

REPORT TO ECONOMIC GROWTH OVERVIEW & SCRUTINY PANEL

Meeting Date: 29 July 2021
 Portfolio: Economy, Enterprise & Housing
 Key Decision: No
 Policy and Budget Framework: No
 Public / Private: Public

Title: Carlisle City Centre Taskforce and Grants programme
 Report of: Corporate Director of Economic Development
 Report Number: ED27/21

Purpose / Summary:

This report provides an overview of the proposals for a new city centre taskforce, made up of key stakeholders in the city centre, and the new City Centre Business Growth Grants, aimed at building new networks in the city, and providing new businesses with meaningful support, to encourage greater vitality and viability in the city centre, and ensure resilience following the COVID 19 pandemic.

Recommendations:

- 1.1 Overview and Scrutiny is asked to:
- i) Note the progress and updates relating to the City Centre Taskforce, and Business Grants which aim to strengthen city centre resilience.
 - ii) Provide feedback on the proposals for the establishment of a City Centre Taskforce.

Tracking

| | |
|------------|--|
| Executive: | 12 October 2020 (City Centre Growth grants) 31 August (City Centre Taskforce) |
| Scrutiny: | 29 July 2021 |
| Council: | |

2. INTRODUCTION

- 2.1 Prior to the COVID-19 Pandemic, the continuing strain on high streets across the UK was evident. Changing consumer habits, particularly fuelled by the rise of online shopping and out of town retail centres, have caused retail to contract in high streets and city centres. Due to the city's role as a service centre for around 500,000, the city has fared comparably well against similar cities in the UK. The vacancy rate has remained steady, and close to the national average of 12% between 2012-2019. However, the city has clearly faced challenges prior to this, for example the loss of the key anchor site in the historic quarter, Hoopers Department store in 2012, which has negatively impacted the viability of retail in this area. Carlisle City Centre has remained retail dominant- however the changes the high street faces means that the city needs to diversify towards greater experiential offer for visitors and shoppers, and offer a range of uses beyond shopping- including residential, office and hospitality.
- 2.2 The COVID-19 pandemic has exacerbated these challenges- and the closure of key retailers in Carlisle, including Topshop and Debenhams further exemplify the need for the city centre to adapt and change to the new role of high streets.
- 2.3 Carlisle City Council and its partners are in the process of securing over £100 million in funding for Carlisle City Centre. This transformational funding will be used to support the city's regeneration and allow Carlisle to grow and succeed in a new era for centres and high streets.
- 2.4 In 2020 the Carlisle's Town Deal Board was created to oversee plans for investment in Carlisle through the government's Towns Fund. This board is made up of key private and public sector organisations across the city- its remit covers the entirety of Carlisle's urban area. The Town Deal Board has overseen the creation of Carlisle's Town Investment Plan- submitted to government in October 2020 and is an example of successful collaboration working taking place to drive forward Carlisle's growth.
- 2.5 Alongside these activities, The Council is also looking to develop greater city-centre networks, and a package of business support for city centre businesses, to ensure greater city centre resilience going forward. Two proposals have been developed under this aim:
- **The City Centre Taskforce:** The formation of a focussed collaboration, made up of key city centre- based organisations to identify the challenges and opportunities the city centre faces, and ensure local leadership for the city centre as it moves towards economic recovery following the impacts of COVID-19, and the delivery of significant city centre investment.
 - **City Centre Business Growth Grants:** A new capital grants programme, to support new, start-up and growing SME businesses looking to occupy vacant

space in the city centre with funding for capital works (ie renovations of purchasing essential equipment for their businesses.

- 2.6 These activities will aim to support greater collaboration working in the city centre, generating new ideas and gaining different perspectives on city centre economic issues, while providing cash grants to businesses to ensure the city centre can recover and diversify.
- 2.7 Unlike many centres, Carlisle has does not have a Business Improvement District which has meant there is a gap in collaboration working for the city centre. The proposed task force would ensure that an effective collaboration body for the city centre exists, this would also further support the plans and funds for the city centre coming forward- creating a strong forum for engagement across a range of projects.

