



Cabinet Report*

Report of: Simon Green/Laraine Manley

Report to: Cabinet

Date: 16 September 2015

Subject: London Road Shop Front Improvement Scheme

Author of Report: Fiona Champion

Key Decision: YES

Reason Key Decision: Expenditure/savings over £500,000*

Summary:

In 2011 a citywide strategy was approved by the Council, to help, support and promote our District and Local Centres. The strategy identified nine District Centres as in need of a more focused approach to enable them to achieve their potential, and of these five have already benefited from a range of interventions under the Successful Centres programme. Sharrow/London Road District Centre will be the sixth one to be targeted

The Thriving District and Local Centres (Successful Centres) Strategy highlighted the importance of improving the appearance of the streetscape and public realm within the Sharrow/London Road district centre

The report seeks approval for a proposed London Road Shop Front Improvement Scheme (The Scheme) to be delivered under the Successful Centres Programme.

The Shop Front Scheme will help to address the appearance through the funding and implementation of physical improvements to the front elevations of existing independent businesses to create an attractive centre that people are proud of and encourage further investment by the existing businesses themselves.

The Scheme forms an important part of a wider regeneration plan for London Road and will contribute to the overall attraction and confidence of the area by improving the street scene, helping boost the image and reputation of the centre and encouraging private investment in shops and housing. It will consolidate and complement other planned investment for the area including:

- The privately funded New Era Square development. This is a £65 million scheme for land near St Mary's Gate roundabout and includes shops, cafes, a Chinese supermarket, office space and student accommodation. The 20-storey development will also feature a 'business incubator' aimed at enhancing trade between business in the UK and China
- The Gateway project aimed at creating better links from London Road into the City Centre to help boost the footfall to aid economic regeneration in this part of the City. Outline approval has been given for Sheffield City Region Investment Fund (SCRIF) funding for approximately £2m to deliver this project
- The 'Our Place Sharrow' project, led by Sharrow Community Forum The Our Place Sharrow Operational plan aims to secure more integrated, accessible and effective services across the Sharrow area, through building and strengthening resident and service user participation and building resilience to help the local community withstand and thrive in the face of economic and social pressures.
- The developing 'Community Economic Development Plan' for Little Sheffield led by Portland Works, Regather and Sharrow Community Forum

The proposed Scheme is just one element of a number of initiatives to be delivered under the successful centres programme for London Road/Sharrow District Centre , and the following work will be carried out to build relationships and support independent trade in the centre:

- Support the development of a self- sustaining Local Business Forum
- An offer of support, training and mentoring for existing and new independent businesses.
- Working with Sharrow Community Forum to help deliver the Our Place Sharrow Project
- Work with Portland Works and Regather to help support the development of the Community Economic Development Plan

Reasons for Recommendations:

(Reports should include a statement of the reasons for the decisions proposed)

The Thriving District Local Centre strategy approved by the Central Community Assembly in 2012 identified the importance of improving the appearance and public realm within the Sharrow/London Road district centre.

The proposed scheme will support independent traders, boost the confidence and image of the centre and help increase footfall to improve the local economy.

Recommendation:

- That the proposed London Road Shop Front Improvement Scheme detailed in this report and set out in the Appendix 1 to this report be approved
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Background Papers:

- TDLC Strategy for Central Community Assembly approved 9 June 2011
 - Policy Document
 - Boundary Plan
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Category of Report: OPEN

If CLOSED add 'Not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended).'

