

Crawley Borough Council

Report to Cabinet

13th March 2023

Enhanced Shop Front and High Street Improvement Programme

Report of the Head of Economy and Planning – PES/455

1. Purpose

- 1.1. To present to Cabinet proposals for an enhanced Shop Front and High Street Improvement Programme and the rationale for the programme relaunch from the original Retail Improvement Grant scheme.
- 1.2. To seek Cabinet approval to allocate and combine funding secured from the West Sussex Business Rates Pool and from the government in order to provide the resources necessary to relaunch the above programme.

2. Recommendations

- 2.1 The Cabinet is recommended to agree to:
 - a) Approve the relaunch of the previously named Retail Improvement Grant Scheme as the Shop Front and High Street Improvement Programme and the assessment process as set out in section 5.1 of this report.
 - b) Allocate £70,000 of high street improvement funding from the government to the relaunched Shop Front and High Street Improvement Programme and to combine that funding with £58,000 of residual monies from the West Sussex Business Rates Pool to establish the Shop Front and High Street Improvement Programme.
 - c) Delegate authority to the Head of Economy and Planning, in consultation with the appropriate Cabinet Member, to review and make minor amendments to the Shop Front and High Street improvement Programme as further changes to legislation are introduced or following any review. (Generic Delegation 7 will be used to enact this recommendation).
 - d) Instruct the Head of Governance, People & Performance to amend the Council's Constitution to reflect any minor changes arising from the decision.

3. Reasons for the Recommendations.

- 3.1. To strengthen the ability for the relaunched Shop Front and High Street Improvement Programme to support the growth of independent retailers and small businesses in Crawley by improving the attractiveness and relevance of the programme to the needs of those businesses.
- 3.2. To enable the relaunched Shop Front and High Street Improvement Programme to strengthen the visual appearance of Crawley's neighbourhood parades and parts of Crawley town centre in order to enhance footfall and economic vibrancy.

4. Background – the original Retail Improvement Scheme

- 4.1 The current Retail Improvement Grant Scheme has been operated by the Council since 2021, thanks to funding unlocked from the West Sussex Business Rates Pool. It is part of the West Sussex Retail and Training and Support programme.
- 4.2 The scheme has been offering small grants of up to £4,000 to support small businesses in making key improvements to their retail premises and operations.
- 4.3 Eligible expenditure could include, but is not limited to:
 - Shop front enhancements
 - Lighting and decoration improvements
 - Minor building works
 - Display equipment
 - Payment system improvementsHowever, it is not permitted to use the grant for expenditure related to salaries, overheads, rent or stock.
- 4.4 To apply for a grant currently, businesses must:
 - Be able to commit 25% of the project value in match funding
 - Have engaged in the West Sussex Retail Hub virtual learning programme
 - Be registered with HMRC / Companies House
 - Have a physical shop premises in Crawley borough
 - Be a small independent business – maximum 50 employees and not part of a regional, national or international chain / franchise.

5. Information and Analysis

Overview of original Scheme Application Procedure

- 5.1 The Council has been inviting grant applications for the existing Retail

Improvement Grant scheme from eligible independent retailers / small businesses by using an on-line application portal via the Council's web site. Applications are assessed in three monthly cycles, depending on when they come in, via a procedure comprising the following stages:

- I) Eligibility and Due diligence checks – to determine whether a business is financially sound and whether they are eligible to apply for a grant.
- II) Assessment of grant applications by Economic Development Officers
- III) An evaluation report for each application presented to a decision-making panel comprising the Head of Economy and Planning and the Chief Finance Officer.
- IV) Grant offer letter and draft agreement sent out to successful applicants or letter sent to applicants explaining why application is unsuccessful.
- V) Unsuccessful applicants will have the right to appeal and any appeals will be heard by the Council's established Grants Appeals Panel.

5.2 The funding is available to apply for on a "first come first served" basis in relation to those small business applicants, whose applications are considered acceptable following due diligence, eligibility checks and evaluation.