3. The City Centre Taskforce

3.1 Remit

- 3.1.1 The role of the Taskforce is solely to act as an engagement group, providing feedback to Carlisle City Council on city centre regeneration activities. It will not have any formal decision-making status or financial implications for the Council, other than the costs of hosting the meetings.
- 3.1.2 The task force shall provide feedback to the Carlisle City Council on such matters including but not limited to:
- a) The development of the regeneration projects in Carlisle City Centre, including Borderlands, Future High Street Fund and Town Deal projects.
 - b) Highlight city centre specific issues that will be reported to the Council
 - c) Identify further/future opportunities for Carlisle's growth and development
 - d) Support the City Council in formulating new strategies and plans for the city centre and seeking additional funding

3.2 Composition

- 3.2.1 Taskforce members will be nominated by the Council and include individuals from key city centre businesses and organisations. The membership would aim to reflect the key sectors based in the city centre for example, including organisations from:
- Retail and hospitality sectors
 - Property and landlord sectors
 - Professional service sectors
 - Community and public sectors

- 3.2.2 The Taskforce shall meet as and when required- aiming to provide flexibility to changing demands and timescales of key projects, with an expected number of around 4-6 meetings taking place every year (with options to meet virtually, using teleconferencing facilities in place). 2 hours will be scheduled for each meeting.
- 3.2.3 The Taskforce will be chaired by Carlisle City Council's Portfolio Holder of Economy, Enterprise and Housing.
- 3.2.4 Support and administrative arrangements will be provided by the Council.
- 3.2.5 A full Terms of Reference is available below (Annex A)

3.3 Progress on establishing group

- 3.3.1 The Council is currently identifying potential members to be invited to join the taskforce, aiming to ensure that a broad representative membership is achieved, drawing on the range of sectors as above.
- 3.3.2 Following feedback from Scrutiny, the proposal for a City Centre Taskforce will be taken to Executive for consideration.
- 3.3.3 We are aiming to hold the inaugural of the Taskforce meeting by September 2021.

4. City Centre Growth Grants

- 4.1 In order to support businesses, Carlisle City Council has allocated grants to existing businesses under the government's COVID-19 business grant schemes. Since March 2020, over £50 million has been awarded to businesses across Carlisle, and these grants have been vitally important in keeping businesses afloat during unprecedented times.
- 4.2 However, we recognise that in order to support Carlisle and its city centre through the recovery phase, businesses and organisations need the confidence to invest in the city centre again.
- 4.3 In order to support investment, Carlisle City Council is offering small City Centre Business Growth Grants to businesses looking to occupy vacant space in the city centre. This fund will support our city centre through these challenging times; reducing vacancy rates and encouraging investment and growth.
- 4.4 Approval for the City Centre Business Growth was given by Executive in October 2020, however the administration was delayed as the restrictions in November 2020

resulted in additional government business support schemes which colleagues have been focused on delivering.

- 4.5 The Councils 2021/2022 has allocated £35,000 for the provision of the City Centre Growth Grants programme.
- 4.6 Now that restrictions are easing, it is proposed that this scheme is launched in tandem with the new taskforce, as key 'recovery' actions for the city centre.
- 4.7 The policy for this grant fund is appended to this report (Appendix B), however below provides an overview of how this funding will be delivered.
- 4.7.1 The Carlisle City Centre Business Support Grant will be a grant of up to £2,500 (£5,000 for particularly strong cases) for businesses occupying vacant space in Carlisle City Centre (shown in attached map). The award of the grant is subject to an appraisal process. This is a discretionary grant, and the decision to award a grant is entirely at the Council's discretion. The following outlines the criteria which will inform how the Council will make its decision
- 4.7.2 **Criteria for businesses-** in order to qualify for this grant, businesses must fall into **one** of the following categories:
- A new start-up beginning trading in Carlisle City Centre
 - An SME/microbusiness re-locating to Carlisle city centre from outside the district or opening a new branch in Carlisle.
 - Existing SME/Microbusiness currently trading in Carlisle City Centre, demonstrating growth, expanding to a larger premise.
- 4.7.3 **Criteria for the premise-** In order to qualify for this grant, businesses must demonstrate that the property they are looking to trade from meets **all** of the following criteria:
- Must be vacant or have vacant ground floor space in it which the applicant business will occupy. This includes businesses who have begun renovating a vacant space but have not started trading.
 - Must be held by the applicant by a minimum of a 2-year lease.
 - Must be brought into use by the applicant business.
 - Must be in the area of Carlisle City Centre.
- 4.7.4 **The grant may be used for capital expenditure relating to:**
- Physical improvements to the premise, including improvements to the frontage of the building and signage- subject to the relevant planning permission being secured.