* Delete as appropriate

Statutory and Council Policy Checklist

Financial Implications
YES Cleared by: Paul Schofield
Legal Implications
YES Cleared by: Brendon Twomey
Equality of Opportunity Implications
YES Cleared by: Anne Marie Johnston
Tackling Health Inequalities Implications
NO Cleared by:
Human Rights Implications
NO Cleared by:
Environmental and Sustainability implications
NO Cleared by:
Economic Impact
YES Cleared by: Edward Highfield
Community Safety Implications
NO Cleared by:
Human Resources Implications
NO Cleared by:
Property Implications
No Cleared by:
Area(s) Affected
Central
Relevant Cabinet Portfolio Lead
Jayne Dunn
Relevant Scrutiny Committee
Safer and Stronger Communities
Is the item a matter which is reserved for approval by the City Council?
/NO
Press Release
YES

REPORT TO THE CABINET

INSERT REPORT TITLE

1.0 SUMMARY

- 1.1 In 2011 a citywide strategy was approved by the Council, to help, support and promote our District and Local Centres. The strategy identified nine District Centres as in need of a more focused approach to enable them to achieve their potential, and of these five have already benefited from the Successful Centres programme. Sharrow/London Road District Centre will be the sixth one to be targeted

The Thriving District and Local Centres (Successful Centres) Strategy highlighted the importance of improving the appearance of the streetscape and public realm within the Sharrow/London Road district centre

The report seeks approval for a proposed London Road Shop Front Improvement Scheme (The Scheme) to be delivered under the Successful Centres Programme.

- 1.2 The Shop Front Scheme will help to address the appearance through the funding and implementation of physical improvements to the front elevations of existing independent businesses to create an attractive centre that people are proud of and encourage further investment by the existing businesses themselves.

The Scheme forms an important part of a wider regeneration plan for London Road and will contribute to the overall attraction and confidence of the area by improving the street scene, helping boost the image and reputation of the centre and encouraging private investment in shops and housing. It will consolidate and complement other planned investment for the area including:

- The privately funded New Era Square development. This is a £65 million scheme for land near St Mary's Gate roundabout and includes shops, cafes, a Chinese supermarket, office space and student accommodation. The 20-storey development will also feature a 'business incubator' aimed at enhancing trade between business in the UK and China. The Gateway project aimed at creating better links from London Road into the City Centre to help boost the footfall to aid economic regeneration in this part of the City. Outline approval has been given for Sheffield City Region Investment Fund (SCRIF) funding for approximately £2m to deliver this project
- The 'Our Place Sharrow' project, led by Sharrow Community Forum. The Our Place Sharrow Operational plan aims to secure more integrated, accessible and effective services across the Sharrow area, through building and strengthening resident and service user participation and building resilience to help the local community withstand and thrive in the face of economic and social pressures.

- The developing 'Community Economic Development Plan' for Little Sheffield led by Portland Works, Regather and Sharrow Community Forum

1.3 The proposed Scheme is just one element of a number of initiatives to be delivered under the successful centres programme for the London Road/Sharrow District Centre , and the following work will be carried out to build relationships and support independent trade in the centre:

- Support the development of a self- sustaining Local Business Forum
- An offer of support, training and mentoring for existing and new independent businesses.
- Working with Sharrow Community Forum to help deliver the Our Place Sharrow Project
- Work with Portland Works and Regather to help support the development of the Community Economic Development Plan

2.0 WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE

2.1 District and local centres are vital to the attractiveness and success of housing areas and are a key component in why people choose to live or work in an area. They are important hubs for the neighbourhoods they serve, providing facilities and services for everyday needs as well as opportunities for employment

2.2 The Scheme is an important element of the Successful Centres Programme that will help to achieve the Council's vision that all centres will be a source of pride for local people and contribute to their sense of belonging in an area. Local people and businesses will be able to get involved in improving and looking after their centres.

2.3 The Scheme contributes directly to delivering the following Corporate Plan Priorities:

- **Strong Economy:** The improvements proposed by this Scheme will help the Sharrow/ London Road District Centre to be seen as a good place to do business with an attractive shopping area where investors choose to invest in land and premises.
- **Thriving Neighbourhoods and Communities:** Investment and support to improve the Centre will help increase confidence in the area will also help encourage new housing development on adjacent vacant sites. And help ensure that new homes are built more quickly to meet local housing needs and aspirations, and that empty properties are brought back into use. Support for the local businesses and local Forum will help build resilience to help the local community withstand and thrive in the face of economic and social pressures.
- **Tackling Inequalities:** Successful centres across the city are key to developing Great Places to Live, helping to sustain communities, enhancing the competitiveness of the city's economy and supporting local jobs/businesses. Improving the Centre and attracting investment will enable greater opportunity for local employment and boosting the local economy.

