

**Committee: CABINET**

**Date of meeting: 6 July 2016**

<b>Subject:</b>	Surrey County Council Revitalisation Fund Grant
<b>Lead Officer:</b>	Natalie Anderson, Head of Organisational Development
<b>Portfolio Holder:</b>	Councillor Stuart Selleck - Leader of the Council Councillor Chris Sadler – Portfolio Holder for Resources
<b>Link to Council Priorities:</b>	All
<b>Exempt information:</b>	None
<b>Delegated status:</b>	For recommendation to Council on 20 July 2016
<b>Key Decision:</b>	Yes

### **EXECUTIVE SUMMARY:**

The Council is committed to supporting our local economy, businesses and town centres through the Enterprise Elmbridge Action Plan 2015-2017 and the Elmbridge Civic Improvement Fund that help to ensure that Elmbridge remains an attractive place to do business.

This report outlines the benefits and performance of the Elmbridge Civic Improvement Fund and seeks approval from Cabinet to proceed with the grant offer from the Surrey County Council Town Centre Revitalisation Fund.

### **RECOMMENDED: THAT**

- (A) £100,000 BE TRANSFERRED FROM THE STRATEGIC RESERVE (LABGI) TO MATCH FUND SURREY COUNTY COUNCIL'S GRANT FOR YEARS ONE AND TWO, SUBJECT TO YEAR TWO GRANT BEING RECEIVED.**
- (B) THE ELMBRIDGE CIVIC IMPROVEMENT FUND BE EXTENDED FOR ANOTHER YEAR UNTIL 31 MARCH 2018.**

### **REPORT:**

#### **1. Background and context**

- 1.1 The Elmbridge economy generates £3.2bn in Gross Value Added (GVA), with 9,195 businesses and approximately 57,000 employees. The economic base is built on a strong and thriving small business community and is not dependant on any one sector or large employer. The area has a long-standing reputation for business growth and resilience with supportive town centres and local amenities.
- 1.2 With a rich mix of national and independent retailers, restaurants, cafes, town centre office space and leisure options our shopping areas provide a key asset for both our local resident population and business base.
- 1.3 The on-going vitality and viability of our centres is vital to the future success of the Elmbridge economy with:

- 131,000 sqm of town centre floorspace across our five main centres
- 882 independent retailers across our town centres and shopping parades
- Vacancy rates in all our centres below the national average
- Comparison (non-food) expenditure retention rate in 2015 of 29%
- Convenience (food) expenditure retention rate in 2015 of 65%

1.4 Despite the resilience seen from our town centres during the downturn and recovery there are still online and offline challenges to the strength and success of our town and village centres with:

- The on-going impacts of the recent downturn with the tightening of retail spending and the changing nature of consumers shopping behaviour
- Online competition with the Interactive Media in Retail Group estimating that £107bn was spent online in 2014 equating to 21% of retail sales
- External competition and threats from new developments such as Addlestone ONE providing new leisure and shopping destinations

## **2.0 Elbridge Civic Improvement Fund**

2.1 The Elbridge Civic Improvement Fund (ECIF) was set up in 2009 with an initial contribution of £1 million from the Local Authority Business Growth Incentive Scheme (LABGI). The fund was designed to benefit the local economy, enhance the attractiveness of our shopping centres and attract people to use local businesses.

2.2 The initial £1million Elbridge Civic Improvement Fund has helped support:

- £350,000 investment in the 'Soul to the Street' town centre improvement scheme in Walton-on-Thames
- £26,136.01 to support the Community Connect scheme
- £150,000 contribution to enhanced street lighting in our town centres
- £11,000 for the Shop Local grant scheme
- £612,863.99 for applications from businesses, business groups and community organisations to fund projects that benefit the local economy and attract people to our businesses and town centres
- £50,000 to support start-up businesses in the Borough

2.3 The grant element of the scheme was initially set up to run until March 2011 but following its initial success has since been extended until March 2014 and then to March 2017 by Cabinet. There is a current balance of £323,000 in the Elbridge Civic Improvement Fund budget.

2.4 The types of projects that are eligible are those that benefit the local economy by attracting people to local businesses within Elbridge, such as:

- Improvements to shop fronts and signage
- Street furniture and street scene improvements
- Improvements to the use and appearance of empty shops
- Promotions and marketing initiatives to attract the public to available services and amenities

- Learning skills and training initiatives
- Initiatives promoting community improvement projects where there would be a significant benefit to the local economy

2.5 Grants of up to 90% of the total eligible project costs are available and therefore applicants are expected to fund at least 10% of the total project costs themselves, in order to show their commitment to a long-lasting benefit to the local economy.

