from the Asset Management Team. To terms of reference for the group are attached at Appendix A.

The devolved structure and performance relating to the management of the neighbourhood shopping parades will be monitored by the Land and Property Steering Group through the production of quarterly reports by the Shop Management Working Group to ensure that the arrangements are effective and appropriate.

3.3 Land and Property Steering Group

The Land and Property Steering Group, which is chaired by the Director of Regulation and Enforcement reports directly into the Senior Managers Group with agreed actions. The Cross-Directorate Land and Property Steering Group ensures that strategic decisions relating to the management of the shops are being made in a more co-ordinated manner with the following senior officials representing each Directorate:-

- Director Regeneration & Housing
- Director of Schools and Educational Attainment
- Director Community & Leisure
- Director of Change and Transformation
- Director of Neighbourhood Delivery
- Head of Asset Management
- Head of Knowsley Solutions

The group meets on a fortnightly basis with support coming from the Asset Management Team.

3.4 Allocation of Responsibilities

The general duties and responsibilities for the Management of the Neighbourhood Shopping Parades are allocated as follows:

Table 1:

Management Responsibility	Who this includes	Responsibility
Policy Makers	Council Members, the Deputy Chief Executive, Asset Management Steering Group,	Overall responsibility for strategic implementation, enforcement, and regular review of this policy.

	Director of Regulation and Enforcement, Director of Business Investment and Sustainability, Shop Management Working Group and Asset Management Team	Making sure that this policy is taken into account, as appropriate, when decisions are made relating to the Council's Neighbourhood Shopping Parades.
Landlord & Tenant contract management and lettings	Council Members, the Deputy Chief Executive, Service Director Regulatory Services and Asset Management, and Asset Management Team	Responsible for implementing policy and procedures at a local level. Ensuring that criteria/procedures for new lettings are adhered to in order to achieve stated objectives.
Maintenance of Shop Units	Asset Management Team (DCR) Tenant's Responsibilities (see section 3.5)	Responsible for ensuring that the maintenance of the shopping parades is carried out in accordance with the contractual terms to maintain the physical appearance of the parades to a good standard and where feasible to make planned improvements to the parades.
Adopted Footpaths and highways	Planning & Transportation (DRES)	Responsible for ensuring that the adopted footpaths and carriageways surrounding and serving the shops are maintained.
Street Service and Cleansing	DNS Street Scene (DNS)	Responsible for ensuring refuse collection and street cleaning.
Promotion of Health Agenda	Compliance and Prevention Officer, Active Leisure (DWS) Health and Regeneration - Project Officer, Regeneration (Public Health Team/DRES),	Responsible for promoting health initiatives (e.g. Working Well) and the development of Supplementary Planning Guidance to limit the negative health impacts of hot food takeaways.
Enforcement – Food Hygiene and Consumer Protection	Environmental Health & Consumer Protection Service (DCR)	Responsible for ensuring businesses meet their legal duties in areas including health and safety, food safety and waste duty of care (correct storage and disposal of waste). Food businesses must be registered and their piercing/cosmetic and beauty treatments must be appropriately licensed. Registration/licensing allows the council to keep an up-to-date list of all those premises in their area so we can visit them as required to ensure high standards of health and hygiene are maintained, The service can also provide environmental health guidance on proposed change of uses within shopping parades.
Security, Retail Violence, Anti Social	Community Safety Manager, DNS Neighbourhood management (DNS)	Security Assessments, consultation with retailers and promotion of security

Behaviour and Designing out crime	Asset Management Team (DCR)	initiatives/projects (Retail Violence Project) to be routinely undertaken to minimise the negative impacts of the parades. Action to be taken against tenants in breach of covenants.
Financial Support and Grant Assistance	Business & Sector Development Manager, DRES Business Liaison & Investment (DRES) Asset management Team (DCR)	To promote and encourage tenants to access grants to ensure the sustainability or expansion of small businesses and to attract new start up businesses, particularly 'Traditional Traders'.
Non-Domestic Rates	Revenues Manager (Business Rates) DCR Borough Treasurer	To ensure that those businesses who may be entitled to Small Business Rate relief (SBR) are in receipt of it.

