Economy and Property Committee	
Meeting Date	7th July 2026
Report Title	Town Centre Challenges
EMT Lead	Emma Wiggins, Director of Regeneration and Neighbourhoods
Head of Service	Joanne Johnson, Head of Place Services
Lead Officer	Kieren Mansfield, Strategic Programmes and Asset Manager
Classification	**Open**
Recommendations	1. That members discuss and note the content of the report

1. Purpose of Report

1.1 This report has been bought forward at the request of the Chair and Vice Chair of the Economy and Property Committee, to facilitate a discussion around the challenges faced by the Borough's principal town centres.

1.2 Whilst touching on the issues that are impacting on town centres nationally, the report seeks to highlight local circumstances and the extent to which the Council is able to respond to these.

2. Background

2.1 It has been widely reported that UK High Streets face structural decline, that has been gathering pace for some time. Key factors include:-

- **Online & out-of-town competition:** The sustained boom in e-commerce and large retail parks offers consumers massive convenience and choice, draining footfall from traditional town centres, with online retailers in particular operating with lower overheads
- **High operational costs:** increasing overheads—including business rates, utilities, minimum wage increases, and elevated inflation are all impacting on high street businesses
- **Loss of anchor stores & services:** The loss of department and/or chain stores and bank branches has reduced the multi-purpose appeal of high streets.
- **Homogenisation & anti-social behaviour:** Town centre users complain about the prevalence of betting shops, vape stores, and empty units, alongside concerns regarding local crime and street safety
- **Changing work & footfall patterns:** The widespread adoption of remote and hybrid working is impacting on the use of town centres in different locations

2.2 The three main town centres in Swale - Sheerness, Sittingbourne and Faversham -have been subject to some or all of the above pressures and changes but in terms of vacancy rates have remained reasonably resilient, as shown below. The figures are based on the primary shopping areas for each town, as defined in the 2017 Local Plan.

	Vacancy rate (March 2026)	**Total no of properties**	**No of vacant properties**
Sheerness	8.7%.	161	14
Faversham	6.2%.	159	10
Sittingbourne	12.0%	183	22
South East	*13.9%.*		
National	*14.0%*		

2.3 The vacancy-rate for Sittingbourne in particular is expected to have improved with focused marketing efforts at the Forum, resulting in new tenants, which have attracted some attention from both the public and press. This commercial success has, however, resulted in the displacement of some non-commercial tenants. Efforts to find suitable alternative accommodation has proved challenging, reflecting the need for non-commercial spaces within town centre environments, where the community and voluntary sector can add value.

2.4 As well as the structural nature of the changes being felt in town centres across the country there are other, local circumstances in our towns that are impacting upon them.

2.5 Property ownership across all three town centres is fragmented with most properties in, sometimes distant, private ownership. Each individual property owner is responsible for the maintenance, letting and occupation of individual premises. There has been limited appetite amongst property owners and limited tools available to the Council to co-ordinate efforts to improve the presentation of premises and the type of business in occupation.

2.6 High Street rents in the towns are also relatively low. Current examples of available premises, in prime locations, have an asking rent of between £12 and £13 per sq.ft. but with some premises advertised as low as £5 per sq.ft. Whilst low rents discourage investment from landlords, they can contribute to keeping vacancy rates down. They also impact on the nature of occupiers that do take up space, potentially to the benefit of independent businesses which dominate each of the Borough’s high streets, but also may contribute to the proliferation of particular types of occupier that raise concerns.

2.7 Important sites within Sittingbourne and Sheerness Town Centres in particular have stalled and are having a detrimental impact on amenity , including attracting anti-social activity. The site at Bell Road, the former New Century Cinema in Sittingbourne and the Water-tower site in Sheerness are prominent examples, with other individual buildings also of concern. Whilst proposals come forward for sites through the planning system, these have yet to materialise, with viability issues a common thread.

Council investment and resources

2.8 Over time the Council has attempted to play an active role in the High Streets of the Borough. Investment in Bourne Place in Sittingbourne; the Sheerness Revival Programme and the refurbishment of the Clock Tower and of Masters House also at Sheerness, the Faversham wayfinding project and other streetscape works have sought to improve the town centre offer and environment.

2.9 The Council's current Corporate Plan does not identify town centres as a broad priority but does identify the Sittingbourne Town Centre Supplementary Planning Document (SPD) as a framework for future regeneration (see para 2.22). With diminishing local authority resources there is no longer staff or financial resource dedicated to the town centres, as was the case pre-COVID and muchof what has been achieved recently has been dependent on securing external funding. Through the Property and Programmes Team some general support is provided, on request, to property owners, investors and prospective tenants. This can range from property specific signposting and advice to providing more general information about the area. However, pro-active attempts to engage with owners of significant, vacant properties to establish intent have had limited success.

2.10 The Council has also re-tendered for the street markets in the Borough. With challenging conditions for markets, this has attracted limited interest, but nonetheless the market tenders for Sittingbourne, Sheerness and Faversham have been awarded.