2.6 To date the Elmbridge Civic Improvement Fund has supported 218 projects with £571,474 in grant funding.

<b>Area</b>	<b>Number of applications</b>	<b>Amount paid</b>	<b>%age of fund allocated</b>
Claygate	13	36652.26	6.41%
Cobham and Downside	17	45004.08	7.88%
East Molesey	39	89792.67	15.71%
Esher	18	63766.47	11.16%
Hersham	19	60586.01	10.60%
Hinchley Wood	1	2808.00	0.49%
Long Ditton	3	10607.32	1.86%
Oxshott	1	2666.66	0.47%
Thames Ditton & Weston Green	6	5697.00	1.00%
Walton	44	106290.62	18.60%
Weybridge (inc Oatlands)	52	138950.09	24.31%
Molesey North	3	4873.50	0.85%
Molesey South	2	3780.00	0.66%
<b>Total</b>	<b>218</b>	<b>571474.68</b>	<b>100.00%</b>

2.7 As the Portas Review pointed out in 2011, research shows that money spent off the high street is more likely to leave the local area straight away. The 218 projects supported by the Elmbridge Civic Improvement Fund have helped our town centres and businesses improve the local shopping offer and encourage people to shop locally keeping more money circulating in the Elmbridge economy.

2.8 This improvement in the vitality and viability of our town centres can be seen in the increase in the retention rate for comparison (non-food) expenditure in the Borough which has grown from 15.5% in 2005 to 29% in 2015 resulting in more money being spent within our shopping areas.

2.9 The Elmbridge Civic Improvement Fund is evaluated each year with the latest survey showing a 92.3% satisfaction rate in 2015. Feedback from the businesses involved has been extremely positive: 'I think that this initiative by Elmbridge Borough Council provides valuable support for small businesses and undoubtedly enhances the amenities of the town. We are very grateful for the grant.'

### **3.0 Surrey County Council Secondary Town Centre Fund**

- 3.1 In July 2015 the Leader of Surrey County Council announced an annual £1 million fund to support investment in Surrey's secondary shopping centres over the next four years. The fund aims to promote economic prosperity as well as improve the health and well-being of residents and communities by providing better facilities and an improved retail offer.
- 3.2 The £1 million annual fund is split between two elements with:
- The Town Centre Revitalisation Fund offering support for proposals of up to £0.35 million from district and boroughs to support local centre revitalisation and regeneration initiatives. This fund requires 50% match funding and attracts 75% of the annual £1 million.
  - The Local Centre Improvement Fund offers smaller shopping parades the chance to bid for projects from £5,000 to £30,000. The local fund attracts 25% of the annual £1 million and is being delivered through the Surrey County Council Community Improvement Fund.
- 3.3 Elmbridge Borough Council submitted two bids to support town centres and businesses across the borough with a bid for £100,000 of funding over two years to invest in the successful Elmbridge Civic Improvement Fund and £250,000 to support the enabling works for the redevelopment of Weybridge Hall to facilitate a new independent cinema operator.
- 3.4 The Elmbridge Civic Improvement Fund bid will support Elmbridge to continue delivering an already established and proven local grant scheme that helps retailers looking to attract new trade, improve the attractiveness of our town centres and supports the vitality and viability of new businesses taking on vacant premises.
- 3.5 Following approval by the Surrey County Council Deputy Leader and investment panel, Elmbridge has now been awarded £50,000 from the Town Centre Revitalisation Fund to support the Elmbridge Civic Improvement Fund for 2016/17 with a further £50,000 provisionally approved for 2017-18 subject to a successful year one evaluation.
- 3.6 The grant criteria sets out a requirement for 50% match funding from the Local Authority bidding. For the Elmbridge Civic Improvement Fund bid this would equate to £100,000 over the two years of the project, subject to a successful year one evaluation.
- 3.7 Discussions with the County Council about the Weybridge Hall bid are currently ongoing with the investment panel expected to make a decision in late Summer 2016.

#### **Financial implications:**

In order to meet Surrey County Council's criteria for the grant, it is suggested that £100,000 be transferred from the strategic reserve (LABGI) to top up the Elmbridge Civic Improvement Fund. The Local Authority Business Growth Incentive

(LABGI) grants were awarded to local authorities for growth in Business Rates achieved in their local areas. This was set up as a reserve to fund business related improvements, including funding the Elmbridge Civic Improvement Fund. The LABGI reserve will have a balance of £1 million after the allocation.

**Environmental/Sustainability Implications:**

Economic development contributes to sustainable communities. Specific schemes such as the Elmbridge Civic Improvement Fund can contribute to customers buying produce locally, reducing vehicle trips.

**Legal implications:**

None

**Equality Implications:**

None

**Risk Implications:**

Failure to promote economic growth could result in a reduction in business rate revenues, which under new legislative proposals could affect Council income.

**Community Safety Implications:**

None

**Principal Consultees:**

Council Management Board, Portfolio Holder, Heads of Service, Businesses, Business Networks, Partner Organisations.

**Background papers:**

None

**Enclosures/Appendices:**

None

**Contact details:**

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