

To: **Economy and Regeneration Policy Board**

On: **7 November 2023**

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Report by: **Chief Executive**

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Heading: **Town Centre Vacancy Taskforce – Vacant Shops Grant Scheme**

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## 1. Summary

- 1.1 The purpose of this report is to inform the Economy and Regeneration Board of progress made by the Town Centre Vacancy Taskforce in respect of developing a proposed Vacant Shops Grant Scheme which will support the Councils ambition of reducing the number of commercial vacancies within its town centres.
- 1.2 The report also provides an update on other relevant matters set out in the Town Centre Vacancy Taskforce's remit.

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## 2. Recommendations

- 2.1 It is recommended that the Board:
- (I) Notes the content of this report.
  - (II) Approves the creation of a Vacant Shops Grant Scheme, utilising existing identified budget for the Town Centre Vacancy Taskforce.

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## 3. Background

- 3.1 At the Economy and Regeneration Board on the 24<sup>th</sup> of January 2023, an amendment was approved, which asked that:

*“A **Town Centre Vacancy Taskforce**, consisting of relevant officers, be formed with a specific remit to examine barriers to occupancy and letting, bringing forward potential policy changes that assist in removing barriers, promoting vacancies which were market ready and identifying action for those which are not”.*

3.2 Board then agreed a report in March 2023 seeking to set aside £250,000 from the Local Authority Covid Economic Recovery Fund to invest in vacant town centre property across Renfrewshire.

3.3 The remit for the Town Centre Vacancy Task force was confirmed at the Economy and Regeneration Board of 23 May 2023 where it was agreed that the focus of activities would be:

- On Town Centres as defined by the adopted 2021 Renfrewshire Local Development Plan.
- Limited to ground floor commercial premises which are not within established shopping centres, such as the Piazza, Paisley Centre or Braehead.
- Focussed on Paisley, Johnstone, and Renfrew due to the lack of appropriate vacancies within the other centres.

#### **4. Objectives of the Task Force**

4.1. The following objectives were approved and will act as guiding principles for the Task Force's activities:

- Agree the principal challenges facing Renfrewshire town centres in 2023, noting that this will almost certainly differ between centres.
- Identify barriers to occupancy/letting of current vacant ground floor commercial units.
- Produce a strategy for the promotion of occupiable units.
- Produce an action plan for those vacancies which are not market ready.
- Establish "task and finish" bespoke groups for each of the six centres, reporting to a steering group of Senior Officers.

#### **5. Meeting the objectives**

5.1 Officers have considered how best to meet these objectives, noting that town centre regeneration is a complex policy area which often requires cross-council and cross-government agency intervention. The proposed Vacant Shops Grant Scheme will be the first in a series of interventions and improvements which will try to ensure that Renfrewshire's town centres are at the heart of sustainable and inclusive growth, which delivers for residents, visitors, and local businesses.

5.2 We envision that the next steps of the Task Force's activities will focus on:

- Considering measures within the Council's powers to address long-term vacant and derelict buildings in Renfrewshire's town centres. This will include a review of interventions that have been implemented elsewhere and learning from best practice. Officers are also looking into options to host an event(s), which brings together stakeholders to discuss the key challenges facing town centres in the future.

- Building relationships with local property owners across Renfrewshire to understand how we can use the Vacant Shops Grant Scheme as a starting point to improve the Council's understanding around the causes of vacancies and ensure that we have established relationships with key stakeholders. To facilitate this, Officers will host a meeting of landlords by the end of 2023 which the above issues will be discussed in detail. Members will be updated on our plans around this as they are developed to ensure that they can share this with relevant stakeholders in their wards.
  - Officers will assess the feasibility of using the information gathered around town centres to support the Council's development of future policy interventions. Primarily, this will be focussed around improving the information gathered about Town Centre vacancies to ensure that ownership is known and that this information is readily available to prospective and established Renfrewshire businesses.
- 5.3. Progress on the delivery of the objectives will be reported to the Board on a rolling basis.

## **6. Vacant Shops Grant Scheme**

6.1 The core objectives of the Vacant Shops Grant Scheme are to:

- Reduce the number of market-ready commercial units which lie vacant in the identified town centres by supporting businesses wishing to occupy them.
- Encourage increased diversity in Renfrewshire's town centres by supporting businesses which provide a unique or underrepresented function.
- Build positive relationships with local businesses and property owners to support the wider town centre agenda whilst creating places which attract both residents and visitors.
- Support the Renfrewshire Economic Strategy by supporting new business start-ups, creating employment opportunities, and promoting sustainable inclusive economic growth.

