



Ministry of Housing,  
Communities &  
Local Government

# High Street Rental Auctions

## Guidance for Early Adopters

Ministry of Housing, Communities and Local  
Government

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## What is this document for?

1. This document is intended to set out detailed guidance of what will be expected of High Street Rental Auctions (HSRAs) Early Adopter Programme. Local Authorities should read through carefully and make sure they are content with the required inputs before agreeing to be an Early Adopter. This document is not intended to set out detailed Delivery Guidance for HSRAs, this document will be published close to commencement of regulations in 2024.

## HSRA Early Adopter Guidance

2. This section sets out what Early Adopters are as well as how MHCLG will work with the selected local authorities. Local authorities should be comfortable with the resource requirement as set out in this section before agreeing to become an Early Adopter.

## What are HSRA Early Adopters?

3. An **Early Adopter** is a Local Authority selected or identified by Government and who has agreed to be part of a close working group to deliver one or more of the first HSRAs.

## HSRA Early Adopter Objectives

4. Early Adopters will be amongst the first local authorities to deliver HSRAs. Together, they will act as champions of the programme to encourage greater take up of HSRAs by other local authorities. We will be looking for them to provide a strategic and outward facing role in the delivery of the policy objectives. MHCLG will work closely with the Early Adopters group throughout the HSRA process, aiding progress at each stage and to publicise achievements through case studies post implementation. MHCLG will look to Early Adopters to perform an advisory role to help shape the guidance issued to all local authorities to improve the way in which the HSRAs can be delivered going forward.
5. **We want to maximise local authorities' preparedness for delivery of HSRAs. MHCLG will work with Early Adopters to provide local authorities with the knowledge and tools needed for implementation, ensuring they are primed to deliver HSRAs when they want to do so.**
6. MHCLG has several deliverable objectives for the Early Adopter programme:
  - To **maximise Early Adopters' understanding of the legislation and process** by working closely with Early Adopters throughout the implementation of the HSRA to seek to deliver HSRAs quickly. To do so, we will both meet individually and bring together the Early Adopters in a group forum regularly.
  - Use insights gained from Early Adopters **to further develop and fine tune HSRA Guidance** for future implementation and wider roll out; this could include adjusting the policy where necessary and practical (within the

boundaries of the legislation). This may involve work to develop implementation toolkits and/or on evaluation.

- Early Adopters will **showcase delivery and best practice of HSRAs** through completing detailed case studies. They may also be asked to contribute to the delivery of a regional programme of workshops for local authorities to attend.
- Early Adopters will then **continue to champion the policy**, by providing local authorities with support and guidance where necessary. This could take the form of a buddy/guide programme, or something more informal.

## What is the expectation?

7. MHCLG will work closely with Early Adopters through each stage of the programme; Onboarding, where Early Adopters will maximise their understanding of the policy, process and application; Implementation, where Early Adopters will carry out one or more HSRAs; and Learning, where Early Adopters will play a leading role in maximising HSRA take up by other local authorities.
8. We have built our Early Adopter engagement plan with the required resource and input needed at each stage in mind. The timings and frequency of communications included here are only indicative, MHCLG are conscious that Early Adopters will move at different paces and will accommodate for this where possible.

## Onboarding Phase (December 2024 – January 2025)

9. The onboarding phase will focus on maximising the Early Adopters' understanding of the policy, process and application. This time will be used to build relationships between MHCLG and the Early Adopters through regular engagement with a dedicated Urban Policy team member to act as a point of contact for each. Early Adopters should also build relationships between themselves through collaborative workshops to maximise peer learning – as part of this we could consider a buddy system or breaking into smaller groups.

### *Early Adopters' actions*

- **Community engagement on high street and town centre designations** via online channels and for a minimum of 28 days.
- **Designating a high street or town centre** to formalise the geographic boundaries in which a HSRA can take place.
- **Scope potential options for identifying eligible properties for HSRAs** by beginning the process identifying eligible vacant units on your high street and contacting landlords to find the optimal premises.
- **Scoping a potential tenant base** by identifying the market need for properties on the high street.
- **Setting up procedures** in relation to the auction process such as contacting local marketing agents (auction houses, letting agents etc) who could run the auction.

### *MHCLG & Early Adopter engagement*

- **Developing HSRA Guidance** – Early Adopters will have the chance to input into the development of the detailed guidance document which will be published alongside regulations.
- **Workshop 1** - This workshop will be used to check Early Adopter's understanding of the process whilst detailing the necessary steps for local authorities to take ahead of serving an initial notice. Scheduled for November, Early Adopters will be primed to carry out action upon powers coming into force in December 2024.
- **Fortnightly calls** between individual EAs and their Urban Policy contact to check on progress. Urban Policy team contacts should also be prepared to answer questions through emails or calls daily.

### *Onboarding Communications plan*

10. A formalised communications plan will be agreed with each Early Adopter during the onboarding stage, this approach will allow for flexibility in communications to match the work requirements throughout the process. Early Adopters should expect up to 1-2 hours of contact time with MHCLG per week through online workshops and/or 1:1 calls where helpful.

### *Implementation (From December 2024)*

11. On commencement of secondary legislation local authorities will have the powers to enforce HSRAs. Early Adopters would be expected to be ready to begin engaging the local community on high street designations soon after commencement to begin the implementation phase. For Early Adopters, this stage will require the most resource, as such, we plan to soften formal programme wide activities such as workshops, though Urban Policy Team will stay in regular engagement.