2.11 Other specific interventions have largely been through the use of external funding, or through the delivery of a wider range of services and enforcement powers and how they impact on town centre locations.

External Funding

2.12 In recent years the principal source of external funding available has been through the UK Shared Prosperity Fund (UKSPF) and more recently the one-off funding allocation from the Pride in Place Impact Fund.

2.13 In the initial programme period, effectively running from January 2023-March 2025, the Council decided to utilise some of the investment for Town Action Grants. Whilst not aimed at individual businesses, grants of between £1,000 and £10,000 were made available to support stakeholders to develop plans and support activity that contributed to improving and encouraging activity in the town centres of Sittingbourne, Sheerness and Faversham but also the smaller historic centres of Queenborough and Milton Regis. Examples of projects supported by grants include helping create improved mutli-agency community space at Heather House, a number of town centre events across the three towns and a heritage trail in Sheerness.

2.14 Whilst significant additional resources would be required to undertake a broad programme of Borough-wide improvements, the current Pride in Place Impact Fund (PIPIF) allocations developed by the Prosperity Fund Member Working Group (and agreed by Policy and Resources Committee) have made £360,000 available to support efforts in Sittingbourne. In addition to improvements to the library public toilets, items being pursued include wayfinding and greening improvements for the town centre and potential improvements at Albany Park as a key gateway and linked leisure destination.

2.15 PIPIF funding elsewhere in the Borough will also contribute (albeit less directly) to encouraging visits into the town centres. For instance, planned improvements at Faversham Pools and building on the investment at Beachfields can contribute to improving the overall experience of visiting the towns and generating footfall in the town centre.

Enforcement and other legal powers

2.16 Proactive engagement and enforcement takes place where there are properties of particular significance or prominence, which are vacant and/or with which there may be issues. Swale Community Safety Unit has regular multi-agency discussions about hotspot locations including insecure and dilapidated buildings to promote joint working to try and address issues.

2.17 Planning Services also has powers relating to sites impacting on the amenity of the adjacent area. Whilst the team are able to deal with specific concerns, there are limitations. Section 215 notices give the Council powers to address specific issues on sites impacting on amenity of the area, but the powers are time-consuming and complex to utilise. They must be specific to identifiable issues. The Water Tower site in Sheerness has seen recent improvements through the use of these powers and the ability to use them can help the Council to engage with property owners when needed. The Council can also carry out works in relation to a Section 215 notice and place a charge on property, but this has disadvantages and it cannot be used to compel owners to finish developments or undertake ongoing maintenance.

2.18 Compulsory Purchase Orders (CPO) are another power available to the Council but it is a notoriously long process that for the acquiring authority is complex, expensive, requires specialist input and is open to legal challenge. Its use should be seen as a last resort and only where there is an overriding public interest to obtain land or property without the consent of the owner. Compensation rights payable to the property owners can include the value of the property, the cost of acquiring and moving to a new property and the costs of seeking professional advice. Lack of funding makes it difficult for local authorities to use these powers and statutory time limits give authorities a limited time to secure procurement and funding arrangements. This is further complicated as we approach Local Government Reform.

2.19 Within the planning context the Council has also sought to take a supportive stance. There is longstanding guidance relating to the design of shopfronts and advertisements in the form of Supplementary Planning Guidance (SPG).

This provides applicants, owners, and developers guidance on achieving high standards in shopfront design and taking a sensitive approach to security, signage and materials. A refresh of this is planned, with a proposed shopfront design leaflet to be made available to residents and shop owners.

2.20 The council has recently undertaken a public consultation on proposals to introduce an Area of Special Control of Advertisements (ASCA) across parts of the borough's historic town centres. The proposed ASCA would apply to the commercial centres of eight Conservation Areas, including each of the three main town centres.

2.21 The designation would introduce stricter limits on the size, height and proportion of advertisements allowed without consent, helping to protect vulnerable historic shopfronts and improve the appearance of high streets. These new controls are a further tool to support the long-term preservation and enhancement of historic shopfronts while ensuring that commercial areas remain vibrant and attractive

2.22 The Council also produced and adopted an SPD for Sittingbourne Town Centre in 2022. This was subject to consultation and set out a range of considerations, particularly to inform the Council's position in respect of town centre development. The document set a vision which recognised the challenges facing town centres and the need for a diversity of use which embraced the town's heritage. The SPD also acknowledged the importance of accessibility and the public realm, an arena in which the public sector has greater influence and control.

High Street Rental Auctions (HSRA)

2.23 HSRAs are a further tool available to Local Authorities. Introduced in December 2024 under the Levelling Up and Regeneration Act 2023, Councils have the power to hold rental auctions to let qualifying high-street premises that have been unoccupied for the whole of the preceding year, or for at least 366 days in the preceding two years.

