
'Looking after our Town Centres' – criteria for allocation of funding

To: **Cabinet 2 December 2009**

Main Portfolio Area: **Thanet's Economy**

By: **Brian White Director Regeneration Services**

Classification: **Unrestricted**

Summary: **This report sets out the background to the receipt of £52,631.58 to be spent on town centre regeneration. This report, on the basis of ongoing dialogue with traders, recommends how the money be spent.**

For Decision

1.0 Introduction and Background

- 1.1 The Council has received funding from the Department of Communities and Local Government (CLG), to support town centres. This provision of funding followed the publication in April of the Governments guide to "Looking after our town centres"
- 1.2 The funding has been made available because CLG recognise that since the UK entered recession, town centres are facing a number of challenges, which are more problematical in the more deprived areas.
- 1.3 Thanet has been provided with £52,631.58, which is an equal share of a total national pot of £3 million. This funding is to cover the whole of the district and is to be spent as the Council (with partners and stakeholders) sees fit to support the local retail economy and shopping areas.
- 1.4 The money is to be used to boost town centres and enable empty shops to be put to some use rather than becoming an eyesore. Therefore creating a negative impact on consumer and business confidence.
- 1.5 A study carried out in April 2009, by The Local Data Company, identified that Margate has a higher percentage of closed and empty shops than anywhere else in the country (the firm studied 675 towns in England and Wales).

2.0 The Current Situation

- 2.1 Officers have consulted with current retail businesses across the district and the main commercial agents, to get a better understanding of issues in the main high street areas and the problems agents are facing in renting out empty retail units. Meetings were very well attended and participative.
- 2.2 The key issues identified through traders meetings are listed below, along with detail of action being taken by the Council, and others.

- **Business Rates:** Officers have provided those businesses who attended the traders meetings with information on accessing Small Business Rate Relief and a package of information for existing retail businesses will include support that is available via Business Rates.
- **Parking:** The Council has retained parking prices at the same level for the last two years and prices in Thanet are very competitive in comparison to the remainder of Kent. An analysis done of income on parking has revealed that shorter-term income has been relatively stable, the losses are from longer-term stays, and the pattern seems to be that people are still visiting town centres. It does not appear that the level of car parking charges is impacting on the number of people visiting the high streets. The Council has also responded to the Broadstairs and St Peters Chamber of Commerce and has introduced linear parking charges for on-street parking in the edge of town centres.
- **Cleanliness:** The Council has carried out Operation 'Clean Sweep' in the main town centres of Margate, Broadstairs and Ramsgate, as well as deliberately targeting the shopping areas with increased cleaning resources. The main high streets have more litter bins than any other town centre in Kent and the issuing of fixed penalty notices is also higher than any other authority in Kent.
- **Community Safety:** Council officers from the Community Safety Unit provided information and support to local businesses to access £50,000 worth of funding provided to Thanet from the Home Office; the Capital Grants Fund. A decision is awaited on the 133 applications from retailers.
- **Footfall:** A new scheme was launched in November to encourage residents to 'Shop Locally First'; this incentive card scheme is aimed at encouraging residents (and visitors) to shop in the local shopping areas of Margate, Broadstairs, Ramsgate, Birchington and Northdown Road. Businesses were invited to join the scheme by paying a small charge and offering a discount/special offer to people with the loyalty card. The Council match funded the first 100 businesses through Communications and Economic Development budgets and co-ordinated the administration of the process, including promoting through press and media, Council literature and online. The aim is to increase footfall into the local shops, however this is dependent on local traders offering value, expert service and local customer care for the scheme to be successful. It has worked in other areas including Herne Bay and Whitstable.

2.3 The key issues identified by the Commercial Agents are below:

- **Parking:** some of the agents felt that free parking would increase footfall into the shopping areas and would support the existing retailers and therefore encourage new tenants. However, other agents disagreed and their feedback was the issue was the below point.
- **'State of the Area':** this was in relation to the cleanliness but also the way the area looked, especially where there are empty retail units. The agents described responses from potential tenants as poor, including some multiples, about the possibility of opening up in the high streets. This highlights that there have been some enquiries, from inward investors, but they have generally not been followed up.
- The Agent for The Centre highlighted that 'The Windows of Opportunity' has helped reduce vandalism and damage to The Centre's units.

2.4 Utilising the Business Rates list to identify empty retail units across the district, Kent County Council Retail Survey's and other work carried out in Margate, has highlighted that the worst areas for empty retail units are Margate and Ramsgate.

2.5 In the High Street and main surrounding retail areas in Margate and Ramsgate there are approximately 70 and 47 empty retail units respectively (based on Business Rates

Database and Retail Surveys; this may have changed). The recommended allocation of funding is aimed at these areas, on the basis that need is greatest.

