



Haverhill Area Working Party 6 May 2009

Queen Street Shop Fronts Grant Scheme

1. Purpose of the Report

- 1.1 On 23 April 2009, the Working Party resolved to defer consideration of the Queen Street Shop Front Grant Scheme to enable the officers to obtain supplementary information to inform further consideration of the Scheme and how the matter of design costs should be addressed.
- 1.2 The purpose of this report is to consider how the Queen Street Shop Fronts Grant Scheme should address the issue of design costs. The report also seeks approval of the material containing the full details of the Scheme as presented to the Working Party on 23 April 2009.

2. Background

- 2.1 This paper sets out the full Queen Street Shop Fronts Grant Scheme proposals and the officers' recommendations regarding how the issue of design costs could be addressed in the details of the Scheme.
- 2.2 Also attached for approval are the full details of the scheme in the following appendices:-

Appendix A: Grant Process Flowchart

This gives an overview of the process of the Scheme and will be sent out to prospective applicants at the launch of the Scheme.

Appendix B: Details of Scheme

This gives the full details of the Scheme, its operation and the conditions of the grants. This will also be sent out to prospective applicants at the launch of the Scheme.

Appendix C: Application Form

This will be made available to prospective applicants on enquiry to the Council.

Appendix D: Application Scoring Criteria

This is the system which will be used to assess each application.

3. Design Costs

- 3.1 The issue to be addressed stems from concerns about which party should bear the risk of paying for design work to support grant applications.

- 3.2 The original intention was that applicants would pay for all design costs to support their application; successful applicants would be able to include the design costs as part of the eligible works should they be awarded the grant.
- 3.3 However, after speaking with Queen Street traders, the expectation is that the Scheme will receive applications for a greater total amount of funding than is available meaning a number of applicants may be unsuccessful.
- 3.4 On 23 April 2009, officers quoted a figure of design costs being no more than 25% of the total cost of works. This figure is correct as an upper limit; more typical design costs are 10% to 15% of the total works but this could still be £1,000 to £1,500, which is a significant amount of money for unsuccessful applicants to have to bear.
- 3.5 One consequence of this is that if an application is unsuccessful, the design work which we require to support the application will still need to be paid for and unsuccessful applicants will be left with this debt and no grant to show for it. The officers feel this is not an equitable situation and that such an outcome would operate contrary to the intentions of the scheme, especially as many of the potential applicants have not been planning to undertake any shop front renovation in the current economic climate.
- 3.6 The following options have been considered:-

(1) The Council pays all design costs for applicants, whether successful or unsuccessful

(i) Pros

Mitigates the risk of leaving applicants with design fees to pay and no grant.

(ii) Cons

Limited grant monies being used up in design costs.

(2) The applicants pay for all design costs and bear the risk that they may be unsuccessful

Pros

- (i) Would discourage speculative applications; and
- (ii) would safeguard grant funding.

Cons

- (i) Risk may discourage too many applicants; and
- (ii) serious risk of making the scheme essentially punitive to unsuccessful applicants.

- (3) Local shopfitters agree to do design work upfront on the condition that successful applicants will be able to include design costs in grant eligible works but that they would bear the risk of not being paid for applicants who are unsuccessful.**

Pros

- (i) Would safeguard grant funding;
- (ii) takes risks away from applicants;
- (iii) would keep grant money within the local economy; and
- (iv) partnership would allow Council to ensure Design Guide informs all designs.

Cons

- (i) May result in shopfitters making some loss through speculative design work.

- 3.7 It is the view of the officers that the only other way that this issue could be addressed would be by having an application system which would not require detailed design work to be submitted before a grant is approved. Local Authority shop front schemes in Darlington and Forest Heath have used this approach to avoid the issue of upfront design costs but to make this approach operate, it has been necessary to run the Grant Scheme on a first-come, first serve basis.
- 3.8 This approach only works when overall levels of available funding in a Scheme are high and demand is relatively low. In the instance of the Queen Street Shop Front Grant Scheme, the £50,000 funding available would likely then be awarded to those who apply the quickest and not necessarily those in most need of renovation or those schemes which would contribute most to the overall improvements to Queen Street.