- The provision/purchase of equipment essential for the operation of the business. This includes equipment to ensure businesses can operate in a COVID-compliant manner.

5. Recommendations

5.1 Overview and Scrutiny is asked to:

- i) Note the progress and updates relating to the City Centre Taskforce, and Business Grants which aim to strengthen city centre resilience.
- ii) Provide feedback on the proposals for the establishment of a City Centre Taskforce.

6. Contribution to the Carlisle Plan priorities

6.1 These activities will contribute to the following 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.

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Appendices Appendix A: City Centre Taskforce Terms of Reference
attached to report: Appendix B: City Centre Growth Grants Policy

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 – There are no legal implications arising from this Report.

PROPERTY SERVICES – No property comments

FINANCE – Executive approved at its meeting of 12 October (report ED37/20) a scheme for City Centre Growth Grants and allocated a budget of £35,000. This budget was requested to be carried forward as part of the revenue outturn for 2020/21 and was approved by Council on 20 July. Report ED37/20 also approved that authorisation of payments under the scheme be delegated to the Corporate Director of Economic Development and the Corporate Director of Finance and Resources in consultation with the Portfolio Holder of Economy, Enterprise and Housing.

The formation of a City Centre Taskforce would need to comply with the Council's Partnership Policy and approval of the Executive required following consideration by them of the roles, responsibilities and risks associated with the Taskforce. It would also need to be recorded and monitored through the Partnership register.

EQUALITY – The Terms of Reference for the Taskforce state:

'The Taskforce is fully committed to equality, diversity and inclusion in all aspects of its work and will adhere to the Council's Equality Policy. Equality Impact Assessments will be carried out, as appropriate, when developing plans, policies and projects.'

INFORMATION GOVERNANCE – There are no information governance implications with this report

Carlisle City Centre Taskforce

Draft Terms of Reference

1. Purpose

The Carlisle City Centre Taskforce is a collaboration established to identify issues, and explore opportunities to support the growth of Carlisle City Centre, as well as support the City Council by sharing views on the emerging regeneration projects for Carlisle, as the city moves towards recovery from the impacts of Coronavirus pandemic.

2. Status

The City Centre Taskforce will act in as an engagement group to provide feedback on city centre issues and activities to Carlisle City Council (hereafter the Council).

3. Membership

The membership of the Taskforce aims to reflect the range of organisations based in the city centre, and includes representatives from key sectors, including retail; property; cultural/community organisations and professional services as well as the public sector.

The taskforce will be chaired by Cllr Paul Nedved, Portfolio Holder of Economy, Enterprise, and Housing of Carlisle City Council.

Membership may be changed at any time. Membership will be managed by the Council.

4. Remit

The Taskforce will operate as a stakeholder engagement group, providing feedback to the Council on such matters including but not limited to:

- a) The development of the regeneration projects in Carlisle City Centre, including Borderlands, Future High Street Fund and Town Deal projects.
- b) Highlight city centre specific issues that will be reported to the Council
- c) Identify further/future opportunities for Carlisle's growth and development
- d) Support the City Council in formulating new strategies and plans for the city centre and seeking additional funding

5. Meetings

The Taskforce shall meet as and when required- aiming to provide flexibility to changing demands and timescales of key projects, with an expected number of around 4-6 meetings taking place every year (with options to meet virtually, using teleconferencing facilities in place). 2 hours will be scheduled for each meeting.

