

Meanwhile Space

Quick read guide

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Meanwhile
Spaces:
a guide

This guide has been commissioned by Welsh Government to help local authorities and the independent sector develop and deliver meanwhile spaces. It is not intended for end users or smaller independent landlords.

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What are Meanwhile Spaces?

'Meanwhile Space' refers to the temporary use of vacant units, usually (though not exclusively) in town/city centres, and generally at low or no rent. They are often described as 'pop-ups' and have gained prominence as a tool of regeneration and renewal of urban centres.

Meanwhile spaces are becoming more popular in Wales, but until recently, there was no coordinated or structured approach, so two pilot projects (in Swansea and Bridgend) have been established to test the approach, building off previous work by the independent sector and landlords like Coastal Housing, who pioneered a place-based approach to meanwhile space in Swansea's High Street.

The guide has been drawn from direct experience of developing and delivering these successful pilot projects.

Why do it?

Meanwhile spaces can deliver a variety of benefits, including:

- Increased footfall to an area
- More opportunities for start-ups/growth of existing businesses
- Benefits to the local economy e.g. employment opportunities, increasing tourism
- Social benefits e.g. increasing an area's sense of community

Benefits to landlords

There are many benefits to individual landlords, including:

- Direct financial benefits;
- Reducing the potential for additional costs;
- Increased prospect of long-term use;
- Improving perceptions of an area:
- Increased footfall, activity and vibrancy to an area;
- Economic impact on the local community;
- Raising profile and publicity;
- Supporting wider development.

Delivering or enabling?

Whether initiatives are run by the local authority, independent bodies, or a combination of the two, local authorities can develop a clear strategy/policy position on meanwhile spaces to communicate intent, to identify and remove obstacles, and to create a uniformity of approach.

Strategy/policy alone will not lead to the creation of meanwhile spaces – there must be practical activity to drive it – but having a clear approach in place helps to smooth the process, making it more efficient and cheaper to establish and sustain these types of use. Ultimately, the key consideration is to make the process as easy as possible for everyone.

Who will do it?

To create a culture of meanwhile space, there needs to be an operating model; delivery can be through the local authority or via one or more independent bodies.

There may be interested intermediaries already in existence with whom local authorities can partner. Alternatively, local authorities may wish to create one or a third party may want to create one.

If an independent intermediary model is developed it can be for profit or not for profit. There are various sources of assistance and start-up support for creating any kind of business, including Business Wales/Social Business Wales and (for non-profit organisations) local Councils for Voluntary Services.

Covering costs

The intermediary might incur liabilities so it is essential that any risks are mitigated before the intermediary begins to sign up properties.

The intermediary will need staff to help secure spaces and manage the process of booking spaces. It will need to cover insurances professional fees (legal and accounting), a marketing budget and general office costs.

Unless government (Welsh, local or perhaps town/community level) directly funds it, it is not realistic to expect longer-term revenue support from public funding sources when establishing a business plan for the intermediary – it is exceptionally hard to secure and very rare.

Meanwhile leases

Even for the short-term use of space, a legal agreement will be required to protect the landlord and the tenant. This can create significant cost in relation to the limited period of occupation and modest turnover that many pop-ups can generate during that time.

You may want to consider a template meanwhile lease as these are designed to equally protect the landlord and tenant. Examples of these are available in the longer version of this guide.

Meanwhile users need to clarify if there are service charges and agree a fee for these, which should form part of the lease and fixed for the duration of the lease term. Not all buildings will have them, and there may be certain aspects (e.g. lifts) that the meanwhile user does not need, so there is room for negotiation.

Permitted alterations

The standard meanwhile lease allows for basic alterations without the need for landlord permission. These are likely to be primarily cosmetic and/or related to compliance matters – repairing what already exists.

Structural alterations to buildings should be avoided – they are likely to be prohibitively expensive for meanwhile uses.

Schedule of condition

A standard meanwhile lease will commit the intermediary (and by extension, the end user) to return buildings to their original condition.

