

Economic Growth Scrutiny Panel

Agenda
Item:

A.3

Meeting Date: 27 February 2020
Portfolio: Economy, Enterprise and Housing
Key Decision: No
Within Policy and Budget Framework No
Public / Private Public

Title: Carlisle City Centre Business Support
Report of: The Corporate Director of Economic Development
Report Number: ED 11/20

Purpose / Summary:

This report provides a summary of the schemes and proposals developed for the City Centre Business Support Fund, to ensure that Carlisle City Centre remains resilient to the changes on the high street.

Recommendations:

That Members of the Panel:

- Note the provisions of the proposed City Centre Business Support Fund and provide feedback on the proposals.
- Note that £40,000 has been allocated for the City Centre Business Support Fund in the 2020/21 Budget.

Tracking

Executive:	15 January 2020
Scrutiny:	27 February 2020
Council:	

1. INTRODUCTION

- 1.1 High Street contraction is a national problem, mainly due to changing needs of shoppers and growth of online shopping. To date Carlisle has been relatively resilient to change, retaining its anchor department stores and remaining a sub-regional hub for shopping. Despite this the vacancy rate has grown to 12% (rising by 2.9% since 2012). However, Carlisle is potentially vulnerable to decline as compared to larger cities, due to the limited ability to backfill units, particularly empty department stores. A city centre resilience strategy will enable the Council to prepare for all contingencies.
- 1.2 Several capital investment projects, through the Borderlands Inclusive Growth Deal, the Future High Street Fund (which Carlisle City Council is currently developing business cases for as part of the competitive process to secure the funding) and the Towns Fund are planned to regenerate the city- creating a stronger sense of place, improving the evening economy and connectivity across the city centre. Providing additional revenue funding to support city centre businesses would maximise the benefits and opportunities of these significant capital investments to improve the vitality and viability of the city centre.

2. PROPOSALS

2.1 Business rates relief

- 2.1.1 The proposal is to use the £10,000 allocation included in the 2020/21 Council budget to top up Retail Discount through a new discretionary rate relief policy. This rate relief aims to support new businesses to trade in the city centre, noting that business rates are often seen as a barrier for new start-up businesses to secure premises and begin a physical presence from which to trade from
- 2.1.2 The original proposal presented to the Executive (ED05/20) was to top-up the then existing government-funded national discount of 33% to 50% for businesses with a rateable value under £51,000 in Castle Street, Victoria Viaduct and Lowther Street, with the Council funding the 17% top up. These streets have been selected due to the high number of vacant units- as of August 2019, 44% of units were vacant on Castle Street, 25% were vacant on Victoria Viaduct, and 22% on Lowther Street, compared to a city centre vacancy rate of 12%. The rate relief offered here will incentivise businesses to move to these locations and improve vitality and viability.
- 2.1.3 However, in a Written Ministerial Statement on 27 January 2020 the Government announced it would extend the value of the Retail Discount from 33% to 50%. Therefore, it is now proposed to apply the proposed top-up to this new rate, thereby increasing it from 50% to 67%.

- 2.1.4 Eligible businesses include retail, cafes, bars and restaurants (excluding hot food takeaways) – essentially A1, A3 and A4 uses. It is proposed that in order to qualify for this new discretionary policy the premises would need to be vacant for a minimum of three months.

2.2 Business grants and funding

- 1.2.1 The proposal is to use the £25,000 allocation included in the 2020/21 Council budget to enable the Council to fund a small grant scheme for businesses in the city centre. The purpose of this fund would be to encourage new starter / growing SME local businesses to occupy vacant units. An example of how the grant could be used is to support capital works, such as shop frontage improvements and signage.
- 1.2.2 The maximum grant per business would be £5,000, with an anticipated average grant of £2,000. This grant scheme would complement the proposed rate relief scheme aimed at addressing vacancy hot spots within the city centre.

1.3 Business Improvement District:

- 1.3.1 The proposal is to use the £5,000 allocation included in the 2020/21 Council budget to enable the Council to support businesses in the development of a BID for the city centre.
- 1.3.2 The Regeneration Team, with support from the Revenues and Benefits team, has undertaken some optioneering work on potential BID proposals. The proposals entail introducing a levy on businesses of between 1%-2% to fund improvements in the city centre. Estimates for a Carlisle BID income raised by the levy range between £171,876 and £379,412 based on size of the BID area.
- 1.3.3 Whilst the Council may take steps to support and facilitate the establishment of a BID, any proposal for a BID would need to be 'bottom-up', coming from and led by businesses, and with a constituted BID body formed that is wholly separate from the Council.

3. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 3.1 This scheme will help deliver key strategic objectives for the Council, including supporting the growth of small and medium sized and micro businesses, supporting job growth, supporting more visitors and higher spend in the city centre. Alongside this, the schemes will support the capital regeneration projects, including Borderlands and Stronger Towns Fund with revenue funding. As a 'resilience strategy' the purpose of this scheme is also preventative- supporting businesses in this challenging national

environment to adjust to the changes in the high street, and ensure the Council has the contingencies in place to manage further high street contraction.

3.2 It is recommended that Members of the Executive:

- Note the provisions of the proposed City Centre Business Support Fund and provide feedback on the proposals.
- Note that £40,000 will be allocated for the City Centre Business Support Fund in the 2020/21 Budget.

4. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

4.1 The proposals support three of the Carlisle Plan priorities:

- P1: Supporting business growth and skills development to improve opportunities and economic prospects for the people of Carlisle.
- P3: Improving the quality of our local environment and green spaces so that everyone can enjoy living, working and visiting Carlisle.
- P5: Promoting Carlisle regionally, nationally and internationally as a place with much to offer - full of opportunities and potential.

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**Appendices
attached to report:**

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS:

LEGAL

None. The proposals within the report will require appropriate approvals in due course. The Discretionary Rate Relief policy forms part of the Council's Budget and Policy Framework and will, therefore, need to follow the usual amendment process.

FINANCE

There is a non-recurring £40,000 budget provision allocated within the Executive's 2020/21 budget to provide support to businesses within the City Centre in line with the proposals set out in this report.

EQUALITY

None

INFORMATION GOVERNANCE

None