



Llywodraeth Cymru
Welsh Government

Keir Duffin
Head of Regeneration Investment and Housing
Newport City Council
Civic Centre
Godfrey Road
Newport
NP20 4UR

5 March 2019

**Award of Repayable Funding for a Fund to support town centre
regeneration in Newport City Centre**

1. Award of Repayable Funding

- (a) We are pleased to inform you that your Application has been successful and that repayable funding of up to **£1,000,000 (One million pounds)** (“the Repayable Funding”) is awarded to you for the Purposes (as defined in Condition 4(a)).
- (b) The Repayable Funding is available to you from **5th March 2019** and must be claimed in full by **15th March 2019**. Any unclaimed part of the Repayable Funding will cease to be available to you after that date.
- (c) You must use the Repayable Funding for the Purposes from **5th March 2019** until **31st March 2034** (the “Term”).
- (d) The Repayable Funding must be repaid to us during the Term in accordance with the Repayment Plan set out in Schedule 3.
- (e) If you have any queries in relation to this award of Repayable Funding or the Conditions please contact the Welsh Government Official who will be happy to assist you.

2. Statutory Authority and State Aid

- (a) This award of Repayable Funding is made on and subject to the Conditions and under the authority of the Minister for Regeneration and Housing, one of the Welsh Ministers, acting pursuant to sections

70 and 71(1) of the Government of Wales Act 2006 and sections 126-128 of the Housing Grants, Construction and Regeneration Act 1996.

(b) You must comply with the European Commission's State Aid Rules.

3. Interpreting these Conditions

Any reference in these Conditions to:

'you', 'your' is **Newport City Council**

'we', 'us', 'our' is to the Welsh Ministers;

'Welsh Government Official' is to

Denise Lavis,
Welsh Government,
Rhodfa Padarn,
Llanbadarn Fawr,
Aberystwyth,
Ceredigion.
SY23 3UR

Tel: 03000 622111

Email: denise.lavis@gov.wales

or such other Welsh Government Official as we may notify you.

'Project Manager' is to

Matthew Tribbeck
Regeneration Manager
01633 233605
Matthew.tribbeck@newport.gov.uk

'Application' is to your application to the Welsh Government dated 25th of January 2019;

'Baseline Statement' is to the baseline statement referred to in Condition 10 (d);

'Board' is the internal governance process for **Newport City Council**

'Fund' is to the fund described in Part 2 of Schedule 1;

'Conditions' is to the terms and conditions set out in this letter;

'Schedule' is to the schedules attached to this letter;

'Term' is to the period of time specified in Condition 1(c);

'Repayment Plan' is to the terms set out in Schedule 3 on which the Repayable Funding is repayable;

'Repayment Notice' is to the notice of demand for repayment as defined in Schedule 3, paragraph 1.

"Town Centre Loans" and **"TCL"** have the meaning given in Schedule 1;

'Notification Event' is to any of the events listed in Schedule 2;

'State Aid Rules' is to the rules set out in Articles 107 to 109 of the Treaty on the Functioning of the European Union (or in those Articles that may succeed Articles 107 to 109), secondary legislation such as frameworks, guidelines and block exemptions produced by the European Commission derived from Articles 107 to 109, case law of the European Courts and decisions of the European Commission regarding the application of Articles 107 to 109;

'Governance Requirements' is to the terms set out in Schedule 4;

'TCL Monitoring Form' is to the TCL monitoring form set out in Schedule 5; and

any legislation will include all amendments to and substitutions and re-enactments of that legislation in force from time to time;

4. What you must use the Repayable Funding for

- (a) You must use the Repayable Funding solely for and in accordance with the purposes set out in Schedule 1 (the **"Purposes"**).
- (b) Any change to the Purposes will require our written consent which must be obtained from us in advance of implementing any change. Please note that we are not obliged to give our consent but we will consider all reasonable written requests.
- (c) You must not use any part of the Repayable Funding for: (1) party political purposes; (2) the promotion of particular secular, religious or political views; (3) gambling; (4) pornography; (5) offering sexual services; (6) purchasing capital equipment (other than as specified in the Purposes); (7) your legal fees in relation to this letter; (8) costs incurred and defrayed by you in the delivery of the Purposes prior to the period referred to in Condition 1 (b); (9) any kind of illegal activities; or (10) any kind of activity which in our opinion could bring us into disrepute.

