

## Report of the Portfolio Holder for Economic Development and Asset Management

### UK High Street Rental Auctions – Early Adopters Programme

#### 1. Purpose of Report

To gain formal endorsement for and explain the Council's role in the MHCLG High Street Rental Auctions (HSRA) Early Adopters Programme for Stapleford Town Centre.

#### 2. Recommendation

**Cabinet is asked to NOTE the intended outcome and implications of the Borough Council's participation in the Early Adopters Programme and request an update report once the work is underway and RESOLVE that Broxtowe Borough Council formally approve participation in the above Early Adopters Programme to support the work of the Stapleford Town Deal Board.**

#### 3. Detail

The legislative framework for High Street Retail Auctions is set out in Part 10 of the Levelling-Up and Regeneration Act 2023, supplemented by the Local Authorities (Rental Auctions) and Town and Country Planning (General Permitted Development Amended Regulations 2024. This came into force on 2 December 2024. The proposed implementation of the legislation was delayed as a result of the General Election. Prior to these delays the Stapleford Town Deal Executive Board voted to request that the Council be requested to use these new powers to tackle a number of properties which for unknown reasons had declined offers of a Town Deal grant support. All these properties have stood empty, some have deteriorated markedly, and they generally detract from the work undertaken in the rest of the town.

HSRAs are a new permissive power for Local Authorities to require landlords to rent out persistently vacant commercial properties to new tenants such as local businesses or community groups. Local Authorities will be able to take action to fill long term vacant properties by auctioning lease rights of up to five years. The process has some new resources and has been designed to have several intercept points where landlords of such premises and Councils can work together to find common ground rather than being a rigorous enforcement regime for non-compliance. As it is still an unproven process, MHCLG have invited a number of authorities to be pathfinders. The Communities and Inclusive Growth Policy and Strategy Division have made it clear that there is not one right or wrong way to achieve the outcomes and there is some scope for trialling and experimenting how each stage can work given local circumstances. Four pilot authorities have been working with the unit in the run up to December but a call to widen the cohort was made. Broxtowe has registered and is now

one of the twelve Councils on the HSRA 'Early Adopter' Programme with Bassetlaw, Barnsley, Camden, Darlington, Hillingdon, Lichfield, Mansfield, Medway, North Northamptonshire, North Somerset and Westminster.

In total the HSRA process takes 22 to 24 weeks as shown in the attached **Appendix 1**. It involves a notice period and an auction period. Prior to these subsequent stages there is a need to announce and consult with the community concerned via a 28-day minimum engagement period. This must be evidence led. The need for this HSRA initiative has been established with the Stapleford Town Deal Executive Board as far back as 8 December 2023. We have discussed the implementation of the HSRA initiative at Stapleford Town Deal Delivery Boards and at the last meeting, 19 February 2025, it was proposed we proceed with the announcement of the start of the process. As the Council approaches what might be the last full year of the Town Deal, it was thought there was a need to move as quickly as possible as regards to Stapleford. The trial area is limited to the area of Stapleford used to attract the Town Centre Recovery Grants. A requirement for the process is to prove that the occupation of the premises would be beneficial to the local economy, society or environment can be unequivocally demonstrated. Any properties which satisfy the 'vacancy condition' (unoccupied continuously for 12 months or for at least 366 days non-continuously within a 24-month period) will be under consideration. **Appendix 2** is a draft flyer for the announcement to the public that the HSRA initiative is about to take place.

Some Government funding, detailed here <https://www.gov.uk/government/publications/high-street-rental-auctions-grants-for-local-authorities/high-street-rental-auctions-fund-prospectus>, is available at between £3,000 and £8,000 via an application process for the development of a vacancy register to support the implementation of the scheme (conditions apply). There is a £1.5 million refurbishment fund which will be awarded on a rolling programme through to January 2026 to help bring premises up to a condition where they can be rented. The rules have stipulated expenditure at £40,000 to £79,000 per property based on the size and the average is expected to be approximately £50,000 per property. A 'new burdens payment' will compensate Local Authorities for costs incurred in the implementation of the new powers. This payment will offset the marketing, auction and legal costs incurred as a result of implementing the regulations up to the value of £5,223 per auction. If the initial notice is served and the local authority does not progress the case to the marketing stage, then the Council is only entitled to draw down £1,791. It is expected that some Stapleford Town Deal funding might also be required as these values are yet to be tested. Although Stapleford and the Town Deal provides an optimum opportunity to see if HSRA can make a difference, the whole of the Borough has been registered. If resources allow, the initiative could be expanded to other towns or discrete areas of the Borough.

4. Key Decision

This report is not a key decision.

5. Updates from Scrutiny

Not applicable.

6. Financial Implications

The comments from the Head of Finance Services were as follows:

There are no additional budget implications to consider at this stage. It is anticipated that a New Burdens compensation payment would compensate the Council for costs incurred in the implementation of the new powers.

7. Legal Implications

The comments from the Monitoring Officer / Head of Legal Services were as follows:

At this stage approval is being sought to sign up to the Early Adopter Programme and the Council's timescales for progressing this throughout 2025 is detailed in the body of the report. There will be no legal penalties if at a later date the Council choose not to progress the HRSA. However, this is an opportunity for the Council to progress the use of these new powers to provide a benefit to Stapleford Town Centre. The relevant legislation has been referred to in the body of the report.

8. Human Resources Implications

The comments from the Human Resources Manager were as follows:

Not applicable.

9. Union Comments

Not applicable.

10. Climate Change Implications

The climate change implications are contained within the report.

11. Data Protection Compliance Implications

This report does not contain any OFFICIAL(SENSITIVE) information and there are no Data Protection issues in relation to this report.

12. Equality Impact Assessment

Not applicable.

13. Background Papers

Nil.