3.0 OUTCOME AND SUSTAINABILITY

- 3.1 The scheme will deliver improvements to the front elevations of existing independent businesses which will create an attractive centre that people are proud of and encourage further investment by the existing businesses themselves.
- 3.2 Assisting with improving the appearance and environment within the centre will also help attract new and expanding businesses. More businesses will attract more money to the local economy, fill up the empty vacant units, increase local satisfaction with the range and variety of shopping on offer and ultimately attract more investment.
- 3.3 There is a clear link between the attractiveness of Centres and the value and desirability of new homes- the vitality of the centre is often a reflection of the vitality of the adjacent housing market. There are a number of vacant opportunity sites in the locality adjacent to London Road which together with the potential to encourage additional residential accommodation over retail units will offer a more attractive investment to residential developers
- 3.4 This scheme forms part of a larger framework of regeneration being carried out in the area by both the Council and Private Investors, notably the proposed Gateway Project and New Era Square development.

4.0 MAIN BODY OF THE REPORT

4.1 Back ground

- 4.1.1 The Thriving District Local Centres Strategy was approved in 2011 and identified key themes and priorities to support and develop a network of successful District and Local Centres across the city, based on extensive city wide consultation with local residents and business about what needed to change in their area.
- 4.1.2 Through this strategy the Council is showing strong city leadership, using modest funds as a catalyst to stimulate private sector investment in Centres, and bringing together untapped resources in local partners such as traders and voluntary organisations to improve the areas in which they live and work.
- 4.1.3 In March 2015 Outline approval was given to fund a further programme of work to continue delivery of the Successful Centres Strategy using New Homes Bonus. Sharrow/ London Road is one of 2 additional centres identified in the programme for intervention.
- 4.1.4 London Road is a major route into the city. There are many buildings that are in poor condition, and several vacant units. The overall image is poor, it exudes a lack of pride, and suffers from fly posting on the vacant buildings. If nothing is done to help improve the image, the existing vacant shops will not attract investors, and the risk is that the continued decline may see a further increase in vacant units reducing the offer for the local community.

- 4.1.5 The current retail offer within the centre is largely made up of small independent shops and a large number of restaurants, cafés and takeaways specialising in products that cater for a very diverse community. The Centre has an existing reputation for the diversity of the food offer and boosting the image of the centre by improving the environment through a shop front improvement scheme provides an opportunity to build on the reputation and aim for recognition as a destination
- 4.1.6 The funding secured is to deliver a Shop Front Improvement Scheme as part of a range of initiatives to help revitalise the centre. Two such schemes have recently been completed in Spital Hill and Darnall District Centres, and the scale of the projects have had a dramatic impact upon the overall appearance of the centre, significantly improving the image of the centres and boosting confidence in the centres generally. The impact of the improved confidence has been to see increased investment in the area and reductions in the vacant units.
- 4.1.7 Evidence from the previous two schemes has been the reduction in vacant units in both Darnall and Spital Hill since the Shop Front Schemes have been completed:
- In Darnall in 2010 there were 14 vacant units (9.5%). On completion of the scheme 7 had been filled leaving 7 vacant (4.69%). There were also 3 new apartments for residential created
 - In Spital Hill in 2012 there were 8 vacant units (12%). On completion of the scheme only 2 remain vacant (1.64%). There were also 6 new units of accommodation provided
 - There are currently 14 vacant units out of 134 units on London Road (11% - which compares with the national average of 11%)
- 4.1.8 Consultation on the proposed scheme for London Road took place through individual face to face visits with local businesses and independent traders in the form of information letters and drop in sessions. Meetings were also held with Sharrow Community Forum and members of Portland Works and Regather. The scheme proved to be very popular with the majority of shop owners expressing an interest.