The intermediary/ end users will need to tidy the space, removing alterations they have made and any refuse/stock/equipment, and cleaning it to a reasonable standard prior to vacating. This needs to be factored into business planning income and expenditure forecasting.

Discuss this with the landlord before leaving. If the landlord agrees to certain changes remaining, confirm this in writing (an exchange of emails or letters should suffice).



Business rates

Business rates can be problematic as the system is not set up for temporary uses where end users may be operating in high value premises rent free, but where the rates remain tied to the rateable value (based on open market rental valuations) and could be extremely high in comparison to the occupier's likely turnover levels.

For more information about business rates, please refer to the longer version of this guide.

Planning permissions

There are certain changes of use that are permitted without the need for planning permission. Planning permission is not generally a swift process and landlords (and local authorities) will not necessarily want changes of use agreed as it could hinder the longer-term prospects for the building/area.

In the absence of other measures, the solution is to work within existing permitted use classes and fit end users to spaces with classifications that match, but further flexibility might be useful. Some local authorities may have adopted Local Development Orders (LDOs), which can help streamline this process.

Signage requires planning permission within certain parameters, which can be a criminal matter if rules are breached. The simple solution is that end-users have in their lease a requirement to operate within permitted rules for signage, otherwise they are responsible for securing planning permission for other signage.

There is further information about the planning requirements for signage in the longer version of this guide and at:

<https://www.legislation.gov.uk/uksi/1992/666/contents/made>



Licensing

If the premises is going to serve alcohol or provide late night refreshment (the supply of food or drink between 11pm and 5am), it will require appropriate licensing. A license is also required for regulated entertainment, which includes live and recorded music, film exhibitions and indoor sporting events.

The local authority will have a licensing department and contact should be made early to discuss proposals with them as it can be a long process.

A Temporary Event Notice (TEN) can be applied for via the local authority to authorise a licensable activity for small scale (499 people or fewer, including any staff) one-off events and is quick and easy to apply for.

A woman with blonde hair, seen from the side, is pointing her right index finger towards a wall of abstract art. She is wearing a dark, possibly black, jacket. The background is a gallery with several large, colorful abstract paintings hanging on the wall. The lighting is soft, and the overall atmosphere is that of an art exhibition.

Trading standards

If food is served on the premises, you will need to register with the local authority's trading standards department. This can take some time, but food traders setting up may be permitted to proceed on the basis of their application pending.

Even a short-term pop-up will need a 'scores on the doors' food hygiene rating. Some food producers may already have these accreditations from producing food in their homes or other sites.

Pavement licenses

Unless the freehold curtilage of the building includes a forecourt area (this will be shown on the title deeds if it does) then placing tables/chairs and other items on the street will require permission from the landowner, which is likely to be the local authority.

Insurance

The intermediary and all end-users will require public liability insurance. The level of cover required for end users will vary based on their use and will need to be negotiated by them directly with insurers. The intermediary can pass that requirement on to end users – there are many and varied policies available on the market, including at very low premium levels for short-term users.

The building will need insurance, which is usually covered by the landlord but may require a contribution from the intermediary and/or the end users, which is often referred to as an 'insurance rent'.

Security measures

A condition of insurance will be the maintenance of reasonable security measures, and in certain instances these may be specific e.g. the use of certain types of lock and/or shutters.

Security measures may range from particular locks, to shutters, to alarms or cameras, with costs varying considerably depending on the area to be covered, the age of building, and items required. Much will depend on the nature of the end use and what items may be stored in the premises.

Finding suitable properties

Begin by auditing what is empty and where – creating a map that can be easily updated, with landlord details and providing planning classifications and rateable value will help to create an instant picture.

When looking for suitable properties, keep an eye out for anything that is owned by central or local government that is presently empty without any tenant lined up.

You could also consider property owned by any other publicly funded bodies, notably RSLs, but there may be others including universities and potentially trusts, foundations or large third sector groups.

