

Independent Retailer Grant

Report of the Economic Development & Tourism Portfolio Holder

Recommended:

- 1. That the terms of the Independent Retailer Grant Scheme attached at Annex 2 to the report are confirmed.**
- 2. That a one off grant of £250 from the 2021/22 Independent Retail Grant budget be paid after the third month of their occupation to eligible independent retailers in the Andover retail incubator (Unit 15, The Chantry Centre, Andover) in line with Annex 2 to the report.**
- 3. That delegated authority be given to the Economic Development Officer in consultation with the Head of Finance and Revenues and Economic Development and Tourism Portfolio Holder to determine applications for and to administer the Independent Retailers Grant.**
- 4. That delegated authority be given to the Economic Development Officer in consultation with the Head of Finance and Revenues and Economic Development and Tourism Portfolio Holder to reduce the Independent Retailer Grant where the Council is making an equivalent level of financial support.**

SUMMARY:

- This report seeks to confirm the terms of the Independent Retailer Grant (IRG) and to authorise delegation to the Economic Development Officer in consultation with the Economic Development and Tourism Portfolio Holder, with the Head of Finance and Revenues to be able to provide the IRG and where appropriate to reduce the grant from £1,200 where there is equivalent in kind financial support from the Council.
- That the Council provide a one off grant of £250 to eligible independent retailers in the Andover retail incubator. This proposal is within budget.

1 Introduction

- 1.1 This report seeks to confirm the terms of the Independent Retailer Grant scheme and to seek delegated authority to the Economic Development Officer in consultation with the Head of Finance and Revenues and Economic Development and Tourism Portfolio Holder to determine applications for and to administer the grant and in appropriate circumstances to reduce the cash grant from £1,200 where there is equivalent in kind financial support from the Council.

1.2 This report has also been prepared following a request from Andover BID as to whether independent retailers expected to occupy the retail incubator shared space in unit 15 of The Chantry Centre (see Annex 1) are eligible to receive the Independent Retailer Grant. The unit has been empty for one year. Previously the grant has only ever been awarded to businesses which exclusively occupy a retail unit, although the terms of the grant do not refer to sole occupancy. Therefore the report recommends authorisation of a one off £250 grant from the Independent Retail Grant fund to eligible independent retailers in the Chantry Centre retail incubator unit.

2 Background

- 2.1 The IRG was first established in 2013. The £1,200 grant is paid to independent businesses taking ground floor premises which were vacant for more than one month in Andover and Romsey town centres. The first £600 instalment is paid 3 months after the application is approved and the second £600 instalment, after 9 months (see Annex 2 for eligibility criteria). Successive rounds of funding have come from the New Homes Bonus.
- 2.2 Town centres are one of the four key priorities in the Council's corporate plan. Shops and other businesses which offer customers goods and services are at the heart of our town centres. The basis for creation of the grant was to support Andover and Romsey town centres by encouraging and supporting independent retailers to establish themselves within vacant units. The fundamental challenges faced by town centre businesses for a number of years, notably online and out of centre competition, have been exacerbated by the Pandemic. The recent closure of many multiple chains means independent retailers are more important to the vibrancy of town centres than ever before. The justification for the IRG is as strong now as it was then.
- 2.3 A review of the process for considering and authorising grant applications has been undertaken. This has identified that both elements need reaffirming. This is also in part to reflect changes within the structure of the organisation.
- 2.4 Since its introduction, independent retailers in Andover have received 33 grants and in Romsey, 22. The number each year varies although Andover businesses received 7 in 2018/19 and 8 in 2019/20 reflecting the involvement of the BID and promotion of the Chantry Centre.
- 2.5 Over the last 7.5 years 55 independent businesses have received the grant (most receiving the previous total of £1,000 but some only £500 for various reasons). 35 (64%) are still trading. As from the 1 April 2021 the Independent Retailer Grant rises to 2 instalments of £600 making a total of £1200.
- 2.6 The survival rate of businesses which received the IRG compares favourably with the national 5 year rate. However, any comparison should be treated with caution because High Street business failures are higher than the average; the IRG sample is tiny; and any success or failure will reflect complex individual circumstances. For example, at least 3 of the 9 closures were due to ill-health and at least one closed as the result of lockdown.

- 2.7 The grant provides the opportunity for the Council to offer co-ordinated support for the new business including from regulatory services, referral for BID/Town Centre Manager support and to wider promotional opportunities. Such connections can play an important supportive role and complement Government support through Small Business Rate Relief.
- 2.8 The Council has been approached by the Andover BID Manager as to whether the proposed 8 occupiers of a new retail incubator in The Chantry Centre are eligible to receive the Independent Retailer Grant.
- 2.9 The retail incubator in The Chantry Centre is an innovative scheme designed to attract independent retailers into the town centre on affordable terms in the hope they will stay and grow. It is a joint project by the Council, as owner and manager of The Chantry Centre and Andover BID, which will attract the occupiers.
- 2.10 It is now recommended that eligible independent retailers occupying the retail incubator be offered a one off grant of £250, from the IRG budget, 3 months after moving in.
- 2.11 The justification for the lower sum is that the occupiers of the retail incubator will receive a benefit in kind of just under £2,000 per annum by not having to pay rent or service charge. Furthermore they will be subject of a rolling three month license so there is uncertainty as to whether and how long they will remain in the incubator.
- 2.12 In order to make this offer it is recommended that Cabinet approves delegation in line with Recommendation 4 to allow for the ability to reduce the grant where there is equivalent financial in kind support from the Council (e.g. by not requiring rent and service charge).

