



**Corporate Property and  
Resources Committee**

**20 September 2018**

**Subject: Living Over the Shop (LOTS) Grant**

Report by:

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Purpose / Summary:

West Lindsey was successful in bidding for £4 million funds from the Greater Lincolnshire Local Enterprise Partnership (GLLEP) Single Growth Fund Round 3, for the 'Gainsborough Growth Programme'. The Living Over the Shop Grant forms part of this programme and will deliver the creation/reinstatement of residential properties within the Gainsborough Town Centre.

**RECOMMENDATION(S):**

- (1) Members approve that the Capital Budget is increased to £200k;**
- (2) Members agree to the Council acting as the Accountable Body for the purpose of administering the Greater Lincolnshire Local Enterprise Partnership (GLLEP) Grant for the purpose of delivering a Living over the Shop scheme.**
- (3) Members approve the launch of the grant scheme subject to a Grant Funding Agreement offer from the Greater Lincolnshire Local Enterprise Partnership.**
- (4) That Members note the award of Living Over the Shop (LOTS) Grants will be delegated to the S151 Officer (Executive Director of Resources) supported by the recommendation of an Officer Panel.**

## IMPLICATIONS

### **Legal:**

Once a Grant Funding Agreement has been offered, West Lindsey District Council will act as the Accountable Body and enter into a contract with the GLLEP to deliver the specified outcomes (8 units) in order to draw down the funding.

State Aid advice from both DWF and Legal Services Lincolnshire both confirmed that due to the grant amount, it will operate under de minimis regulations and therefore, there will be no State Aid Implications.

### **Financial : FIN/92/19/TJB**

A capital budget of £130k was approved in 2017/18 for the purpose of introducing a pilot scheme for Living over the Shop. A proposed budget of £150k for full role out of the scheme was included within the 2018/19 Capital Programme subject to grant funding from the GLLEP

After the success of the pilot a further scheme is proposed and a bid has been made to the GLLEP for £200k of grant support to fund the Living over the Shops scheme.

The Capital Budget increase of £50k will result in an overall budget of £200k. Approval is required to incur expenditure on the basis that a Grant Funding Agreement is in place. It is anticipated that grants between £10k and £25k will be made to deliver the objectives of this scheme

The Council will be the accountable body for this grant funding and therefore be responsible and accountable for the spending of grant monies and delivery of planned outcomes in accordance with the Grant Funding Agreement.

It is expected that the Council will cashflow the scheme and drawdown the GLLEP funding based on actual expenditure made on grant awards.

### **Staffing :**

The delivery and administration of the funding will be primarily carried out by existing staff within the Growth Team.

**Equality and Diversity including Human Rights :**

The LOTS Grant will be open to freeholders/ long leaseholders of properties located within the following Gainsborough town centre location:

- Lord Street
- Market Place
- Market Street
- North Street
- Silver Street

As long as the applicant has had no past or outstanding housing or planning enforcement action taken against them. It is considered this criteria will not have any equality or diversity (including human rights) implications.

**Risk Assessment :***Unable to attract external funding*

Officers will continue to engage the GLLEP during the due diligence process to ensure any queries raised will be addressed in a satisfactory manner. In addition, it is also proposed that the grant is not launched until a Grant Funding Agreement has been offered by GLLEP to reduce Council's exposure.

*Unable to deliver contracted outcomes*

Through the Townscape Heritage Initiative work, officers have identified a number of properties which may be appropriate for this programme, officers will seek to engage with the potential applicants to encourage take up.

**Climate Related Risks and Opportunities :**

The Gainsborough Town Centre is mostly within Flood Zone 3, benefitting from Flood Defence. Any creation of new dwellings will require a planning permission which will assess any impact of climate change on flood risks.

**Title and Location of any Background Papers used in the preparation of this report:**

Draft Living Over the Shop Grant Policy – available at the Guildhall, Gainsborough.