3.5 Tenants Responsibilities

Under the terms of the lease agreements granted by the Council, which are negotiated by the Asset Management Team, a tenant is required to:

- Pay rent
- Pay other charges associated with the shop units (e.g. business rates, utilities etc
- Ensure that their activities do not to cause a nuisance to neighbours
- Use the shop unit for the agreed use and not without the Council's consent as landlord to change the use
- Occupy the building and not to sublet or assign the lease without the Council's consent as landlord

In addition to the above, a tenant is generally responsible for keeping the whole of the interior and exterior of the premises and any additions thereto in good repair to the reasonable satisfaction of the Council.

The Lessee's repairing responsibilities shall generally include (without prejudice) all of the following items:

- i) drains up to their connection into the main sewer and sanitary and water apparatus including piping and water heaters
- ii) electric wiring meters and consumer units
- iii) plateglass shop front windows and all other glass
- iv) boundary walls, gates and fences
- v) surfaces - painting, interior and exterior. To keep the premises neat and clean and free from graffiti
- vi) fixtures and fittings
- vii) shop fronts and roller shutters to doors and windows
- viii) rainwater pipes, downspouts and soil pipes

Exempt from the Lessee's repairing obligations (Without Prejudice) and therefore the responsibility of the Council's Asset Management Team are the following items:

- i) the structure of the roof defined as the roof timbers, joists and rafters, all slates, tiles, felt or other coverings including the fixings thereof but excluding ceiling boardings and plaster
- ii) the load-bearing walls and foundations
- iii) the structure of the floor but excluding screedings, coverings and finishes

It is the responsibility of the Asset Management Team to ensure that shop tenants comply with the terms and conditions (covenants) of their leases and to take action where it is considered appropriate for any breach.

3.6 Financial Responsibilities – Rents

Shops are let to traders to be run as private businesses at market rents. Rent levels are determined by tender, negotiation, arbitration, independent expert or reference to Court. In setting (and collecting) rents there are legal and financial duties on the Council which are outlined below.

Section 123 of the Local Government Act 1972 imposes duties upon the council which vary depending upon whether leases are granted for periods of up to 7 years or over 7 years.

In the case of leases granted for periods up to 7 years the Council has discretion about the rental levels it charges, subject to a general duty to have proper regard to interests of council tax payers.

In the case of leases granted for periods in excess of 7 years the Council is under a duty to obtain the market rent unless approval is obtained from the Secretary of State. Such approval is however deemed to be granted in the following circumstances:

- a) the local authority considers that the purpose for which the lease is granted is likely to contribute to the achievement of any one or more of the following objectives in respect of the whole or any part of its area, or of all or any persons resident or present in its area;
 - i) The promotion or improvement of economic well-being;
 - ii) The promotion or improvement of social well-being;
 - iii) The promotion or improvement of environmental well-being; and
- b) the difference between the unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed £2,000,000 (two million pounds).

In either of the above cases if the Council wished to grant a lease at a rent which was less than market value then it would need to set out clearly how this would benefit council tax payers or fit within the criteria set out above. Any concessionary rent would also need to be personal to a particular tenant, reviewed annually, and subject to submission of certified accounts/income tax returns which supported the case for the concession. A valuation is also required which identifies the undervalue.

Part 4 - Arrangements for Applying the Policy

- 4. In order to achieve the aims and objective of the shops portfolio, as set out in Part 1, the following arrangements will be adopted for the management of Council owned shopping parades:

4.1 Objective 1 - Void Reduction

4.1.1 Flexible Lease Terms

Where shops are tending to become vacant frequently or for long periods, the Asset Management Team will recommend that the Council, in specific cases, take special action. Such action could include for example, granting introductory rent free periods or stepped rental increases, rent reductions reviewed annually, consent to subletting, short or long term leases with agreed rent review dates, transfer of repair & maintenance responsibilities.

