1. Meeting: Regeneration Scrutiny Panel

2. Date: 3rd April 2009

3. Title: Town Centre Business Vitality Scheme/ Retail & Leisure Strategy Update

4. Programme Area: Environment & Development Services

5. Summary

In January 2009, funding was secured from Rotherham Economic Regeneration Fund (RERF) & the Local Area Business Growth Incentive (LABGI) for the introduction of a Town Centre Business Vitality Grant Scheme, providing a package of grants to both new and existing businesses. This report provides an update on the development & roll out of those grants.

In addition, in autumn 2008 funding was secured from these same funding sources for the development of a Retail & Leisure Strategy for Rotherham Town Centre. This report identifies the progress with this piece of work.

6. Recommendations

It is recommended that members of the Regeneration Scrutiny Panel note the contents of this report.
7. Proposals and Details

Town Centre Business Vitality Grant Scheme:

The aim of the project is:-

- To increase the quality and diversity of the retail offer
- To reduce the number of vacant retail units.
- To provide assistance to both new and existing businesses.
- To enhance the quality of the shop frontages and the street scene
- To support the wider Renaissance agenda.
- To strengthen the quality of the street café culture

The scheme includes 3 elements, scheme A aimed at new businesses and schemes B & C which are aimed at existing businesses.

Scheme A – Business Vitality Grant (for new businesses)

This scheme includes a two year grant contribution, targeted at recruiting new specialist independent retailers that will enhance the overall shopping offer, create retail diversity and reduce vacant premises.

The 2 year grant scheme will provide:
Year 1 - 50% of annual rental
Year 2 – 25% of annual rental

This scheme also provides a one-off discretionary contribution to eligible businesses to cover 75% (to a maximum value of £7,500) towards the total cost of physical works including:
1. Fitting-out
2. Shopfront Improvements
3. Street Café Improvements

This scheme was officially launched on 16th March 2009. A copy of the guidance notes relating to this scheme can be found in Appendix 1.

The scheme has been widely publicised including:
- Advertising & editorial in local press and business publications
- Features on local radio (Rother FM)
- Promotion through Business Support Agencies/ Small Business Advisors etc.
- Promotion through landlords & letting agents
- Direct advertising in vacant shop windows
- Features on Town Centre & Renaissance websites
- Distribution of posters/ postcards & other literature

In addition the grants have been promoted as part of media interviews relating to the future of the town centre in light of the current economic climate (including Look North & BBC Radio Sheffield).

At the time of writing the scheme has been operating for less than a week, however the Town Centre Management team are currently dealing with 10 live enquires.
Scheme B- Shop front Improvement Grants (existing businesses)
This scheme provides a one-off discretionary contribution to eligible businesses to cover 75% (to a maximum value of £7,500) towards the total cost of Shop front Improvements. Due to the large number of businesses within the town centre boundary and the finite amount of funding, it is agreed that the resources should be used to create maximum impact as far as possible.

Priority areas/ buildings are being drawn based on the following considerations:
- The historic importance/ significance of buildings
- The availability of funding under the Townscape Heritage Initiative (THI) for certain buildings in the town centre
- The potential scope for improvement with regard to each building
- The proximity of buildings to the primary shopping streets
- The priority areas of the town centre as identified in the Public Realm Strategy
- The potential to cluster improvements to maximise impact
- The level of need for improvements/ identification of those shopfronts that are in a state of disrepair
- The potential eligibility of businesses (as per the originally suggested criteria)
- The potential interest from businesses

An indication is that in the first phase specific properties will be identified in the following locations:
- Bridgegate
- Doncastergate
- Wellgate (location is to be determined)
- Old Town Hall (facing onto Effingham Street)
- Vicarage Lane

Consideration is also been given to the application process and the need to ensure quality designs are created which are in line with RMBC’s Shop front Design Guide. Quotations are currently being obtained with a view to appointing a local architect and/ or shop front designer on a retained basis who would design the shop fronts on behalf of local businesses & oversee installation & finish. It is considered that this would both make the scheme more attractive to potential applicants & would ensure consistency & quality.

The scheme will be formally launched in April with promotion & communication targeted to those eligible businesses, although a number of enquiries have already been received.

Scheme C- Street Café Grants (existing businesses)
This scheme provides a one-off discretionary contribution to eligible businesses to cover 75% (to a maximum value of £2,000) towards the total cost of Street Café furniture/ canopies.
In developing the criteria for this grant, it has been necessary to ensure that any planning & highways matters are considered given the potential permissions and/or permits that may need to be obtained. In addition any application would need to be supported by the licensing team (where there is a proposal for alcohol to be consumed in an outdoor seating area). Given these considerations, a user friendly guidance document is being created which sets out the permissions that might be required and a clear application process is being set out.

As with the improvements to Shop fronts, there is a need to ensure quality furniture/canopies are used and as such a design guide will be developed which will advise would-be applicants on expected standards.