In consultation with the Chair, members of the taskforce may nominate substitutes if they are not able to attend a meeting, taskforce members may invite colleagues to Board meetings to observe and provide technical support, as required.

All agendas, minutes, and supporting documentation will be circulated, electronically, to taskforce members five days before a meeting.

The quorum for any meeting of the Taskforce shall be **25%** of its membership, including the Chair.

6. Secretariat

Support and administrative arrangements will be provided by the Council.

7. Code of conduct and conflicts of interest

Each Taskforce Member is under an obligation to act in accordance with the Council Code of Conduct, i.e. in performing their duties, they must act with integrity, honesty, impartiality, objectivity and within the law.

Conflicts of interest may arise where an individual's personal, family, business or organisations interests and/or loyalties conflict with those of the group or meeting that taskforce members are attending. All Members will declare interests as set out in the Lead Council's Code of Conduct.

8. Complaints

Complaints received from stakeholders and members of the public will be considered and responded to in line with the Council's Complaints and Feedback Policy.

9. Data Protection

The General Data Protection Regulation (GDPR) policy and procedure of the Council will be applied in all cases.

10. Equality and Diversity

The Taskforce is fully committed to equality, diversity and inclusion in all aspects of its work and will adhere to the Council's Equality Policy. Equality Impact Assessments will be carried out, as appropriate, when developing plans, policies and projects.

11. Freedom of Information (FOI)

All Freedom of Information request will be dealt with in accordance with the Council's policy and procedure.

12. Amendments

Any of these procedures and terms of reference may be altered or amended from time to time by resolution of the Taskforce. Notice shall be given of the proposed alteration(s) in a paper for the meeting of the Taskforce at which they are to be discussed.

Carlisle City Council

City Centre Business Growth Grant - Policy



Introduction

- 1.1** Carlisle's city centre is a crucial service centre for the Borderlands area, with a retail catchment of over 500,000. In light of the Coronavirus pandemic, and the restrictions placed by government to protect our health and key services, the severe impact to the global economy is widely recognised. High Streets have clearly been affected by this across the country, and businesses and retail centre managers have to adapt to unprecedented changes to retail.
- 1.2** In order to support businesses, Carlisle City Council has allocated grants to existing businesses under the government's Small Business Grant, Retail, Hospitality and Leisure Grant and Local Authority Discretionary Grant schemes. around £28 million has been awarded to businesses across Carlisle, and these grants have been vitally important in keeping businesses afloat during unprecedented times.
- 1.3** However we recognise that in order to support Carlisle and its city centre through the recovery phase, businesses and organisations need the confidence to invest in the city centre again. In order to support investment, Carlisle City Council is offering small City Centre Business Growth Grants to businesses looking to occupy vacant space in the city centre. This fund will support our city centre through these challenging times; reducing vacancy rates and encouraging investment and growth.
- 1.4** This is a pilot scheme for the year 2020/2021 There is a fixed budget of £35,000 for this fund for the financial year 2020/2021, once this money has been allocated the grant programme will end and we will not be able to approve further grants under this scheme.

Eligibility

- 2.1** The Carlisle City Centre Business Support Grant is a grant of up to £2,500 (£5,000 for particularly strong cases) for businesses occupying vacant space in Carlisle City Centre (shown in attached map). The award of the grant is subject to an appraisal process. This is a discretionary grant, and the decision to award a grant is entirely at the Council's discretion. The following outlines the criteria which will inform how the Council will make its decision.
- 2.2** Businesses must demonstrate the business is viable and contributes to the vitality of the high street.
- 2.3** This grant is available to tenants looking to occupy space, not for landlords looking to redevelop space they own to lease. If the property owner is looking to redevelop space that they own to trade themselves, then they would be eligible.

