

# Agenda



## Chair of Cabinet

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Date: Wednesday, 28 March 2018

Time: Not required

Venue: Not required

To: Councillor D Wilcox

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### Item

### Wards Affected

1 Town Centre Repayable Funding Scheme (Pages 3 - 14)

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# Report

## Chair of Cabinet

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### Part 1

Date: 28 March 2018

### **Subject** Town Centre Repayable Funding Scheme

**Purpose** The purpose of this report is to advise the Cabinet Member of the latest developments in respect of Newport's £750,000 Town Centre Repayable Funding award and to seek approval for the regeneration team to use the funding to make loan finance available to support an appropriate development within Newport city centre.

### **Reason For Urgency**

This report must be considered urgent due to the imminent deadline for allocation of the Town Centre Repayable Funding to a scheme within the city centre. If the funding is not allocated to a scheme by the 31 March, the funding must be either returned to the Welsh Government or a partner local authority, with the result that the potential investment will be lost to Newport.

**Author** Regeneration Manager

**Ward** Stow Hill

**Summary** Newport City Council was awarded a £750,000 loan facility under the Welsh Government's Town Centre Repayable Funding Scheme (TCRF) in January 2017. Former Cabinet Member approved the report to accept the award in March 2017. This funding is to support the development of vacant sites and premises across town and city centres across Wales. Whilst the £750k is a welcome addition to the resource the Council is able to deploy towards the regeneration of the city centre, the award is significantly below that requested (£1.5m) resulting in a need to review the intended uses of the scheme.

The Council has developed significant expertise in terms of the management of loans. With the success of these and other initiatives, the focus for the city centre is on developing further projects of scale that can maintain and increase the positive momentum generated over recent years. An approved criteria framework is therefore required in order to ensure that the loan facility is recycled and re-used for appropriate development.

One of the most successful loan-funded projects within the city centre has been the redevelopment of the King's Hotel as private-sale flats and offices. The developer with whom the Council partnered to deliver this scheme has again approached the Council with a potential scheme, and given the difficulties presented by the two schemes originally intended to be supported using the TCRF monies, it is proposed that the £750k is made available to this developer to support his latest redevelopment project.

**Proposal** To agree a framework for allocating the loan facility over the lifetime of the scheme and to approve the allocation of £750,000 TCRF towards the regeneration of 195-198 Upper Dock Street and 10-11 Market Street

**Action by** Head of Regeneration, Investment and Housing

**Timetable** Immediate

This report was prepared after consultation with:

- Strategic Director (Place)
- Head of Law and Regulation (Monitoring Officer)
- Head of Finance (Chief Finance Officer)
- Head of People and Business Change
- Cabinet Member for Regeneration and Housing

**Signed**

## 1. Background

- 1.1 In 2014, Vibrant and Viable Places became the flagship regeneration programme of the Welsh Government, replacing a number of regeneration area schemes (including the Newport Unlimited joint-venture initiative) with a competitive fund targeted at those urban centres across Wales in the greatest decline. Newport was been the largest beneficiary of the programme, the case for investment reflected in both the economic malaise of the city centre over the last decade along with the bold strides made by the Council to reverse that decline through strategic projects such as Friar's Walk.
- 1.2 The competitive nature of the fund meant that some authorities which evidenced pockets of significant urban deprivation failed to attract any investment from the VVP framework. To assist regeneration projects in those areas, the Welsh Government also made available a secondary pot entitled the Town Centre Repayable Funding (TCRF) scheme as part of its Tackling Poverty agenda. As the name suggests this fund was to be used to stimulate development in town centres benefiting from the fund, and address vacant, derelict and underutilised sites in particular; albeit on a scale much smaller than the grant-funded initiatives delivered under the VVP framework and on the basis that any funding would be repayable.
- 1.3 Newport City Council has been awarded £750,000 under the latest phase of the TCRF scheme. This funding, whilst welcome, is far below the level of funding requested (£1.5m) which means some analysis must be given to the originally intended use of this money, to bring forward major strategic sites for development.
- 1.4 Any loan funding unallocated at the end of the financial year 2017/18 must be either passed to a partner local authority that can absorb the money or returned to the Welsh Government. This presents a difficulty both in terms of limitations around the time remaining and the amount of funding awarded, which was again, far lower than the sum requested.
- 1.5 The TCRF award made by Welsh Government was linked to two illustrative projects – the redevelopment of Olympia House and the acquisition of the Great Central Hall. Notwithstanding the reduction in the originally requested amount of funding being insufficient to take forward both proposals, there are ongoing issues with each which make the allocation of TCRF funding problematic at this time. Welsh Government have confirmed, however, that this is not unusual and that NCC has the scope to vary projects supported according to its requirements as long as any substitute schemes comply with the eligibility criteria for the loan.
- 1.6 With the pressure on timescales to allocate the limited funding available, locating an alternative project is essential if the £750,000 investment is not to be lost. In this context, the Regeneration Team has received a timely approach requesting loan assistance from a developer known to the Council. The proposal is linked to a scheme that will build upon previous investment into an area of high strategic importance for the city centre, and will be repaid within two years, allowing the funding to be recycled into another scheme within the short to medium term.
- 1.7 Supporting the proposed project also presents an opportunity to implement the proposed draft Terms and Conditions to be applied to the TCRF, in order that subsequent allocations over the fifteen year term can be managed effectively. It is therefore proposed that the Council make use of the £750k as detailed in the body of this report. The availability of this loan is solely at the Council's discretion.
- 1.8 A guidance document, covering the proposed terms and conditions covering eligibility, purposes and repayment for third-party applicants to the TCRF in full, has been developed (see attached papers). The TCRF must be recycled by the authority a minimum of three times over a fifteen year term and, with Cabinet Member approval, these terms and conditions will be adopted by the Council for use in any subsequent loan arrangements that follow the initial tranche of use.