12. We expect Early Adopters to move at a similar pace through the implementation as timings are set by legislation. This may alter where a property is let by a landlord during the grace period or where landlords appeal the initial notice. The engagement through this stage has been developed with this required flexibility in mind.

### *Early Adopter actions*

- **Carry out one (or more) HSRAs** beginning with engaging the local community on high street designations, making high street designations, then serving the initial notice. By this time a full and detailed guidance document will have been published to guide local authorities through the full process.
- Early Adopters will be expected to **have built and be utilising a strong peer network** away from MHCLG input.

### *MHCLG & Early Adopter engagement*

- **Weekly calls (or at a frequency that is helpful)** with individual Early Adopters and Urban Policy contacts to discuss progress and answer questions.
- **Workshops 2 & 3** – these workshops will cover the Notice Period and the Auction Period of the HSRA process in detail in January and February 2025.
- **Potential for site visits** both at official and Ministerial level.

### Learning (December 2024 – October 2025)

13. Early Adopters will provide a strategic and outward facing role in maximising local authorities' preparedness for the delivery of HSRAs. To do so, their progress and achievements will be publicised by building a bank of case studies to showcase at events and in engagement forums. Early Adopters will play an advisory role in helping to shape the policy design to improve the way in which the HSRAs can be delivered going forward.

- Early Adopters will complete a **detailed case study** of their HSRA experience. MHCLG contacts should hold regular conversations with individual Early Adopters to ensure the right information is captured – a template will be provided.
- A stand-alone **Wash Up Workshop** bringing all Early Adopters together when nearing completion of at least one HSRA. This could be used to further fine tune guidance or adjusting the policy where necessary and practical (within the boundaries of the legislation). This could be taken further through the development of implementation toolkits and retrospectively for the wider HSRA evaluation.
- MHCLG to produce regular **newsletter style briefings** throughout the implementation phase to track the progress of Early Adopters. This will be shared wider with other local authorities.
- Early Adopter would be free to go further in encouraging local take up of HSRAs, for example through their own **regional workshops** for local authorities to attend. This would be Early Adopter led with MHCLG input where required.

### Funding & Support

14. A new burdens payment will be made available to local authorities to cover the costs of implementing the policy. The payment will cover the legal, marketing and auction costs.

Local authorities can apply for the New Burdens payment to cover the cost of implementing a rental auction per property. All local authorities are eligible, and the indicative grant is available to cover the cost of a single High Street Rental Auction. There is no limit to the number of auctions an authority can undertake

during this award period. More information of the NE Burdens payment will be made available in the detailed guidance document which will be published alongside regulations in December 2024.

15. MHCLG will launch the HSRA funding programme alongside commencement of the legislation in 2024. The fund will help communities and local businesses take control of empty properties, covering the cost of refurbishing properties and council fees. The fund will only be open to all local authorities.
16. Alongside the funding, Early Adopters will be designated a member of the MHCLG Urban Policy team throughout, to help guide and streamline the process. We also envisage Early Adopters to build a strong network to maximise peer learning. This could come through formal engagement arranged by MHCLG or more informally at official level between local authorities.
17. Early Adopters will play a key role in refining a detailed guidance document which explains how the policy works alongside an explanation of key terms, which will be published on commencement. The guidance document will advise stakeholders including local authorities how to apply the regulations along with a toolkit to aid implementation.

## ANNEX A – Background to HSRAs

The prolonged vacancy of shops and buildings is a blight on our high streets. Data from the Local Data Company found that nationally, in the third quarter of 2024, one in every seven high street shops were closed. This trend is particularly pronounced in the North East, where nearly one in five shops stand empty, reflecting a vacancy rate of 19.3%. The West Midlands also faces significant challenges with a vacancy rate of 16.2%. In contrast, Greater London shows resilience with the lowest vacancy rate of 10.3%, suggesting a more vibrant retail and leisure sector. The South East and East of England also fare relatively well, with vacancy rates of 11.2% and 12.8%. Overall, the average vacancy rate across England and Wales is 15.67%.

High vacancy rates significantly impact a place's economic performance by reducing footfall. Areas of high vacancy often have higher unemployment rates and suffer from clusters of boarded-up empty and vandalised shops, with upturns in anti-social behaviour in some cases creating 'no-go' areas. Many residents might relocate, whilst those remaining generally have less pride in their local high street or community.

We want to empower both local leaders and communities to take control over the look and feel of their area. Alongside High Street Rental Auctions, the English Devolution Bill will deliver the Government's manifesto commitment to transfer power out of Westminster, and into local communities. Alongside strengthening the powers of mayors and local authorities, this Bill will also unlock opportunities for community leadership by giving local leaders the tools to kickstart their economies and transform their neighbourhoods and high streets.

High Street Rental Auctions, a new power for local authorities to require landlords to rent out persistently vacant commercial properties to new tenants such as local businesses or community groups, were introduced as part of the [Levelling Up and Regeneration Act 2023](#) (the 'Act'); . Part 10 of the Act sets out the framework for the power, and further details are defined in The Local Authorities (Rental Auctions etc.) (England) and Town and Country Planning (General Permitted Development) (Amendment) Regulations 2024 (the 'Regulations').

We want to see local authorities working proactively with landlords to encourage vibrant and successful high streets across the country and we know this is already happening in many places. Engagement and cooperation between local authorities and landlords is encouraged in all cases. However, we know that this is not always forthcoming. In these cases, High Street Rental Auctions provide a powerful tool to address persistently vacant premises.



# ANNEX B – Process Flowchart