- 2.4** Any financial arrears to Carlisle City Council will be taken into account, as will as any previous financial assistance provided by the Council to the business or linked businesses.
- 2.5 Criteria for businesses** - in order to qualify for this grant, businesses must fall into **one** of the following categories:
- A new start-up beginning trading in Carlisle City Centre.
 - An SME/microbusiness re-locating to Carlisle city centre from outside the district or opening a new branch in Carlisle.
 - Existing SME/Microbusiness currently trading in Carlisle City Centre, demonstrating growth, expanding to a larger premise.
- 2.6 Criteria for the premise** - In order to qualify for this grant, businesses must demonstrate that the property they are looking to trade form meets all of the following criteria:
- Must be vacant or have vacant ground floor space in it which the applicant business will occupy. This includes businesses who have begun renovating a vacant space but have not started trading.
 - Must be held by the applicant by a minimum of a two-year lease.
 - Must be brought into use by the applicant business.
 - Must be in the area of Carlisle City Centre.
- 2.7 The grant may be used for capital expenditure relating to:**
- Physical improvements to the premise, including improvements to the frontage of the building and signage- subject to the relevant planning permission being secured.
 - The provision/purchase of equipment essential for the operation of the business.
This includes equipment to ensure businesses can operate in a COVID-compliant manner.
- 2.8** We require the use of the funds to be fully transparent and traceable in order to award a grant. Therefore, all works funded by the grant must be undertaken by a professional company, with quotes of works provided alongside the application to evidence the use of the fund. We require the applicant to provide at least 3 costs of works with their application, to ensure value for money.
- 2.9** An assessment of the financial viability of the business will be made. If the Council deems the business or project to be unviable, a grant will not be awarded. To do this, we ask that applicants provide us with an overview of the business proposal and evidence that the business will be sustainable, for example by submitting a business plan and 12-month cashflow forecast.
- 2.10** The type of business, and how this will contribute to diversifying the mix of businesses in the city centre will be considered when making our assessments. We will not award grants to businesses under A5 use class (takeaways) or certain other uses, including betting shops and adult shops. We will prioritise the uses that support the maintenance of active frontages and face to face business-customer interactions.
- 2.11** The scale of the project will determine the level of grant awarded. Large scale projects will receive a higher level of grant then smaller scale projects.

- 2.12** This grant is an in-kind contribution to investment, and not a full subsidy for businesses. Businesses will be expected to contribute to the project funded by the grant themselves. A percentage of financial contribution the applicant will make to the overall cost of moving into the property will be assessed. We expect the applicant to cover at least **70% of the costs** of works through their own revenue for the project they are seeking grant funding for, with up to **30% provided by the grant**.

Application process

- 3.1** A printable application form will be made available on the Carlisle City Council's Website. Please ensure your application is returned answered fully with **all the relevant documents attached** (Please see APPENDIX 1). Please return your application to **regeneration@carlisle.gov.uk** or by post to City Centre Business Growth Grant Team, Carlisle City Council, Civic Centre, Carlisle, CA3 8QG.
- 3.2** Following submission of a complete application form, with **all the relevant documents attached**, we will aim to review and process, and notify you of a decision within 21 days of submission. For more complicated applications this may take longer, and we may require further information in order to award a grant with confidence. In such circumstances prompt and fully co-operative responses from applicants will help the process move as quickly as possible.
- 3.3** This is a limited fund allocated on a first come first served basis once the allocated budget has been committed, no further grants will be awarded. There may be some circumstances where applicants have a strong project, with clear tangible benefits for the city centre that the Council wishes to support but may not be able to commit to at the first instance. For example, the project requiring funding may be at too early stage for us to confidently support. In such circumstances the City Council may be able to reserve some funding aside for such an application, to award a grant at a later stage. This is by no means guaranteed and it remains the Council's discretion on how it awards the grants- guided in principle by awarding grants on a first come first served basis.
- 3.4** It will be important that you provide all the information accurately and truthfully and provide all the supporting documents that are requested. We will be unable to consider incomplete applications; this includes applications where the full supporting documents required are not submitted.
- 3.5** You must answer all of the questions honestly when completing your application, if the Council suspects any business is trying to fraudulently claim the grant, it will investigate accordingly.