Where appropriate, the Asset Management Team will consider utilising the RICS Small Business Retail Lease which was introduced in July 2012. The lease is intended to encourage small/new business take up space by making the leasing process shorter and less complicated. The lease has been produced in short form for retail property, in relatively simple terms, for a short term lease (up to 5 years) with no rent review.

Each letting will be dealt with on its own merits and specific interventions developed to suit the particular circumstances. The Asset management will still continue make every effort to secure a use that will have a positive impact on the local community.

4.1.2 Shop Design

There has been a decline in the number of shops operated by specialist trades such as butchers, bakers and greengrocers due to the increased mobility of shoppers and the highly competitive prices offered for such commodities by large, high turnover, stores serving wide catchment areas. Whilst some remain viable in local shopping parades, the general trend seems to be for them to be amalgamated and provided by one proprietor in a "General Store". Such amalgamations tend to diminish overheads in proportion to turnover. The Asset Management Team should, therefore, work with existing or potential retailers, particularly 'Traditional Traders' to consider opportunities for the redevelopment / conversion of units to provide viable, modern shop outlets attractive to traders and customers alike. Proposals will be developed on a case by case basis to meet local requirements.

4.1.3 Non-Domestic Rate Relief

Lessees will be eligible for a discount under the small business rate relief scheme in England if they only occupy one property and it has a rateable value below £12,000.

The Government has temporarily doubled the level of relief available. Between 1 October 2010 and 31 March 2013, eligible ratepayers will receive small business rate relief at 100 per cent on properties up to £6,000 (rather than 50 per cent), and a tapering relief from 100 per cent to 0 per cent for properties up to £12,000 in rateable value for that period. The temporary Small Business Rate Relief increase will therefore apply throughout the whole of the 2012-13 billing year (until 31 March 2013).

The Revenues Manager (Business Rates) will periodically write to the occupants of the Council's Neighbourhood Shops to inform them of their eligibility for rate relief and to update them on decision made by the Government in respect of non domestic rates.

4.1.4 Condition Surveys, Repairs and Maintenance

The shops portfolio has received disparate investment to address structural defects or to improve the appearance of the shops. This has helped the shop

tenants and benefited trade where investment has been made. In order to adopt a planned approach to maintenance and to tackle priority repairs to the neighbourhood shops, condition surveys have been completed and will continue to be updated through a rolling programme that will ensure that all surveys are less than two years old. A programme of planned and prioritised maintenance will be carried out to improve the overall appearance of the shopping parades, paying particularly attention to the areas considered to be part of the public realm.

4.1.5 Grant Assistance & Training

See Grants available in Section 3.23 below

4.1.6 Vacant Flats

Where shopkeepers or potential shopkeepers do not wish to lease flats above retail units and they remain vacant for a period of time then they should be offered to RSLs for social housing. Such lettings should be structured to ensure there is no legal impediment to the flat being returned if subsequently required to provide residential accommodation for the trader's own occupation so as to facilitate the operation of the shop.

4.1.7 Vacant Shops

Where shops have been vacant and marketed through the Council's website, advertising boards and local press for more than six months and no reasonable rental offers have been received, the facts and recommendations should be reported to the Deputy Chief Executive to consider what further action should be taken

4.2 **Objective 2 – To Minimise the Negative Environmental and Health Impacts Of The Shopping Parades**

4.2.1 Control of Uses and Opening Hours – New lettings

Certain types of shops are known to be a focus for anti social behaviour and others are known to contribute to poor health outcomes. Consequently the Asset Management Team will not permit any new lettings for shops to be used as tanning centres, off-licenses or betting shops and will limit hot food takeaways to one per parade. Off licence sales of alcohol within a general convenience store will be considered only if it is ancillary to the main use. The control of opening hours will be managed, where it is considered appropriate, through the terms and condition of the lease to minimise the impact of retailers on local communities, whilst taking into account the shopping needs of local residents.