5.3 Successful business applicants are required to:

- Provide regular updates to Economic Development officers on progress with grant spend and related scheme delivery.
- Ensure they and their staff make use of the virtual learning programmes offered by the West Sussex Retail Hub.
- Complete spend on the grant and deliver the related scheme by a target "long stop" date.

Proposals for Enhanced scheme with relaunch as the "Shop Front and High Street Improvement Programme" – The Rationale

5.4 An opportunity has arisen to add £70,000 to the programme to create an enhanced scheme, combining these monies with the residual budget of £58,000 from the West Sussex Business Rates pool (original name: Retail Improvement Grant scheme) to create a total budget of £128,000.

5.5 The £70,000 relates to funding received from the government and is currently held in reserve to deliver "high street improvements". The use of this funding on the delivery of shop front improvements, related improvements to retail / business operation and high street improvements is an eligible use of this funding because each individual scheme will make a tangible contribution to the overall improvement visually of the "high street", whether it be in the town centre or at neighbourhood parades in the Borough.

5.6 At the same time, since the Retail Improvement Grant Scheme was launched in 2021, the Council has received very few applications and only awarded six grants (to the value of £23,818) to small businesses / retailers. This low take-up

is likely to be due to the following reasons:

- The requirement for small businesses to find and commit “match funding” of at least 25% of the project value at a time when we have economic recession, and a “cost of living” crisis and small business are facing extremely challenging times financially.
- The lack of clarity and appeal of the current scheme and the relatively ambiguous title “Retail Improvement Grant Scheme”.
- The requirement to engage with the “West Sussex Retail Hub Virtual Learning programme”, given it requires the small businesses to commit significant staff time at a time when they are extremely hard pressed by challenging economic circumstances.

5.7 The relaunch of the scheme as the Shop Front and High Street Improvement Programme would carry with it the following benefits:

- The change in the title to highlight the use of the grant funding for “Shop Front” improvements provides small businesses with a much more tangible, practical and appealing reason for applying.
- The removal of the requirement for small businesses / independent retailers to provide a 25% match funding contribution would remove a significant financial barrier for small businesses facing extremely challenging economic circumstances.
- An increase in the amount small businesses / independent retailers could apply for from £4,000 to £5,000 would boost the attractiveness of the scheme.
- The change in requirement to make it optional rather than mandatory for an applicant to access the “West Sussex Retail Hub Virtual Learning” programme will remove another barrier to applicants and a significant staff time implication for independent retailers / small businesses.
- The Council has successfully recruited a new Economic Development Officer (EDO) who started in post in January 2024, and this presents a timely opportunity therefore for the new EDO to promote proactively the programme and provide technical advice and support to small businesses to encourage and facilitate applications.
- The EDO and other officers will work closely with the Town Centre Business Improvement District (BID) to promote the programme.
- The inclusion in the new scheme of a High Street improvement pillar will provide the opportunity for the Council to invest relatively small-scale resources from the programme into targeted cosmetic improvements in the town centre – prioritizing the High Street, the Broadwalk and the Broadway.
- Officers from Community Services will be involved in the assessment and evaluation of each application to ensure that any potential risks relating to community safety are identified and mitigated.
- Grant applications which demonstrate that they will result in the delivery of environmental benefits (e.g. a reduction in carbon emissions) or general health and well-being benefits will be afforded extra weighting during the evaluation process.

Overall Aims of the Enhanced Scheme

- 5.8 The relaunched Shop Front and High Street Improvement Programme would have three principal aims:
- To enhance the quality and visual appearance of shop fronts and retail business units to deliver further footfall, business activity and economic vibrancy in Crawley Town Centre and the neighbourhood parades.
 - To strengthen the competitiveness of independent retailers and small businesses and to facilitate job creation to benefit local residents.
 - To contribute to the regeneration and renewal of Crawley Town Centre and the neighbourhood parades, aligning with the Town Centre Regeneration Programme and the Crawley “One Town” Economic Recovery Plan priorities of “Town Centre Renewal” and “A Diverse and Resilient Economy”.