5. Repayable Funding Pre-Conditions

- (a) We will not pay any of the Repayable Funding to you until you have provided us with the following information and documentation:
- (i) documentary evidence that the signatories who have signed this letter on your behalf are duly authorised to do so;
 - (ii) confirmation that you have the necessary provisions in place to issue TCL in line with the Governance Requirements defined in Schedule 4 and to place the appropriate charges on properties/land to secure those loans;
 - (iii) documentary evidence that you have put in place all staff and other resources as required to commence the Purposes;
- (b) Where you are required to provide information and documentation to us as evidence that you have satisfied a particular pre-condition, Condition or in support of a claim, the information and documentation must be in all respects acceptable to us. We reserve the right to reject any information and documentation which is for any reason not acceptable to us.

6. How to claim the Repayable Funding

- (a) The Repayable Funding will be paid to you in one instalment in the amount set out in the following payment profile:

	Amount	Period within which instalment can be claimed
Instalment 1	£1,000,000	5 March 2019 – 15 March 2019

- (b) Instalment 1 will be paid to you in full on receipt of a claim form.
- (c) You must claim the Repayable Funding within the period specified in the payment profile. We reserve the right to withdraw any part of the Repayable Funding that you do not claim promptly.
- (d) You must submit your claim for payment of Repayable Funding to the Welsh Government Official.
- (e) You must use our current claim pro-forma (which is available from the Welsh Government Official).
- (e) We will aim to pay the valid claims as soon as possible and typically within 28 days.

7. Your general obligations to us

You must:

- (a) safeguard the Repayable Funding against fraud generally and, in particular, fraud on the part of your management, employees, contractors and/or suppliers and notify us immediately if you have reason to suspect that any fraud has occurred or is occurring or is likely to occur. You must also participate in such fraud prevention initiatives as we may require from time to time.
- (b) comply with all applicable laws or regulations or official directives whether derived from domestic, EU or international law;
- (c) put in place and maintain adequate insurances to cover against the risks which may arise in connection with any property or any activity undertaken in delivery of the Purposes. We reserve the right to require you to provide proof of your insurance;
- (d) co-operate fully with the Welsh Government Official and with any other employee of the Welsh Government or consultant appointed by us to monitor your use of the Repayable Funding and your compliance with these Conditions.
- (e) accept that if there is a property involved in a project which is part of the Purposes and which utilises in excess of £50,000 of the Funding you shall provide us with a legal charge and or restriction as appropriate over the property requiring our approval to any sale or lease of the property, such approval will not be unreasonably withheld

The legal charge will be in the following form:-

“No transfer or charge of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the Charge dated [insert date] in favour of The Welsh Ministers referred to in the Charges Register or the conveyancer.”

The restriction will be in the following form:-

‘No transfer or charge of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge is to be registered without a written consent signed by the Welsh Ministers of Crown Building Cathays Park Cardiff CF10 3NQ or their conveyancer.’

8. Declarations

You declare that:

- (a) you have the power to enter into and to perform the obligations set out in these Conditions and you have taken all necessary action to authorise the entry into and performance of the obligations under these Conditions;
- (b) no litigation or arbitration is current or pending or, so far as you are aware, threatened, which have or could have an adverse effect on your ability to perform and comply with any of these Conditions;
- (c) you have disclosed to us all material facts or circumstances which need to be disclosed to enable us to obtain a true and correct view of your business and affairs (both current and prospective) or which ought to be provided to any person who is considering providing funding to you;
- (d) the information contained in your Application is complete, true and accurate.