4.2.2 Control of Uses – Existing Lettings

Requests from existing tenants for a change of use to tanning centres, off-licenses and betting shops will be refused. Requests for a change of use to a hot food takeaway will only be considered if one is not present on the parade and will be subject to planning permission being secured. Requests to include off licence sales of alcohol within a general convenience store will be considered only if it is ancillary to the main use.

4.2.3 Security

In the retail sector, employees are potentially subject to a range of violence ranging from verbal abuse to physical assaults including the use of weapons. This

may be due to dealing with complaints, unpredictable behaviour of customers and violent crime. Such incidents may also occur more frequently within this sector due to such businesses handling large amounts of cash, being open later in the evening and requiring staff to have face to face contact with customers. In some areas shoppers and traders may be deterred by the fear of violence.

Security Assessments will be routinely undertaken by the Community Safety Manager (DNS) to usefully examine possible means of preventing anti-social behaviour or security threats such as the provision of CCTV cameras and other security/ surveillance measures. The findings of the security assessments will be shared with tenants and issues addressed wherever possible.

4.2.4 Retail Violence Project

The Cheshire and Merseyside Health and Safety Liaison Group consisting of representatives from the region's local authorities (LA's) and Health and Safety Executive recognised the need to address the risks of work related violence in the retail sector.

Through the liaison group, the Retail Violence Project was initiated in partnership with Merseyside and Cheshire Police in 2009-10. The project has since developed as follows:

- A quarterly 'Retail Violence' working group consisting of LA officers including Knowsley and Police Crime Reduction Officers (CRO's) meets on a quarterly basis to share good practice and achieve consistency when advising on or enforcing standards across the region.
- An 'Information Sharing Agreement' is now in place to allow LA's access to Police crime data and provide effective intelligence for informing on retail premises visits.
- The development of guidance for employers to effectively manage the risks of work related violence
- An ongoing programme of targeted joint visits by LA officers and Police CRO's to retail premises.

The workplace visits by LA officers and CRO's forms a major part of the project. Such inspections take place in response to reportable incidents of violence at work, information obtained in crime statistics and in response to complaints made by employees. The visits are used to identify any failings of employers to effectively manage workplace violence risks. Appropriate action can then be taken to ensure those risks are properly controlled. Effective control measures employers should identify may include:

- Work Environment - Suitable design and layout of the premises including adequate visibility/lighting, provision of surveillance/CCTV and security devices
- Working Practices – Suitable cash handling procedures in place and adequate staffing
- Training – Adequate provision of training to address preventing and also dealing with violent incidents

Knowsley has been extremely proactive in delivering the Retail Violence Project in the Borough. Environmental Health and Consumer Protection Service has made significant improvements in how the risks of work related violence is managed by many retail businesses in the area. Nearly 60 visits have been undertaken to retail premises in the Borough.

4.2.5 Street Scene and Cleansing – Food on the Go Initiative

The Council takes pride in our streets and take environmental health issues seriously. The Directorate of Neighbourhood Services provides a street cleaning service to make sure that our streets are free from litter, graffiti and road spillages.

The Council has the power to issue a Fixed Penalty Notice of £75 fine to anyone caught littering the street or throwing litter from their car.

The Environmental Health and Consumer Protection Service investigate fly tipping incidents and prosecute offenders. Dumping waste illegally is a serious criminal offence that carries a fine of up to £50,000 (unlimited if the case goes to the Crown Court). Offenders could also face a prison sentence of up to five years for fly-tipping.

Offenders could also face the same penalties if a person allows someone to fly-tip on their land and/or their registered vehicle is used to fly-tip.

As part of the Cleaner, Safer, Greener campaign, Council officers are working in partnership with fast-food outlet owners across Knowsley as part of the Food on the Go Initiative to reduce litter from food packaging, half eaten burgers and drinks containers, which is on the increase.

