

# Item 8

## KEY DECISION

## REPORT TO CABINET

4<sup>th</sup> October 2004

## REPORT OF HEAD OF STRATEGY AND REGENERATION

### Portfolio: Regeneration

### SPENNYMOOR TOWN CENTRE SHOP IMPROVEMENTS GRANTS SCHEME

#### **1.0 SUMMARY**

- 1.1 On 27<sup>th</sup> September 2001 the Executive Committee agreed a proposal for a Shop Improvements Grant Scheme for Spennymoor Town Centre.
- 1.2 To date unfortunately the take up of grant assistance has been limited with only four businesses accessing the grant and a further four having developed schemes but not progressing them for various reasons. In the light of this a review of the scheme has been undertaken to coincide with the approval by One NorthEast of a major programme of works for the town centre.
- 1.3 The purpose of this report is to outline the reasons for the difficulties the scheme has experienced and to seek approval for a revised Shop Improvements Grant Scheme in Spennymoor Town Centre, which aims to address previous problems incurred.
- 1.4 The revised Shop Improvements Grant Scheme forms part of the wider Spennymoor Town Centre Renewal Programme and the Regeneration Services Capital Programme 2004/05 approved in July 2004.

#### **2.0 RECOMMENDATIONS**

- 2.1 That Cabinet:
  1. Approves the revised Spennymoor Town Centre Shop front Improvements Grant Scheme as set out in the report.

#### **A) EXISTING SHOP IMPROVEMENTS GRANT SCHEME**

##### **Background**

- 3.1 A shop improvements grant scheme was originally introduced following the conclusions of the Spennymoor and Newton Aycliffe Town Centre

Study produced by consultants EDAW in 2000. It identified the physical design appearance of many of the shop fronts and upper floors in Spennymoor as a major weakness of the centre, in that both contribute significantly to its fragmented and poor appearance.

- 3.2 The Shop Front Improvements Scheme is part of the wider regeneration of Spennymoor Town Centre that includes major improvements to the public realm resourced through County Durham Economic Partnership Single Programme as well as the Borough Council's Regeneration Services Capital Programme as agreed by Cabinet in July 2004. These works include improving the gateways and entrance points, upgrading the High Street, improving the pedestrian links to the town centre, improved security using additional CCTV coverage, and improving the public realm of Festival Walk Shopping area. The Shop Front Improvements Scheme is integral to the programme and will ensure a holistic approach to the townscape improvements within Spennymoor.
- 3.3 There have been four applicants since 2001 from Cheapside and High Street that have accessed a total of £26,973 in grant. An additional four enquiries were taken to advanced stages but were not executed because of lack of personal funds and an insufficient level of grant intervention. One owner did not access the scheme because it did not meet their corporate requirements and they had less of an incentive due to the property being rented. This illustrates a continued interest and need for the scheme, and provides reason for it to be revised.

#### **Research**

- 3.4 The Council's Town Centre Manager has undertaken consultations with local retailers in Spennymoor in an effort to identify reasons for the low take up of grant. These discussions highlight a continued demand for the scheme but identify several perceived barriers to making progress beyond initial enquiries. These include, limited choice of contractors, retailers' believe their proposals will not be supported as a high level of design criteria needs to be met, lack of support in the implementation of works, insufficient level of grant particularly for larger premises, no assistance for minor works, and being outside the priority area.
- 3.5 In an attempt to overcome these issues and learn from best practice outside the Borough, research has been undertaken into the operation of shop improvement grant schemes by other local authorities. It should be noted that Sedgefield Borough Council has previously delivered a successful shop improvements grant scheme in Shildon, which improved 30% of the business properties in the town centre over its 5 year lifetime.
- 3.6 The Shildon Shop Front Improvements scheme was successful as it was part of an overall programme of works for the town centre, and had a significant level of personal contact with the traders removing barriers to access the grant.