3.0 Suggested allocation of the £52,631

- 3.1 Provide **information package to support existing businesses**. These will include details of business support measures including; Small Business Rate Relief scheme, the Shop Local Campaign and a comprehensive guide to information, advice and support provided by Business Link, including business reviews and support contact details. These packages will also include support details from creative's for shop and window design throughout the area.
- 3.2 Develop a programme of **Business Support Grants**; these will be for Margate and Ramsgate and will include criteria about the type of business/project the Council wishes to see in the shopping area. The sectors that will be supported are:
- Creative and cultural
 - Independent retailers
 - Not for profit

£26,000 of the total grant is proposed to go towards supporting businesses to start-up in empty units, this approach aims to see the funding supporting about ten start-up's. Businesses/projects can apply for the funding for the following:

- Fit-out
- Purchase of materials to clean and decorate premises
- Buying assets such as equipment for the business/project
- Production of promotional literature to promote the project or business (e.g. leaflets, adverts, signage, website)
- Rent and property costs for a time specific period
- Activity to attract customers including an event to promote the business/project

The fund will not:

- Support core management and administration costs incurred during the day-to-day running
- Support commercial trading activities which compete with other retailers in the area
- Support multiples
- Fund businesses/projects retrospectively
- Fund where other public funding has been accessed for refurbishment of the retail unit

Other essential criteria include:

- Be accessible to the public and not restricted to closed groups or membership organisations
- Demonstrate partnership working with the landlord, property agent, existing retailers and town partnership organisations
- Demonstrate a sound Business Plan which will be reviewed by the Council's Economic Development Officer, Business Link Advisors and other specialist officers across the Council. This is to ensure a sustainable business is being supported.
- Maintain the shop front as publically facing
- Funding will only be granted on the condition of having the necessary consents
- Set-up in an empty property.

It is expected that the Council will receive far greater applications than the amount of funding available; it is proposed that a board is set-up to review the business/project ideas. It is expected that those coming forward for funding should be in a position to start their business/project relatively quickly and therefore some of the overall budget will go towards a marketing campaign to advertise the funding opportunity, providing enough time for people/organisations to develop their plan and do the necessary research.

- 3.3 Following on from the successful 'Windows of Opportunity' it is proposed to use the remainder of the funding to **improve the look** of those empty units that do not have demand to be let at the current time.

The funding will be used, where agreement can be gained from the owners to display useful/educational information in the shop windows. The type of displays could include an advert for the 'Shop Local Campaign', Visitor Information, displays about the regeneration of the area and potentially opportunities for organisations to sponsor a window, to get their messages into the community. Vinyls could include messages such as; 'this shop has been cleared up and is ready to rent'.

The retail units will be targeted where there are the greatest vacancy rates to therefore make the most impact and also where there is the greatest ability to access match funding.

- 3.4 Officers will review and research **other funding opportunities** to widen/increase the scheme. One suggestion is that Councillors could get involved by utilising their funding to increase the amount of money available in the pot; the funding is for the worst hit areas of Margate and Ramsgate.

An application will be made to the Art Council to the 'Art for All' funding pot which includes a proportion set aside for Thanet to match fund against the DCLG funding. The Council is also working in partnership with Meanwhile with regards to the 'Windows of Opportunity' and the plan will link in with the work of the MACH programme (part of the Margate Renewal Partnership).

- 3.5 An update report will be provided on the progress made before the financial year end.

4.0 Corporate Implications

4.1 Financial

4.1.1 The £52,631.58 has come to the Council from the Department for Communities and Local Government 'to provide support to local authorities towards expenditure lawfully incurred or to be incurred by them' in delivering the 'Empty Shops Funding Grant'. Officer time is required for implementing the scheme.

4.1.2 A budget code is to be set-up to enable administration of the funding. Some of the money will be used to market and promote the plan/scheme.

4.2 Legal

4.2.1 Legal advice will be sought to ensure that the criteria is clear and cannot be challenged for those who are unsuccessful in accessing a grant.

4.2.2 Legal advice will be taken to draw up contracts when providing the grants.

4.3 Corporate

- 4.3.1 This is a national initiative which is in line with the Council's Corporate Plan priority; Theme 1, Thanet's Economy – Thriving Coastal Towns with Unique Identities.
- 4.3.2 Each option will require the risks to be assessed and managed through the detailed delivery plan.
- 4.3.3 If the Officers report is not followed an alternative route of spending the funding should be sought, taking into account the consultation completed to date and within the required timescales.

4.4 Equity and Equalities

- 4.4.1 The proposals within the report are considered to be available to all, within sector type criteria.
- 4.4.2 Equality impact assessments will be considered when developing the detailed plan for delivery.

5.0 Recommendation(s)

That Cabinet agree the suggested allocation of the £52,631, In order that officers develop a detailed Action Plan, to be agreed by the Portfolio Holder before implementation.

6.0 Decision Making Process

6.1 *This is a Cabinet Decision*

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| Contact Officer: | <i>Louise Bibby, Economic Development Officer</i> |
| Reporting to: | <i>Doug Brown, Major Development Manager</i> |

Background Papers

Use the table below to insert details of background papers

| Title | Details of where to access copy |
|---------------------------------------|--|
| <i>Looking After Our Town Centres</i> | Online: http://www.communities.gov.uk/publications/planningandbuilding/towncentres |

Corporate Consultation Undertaken

Name the officers consulted in the drafting of the report

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|---------|------------------------------|
| Finance | Sarah Martin and Clive Bowen |
| Legal | Harvey Patterson |

These officers will be consulted further on the Action Plan