

<b>Subject:</b>	High Street Innovation Fund	<b>Status:</b>	For Publication
<b>Report to:</b>	Cabinet	<b>Date:</b>	27 <sup>th</sup> June 2012
<b>Report of:</b>	Chief Executive	<b>Portfolio Holder:</b>	Leader of the Council
<b>Key Decision:</b>	<input type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
<b>Community Impact Assessment:</b>	Required: Yes	Attached:	Yes
<b>Biodiversity Impact Assessment</b>	Required: No	Attached:	No
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1.	<b>RECOMMENDATION(S)</b>
1.1	That Cabinet identify and approve a preferred option for allocating the High Street Innovation Fund.
1.2	All future minor amendments to the project to be delegated to the Head of Health Housing & Regeneration in consultation with the relevant Portfolio Holder.

## 2. PURPOSE OF REPORT

- 2.1 To provide members with an appraisal of the options available to deliver funding provided through the Governments High Street Innovation Fund.

## 3. CORPORATE PRIORITIES

- 3.1 The matters discussed in this report impact directly on the following corporate priorities:
- **A clean and green Rossendale** – creating a better environment for all.
  - **A healthy and successful Rossendale** – supporting vibrant communities and a strong economy.
  - **Responsive and value for money local services** – responding to and meeting the different needs of customers and improving the cost effectiveness of services.

## 4. RISK ASSESSMENT IMPLICATIONS

- 4.1 There are no specific risk issues for members to consider arising from this report.

## 5. BACKGROUND AND OPTIONS

- 5.1 In March 2012 the Government announced a £10 million funding package to support empty properties on our high streets, and those areas affected by the riots. Rossendale was one of the local authorities receiving a share of this funding (£100,000).
- 5.2 The allocation followed the publication of the Portas Review of the High Street which helped to identify the negative effects that empty properties can have on the high street.
- 5.3 The Government want to encourage local authorities to take the lead in driving their local economy, and to use new tools open to them, such as powers to offer business rate discounts which will be available to them through the Localism Act from 1 April 2012. They are also encouraging partnership working, particularly between local authorities and local landlords, to address local challenges.

- 5.4 The Government believe that local authorities will be able to work collaboratively with landlords encouraging them to also contribute to a business rate discount for new occupiers. If this grant funding could be matched by the local authority and the landlord the business rate discount could deliver a new business to the high street, filling an empty building and increasing choice for the local community. With all parties contributing, this has the potential for a £10million fund to generate £30million support for new businesses.
- 5.5 Examples of how empty shops might be brought back into use include:
- Supporting community uses of empty properties. The new Community Right to Bid, to be introduced later this year, gives communities the opportunity to identify assets of community value they believe enhance their social wellbeing or recreational, cultural and sporting interests. When these listed assets are put up for sale, the community will be given more time to prepare to bid for them and raise the finance.
  - 'Meanwhile use' - local authorities and other landlords to consider meanwhile use as a way of reinvigorating the high street. This aims to re-animate vacant spaces by allowing local people and community groups to experiment with new projects and enterprises, thereby relieving the burden for landlords of an empty property, and supporting high streets by stimulating new footfall and users in the town centre.
  - Supporting local skills improvements/social enterprises by developing an apprenticeship scheme to train young people in shop-fitting and refurbishment.
- 5.6 There are a number of options to consider for how this funding might be spent. The Government's preference is for it to be used to provide business rates discounts which might be then matched by landlords and agents providing additional rental discounts. However, in practice this may be more difficult to achieve due to the disparate nature of business landlords in Rossendale.
- 5.7 It might be advisable, therefore, to tie in the business rate discount to be available only to landlords who are prepared to grant a rental discount for a new occupier.
- 5.8 In addition to the initiatives listed at paragraph 5.5 above there have also been suggestions to improve the appearance of empty shops through window dressing measures. So far these have been difficult to implement, in the main due to the apathy of the landlords/agents of the properties. A recent partnership approach between the Council and Rawtenstall Chamber of Commerce on this type of project was unable to find any commitment from landlords/agents to participate in the scheme.
- 5.9 There are also a number of options to consider for determining where the funding should be spent to achieve the best overall outcome for the Borough.
1. Spread the funding evenly over Rossendale's five town centres - £20,000 per centre working with local businesses and groups to identify suitable schemes.
  2. Spread the funding evenly over Rossendale's three main centres – Rawtenstall, Bacup and Haslingden working with local businesses and groups to identify suitable schemes.
  3. Use all of the funding to provide generic business rates discounts across Rossendale's five town centres but on a first come first served basis.
  4. Focus all of the funding to support the Townscape Heritage Initiative scheme for Bacup.

### **Option 1**

- 5.11 Whilst this option does spread the funding evenly across the five centres of Rossendale it is likely to result in the least sustainable impact. This is due to there being no cohesive strategy for delivery and the likelihood that the incentives would be extremely time limited due to the relatively small amount of funding available in each centre. It is unlikely that the Council would have sufficient capacity to support and engage local business groups in five areas to deliver the programme effectively.

### **Option 2**

- 5.12 This would focus the funding over the borough's three main centres providing a budget of £33,000 per centre. Again there will be issues relating to the Council's ability to support and engage with local groups but to a lesser extent than in option 1. The drawback to this option relates to the longer term sustainability and effects that the initiative would leave. It is unlikely that there will be further allocations of this nature and therefore equally unlikely that the Council would be able to support ongoing business rate discount offers to future occupiers once this intimal funding stream has been exhausted.

### **Option 3**

- 5.13 This option provides a deliverable initiative with little effects on the current delivery capacity of the Council. However, it is somewhat indiscriminate and would not be able to achieve a sustainable outcome as the scheme would end as the funding stream became exhausted.

### **Option 4**

- 5.14 This option focusses all of the resources into the programme for the Bacup Townscape Heritage Initiative (THI) and has the potential leverage of 1:4 and add to other funding sources to bring in a further £1.5million into the town. (The resources would only be expended should the second stage bid for THI be successful and therefore the allocation of these resources could be reconsidered should the bid be unsuccessful).
- 5.15 In terms of the ability to bring in the maximum benefits and sustainability into a town centre, Option 4 would appear to be the favoured option to achieve this.
- 5.16 This is because, if the second stage bid for THI is successful it will result in a five year programme of investment into Bacup delivering not only physical improvements but opportunities for training, apprenticeships and jobs.

## **COMMENTS FROM STATUTORY OFFICERS:**

### **6. SECTION 151 OFFICER**

- 6.1 Financial implications are noted above.

### **7. MONITORING OFFICER**

- 7.1 No legal issues.

### **8. HEAD OF PEOPLE AND POLICY (ON BEHALF OF THE HEAD OF PAID SERVICE)**

- 8.1 As part of the development of the preferred option further consultation will be undertaken and the equality implications of the preferred option considered. This will be referred back to Cabinet if required.

**9. CONSULTATION CARRIED OUT**

9.1 Management Team, Portfolio Holder.

**10. CONCLUSION**

10.1 The High Street Innovation Fund has provided the Council with an opportunity to assess the best method of bringing further investment and sustainability to Rossendale's town centres.

10.2 The options to be considered do provide some challenges both for decision making and also in the Council's own capacity to ensure effective delivery.