- 3.7 From the research into similar schemes and from experience in Shildon, key elements influencing the success of such schemes have been identified.
- a) The level of grant needs to be at an acceptable level as the most successful schemes have a 70% intervention rate.
  - b) An active marketing campaign with personal contact that incorporates direct marketing to potential applicants to address initial queries and barriers.
  - c) High quality upgrades to deteriorated shop fronts helps create a “snow-ball” effect encouraging other traders to access the grant.
  - d) Provision of a list of contractors/architects assists in overcoming the difficulties some traders have in obtaining quotes.
  - e) Allowing for professional fees to be eligible assists applicants reduce their overall costs.
  - f) Seeking feedback from traders to incorporate improvements into the scheme so as to encourage other traders to access and promote the scheme to other owners.

### **Revised Shop Improvements Grant Scheme**

- 3.8 As a result of the research conducted it is proposed to revise the existing shop front improvements scheme to include the following elements as a means to increasing the grant take up rate and thereby enhancing the vitality of Spennymoor Town Centre. The revised scheme will form part of the Spennymoor Town Centre Renewal Programme, and it is hoped this will encourage applicants to come forward to improve their business.

### **Objectives**

- 3.9 The objectives of the scheme will remain the same:
- a. to contribute towards the overall environmental quality of the town centre, by improving the design and appearance of commercial premises.
  - b. to improve the commercial vitality and viability of the town centre
  - c. to generate investment in the town centre, and
  - d. to create and sustain a sense of pride amongst the local population in their town centre.

### **Key elements**

- 3.10 The proposal will be expanded to incorporate two separate but complementary schemes. The first scheme would be a grant for shop owners to access to carry out major comprehensive improvements to the whole of a shop façade (lower and upper floor). In line with best practice elsewhere and consultation with the retailers, a second grant would be available to support minor improvement works such as minor repairs, paintwork and minor security upgrades. This complementary second grant scheme should ensure that the town centre street scene, as a whole could be improved alongside those owners who are benefiting from the major comprehensive improvement scheme.

### **Major Scheme**

- 3.11 The main elements of the schemes would change in order to tackle previous problems incurred:
- a. Area – The boundaries of the eligible area would remain the same for both schemes: the whole of High Street; Cheapside; Festival Walk; King Street and part of Oxford Road near its junction with High Street. In contrast to the previous scheme no specific areas within the boundaries would be prioritised, as any shop improvements within the area would serve to have a positive impact on the town centre.
  - b. Eligibility – Commercial properties in the above area. This would include the front façade (shop front and upper floor) as well as visible gable ends.
  - c. Eligible Items – The general façade as part of a comprehensive scheme to improve the building/frontage including, windows, doors, fascia/signs, rendering, brickwork, roof covering, replacement of solid roller shutters with shutters of an improved design, improvements to gable ends, and provision of disabled access/access improvements to retail areas. Professional fees up to 10% of the cost of the whole scheme.
  - d. The maximum level and percentage of grant awarded for any single premises would normally be 70% to a maximum of £20,000. However, this could be exceeded to allow for the inclusion of exceptional improvements. For example the removal of a flat roof to a dual pitch roof where a whole group of adjacent properties were improved together, or the renewal of a shop front for a large store equivalent in size to more than one average shop unit.
  - e. A claw-back provision would be built into the major grant scheme, should the property be altered or sold within three years of a grant award having been made. This would require the recipient of the grant to pay back 75% of the award in year one, 50% in year two and 25% in year three.

### **Minor Scheme**

- 3.12 The main elements for the minor scheme would include a. and b. above, however, Eligible Items would include, minor repairs and redecoration works for improvements to windows, doors, fascia/signs and brickwork, including minor security upgrades. The maximum level and percentage of grant awarded for any single premises would normally be 50% to a maximum of £1,500. No more than 20% of the schemes budget would be made available for minor scheme proposals.
- 3.13 Grants would not be available for internal works for either scheme. These may be carried out at the same time but the costs would need to be kept separate from those of eligible works. All future maintenance work would be the responsibility of the shop owner.