4. Recommendations

- 4.1 The officers recommend that the Scheme offers a choice to applicants of selecting either Option (2) **or** Option (3) but does not offer to pay the design costs for any unsuccessful applicants, as per Option (1).
- 4.2 It is the view of the officers that a scheme which allows a choice of these two will be fair and equitable whilst still being suitably flexible and subject to a fair competition. Applicants will still have absolute freedom to enter into a contract with any shopfitter on the open market and would be able to negotiate their own terms, which may include free upfront design work, with whoever they choose. Designing the Scheme to offer applicants a choice of either Option (2) or Option (3) will just allow for this instance to be facilitated by the Council in a way that will help mitigate some of the risk and make the process as easy as possible for those applicants not used to procuring this type of work.
- 4.3 The officers do not recommend that the Scheme operates on the basis that detailed designs need not accompany a grant application. Firstly, such a system would provide far less information for both officers and Members to judge the quality and cost of each Scheme. Secondly, as there would be less basis for comparing the relative merits of each scheme. It may be necessary to change the

operation of the Scheme from one of funding rounds to a first-come, first-serve system which would not allow for the Grant Scheme to aid those works which would most contribute to an overall improvement to Queen Street.

- 4.4 To formalise Option (3), St Edmundsbury Borough Council will need to enter into a partnership with shopfitters as a legal requirement. This will comprise a formal agreement which will only contain:-
- (a) an undertaking from the shopfitters to provide design work in return for guaranteed work if the applicants they support are successful; and
 - (b) an undertaking to follow the Queen Street Design Guide in all design work.
- 4.5 This would not be a financial arrangement and no money would change hands. The Details of the Scheme make very clear that in offering this option, the Council will not be guaranteeing that applications supported by these shopfitters will be successful, nor does it guarantee the quality of the work. A Legal Officer will be present at the meeting of Working Party to address any questions Members may have on this element of the Scheme.
- 4.6 To select these shopfitters, the Council would follow the same procurement processes which are used when the Council enters into contracts for services, a process which is based on value for money and fair and open competition.
- 4.7 It is the view of the officers that such a partnership would work best with two or three local shopfitters as this would keep the money local and it would also improve the likely ratio of successful to unsuccessful applicants for which they provide design work. However, there is no reason why the partnership could not be with more shopfitters, although this could decrease the attractiveness of entering into the scheme for shopfitters.
- 4.8 In exploring these issues with local shopfitters, there have been a number of indications of willingness to enter into such a partnership, subject to the procurement process, on the above terms.
- 4.9 In reaching this recommendation, the officers have spoken to other authorities who have operated similar schemes to seek advice and best practice. However, because this Scheme has been designed specifically to address the issues of Queen Street, to seek to follow the same approach taken in other authorities may expose the Scheme to the 'cons' outlined above. It is the view of the officers that, as with the whole Scheme, this recommendation offers a specifically designed solution to the challenges Queen Street represents rather than attempting to impose a standard, 'one-size-fits-all' approach.