4.2.6 Health Initiatives

The health impacts of the shopping parades will be addressed by promoting responsible retailer initiatives and registration schemes through the Health and Regeneration - Project Officer (Public Health Team/DRES); Active Leisure; and Environmental Health & Consumer Protection Service. The range of initiatives available, which will be highlighted to the retailers at no less than yearly intervals, includes:

- Working Well - There is a growing body of evidence showing the financial benefits found by organisations that implement wellbeing programmes. Working Well supports organisations in addressing key areas which can improve the health and wellbeing of their employees and assist in complying with health and safety legislation.

Businesses in Knowsley who sign up to Working Well will be asked to agree to six central commitments and are then supported to work towards six health specific standards. Businesses that complete all of the standards can also achieve the first stage in the Regional Workplace Workplace Wellbeing Charter which is also a recognised award.

Signing up to Working Well has a number of benefits including:

- Access to small grants for workforce health (see info in 4.3.2 iii)
 - Support to help with all aspects of business
 - Access to discounted leisure offers at Active Knowsley facilities
- Business Registration / Licensing Schemes - food business, hairdressers, barbers and businesses that carry out skin piercing (body piercing, acupuncture, tattooing etc.) must register or be appropriately licensed with the Council prior to the commencement of the lease.
 - Food Charter Awards - The Food Charter is an award scheme that recognises the contribution that food businesses can make to improving diet and health. Throughout 2011, in partnership with Heart of Mersey, Knowsley has been leading on the delivery of the Food Charter for businesses in the borough.

To achieve the award, food businesses have to meet certain criteria which broadly are aimed at increasing the availability and provision of nutritious, healthy and safe food. A total of 21 food premises have now achieved the award.

- Planning Policy - The Council is currently considering the merits of introducing supplementary planning guidance as part of the development of its Local Plan to influence the location and number of fast food takeaways across the Borough.

4.2.7 Service Charges

The Scrutiny Review suggested introducing service charges to pay for additional measures that could minimise the negative environmental and health impacts of the shopping parades. For example, through the introduction of CCTV.

As set out in the Royal Institution of Chartered Surveyors RICS Code of Practice for Service Charges in Commercial Property, a service charge is set down in the lease(s) and the aim is to entitle the owner to recover charges and associated administrative costs incurred in the operational management of the property. This will include reasonable costs of maintenance, repair and replacement (usually where beyond economic repair) of the fabric, plant, equipment and materials necessary for the property's operation plus any other works and services which the parties agree are to be provided by the owner and subject to reimbursement by the occupier.

If the property is fully let, the owner will normally be able to recover all expenditure on services through the service charge, except any concessionary discounts the owner has given.

Service charge costs **cannot** include:

- Any initial costs (including the cost of leasing of equipment) incurred in relation to the original design and construction of the fabric, plant or equipment.
- Any setting up costs, including costs of fitting out and equipping the on-site management offices that are reasonably to be considered part of the original development cost of the property.
- Improvement costs above the costs of normal maintenance, repair or replacement. Service charge costs may include enhancement of the fabric, plant or equipment where such expenditure can be justified following the analysis of reasonable options and alternatives and having regard to a cost benefit analysis over the term of the occupiers' leases. Managers should provide the facts and figures to support and vindicate such a decision.
- Future redevelopment costs.
- Such costs which are matters between the owner and an individual occupier, for instance: enforcement of covenants and collection of rents; costs of letting units; consents for assignments; sub-letting; alterations; rent reviews; additional opening hours, etc.
- Any costs arising out of the failure/negligence of the manager or owner.

The provision to recover a service charge is contained in around half of the shop leases currently let by the Council. However, the only parade that currently makes the provision to recover a Service Charge from all the tenants within the parade is at Moorfield, where a Service Charge is successfully administered.