- 1.9 A second phase of development at the former King's Hotel has been proposed. The developer is therefore known to the City Council and has a track record of delivery. The King's was successfully redeveloped using loan funding made available through the Vibrant and Viable Places programme in 2016. The loan was repaid as refurbished apartments within the completed development were sold, and additional office space was created within the building.
- 1.10 The success of this development has encouraged the owner to seek support towards further investment. His proposals primarily include the redevelopment of 195-198 Upper Dock Street, which form an ancillary wing to the former hotel, as private sale housing. Sales at the King's have been encouraging, with prices of up to £179,000 per unit confirmed. The redevelopment proposals also feature the provision of additional office space, both within the property known as 10-11 Market Street or the boundary of the King's Hotel proper along High Street. The redevelopment of 10-11 Market Street is particularly welcome, as this key corner property adjacent to the bus station has been vacant for many years; it has also been communicated that the property has been leased prior to development to Newport City Homes; the project will therefore establish the presence of a key Registered Social Landlord within the city centre.
- 1.11 The proposed development is therefore of strategic merit, adding value to the completed King's Court development and other complementary schemes in close proximity such as the Market Arcade and 4-5 Market Street. The focus of the northern area of the city centre will increasingly reflect the Council's ambitions to develop the city's digital ecosystem, as the National Software Academy at the Information Station becomes established, and the provision of additional office space accords with this aim as well as the objectives set forth within the emerging City Centre Masterplan.
- 1.12 Supporting the second phase of development at the King's can be seen to contribute to the wider growth and regeneration of the city centre as a whole. It is therefore proposed that the TCRF funding of £750,000 is used to provide a loan facility to support this second phase of development. The primary expected outputs include eight high-quality dwellings and additional modern business premises. The location of Newport City Homes will bring jobs and footfall, as well as a key housing service, into the city centre in an accessible location close to the major public transport terminus. The funding will be fully repaid within three years for re-investment into the city centre.

## **2. Financial Summary**

- 2.1 Newport's TCRF allocation of £750,000 has been drawn down and is currently held in the capital accounts. It must be used in accordance with the purposes of the scheme, and be repaid in full to either the Welsh Government or a designated other local authority if uncommitted by 31<sup>st</sup> March 2018.
- 2.2 The project financial arrangements are more complicated than in the related scheme to redevelop the King's Hotel. The developer has commenced work in advance of the Council's support being confirmed via his own finances; however he has secured additional private finance on the development properties as a result. Further detailed due diligence will therefore be required prior to the advancement of any funding. The majority of the funding will be allocated towards the development of new dwellings for sale within 195-198 Upper Dock Street, with any remainder flexibly allocated within the curtilage of the wider King's to furnish additional office space within the property.
- 2.3 The development loan will include the full £750,000 available from the fund. The developer is proposing a repayment model based on the sale of private apartments, with an additional backstop deadline set to guarantee full repayment within three years. This model is problematic due to an existing first charge over the property in favour of the developer's bank (see risk section, below). Assuming a twelve month build period, sales will likely kick in within the financial year 2019/20, with the final deadline for repayment yet to be agreed but suggested as 1st April 2021.