4.10 It is **RECOMMENDED** that the Working Party:-

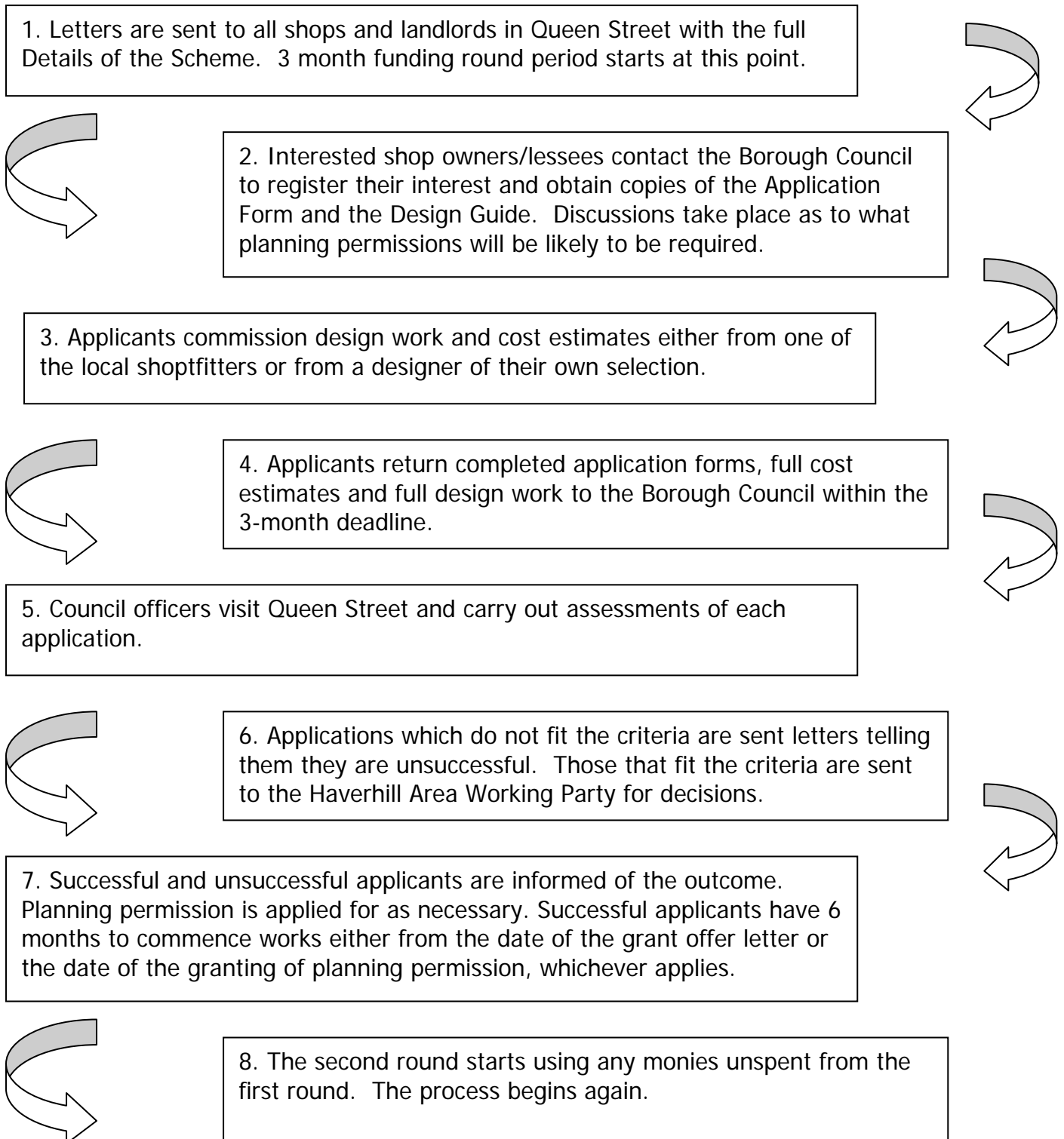
- (a) approves the offer to applicants to the Queen Street Shop Front Grant Scheme a choice of either Option (2) or Option (3) in respect of meeting design costs, as detailed in Section 3.6 of Report Z687; and on that basis,
- (b) approves the details of the Scheme, as detailed in Appendices A to D of Report Z687.

For further information please contact:-

Tom Purser, Planning Project Officer

Telephone: (01284) 757358 or e-mail: tom.purser@stedsbc.gov.uk.