4.2 London Road/Sharrow Shop Front Improvement Scheme

- 4.2.1 The aim of the Scheme is to improve the image of the area, creating conditions that will attract future investment and boost trader confidence. There are 134 properties within the boundary of the district centre, however it is not expected that all of them will require works. For those eligible, the proposed Scheme will :-
- Improve the front elevations of the shops,
 - Improve the street scene,
 - Complement the other public and private sector investment in the area:
 - Increase confidence in the area and encourage other private investment increasing potential job opportunities

- Contribute to the development and delivery of the Community Economic Development Plan which is a community led plan (Portland Works and Regather) to boost the local economy in the area of Little Sheffield over the next 10 years

4.2.2 To be eligible for inclusion in the Scheme, and in line with the policy previously approved for the Spital Hill Shop Front Improvement Scheme, the properties must be either occupied by an independent Trader operating from that property, or be vacant, the appearance of which is detrimental to the Street Scene and located within the Scheme designated area. It is therefore proposed that a check is done to identify any businesses that may owe the Council money- however this may be limited because of the Data Protection legislation. The details of the Scheme criteria and eligibility, including the designated area, are detailed in the policy set out in Appendix 1 to the report.

4.2.3 In order for the scheme to be successful, the majority of Independent owners (90%) of eligible properties need to participate so that a sufficient impact can be made on the street scene. In the current economic climate owners will find it difficult to make substantial payments to fund the whole costs of shop front improvements. It is proposed that 100% assistance be granted (to a maximum of £4,500) to meet the costs up to the basic level of improvements as in the case in both Darnall and Spital Hill Shop Front Schemes.

4.2.4 The improvement works are to be limited to the front elevations and gables only. Whilst they will be tailored to the needs of each particular property and agreed with the shop owner, the scope of work will be limited to external improvements, which will include:

- Repointing
- Repair of architectural features
- Brick cleaning
- Other Elevation Treatment
- New signage
- Painting existing timber
- Painting of wastepipes

4.2.5 The Council's Capital Delivery Service have been commissioned to manage the contract and the properties in the scheme will be grouped into phases which will ensure that works are carried out as efficiently as possible and enable the greatest impact

4.2.6 In addition to the capital works being delivered, an engagement package with independent traders will be developed based on successful models from other District Centre projects across the city. This package of support will include:

- Establishing a self- sustaining Local Business Forum
- An offer of support, training and mentoring for existing and new independent businesses.
- Working with Sharrow Community Forum to help deliver the Our Place Sharrow Project

4.3 Financial Implications

4.3.1 Funding for the Scheme from the New Homes Bonus has been secured as part of the Successful Centres Programme. The total funding available is £600,000. This is to cover delivery of the project and also any professional and project management fees. The feasibility study prepared by the Council's Capital Delivery Service shows that the total project costs including construction costs, contingencies, inflation, fees and disbursements are projected to be slightly over this sum but standard value engineering and cost management will keep expenditure within the approved amount.

4.3.2 It is proposed that 100% assistance be granted to meet the costs up to a maximum of £4,500 per property for the basic level of improvements and to encourage full participation into the scheme to achieve maximum impact. The feasibility work has indicated that works are achievable within this limit.

4.3.3 The scheme will be developed, procured and managed by Sheffield Council as one contract in order to ensure quality, consistency and take advantage of any economies of scale. Where possible, and in consultation with the Principle Quantity Surveyor, Director of Commercial Services, Director of Legal and Governance and the Director for Finance, a local contractor will be procured to carry out the works.

4.3.4 On completion of works to each property, the Successful Centres Team, Capital Delivery Service and the Clerk of Works will sign off the works. Further information is set out within the Procurement Strategy approved as part of the Council's capital approval process.

4.3.5 The scheme aims to reduce the number of vacant units in the centre, however it should be noted that this does not mean an automatic increase in the revenue from business rates as there are several factors to consider when looking at potential business rates income. These include:

- Liability – current and future
- Potential relief entitlement
- Type of occupant

The council receives rates on properties vacant for more than 3 months so that where the council is receiving full business rates on empty property, any future occupation by a business could in some cases reduce the council's income not increase the council's income depending on the factors involved as above. The difference is likely to be no more than £10,000.

