



## Officer Decision Report

### Author/Lead Officer of Report:

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City Centre Management Business Advisor

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**Report to:** Executive Director of City Futures Kate Martin in consultation with Interim Director of Legal Services David Hollis and Chair of the Finance Sub-Committee Cllr Bryan Lodge/ Cllr Zahira Naz

**Date of Decision:** 29<sup>th</sup> September 2022

**Subject:** ReNew Project Grant Funding Allocation

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given? <i>(Insert reference number)</i>				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				
<i>"The <b>(report/appendix)</b> is not for publication because it contains exempt information under Paragraph <b>(insert relevant paragraph number)</b> of Schedule 12A of the Local Government Act 1972 (as amended)."</i>				

### Purpose of Report:

As part of the Future High Streets Fund (FHSF) Front Door Interventions Scheme (FDS) the ReNew project has been allocated £300K to administer grants to businesses looking to occupy and renovate vacant properties in the FHSF zone.

The decision being sought is to allocate the first round of funds, which have a value of £112,192.75 and enter into grant agreements with businesses that have gone through the application approval process to proceed with the occupation and renovation of vacant properties in the FHSF zone.

**Recommendations:**

It is recommended that Executive Director, in consultation with the Director of Legal Services and the Chair of the Finance Sub-Committee, approves the allocation of £112,192.75 of THE FHSF FDS Renew Project funding to successful businesses as set out in this report, to enable them to occupy vacant properties and begin refurbishment and enter into grant agreements with the Council on that basis.

**Background Papers:**

Juno Books Application– Confidential Appendix A

The Steel Cauldron Application - Confidential Appendix B

The Great Escape Game Application - Confidential Appendix C

Application criteria and guidance document for applicants – Appendix D

<b>Lead Officer to complete:-</b>		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: Damian Watkinson
		Legal: Richard Marik
		Equalities & Consultation: Annemarie Johnston
		Climate: Jessica Rick
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	<b>SLB member who approved submission:</b>	Ajman Ali Executive Director Operational Services
3	<b>Relevant Policy Committee</b>	Sub-Finance Committee
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	<b>Lead Officer Name:</b> Rachel Salway	<b>Job Title:</b> City Centre Management Business Advisor
	<b>Date: 29<sup>th</sup> September 2022</b>	

## 1. PROPOSAL

- 1.1 This report seeks approval for the allocation of £112,192.75 FHSF FDS Renew Project funding from the Department for Levelling Up, Housing and Communities (DLUHC) to successful businesses to enable them to occupy vacant properties and begin refurbishment. It is proposed that the Council will enter grant agreements with successful businesses as set out in this report.
- 1.2 The Renew project is funded by Future High Streets Funding from DLUHC as an element of the Front Door Interventions scheme approved by Leader's Decision in August 2021 (£300k) and a contribution from University of Sheffield of (£15k).
- 1.3 The FDS programme is targeted primarily towards access improvements to upper floors of existing buildings on Fargate to encourage residential development and improvements to the public realm.
- 1.4 The ReNew project was originally set up around 7 years ago to encourage growth in meanwhile uses, pop-ups and temporary lets in Sheffield City Centre. This was through grants administered to businesses looking to occupy and transform empty shops - helping to combat negative perceptions and improve the vibrancy of areas in transition within the city centre and help businesses to grow as well as reduce the number of vacant units.
- 1.5 Over the last two years Covid 19 has had a profound effect on businesses in Sheffield's City Centre with lockdowns and restrictions closing and limiting trade along with city office workers working from home, we have seen a decline in footfall and an increase in vacancy rates and anti-social behaviour causing a broken windows effect.
- 1.6 Sheffield's City Centres vacancy rates in July 2022 were 13.4%, with vacancy rates on Fargate reaching 27% and Chapel Walk's vacancy rate high at 40%. With Covid 19 exacerbating the decline of the high street, and now with the cost-of-living crisis, spiralling energy prices and business rates not yet in line with the current economic climate. We could see a collapse of the high street entirely if we do not intervene and help support businesses to grow and flourish.
- 1.7 The proposal is to expand this to include businesses looking to occupy and renovate vacant properties in the FHSF zone and allocate this funding, bringing a critical mass occupancy to the area.
- 1.8 A call for expressions of interest went out on the Sheffield City Council website in April-May of this year and we received 87 proposals. 5 of these submissions were uncontactable after several attempts. 15 of these proposals pulled their submission as they did not think it was viable for them to pursue the grant any further. 3 were pursuing vacant units

outside the FHSF zone and therefore not eligible, and a further 2 that were not eligible were directed to alternative grants more suitable. The 62 remaining expressions of interest went to the full application stage.

