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| <b>To:</b>       | <b>Robin Betts, Cabinet Member for Climate Change, Regeneration and Property</b> |
| <b>From:</b>     | <b>Jeremy Whittaker, Strategic Economic Regeneration Manager</b>                 |
| <b>Director:</b> | <b>Julie Beilby, Chief Executive</b>   |

## **BRIEFING NOTE: EXECUTIVE - NON-KEY DECISION**

### **SHOPFRONT AND VACANT UNIT IMPROVEMENT GRANT SCHEME**

#### **Summary of Issue:**

In January 2023, the Borough Council launched a further round of the Shopfront and Vacant Unit Improvement Grant Scheme using funding from the UK Shared Prosperity Fund (UKSPF) and the Business Rates Retention Pilot (BRRP). Whilst this round was successful in that it attracted sufficient applications to the scheme, it is clear that due to changes in the economy and the increase in costs of delivering projects, that an increase in the maximum grant award is required in order to ensure the scheme is sufficiently attractive in the next round, which is likely to launch at the end of this calendar year or very early in 2024.

#### **Recommendation:**

That the report **BE NOTED**.

That the increase in the maximum grant award from £3,500 to £5,000 **BE AGREED** ahead of delivering the next round of the scheme.

## **1 Background**

- 1.1 In November 2022, a report to Cabinet set out the Shopfront and Vacant Unit Improvement Grant Scheme in detail and sought approval to launch the scheme. This report explained the learning from previous rounds of shopfront grant schemes and applied it in establishing new guidance documentation and criteria.
- 1.2 Having launched the scheme and now made considerable progress on the current round of projects, it is important to learn from these projects to ensure that the next round which will launch in the coming months, is fit-for-purpose.

## **2. Main Issues**

- 2.1 Analysis of the most recent cohort of approved projects shows that whilst the intervention rate for the scheme is 60%, the grant award actually only equated to around 43% of total eligible costs set out in all the applications. This is because 23.5% of the projects that were successful had total costs that

exceeded £5,833, and as such they had to be capped at £3,500. Indeed, for one project the intervention rate was only 20%.

- 2.2 Whilst a maximum grant rate of £3,500 was suitable in the past, with inflation rates high and with High Street businesses struggling due to slow growth in the economy and a drop in disposable income as interest rates reach a 15 year high, it is important that in planning for the next round these matters are taken into consideration.
- 2.3 It is therefore proposed that the maximum grant for the next round of the scheme be **increased to £5,000**. Whilst required for the reasons set out above, such an increase would also bring this scheme more into line with other grant schemes, such as the Green Business Grant Scheme.
- 2.4 However, whilst the case for increasing the maximum grant to £5,000 is strong, there is no requirement to increase the grant intervention rate. This has already been increased once (from 50% to the current 60% between Rounds 2 and 3), and it is important that there remains a requirement for businesses to make a strong contribution to their own project proposals.

### **3 Legal Advice**

- 3.1 The matters set out in this briefing note are considered routine or uncontroversial and a legal opinion has not been sought.

### **4 Financial and Value for Money implications**

- 4.1 In total, £55,000 of UKSPF funding is allocated towards the next round of this scheme. As such, it is a larger overall pot than the previous round, which had a total of £40,000 (made up from both UKSPF and BRRP). As such, the scheme has been (and continues to be) delivered using external funding.
- 4.2 There are no financial and value for money implications for the council.

### **5 Risk Assessment**

- 5.1 There is no risk associated with the recommendations set out in this report. The risk to the scheme is that it will become less attractive if the grant awards are insufficient given the rising costs of work and so this report aims to address this.

### **6 Public Sector Equality Duty**

- 6.1 In commissioning this scheme, the Accountable Body will ensure that the programme has due regard to the need to achieve the objectives set out under s149 of the Equality Act 2021.

### **7 Consideration by Overview and Scrutiny**

- 7.1 We do not consider that this matter needs to be considered by O&S/SSC before a decision is made.
- 7.2 It is not a key decision as it involves a small change to an existing approved scheme, and has no impact on the overall budget. The decision does not cut

across 2 or more portfolios nor does it propose a new or amended strategy. We are therefore of the view that this decision can be taken by the Cabinet Member.

## **8 Communications**

- 8.1 As this scheme is specifically geared towards supporting the local business community it will be important to ensure that a concerted effort is made to ensure there is a good level of awareness about it. As set out in 1.4.2 of the original Cabinet report in November 2022, it will be essential to ensure we get the message out locally (predominantly through direct mail out to eligible business, social media messaging, and both our website and business bulletin) to encourage Tonbridge and Malling businesses to access the support they need. Information will also be sent to all Members when the scheme launches again so that they are able to answer any questions from local residents, and also so that they can share with businesses in their wards.
- 8.2 Information will also be sent to local business representative organisations and Town and Parish Councils to encourage them to raise awareness.

## **9 Conclusion**

- 9.1 The proposed amendment to the scheme will help to ensure that the scheme continues to be attractive to our independent retailers and food and drink establishments. Whilst no change to the intervention rate (60% of eligible costs) is proposed, the increase to £5,000 for a maximum grant will encourage the applications required in the next round and also bring it more into line with our other business grant schemes.

## **10 Annexes**

- 10.1 None