Summary of Shop Front and High Streets Programme

- 5.9 It is proposed that the relaunched Programme comprises two pillars:

Pillar One – Shop Front Improvement Grants – Applications for a grant of up to £5,000 invited from independent retailers / small businesses operating out of retail premises in Crawley Town Centre or on one of Crawley’s neighbourhood parades. Successful applicants must invest the grant funding in significant visual shop front improvements or physical improvements to front line business operations at the retail premises. It will be possible for up to four independent retailers / small businesses operating out of adjacent / contiguous retail units to submit joint bids up to a maximum of £20,000 (£5,000 per premises).

Pillar Two – High Street Improvements – Targeted small-scale improvements in the visual appearance of three priority areas within Crawley Town Centre – Crawley High Street; the Broad Walk; the Broadway. These would be implemented by the Council in agreement with local stakeholders, and constituent businesses and working closely with the Town Centre BID.

Procedure for Assessment of Grant Applications / and Selection Criteria

- 5.10 It is proposed that the assessment procedure for grant applications to the Shop Front and High Street Improvement Programme is the same as set out in section 5.1 of this report above for the Retail Improvement Grant Scheme. Decisions will be taken in consultation with the appropriate Cabinet member. It is also proposed that Community Services officers are involved in the assessment process alongside Economic Development Officers.
- 5.11 Eligible expenditure for the Shop Front and High Street improvement grants (Pillar one) would be the same as the Retail Improvement Grants scheme, as set out in section 4.3 above.

- 5.12 To apply for a Shop Front and High Street Improvement programme grant, businesses must:
- Be registered with HMRC / Companies House
 - Pass “due diligence” checks undertaken by Council officers.
 - Have a physical shop / retail unit premises in Crawley borough
 - Be a small independent business – maximum 50 employees and not part of a regional, national or international chain / franchise.
 - Demonstrate that they possess a minimum 5-year lease on the premises.
 - Not be proposing inappropriate physical shop front improvements if the premises is located in a designated Conservation Area.

5.13 Grant applications will be assessed / scored against the following criteria:

- Need for the project - existing condition of the premises – 30 marks
- Extent of the positive impact on the streetscape and environment / how project would uphold the conservation area (if applicable) – 30 marks
- Value for Money (Cost versus Benefits) – 40 marks

6. Implications

- 6.1. **Staffing** – there are no direct staffing implications for Crawley BC since the management and oversight of the Shop Front and High Street Improvement Programme can be maintained as part of the day-to-day duties of the Council’s Economic Development Officer
- 6.2. **Financial** - There are no direct financial implications for the Council. The additional £70,000 of funding proposed to be allocated to the Crawley Shop Front and High Street Improvement Programme is coming from monies provided by the government to spend on High Street Improvements. This is adding to £58,000 of residual funds already in the programme (under its original name – Retail Improvement grants), secured from the West Sussex Business Rates Pool.
- 6.3. **Legal** - The provision of grant funding to successful applicants will be subject to the negotiation and sign off between the Council and each successful applicant of a funding agreement, drawn up by the Council’s legal services officers.

UK Subsidy Control - Only small businesses with up to 50 employees could apply for up to £5,000 of grant funding. This means that grant funding accords with UK Subsidy Control rules because a grant funding payment is significantly below the Minimum Financial Assistance public funding subsidy threshold to a small business, which is a total of £315,000 over three years. Checks would need to be made as part of the Council’s due diligence checks to ensure small business applicants have not received “third party” public funding subsidies over the three-year period, which cumulatively would take the total subsidy above this threshold.

6.4. **Environmental** - This programme will enable delivery of visible improvements to the built environment in regard to retail unit shop fronts and so the benefits will be positive. Applicants will need to demonstrate how their scheme will reduce their carbon footprints.

7. Background Papers

Town Centre Regeneration Programme report to Cabinet 16 March 2022 PES/397

Town Centre Economic Recovery Plan report to Cabinet 24 November 2021 PES/391