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Queen Street Shop Fronts Grant Scheme: Process

Queen Street Shop Front: Details of Scheme

The Grant

1. Grants are being offered to aid works for the renovation and renewal of the exterior of the buildings to improve the visual appearance of the shops and the overall attractiveness of Queen Street.
2. The scheme will run for one year with two rounds with separate deadlines for applications. The first round will be for three months from xxxx to xxxx. Any unallocated monies will then roll over to a second three-month round which will be from xxxx to xxxx.
3. Applications will be assessed on the basis of the extent to which the proposed works contributes to an improvement in the overall visual appearance of Queen Street. The criteria for assessing each application will be:
 - a. The cost per metre squared of shop front/value for money
 - b. The visual prominence of the shop in Queen Street
 - c. The level of improvement of the shop front the proposed works will bring
 - d. The extent to which the building in which the shop is sited contributes to the character of Queen Street

The assessments will be made by officers of St Edmundsbury Borough Council and grant decisions by the Haverhill Area Working Party; these decisions will be final.

4. An eligibility map follows at the end of this document; this identifies two zones of eligibility. Those shops in Zone A will be given priority for funding over those in Zone B.
5. Grants can be for:
 - Painting
 - New Signage
 - New shop fronts including timber frames, glass windows and doors
 - New physical security features where they can be shown to improve the visual attractiveness of existing physical security features
6. The scheme is not intended for minor repairs to existing features such as guttering or lighting.
7. The scheme does not cover any part of the interior of the building except where it is affected by the shop front (i.e. by the creation of a new entrance).
8. The Council will consider applications for grants which include renovation/renewal works to the exterior of domestic dwelling units on the upper floors of the buildings above shop fronts where it can be shown that those domestic dwelling units form a part of the visual frontage of the building and where the work is in conjunction with other work to the related shop fronts themselves.

9. Where the applicant is not the owner of the premises he will be expected to obtain any necessary consent to the works from the freeholder/landlord. No grant will be paid for works which are done without consent and subsequently have to be removed or altered.

Levels of Grant Available

10. Grants are available for up to 80% of the cost of the work up to an upper grant limit of £8,000 (being a total eligible cost of works up to £10,000) for single shop units.
11. Where shops are sited within a larger building comprising multiple units, applicants will be eligible to apply in respect of any single shop front within a multiple unit for up to 70% of the cost of eligible works to an upper grant limit of £7,000, but can apply for a grant for up to 90% of the cost of eligible works, to an upper grant limit of £9,000 per shop front for joint schemes within a multiple unit.
12. To be eligible for the higher level of grant, a joint application must be made by all the occupants of the buildings of multiple occupancy who have frontages on the ground floor/street level. Applicants will still be eligible for the higher level of grant if a landlord who owns domestic dwellings on the upper floors is not applying for a grant and therefore does not wish to be part of the joint bid.
13. To comply with EU Regulations, grants will not be awarded to any shop owner/landlord who has received more than €200,000 (currently approx. £178,000) of public funding over a rolling three-year period.
14. Grants will be awarded for works as specified in the applications; the Council will not increase the grant beyond that which is offered and accepted to assist with any unforeseen works.
15. Grants will be awarded for works as specified in the applications at the relevant percentage of the eligible works of up to £10,000. However, shop owners/landlords are permitted to undertake other works to the shop fronts, subject to any relevant planning permission, at the same time as carrying out the grant aided works.
16. If the final total cost of the work is lower than that originally quoted to the Council in the approved application, the grant paid will be reduced accordingly.
17. Following successful applications, the Council will send a letter to applicants confirming they have been successful and making a grant offer. The Council reserves the right to make grant offers on the basis of specific elements of the application and is not bound to offer grants for the full amount of that for which an application is made.