**Call in and Urgency:**

**Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?**

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

**Yes**

**No**

**x**

**Key Decision:**

A matter which affects two or more wards, or has significant financial implications

**Yes**

**No**

**x**

## **Executive Summary**

Following the success of the Living Over the Shop Pilot carried out by Market Street Renewal, Officers recommend the scheme to be rolled out as a grant to encourage more residential dwellings and footfall within the Gainsborough Town Centre, especially outside of core shopping hours. The funding will be reclaimed from the GLLEP as part of the Council's successful £4 million. Single Local Growth Fund bid and is expected to deliver a minimum 8 dwellings.

### **1 Background**

- 1.1 Gainsborough's historic town centre has a large proportion of vacant upper floors and poorly maintained buildings. It is evident that direct intervention is required to regenerate the historic town centre.
- 1.2 An ambitious programme has been planned for the Gainsborough Town Centre to transform it into an attractive and thriving core which will entice potential residents to relocate to Gainsborough. The town centre place making programme includes:
  - A shopfront refurbishment grant scheme (administered as part of the Gainsborough Growth Fund) to restore/ reinstate shopfronts to a historically sympathetic façade;
  - A special purpose vehicle with Dransfield Properties Limited to deliver a hotel within the town centre;
  - Setting up Market Street Renewal to convert derelict shops with flats above;
  - Delivery of a cinema and restaurant complex to boost the town's night time economy offer through a development partnership with Muse;
  - A Stage 2 Townscape Heritage Initiative (THI) bid with the Heritage Lottery Fund to restore historic buildings within the 'historic heart' of Gainsborough.
- 1.3 The conversion of shops and creation of flats by Market Street Renewal has been proven to be successful. The physical regeneration of the building has uplifted Market Street and completely transformed dilapidated buildings in a sympathetic way. It is understood that there is substantial interest in leasing the shop and the sale of the property on second floor.
- 1.4 It is therefore proposed that the Council launches a Grant scheme which will incentivise freeholders/ long leaseholders to create/ reinstate residential dwellings within the Town Centre.
- 1.5 Presence of residential uses within town centres is important to its vitality and vibrancy, as it increases the footfall within the town centre, especially outside of core shopping hours. The importance of residential uses within town centres is increasingly being recognised, including in the recently published (July 2018) Revised National Planning Policy Framework (NPPF).

- 1.6 The Council's approach to town centre regeneration has been endorsed by the newly published Grimsey Review 2 which is an industry review to revitalising High Streets in the country and explores the principles for a thriving town centre.
- 1.7 The outcome sought (creation of dwellings within the Town Centre) aligns with the outcome of the successful £4 million Single Local Growth Fund. Therefore Officers has put the LOTS Grant as part of the Growth Programme Phase 1 draw down package to the Greater Lincolnshire Local Enterprise Partnership (GLLEP). Officers have submitted Phase 1 draw down of the fund to include £200,000 for the LOTS Grant, leading to the creation of a minimum 8 dwellings, and the GLLEP is currently going through its due diligence process.

## **2 Living Over the Shop Grant Roll Out**

- 2.1 From the background heritage assessment work prepared for Stage 1 of the THI bid, it is clear that there are several buildings which presents an opportunity for conversion/ reinstatement of upper storeys for residential uses.
- 2.2 The draft Policy of the Grant is attached to the report, which details the criteria of which the grant. A summary of the grant is as below.
- 2.3 It is proposed that the LOTS Grant is available to freeholder or leaseholder (minimum lease term of 10 years) within the following town centre location (same location targeted as shop front grant):
  - Lord Street
  - Market Place
  - Market Street
  - North Street
  - Silver Street
  - Church Street
- 2.4 Qualifying scheme must result in the creation of a new dwelling or reinstatement of disused dwelling.
- 2.5 The grant value is between £10,001 and £25,000 with a maximum intervention rate of 50%.

## **3 Governance of Grant**

- 3.1 It is proposed that any application of grant is assessed by an officer panel from Building Control, Housing and Growth, recommending Grant decisions to the S151 Officer (Director of Resources). The maximum grant amount per dwelling created is £25,000, which falls within the Executive Director's delegated powers.
- 3.2 As the funding will come from an external source, it is proposed that the Grant is launched once the Council has received a Grant Funding Offer from GLLEP.