

Meanwhile Use

Benefits to stakeholders & the future of Meanwhile use

'Meanwhile use' is the temporary use of vacant buildings or land for a socially beneficial purpose until such a time that they can be brought back into commercial use again. It makes practical use of the 'pauses' in property processes, giving the space over to uses that can contribute to quality of life and better places whilst the search for a commercial use is ongoing.

As leader of the Meanwhile Project, the Development Trusts Association (DTA) commissioned SQW Consulting in April 2010 to research the nature and extent of 'meanwhile use' in the UK today and to prepare a business case for this activity. This document has extracted these findings to highlight the specific benefits to all stakeholders to support proposals, and outline the status and opportunities for Meanwhile use going forward.

The full document and wider information on the Meanwhile Project is available at www.meanwhile.org.uk



The benefits of meanwhile use

Meanwhile projects have begun to spring up around the UK, offering an array of services and uses in a diverse range and size of spaces. From 'pop-up shops' on struggling high streets to community organising space in back-offices through to the greening of or community growing on becalmed building sites, it is clear that meanwhile use represents a very flexible response to short-term opportunities.

Drawing on our consultations with property owners and communities alike, including some in-depth case studies, we have sought to define the benefits of engaging in meanwhile use for three groups of stakeholders:

- Property owners/leaseholders
- Community groups/occupiers
- The wider public

Benefits to property owners or leaseholders

The owners of property or land which is vacant or unused, even for short periods of time, usually incur costs during those periods – whether it is business rates on empty space, ongoing buildings insurance, or the maintenance and security costs of protecting sites. Together with the 'opportunity cost' of the lost income stream from the property being out of use, it means that there is nearly always a very real cost to 'doing nothing'. The core advantage of a meanwhile use for property owners (or the leaseholders letting out the space) is that it can remove some of the costs of 'doing nothing' with a relatively simple process that is also designed to limit any risks to the owners.

Typical benefits to the property owner or leaseholder from meanwhile use include the following:

- **The security of active occupation** – By having an active occupier in a property or using a space, the building will continue to be maintained in good repair and it will actively discourage vandalism (or even squatting), which can be a real risk to vacant premises, particularly if left unused over the longer term.
- **Lower costs during vacant periods** – During most meanwhile uses, utility bills, security and insurance costs will be covered by the occupiers, providing direct savings to the owner/leaseholder. They can also save money by not having to pay empty property business rates as the responsibility for business rates passes to the tenant and many meanwhile uses are eligible for business rate relief. In our case studies, the landlord of the city centre property in

Cambridge saved £18,000 of business rates over 6 months, whereas the landlord in Hastings saved £4,500 over 6 months.

- **Increased prospect of future commercial use** – Meanwhile use often increases the level of awareness of the property to prospective tenants or owners, particularly if it provides a home for an eye-catching project. It also gives prospective tenants an easier opportunity to access the property and see its potential, while it is in use. This is particularly advantageous for retail and leisure spaces, where profile is a key issue for tenants.

Clearly, property owners/leaseholders have legitimate concerns over any use of their property – particularly how to ensure that any appropriate maintenance/repair costs can be recovered and above all, how to ensure full vacant possession at relatively short notice when commercial use becomes viable again. The Meanwhile Lease addresses both of these concerns, ensuring that landlords are protected:

'The ability to point to 'meanwhile' as a recognised term was comforting for the developer, it reassured them that it was a recognised feature of regeneration and a solution being explored by others' (Gideon Seymour, Fabric, Bradford)

In some areas, the risk for property owners is removed virtually altogether where local authorities or other established organisations step in as intermediaries and take on the leases themselves and then in turn sub-let to community groups, taking on any risks themselves.

In the main, meanwhile uses are for charitable or socially beneficial purposes, run by community or voluntary groups. As noted earlier, there are also sometimes commercial occupiers who are interested in such spaces, which obviously increases the potential for landlords to make profits out of such arrangements as the occupiers are profit-making, although this represents a small proportion of meanwhile use today.

Benefits to community groups and occupiers

The principal occupiers of meanwhile spaces are small, local charities, community groups or social enterprises who want to make use of low cost (or no cost) space to promote their aims. There are many advantages to meanwhile use for such groups:

- **Low cost, low commitment space** – For community groups with few resources there are obvious benefits of being able to use space for a few months (or even a few years) at low cost and without a commitment to a long term lease. For groups looking to get established or evolving quickly, short term space can be ideal.