Design

18. All applications must be accompanied by a full design brief specifying the works for which you are seeking grant aid.
19. Where shop owners/landlords are in a building of multiple occupation and are making a joint application for the higher rate of funding (90% grants), one single design specification will need to be drawn up for all the units party to the joint application.
20. Shop owners/landlords are free to commission their own designers to carry out the design and construction work. Those who are successful in seeking a grant can include the cost of the design work as part of the eligible works. Those who are unsuccessful will not have these design costs reimbursed by the Council.
21. Shop owners/landlords may alternatively commission design work at no cost from one of two local shopfitters with whom the Council intends to enter into a partnership for the purposes of this grant scheme. If an application is successful, the shopfitter who carried out the free design work must be used to complete the full construction works and the cost of the design work can be included as part of the eligible works and grant aided accordingly. If an application is not successful, shop owners/landlords will not have to pay any design fees or costs to the shopfitter who carried out the design work which supported the unsuccessful application. This option is provided in good faith through the Council to facilitate uptake of the scheme, but the contractual relationship will be between the applicant and the shopfitter. The Council does not give any guarantee as to the quality or timeliness of the work, nor does the Council guarantee that using one of the two shopfitters in the partnership will guarantee that the application for funding will be successful; each application will be judged on its own merits.
22. All designs must follow the Queen Street Design Guide which has been put together to reflect the fact that Queen Street is a Conservation Area. Any applications accompanied by a design which does not comply with the Design Guide will be automatically rejected.

Procedure

23. Renovation/renewal works may require planning permission, listed building consent and/or conservation area consent. Shopkeepers/lessees should make enquiries to the Planning department before they commission any design work and formally submit a grant application as to whether or not any planning permission will be required. If planning permissions are required, shop owners/lessees must meet the costs of obtaining the planning permission themselves and can not claim back the costs as part of the grant.
24. Approval of grant applications will not negate the need to seek planning permission, if it is required, nor will it guarantee that planning permission will be granted. If planning permission is required and not obtained or given, the Council will reserve the right to withhold payment or withdraw the offer of the grant.

25. Successful applicants will have six months from the date of the grant offer letter to commence works and a further six months from the date of commencement to complete the works. Exceptions may be made in extenuating circumstances, considered on a case by case basis. In circumstances where planning permission is required, the six month period to commence works will start from the date of planning permission being granted. Shop owners/lessees will need to inform the Council when works have commenced and been completed.
26. The Council will reserve the right to withhold payment or withdraw the offer of the grant if the work does not comply with the approved design or, in the case of using one of the shopfitters the council is in partnership with, if another shopfitter/contractor is used to carry out the works. Any contractors will need to be notified that divergence from or non-completion of the approved designs may result in the withdrawal of the offer of funding.
27. Shop owners/landlords will be required to pay the contractors carrying out the work directly on completion of the work and then submit invoices to the Borough Council for the grant originally offered.
28. In very exceptional circumstances, the Council can arrange for the grants to be paid directly to the contractors who carried out the work. The remaining balance of the cost of works would then need to be met directly by the shop owner/landlord.
29. Council officers may wish to inspect the works on notification of completion to ensure they comply with the details of the approved design before any grant is paid.
30. Shop owners will be required to upkeep their new shop fronts to a satisfactory standard in compliance with the design guide and the works for five years following completion of the work.
31. If, during a period of three years from the date the grant is paid, shop owners/ lessees dispose of their interest in the property to which the grant is related, the sum shall be repaid to the Borough Council, reducing at a rate of one third per year.