9. Notification Events and their consequences

- (a) You must notify us immediately if a Notification Event has occurred or is likely to occur but we also reserve the right to notify you where we believe a Notification Event has occurred or is likely to occur.
- (b) We will seek to discuss the Notification Event with you and to agree a course of action to be taken to address the Notification Event and in doing so we will consider both the seriousness of the Notification Event and whether or not it can be remedied.
- (c) We will be entitled to take any of the actions listed in Condition 9(d) if:
 - (i) despite our reasonable efforts we have been unable to discuss the Notification Event with you, or
 - (ii) we notify you that the Notification Event is not capable of remedy, or
 - (iii) a course of action is agreed with you but you fail to follow it, or any conditions attached to it are not met (including without limitation the timescale for such course of action), or
 - (iv) the course of action fails to remedy the Notification Event to our satisfaction.
- (d) If any of the circumstances set out in Condition 9(c) occurs we may by notice to you:
 - (i) withdraw the award of Repayable Funding; and/or

- (ii) require you to immediately repay all or part of the Repayable Funding; and/or
 - (iii) require you to cease using the Repayable Funding for the Purposes;
 - (iv) suspend or cease all further payment of Repayable Funding; and/or
 - (v) make all further payments of Repayable Funding subject to such conditions as we may specify; and/or
 - (vi) deduct all amounts owed to us under these Conditions from any other funding or grant that we have awarded or may award to you or from any other sum payable by us to you; and/or
 - (vii) exercise any other rights against you which we may have in respect of the Repayable Funding.
- (e) All repayments of Repayable Funding must be made to us within 28 days of the date of our demand. You must pay interest on any overdue repayments at a rate of 1.5% per annum above the Bank of England base rate from time to time or at such other rate as may be required by the State Aid Rules. Interest will accrue on a daily basis from the date the repayment is due until actual repayment of the Repayable Funding, whether before or after judgment. You must pay the interest together with the overdue repayment.

10. Monitoring Requirements

You must:

- (a) provide us with such documents, information and reports which we may reasonably require from time to time in order for us to monitor your compliance with the Conditions including without limit parts 1, 2 and 3 of the TCL Monitoring Form on a quarterly basis on **March, June, September and December** of each year of the Term.
- (b) meet with the Welsh Government Official and such other of our representatives every 6 months and any other time as we may from time to time reasonably require.
- (c) ensure that the Project Manager (or such other person as we may agree) attends all meetings with the Welsh Government Official.
- (d) complete a Baseline Statement for **2019** and send it to the Welsh Government Official by **September 2019**. For the purpose of measuring the Fund's intervention performance we will require you to establish a baseline of key performance indicators within each of the participating towns. This can be done through the consideration of a number of indicators such as footfall, vacancy rates, number of vacant sites/properties, housing register statistics, crime rates, perception surveys, parking surveys etc. It is for you to determine

the indicators in line with local needs and issues and, most importantly, reflecting the Fund's activities. However, you must include a baseline for the number of empty properties and empty sites within the town centre. The Baseline Statement must be accompanied with the methodology for collecting the indicators and the geographical area involved. The methodology for collecting the information must be clear and easy to replicate for collection in future years.

- (e) ensure that a Board is established within your local authority area which will be responsible for the Fund locally and to act as the final decision-maker and the monitor of each transaction which uses Repayable Funding. The Board must ensure that each transaction which uses Repayable Funding is consistent with the Fund's criteria, aims and objectives and consistent with the local authority's own governance requirements and standing orders. The Board must meet on at least a quarterly basis and report progress to the Welsh Government via the TCL Monitoring Form.

11. Audit Requirements

- (a) You must:
 - (i) maintain clear accounting records identifying all income and expenditure in relation to the Purposes;
 - (ii) without charge, permit any officer or officers of the Welsh Government, Wales Audit Office or European Commission at any reasonable time and on reasonable notice being given to you to visit your premises and/or to inspect any of your activities and/or to examine and take copies of your books of account and such other documents or records as in such officer's reasonable view may relate in any way to your use of the Repayable Funding. This undertaking is without prejudice and subject to any other statutory rights and powers exercisable by the Welsh Government, Wales Audit Office or the European Commission or any officer, servant or agent of any of the above;
 - (iii) retain this letter and all original documents relating to the Repayable Funding until we inform you in writing that it is safe to destroy them;
- (b) Under paragraph 17 of Schedule 8 to the Government of Wales Act 2006 the Auditor General for Wales has extensive rights of access to documents and information relating to monies provided by the Welsh Government. He and his officials have the power to require relevant persons who control or hold documents to give any assistance, information and explanation that they may require; and to require those persons to attend before them for such a purpose. The Auditor General and his staff may exercise this right at all reasonable times.