- **High profile space** – For some projects – like arts or cultural activities or ethical shops – where profile matters, being able to use a vacant shop unit in a busy shopping street can provide high visibility that they would simply not be able to afford otherwise. This can also improve the chances of generating an income for these organisations and helping them to establish themselves on a more secure financial footing. Nicola Greenan of the LS14 Trust in Leeds commented that the meanwhile use *‘...has given the Trust the ability to start generating an income and has increased its chance of survival’* .
- **Space for innovation and growth** – A short term space can also provide the chance for a group to try out something new and pilot a service or an activity with relatively low costs and commitment, enabling an informal demand assessment to inform a subsequent case for the activity becoming permanent. The examples below illustrate this. The first example shows how a charity promoting social enterprise in Cambridge was able to use a former bank building in the city centre to pilot the stepping up of its activities. The second example tells how meanwhile use provided the breakthrough required for a new visitor attraction in Scarborough, which has been able to secure greater funding since.

Table 0 -1: Examples of innovation and growth...

Beginspace, Cambridge: Social enterprise in a former bank...

Beginspace has allowed City Life to promote themselves within the city and to test new models of business support. This is likely to enhance future projects: for example, they are planning on having drop-in business support within a new multi purpose centre currently under development. They have also learned simple elements, such as the success of providing coffee to put people at ease and engage them in a substantial conversation. They also learned that the informal setting, due to the limitations in terms of furnishing, created a beneficial relaxed atmosphere.

City Life will shortly be making a presentation to Regional Cities East, to explain the model for Beginspace, as they believe that this kind of short-term drop-in centre could be reproduced in other cities.

Maritime Heritage Centre, Scarborough: Breakthrough for a new attraction...

In November 2009, the new Scarborough Maritime Heritage Centre opened for the first time, in a former shop building on one of the main streets leading to the town’s harbour. The Trust that runs it had tried for years to attract support for the idea but had struggled to attract funding without demonstrating the demand for it. The ability to pilot the idea in a low-cost meanwhile arrangement has provided the breakthrough they were looking for. They were given advice and some modest up-front financial support from the Meanwhile Project, to help them get started.

Since opening they have secured a regular flow of visitors and have now received:

- A £20k grant towards their archiving work and £1k from the Major’s fund
- Donations of further artefacts expanding their collection by 10-20%

The project is now looking to build momentum and secure the support for a permanent centre. Lindy Rowland from the Centre commented:

“The process was really straightforward. Once we got the funding and got the keys we were open within 10 days!”

For community groups, issues of concern can centre on the potential complexity and risks of taking on a lease, sometimes for the first time. However, the experience shows that for most the process is relatively straightforward and quick with arrangements often put in place within a few weeks. The availability of expert help from such organisations as Meanwhile Space can also help a lot. The potential for ongoing support from DTA can help the meanwhile use lead to longer term community asset ownership, as in Seacroft.

Wider public benefits

There is also evidence of benefits from meanwhile uses accruing to the wider community, neighbouring properties, future generations and society more generally. These benefits fall into a number of categories:

- **Maintaining vibrancy** – bringing an empty property back into use can help to maintain levels of activity on a street, including the number of pedestrians, which can have a direct benefit to neighbouring shops and offices.
- **Improving visual attractiveness** – refurbishing or reusing premises or land usually results in improving its aesthetic appeal, benefiting the quality of life for local residents. As one council officer confirms:

"It does help to brighten up areas, especially where there are lots of empty shops..." (Michael Hambridge, Hastings Borough Council)
- **Attracting visitors and investors** – a new use, particularly if it is retail, leisure or cultural, can be quite eye-catching and can raise the profile of the premises or site itself, bringing new visitors to that place and even investors. Sometimes a meanwhile use can accelerate the search for a new commercial user for a building.
- **Preventing area blight or decline** – where a concentration of premises fall out of use, the collective impact on an area can be quite serious, sometimes attracting crime and vandalism. Maintaining active use can deter problems like this and help to manage areas that have suffered in the recession, until more permanent solutions can be found.
- **Making community services more accessible** – many of the community groups that take up meanwhile use are providing services – e.g. learning, debt advice, counselling, business start up support – to their local community and such use can allow them to provide these services in more accessible places. This can raise the profile and take up of their services.

- **Strengthening the third sector** – providing cheap and low commitment space for small local groups can provide a boost for the local third sector, helping to unlock local innovation and creativity and enabling the development and growth of community groups. The opportunities that are developed can also help to strengthen working relationships and local partnerships between third sector, public sector and private sector. As one group in Leeds reminds us, they exist to benefit others:

'Meanwhile use has given the Trust a base to operate from and to demonstrate they have a role to play in the community...it gives small organisations the opportunity to work within communities and to have a social and economic impact on an area' (Nicola Greenan, LS14 Trust)

- **Promoting wildlife and green space** – temporary building sites can represent a surprising asset for local wildlife as well as open green space, making for more attractive spaces.

