



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

27 MARCH 2023

REVIEW OF FINANCIAL SUPPORT FOR BUSINESSES

**REPORT OF THE DIRECTOR OF PROSPERITY AND DEVELOPMENT, IN
DISCUSSIONS WITH THE RELEVANT PORTFOLIO HOLDER
COUNCILLOR NORRIS**

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1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to seek approval to refocus some of the current Regeneration grant schemes available to local businesses in order to maximise the funding opportunities available from the Welsh Government's Transforming Towns Placemaking Grant (WGPG) and UK Government's Shared Prosperity Fund (UKSPF).

2. RECOMMENDATIONS

It is recommended that:

- 2.1 The package of support outlined in paragraphs 5.1 – 5.8 is agreed.

3. REASONS FOR RECOMMENDATIONS

The recommendations set out in this report will:

- 3.1 Enable the Council to provide a portfolio of financial investment which will support businesses to respond to the economic challenges they face, helping them build their resilience, support economic growth and diversification with the aim of stimulating future private sector investment.
- 3.2 Continue to deliver on the Council's commitment to support businesses, develop the local economy, regenerate town centres and encourage private sector investment in the high street economy, as set

out in Rhondda Cynon Taf County Borough Council's 2020-24 Corporate Plan "*Making a Difference*".

- 3.3 Deliver on the Council's commitment to reduce the carbon emissions across the County Borough and support local businesses to become more sustainable, as set out in Rhondda Cynon Taf County Borough Council's strategy "*Think Climate - Making Rhondda Cynon Taf Carbon Neutral by 2030*".
- 3.4 Ensure that the Council is able to take full advantage of the resources available for supporting local businesses from the Welsh Government's Transforming Towns Placemaking Grant (WGPG) and UK Government's Shared Prosperity Fund (UKSPF). This will allow for a more flexible approach that will maximise the reach of the grant offer and enable as many businesses as possible to be supported.

4. BACKGROUND

- 4.1 The economy in Rhondda Cynon Taf was severely impacted as a result of the devastating storms and flooding at the start of 2020 immediately followed by the COVID-19 pandemic and subsequent lockdown measures which lasted between 2020-2022. The situation has been exacerbated by the economic impact of Brexit, the ongoing conflict in Ukraine and the current high rate of inflation.
- 4.2 Businesses are now paying an increased cost for materials, products and particularly for energy which is impacting significantly on their profit margins. Consequently, many are now having to increase their prices to remain profitable which often means putting growth plans on hold. At the same time, the cost of living crisis creates a demand issue, with customers having less money available to spend.
- 4.3 There is now significant financial support available to local authorities from Welsh Government and UK Government until March 2025, to deliver schemes which will help businesses with their plans for setting up, sustainable growth, regeneration as well as carbon reduction and energy efficiency.
- 4.4 The Welsh Government's "Transforming Towns" initiative delivers financial support to enable local authorities to develop and deliver key regeneration projects across town centres and their nearby areas, and includes:
 - developing underused, empty/rundown properties into businesses, housing, leisure facilities, commercial premises or community facilities;

- improving the appearance of properties and/or reconfiguring them to make them more viable.

4.5 Two of the three key investment priorities of the UK Government's Shared Prosperity Fund are "Communities and Place" and "Supporting Local Business". Delivered through the RCT CBC Investment Plan, funding will support small and medium sized enterprises (SMEs) to grow, adopt productivity-enhancing, energy efficient and low carbon technologies, improve town centre retail and service sector infrastructure with the aim of creating jobs and increasing private sector investment, as well as investing in quality places where people want to live, work and play, through targeted improvements to the built environment.

5. **BUSINESS SUPPORT GRANT SCHEMES - PROPOSALS**

5.1 The schemes outlined below will provide a structured programme of investment of £4 million for local businesses, including funding from UK Government, Welsh Government and the Council's own Capital Programme.

5.2 **Town Centre Maintenance Grant**

Purpose	To support minor improvements and small scale maintenance works to the external front elevation of properties (including vacant properties) which will contribute to a positive impact on the street scene, creating a more attractive and vibrant environment, which increases retail spend and stimulates further private sector investment.
Applicants	Town centre traders and landlords
Areas	8 main town centres – Aberdare, Ferndale, Llantrisant, Mountain Ash, Pontypridd, Porth, Tonypany, Treorchy.
Grant Rate	Up to 75% of eligible costs
Maximum Grant	Up to £2,000 (plus additional allowance of £500 for skip/scaffold)
Area of Refocus	The maximum grant has been increased from £1,000 (plus £300 skip/scaffold allowance) to take into account increased cost of materials and labour, and maintain a level of support that will make a difference to the street scene.

5.3 **Enterprise Investment Fund**

Purpose	To support Micro and SMEs to start up, grow and encourage energy efficiency as part of business improvements, which will contribute to creating a
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	vibrant and strong local economy.
Applicants	Start-ups and existing enterprises (both private and social). Cannot support projects where the applicant is solely the landlord.
Areas	RCT wide, subject to the applicant successfully demonstrating a clear and effective business proposal.
Grant Rate	Up to 75% of eligible costs (exc VAT)
Maximum Grant	Up to £15,000
Area of Refocus	The grant rate has been raised from 50% and the maximum grant raised from £10,000. The criteria has been broadened to include support for energy efficiency and carbon reduction measures.