- 1.9 To meet funding requirements set out by the DLUHC certain criteria needed to be met in order for applications to be approved. Applications from new start-up and expanding businesses that would be open to the public at least 4 days a week and bring a positive impact to the area were accepted. Businesses would need to be intending to occupy a specific vacant unit located within the FHSF zone. Only funding requests to deliver permanent capital works from businesses aiming to trade continuously for a minimum of 1 year would be approved. *Please refer to Application criteria and guidance document for applicants – Appendix D.* Three questions and answers sessions were held in the period running up to the deadline for submission where potential applicants could ask questions and gain a greater understanding of the project and funding process.
- 1.10 The Council received 12 final submitted applications on the 4<sup>th</sup> September 2022. From the 12 applications the Council received, 3 have pulled their submission due to viability concerns and the current economic climate. The remaining 6 currently do not meet all the essential criteria and have been deferred in order for them to update the necessary information and resubmit.
- 1.11 The 3 applications that this report is proposing to allocate funding to (and enter into grant agreements with) are –
- 1.12 Juno Books – an independent feminist and queer bookshop and community space that will host a range of daytime events and book groups. Refurbishment costs include bespoke wheelchair access, tiling, roller shutters and external signage. The funding request is for £12,192.75 to occupy and renovate 24 Chapel Walk, Sheffield S1 2PD. *Please see Juno Books Application– Confidential Appendix A for more information.*
- 1.13 The Steel Cauldron- a family run, family focussed magical tearoom and tavern. Offering craft activities, an external treasure hunt and adventure trail around Fargate and Chapel Walk. Refurbishment costs include interior and exterior construction and back of house redesign. The funding request is for £50,000 to occupy and renovate 32-34 Chapel Walk, Sheffield S1 2PD. *Please see The Steel Cauldron Application– Confidential Appendix B for more information.*
- 1.14 The Great Escape Game – will provide in-person games, similar to popular game shows, TV shows and many video games. The games will focus on physical skill and mental challenges. Refurbishment costs include building internal infrastructure for the games, including walls, bespoke carpentry and flooring. The funding request is for £50,000 to occupy and renovate First Floor, Unit 16/17 Orchard Square, Sheffield S1 2FB. *Please see The Great Escape Game Application– Confidential*

*Appendix D for more information.*

## **2. HOW DOES THIS DECISION CONTRIBUTE?**

- 2.1 This proposal contributes to various key elements in the Corporate Plan's Climate Change, Economy and Development theme. Including supporting more people to start new businesses as well as helping existing businesses to recover and grow. Within this proposal there are 3 business proposals, one business start-up and two businesses expanding into additional venues. Together they will create 10 jobs. This also includes the reoccupation of 3 vacant units and the conversion of 4600sqft of unused space. Contributing to the regeneration of the high street and lowering vacancy rates, as well as adding to the vision of being a vibrant and flourishing economy which creates opportunity and jobs for the people of Sheffield.

## **3. HAS THERE BEEN ANY CONSULTATION?**

- 3.1 The Renew project board, which includes representative from both universities, The Sheffield Business Improvement District (BID) and local businesses as well as various Sheffield City Council colleagues has acted in an advisory capacity and agree with the proposals in this report.

## **4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION**

### **4.1 Equality Implications**

- 4.1.1 Overall, there are no significant positive or negative equality implications from this proposal. The proposal supports to lower shop vacancy rates in the city centre. No negative impacts have been identified. The grant application form will ask applicants to describe any reasonable adjustments that their proposed project has/will be considering to improve accessibility for disabled people. Any work requiring Planning permission and Building Control sign off, will have assessed compliance with the Equality Act 2010, where relevant.

### **4.2 Financial and Commercial Implications**

- 4.2.1 The Renew project is funded by Future High Streets Funding from DLUHC as an element of the Front Door Interventions scheme approved by Leader's Decision in August 2021 (£300k) and a contribution from University of Sheffield of (£15k).

Payments made to third parties under this scheme will be the subject of grant agreements to protect the interests of SCC.

### **4.3 Legal Implications**

- 4.3.1 The Council has a general power under Section 1 of the Localism Act 2011 to do anything that an individual may generally do provided it is not prohibited by other legislation and the power is exercised in accordance with the limitations specified in the Act which enables the Council to allocate the grant funding as set out in this report via grant agreements.
- 4.3.2 The Council must ensure that each grant allocated is in compliance with the subsidy control regime. The agreements require the recipient to declare compliance with the subsidy control regime and the council has sufficient recourse under the agreements to clawback funding or seek indemnification should such subsidies be deemed to be unlawful.
- 4.3.3 The Council must be satisfied that allocation of the funding to the successful bidders is in accordance with any grant conditions attached to the FHSF FDS Renew Project funding from MHCLG and the funding from the University of Sheffield.

#### 4.4 Climate Implications

- 4.4.1 The proposal of the fund itself has no tangible climate impacts, however the projects funded by the grants could. Applicants will be asked to demonstrate they understand what the climate impacts of their proposed project are and how they can minimise them.

#### 4.4 Other Implications

- 4.4.1 None.

### **5. ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 An alternative option was to not use a specific property as part of the grant application, but it was felt that this would become a long-drawn-out process. In order to save time and work for both applicants and council resources the application process has been around a specific property that the business would like to take on and which fits their business's needs. Keeping the project in real-time of a very fluid economic landscape. This has enabled real time grants to be administered for businesses ready to proceed.

### **6. REASONS FOR RECOMMENDATIONS**

- 6.1 Renew project intended outputs for 2022/2024 –
- Repurpose and reuse of 6-10 vacant premises in Fargate, High Street and Chapel Walk areas FHSF zone

- Refurbished and repurposed vacant commercial floorspace of 4280-4660 square foot (this has already been met by the proposal above)
- 30-35 jobs created
- Lower vacancy rates
- Increased footfall
- Vibrant animated area
- Targeted impact
- Critical mass occupancy
- Collective marketing and collaboration
- Deter ASB through natural surveillance
- Business growth
- Business generation of start-ups
- Expanding of existing businesses
- Public realm improvements
- Positive public perceptions