

Report of	Meeting	Date
Chief Executive (Introduced by the Executive Member for Economic Development and Partnerships)	Executive Cabinet	19 November 2015

VACANT PROPERTY AND SHOP FRONT GRANTS PROGRAMME EVALUATION

PURPOSE OF REPORT

- 1.1 To provide an evaluation of the vacant property and shop front grants programme.
- 1.2 To acknowledge the current pipeline of grant requests, approving a further investment of £75k for the continued delivery of the programme in the 2015/2016 financial year, using the surplus generated from Market Walk (please refer to budget monitoring report).
- 1.3 To seek Member support to the continuation of the programme, making a financial allocation of £100k as part of the 2016/2017 budget setting process.

RECOMMENDATION(S)

- 2.1 That the take-up and successful delivery of the programme be noted.
- 2.2 That Members approve a further £75k for the current financial year using the surplus generated from Market Walk.
- 2.3 That Members approve the continuation of the programme into 2016/2017 making a financial allocation of £100k as part of the 2016/2017 budget setting process.

EXECUTIVE SUMMARY OF REPORT

- 3.0 The Vacant Property Grant (Shop Floor/Business Rate Subsidy) and Shop Front Grant programme has now been in place since June 2012. The report outlines the changes to the programme criteria over the four years, the outputs generated, the benefits to the Chorley economy and the continued high level of interest in the grant programme from new and existing businesses.

Confidential report Please bold as appropriate	Yes	No
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Key Decision? Please bold as appropriate	Yes	No
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Reason Please bold as appropriate	1, a change in service provision that impacts upon the service revenue budget by £100,000 or more	2, a contract worth £100,000 or more
	3, a new or unprogrammed capital scheme of £100,000 or more	4, Significant impact in environmental, social or physical terms in two or more wards

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

4.0 The demand for the programme continues to be high, and with the opening up of the programme to the wider Chorley area in June 2015, there are now increased opportunities for more Chorley businesses to access the programme, and for the benefits to be seen across the Borough.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

5.0 None

CORPORATE PRIORITIES

6.0 This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all		A strong local economy	✓
Clean, safe and healthy communities		An ambitious council that does more to meet the needs of residents and the local area	

BACKGROUND

7.0 This grants programme commenced in May 2012 initially focusing on the shopping areas of Market Street and Chapel Street. Due to demand for support from other areas of the town, there have been a number of expansions to the eligible areas as follows:

- June 2012 - inclusion of all the designated town centre boundary area (shop floor/front)
- April 2013 - inclusion of designated local service centre areas (shop floor only)
- June 2015 – inclusion of all areas (shop floor/shop front)

TOTAL GRANT FUNDING COMMITTED SINCE MAY 2012

8.0 Total funding committed £356,108 equating to:

- £145,673 town centre shop front grants
- £163,502 town centre vacant property grants/business rate subsidies
- £46,933 local service centre/other areas vacant property/business rate subsidies

TOTAL APPLICATIONS RECEIVED SINCE MAY 2012

9.0 Total number of applications received 101 equating to:

- 45 town centre shop front grants
- 40 vacant property grants/business rate subsidies
- 16 local service centre/other areas vacant property and shop front grants

TOTAL INDIVIDUAL BUSINESSES SUPPORTED VIA THE PROGRAMME

10.0 Total number of individual businesses supported through the programme 63 equating to:

- 35 new business start ups
- 28 existing businesses

TOTAL PRIVATE SECTOR INVESTMENT GENERATED BY THE PROGRAMME

11.0 Total private sector investment £754,555 against the programme, providing a leverage of £2.11 for every £1 of grant offered by the Council.

TOTAL JOBS CREATED VIA THE PROGRAMME

12.0 Total jobs created via the programme 117.5. The cost per job to the Council is approximately £3,000, which demonstrates excellent value for money within the remit of publicly funded grant programmes.

BUSINESS SURVIVAL RATE OF ASSISTED BUSINESSES

13.0 The survival rate of the businesses assisted by this programme is 89% which compares favourably with national statistics (for example Barclays quote a 2 year survival rate of 67% for their new businesses, both VAT and non-VAT registered). This demonstrates the benefits of the wrap-around business supported provided as part of the grant process. It should also be recognised that the property improvements funded by this programme have a longevity beyond the lifespan of any individual business.

TOWN CENTRE VACANCY RATE

14.0 The current vacancy rate for town centre retail properties is 5.01%. It is estimated that without the contribution and support of the grants programme, this figure would be much closer to the current national vacancy rate of 9.8%.

PIPELINE GRANTS

15.0 The numbers below relate to the current list of 25 pipeline grant enquiries (increasing weekly) which have already been to Leaders Briefing but have not yet submitted grant applications:

- 12 enquiries are within the formal town centre boundary
- 7 enquiries are within the established local service centres
- 6 enquiries are from the wider Chorley area

Should all of these applications be submitted and subsequently approved, and taking into account the current uncommitted balance for the programme of £23k, an estimate of the funding required for the remainder of the current financial year is £75k.

IMPLICATIONS OF REPORT

16.0 This report has implications in the following areas and the relevant Directors' comments are included:

Finance	✓	Customer Services	
Human Resources		Equality and Diversity	
Legal	✓	Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

COMMENTS OF THE STATUTORY FINANCE OFFICER

17.0 Demand for this programme continues to be extremely high and the majority of the current funding is now already committed. The remaining balance will only be sufficient to continue funding in the short term so it is recommended that a sum of £75,000 be approved to continue investment in the scheme throughout 2015/2016. Additional income generated from Market Walk in 2014/15 was transferred to a reserve to cover potential costs relating

to Market Walk extension feasibility and planning. As these costs are now charged to the capital programme the reserve can be used to fund the additional requirement of the Town Centre Grants scheme for 2015/16, contributing to the town centre economy. The additional £100k requested for 2016/17 needs to be considered as part of the budget setting process.

COMMENTS OF THE MONITORING OFFICER

18.0 The scheme is an appropriate use of council resources and there is no legal restriction on its continued operation.

COMMENTS OF CHIEF EXECUTIVE

19.0 There is a continued high level of interest in this grants programme and the benefits to local businesses and the local economy have been outlined above. With the eligible areas having been reviewed in June 2015 it can be seen from the current pipeline enquiries list that programme is a key incentive to businesses wishing to start a business or improve the exterior of their existing business. The number of enquiries from areas of the borough which were previously ineligible is increasing, and it is expected that this will continue to grow in 2016/2017.

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Gill Barton	5300	5 th November 2015	Grants Programme Evaluation