12. Third Party Obligations

- (a) Nothing in the Conditions imposes any liability on us in respect of any liability incurred by you to any third party (including, without limit, employees and contractors).
- (b) You must indemnify us against any liabilities, claims, proceedings, demands, losses, costs and expenses suffered or incurred by us directly or indirectly howsoever arising in contract, tort (including negligence) or otherwise and as a result of or in connection with any failure by you to perform fully or in part any obligation you may have to a third party.

13. Intellectual Property Rights & Publicity

- (a) Nothing in these Conditions transfers to us any rights in any intellectual property created by you as a result of the Purposes.
- (b) You must acknowledge our support on all publicity, press releases and marketing material produced in relation to the Purposes. Such acknowledgement must be in a form approved by us and must comply with the Welsh Government's branding guidelines.
- (c) You must provide the Welsh Government Official with a copy of all material listed in Condition 13(b) for our approval before any such material is published and you may not publish such material without our prior written approval. We will endeavour to respond to all written requests for approval within 5 working days.
- (d) You agree that from the date of this letter until the expiry of the Term we may include details about your organisation and business, the Repayable Funding and the Purposes in Welsh Government promotional materials and you further agree to cooperate with our reasonable requests to achieve the production of such materials.

14. Access to Information

- (a) You acknowledge that we are subject to the requirements of the Freedom of Information Act 2000 (the "FOIA"), the Environmental Information Regulations 2004 (the "EIR") and the Data Protection Act 1998 (the "DPA").
- (b) You acknowledge that we are responsible for determining in our absolute discretion whether:
 - (ii) to disclose any information which we have obtained under or in connection with the Repayable Funding to the extent that we are required to disclose such information to a person making a disclosure request under the FOIA or the EIR; and/or
 - (iii) any information is exempt from disclosure under the FOIA or the EIR.

Where the Purposes include or relate to the provision of services or written materials (including signage and information published online) in Wales, they must be provided in Welsh and English, unless it would be unreasonable or disproportionate to do so. Guidance about providing services and written materials in Welsh can be obtained from the Welsh Language Commissioner on 0345 6033 221 or by visiting www.comisiynyddygydraeg.cymru

19. Sustainability

Your use of the Repayable Funding must (where reasonably practicable) meet the Welsh Government's current agenda for sustainable development and the environment.

20. Welsh Ministers' Functions

You acknowledge that the Welsh Ministers have a range of functions which will continue to accrue and be amended and that decisions in relation to each such function are obliged to be taken in the light of all relevant and to the exclusion of all irrelevant considerations. You agree that nothing contained or implied in , or arising under or in connection with, these Conditions will in any way prejudice, fetter or affect the functions of the Welsh Ministers or any of them nor oblige the Welsh Ministers or any of them to exercise, or refrain from exercising, any of their functions in any particular way.

21. General

- (a) If at any time any of these Conditions is deemed to be or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired.
- (b) No failure or delay on our part to exercise any power, right or remedy under these Conditions will operate as a waiver of any such power, right or remedy or preclude its further exercise or the exercise of any other power, right or remedy. The powers, rights or remedies hereby provided are cumulative and not exclusive of any powers, rights or remedies provided by law.
- (c) Any amendment or variation to these Conditions must be in writing and signed by us and you in the same manner as this letter.
- (d) You may not assign or otherwise dispose of in any way your rights, benefits, obligations or duties under these Conditions.
- (e) Conditions 7, 9, 11, 12, 13, 14, 16, 21(e) and 21(f) and such other Conditions which by implication need to continue in force beyond the

final payment of Repayable Funding will so continue in full force and effect.

- (f) The award of the Repayable Funding is to you alone and no one else is entitled to make any claim in respect of the Repayable Funding or seek to rely on or enforce any of these Conditions.
- (g) These Conditions are to be governed by and construed in accordance with the laws of Wales and England as applied in Wales and the parties hereto submit to the exclusive jurisdiction of the courts of Wales and England.

