

Retail Sector in Area East

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Purpose of the Report

To provide a brief overview of the retail sector in the three principal towns in Area East whilst reporting on the operation of the Retail Support Initiative (RSI) during 2016/17 and approving the operating criteria of this scheme in 2017/18.

Public Interest

Supporting and helping to improve the retail offer in the towns and villages across Area East.

Recommendations:

- (1) To note the report
- (2) To approve the revised RSI scheme for 2017/18

Retail Support Initiative

The RSI was originally set up in 2006. For many years it has proved to be an effective way of supporting and engaging with a wide range of retail and service outlets across the Area. Throughout this period annual performance reports have been brought back to this Committee.

The scheme has evolved over the years; in 2009 consideration was given to expanding the eligibility to provide cross sector support for small businesses. At the time, it was felt that this could not be achieved (within the limited budget) without diluting the benefit to the retail sector because of the large number of other small businesses which would be eligible.

As a result, the RSI has continued to focus on supporting retail/service sector businesses operating in town centres/villages including farm shops.

Revisions made to the scheme in 2012/13 included:

- 'exceptional' support for projects, which add to the viability of town/village centres (loyalty schemes or similar)
- Inclusion of grant assistance towards half the actual payment due for business rates for new businesses (which do not compete with another business) in their first 2 years of trading

In Autumn 2014, a 'top-up' scheme for Wincanton was implemented - this had been approved at the Area East Committee in July 2014.

The proposed eligibility criteria for 2017/18 is attached at Appendix 1. This contains a suggested revision to the current scheme of a full repayment clause for any unit which converts to residential within 5 years of a grant award to a property owner.

Retail Support Initiative overview from 2016-17

Appendix 2 shows a breakdown of the 5 grants awarded during 2016/17 by type and location.

Since April 2016 19 RSI information packs have been sent out, these may well convert to funding applications in the future.

The scheme of delegation limit is £1,000, in line with other grants and the Council's scheme of delegation, which should remain in place. Grant requests can be considered at any time in consultation with the Chairman and Ward Member(s). Applications for amounts over £1000 would continue to be considered by Area East Committee.

A combination of face to face visits and email are used to remind businesses about the scheme annually and a leaflet drop will be undertaken during the Summer.

Trends and Issues

The role of the High Street has, and continues to change. The growth in 'e' business and the loss of critical services such as banks poses a live and growing threat to future viability of the market towns. Flourishing businesses often have a digital offer which supplements their High Street presence. In recognition of this the Market Town Investment Group has worked with volunteers from each of the towns to undertake a digital (peer) audit over the last few months – including digital presence for businesses. The results of this are being collated and will be fed back to participating towns. In parallel with this a couple of towns are starting to look at a new town apps' (as an alternative to the South Somerset app which now has reduced functionality)

Below is a summary of Permitted Development (PD) to residential, as it affects the principal retail centres in Area East, this is intended as a quick summary, our Planning Department should be contacted for more information and to discuss specific issues.

Class G - PD is only to a mixed use (including up to 2 flats) is allowed from retail, betting office or pay day loan unit unless a display window is at ground floor level in which case the ground floor or part of the ground floor cannot be used as part of the flat. Also dwellings that are completely functionally and physically separate from the shop use below would not be allowed under this class.

Class M – PD to use as a dwelling is allowed from retail, betting office, financial /professional services or pay day loan unit unless the building is listed or where the cumulative area changing use exceeds 150 sq metres. This does not apply in conservation areas, which cover much of our town centres. Any conversion under this class is subject to a prior approval application.

Class O – PD from an office to a dwelling unless the building is listed or within the curtilage . This class does not apply in conservation areas (up until 30th May 2019). Any conversion under this class is also subject to a prior approval application

There may also be some circumstances where Class P and Class PA are relevant in town centres. Class P allows a change from B8 (storage) to dwelling and Class PA allows a change from B1(c) (light industrial) to dwelling. Both Class P and PA are restricted to 500 square metres and are subject to similar prior approval applications as Class M.