- 2.4 The loaning bank have confirmed in principle that they will enter into an an undertaking with the Council to allow that in the event of any residential sale, their right to the first 75% of any proceeds shall be deferred. They require consideration of the full terms of the loan agreement before entering into this agreement. Based on estimations of sale values 75% of the total derived from apartment sales would be sufficient to clear the balance of the loan in full.
- 2.5 An admin fee of 5% will be payable to the Council in accordance with the proposed terms and conditions of the TCRF (see attached). This will be incorporated within the £750k loan fund, as is permitted within the proposed terms and conditions. The principle loan sum will therefore be 714,285, with £35,715 payable as an admin/monitoring fee to the Council. Unlike the development loan allocated to the earlier development at the King's Hotel, no interest can be charged on the loan.
- 2.6 The loan arrangement admin fee of 5% will be ring-fenced for use to support the future operation of the regeneration team within the city centre. The admin fee shall be included within the principle sum and repaid in accordance with the wider terms and conditions.
- 2.7 Future schemes considered for the loan facility will be subject to the same due diligence.

	<b>Year 1 (Current) £</b>	<b>Year 2 £</b>	<b>Year 3 £</b>	<b>Ongoing £</b>	<b>Notes including budgets heads affected</b>
<b>Costs</b>	<b>£750,000</b>		<b>(£750,000)</b>		<b>Loan funding to be based on phased payments and subject to due diligence and loan to value checks. Loan funding is to be repaid on the occasion of the private sale of any redeveloped flats within the curtilage. Full repayment must be made by no later than 31<sup>st</sup> March 2021.</b>
<b>(Income) Net Costs (Savings)</b>					
<b>Net Impact on Budget</b>	<b>£750,000</b>		<b>(£750,000)</b>		

### 3. Risks

- 3.1 The major risk around any repayable funding arrangement is the risk of default. Whilst this risk can be mitigated (see below), it is for NCC to recover any funding in the event it occurs – upon demand, any defaulted sum would need to be repaid to the Welsh Government irrespective of whether NCC could actually recover the sum advanced from the borrower. The Welsh Government agrees to share in a small element of risk (up to a maximum of 2.5% of any shortfall sum).
- 3.2 The developer has proposed a similar repayment model to that used for the redevelopment of the King's Hotel, i.e., that a flat percentage repayment equal to 80% of any sale proceeds shall be made to NCC upon disposal. This arrangement is complicated by the existence of a first charge on the property in favour of the Principality Building Society. Whereas the 80% arrangement worked on the King's Hotel as the Council held the first and only charge on the property, in the event of any disposal of property within the curtilage of 195-198 Upper Dock Street, the Principality would recover the entirety of any consideration as a result of the primacy of their charge.
- 3.3 In addition, any residential disposal would also result in a reduction in the overall residual value of the property, creating the potential for a situation where the remaining value in the property is

insufficient to provide security against the sum owing to the Council. If the Council is unable to recover any funding via flat sales due to the ranking of the Principality's charges, it is unlikely that the debt can be serviced by sale of the residual commercial property.

- 3.4 To mitigate this risk, the developer has negotiated a position with his bank that sees their entitlement to the first 75% achieved in any sale deferred, in order that the Council's funding receives the appropriate protection. This agreement will require details of the loan agreement between the Council and the developer being disclosed to the bank for consideration prior to formal confirmation.
- 3.5 Analysis of the likely residential sale values that can be achieved, the residual value of the completed office accommodation, and any forecast repayment plan has therefore been conducted. An independent report into the value of the property, both in its current state and upon completion of the full proposed refurbishment, was conducted by Savills on behalf of the developer's bank. It proposes that the gross development value of the property on completion will be in the region of £1.5m, with £1.025m of that value attributed to residential sales. Newport Norse, in their capacity as the Council's property advisors, have been asked to comment on the veracity of these valuations, and their confirmation that the proposed apartment sale values are achievable will be required prior to the Council entering into any loan agreement.
- 3.6 Any loan agreement between the Council and a third party must be subject to strict due diligence and financial analysis in any case, prior to the advance of any funding. In addition to appropriate securities in the form of legal charges, phased release of funding, and personal guarantees put in place before any sums are defrayed to the borrower, the Council will also seek assurances from the developer that the Principality will agree to defer or limit their charge to a level acceptable to NCC. Partial repayments of the loan must be made prior to the backstop date. The legal and financial securities that will be applied are summarised in the table below.
- 3.7 Finally, the project could fail to deliver the outputs required and trigger a claw-back by the Welsh Government. The loan recipient will be obligated to deliver the project in accordance with the outputs specified at the outset of the project; however, in the event the outputs are not achieved NCC would again be in the situation where it needed to recover the loan funding after repaying any sums required to the Welsh Government. This adds further necessity to the completion of a full suite of scrutiny on the values and repayment plan proposed by the developer following his negotiations with his building society, as early recovery is again the primary mitigation for this risk.