22. How to accept this offer of Repayable Funding

- (a) To accept this award of Repayable Funding you must sign and return a copy of this letter to the Welsh Government Official. None of the Repayable Funding will be paid to you until we have received your signed letter.
- (b) We must receive your signed letter within **28** days of the date of this letter, or this award of Repayable Funding will automatically be withdrawn.

Yours sincerely

Signed by Carole Weller
under authority of the Minister for Housing and Local Government,
one of the Welsh Ministers.

SCHEDULE 1

The Purposes

1. The Repayable Funding is offered to you 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:

(a) to provide loans to third parties for repayment within an agreed timeframe.

1 (a) above is hereinafter referred to as the “Town Centre Loans” or the “TCL”.

Where any part of the Repayable Funding is used to support the build of social housing units, schemes must comply with Development Quality Requirements (“DQR”). In terms of value for money, schemes must have regard to Welsh Government Acceptable Cost Guidelines. Any scheme that does not meet either DQR or has a Scheme Cost Index above 120% must be discussed with the Welsh Government Official. The Guidance can be provided to you by request from the Welsh Government Official and any scheme supporting social housing should be discussed with the Welsh Government Official at the earliest opportunity.

Where any part of the Repayable Funding is used to support domestic energy efficiency projects, schemes must follow the Welsh Government’s energy company obligation (ECO) funding criteria. The Guidance can be provided to you by request from the Welsh Government Official.

Where any part of the Repayable Funding is used to provide a loan to third parties to deliver internal and external property improvements you will be allowed to charge a fee of up to 15% which can be retained to contribute to the TCL administration costs.

Part 1 of this Schedule sets out the specific criteria for the Town Centre Loans provided to third parties.

Part 2 of this Schedule sets out the conditions which apply to your use and administration of the Repayable Funding.

Part 1: Town Centre Loan criteria

Maximum TCL charge	A one off administration fee of up to 15 per cent e.g. a £10,000 TCL could incur a fee of £1,500.
Minimum and maximum TCL value	£5,000 up to £1 million
Improvement required	Works which make a residential property safe, warm and/or secure.
TCL can be used to improve a property to/for:	<ul style="list-style-type: none"> • Continued ownership • Sell • Rent • Unlock a vacant or stalled site
Loan criteria for private rented sector only	<ul style="list-style-type: none"> • Must be free of category 1 hazards.
Interest	TCLs must be interest free
Maximum TCL Period	5 years
Repayment terms	Choice of staged repayments or full repayment at end of loan term or on sale of the property if earlier.
Eligible applicants	Owners of sub-standard properties e.g. landlords, owner occupiers who pass affordability checks i.e.: charities – last 3 years financial accounts, companies/businesses – last 3 years accounts.
Risk mitigation measures	Two or more of the following: loan to value ratio, second property charges,

	local land charges, staged repayments.
Other funding options	<ul style="list-style-type: none"> • Other funding options such as Arbed must be explained to the applicant. • Other funding options can be used in conjunction with the loan as long as they are funding separate works. • Applicants that can easily obtain commercial finance to fund the improvement works should be directed to appropriate sources of funding.

Part 2: Conditions on the use and administration of the Repayable Funding.

1. The Repayable Funding is not awarded in replacement of any current scheme in place for those individuals/businesses in absolute need. It is offered and intended to complement any current scheme operated by you which provides grants to those who cannot make loan repayments.
2. You must hold and use the Repayable Funding as a recyclable fund (the "Fund"). Repayments by third party loan recipients and any profit you make when you use any part of, the Repayable Funding as described in paragraph 2 (a) and (b) of this Schedule 1 must be recycled during the Term. You may decide not to recycle the Repayable Funding during financial years **2031/32 or 2032/33 or 2033/34**.
3. From **1 April 2020** you must not retain any Repayable Funding for longer than 6 months and must either make arrangements to transfer such underspend to another local authority region (in accordance with paragraph 5 of Schedule 1, part 2) or to repay the sum to us on demand.
4. You must inform us of any expected "underspend" in the Repayable Funding immediately and make arrangements to transfer such underspend to another local authority within the financial year **2019/20 and 2020/21** (in accordance with paragraph 5 of Schedule 1, part 2) or to repay the sum to us on demand.
5. You may not transfer any Repayable Funding to another local authority without our written approval. To obtain our written approval you must send the intra-region transfer pro-forma signed by you and the other local authority to the Welsh Government Official.