Additional restrictions/conditions apply to each of the above

Our more general monitoring of the principal retail centres includes shop occupancy surveys. The table below shows the most recent shop surveys conducted in Wincanton, Castle Cary and Bruton, with details of the number of shops open and empty units within the towns.

Town	Date	Number of open retail units	Number of closed retail units
Wincanton	May 2017	72	12
Castle Cary	May 2017	55	5
Bruton	May 2017	28	3

The graph at Appendix 3 shows occupancy trends since January 2014 in the 3 market towns.

Although car park monitoring is a cruder indicator of the state of the High Street we regularly monitor space availability. This simply provides a 'snap shot' of car park use on the day of the count.

Financial Implications

The current budget is shown in the table below, this takes account of grants awarded since April 2017:

	Revenue element	Capital	Wincanton 'top-up'
Unallocated budget 2017/18 as at June 2017	£8525	£1212	£9000

Implications for Corporate Priorities

A strong economy which has low unemployment and thriving businesses

Other Implications

Included within the Area Development Plan

Background Paper

Area East Committee Agenda and Minutes June 2016

Retail Support Initiative

Operating criteria 2017/18

Percentage contributions cannot exceed 50% of costs and **no** retrospective applications are eligible (i.e. in respect of works that have already been commissioned/started).

Applications over £1000 will be considered by Area East Committee on a monthly basis. Amounts up to £1000 may be considered at any time as a delegated grant in consultation with the Chairman & Ward Member(s).

Area-wide grant levels: **£1,500 to a maximum 50% of project costs as follows:**

Eligible costs:

- Shop-front improvements, if they enhance the High Street
- Business rates assistance – a contribution to the amount payable for new businesses (which do not compete with another business) in their first 2 years of trading
- Exceptional projects which add to viability of towns/villages

Wincanton top-up

In addition to the area-wide scheme, the 'top-up' scheme for Wincanton also offers:

- Maximum grant £1,000 for businesses wishing to move into one of the eligible empty units in the town.

Eligible empty units in Wincanton at July 2017:

6 High Street – formerly Chicken Grill/Yummy Yummy
6 High Street – Digital Error
24 High Street – formerly Green Dragon
36 High Street – formerly Alldays
Unit corner of Carrington Way

The following units are now occupied; three have taken advantage of the Wincanton 'top up' scheme.

5 Market Place
3 Market Place – formerly The Red Lion
13 Market Place – formerly Boots Chemist
1-3 High Street – formerly Brocks

Grants are only available to proprietors/owners with one business/ premises and will not exceed 50% of project cost.

Process

Applications for grants are assessed and recommendations made on the basis of a fully completed application form and 2 'like for like' quotes. Self-help/DIY schemes may complete the application form and supply a project budget with supporting information.

All grant recipients must accept that the grant may be used for publicity purposes by the District Council. Payment of the grant is done retrospectively, for a completed programme of works on the basis of receipted invoices. Exceptionally officers, in consultation with the Chairman, may release partial payments where there is clear justification for doing so.

The existing assessment and current scoring mechanism favours businesses:

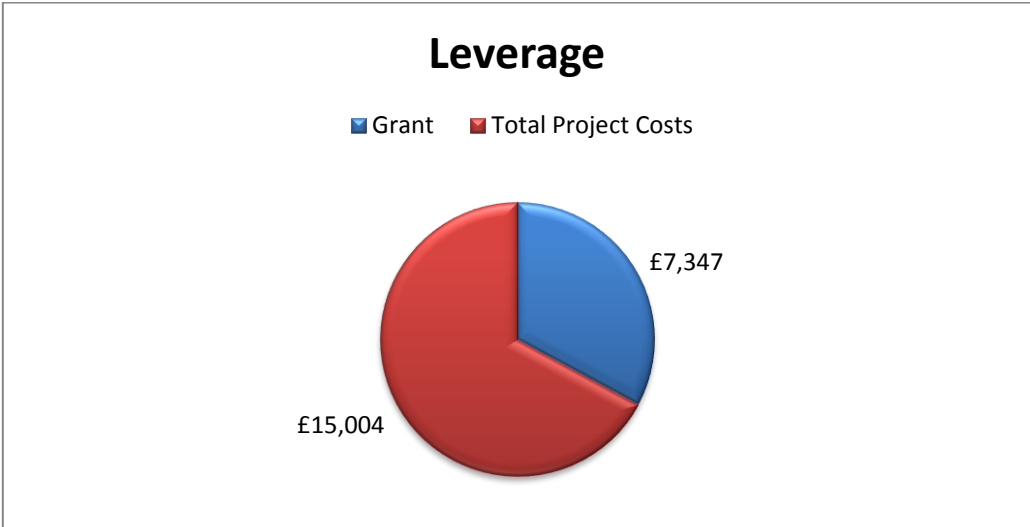
- Employing more than 2 people
- In prominent places
- Key rural stores/Post Offices
- Retailers

The award is subject to the following standard conditions:

- The grant award may be used by SSDC for promotional/publicity purposes
- Grants are paid for approved works/purchases on production of receipted invoices
- Awards are subject to a summary of the benefit of the scheme being supplied
- Applicants will normally be expected to draw down the grant within 6 months of the offer and if not will have to inform us of the reason(s) for the delay. If there is a valid reason, officers can provide a 6-month extension, but beyond this the grant would either be withdrawn or referred to Area East Committee to be reaffirmed
- That appropriate consents are obtained
- Works requiring listed building/planning consents or building regulation consent will be required to be signed off by the appropriate officer prior to the release of funds
- If, within 3 years of a grant award the business ceases to trade, the District Council reserves the right to reclaim the grant on the following basis: year one –100%, year 2 – 75%, year 3 – 45%
- If, within 5 years of an award to a premises owner, the unit ceases to be a business premises, the full grant will be reclaimed.

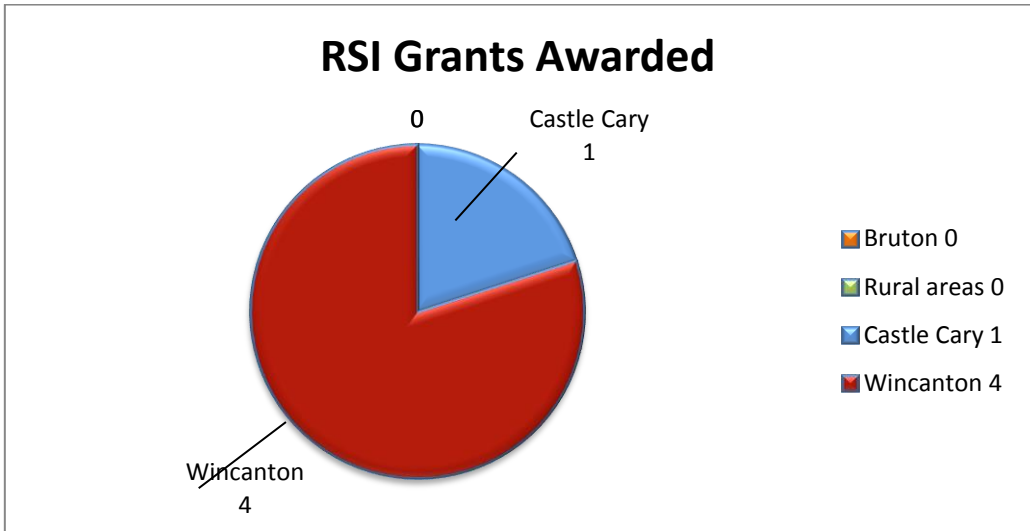
Retail Support Initiative 2016-17

The graph below shows the proportion of grant against overall scheme costs:



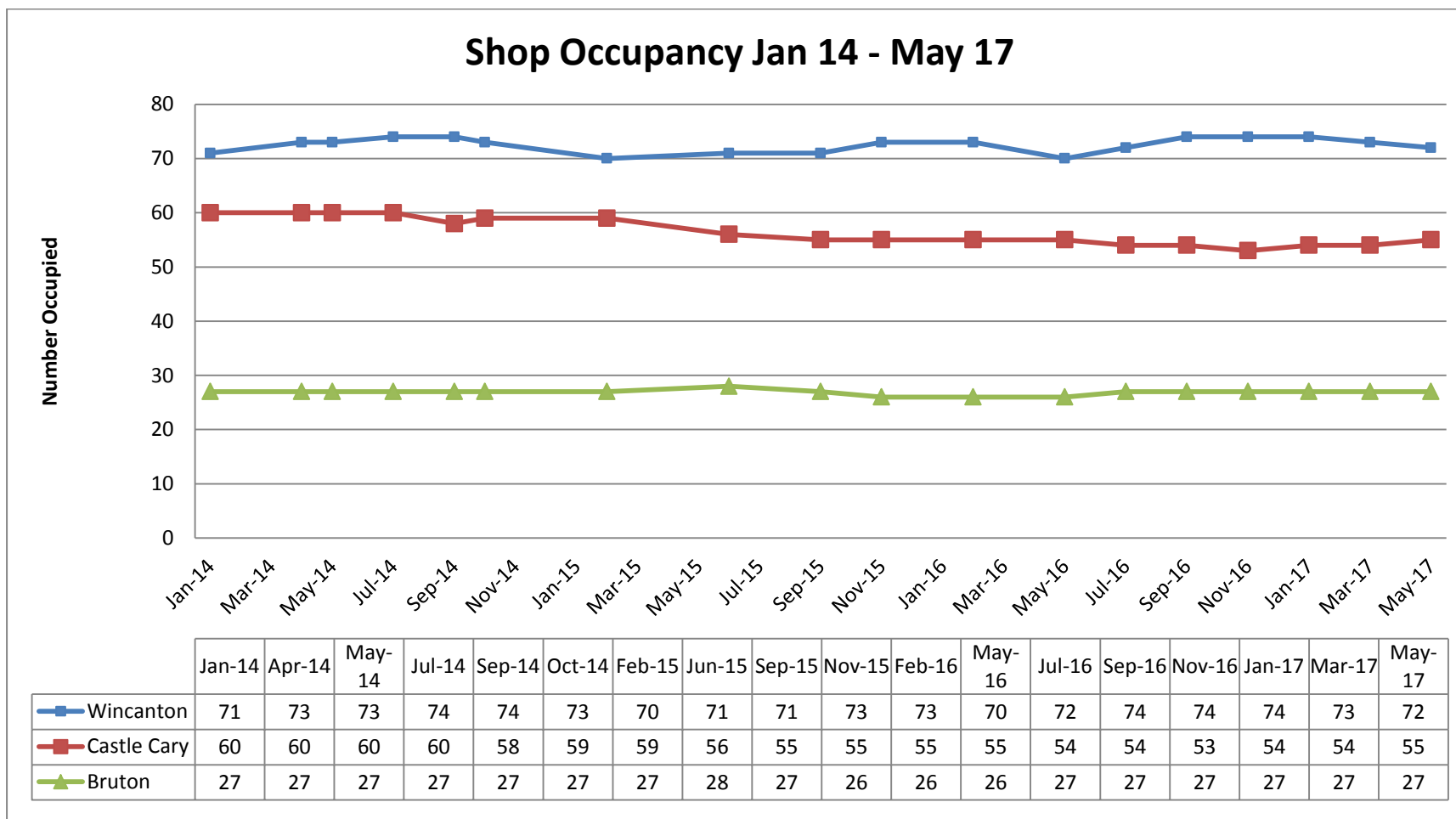
During the period April 2016 to March 2017, 2 grants were awarded under delegated powers and 3 awarded at Committee.

From April 2016 to March 2017, 4 grants were awarded to businesses in Wincanton, 1 grant was awarded to a business in Castle Cary, with no grants being awarded in Bruton or other rural areas.



