

**Notes of Trading Spaces Working Group Meeting
held on Wednesday 3rd June 2020, via Zoom**

Present: Robert Eggleston, Joe Foster, Janice Henwood, Roger Cartwright, Steve Cridland and Liz Clark

Prior to the meeting Robert had emailed the Working Group the following update:

1. I have now visited most of the units in the Martlets Shopping Centre. The Argos unit is not suitable because it needs too much work doing to it to bring to the standards required for a food store. However, units 25 – 29 (the former William Hill Interiors unit) is available and is in good condition.
2. William Hill Interiors is 3,365 sq. ft. (312.6 sq. m.) and has a rateable value of £44,635 (ground floor only).
3. Meg King of Scrapless visited these units with me and she is happy to proceed (which fills circa ½ the space).
4. I have reached out to an organisation called Your Local Pantry which was set up in Stockport and runs a Community Shop type scheme (see brochure attached). This would give us a useful framework to found a charitable organisation locally to support this initiative (I have had an exchange with the Burgess Hill Foodbank about this potential project)
5. Scrapless already has a number of trading partners willing to support its project.
6. In addition I have been in discussions with Jake Hutchings (he runs Shrunken Terra in the Martlets Shopping Centre) who is interested in supporting this project (including running a bar based on selling local craft ales and wines). It could go in to the former Pulse unit if it could be made fit for purpose).
7. I have engaged with Nadine King of Workman (Managing Agent for NRR) and Jackie Tracey NRR on lease terms. The William Hill unit is in their rate mitigation scheme so will be available at a peppercorn rent because the business rate burden shifts from them to the tenant. The tenancy will be for a term (probably 2 years) with a 3 month break clause. This side of the shopping estate is in the second phase of development (should that take place). It would give us a good run at developing this concept.
8. Under the current covid19 BR scheme there is a 100% discount on rateable values of £51k or less that runs until 31/3/2021. Thereafter BR would be payable (unless the scheme is extended).
9. I have had several exchanges with the Valuation Agency and they have confirmed that if the unit is sub-divided then the BR assessment is based on the sub-divided units. Assuming the unit was divided equally into 3 sub units (they don't need to be) then a BR assessment on commercial use each would have a rateable value of £14,878. The aim would be to let the sub-units to operators and take BHTC out of any BR risk
10. It is not expected that officers run Trading Spaces but as a council led scheme we would provide support

Related to Trading Spaces is the potential to bring the former Argos and Iceland units into use. It is not anticipated that BHTC will directly lease these. The Burgess Hill Shed may want to use the Argos unit for a workshop pop-up

and I am talking to the National Market Trades Federation about renting space to fashion traders.

Discussion Points:

Condition of building, who would cover costs to fit it out? Iceland and Argos units are not up to standard for food and would need a lot of money spent on them to configure/refurbish. Neither have a good environment outback or upstairs.

Robert spoken to Eric at The Shed about the Argos unit as a non-food space and he is keen, subject to a site visit to run workshops. Iceland unit could be brought up to spec for Fashion Pop-Up Traders.

The vacant William Hill Interiors unit is in good condition, Scrapless are interested in taking on ½ of the unit. Business Rates liability falls to Scrapless.

Valuation Office explained the William Hill Interior unit is divided into different retail zones with the higher valuation at the front of the store. It is suggested to divide store from front to back to divide the higher retail zone between traders. Business Rates for half the unit would be £24k, tax bill £12k, due to Covid-19 changes to Business Rates it will be £0 for the year 2020. There are 2 or 3 other traders interested.

Your Local Pantry - what was the Food Bank's stance? Food Bank does not have the resources to take this on and have their own client base to direct their food donations to. Your Local Pantry is not emergency aid, it is a co-op whereby people pay £3.50 per week subscription and can select up to 10 food items per week. Users would be those on low incomes (Universal Credit and families in receipt of school meal vouchers). Food comes from Food Share scheme and other surplus suppliers/retailers.

Market Research – is there a need in Burgess Hill? Next step is to do market research. It's important to have an anchor tenant, plus 3 or 4 others. Tenants will need to have conducted their own market research. If tenant fails the risk lays with the tenant not the Town Council.

Need to define the way Trading Spaces will be managed – governance, who is it going to run it (Officers, Councillors, self-governing), selection criteria for tenants, risk assessment, insurance, etc. Factor in social distancing re Covid-19.

Suggestion to set up a small management group to support tenants. This Trading Spaces Working Group could become the management group, together with one or two other people with relevant experience. Burgess Hill Community Partnership? Provide mentor support/networking opportunities, training, e.g. BHBPA.

Scrapless - sustainability, zero waste, reduce food miles, bring own packaging, goods ethically produced/sourced, craft ales/wines, Sussex sourced, Fairtrade/ethical mark.

Sussex Oakleaf has always wanted office space. MSVA may be interested and they had a list of organisations that are looking for office space.

Is Trading Spaces a finished product? – The policy has been agreed by Council and £40k budget for an indoor market which has morphed into Trading Spaces. A report will go to Council on 22nd June with the facts and figures, subject to the Working Group recommendation. This Working Group is a sub group of the Strategic Development Key Area Group.

Need to define potential tenants, set of criteria and build in some flexibility. Opportunity to have lots of small start-ups. Trading Spaces concept is different to other towns and first for Mid Sussex.

Where do we see Trading Spaces in a year, 2 years? Permanent location? Factor in the town centre regeneration plans/time line.

Draft a Lease document between BHTC/NewRiver Retail to go to Full Council. Suggested using Food Bank model. 3 month break clause.

Draft a Lease between BHTC/Tenants. Service costs? Break clause?

Research funding grants/loans (BHTC & tenants). LEP?

BSE FM based in London and Haywards Heath has offered to refurb the unit at cost.

The report to Full Council is to present an update from the Working Group with a proof of concept for Trading Spaces to include how it will work, divide the space into smaller units 'retail pods' to sub-let, reduce business rates, low financial risk, explore potential tenants/criteria etc. If Council support the Trading Spaces concept, the next stage is to mitigate a deal with NewRiver Retail.

The Trading Spaces Working Group support the Trading Spaces concept.

Joe drafted a Lean Canvas document during the meeting to capture the Working Group's thoughts and this would form part of the report to Full Council on 22nd June 2020.

Target opening date is September 2020.

Actions:

- Circulate the Lean Canvas and supporting documents to Working Group– Joe
- Draft report to Council – Robert/Steve
- Draft Lease BHTC/NewRiver Retail to go to Council – Robert/Steve
- Draft Lease BHTC/Tenants - Robert
- Draft risk assessment and research insurance – Liz
- Research funding grants/loans - All