A financial assessment was made on the impact on business rates for the previous two schemes which showed a negative impact of £7336 for Darnal, and a zero impact for Spital Hill.

4.3.6 Set against this is the substantial potential new investment into the area like New Era Square which could generate far more rates income directly for the Council as well as boosting the local economy from increased employment opportunities, improved growth in the retail environment, and incentives for further private sector investment in the centre all of which underpin the economic rationale for this scheme

4.4 Legal Implications

4.4.1 The Localism Act 2011 provides local authorities with a “general power of competence” which enables them to do anything that an individual can do as long as the proposed action is not specifically prohibited.

4.4.2 A purpose of the Act is to enable local authorities to work in innovative ways to develop services that meet local need.

4.4.3 The proposed Scheme falls within the general power of competence. In addition, there is no specific statutory prohibition, preventing the Council from implementing the proposed Scheme. The Council therefore is empowered to produce, implement and administer the Scheme as detailed in this report and set out in the Policy in Appendix 1 .

4.5 Equality Implications

4.5.1 Fundamentally this proposal is equality neutral affecting all local people equally regardless of age, sex, race, faith, disability, sexuality, etc. However, it should prove particularly positive for the Voluntary, Community and Faith sector, for financial inclusion and community cohesion. Successful centres across the city are key to developing Thriving Neighbourhoods and Communities, helping to sustain communities, enhancing the competitiveness of the city’s economy and supporting local jobs/businesses. No negative equality impacts have been identified

4.6 Risks

4.6.1 There is a risk that some of the existing businesses owned by the Chinese community on London Road may decide to move to the New Era development add creating more vacant units on London Road. The Shop Front Improvement Scheme will help mitigate against this by making London Road a more attractive place for new businesses to invest in which will also provide the opportunity to change the overall retail offer of London Road

4.6.2 When carrying out works to private commercial properties there may be a possibility of claims being submitted arising from damage caused by contractors. The contractor will be expected to keep detailed photographic records of the condition of the properties before works commence, reducing the risk of successful claims. Damage due to contractor negligence will be met by the Contractor

- 4.6.3 Consideration will also need to be given to the length of the defect period, given the superficial (facelift) nature of the works. The Council's Capital Delivery Service who will manage the contract will implement a 6 month defect period which is relevant to the works being carried out.

5.0 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 Do nothing – This would mean leaving any improvement to the Market. However, the current economic climate is not conducive to this, as there is already widespread market failure and there is strong risk of London Road District Centre falling into further decline, and unable to make the most from the other proposed investment opportunities.
- 5.2 To deliver the Scheme by providing loans to owners to carry out the shop front improvements. In order for the scheme to be successful, the majority of independent traders need to participate so that a sufficient impact can be made on the street scene. In the current economic climate, owners will find it difficult to make substantial payments to fund the whole costs of shop front improvements and the scheme is likely to fail.
- 5.3 As proposed. The Scheme aims to deliver a project that will deliver the agreed objectives for London Road/Sharrow District Centre outlined in the Successful Centres Strategy to improve the viability, use and appearance of the centre, and complement and consolidate the other proposed public and private sector investments.

6.0 REASONS FOR RECOMMENDATIONS

- 6.1 The Thriving District Local Centre strategy approved by the Central Community Assembly in 2012 identified the importance of improving the appearance and public realm within the Sharrow/London Road district centre.
- 6.2 The proposed scheme will support independent traders, boost the confidence and image of the centre and help increase footfall to improve the local economy.

7.0 REASONS FOR EXEMPTION (if a Closed report)

- 7.1 N/A

8.0 RECOMMENDATION

- That the proposed London Road Shop Front Improvement Scheme detailed in this report and set out in Appendix 1 to this report be approved

Author: Fiona Champion
Job Title: Regeneration Manager
Date 31/7/2015