<b>Risk</b>	<b>Impact of Risk if it occurs* (H/M/L)</b>	<b>Probability of risk occurring (H/M/L)</b>	<b>What is the Council doing or what has it done to avoid the risk or reduce its effect</b>	<b>Who is responsible for dealing with the risk?</b>
Default	H	L	<p>Background credit checks on the applicant (both as a private individual and any companies accepting funding), have been conducted.</p> <p>Repayable Funding loans will be secured against property, with a legal charge registered at the Land Registry. This charge is likely to be a second charge, and additional charges and/or phased payments against loan to value analysis as the development proceeds will be deployed to ensure the Council's exposure is minimised. A repayment will be obligated, at a percentage acceptable to the Council,</p>	Regeneration Manager



			<p>in the event of any flat sale.</p> <p>NCC will require a minimum of the previous 3 years accounts (where available), the company's last annual return, and a copy of the most recent set of management accounts (no older than 3 months). NCC will also seek evidence that the company can support any match funded element of the project. A letter from the companies bank to confirm status and capability of providing additional funding (if applicable), along with a proposed repayment cash-flow  If the company is relying solely upon the income created by the project to satisfy repayment obligations, a detailed business case will be required.</p>	
Developer Interest	M	H	TCRF monies must be transferred to a partner local authority or returned to the Welsh Government if they are not subject to any loan agreement by the 31 <sup>st</sup> March 2018. Due to the restricted timescale, the first cycle of TCRF will be restricted to discretionary use by NCC targeted at known projects and priorities, with the fund opened to wider interest in the second and third cycles.	Regeneration Manager
Failure of the properties to achieve sale	M	L	NCC will monitor the sale of properties once completed. A back stop repayment date will be included in the loan agreement by which the principle sum must be repaid regardless of whether all eight properties have been sold. The developer will need to negotiate a position with the Principality whereby early repayments can be facilitated in the event of any residential sale.	Regeneration Manager
State Aid	L	L	The only funding that can be considered State Aid is the differential arising from the interest-free condition when compared to market rate lending. The loan funding is capped at £750k, and assuming a base rate of 5% interest on a market alternative, the maximum saving for the developer would be £35,715, well below the de Minimus rule threshold and the funding therefore cannot be considered State Aid.	Regeneration Manager

## **4. Links to Council Policies and Priorities**

- 4.1 The TCRF scheme has the potential to add significant value to the Council's strategic Priorities and Policies for the continued regeneration of the City Centre, particularly given the gap between the VVP and the proposed 'Targeted Regeneration Investment' programme. City development and regeneration remains one of the Place priorities under the Improvement Plan.

Redevelopment will potentially stimulate jobs in the local construction supply chain, reduce the number of long-term vacant shops in the city centre, and improve its economic performance. It will help maintain confidence in the city centre and encourage further development to take place.

- 4.2 The Council's new draft Corporate Plan identifies capital investment into the City Centre as a key arc of its Thriving City objective. Reducing vacant premises and stimulating employment and further investment are resonant with this aim in particular and will also contribute to the wider aims of the Plan.
- 4.3 The fund will also support the aims of Newport City's Economic Growth Strategy, which sets out a ten year programme for delivering growth across the city through capital redevelopment, upskilling, training and business support.
- 4.4 Finally, the redevelopment of 195-198 Upper Dock Street and 10-11 Market Street will resonate well with the aims set forth within the Council's draft City Centre Masterplan. Strategic projects such as the Market Arcade refurbishment are in close proximity, as are a number of schemes beyond the King's Hotel that received VVP funding support. Increasing the supply of quality office accommodation in close proximity to the major transport links is a key objective for the 'Northern Gateway' area of focus set forth in the consultation document.