3 Corporate Objectives and Priorities

- 3.1 Growing the potential of town centres to adapt and be attractive, vibrant and prosperous places in one of the four priorities of the Council's corporate plan, Growing our Potential.
- 3.2 The Independent Retailer Grant has been an important and pragmatic means of encouraging and supporting town centre businesses since its introduction in 2013 and during the ensuing period of unprecedented challenge.
- 3.3 The Council's recently adopted Interim Economic Development strategy reiterates the importance of the IRG in helping our town centres

4 Consultations/Communications

- 4.1 As part of confirming the IRG the Council would continue to promote the grant to businesses.

5 Options

- 5.1 The principle of the IRG is long standing and one that continues to play a part in helping the economy of Andover and Romsey town centres. The specific options to consider relate to reaffirming the administration and guidance of the IRGs and the level of support for potential bidders where other opportunities arise like those presented by the retail incubator unit. The main options for consideration relate to whether to fund the businesses in the retail incubator unit. The specific options are:

Option 1. To confirm the terms of the Independent Retail Grant and associated delegations and to make the reduced grant payments of £250 to eligible retail incubator occupants.

Option 2. To confirm the terms of the Independent Retail Grant and associated delegations and to make the full payment of £1,200 to eligible retail incubator occupants.

Option 3. To confirm the terms of the Independent Retail Grant and associated delegations and to make no grant payment to the occupants of the retail incubator because other support is offered.

Option 4. To remove the Independent Retailers Grant.

6 Option Appraisal

- 6.1 The retail incubator will not only enable its businesses to experience operating on the high street, albeit in sheltered terms, but will also occupy a large and prominent unit which has been vacant for a long time. The use will draw footfall to the Chantry Centre and Upper High Street thereby supporting the town centre.
- 6.2 Option 1 is the preferred and recommended option on the basis that it is appropriate and equitable to support fledgling independent retail businesses in the innovative Andover retail incubator. This is in line with the Council's approach of supporting business in the corporate plan and economic strategy. The reduced payment is at a scale which recognises the in-kind financial assistance the Council is giving by not charging rent or service charge.
- 6.3 The second option of providing the full payment as well as the additional benefits would put these businesses at an increased advantage when compared to other recipients of the IRG.
- 6.4 The third option of providing no grant payment to the businesses would seem contrary to the whole comprehensive approach to the Council's corporate objective of encouraging and supporting businesses in our town centres.
- 6.5 It has become necessary to update and confirm the terms of the Independent Retail Grant and delegation of authority for its operation and payment. These elements are therefore included in all identified options.
- 6.6 There is the option of removing the grant scheme however this would be counter to the aspirations of the corporate plan especially at a time when our town centres and retailers need support. This option is not recommended.

7 Risk Management

- 7.1 An evaluation of the risks associated with the matters in this report indicate that further risk assessment is not needed because the changes/issues covered do not represent significant risks.

8 Resource Implications

- 8.1 The Council has allocated £24,000 from The New Homes Bonus to support the operation of the Independent Retailer Grant for 2021/2022. The grant has increased from £1,000 to £1,200, from 1 April 2021, both to ensure the grant retained its value having been held at the same level since 2013 and to encourage recipient businesses to develop an online presence so that they could be more resilient.

9 Legal Implications

- 9.1 Economic Development is a concessionary rather than statutory duty. Therefore approval of this report involves no legal implications.

10 Equality Issues

- 10.1 The EQIA has not identified any potential for discrimination or adverse impact and all opportunities to promote equality have been taken.

11 Other Issues

11.1 Community Safety – no issues arising

11.2 Environmental Health Issues – no issues arising

11.3 Sustainability and Addressing a Changing Climate –no issues arising

11.4 Property Issues

11.4.1 The Andover retailer incubator pilot is a joint project involving the Andover BID and the Council. By attracting and supporting new independent businesses to occupy a prominent, large and long standing vacant unit and thereby attracting footfall this proposal will support the use and viability of the Chantry Centre.

11.5 Wards/Communities Affected

11.5.1 The town centres are within St Mary's and Millway (south side of Bridge St) and Romsey: Abbey. However, supporting retailers in our towns has a wide benefit to all our communities.

12 Conclusion and reasons for recommendation

- 12.1 The IRG has made a significant contribution to the vitality of Andover and Romsey town centres since it was introduced in 2013. The annex to the report provides updated guidance on the administration of the grant. Providing a reduced grant along with other in-kind assistance provides support for those businesses occupying the incubator unit at the Chantry Centre as well as providing wider benefits for the economy of the town centre.

Background Papers (Local Government Act 1972 Section 100D)

The Interim Economic Development Strategy 2021

The Corporate Plan 2019/2023

Confidentiality

It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.

No of Annexes:	2	File Ref:	N/A
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(Portfolio: Economic Development) Councillor D Drew

Officer:	David Gleave	Ext:	8309
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Report to:	Cabinet	Date:	26 May 2021
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