



Delegated Officer Report

Decision Maker: Cllr Sean Fielding, Council leader and Cabinet Member for Economy and Enterprise
Carol Brown, Director of Environmental Services

Date of Decision: 19th September 2019

Subject: Award of a Business Improvement Grant in Shaw district centre

Report Author: Liz Kershaw, Principal Regeneration Officer

Ward (s): Shaw and Crompton

Reason for the decision: The purpose of the report is to seek approval to award a Business Improvement Grant in Shaw District Centre.

Summary: The Council recognises the important role that independent businesses play in sustaining the vibrancy and vitality of our high streets and has developed a Business Improvement Grant scheme for Shaw District Centre. Discretionary grants of 50% of the costs of improvements, up to a maximum of £8,000, are available until 31st December 2019.

An application has been received and for which approval is sought.

Artisan, 22 Milnrow Road, Shaw

This premises is a former graphic design/printing and art shop/office. A three-year lease has been taken by a new business partnership of two local young people who are opening up a luxury hair salon (Artisan) on the ground floor with beauty rooms on the first floor. They are already self-employed (separately to each other) - one currently working from home and the other working from a rented chair in Royton. They both have an existing client base who will come to the new shop in Shaw. They will be renting out the upstairs as beauty rooms and will be taking on an apprentice or junior almost immediately thus creating at least 2 additional new jobs.

They are planning to completely renovate the premises and are carrying out some work which is not part of the application such as the updating of the electrical wiring within the building as they have family able to do the work. The works that form the grant application consists of the installation of a new false front/decorative trim to shop front (they are aware that this will need Planning Permission), internal renovation of ground and floor including, creation of new doorways, new flooring, new walls, plastering, new WC and washroom, installation of counter and back wash, skirting boards and new upstairs windows. They have already applied for Building Regulations under application 224040/19/FP. Approval of both Planning Permission and Building Regulations will be a condition of any grant approval

They have provided three quotes for the works outlined above and based on the lowest quote of £12,500, they are applying for a grant of £6,250 towards the costs of the works.

The business is registered for Business Rates and is currently in receipt of Empty Property Relief while they do the renovations. This is due to expire on 1st October 2019 when they will seek Small Business Rate Relief.

The Shaw and Crompton Grant Advisory Panel made up of the 6 ward councillors for Shaw and Crompton unanimously agreed to support this application via emails dated 20th and 21st August 2019.

What are the alternative option(s) to be considered? Please give the reason(s) for recommendation(s):

1. Do nothing. If the Council chooses to adopt this approach then the Council's regeneration aspirations for Shaw District Centre would be delayed. There is potential that the appearance of these premises and Shaw District Centre could decline.
2. Approve the award of the Business Improvement Grant. Business Improvement Grant applicants will enter into a conditional grant agreement with the Council, to ensure that works are being undertaken satisfactorily with claw back arrangements for non-compliance. Funding takes place once the contract is completed and the works completed to the satisfaction of the Council.

Consultation: including any conflict of interest declared by relevant Cabinet Member consulted.

A local grant review panel consisting of at least 3 of the ward members for Shaw and Crompton has been set up to review grant applications. The panel provides recommendations as to whether to approve, vary or reject the grant applications with the actual decision to award the grant being made by the relevant Cabinet member.

These applications were considered by the Shaw Grant Review Panel via an email sent on 20th August 2019, in response to which they have all recommended approval.

Recommendation(s): Approve a Business Improvement Grant award as follows:

- £6,250 to "Artisan" in respect of 22 Milnrow Road, Shaw

Implications:

What are the financial implications?

The Shaw & Lees District Centres Business Support (Neighbourhood Developments) Project was awarded £200,000 for Business Improvement Grants in the districts of Shaw and Lees, with £100,000 earmarked for each district.

The table below details the full budget and allocations to date for Shaw District and shows the financial impact of the approval of the £4,635 award contained in this report. Consequently, there would be funds of £11,120 still to allocate.

	£
Total Business Improvement Grant – Shaw	100,000
Previous approved grant allocations	(88,640)
Marketing costs	(240)
Total remaining grant	11,120
Approval to allocate above recommendation	(6,250)
Revised grant allocated	(95,130)
Grant Remaining for Allocation	4,870

It should be noted that of the £88,640 previously allocated for Shaw, £84,082 has been drawn down by the successful applications, as the conditions of grant state that the recipient has up to 12 months to draw down the grant following the approved offer.

Marketing costs of £480 have been apportioned equally to both districts (£240 each) prior to any grants being awarded. All costs will be charged to capital code M0550, as both districts are funded through this.

It is important that colleagues in the Economic Development team, with the assistance from Finance, maintain an understanding and record of claims so that an accurate forecast can be completed.

It is unlikely that every grant awarded in 2019/20 will be drawn down in the same financial year as the conditions of the grant allow the recipient up to 12 months to draw down the grant following the approved offer.

(Jamie Kelly, Accountant)

What are the legal implications?

The grants will be made subject to the Council's standard terms for Business Improvement Grants that provide for the grant to be paid after the works have been completed to the satisfaction of the Council's surveyor. There will be claw back provisions for non-compliance with the grant terms which together with the relatively low amounts of the grants make the grants low risk transactions. As long as the grant applications meet the Council's requirements and have been assessed in accordance with the Council's procedures Legal Services has no further comments to make. (Elizabeth Cunningham-Doyle)

What are the procurement implications?

N/A

What are the Human Resources implications?

N/A

Equality and Diversity Impact Assessment

N/A

What are the property implications

Improvement of privately owned businesses will contribute towards the achievement of a vibrant Shaw District Centre. (Bryn Cooke)

Risks:

Each applicant is checked for Business Rates registration and that they are up to date. The applicant is registered for Business Rates at the premises and is currently receiving relief. The grant is only payable on satisfactory completion of the works.

Co-operative agenda

Business Improvement Grants are available to any independent business or property owner within the eligible areas. The grants can be the catalyst for local business to carry out improvement which they would not otherwise be able to afford or consider doing. Working with independent businesses is particularly important to our co-operative agenda and our District Centres as they help to create a strong sense of local identity and customer loyalty and trust. District Centres are often the location for family businesses that have been trading for long periods of time – many of them for a number of decades. Improvements to the exterior of key buildings including fascia's and shop fronts can both uplift an area and the visitor's perception of the District Centre and assist in attracting new independents.

Has the relevant Legal Officer confirmed that the recommendations within this report are lawful and comply with the Council's Constitution? Yes

Has the relevant Finance Officer confirmed that any expenditure referred to within this report is consistent with the Council's budget? Yes

Are any of the recommendations within this report contrary to the Policy Framework of the Council? No

There are no background papers for this report

Report Author Sign-off:	
Signed:	Liz Kershaw, Principal Regeneration Officer
Date:	19 th September 2019

In consultation with

Cllr Sean Fielding Council leader and Cabinet member for Economy and Enterprise

Signed:  Date:

Carol Brown, Director of Environmental Services

Signed: 

Date: 19.09.19