

EXECUTIVE BOARD MEMBER

18/04/2016

Executive Board Member:	Portfolio:
Cllr. Meryl Gravell	Regeneration & Leisure

Award of Repayable Funding to support town centre regeneration in Llanelli

Purpose: To reduce the number of vacant, underutilised and redundant sites and premises, while supporting diversification in Llanelli town centre.

Recommendations / key decisions required:

Carmarthenshire County Council's (CCC) Economic Development Division has been successful in securing an additional £50,000 funding towards the approved £700,000 town centre loan scheme.

Retrospective approval is requested for the

- draw down of the additional £50,000 funding which was required by March 25th 2016,
- addition of this funding to the original amount to use for the purpose described within the offer letter and summarised below.

Reasons:

The aims and objectives of the loan fund is to enable and incentivise property refurbishment and new build projects. This scheme will assist in addressing the decline in unoccupied sites and premises through direct use by CCC and/or use by the private sector.

The repayable funding will build upon recent initiatives within the town centre, such as the works completed under the ADREF scheme, Y Ffwrnes, Llanelli House and East Gate. It will also complement the ongoing Tackling Poverty "Opportunity Street" project which is to acquire and refurbish properties in order to create flexible, easily accessible, commercial / service space together with the provision of quality, affordable new residential units.

Although the loan has not yet been actively marketed, several enquiries for grants/loans have been received, and interested parties have been advised that the launch of the loan scheme is imminent.

The additional repayable funding was claimed by 25th March 2016 as requested by Welsh Government. This additional funding would have been lost if not claimed by the deadline set.

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Directorate Name of Head of Service: Stuart Walters	Designation Interim Economic Development Manager	Tel No. /E Mail Address: SWalters@carmarthenshire.gov.uk
Report Author: Steffan Jenkins	Physical Regeneration Strategic Programme Manager	01269 590241 SHGJenkins@carmarthenshire.gov.uk 01554 748805

Declaration of Personal Interest (if any): None

Dispensation Granted to Make Decision (if any):N/A

DECISION MADE:

Signed: _____ **DATE:** _____
EXECUTIVE BOARD MEMBER

The following section will be completed by the Democratic Services Officer in attendance at the meeting

Recommendation of Officer adopted	YES / NO
Recommendation of the Officer was adopted subject to the amendment(s) and reason(s) specified:	
Reason(s) why the Officer's recommendation was not adopted:	

EXECUTIVE SUMMARY

18th April 2016

Award of Repayable Funding for a Fund to support town centre regeneration in Llanelli

1. BRIEF SUMMARY OF PURPOSE OF REPORT.

Carmarthenshire County Council's Economic Development Division was successful in securing funding of £700,000 to provide a town centre loan scheme (July 2015). The Welsh Government has awarded an additional £50,000 towards this fund, which was claimed in full by 25th March 2016. This additional funding would have been lost if not claimed by the deadline set.

The purpose of the loan is to reduce the number of vacant, underutilised and redundant sites and premises while supporting diversification in Llanelli town centre. The full repayment of this repayable fund to Welsh Government will be expected during the 2030/31 financial year in one full instalment.

The aim and objectives for this funding is to enable and incentivise property refurbishment and new build through provision of support for the private sector, which will in turn encourage re-use of the properties and sites with provision of floor space for commercial, leisure and residential use.

The project will be focused upon the core town centre area and may be used –

- A) Directly by CCC to acquire and unlock sites and premises with the intention of packaging and selling a proposal on the open market within an agreed timeframe
- B) Directly by CCC to redevelop or refurbish sites and premises within an agreed timeframe and
- C) By CCC to provide loans to third parties for repayment within an agreed timeframe

Loans to third parties will be repaid within 5 years to allow for the fund to be recycled over a 15 year period. Loans will be interest free, however, CCC is able to charge an administration fee to recover costs of up to 15%.

In promoting the vibrancy and vitality of the town centre outcomes should focus on supporting job creation and economic growth, tackling poverty, increasing the supply and quality of accommodation offer, and supporting targeted training and recruitment during construction. The full governance arrangements including the detail of the third party terms and conditions will be formalised following the drawdown of funds from WG.

Although the loan has not yet been actively marketed, several enquiries for grants and loans have been received and the details have been added to a database. Approximately ten interested parties have been recorded to date, several are property owners but there is also interest from potential developers and investors. All interested parties have been advised that the loan scheme launch is imminent, and formal expressions of interest will be invited at that time.

2. OTHER OPTIONS AVAILABLE AND THEIR PROS AND CONS

This additional funding would have been lost if not claimed by the WG deadline of 25th March 2016.

DETAILED REPORT ATTACHED?

NO

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: Wendy Walters

Assistant Chief Executive

Policy and Crime & Disorder	Legal	Finance	ICT	Risk Management Issues	Organisational Development	Physical Assets
NONE	YES	YES	NONE	YES	NONE	NONE

Legal

Legal provisions will need to be in place including terms and conditions for use with legal charge/restrictions required. The Economic Development team will liaise with the Legal Department in order to arrange details accordingly.

Finance

The Economic Development team will work with the Finance department to formalise and support the processes required to implement this scheme. Clear accounting arrangements will be formed

Risk Management Issues

All funds must be repaid to WG at the end of the 15 year loan period (2030/31).

The risk of default payment by third parties will be a significant risk to be considered with each interest. Proposed risk mitigation measures will need to be reduced which will reduce the level of risk to a satisfactory level. Such measure would include -

- Thorough investigation of each third party applicant
- Through investigation of the affordability of each repayable funding application
- Securing repayable funding applications of under £50,000 with legal restrictions
- Securing repayable funding applications of over £50,000 with full legal charge with the Land Registry
- Regularly monitoring the progress of works

Should CCC utilise the funding for its own direct use capital funds will need to be found at the time of repayment

Failing to utilise the funding available will result in the funds being repaid to WG. No funding is to be retained by CCC for longer than 6 months from 1st April 2017.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: Wendy Walters

Assistant Chief Executive

1. Scrutiny Committee - No

2. Local Member(s) - No

3. Community / Town Council - No

4. Relevant Partners - No

5. Staff Side Representatives and other Organisations - No

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

THESE ARE DETAILED BELOW

Title of Document	File Ref No.	Locations that the papers are available for public inspection
Town Centre Repayable Funding Scheme – Application form		The Beacon, Dafen, Llanelli, SA14 8LQ
Award of Repayable Funding		The Beacon, Dafen, Llanelli, SA14 8LQ