



Report to: Income Generation Sub-Committee, 16th January 2018

Report of: Head of Finance

Subject: LIVING OVER THE SHOP (LOTS)

1. Recommendation

1.1 That the committee approve £15,000 from the Income Generation Fund for a review of property above retail units in the city centre. The aim being to quantify the proportion already occupied and identify further opportunities for conversion to residential use.

2. Background

2.1 The city centre has a large number of retail units. Whilst some of these use the upper floors for trading or storage, there are others where they are not part of the retail offer. Some of these are occupied as homes or offices but others lie empty and unused and could provide extra residential accommodation.

2.2 The city needs more homes, particularly affordable housing. Increasing the provision in the city centre has the added benefit of people living close to their place of employment and thereby reducing the pressure on transport links. It also helps support the city centre economy.

2.3 It is essential that the homes have access that is separate from the retail units.

2.4 Units deemed suitable for conversion to residential accommodation can be undertaken, subject to obtaining any necessary planning permission, listed building consent and/or Building Regulations approval. The City Council as Local Planning Authority offers a permitted development and pre-application enquiry service to provide the necessary advice and guidance in relation to such schemes in liaison with other relevant Council teams including conservation, housing, refuse collection, as well as Regulatory Services colleagues.

2.5 The City Council benefits from increasing the provision of housing, a key aim of the City Plan. There is also an increase in the Council Tax yield and the amount received as New Homes Bonus. Conversely there could be a small reduction in the amount of income from Business Rates.

2.6 The desire to increase the usage of property above retail units has been the subject of previous council initiatives. In 2002 the City Council issued an Upper Floor Conversion Scheme, see **Appendix 1**. This offered a grant of up to £7,500 for property owners who converted empty units for residential accommodation and was backed by a government grant.

3. Preferred Option

- 3.1 The proposal is to carry out a review of the upper floors in the BID area of the city centre. This would involve an initial visual inspection from the outside to determine:
- Is the property already occupied?
 - Is there any reason why it is not suitable for occupation?
 - If empty, is there potential for it to be occupied?
- 3.2 This will quantify the scale of current occupation and the potential to further increase it.
- 3.3 Those properties identified as having potential can then be the subject of an enquiry with the Land Registry to ascertain the owners. Contact can then be made to establish whether conversion to residential accommodation is an option.
- 3.4 It is estimated that the review would take six months to complete and would necessitate the recruitment of an interim resource at an approximate cost of £15k.

4. Alternative Options Considered

- 4.1 The alternative to carrying out this review is to rely on individual property owners to make the commercial decision to market the empty property. This would leave the city council unaware of the number of vacant properties and may lead to a number of properties remaining vacant which, in the Council's view, could be brought back into use.

5. Implications

- 5.1 Financial and Budgetary Implications
As noted in this report
- 5.2 Legal and Governance Implications
None
- 5.3 Risk Implications
None
- 5.4 Corporate/Policy Implications
None
- 5.5 Equality Implications
None
- 5.6 Human Resources Implications
None
- 5.7 Health and Safety Implications
None

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Background Papers: None