

Grants Determination Sub-Committee	 TOWER HAMLETS
3 rd July 2019	
Report of: Ann Sutcliffe, Corporate Director Place	Classification: Unrestricted
Roman Road West Regeneration Programme – Shopfront Improvement project grant Approval	

Lead Member	Councillor Motin Uz-Zaman, Cabinet Member for Work and Economic Growth
Originating Officer(s)	Fiona Crehan, High Streets & Town Centre Manager
Wards affected	Mile End & Globe Town
Key Decision?	No
Reason for Key Decision	N/A
Community Plan Theme	A great place to live

Executive Summary

This report seeks approval for a grant scheme to fund shopfront improvements in Roman Road West town centre, focusing on replacing solid metal security shutters with open grill shutters to give an ‘open for business’ impression, improve the visual appeal of the street and help promote footfall in this struggling town centre.

A budget of up to £154K was recommended by Jan Kattein Architects. Works will be funded by Thriving High Streets programme capital budget, which was approved by cabinet on 6th December 2016. Phase 1 work will be carried out on 11 shop units no 189-211 Roman Road, inc: 10 units on 125 year leases issued by the Council in 1988 and no 189 still owned by the council and currently vacant.

The terms of the lease with the Council does not require the leaseholders to fund shopfront improvements. Businesses renting the 10 units are all small independent businesses. Once detailed costs works for each unit are secured we will seek to negotiate a contribution from businesses renting the units of up to 10%.

Recommendations:

The Sub-Committee is recommended to

1. Approve the shopfront improvement grant scheme for Roman Road West town centre.
2. To note the specific equalities considerations as set out in Paragraph 4.

1. REASONS FOR THE DECISIONS

- 1.1 Legal Services has advised that approval from the Grants Determination Cabinet Sub-Committee is required for the shopfront improvements scheme.

2. ALTERNATIVE OPTIONS

- 2.1 Option 1 - Leaseholders or businesses renting shops from the Council on Roman Road West high street pay for the shopfront improvements. This options is rejected as high street businesses said they could not afford the cost of the work and leaseholders are not required to improve the units.

Option 2 – Do not carry out the work.

This option is rejected as many shops on Roman Road West have solid metal shutters and most of them have graffiti, which detracts from the appeal of the high street and gives a defensive and unwelcoming impression to visitors. Without the shopfront scheme it is very unlikely that shops would carry out this work themselves.

3. DETAILS OF THE REPORT

- 3.1 The Roman Road West (RRW) shopfront improvements scheme is part of the town centre regeneration programme and supports the Mayor's commitment to continue to invest in local high streets and town centres and delivery of the High Streets & Town Centres Strategy (2017–2022).
- 3.2 The RRW shopfront improvement scheme will help address weaknesses in the town centre, particularly the prevalence of solid metal shutters that are targets for graffiti and detract from the appeal of the overall public realm.
- 3.3 Many shops in RRW keep their security shutters closed during the day, even when they are trading, giving an unwelcoming impression to visitors and are a target for graffiti.
- 3.4 Other improvements for RRW include: a phase 2 shopfront programme, design the market square and relaunching of the market, wayfinding & signage, planters, commercial waste recycling storage, lock-ups converted to workspace and reopening of a walking route from Queen Mary University London campus in Mile End to the town centre via Meath Gardens.

- 3.5 The shopfront scheme will be delivered in 2 phases.
- 3.6 Phase 1 of the shopfront scheme focuses on no 189-211 Roman Road and will be funded by the Thriving High Street programme, which is funded by New Homes Bonus funds and is due to end by Q3 2019.
- 3.7 While phase 2 of the shopfront scheme will focus on shop units around the market square and will be delivered under the RRW Regeneration programme, which is in the process of securing S106 funds under the Council's capital delivery programme.
- 3.8 Jan Kattein Architects (JKA) submitted the planning application in April 2019 for Phase 1 of the shopfront scheme, which is a cluster of 11 shops no 189-211 (ex Betfred betting shop) on Roman Road. Planning officers were consulted in several meetings in advance of the application being submitted and permission is expected to be secured around end of July '19.
- 3.9 JKA produced an indicative cost of works for phase 1 of up to £154K. Work to the units will begin once approvals have been secured, contributions have been negotiated with businesses and agreements signed.
- 3.10 The Council is the freeholders for commercial units on the ground floors of Holborn house from no 189-211. Numbers 191 to 2011 are on leases issued in 1988 for 125 years with only no 189 still managed by the Council and which is currently vacant.
- 3.11 The cost of works to no 189 will be covered 100% by the NHB funding. While we will seek a contribution from businesses taking part in the scheme and aim for a contribution of up to 10%.
- 3.12 Following discussion with Legal Services, we have been advised that the decision to spend funding in this way would be considered a discretionary grant and therefore approval would need to be sought from the Grants Determination (Cabinet) Sub-Committee.

4. EQUALITIES IMPLICATIONS

- 4.1 The RRWRP Shopfront Improvement Scheme will have no adverse impact upon any of the protected characteristics as identified within the Equality Act 2010.

5. OTHER STATUTORY IMPLICATIONS

- 5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:
- Best Value Implications,
 - Consultations,
 - Environmental (including air quality),
 - Risk Management,
 - Crime Reduction,
 - Safeguarding.
- 5.2 JKA have worked on over 30 high street regeneration programmes, and are well versed in the current market with regards to contractor and item pricing. Through this experience JKA will ensure that best value is achieved in procurement of the contractor to carry out the shopfront improvement works.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 A total funding requirement of £0.154m is required to replace the door shutters on shopfronts at Roman Road West. These costs are capital in nature.
- 6.2 Works will be phased in two stages. The first phase will form part of the thriving high street programme funded by New homes bonus monies. There are uncommitted funds available to undertake these works.
- 6.3 It is intended to fund the phase two works through s106 monies. At present this funding has not been secured and is going through an approval process. To prevent a pressure on the capital programme, these works cannot be completed without either securing this funding or identifying alternative sources of funding.
- 6.4 Negotiations will take place with leaseholders to obtain a 10% contribution towards the cost of these works. Although minor, it will reduce the requirement for grant and s106 monies, allowing them to be utilised on other work as part of the capital programme.

7. COMMENTS OF LEGAL SERVICES

- 7.1 The shop front improvements scheme falls within the remit of Grants Determination Sub committee because the businesses will benefit from a new shop front and the benefit will be greater than the retailers' contribution. The difference represents a grant.
- 7.2 The expenditure of the money by the Council on the works is a matter of procurement and does not impact on the recommendation.

- 7.3 The grant of a shop front will improve the ability of the retailers when compared to other retailers who have not had a refurbished shop front., Therefore, the grant potentially gives the retailers an advantage in the market place generally and therefore, the grant could constitute state aid. However, the value of the grant to each retailer is considered to be lower than the state aid threshold of €200,000 in any 3 year period and therefore, these grants are exempt from state aid law.
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Linked Reports, Appendices and Background Documents

Linked Report

- NONE.

Appendices

- Current design proposals prepared by JKA.

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- NONE.

Officer contact details for documents:

N/A