The scheme will be launched in April with promotion & communication targeted to those eligible businesses, although a number of enquiries have already been received.

**Retail & Leisure Strategy Update**

An update was provided to Members of this group at the meeting on 5th December, which detailed that a brief had been developed & funding sought for the completion of a Retail & Leisure Strategy for Rotherham Town Centre (building on initial work undertaken in 2007/08).

The brief for this commission can be found in appendix 2. Please note in addition to the elements listed, a comprehensive household survey is also being incorporated to ensure that a robust evidence base is provided for the Local Development Framework.

Following a competitive tendering process & interviews, it was agreed that no one consultancy offered the skills & knowledge to complete both the planning & commercial elements of the work- and after further negotiations the commission was jointly awarded to The Retail Group Ltd. [http://www.theretailgroup.co.uk](http://www.theretailgroup.co.uk) & Colliers CRE [http://www.collierscre.com](http://www.collierscre.com) in December 2008 who together provided a good mix of experience & expertise that would allow the brief to fulfilled.

The consultants are currently undertaking primary research as part of the study including:

- Household Surveys (x 1000)
- Shopper Surveys (x 400)
- Renaissance Roadshow Surveys (x 200)
- RMBC Staff Surveys
- Retailer Surveys

In addition the consultants are currently meeting with local stakeholders & partners including RMBC Officers & Managers, Barnsley & Rotherham Chamber of Commerce, Developers (including Iliad & TCN UK), and members of Town Centre Strategy Team & Business Development Steering Group.
A half-day session will be held in early May 2009 at which the findings of all research will be presented & workshops will specifically look at the delivery of a suggested vision/retail offer in both physical and non-physical terms. All members of the Regeneration Scrutiny Panel will be invited to this session.

A final document is then due for submission based on the outcome of that session.

8. Finance

The projects will be delivered within existing funding secured and as such there are no further budgetary implications.

9. Risks and Uncertainties

This activity will underpin a number of key issues for the town centre and if we do not provide financial interventions we may continue to see a decline in the town centre retail offer and an increase of vacant units. Equally, it is difficult to predict the potential up take of the grant assistance, given the current economic climate; both existing and potential businesses may not be in a position to fund investment or expansion.

The main risk is that if a suitable Retail & Leisure Strategy is not produced there will be an uncoordinated approach to retail provision in the town centre.

In order to minimise this risk a clear brief for the work has been developed in partnership with the Economic Development Team & Planning Strategy Team. The work programme will include progress meetings and workshops with an inclusive project team with a view to ensuring that the strategy produced meets our requirements.

10. Policy and Performance Agenda Implications

The proposed activity will contribute to the following strategic priorities of the Community Strategy:

- Provide the support necessary to increase the number of successful businesses in Rotherham – both new start-ups & expansions of existing businesses, including social enterprises.

- Develop Rotherham Town Centre as a destination providing a mixed economy of specialist and quality shops, markets, housing and cultural life for all ages, & establish a strategy to ensure local centres complement the offer in the town centre

This activity will contribute three of the R.E.R.F objectives:

It will help facilitate the economic regeneration of the Rotherham Borough in an integrated way by ensuring that there business support packages are available to enhance the retail provision in Rotherham Town Centre; this will help support the wider physical Renaissance Programme. Retail provision in the Town Centre is key to the successful economic regeneration of the wider borough given its role as Rotherham’s main service centre.
It will enable access to other external funding regimes by providing match funding to achieve maximum leverage. The scheme will provide match funding to enable RMBC and other partners to access external funding for identified projects within the Retail Strategy in the future e.g. Yorkshire Forward’s Geographic Programmes and ERDF Priority 4. In addition this funding will match monies £200,000 from the Local Authority Business Growth Incentive (LABGI).

This project contributes towards the Economic Plan and in turn the Community Strategy under Priority 5 – “Achieve Rotherham Town Renaissance” since the development of the retail sector (and thus improvement of the town centre offer) is paramount to the creation of an overall vibrant town centre.

11. Background Papers and Consultation

**Business Vitality Scheme**
Report to the meeting of the Corporate Management Team- December 2008
Report to Cabinet- December 2008
RERF Funding Application- Jan 2009
Report to the meeting of the Cabinet Member for Economic & Regeneration Services- January 2009

In addition consultation with:
Town Centre Strategy Team
Rotherham Business Development Steering Group
RMBC Legal Team
Corporate Finance Team

**Retail & Leisure Strategy**
RERF Funding Application- May 2006.
Report to the meeting of the Cabinet Member for Economic & Regeneration Services- June 2006.
Report to the meeting of the Regeneration Scrutiny Panel 2nd April 2008.
Report to the meeting of the Corporate Management Team- September 2008.

In addition consultation with:
Rotherham Business Development Steering Group

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