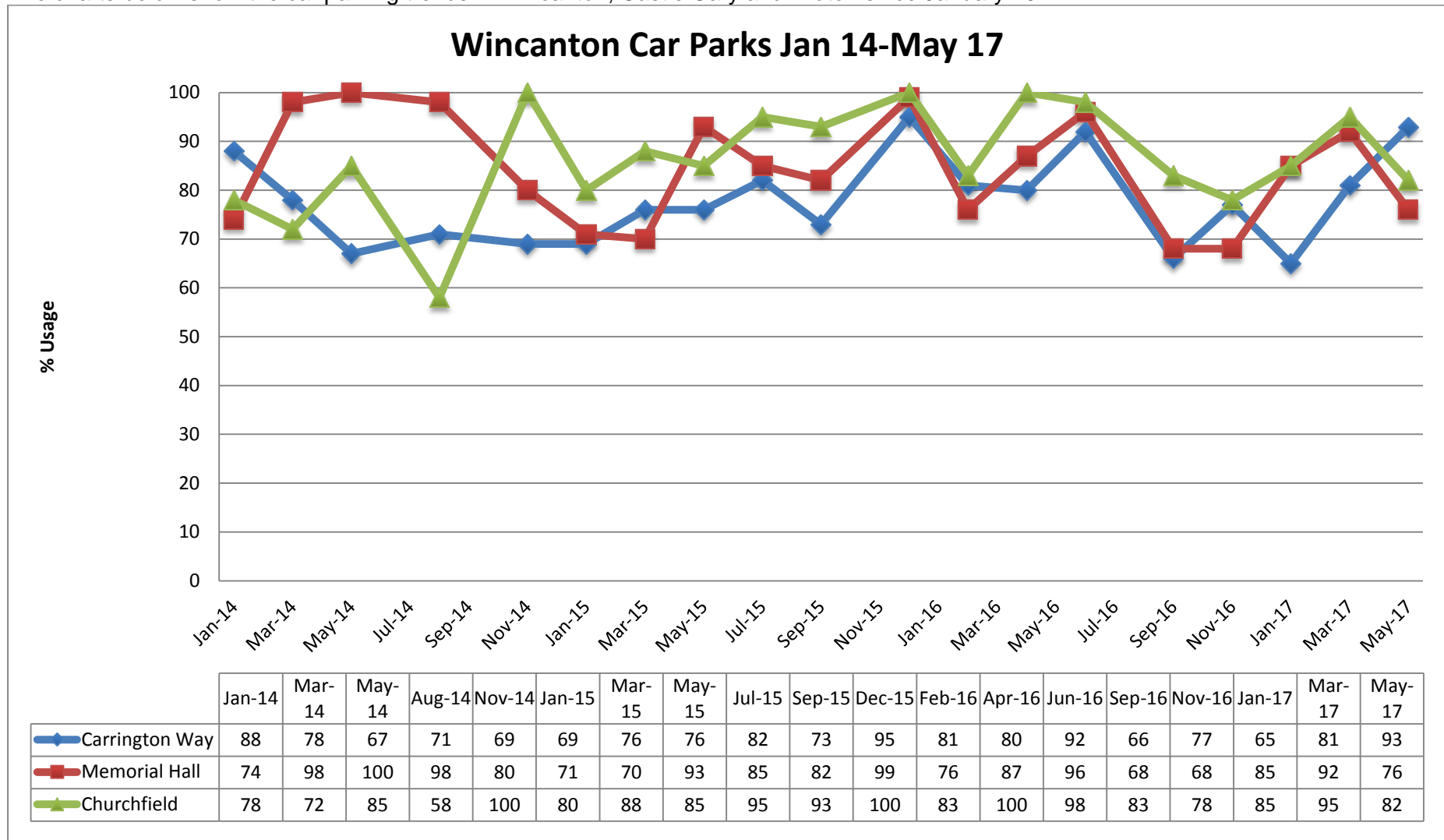
Shop Occupancy Trends

The graph below shows the shop occupancy trends since January 2014:

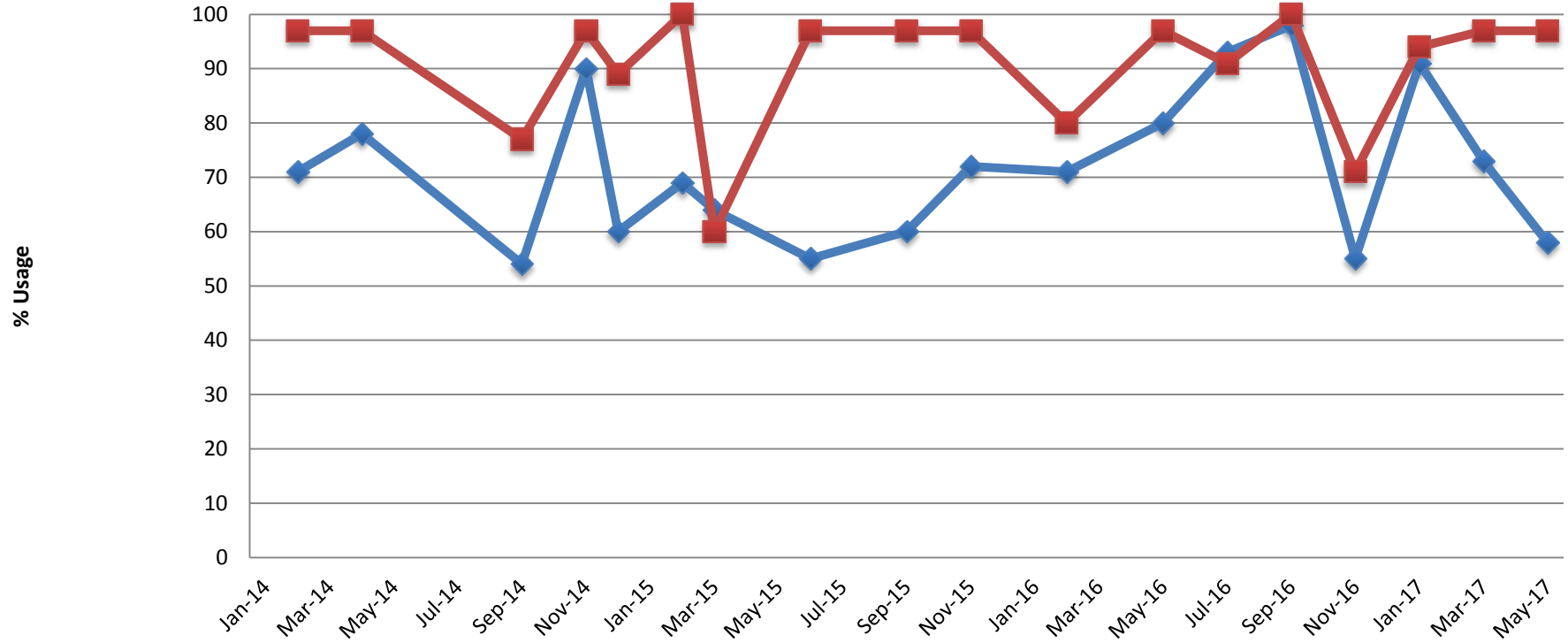


Car Park Trends

The charts below show the car parking trends in Wincanton, Castle Cary and Bruton since January 2014:

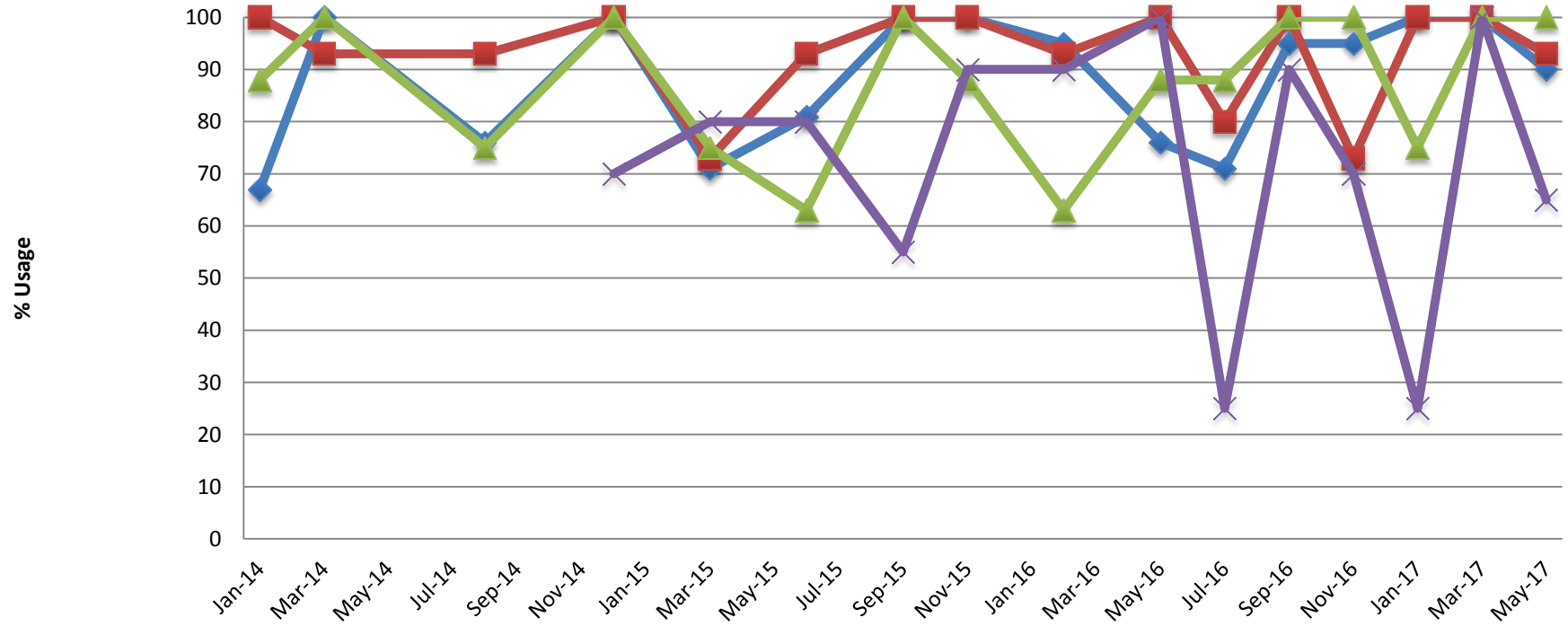


Castle Cary Car Parks Jan 14 - May 17



	Feb-14	Apr-14	Sep-14	Nov-14	Dec-14	Feb-15	Mar-15	Jun-15	Sep-15	Nov-15	Feb-16	May-16	Jul-16	Sep-16	Nov-16	Jan-17	Mar-17	May-17
—◆— Milbrook Gardens	71	78	54	90	60	69	64	55	60	72	71	80	93	98	55	91	73	58
—■— St Catherines Close	97	97	77	97	89	100	60	97	97	97	80	97	91	100	71	94	97	97

Bruton Car Parks Jan 14 - May 17



	Jan-14	Mar-14	Aug-14	Dec-14	Mar-15	Jun-15	Sep-15	Nov-15	Feb-16	May-16	Jul-16	Sep-16	Nov-16	Jan-17	Mar-17	May-17
◆ Tolbury Mill	67	100	76	100	71	81	100	100	95	76	71	95	95	100	100	90
■ Higher Backway	100	93	93	100	73	93	100	100	93	100	80	100	73	100	100	93
▲ Pack Horse Bridge	88	100	75	100	75	63	100	88	63	88	88	100	100	75	100	100
× Station Road				70	80	80	55	90	90	100	25	90	70	25	100	65