## **5. Options Available and Considered**

- 5.1 To adopt the terms and conditions set forward for the administration of the TCRF, using these to make available a first loan of £750,000 for the redevelopment of the King's Hotel, 195-198 Upper Dock Street and 10-11 Market Street, subject to completion of a full suite of due diligence checks and development appraisals as described above, and with delegated authority for the approval of any loan being given to the the Head of RIH, Head of Law and Regulation and Head of Finance. To agree the terms and conditions of the loan as presented, with the Cabinet Member to be advised of progress and future loan project opportunities once repayment commences.
- 5.2 Not to adopt the terms and conditions proposed, and to seek alternative uses for the funding or return it to Welsh Government or a partner local authority for use in their area.

## **6. Preferred Option and Why**

To adopt the terms and conditions set forward for the administration of the TCRF, using these to make available a first loan of £750,000 for the redevelopment of the King's Hotel, 195-198 Upper Dock Street and 10-11 Market Street, subject to further due diligence and development appraisal analysis. The funding is available for a limited window and must be transferred to a partner local authority or returned to the Welsh Government if not allocated by March 31<sup>st</sup> 2018. The proposed loan recipient has a track record of successful development in Newport utilising loan funding and the funding proposal will see a key corner of the city in close proximity to major strategic interests reactivated at a neutral cost to the Council. Maintaining the momentum behind redevelopment is critical to the future of the city centre, particularly where investment can be seen to reduce the number of vacant commercial premises and mitigate the marginalisation of areas outside the new shopping and leisure area in Friars Walk. Ancillary benefits include the creation of construction jobs, training opportunities, and financial benefit to local construction companies, as well as the relocation of a key partner social landlord into the city centre. The subject properties are long-vacant and likely to remain so in their current retail configurations. Again, a full suite of due diligence checks will be completed prior to the advancement of any funding as described above and securities established to protect the Council's financial interests.

## **7. Comments of Chief Financial Officer**

The £750k will be funded from Welsh Government repayable funding, therefore there is no direct cost to making this loan. However, in the event of default the authority would be at risk for the majority of the unpaid loan, with WG only funding 2.5% of any shortfall. With NCC being a second charge secured against the property this will increase this risk. Therefore significant due diligence is still required on the valuation and security of the scheme before any loan is released for the development.

## **8. Comments of Monitoring Officer**

The proposed loan is in accordance with the Council's "well-being" powers under Section 2 of the Local Government Act 2000, which allows the Council to provide discretionary funding assistance in order to promote economic and environmental regeneration. The use of the loan funding to secure the redevelopment of 195-198 Upper Dock Street and 10-11 Market Street is also consistent with the objectives of the TCRF scheme and the Council's City Centre masterplan. However, the allocation of the funding will need to be subject to financial and legal due diligence and a formal Funding Agreement with both the developer and his funders, who have a priority first charge secured against the properties. Therefore, the final approval of the loan will need to be delegated to the Head of Finance and the head of Law & Regulation and subject to satisfactory due diligence. Although the loan will be secured as a second charge against the properties, this will rank behind the existing loan funding in priority of repayments. Therefore, there are certain financial risks that will need to be mitigated, while the loan payments are drawn down and before the development is completed and the residential units can be sold. At the initial stages, the total indebtedness will probably exceed the value of the properties because the development value is not released until the works are completed and the units are available for sale and letting. To mitigate this risk to the Council, it will be essential to secure a postponement of the funders' rights to the proceeds of sale from the housing units, to ensure that the Council received the first 75% of the capital receipts in part discharge of the loan. The Funders will also have to release the individual units from their first charge, to allow the Council to receive the sale proceeds. It may also be necessary to cap the amount of funding drawn down by the developer under the first charge. The loan will be interest free, but this should not constitute state aid, because of the de minimis levels of funding that can be provided for regeneration purposes. However, the Report suggests that a commercial rate of interest would be 5% based on the King's Hotel loan, but this was based on the Council being the only lender and having a first charge on the security of the premises. In this case, a second charge is likely to require a much higher level of commercial interest because of the risks involved, but the difference in interest payments is still likely to be below the state aid threshold. This decision is being taken by the Leader because the Cabinet Member for Regeneration and Housing has a conflict of interest because of her involvement with Newport City Homes, who will be one of the tenants at the new development. The allocation of the funding needs to be agreed before 31<sup>st</sup> March and, therefore, the decision will have to be taken under the urgent decision-making procedures because there is insufficient time for pre-decision consultation and post-decision call-in. Therefore, the reasons for the urgency will need to be reported to Audit Committee in due course.