5.4 Commercial Improvement Grant

Purpose	To support larger scale improvements (primarily external) to commercial buildings with energy efficiency being intrinsic to design. Eligible works include replacement of shop fronts, windows and doors, stone cleaning, guttering, fascia boards and rainwater goods.
Applicants	Building owners or leaseholders
Areas	Properties that are: <ul style="list-style-type: none"> • within 8 main town centres – Aberdare, Ferndale, Llantrisant, Mountain Ash, Pontypridd, Porth, Tonypany, Treorchy • Discretion can be applied to properties demonstrating severe market failure within Retail Centres which are defined by the RCT Local Development Plan.
Grant Rate	Normally up to 50% of eligible project costs.
Maximum Grant	Up to £50,000
Area of Refocus	This is a new intervention which will address gaps in previous support measures in response to identified business need.

5.5 Large Scale Property Improvements

Purpose	This grant will target buildings with vacant floorspace in key town centres and other strategic locations where severe market failure is demonstrated. Eligible works include all required building works required to achieve the project objective, which needs to be agreed with the Council in advance of an application.
Applicants	Building owners or leaseholders
Areas	Properties that are: <ul style="list-style-type: none"> • within 8 main town centres – Aberdare, Ferndale, Llantrisant, Mountain Ash, Pontypridd, Porth, Tonypany, Treorchy

	<ul style="list-style-type: none"> Discretion can be applied to properties demonstrating severe market failure within Retail Centres which are defined by the RCT Local Development Plan.
Grant Rate	Normally up to 50% of eligible project costs.
Maximum Grant	£250,000
Area of Refocus	To support developments that are looking to encourage energy efficiency and reduction of carbon emissions.

- 5.6 Although all the funding available is for capital expenditure, it is anticipated that support for measures which aim to increase energy efficiency will have a positive impact in reducing running costs.
- 5.7 Any required statutory consents (e.g. planning permission, SuDS Approving Body) remain the responsibility of the grant applicant, and no offer of financial assistance can be made until these are in place.
- 5.8 Each scheme will have its own assessment criteria which will be robust but proportionate, depending on the different level of financial assistance available.

6. EQUALITY AND DIVERSITY IMPLICATIONS / SOCIO-ECONOMIC DUTY

- 6.1 An Equality Impact Assessment (EqIA) screening form has been prepared for the purpose of this report. It has been found that a full report is not required at this time. The screening form can be accessed by contacting the author of the report or the Cabinet Business Officer.

7. WELSH LANGUAGE IMPLICATIONS

- 7.1 Each grant scheme will be developed in line with the Welsh Language Standards for Awarding Grants (April 2022) published in line with the requirements of the Welsh Language Standards (No.1) Regulations 2015.

8. CONSULTATION / INVOLVEMENT

- 8.1 The development of the financial support offer has been informed by intelligence of local businesses requirements. This has been gathered as a result of the delivery of existing Council led business support schemes as well as the significant amount of support delivered on behalf of Welsh Government during the Covid pandemic, feedback

from recent consultation exercises, including those on the draft Aberdare Strategy and Pontypridd Placemaking Plan.

9. FINANCIAL IMPLICATION(S)

- 9.1 The funding for these business support schemes will be allocated from existing resources comprising the Welsh Government Transforming Towns Placemaking Grant, the UK Government Shared Prosperity Fund, and the Council's own core capital funding with the relevant match funding contributions being made by the private sector applicant.

10. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 10.1 Subsidy control legislation associated with any investment awarded as part of the schemes will be considered on a case by case basis.

11. LINKS TO THE CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT

- 11.1 This refocus of financial assistance the Council delivers to external organisations to support the local economy, is of crucial importance to develop the local economy, regenerate town centres and encourage private sector investment in the high street economy. This will directly complement the main priorities identified in the Council's Corporate Plan 2020-2024 'Making a Difference' of;

- People: independent, healthy and successful.
- Creating Places: where people are proud to live, work and play.
- Enabling Prosperity: creating the opportunity for people and business to be innovative, be entrepreneurial and fulfil their potential and prosper.

- 11.2 All activity will make a significant positive contribution to the goals of the Well Being of Future Generations Act. In particular, the economic and environmental well-being of Wales, supporting the delivery of a prosperous Wales, a more resilient Wales and a Wales of cohesive communities.

12. CONCLUSION

- 12.1 Businesses currently face significant challenges following on from significant flooding events, the pandemic and now the energy crisis and high rates of inflation.

- 12.2 The refocus of these grant support schemes will enable the Council to provide a portfolio of financial investment which will support businesses to respond to these challenges, helping them build their resilience, support economic growth and diversification with the aim of stimulating future private sector investment.
- 12.3 The portfolio will also maximise the funding opportunities available until March 2025 from the Welsh Government's Transforming Towns Placemaking Grant (WGPG) and UK Government's Shared Prosperity Fund (UKSPF).

Other Information:-

Relevant Scrutiny Committee

Climate Change, Frontline Services and Prosperity

Contact Officer: *Simon Gale 01443 281114*

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

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Background Papers

None.

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