

ARUN DISTRICT COUNCIL

REPORT TO AND DECISION OF THE ECONOMY COMMITTEE ON 12 OCTOBER 2021

REPORT

SUBJECT: POP UP RETAIL IN ARUN

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DATE: August 2021

EXTN: 01903 737845

AREA: Economy Group

EXECUTIVE SUMMARY: In March 2020 Arun's Cabinet agreed a course of action to establish Pop-Up retail in Bognor Regis and Littlehampton. Since then much has changed and this report looks again at how Pop-Up retail might be provided in Arun.

RECOMMENDATIONS:

It is recommended that the Committee agree:

- i. Officers work with our Partner to provide Pop-Up Retail in Unit 10, The Arcade, Bognor Regis.
- ii. Officers are instructed to investigate the options to provide Pop-Up retail premises in Littlehampton and return to the Economy Committee with a report.

1. BACKGROUND:

1.1. In March 2020 Arun's Cabinet agreed a way forward to providing Pop Up retail in both Bognor Regis and Littlehampton. Since then much has changed and it has not been possible to take forward those recommendations since both premises have been let and the retail landscape in both towns has altered due, primarily, to the ongoing pandemic.

1.2. According to a report from the British Retail Consortium (BRC) and Local Data Company, the vacancy rate across high streets, retail parks and shopping centres rose to 14.5% in the second quarter of 2021. It was up from 14.1% in the first quarter and 12.4% in the second quarter a year ago.

1.3 Since the Economy Committee is newly formed it would be an appropriate time to explain Pop-Up Retail as a concept as well as considering how this might still be delivered across the Arun district should the Committee agree that course of action.

2. WHAT IS POP UP RETAIL?

2.1. Pop-up retail is a temporary shop, stall or brand experience used to sell goods and services for a limited period of time. It includes everything from market stalls and street food vendors, to fashion shops, galleries, cafes and bars. Pop-up shops are seen more regularly as features in high streets in the UK, as pressures such as on-line shopping, out-of-town shopping centres and the closing of bank branches are having an impact on shopper numbers in town centres. Landlords have therefore been searching for alternative ways of filling their vacant premises.

2.2. Some Pop-Up Shops are based on one business leasing a whole retail unit for a short and specific period of time. Locally, Chichester District Council has allocated two premises in the city centre which are under their ownership as pop up shops. Businesses can apply to rent these for different periods.

<https://www.chichester.gov.uk/businesssupportandadvice>

However, sharing a larger unit between a number of businesses in a more “Emporium” style is also popular. This brings the added benefit of greater collaboration and support amongst those businesses trading from that space. Several more permanent examples of this can be found in Arundel where antique and collectable retailers each have allotted space within one larger store.

3. PROVIDING POP UP RETAIL IN ARUN

3.1 Bognor Regis – it was agreed at the March 2020 meeting that Unit 10 in this Council’s ownership in the Arcade at Bognor Regis should be renovated and used for Pop-Up Retail. Because of the delay in this project, due to the pandemic, Unit 10 is now under offer.

3.2. The potential tenant has undertaken to renovate the Unit and use some of the space as a Pop Up Retail opportunity. It is proposed that an amount of the funding allocated for the Pop-Up Shop initiative should be used to contribute to the renovation. At present the cost of refurbishment is unknown and quotations are being sought for the works. A further update will be available at the meeting.

3.3. Utilising Unit 10 under the supervision of the new tenant will provide a start for the project in Bognor Regis. It is expected that this arrangement will provide up to five individual Pop-Up opportunities on a daily, weekly, monthly or quarterly basis and would only exclude catering businesses. This agreement would be for a minimum of twelve months and if successful, and demand exceeds supply, further opportunities could be considered for the partnership arrangement to continue in alternative premises. This option also deals with the issue of how such a project might be suitably managed on a day to day basis.

3.4 At present Bognor Regis has a low vacancy rate, 6% as at August 2021, and suitable alternative premises are not currently available.

3.5. Littlehampton – the March 2020 meeting further agreed that suitable premises should be sought within Littlehampton to undertake a Pop-Up Retail project. Again, due to the delay in the project the premises previously considered are now not available.