Property owned by the private sector can vary widely from owners of individual properties to those with large property portfolios. Often, owners will be absentee landlords with no local ties, which can create difficulties in building relationships. Begin with the easiest wins – local owners that you know, and nationals with easy to contact agents.

You can refer to the longer version of this guide for more information about finding the right property for your meanwhile space.





Listed buildings

Listed buildings can be problematic for meanwhile use, although if they are in good condition, they may be worthwhile pursuing.

However, the costs and restrictions on refitting (even to basic standards) listed buildings will price many out of the market. Similarly, take care to ensure that any non-listed buildings in conservation areas will not turn into highly costly ventures due to restrictions on reuse.

Location

Even though spaces are low or no cost, the location of your meanwhile space is still important. Many end users of space will rely on footfall, and so spaces need to be located in areas where this is sufficient to support the meanwhile use.

As with any use of space, the surroundings need to be considered – if there is residential property nearby, late night meanwhile spaces or those that generate significant noise will probably not be viable.

Accessibility

As with any other space, disability access should be facilitated wherever possible.

Most meanwhile spaces are former shop or café/restaurant/nightclub spaces that have flat street level access and should therefore be reasonably accessible, but you may need to make adaptations which could prove costly, so identify and cost that before committing.

Competition

As with other 'pop-up' interventions such as street markets, there can sometimes be opposition expressed to it creating 'unfair competition'. The growing evidence base shows the positive impact of meanwhile spaces on the wider economy, which can be drawn on and that evidence base will become more established as the meanwhile movement grows further.

Compliance works

Buildings may have been empty for some time and their condition can vary. Even recently vacated premises in otherwise good cosmetic condition should still be checked over for safety purposes by qualified professionals. You'll need to conduct your own risk assessment, but key considerations are:

Electrics

Even recently vacated buildings should have an electrical safety test performed by a qualified professional. Remember to include hand dryers in toilets (if there are any) in electrical testing and recommissioning works and also any escalators or lifts if they are to be used.

PAT testing

Any electrical items left in the venue should be PAT tested for safety, and then for items regularly moved once annually. Although most manuals can now be found online, you should ask the landlord if they have copies of any manuals for items left behind e.g. tills.

Plumbing and ducting

Ensure that any systems for moving air or water around or in/out of the building (including any storage tanks) are checked for legionella and that water is regularly flushed through systems. Toilet/welfare facilities need to be made fit for purpose and you should consider that any disabled facilities may need incorporating/upgrading.

Gas

If you plan to use the building for cooking using gas (and for smaller properties potentially for heating), the gas supply will also need testing. Even if not in use, any gas supply should be checked to ensure it has been capped and that the integrity of pipes/hoses and connections/taps to supply cookers etc. are secure and fit for purpose.

Funding

Along with legal costs, compliance work costs to make spaces safe to use can be one of the most significant barriers to establishing meanwhile spaces.

Local authorities can access Welsh Government Transforming Towns funding, which can be provided at a 100% intervention rate for these types of work to make buildings suitable for occupation by meanwhile users.



Firefighting equipment and signage

Firefighting equipment and appropriate signage (for extinguishers and emergency exit points) will need to be provided even for very short-term uses. A central store of portable firefighting signage and equipment, which should be regularly maintained by a qualified professional, could be established for very short-term uses.

Fire systems and equipment

Fire safety is essential in any business. You'll need to consider:

Fire alarms

Not all premises will have fire alarms if they have been empty for some time, or if they are facilities built to shell. Fire alarms should be tested regularly by staff and a log kept of any tests, and they should be tested at least once annually by a qualified professional with test certificates retained.

Fire risk assessment

A fire risk assessment should be carried out – advice is available from the fire service and there are professional firms that can conduct them.

Fire exits

If the use of the building changes (e.g. a retail space is turned into a performance venue), the existing number of fire exits may not be adequate. As creating new fire exits can be prohibitively expensive, you may need to tailor the numbers of people you allow at the event at any one time to the fire capacity numbers of the venue. Talk to your local fire service who can advise you on fire escape routes.