## **9. Comments of Head of People and Business Change**

Whilst the reduced amount of funding available is significantly less than requested it still offers the potential to promote investment on key regeneration projects and the report suggests focussing the available resources on a single development partner/scheme.

The report highlights the importance of maintaining the momentum of regeneration work and particularly tackling issue of vacant commercial premises in prominent city centre locations. The report also notes that the proposed redevelopment scheme presents additional benefits in terms of employment and training and the creation of affordable housing units. There are strong sustainable development elements related to the proposed redevelopment of this site which should help to reverse economic and environmental decline in this 'gateway' area of the city centre, whilst complementing other strategic aims e.g. the regeneration of Market Arcade, modifying the night-time economy and improving housing supply.

## **10. Comments of Cabinet Member**

Leader has been briefed on this one in place of Cllr Mudd due to a potential conflict of interest.

## **11. Equalities Impact Assessment and the Equalities Act 2010**

The Equality Act 2010 contains a Public Sector Equality Duty which came into force on 06 April 2011. The Act identifies a number of 'protected characteristics', namely age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation; marriage and civil partnership. The new single duty aims to integrate consideration of equality and good relations into the regular business of public authorities. Compliance with the duty is a legal obligation and is intended to result in better informed decision-making and policy development and services that are more effective for users. The developments proposed will improve the physical environment of the city centre for all users, and it is therefore considered that the development would have a positive impact.

## **12. Children and Families (Wales) Measure**

Although no targeted consultation takes place specifically aimed at children and young people, consultation on planning applications and appeals is open to all of our citizens regardless of their age. Depending on the scale of the proposed development, applications are publicised via letters to neighbouring occupiers, site notices, press notices and/or social media. People replying to consultations are not required to provide their age or any other personal data, and therefore this data is not held or recorded in any way, and responses are not separated out by age.

## **13. Wellbeing of Future Generations (Wales) Act 2015**

- 13.1 The Well-being and Future Generations (Wales) Act seeks to improve the social, economic environmental and cultural well-being of Wales. Public bodies should ensure that decision take into account the impact they could have on people living in Wales, in the future. The 5 main considerations are:
- 13.2 Long term: Funding regeneration schemes in the short term will enable the local economy to grow and sustain jobs and new housing in the longer-term, leading to a more prosperous and resilient Newport with cohesive communities and a more prosperous Wales.
- 13.3 Prevention: Regeneration will prevent further decline in key parts of the City. Resultant new housing and job creation will help reduce housing need and unemployment rates leading to a more prosperous and resilient Wales.
- 13.4 Integration: Improving the physical environment will make the City more attractive to investors and residents. Creating more jobs and housing will improve the well-being of Newport's residents by providing access to a range of housing. This will create more resilient and cohesive communities who are well served by suitable housing and employment opportunities.
- 13.5 Collaboration: We work closely with other Council departments and external partners including Welsh Government to deliver regeneration priorities in Newport. This leads to a more prosperous and resilient Wales with more cohesive communities.
- 13.6 Involvement: All the recommendations in this report fully support the findings of the recent Your Newport Survey. This helps develop a more prosperous, resilient Wales with sustainable and cohesive communities.
- 13.7 The proposal is in line with the Council's well-being objectives published in March 2017. Specifically, these proposals contribute to the following well-being objectives:
- "Promote economic growth and regeneration whilst protecting the environment"
  - "To enable people to be healthy, independent and resilient"
  - "To build cohesive and sustainable communities"

#### **14. Crime and Disorder Act 1998**

Section 17(1) of the Crime and Disorder Act 1998 imposes a duty on the Local Authority to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. Regeneration of the city centre has been shown to reduce the impact and incidence of crime and anti-social behaviour. Vacant commercial properties in the city centre are targeted by trespassers, drug users and metal thieves, with more than one serious fire. Redevelopment will therefore eliminate a focal point for crime and disorder and improve public safety in the city centre.

#### **15. Consultation**

Comments received from wider consultation, including comments from elected members, are detailed in each application report in the attached schedule.

#### **18. Background Papers**

Draft Town Centre Repayable Funding Guidance Document



NCC TCRFS  
Guidance V1.pdf

Dated: 28 March 2018

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