6.2 Grant awards from the scheme will offer match funding of 50% up to a maximum £25,000 to support set-up costs or as working capital.

6.3 Applications will be accepted from businesses wishing to establish their first premises in Paisley, Renfrew, or Johnstone town centres. Established local businesses who are currently situated out with the town centre will be considered where a clear business case can be identified, such as a desire to occupy a larger premises due to growth. Ineligible businesses will include large national chains, betting shops, sex shops, pawn brokers, tanning salons, Aesthetics Salons, tobacconists and vape shops. The exclusion list reflects standard practice for business grants adopted by Renfrewshire Council and aligns with the objectives of this grant as set out in 6.1.

6.4 Applications will be subject to a business appraisal which looks at the viability and strength of the business and the impact any grant will have on them with regarding to growing the number of employees, turnover and net zero ambitions. Guidelines for the scheme are set out in Appendix A.

Business advisors will be allocated to support potential applicants through the application process, and they will also advise them of any other relevant funding available to them.

- 6.5 Final approval decisions and awards up to a maximum of £25,000 will be determined by managers reviewing the appraisals and the conclusions and rational for either rejecting or supporting the applications will be put forward by the assessing business advisor.

## **7. Identification of Properties**

- 7.1 It is the ambition of officers to work closely with local property owners and agents to promote the scheme, and to encourage sustained investment of key properties in the main thoroughfares of each identified centre.
- 7.2 The aim is to encourage a joint investment whereby property owners offer a contribution (a rent free period) to meet the match funding offered by both Renfrewshire Council and the supported business.
- 7.3 Officers have consulted Paisley First and the Federation of Small Businesses, who are both fully supportive of the scheme. There have also been positive discussions with a local landlord who may be willing to offer a reduction in rent for selected properties for a limited time in conjunction with the scheme.

## **8. UK Government Town Centre Levelling Up funding**

- 8.1 The UK Government recently announced that 55 towns across the UK would share £1.1bn from the Levelling Up Fund. Seven Scottish towns will be given £20m each to regenerate high streets and tackle anti-social behaviour. The money will go to Greenock, Irvine, Kilmarnock, Coatbridge, Clydebank, Dumfries and Elgin. No money has been allocated to any towns within Renfrewshire. Officers will seek further clarification from representatives from the Department for Levelling Up, Housing & Communities on the selection criteria used to allocate the funds and further brief elected members when this clarification is available.

## **9. Next Steps**

- 9.1 Subject to receiving approval from the Board, officers will formalise the conditions and parameters of the Vacant Shops Grant Scheme and produce the relevant guidance and application pack.
- 9.2 The scheme will also be supported through a marketing campaign which will promote the scheme via appropriate Council social media channels. It is anticipated that the scheme could be open for applications by December 2023.
- 9.3 Progress on the scheme will be reported to the Board on a rolling basis along with other updates on the Town Centre Vacancy Taskforce.
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## **Implications of the Report**

1. **Financial** - No additional finance is sought. All funding is accounted for within existing Council budgets.
2. **HR & Organisational Development** – None.
3. **Community/Council Planning** – None.
4. **Legal** – Grant Agreements will be required between Renfrewshire Council and successful applications.
5. **Property/Assets** – None.
6. **Information Technology** – None.
7. **Equality & Human Rights** -
  - (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because for example it is for noting only.
8. **Health & Safety** - None.
9. **Procurement** – None.
10. **Risk** – None.
11. **Privacy Impact** – None.
12. **COSLA Policy Position** – Not Applicable.
13. **Climate Risk** – Not Applicable.

# Renfrewshire Vacant Town Centre Premises Fund

## 1. Why is Renfrewshire Council acting?

Renfrewshire Councils Economic Strategy sets out the ambition of a thriving local economy grounded in the principles of fair work, sustainable practices, and inclusive economic growth.

Central to achieving this ambition is our network of town centres, and the role that they play in ensuring that our local economy remains in good health by providing an attractive destination for visitors, and a dynamic environment for business to set up and operate in.

Renfrewshire Council has allocated £250,000 to help drive this forward by stimulating private sector investment in our town centres. This will be done by providing match-funded grants, on a competitive application process, to businesses wishing to occupy current vacant town centre units in Paisley, Renfrew, and Johnstone.