All of these benefits are to the advantage not just of the occupiers or the property owners but neighbouring properties, the local council and the wider community. The modest costs of meanwhile use can sometimes help to prevent more serious urban problems developing, which may cost significantly more to manage in the long term. The types of wider benefits that can be delivered are illustrated with these examples:

- The *Bradford Urban Garden* is promoting biodiversity and promoting environmental education and has attracted interest from local businesses looking to support it, and the Royal Horticultural Society nationally.
- The *Coventry Canal Basin Warehouse* has been used as a meanwhile space since 1980, providing studios and workspace for artists, makers and small start up creative businesses
- The *Peoples Supermarket Camden* has established a community supermarket that is owned, run by and serves local people, selling local produce.
- The *Music Mentoring Scheme* in Bradford offers the opportunity for local young people excluded from school to develop skills and confidence through music.

Costs, risks and issues

Clearly, the process of establishing meanwhile use does entail some costs, as already noted:

- For the property owners/leaseholders there is usually a financial upside to most arrangements. The main issue is in managing any risks from a short term occupation, and the costs of establishing the new lease, which is why the standard Meanwhile Lease was developed to address these concerns. Practical experience suggests that this is sufficient for most owners' purposes and is easy to use.
- For councils, the waiving of empty property business rates entails a modest loss of revenue in the short term, but the wider 'place benefits' should outweigh this. The national system of business rates at present contains some disincentives for local authorities to engage in meanwhile use, which would benefit from review.
- For occupiers, the use of premises usually entails some running costs – utility bills, insurance, basic maintenance and sometimes adaption of the space for temporary use – but these are usually significant lower than any commercial arrangement.

The savings that accrue to each of these groups of stakeholders in both the short term and long term makes meanwhile use a viable and intelligent option in many circumstances.

The Future for Meanwhile Use

Progress so far

Meanwhile use projects are operating in every region of the UK, encompassing a wide array of activities in a diverse range of properties and sites. Some exist for a few weeks, some last for years. They provide social and economic benefits for the property owners/leaseholders, the occupiers and the wider community.

The savings that accrue to each of the groups of stakeholders in both the short term and long term makes meanwhile use a viable and intelligent option in many circumstances. It is a relatively simple and effective way of making efficient use of existing property assets.

Dedicated organisations now exist to promote meanwhile activity, with a growing range of tools and advice available to support those engaged in it, together with standard Meanwhile Leases for use in establishing new arrangements. A significant amount of progress has been made in the last year or so since the initiative was sparked by the impact of the recession on the high street. It has been led by the voluntary sector, and supported by the public and private sector. Interest in meanwhile use appears to be gathering momentum, as does the number of projects getting off the ground.

Challenges and Opportunities

Given the economic and social value of meanwhile use, how can this agenda be progressed? A number of challenges/opportunities are set out here for consideration by public policy makers, the voluntary sector and the property sector:

- **Integrating meanwhile use into local public sector asset management** – a strategic and consistent approach to meanwhile use by local authorities and their partners could help to identify the most appropriate land and property for meanwhile use and ensure a more co-ordinated approach to arranging projects. As a cost effective use of existing resources for wider benefit, there is a case to be made for meanwhile use being an integral part of local asset management even at a time of spending cuts.
- **Match-making made easier** – there may be willing occupiers in an area and willing landlords, but matching the two together can sometimes be harder than it ought to be. This is particularly the case for the owners of small properties who may not be well networked or part of national organisations. There may be a role for

local chambers of commerce or local partnerships in putting together a brokering service that can smooth the paths to matching up opportunities with occupiers.

- **Clarifying planning policies** – the application of planning law appears to be inconsistent between areas, with some areas proving quite restrictive on meanwhile uses in respect of changes of use. A consistent national policy or at least a 'model' policy for local adoption may help to iron out unnecessary problems, whilst still allowing legitimate planning concerns to be properly addressed.
- **Reviewing national business rate policy** – there are presently some disincentives for local authorities in progressing meanwhile use as it can leave them 'out of pocket' on business rates compared with simply leaving properties empty, for which government provides compensation. The system should be reviewed to ensure that the efficient use of property is built in as core objective.
- **Building in meanwhile use to development contracts** – for the redevelopment of significant sites, particularly those that may take several years, it may be possible for local planning authorities to insist on appropriate meanwhile uses as part of the planning permission.
- **Extending meanwhile use to 'out of hours' buildings** – there is a case for extending the use of public buildings beyond their normal operating hours (e.g. school halls, libraries), to make fuller use of them for community benefit. The piloting of 'moonlight' meanwhile uses may be worth progressing through demonstration projects.
- **Encouraging meanwhile uses as a practical test-bed approach within masterplanning processes for large sites and regeneration schemes** – meanwhile use can clarify the viability and desirability of a wide range of uses, including desire-lines, offering potentially significant savings in large-scale redevelopments by testing assumptions at an early stage.

In pursuing all of these potential initiatives, there remains a clear role for government in ensuring that progress is made and in providing the limited finance necessary to pilot and demonstrate the new ideas.

Finally, as the last recession recedes, we must recognise that some vacant sites and buildings may never return to their original commercial use and that sometimes a more permanent solution may need to be found. In these places, meanwhile uses will need to give way at some point to longer term regeneration strategies.