



20th March 2014

Agenda Item:

REPORT OF SERVICE DIRECTOR, HIGHWAYS

NOTTINGHAMSHIRE EXPRESS TRANSIT: NOTTINGHAM – TON EXTENSION, UPDATE TO SPECIAL HARDSHIP FUND.

Purpose of the Report

1. To consider an additional contribution of £25,000 to the established Special Hardship Fund that has been set up to complement the current Financial Assistance Package in place for Local Traders and Business.

Background

2. At the County Council Meeting of 27th January 2011 the authority determined to complete the necessary legal settlement deed to withdraw its support for the NET Line 2 and 3 extensions and as such no longer be joint promoter of the project. It was agreed at Full Council however that despite the withdrawal of County Council support for the project it would enter into a 50% funding arrangement with Nottingham City Council to continue to support an agreed Financial Assistance Package (FAP) designed to support local traders in the Chilwell High Road area during the construction phase of the Tram. This is an exceptional arrangement which acknowledges that the construction would cause significant disruption to local traders.
3. The terms of the FAP were set out in a report to County Council at its meeting of 22nd February 2007. These terms were prepared following consultation with local traders based on a similar package which was applied during the construction of NET Line 1 in Hyson Green. Evidence as submitted by local traders and residents at the Public Inquiry during November 2007 was influenced by the County Council commitment to support the FAP. The scheme is discretionary and sits outside of the national compensation code which applies to schemes such as the NET extensions.
4. The Chilwell Road FAP came into operation on 14th January 2013 following the commencement of utility diversion works in advance of NET construction. It is anticipated that significant works will continue until June 2014, a total period of 70 weeks, giving a total claim period, including recovery period, of approximately 93 weeks.

5. At the Transport and Highways Committee meeting on 31st October 2013 the recommendation to remove the FAP upper claim limit of £13,500 per annum and for the County Council to make a one off contribution of £25,000 to a Special Hardship Fund (matching contribution from Nottingham City Council) was approved.
6. At the meeting of the County Council on 16th January 2014 it was resolved that the County Council recognises the huge social, economic and environmental benefits the tram brings to the City of Nottingham and the areas of Nottinghamshire it serves. Also that the County Council will, in principle, support the future development of the tram by working in partnership with the District and Borough Councils and Nottingham City Council.

Financial Assistance Package and Special Hardship Fund

7. Financial assistance is available to all traders and businesses with a frontage onto Chilwell High Road / Chilwell Road, between the junctions with Middle Street and Bridge Avenue. The area of assistance also includes roads that access from Chilwell High Road /Chilwell Road which do not have alternative access. The area is as defined and shown on the attached drawing – Financial Assistance Area (Chilwell Road, Chilwell High Road).
8. The eligibility rules are the same as those that applied to a similar scheme for the Hyson Green shopping area during the construction of NET Line One. To qualify, businesses need to have a turnover of less than £450,000, which reflects the fact that larger businesses are considered to be better able to cope with the disruption. The scheme provides a contribution to loss of gross profit of between 50% and 70% depending on the size of the business, with the smallest businesses receiving the highest contribution. The scheme operates whilst significant construction works are taking place in the vicinity of the business, and for a ‘recovery’ period afterwards of one third of the time of the construction works.
9. A disturbance fund is also in operation which enables local business to claim for additional costs incurred as a direct result of the construction works. Such costs include additional window cleaning for example. There are currently no proposals to alter this fund.
10. A Special Hardship Fund is in place to complement the FAP and is jointly funded by Nottinghamshire County Council and Nottingham City Council with the fund being administered by Broxtowe Borough Council. This follows representation from local business supported by the Beeston Improvement District (BID) who put forward the suggestion to address short term cash flow issues creating hardship that could have a terminal effect on more marginal businesses within the identified FAP area. Essentially these will be the businesses considered to be at most risk of ceasing to trade as a consequence of the works. As the time to complete the significant construction works has been extended, feedback has indicated that the total amount available from the hardship fund needs to be increased to help local businesses.

Reasons for Recommendations

11. It is recognised that the period during the NET extension construction is a worrying one for many local business proprietors due to the works. Despite many initiatives to alleviate the fears and maintain a healthy shopping environment along the High Road there is evidence that a number of smaller businesses in the area are operating at the margins of profitability. This has led to some short term cash flow problems which the FAP has been able to resolve.
12. As a result of the extended time of significant construction works it is considered appropriate for NCC to contribute a further £25,000 to the established Special Hardship Fund to continue to help those in most need of support during the works.

Statutory and Policy Implications

13. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Comments

14. It is intended that the additional £25,000 contribution towards the established special hardship fund be made from the existing residual land compensation budget held within the Highways division.

RECOMMENDATION/S

It is **RECOMMENDED** that

- a) Nottinghamshire County Council makes an additional contribution of £25,000 (subject to a similar amount from Nottingham City Council) to the Special Hardship Fund. This is in addition to the previous contribution of £25,000 made by NCC to the now established Special Hardship Fund which Broxtowe Borough Council will continue to administer and which will assist businesses in most need of support within the identified Financial Assistance Package area.
- b) Nottinghamshire County Council call on Tramlink and their contractors to consider how they can financially assist businesses adversely affected by the additional time now taking to complete works, particularly in Beeston and Chilwell. This will include an urgent meeting with the City Council and Tramlink to discuss further.

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Service Director (Highways)

For any enquiries about this report please contact:

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Constitutional Comments (SHB 12/03/14)

15. Committee have the power to decide the recommendation.

Financial Implications (TMR 12/03/14)

16. The financial implications are set out in paragraph 14 of the report.

Electoral Division and Members Affected

Beeston North
Beeston South & Attenborough
Chilwell & Toton