## 2. Objectives of the fund

This fund aligns with our wider town-centre first agenda by:

- **Reducing Vacancies:** By encouraging occupancy of key town centre units in the three towns, we aim to help our centres feel fuller, more economically vibrant, and more attractive destinations.
- **Enhancing Quality:** The fund seeks to enhance the quality of our town centres as vibrant destinations for both residents and visitors. We will aim to support businesses which can offer something new, or which is currently underrepresented.
- **Building Partnerships:** The fund aims to cultivate positive relationships with the business community, local property owners, and Renfrewshire Council. Town Centre regeneration must be a collaborative effort, we will show our willingness by match funding business contributions up to £25,000.
- **Supporting Long-Term Growth:** By ensuring the vibrancy of our town centres, the fund supports Renfrewshire's long-term economic aspirations, fostering sustainable and inclusive economic growth. We will ensure that money is spent wisely by ensuring that businesses have a clear plan for growth and have the potential to be in our towns over the long term.

### **3. Geographical Boundaries**

Businesses will be eligible to apply for this grant if their intention is to move into a property which meets the following criteria:

- Is a vacant ground floor commercial premises within Paisley, Johnstone, and Renfrew town centres as defined by the adopted Local Development Plan 2021.
- Not situated within established shopping centres like Braehead, Piazza, or Paisley Centre.

A map of the three town centres as outlined in the Local Development Plan is available at the end of this document. We can provide as part of your initial enquiry an up-to-date list of vacant properties which would be eligible in each of the three centres.

### **4. Funding Amount and Application Details**

Renfrewshire Council has committed £250,000 from the Covid-Economic Recovery Fund to support this grant initiative. The grant aims to bring new types of businesses and services into vacant ground floor commercial premises in Paisley, Renfrew, and Johnstone town centres who can boost footfall, diversify the area, and create new jobs with contracted hours. Successful applicants will receive a grant of up to 50% of project costs, up to a maximum of £25,000 towards eligible costs, which can include:

- Premises improvements
- Fixtures and fittings
- Equipment
- Stock
- Rental payments
- Security equipment and installation
- Business stationery
- Advertising and marketing costs
- Planning permission and building regulation fees
- Insurance premiums

The grant cannot be used towards the purchase of vehicles, employee wages or utility bills.

## **5. Funding Availability**

Once launched, the Grant will remain open until the funds have been exhausted by successful applications.

## **6. Am I Eligible?**

The grant can support either established businesses, or those who have just started up or are about to start up. You are eligible if your business:

- Is small to medium sized (has less than 250 employees worldwide).
- Will be operating from a previously vacant ground floor town centre commercial property in Paisley, Renfrew or Johnstone for which the applying organisation will be the sole party named on the lease or rental agreement.
- Has, or will have, a lease for a minimum of 36 months.
- Is able to demonstrate how your products and services differ to what is currently available in the area of your new property.
- Provides a 3 year business plan showing viability of the venture.
- Has a current lease for another property and you will continue to trade from this property for at least 2 years after you start trading from your new property.
- Is a full-time business and has a business bank account.
- Is not in any debt to the council.
- Has not incurred any project-related expenditure until after a formal decision on the grant application has been received.
- At the time of submitting the grant application, the business is neither in bankruptcy, liquidation or similar.
- Is not a community group, voluntary or charitable organisation.

## **7. Excluded Sectors**

This Grant will support any suitable use in our town centres, including Retail, Small Offices and Creative enterprises which have sound business proposals, excluding the following:

- Multi-level marketing/pyramid selling.
- Organisations subject to a franchise agreement that gives control over the business decisions to a franchisor.
- Betting shops.



- Pawnbrokers.
- Beauty industry businesses (nail bars, aesthetics, hairdressers).
- Amusement or gaming arcades.
- Tobacconists/Vape shops.
- Most fast-food and dessert outlets.
- Shops primarily offering adult or sexual content.
- Businesses or activities for political or religious purposes.

## 8. **Special Grant Conditions**

The project **must not** commence before approval is given as the grant cannot be awarded retrospectively. Approved expenditure payments must be made through the business bank account and supported by supplier invoices. The grant is disbursed after payments are completed. Cash payments do not meet audit trail requirements and are ineligible for the grant.

This grant is discretionary, and Renfrewshire Council reserves the right to decline applications not aligning with its objectives. Decisions are final and not subject to appeal. This grant is intended to support the viability of your organisation in starting to trade from a new property and a three-year business plan is required alongside your application. It is not intended to be the main source of funding for your new venture.

## 9. **How to Apply**

Interested businesses should contact Renfrewshire Council's Business Development Team in the first instance to ensure that they meet the relevant criteria. Eligible businesses will then be invited to complete an application form accompanied by recent annual accounts (if applicable), an updated business plan, at least two years' financial forecasts (profit and loss, balance sheet, cash flow forecast), and quotes for intended expenses.

Upon receipt of an application a Council officer will contact the applicant to arrange a meeting to appraise the application. A decision will be made shortly after this meeting and, if successful, a formal offer of grant will be made.