Appeals Process

- 4.1** There is no right to appeal, and the decision of the Council is final, however the Council will work with businesses who believe the wrong decision has been made due to missing information.
- 4.2** The Council's interpretation of this document is at its own discretion and it will be the final arbiter of the definitions contained within this policy.

Monitoring and Evaluation

- 5.1** It is vitally important that we undertake monitoring and evaluation of this use of public funds. Moreover, as this is a pilot scheme, the council will use the evaluation when determining whether to launch the fund in future years or consider alternative/revised interventions.
- 5.2** By making an application, organisations consent to take part in an evaluation process. This will include at least one follow-up with the businesses which received a grant under this fund, to verify how the fund was used and the benefits that the fund helped the business realise.
- 5.3** Alongside this, the Council undertakes a yearly city centre health check, as part of the health check for the year 2021, the impact of the grant fund will be monitored. As part of this, the Council will consider how many vacant premises have been occupied with help from this fund.

Definitions

- 6.1** SME/Microbusiness - a business with less than 250 employees, and a turnover of less than £50 million.
- 6.2** City Centre- Please see APPENDIX 2 for the boundary for the area of the Carlisle City Centre Business Growth Grants.

Tax

- 7.1** Grant income received by a business is taxable therefore funding paid under the City Centre Business Grants Fund will be subject to tax. Only businesses which make an overall profit once grant income is included will be subject to tax.

State Aid

- 8.1** The United Kingdom left the EU on 31 January 2020, nonetheless under the Withdrawal Agreement the State aid rules continue to apply during a transition period, subject to regulation by the EU Commission. The local authority must be satisfied that all State aid requirements have been fully met and complied with when making grant payments, including, where required, compliance with all relevant conditions of the EU State aid De-Minimis Regulation, the EU Commission Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, the approved COVID-19 Temporary Framework for UK Authorities, and any relevant reporting requirements to the EU Commission.
- 8.2** The Council will require each business to confirm that by accepting the grant payment, the business confirms that they are eligible for the grant scheme, including that any payments accepted will be in compliance with State aid requirements.

Data protection

- 9.1** We will use your information to assess your application for financial support. We will confirm information about you and your account from credit referencing agencies to confirm account validity and your identity. If you provide false or inaccurate information, we will record this. All personal information will be processed in accordance with the terms of the General Data Protection Regulation. For full information on how any personal information we gather will be processed, please visit our privacy statement at <https://www.carlisle.gov.uk/Privacy-Statement/regeneration-services-privacy-statement>

Right to update our policy

- 10.1** The council reserves the right to update or change this policy without notification or prior warning in the event that the government updates or changes its guidance to us or in the event of an error or omission.

Appendix 1- evidence needed to support an application

| Information | Evidence Required | Comment |
|--|--|---|
| Payment details | Copy of bank statement clearly showing name, address, sort code and account number | This must match the name of the business or individual listed on the business rates bill or lease/mortgage agreement |
| Evidence of your right to occupy the premise you are applying from | You will need to provide a copy of your current lease agreement or title deeds/ mortgage statement if you own the property | |
| Evidence you are an SME or micro business | This will be done on self-declaration | |
| Evidence that your business/ project is viable | Please submit a 12-month cashflow forecast and business plan, if available | We recognise that businesses may not have all the required information, however we do require some evidence that shows your business/project is viable before we can realise public funds. If you do not have the relevant documents, please return a similar document that is relevant |
| Evidence of how you will use the money | Please submit quotes of works from a professional company at a minimum for work that will be undertaken with support from the grant fund. We require a minimum of three quotes per project | We need clear evidence that the fund will be used properly and in line with the guidance provided above. If there is any doubt around how the fund will be used, a grant will not be awarded |
| Evidence of eligibility under state aid rules | This will be done by way of self-declaration on the application form | If you are unsure whether state aid applies to your business you need to seek independent legal advice |

Appendix 2 - city centre boundary