Reconnecting utilities

If the building has been in relative recent use, utility supplies may still be connected and so it is a case of taking meter readings and getting the bills transferred from the landlord to the intermediary or end user.

The meanwhile use may not require that amount of power but the standing charges can be significant and landlords may not want the facilities decommissioned or downgraded to preserve longer-term flexibility. Be clear on potential overhead costs, particularly for larger venues where charges can be significant even when no electricity is being drawn.

Find out the locations of the electric, gas and (if there is one – not all buildings will have them fitted) water meters. Clarify that they solely supply the property being used for meanwhile space (sometimes multiple floors may be fed by one meter).



Telephone/ broadband

Securing short-term contracts for telephone/broadband is very difficult – there is frequently a lengthy lead in time to get spaces connected, and the minimum contract terms are often over a year.

If spaces have telephone/broadband already it may be a relatively simple case of transferring the bill payer responsibility, as with other utilities – in that case the intermediary will be the bill payer.

CCTV

Some buildings may have CCTV installed and if there are high value items stored on site and/or risk of theft, end users may want to use it. If the venue serves alcohol this may be a requirement of the licensing authority before issuing a license. The licensing authority will, via the police, be able to comment on the number of cameras required. This can be costly to install or recommission, so the intermediary/end users should be certain it is needed.

There are GDPR requirements, including appropriate signage, for the operation of CCTV and so any such systems that are recommissioned or installed will require training for staff in their appropriate use under data protection regulations.

Doors and windows

Doors and windows need to be secure and not present a hazard to users – closing mechanisms need to be inspected on doors so that they cannot easily slam, and windows should be of a type that do not easily shatter if broken.

Internal doors for fire purposes need to be maintained and any fire-related automatic closing mechanisms tested as part of fire alarm test procedures. Areas that should not be accessible should be fitted with locks, or to reduce costs for short-term projects, with surface mounted hasp and padlocks.

Ensure that there are keys for all doors (and if relevant, lockable windows) with at least one duplicate for each keft offsite.

Key holders

Intermediaries will be key holders for various properties and are responsible for securing them. The sub-license for spaces will give some security of tenure to the users and pass on security requirements but they will still need to conduct their business without the intermediary being able to access their space whenever it wants.

A system of logging keys in and out and the number of copies for each premises will be required for the intermediary to maintain security and satisfy insurance requirements. Any duplicate keys made should be logged for each premises and all keys labelled clearly. There should be at least one duplicate of every front door key.

Hazardous materials

The landlord should be able to provide assurance in terms of asbestos or any other hazardous substance in the building. Some smaller operators may not have this information.

It should be assumed that asbestos could be present in any building built or refurbished prior to the year 2000 (for further information visit the Health and Safety Executive website).

Quality control

Making spaces free (or very low cost) can open the door to less viable uses and also the lower end of the market, so some quality control is required. This is where an intermediary will require some staffing, which will have cost implications.

Compliance certification

Before moving into a venue ask for any copies of compliance certificates e.g. electrical and gas safety certificates. These may not exist or be relevant if properties have been vacant for some time, but for properties recently vacated may still prove useful.

Retain copies of all certification undertaken for the intermediary/end user.



Other considerations

Refuse and recycling

Find out how and when refuse is collected and what types of refuse are taken. There may be keypad access or padlock access to communal bin stores – ensure that these are noted.

Caretakers/ maintenance companies

If the building is part of a larger complex, ensure that the name and contact details of any maintenance firms/caretakers are noted.

As with any building have the maintenance as well as out of hours emergency contacts for:

- electrics;
- fire alarms;
- security alarms;
- plumbing (water and gas);
- locksmiths;
- CCTV;
- AV and lighting (if relevant);
- (if relevant) lift and/or escalator company, including any wheelchair lifts; and
- general maintenance for other emergency repairs.

Other emergency contacts

Clarify who the out of hours contact is for neighbouring properties and any premises that may occupy the same building. Have an emergency out of hours contact for the landlord and/or their managing agents.



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