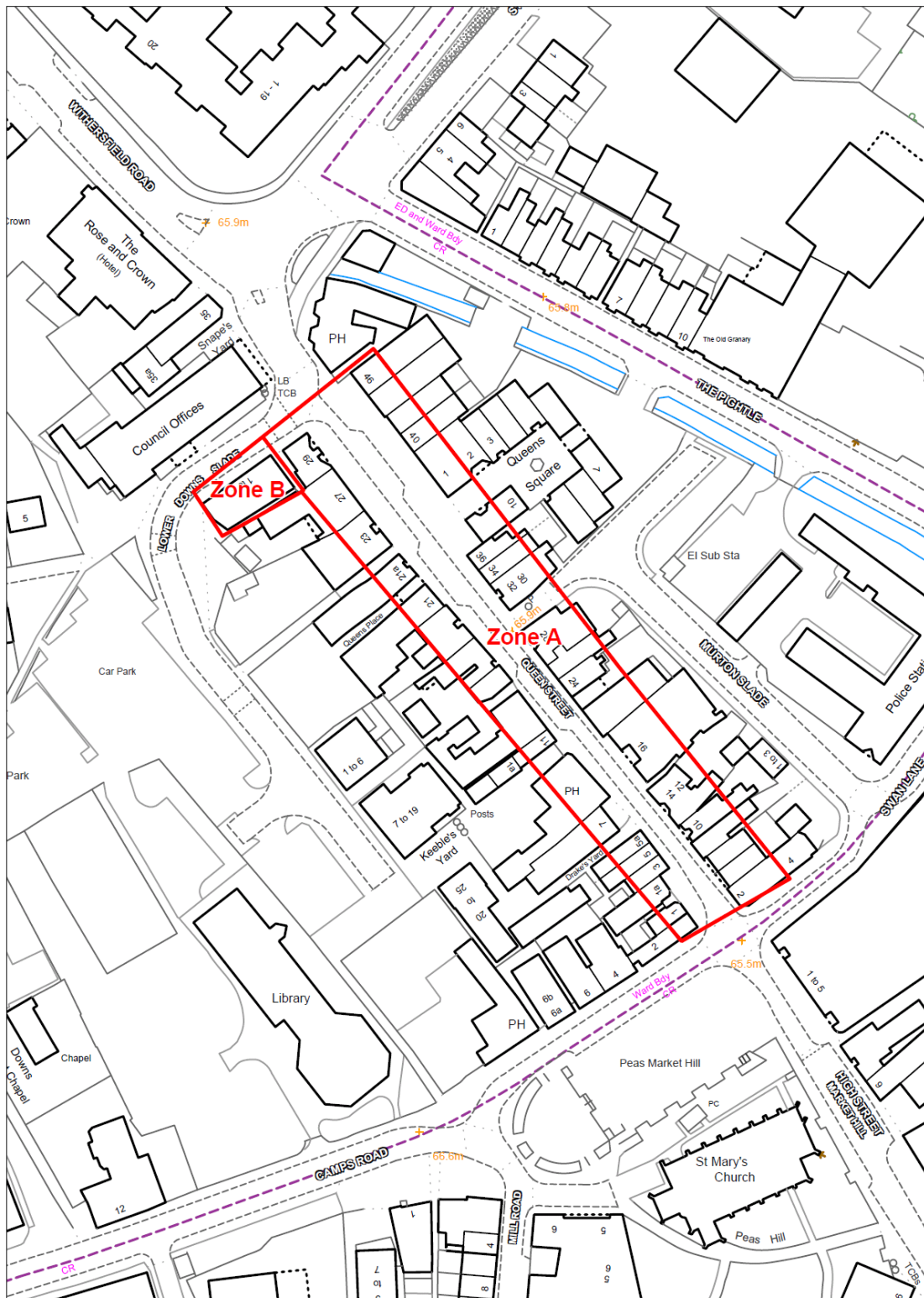
Applications

32. To constitute an application for a grant, shop owners/landlords must provide, by xxxx:
 - a. A fully completed and signed application form
 - b. A full design specification of the proposed works
 - c. A complete breakdown of all costs involved detailing the level of grant for which is being applied.

33. All applications must receive approval from the Haverhill Area Working Party of St Edmundsbury Borough Council. Grants are not to be deemed approved or accepted and work must not commence until you are sent an offer letter and you have returned the declaration.
34. For a copy of the application form and the Queen Street Design Guide, please contact:

Tom Purser
St Edmundsbury Borough Council
West Suffolk House
Western Way
Bury St Edmunds
IP33 3YU
01284 757358
tom.purser@stedsbc.gov.uk

Eligibility Map



Buildings of Multiple Occupation



APPENDIX C

Queen Street Shop Front Improvement Scheme

Grant Application Form



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Please contact the Planning Department at St Edmundsbury Borough Council for any help or advice needed before completing this form. Fill in all parts of the form, or write 'not applicable' if a question is not relevant to your project. If you use all the space provided for any question(s), please continue on a separate sheet.