The standard Service Charge Clause within a standard Council shop lease allows for the recovery of the following:

- Lighting of the Parade to a reasonable standard including the repair renewal and maintenance thereof;
- Cleaning of the common parts walkways access and service road and car parks of the Parade and serving the Demised Premises;
- The hiring of skips and bins for the disposal of refuse including trade refuse serving the Parade;
- Maintenance to such a standard as the Council may from time to time deem adequate of the common parts walkways access and service roads and car parks alarm system pipes wires cables drains and other service media inside or connected with the Parade and the boundary walls and fences service yard and landscaped areas;
- Management fee of ten per cent of the total costs actually incurred;
- The payment of all rates charges assessments taxes and outgoings payable in respect of the common parts access ways car parks service and access roads and undeveloped areas of the Parade and the supervisors/caretakers premises; and
- Any other services considered necessary in the interests of prudent estate management and provided by the Council for the Parade from time to time and not expressly mentioned within the lease.

The Asset Management Team will give consideration to introducing and administrating a service charge at all the Council's neighbourhood shopping parades to meet the cost of facilities or services required to reduce the negative impacts of the shops. However, the opportunity to do so at this time is curtailed by the absence of the service charge clause from many of the shop leases. The potential to introduce a service charge will be reviewed by the Asset Management Team on a parade by parade basis once all the tenants within a parade hold a lease containing the service charge provision. When considering the introducing of a Service Charge, the Asset Management Team will also take into account the following:

- The level of negative environmental and health impacts generated by each shopping parade
- Viability of the parade

4.3 “Traditional Traders” are to be encouraged and assisted to occupy the Council’s shop units

‘Traditional Traders’ for the purpose of this policy will be defined as:

- Butchers
- Bakers (Not chain or franchise)
- Greengrocers
- Hardware Stores
- Laundrettes (incl. Dry Cleaners)
- Fish Mongers
- Chemists
- Post Offices
- Banks / Credit Union
- Barbers / Hairdressers (Not solarium)
- Undertakers / Funeral Directors

4.3.1 Flexible Lease Terms

Where “Traditional Traders” are not attracted to the neighbourhood shopping parades or are known to be experiencing serious viability problems, traders or potential traders will be targeted for support and assistance from the Council. After an examination of the traders’ certified accounts or business plans and an

assessment of social needs in the locality, the Council may grant short term rent subsidies, concessions or other appropriate methods of alleviating financial pressures having regard to the specific circumstances of each case and the legal/financial duties criteria set down in section 3.6.

As outlined in Section 4.1.1, where appropriate, the Asset Management Team will consider utilising the RICS Small Business Retail Lease.

4.3.2 Grant Assistance & Training

Subject to availability, Traditional Traders will be supported to access grants and other incentives such as:

- Business Rates Relief (see section 4.1.3),
- Business Grants - A grant being a sum of money given to an individual or business for a specific project or purpose. A grant will cover only part of the costs involved - the remainder should be provided by the individual or their business.

Grants are available from a variety of sources including government, the European Commission and the local authority. Knowsley is located in an assisted area and can therefore offer :

- i) **Small Business Growth Grant** - assistance to growing small businesses in the Borough towards the purchase of capital equipment, if the project is creating new jobs through this growth or able to access significant new markets (*£10,000 max, 50% project cost max, for capital equipment, job creation requirement, no chains or franchises*).
- ii) **Fresh Start Grant** - The Fresh Start Gateway was officially launched in December 2005 by Knowsley Council and its partners to increase the number of local residents starting-up their own businesses or anyone wishing to start a business in Knowsley. Fresh Start is a free service that will help guide you through all aspects of getting started in business, linking you in with a qualified business advisor and providing ongoing support when you need it. The Fresh Start Gateway offers continued support and mentoring even after your business has started trading (*£200 to £1800 for new business, creating at least one job, no match requirement*).

The team may be able to link to other support that is available.

Contact us on 0151 477 4000.

