

## **The Vale of Glamorgan Council**

### **Cabinet Meeting: 30th April 2018**

### **Cabinet Member for Regeneration and Planning**

### **Town Centre Repayable Funding Scheme - Update**

#### **Purpose of the Report**

1. To provide Cabinet with an update on the Town Centre Repayable Funding Scheme prior to seeking authority to approve the partial write-off of a debt secured by a land charge detailed within the Part II report later on this agenda.

#### **Recommendations**

1. That Cabinet notes the current position with the Town Centre Repayable Funding Scheme.
2. That Cabinet note the contents of this report, with a view to taking decisions on the partial write-off of a debt secured by a land charge detailed within the Part II report later on this agenda.

#### **Reasons for the Recommendations**

1. To apprise Cabinet.
2. To enable funding decisions to be taken via a Part II report later on this agenda.

#### **Background**

2. The Town Centre Repayable Funding Scheme commenced in 2014/15 financial year as a key element of the Welsh Government's Vibrant and Viable Places regeneration programme. It is offered to local authorities for the purpose of reducing the number of vacant, underutilised and redundant sites and premises in town centres and to support the diversification of the town centres by encouraging more sustainable uses for empty sites and premises, such as residential, leisure and for key services. The Repayable Funding can be used by local authorities to:
  - Acquire and unlock sites and premises with the intention of packaging and selling a proposal on the open market within an agreed timeframe;
  - Redevelop or refurbish sites and premises within an agreed timeframe; and,
  - Provide loans to third parties for repayment within an agreed timeframe.

3. The Cabinet meeting on 13th April 2015 considered and agreed a report on the Welsh Government's Town Centre Repayable Funding Scheme (Minute C2736 refers).
4. At present the Council has a total budget of £1,045,665 for the Repayable Funding scheme which it uses to provide loans to third parties for repayment within an agreed timeframe. The first tranche of funding is being used to provide loans to one of the zoned Registered Social Landlords in the Vale of Glamorgan to target a number of vacant, underutilised and redundant sites and premises in the Holton Road, High Street/Broad Street and Main Street/Vere Street areas of Barry Town Centre.
5. To date a loan of £195,665.09 has been used to deliver a scheme at High Street, Barry. The project involved work to refurbish an empty building and reinstate as an affordable 2-bed dwelling house and the redevelopment of the adjoining empty site as an affordable 2-bed dwelling house. Handover occurred during July 2017. The loan shall be repaid on the first to occur of 12 months from the occupation/letting of the final unit of the development or the expiration of the term i.e. 5 years from completion of the legal charge.
6. A further loan of £849,999.91 was committed to a scheme at Holton Road, Barry. However, following the completion of due diligence checks in September 2017 the potential acquirer decided not to enter into contract with the vendor. Following this decision Council officers have reviewed other suitable projects with the Registered Social Landlord and several sites have been identified for viability tests. Out of this process a replacement scheme has been identified in Barry Town Centre. Due to the information relating to the proposal being commercially confidential this detail is being tabled under Part II later on this agenda.

### **Relevant Issues and Options**

7. At present the purchaser has drafted Heads of Terms for the vendor of the site in question subject to planning consent; a full technical due diligence exercise; and, the partial write-off of a debt secured by a land charge favouring the Council. Both the purchaser and the vendor have confirmed that they will proceed to completion as soon as all matters are agreed.

### **Resource Implications (Financial and Employment)**

8. The Council has a total budget of £1,045,665 for the Repayable Funding scheme. The Welsh Government's general guidance states that the funding may be recycled over a 15 year period and the Welsh Government will require it to be returned in full after 15 years (£152,809 in the year 2029/30 and £892,857 in the year 2030/31). The maximum time frame for each loan is 5 years and local authorities are expected to ensure that the funding available is recycled a number of times. The Council is obliged to repay any underspend to Welsh Government on demand if it does not comply with these general conditions. Doing so would undermine the ability of the Council to meet its Corporate Outcomes as described in paragraph 17 of this report.
9. Other Resource Implications will be addressed in the Part II report later on this agenda.

### **Sustainability and Climate Change Implications**

10. Where any part of the Repayable Funding is used to support the build of social housing units, schemes must comply with the Welsh Government's Development

Quality Requirements (DQR). This is a bench mark standard for energy efficiency helping to make homes affordable to run and addressing fuel poverty.

11. A core aim of the Town Centre Repayable Funding Scheme is to support the diversification of town centres and encourage more sustainable uses for empty sites and premises, such as residential, leisure and for key services.

### **Legal Implications (to Include Human Rights Implications)**

12. Legal Implications will be addressed in the Part II report later on this agenda.

### **Crime and Disorder Implications**

13. Work to return vacant, underutilised and redundant sites and premises to beneficial use may assist in reducing crime and disorder associated with vacant, underutilised and redundant sites and premises.
14. Secure by Design is a standard part of DQR which ensures that the design, layout and technical specification reduces crime.

### **Equal Opportunities Implications (to include Welsh Language issues)**

15. Providing loans to a zoned Registered Social Landlord can create training opportunities offered as part of the build contract through targeted training and recruitment.
16. In addition, using the Value Wales Toolkit, local supply chains and investment can be monitored and formally reported back to Welsh Government.

### **Corporate/Service Objectives**

17. The Town Centre Repayable Funding Scheme enables the Council to meet its Corporate Outcomes as detailed in the Corporate Plan 2016-2020:
  - Well-being Outcome 1 - An inclusive and safe Vale (Objective 2 Providing decent homes and safe communities).
  - Well-being Outcome 2 - An environmentally responsible and prosperous Vale (Objective 3 Promoting regeneration, economic growth and employment).

### **Policy Framework and Budget**

18. This is a matter for Executive decision by Cabinet.

### **Consultation (including Ward Member Consultation)**

19. Local Ward Members have been consulted and any comments arising from this consultation will be tabled at this meeting for consideration by Cabinet.

### **Relevant Scrutiny Committee**

20. Environment and Regeneration.

### **Background Papers**

Cabinet Report 13th April 2015, Welsh Government's Town Centre Repayable Funding Scheme for the year 2015/16 (Minute C2736 refers).

**Contact Officer**

David Williams, Principal Regeneration Officer.

**Officers Consulted**

Head of Regeneration and Planning  
Operational Manager (Regeneration)  
Operational Manager (Public Housing Services)  
Operational Manager (Accountancy)  
Operational Manager (Legal Services)  
Finance Support Manager (Resource Management)

**Responsible Officer:**

Rob Thomas, Managing Director