1.a. Your company's name

1.b. Your company's address

Address

Full Postcode

Phone

Contact number during office hours (if different from above)

Fax and/or e-mail

1.c. Name of the main contact

1.d Contact's position in the company

1.e Do you require landlord permission to make alterations to your shop front?

If 'yes', please give details of landlord



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1.f Address for correspondence if this is different from the details given in 1.b.

Address
Full postcode
Phone
Fax e-mail

1.g Is your company VAT-registered or a VAT exempt organisation?

YES / NO

If your company is VAT-registered can you reclaim VAT on this project?

YES / NO

If 'yes', please give your VAT number.



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1.h Name and contact details of the person in your company who is responsible for receiving cheques and financial matters

Name

Address

Phone

Fax/e-mail

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2.a Are you a shop/business in a unit of multiple occupation?

YES/NO

2.b If 'yes', are you applying for this grant in a joint application with other business owners/landlords in your unit of multiple occupation?

YES/NO

2.c A brief description of the works you would like to carry out to improve your shop front (this summary should be based on the full design details accompanying this application)

2.d Estimated duration of works (days, weeks, months, etc.)



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2.e Is there anything special about your premises that you need to tell us about? (i.e. Listed building)

2.f Who will carry out the improvements to your shop front?

2.g What is the overall size of the frontage which will be improved by the proposed works?



3.a Please give details of the predicted costs for your project. Use the most appropriate heading, and separate the costs you want to apply for (these costing should be based on the detailed costings accompanying this application).

No.	Cost Heading	Column A Total cost including VAT	Column B VAT if it will be reclaimed	Amount of grant applied for from SEBC
1	Professional fees, consultancy and expert advice			
2	Repair, conservation and building work			
3	Cost of materials			
4	Other costs (please give details)			
	Total			



3.b What are your other sources of funding (if applicable)?

Funding Source	Details of funding Amount £	Confirmed	Yes or No

If funding is not confirmed, will the project go ahead without these funds being raised?

YES/NO

3.c Under EU Regulations, businesses/landlords are not allowed to receive more than €200,000 (currently approx. £178,000) of public funding over a rolling three-year period. Has your company received any other public funding in the past 3 years?

If 'Yes' please give details.

YES /NO

Is your company in the process of applying for funds for other projects?

If 'Yes' please give details.

YES /NO



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I confirm, on behalf of (organisation) that I am authorised to sign this declaration and that the proposal falls within the powers of the organisation. I believe the information to be correct. If this application is successful, the organisation will use the grant only for the purpose agreed with St Edmundsbury Borough Council.

Signature

Date

Name

Position in company

Data Protection

Any personal information provided on this application form will be used by us to process your application.

We will use the information for statistical purposes and may provide copies of your application to organisations who work with us to assess applications and to monitor and support projects. We will not use your personal information for any other purpose without your prior consent.

Please return a signed copy of this application form to:

Tom Purser
Queen Street Shop Front Grants
St Edmundsbury Borough Council
West Suffolk House
Western Way
Bury St Edmunds
Suffolk
IP33 3YU



Application checklist

Have you completed and signed the application form?

Have you provided a full design specification?

Have you provided a full breakdown of costings?

Have you provided written proof of landlord permission, if required?

Scoring Shop Front Applications

APPENDIX D

Shop name:

Total estimated cost of works:

Part of a joint application? YES/NO

Does the design submitted conform to the Design Guide? YES/NO

Cost per square metre of shop front	/25
Visual prominence in the street	/25
Level of improvement	/25
Extent to which the shop contributes to the character of the street	/25
Total	/100

Scoring Shop Front Applications