<http://www.knowsley.gov.uk/knowsley-business/finance/available-grants.aspx>

- iii) **Working Well Grant** - Businesses in Knowsley who sign up to Working Well will be asked to agree to six central commitments and are then supported to work towards six health specific standards. These can be completed in any order and to a time scale suitable to the business.

Signing up to Working Well has a number of benefits including:

- Access to small grants for workforce health up to £1,000
- Support to help with all aspects of business
- Access to discounted leisure offers at Active Knowsley facilities

- Training - The Council and its partners offer a variety of training courses that could assist or support Traditional Traders. Consideration will be given to delivering these to Traditional Traders at reduced or fully subsidised rates. For example:
 - i) For food handlers and managers. These include:
 - Chartered Institute of Environmental Health (CIEH) levels 2, 3
 - Food safety awards.
 - ii) Health and Safety
 - iii) Business Skills & Development
 - iv) HM Revenue & Customs (HMRC) Free Online Seminars for Businesses and the Self-Employed

Shop Management Working Group
Terms of Reference

Group Objectives

The multi disciplinary cross-directorate Shop Management Working Group has been established to ensure that the operational management decisions relating to the council's shopping parades are made in a more co-ordinated manner. More specifically, the core objectives of the Group are to ensure that:-

- The Policy for the management of the Council's Neighbourhood Shopping Parades is being implemented to ensure clear, consistent and equitable decision-making across the Council, which has a positive impact upon the general health and well-being of the residents of the Borough.
- Incidence of voids at parades should be reduced and the retail offer should meet the shopping needs of local residents, having regard to both economic trends and social factors;
- Shop Management should minimise the negative environmental and health impacts of the shopping parades; and
- Traditional businesses should be retained and encouraged to occupy shop units and to trade successfully, particularly where they provide healthy products (such as butchers and greengrocers),

Group Functions

The Group will achieve its objectives by receiving reports (verbal and written) for consideration and endorsement; by circulating information relating to initiatives and projects; by building working relationships and integrating service delivery across the council; and by undertaking tasks on behalf of the Land and Property Steering Group including:-

- Reviewing the performance of the Neighbourhood Shopping Parades;
- Developing and prioritising a programme of maintenance and improvement works which takes into consideration:
 - the condition of the shop units
 - the condition of the public realm
 - street furniture and obstruction to street cleansing
 - security
- Identifying best practice initiatives to minimise the negative environmental and health impacts of the shopping parades and to improve the general management of shopping parades. For example:
 - Ensuring that new lettings or change of uses to hair and beauty, hot food and piercing will only be completed by the Asset Management Team once the potential lessee has registered with the Environmental Health and Consumer Protection Service.
 - DNS to be notified of new lettings or change of uses as part of the lettings process to ensure that adequate waste collection arrangements are in place before new businesses open.

- Targeted consultation to promote the Working Well Initiative.
- Adoption of the new lettings criteria outlined within the Policy to reflect the recommendation of the Scrutiny Review (e.g. control of takeaways).
- To ensure that retailers who may be entitled to access financial assistance (Grants or Small Business Rate relief) are aware and are in receipt of it.

Membership of Shop Management Working Group

The proposed membership of the Partnership Board is:-

Representatives (core members)

- Asset Manager – Strategic, Asset Management Team (DCR)
- Principal EHO, Environmental Health & Consumer Protection Service (DCR)
- Revenues Manager (Business Rates) DCR Borough Treasurer
- Health and Regeneration - Project Officer, Regeneration (Public Health Team/DRES)
- Business & Sector Development Manager, DRES Business Liaison & Investment (DRES)
- Technical Advisor, DNS Street Scene (DNS)
- Community Safety Manager, DNS Neighbourhood management (DNS)
- Compliance and Prevention Officer, Active Leisure (DWS)
- LDF Senior Planner (CEO)

And other Council officers or partner organisations to be invited as and when appropriate.

Frequency of Meetings and Administration

The Group will meet on a bimonthly basis and the meeting will be supported and administered by the Council's Asset Management Team.