2.24 To begin the process, Councils must formally designate specific streets or areas as an HSRA Zone, which requires a mandatory 28-day public consultation. Before a property can be put up for auction, it must satisfy two statutory conditions; **The Vacancy Condition** (as set out above) and **the Local Benefit Condition,** whereby the Council determines that the proposed letting will provide an economic, social, or environmental benefit to the community.

2.25 Thereafter, the implementation of an HSRA follows a strict legal framework and involves several further mandatory phases; commencing with serving notice on the landlord, after which the landlord has 8 weeks to secure their own tenancy or show they have active, concrete plans to let the property.

2.26 If they fail to do so, a **Final Notice** is issued, and the property moves into the auction phase. Landlords have the right to appeal the final notice by serving a counter-notice. If this fails then, or no appeal is lodged, the Council has a **12-week window** to conduct the auction, to let the building on standard prescribed terms, ensuring the unit is brought up to minimum letting standards.

2.27 These powers have not yet been used widely nationally and in early adopters it has been the threat of the use of these powers on specific buildings that has generated landlord action.

2.28 The process does have substantial resource implications for local authorities to commence and manage a process, which could be subject to legal challenges, and the local authority will be responsible for marketing and auction fees. New Burdens Payments are currently available to offset administrative costs, up to £5,223 per HSRA to cover the associated legal, marketing, and auction costs, although it is unclear if this would be full cost recovery.

2.29 The Government has also recently announced that £10 million of new funding to support local councils in England to deliver High Street Rental Auctions (HSRAs) will be made available with details to follow.

2.30 There have been other concerns about the wider impacts on a High Street of implementing High Street Rental Auctions, which could impact on the long-term viability of both investment and holding properties in that location. For instance, a series of High Street Rental Auctions which generate limited interest may result in lower rents being paid. These could be included as comparable evidence for the purpose of statutory lease renewals and, to some extent, rent reviews across the wider set of High Street properties.

2.31 Given the resource implications and capacity issues within the Programmes and Property and Legal teams, Swale Borough Council has not taken up High Street Rental Auctions thus far. However, in recent weeks letters have been sent to the owners of a number of prominent, apparently vacant buildings in Sittingbourne, seeking to establish the current position and making reference to the availability of the powers. To date this has clarified the position in respect of one of those premises and allowed a dialogue with the owners. Follow-up contact to the remainder have been sent and any further responses can be indicated at the meeting.

3. Proposal

3.1 That members discuss and note the content of the report

4. Alternative Options Considered and Rejected

4.1 The Council faces competing priorities, set against an increasingly challenging financial position, with uncertainty about the future availability of external funding. The Council has sought to balance promoting projects and programmes that support town centres with other priorities for the borough, e.g. leisure and climate change. The Council could seek to use a greater proportion of any future external funding for town centres. This would impact on other, competing priorities.

5. Consultation Undertaken or Proposed

5.1 The content of the report has not been subject to any consultation

6 Implications

Issue	Implications
Corporate Plan	The Council's current Corporate Plan does not broadly identify town centres as a priority. Under the Economy priority, the Council's Corporate Plan identifies the two following priority actions, which relate to the content of the report. • Use the Sittingbourne Supplementary Planning Document as a model framework to support town centre regeneration. • Deliver economic development through the UK Shared Prosperity Fund (UKSPF) and the Rural England Prosperity Fund (REPF) (currently programmed to March 2025).
Financial, Resource and Property	The content of the report has no direct financial implications. There are currently no budgets or staff identified specifically to support town centres, although resources from across a number of teams are involved in the activity set out in the report. Future investment in town centres is likely to be driven by any further external funding opportunities that are made available
Legal, Statutory and Procurement	Action in respect of town centres falls between the Council's statutory enforcement powers and other non-statutory powers. For instance, the powers to implement the use of High Street Rental Auctions were introduced by the Levelling Up and Regeneration Act 2023. Where investment has been made these have been subject to the Council's usual procurement rules and appropriate funding conditions.
Crime and Disorder	Nationally, town centres have increasingly come under a spotlight in respect of anti-social behaviour and criminality. Within Swale the Swale Community Safety Unit has regular multi-agency discussions about hotspot locations including insecure and dilapidated buildings to promote joint working to try and address issues.
Environment and Climate/Ecological Emergency	Nothing identified at this stage. It should be noted that greening of town centres is a consideration in making improvements to the town centre public realm and the linkages with adjacent greenspaces is acknowledged as an important asset in each of the three principal town centres, with investment made reflecting this.

Health and Wellbeing	UK town centres are shifting from largely commercial destinations to more community focused hubs. Accessible public spaces, green infrastructure, active travel networks, and bringing local services into towns are now viewed as important attributes which can help town centres to redefine their role.
Safeguarding of Children, Young People and Vulnerable Adults	None identified at this stage
Risk Management and Health and Safety	None identified at this stage
Equality and Diversity	None identified at this stage
Privacy and Data Protection	None identified at this stage
Local Government Reform	None identified at this stage

7 Appendices

7.1 None

8 Background Papers

8.1 None.