

Report sponsor: Alison Parkin, Director of  
Financial Services  
Report author: Toni Nash, Head of Finance

## Compliance with Contract and Financial Procedure Rules

### Purpose

- 1.1 To approve the use of D2 Business Rates Pilot reserves and request delegated approval for decisions on grant funding that will support the development of vacant space in the city centre for creative business activity.

### Recommendations

- 2.1 To approve the use of £0.300m D2 Business Rates Pilot reserves to create a grants scheme to support the development of vacant space in the city centre for creative business activity as outlined in section 4.1
- 2.2 To delegate authority to approve individual creative business scheme grants, subject to satisfactory due diligence, as follows:

Individual Grant Value	Job Title
Up to £20,000	Head of Regeneration and Major Projects
£20,001 up to £99,999	Director of City Development and Growth

in consultation with the Cabinet Member for Regeneration, Decarbonisation, Strategic Planning and Transport.

- 2.3 To delegate authority to the Section 151 Officer to add vacant space grants to the capital programme if approved under delegation, where individual grants approved are capital and are above the de-minimus threshold.

### Reason

- 3.1 To comply with the Council's Financial and Contract Procedure Rules.

### Supporting information

- 4.1 In 2018 the Council received £0.350m funding through the D2 Business Rates Pilot towards the development of a Make and Trade Zone concept for the city centre. In 2019 £0.050m of this allocation was used to undertake a feasibility study for the concept, leaving a balance of £0.300m for implementation. Completion of the feasibility study coincided with Covid lockdown, following this key staff were involved in Derby's UK City of Culture bid. This delayed the development and implementation of a delivery model.

- 4.2 A project team consisting of Regeneration, Economic Growth and Arts Development, working with key partner Marketing Derby, have now developed a delivery model. This has the following strands of activity:

Strand One - £0.100m pot for grants to landlords and property owners for refurbishment costs associated with converting city centre property into units from which creative industry and maker businesses can operate, such as games designers, jewellers, printmakers etc. . It is proposed that grant support would be for a maximum of 25% of refurbishment costs or £0.050m per project, whichever is the greater.

1. Strand Two - £0.170m pot for grants to creative and maker businesses to support fit out and refurbishment costs of city centre property where they will be tenants or leaseholders. The principal basis for allocations will be 50% of costs with a cap of £0.010m. However, it is anticipated that applications will be received to activate a single property for multiple occupancy by creative and maker businesses, funding allocations above the £0.010m cap for this type of project will be considered on a case-by-case basis.
- 4.3 Under Financial Procedure Rules, all grants below £0.100m require approval of the Strategic Director in consultation with the Cabinet Member and S151 Officer. This report seeks approval of Council Cabinet to consider a sub delegation for individual grants under £0.100m for this scheme. This is requested due to the potential volume of small value grants and to avoid any delays in the process of allocating these grants. Cabinet is asked to approve the following delegated authority to approve individual grants, subject to funds being available and satisfactory due diligence outcomes, including checks on lease arrangements, business plans and that any requirement for match funding is in place.

Individual Grant Value	Job Title
Up to £20,000	Head of Regeneration and Major Projects
£20,001 up to £99,999	Director of City Development and Growth

This above delegation is in consultation with the Cabinet Member for Regeneration, Decarbonisation, Strategic Planning and Transport

- 4.4 A sum of £0.030m has been retained from the £0.300m funding to cover the cost of staffing resources to support the monitoring and administration of the grant funding allocations.
- 4.5 It is recommended to approve the use of £0.300m D2 Business Rates Pilot reserves to create a grants scheme to support the development of vacant space in the city centre for creative business activity.

- 4.6 It is recommended to delegate authority to approve individual creative business scheme grants, subject to satisfactory due diligence, as follows:

Individual Grant Value	Job Title
Up to £20,000	Head of Regeneration and Major Projects
£20,001 up to £99,999	Director of City Development and Growth

in consultation with the Cabinet Member for Regeneration, Decarbonisation, Strategic Planning and Transport.

- 4.7 It is recommended to delegate authority to the Section 151 Officer to add vacant space grants to the capital programme if approved under delegation, where individual grants approved are capital and are above the de-minimus threshold.

### **Public/stakeholder engagement**

- 5.1 Research with the creative and cultural sector identified a demand for space for digital, tech, creative industries and ‘messy’ makers. There was a desire to develop a city centre presence, building a new creative working population, who both create and consume cultural content.
- 5.2 Key stakeholders Marketing Derby and University of Derby have supported the development of the Make and Trade concept and will be partners in the delivery of the project.

### **Other options**

- 6.1 Do nothing was considered but this would limit growth and regeneration in the city centre. In particular the following outcomes would not be achieved.
- Utilises underused city centre space – turning liabilities into assets
  - Brings new types of economic activity to the city centre
  - Supports placemaking and Derby’s identity as a creative city of makers
  - Supports start-up businesses and retains creative talent in Derby
  - Creates a pipeline of potential occupiers for the new Market Hall

### **Financial and value for money issues**

- 7.1 The £0.300m funding is held in service revenue reserves. This report proposes using £0.270m of this to create a grants pot and £0.030m to be retained for the revenue costs of administering the grant scheme.
- 7.2 The £0.270m will be split over the two strands detailed at paragraph 4.2, of which, strand one grants may be a mix of capital and revenue which will be determined on a case by case basis. Cabinet approval is therefore sought to delegate authority to the Section 151 Officer to add to the capital programme where individual grants approved are capital grants and above the de-minimus threshold of £0.010m.

### **Legal implications**

- 8.1 Funding awards will be subject to signing of a grant agreement that sets out all conditions of the funding.

### **Climate implications**

- 9.1 The Council will encourage grant applicants to consider energy efficiency measures within their proposals for property refurbishment.

## **Equality implications**

- 10.1 The Council to make sure that businesses we give grants to comply with their legal duty under the Equality Act to make reasonable adjustments for disabled people

## **Socio Economic Impact**

- 11.1 The grants are expected to have a positive impact on the city centre.

**This report has been approved by the following people:**

<b>Role</b>	<b>Name</b>	<b>Date of sign-off</b>
<b>Legal</b>	Olu Idowu, Head of Legal Services	16/03/2023
<b>Finance</b>	Toni Nash Head of Finance	16/03/2023
<b>Report sponsor</b>	Alison Parkin – Director of Financial Services	22/03/2023
<b>Other(s)</b>	Ann Webster Lead on Equality	16/03/2023
	Liz Moore Head of HR and OD	17/03/2023

  

<b>Background papers:</b>	N/A
<b>List of appendices:</b>	N/A