### **Operation**

- 3.14 Application forms would be available from the Town Centre Manager (Strategy and Regeneration Division) and would need to comply with planning and building control regulations. It would be the responsibility of the applicant to decide upon a contractor, but the Council would assist by directing shop owners to information on suitable contractors. Design guidelines would be provided by the Council to ensure shopfronts remain in keeping with the town centre. Grant applications would need to be accompanied by 2 independent quotations for the work, from companies that are able to demonstrate competence to undertake the work for which the grant has been sought. All proposed improvements would be subject to assessment and appraisal by Neighbourhood Services. The Council will continue to offer support to any schemes approved through the Town Centre Management Initiative.
- 3.15 Payment of grant award would be for defrayed cost, and based upon competitive estimates/invoices, and inspection of completed works. Feedback forms would be issued to monitor the scheme.
- 3.16 In accordance with the Spennymoor Town Centre Improvement Programme it is envisaged that 30 properties would be improved by 2008, through the Shop Front Improvements Grant Scheme. This would amount to over 20% of the commercial properties in the town centre.
- 3.17 The improvement of 30 properties would support the Council's commitment to providing an Attractive and Prosperous Borough as detailed in the Community Strategy. The Shop Front Improvements Grant Scheme would also support the Council's commitment to the Spennymoor Town Centre Improvement Programme and its commitment to promoting Spennymoor Town Centre.

#### **4.0 RESOURCE IMPLICATIONS**

- 4.1 The Regeneration Services Capital Programme approved in July 2004 made provisions for funding the ShopFront Improvements Grant Scheme. This forms part of the Spennymoor Town Centre Programme as agreed with One NorthEast, and over the entire programme period up to March 2007 contributions from One NorthEast and the Borough Council will total £200,000.
- 4.3 A funding contract will be issued for all grants offered and will incorporate any conditions deemed to be appropriate by Officers in the Strategy and Regeneration Division or Neighbourhood Services Section.

#### **5.0 CONSULTATIONS**

- 5.1 During the review of the scheme consultation has been carried out with the Town Centre Manager, Shop owners, Neighbourhood Services, and Officers at other Local Authorities to identify best practice in the operation of a variety of shopfront improvement schemes.
- 5.2 Throughout the schemes implementation, consultation will be carried out with the Town Centre Forum, and Shop owners. A feedback form will also be used to monitor the scheme.

**6.0 OTHER MATERIAL CONSIDERATIONS**

- 6.1 The Spennymoor Town Centre Shop Front Improvements Grant Scheme would support the Council’s commitment to reducing crime and disorder by reducing the fear of crime and improving the security of shops.
- 6.2 As part of the Spennymoor Town Centre Renewal Programme, the Shop Front Improvements Grant Scheme would improve the sustainability of Spennymoor Town Centre, by improving the design and appearance of commercial premises. This would improve the vitality and viability of the town centre as a location of commercial activity and community life, and generate further investment. It would also create a sense of pride amongst local residents. This accords with the Council’s strategy as set out in the Newton Aycliffe and Spennymoor Town Centres Study Action Plan.

**7.0 OVERVIEW AND SCRUTINY IMPLICATIONS**

- 7.1 The Spennymoor Town Centre Shop Improvements Grant Scheme as part of the Regeneration Services Capital programme will be subject to the normal Overview and Scrutiny Arrangements.

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**Wards:**                                      Spennymoor

**Key Decision Validation:**

**Background Papers**

<b>1</b>	Spennymoor Town Centre Shop Improvements Grant Scheme report to Cxecutive Committee	September 2001
<b>2</b>	Spennymoor Town Centre Improvements SRB5 Project Appraisal Form	January 2002
<b>3</b>	Spennymoor Town Centre Renewal Programme Single Programme Application	16 <sup>th</sup> April 2004

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|---|---|---------------------------|
| 4 | Regeneration Services Capital Programme 2004/05 Cabinet Report                | 1 <sup>st</sup> July 2004 |
| 5 | Case Studies of Shop Improvement Grant Schemes and Comments on current scheme |                           |
| 6 | Spennymoor and Newton Aycliffe Town Centre Study Final Report by EDAW         | September 2000            |

**Examination by Statutory Officers**

	Yes	Not Applicable
1. The report has been examined by the Councils Head of the Paid Service or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. The content has been examined by the Councils S.151 Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. The content has been examined by the Council's Monitoring Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. The report has been approved by Management Team	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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