3.6. In the intervening year vacancy rates in Littlehampton have risen in line with national trends, although for the same period as nationally, as at 1.2 above, Littlehampton’s vacancy

rate was 8.4%. Since then a number of new independent businesses have taken on units and, although there are still vacancies, numbers are lower and not all are suitable for Pop Up uses. It is also interesting to note that the retail units at the western end of the High Street, which are notoriously difficult to let, are all currently filled by what appear to be new retail ventures and a longer term vacant unit in Anchor Springs has also been taken by a newly established veterinary practice.

3.7. Going forward suitable premises will need to be found in Littlehampton town centre to accommodate the Pop-Up shop proposal. In the absence of the Council owning an existing property, as in Bognor Regis, other options will need to be considered. This may include consideration to purchase or rent a larger unit, to run an Emporium style venue with space for 20 or so businesses or to take a smaller unit, as per the Chichester District Council model, and let to one or two business at a time for a short period. This will be fully explored in a report that will come to a future Committee.

3.8. As an example of current commercial values, two large and two smaller retail units are available to rent and/or purchase in Littlehampton. The table below provides brief details of these premises.

Address	Size	Rent / Purchase Cost	Additional Information
48 High Street <i>formerly Cassino</i>	900 sq. feet	Rent £18,000 pa	Service charge and insurance costs £2500 pa.
57 High Street <i>formerly Bon Marche</i>	4381 sq. feet	Rent £35,000 pa	Freehold available – guided @ £450,000
59 High Street <i>currently Pound Xtra</i>	3345 sq. feet	Rent £40,000 pa	
55a High Street <i>Formerly Tui</i>	1280 sq. feet	Rent £15,000 pa	

3.9 The table provides a guide to the rental costs of some high street premises. Other costs such as business rates, insurances and utilities would vary depending on the building. How the premises were managed would also need to be considered and this would incur additional ongoing costs. There may be opportunities to work with a partner organisation to provide this service. Options regarding potential premises, type of offer i.e. Emporium style or the smaller option of letting to one or two businesses at a time, property terms and premises management arrangement would be fully considered in a future separate report to this committee.

4. FUNDING

4.1 £50,000 remains in the Pop-Up Retail budget following the decision made in March 2020. Due to the pandemic restrictions none of this funding has been used to date. It is recommended that the contribution to the refurbishment of Unit 10 The Arcade is taken from this budget.

4.2 The West Sussex Strategic Infrastructure Fund (SIF) has recently allocated £70,000 to Arun to be used to support the economic recovery of our town centres. It is proposed this funding is shared between Arun's three towns to support activities in our town centres including the pop-up shop provision.

4.3 In addition a Shopfront Enhancement Grant of £2,000 can be accessed as a further contribution towards refurbishment.

2. PROPOSAL(S):

2.1 In March 2020 Members requested that the Pop-Up Retail project in both Bognor Regis and Littlehampton was moved forward. For reasons outlined above this has not happened.

2.2 It is proposed that the Bognor Regis project is now moved forward with our Partner, in the same premises. Whilst this is on a smaller scale it will provide a platform from which future requirements can be ascertained and a future, larger project scoped.

2.3 A separate report with options for Pop-Up shop venues in Littlehampton will be presented to a future committee.

3. OPTIONS:

3.1 To provide, in partnership, Pop Up Retail in Bognor Regis at Unit 10, The Arcade.

3.2 Officers to investigate options for Pop-Up shop venues in Littlehampton

3.3 To do neither of the above and no longer pursue the provision of Pop Up Retail.

4. CONSULTATION:

Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council (for previous decisions)		X
Relevant District Ward Councillors (for previous decisions)		X
Other groups/persons (please specify)		X
Some Ward Cllrs have changed since decisions were made		

5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)	YES	NO
Financial	X	
Legal	X	
Human Rights/Equality Impact Assessment		X
Community Safety including Section 17 of Crime & Disorder Act		X
Sustainability		X
Asset Management/Property/Land	X	
Technology		X
Other (please explain) Officer resources	X	

6. IMPLICATIONS:

Financial: Some of the proposed projects either require capital funding, and/or will provide and bring income for the Council

Legal: Legal agreements such as leases and licenses will be required for some proposed projects

Land: One proposed project is located on Council-owned land

7. REASON FOR THE DECISION:

To facilitate Pop Up retail projects in both Bognor Regis and Littlehampton.

8. BACKGROUND PAPERS:

Report to Cabinet – March 2020 - [Arun District Council](#)