6. Any interest earned from holding the Repayable Funding must be recycled into the Fund and added to the sum available for the Purposes.
7. The Repayable Funding cannot be used towards any management, administration or operating costs incurred by you in delivering the Purposes and in managing and administering the Fund.
8. Any fee charged by you for providing TCLs may be used towards any operating costs incurred by you in providing TCLs and managing and administering the Fund including (but not limited to) any legal or professional costs or the costs of any searches.
9. You are responsible for managing all TCLs provided and for ensuring that all necessary procedures are in place before any TCL is offered. In the event that you procure a third party to manage and administer the Fund and to provide the TCLs you must ensure that appropriate contractual documentation is in place between you and the third party.
10. You must determine what due diligence procedures are appropriate and undertake the necessary due diligence before using a part of the Repayable Funding to finance a transaction.
11. You must put in place appropriate TCL terms and conditions ensuring that they are in accordance with the provisions of Part 1 of this Schedule 1. It is your responsibility to obtain legal advice on the terms and conditions on which any TCLs are provided.
12. You must agree with the loan recipient of each TCL the specific purpose for which the TCL is provided and how you will measure the success of the loan recipient's delivery of that purpose. SMART targets must be agreed.
13. You must collaborate with the other local authorities within your region to agree (i) consistency in the provision and management of the TCL and (ii) the procedure for the transfer of Repayable Funding to another approved local authority scheme during the financial year **2019/20 and 2020/21**.
14. You must exercise reasonable skill care and diligence in your management of the Fund.

SCHEDULE 2

Notification Events

The Notification Events referred to in Condition 9 are listed below:

1. repayment of any part of the Repayable Funding is required under European Law (whether under State Aid Rules or otherwise);
2. you fail to comply with any of the Conditions;
3. we have made an overpayment of Repayable Funding to you;
4. any declaration made in Condition 8 is incorrect in any respect or, if repeated at any time with reference to the facts and circumstances then existing, would be incorrect;
5. there is a change in your constitution, status, control or ownership and/or your external auditors resign.
6. any event occurs or circumstances arise which in our opinion gives reasonable grounds for believing that you may not, or may be unable, to perform or comply with any of your obligations under these Conditions (including but not limited to your ability to repay the Repayable Funding).

SCHEDULE 3

Repayment Plan

1. You must repay the Repayable Funding during the financial year **April 2033 to March 2034** in one instalment within 3 calendar months of the date of the written notice of demand (the "Repayment Notice") from us or such other period specified therein.
2. The sum repayable (the "Repayment Amount") shall be the total sum of Repayable Funding paid to you (including any sum reallocated to you from another local authority for the Purpose) minus:
 - a. the sum of any Repayable Funding already repaid by you to us for reallocation to another local authority in accordance with paragraphs 3 or 4 of Schedule 1, Part 2;
 - b. the sum of Repayable Funding reallocated by you to another local authority in accordance with paragraphs 3 or 4 of Schedule 1, Part 2; and
 - c. 50% of any shortfall in the Fund up to a maximum of 2.5% of the total sum of Repayable Funding paid to you.

For the purpose of this paragraph 2c:

- i. any transaction funded by part of the Repayable Funding with a repayment date after the date of the Repayment Notice shall be deemed to have been repaid in full. The entire financial risk of default by the recipient shall be borne by you; and
 - ii. "the total sum of Repayable Funding paid to you" shall mean the total sum of Repayable Funding paid to you (including any sum reallocated to you from another local authority for the Purposes) minus the amounts described in paragraphs 2a and 2b above.
3. Within 1 calendar month of the date of the Repayment Notice you must confirm in writing the sum you intend to repay together with supporting evidence.
4. A repayment profile will be provided to you on a yearly basis on request. The repayment profile will set out the total sum of Repayable Funding paid to you, the sum of Repayable Funding repaid to us and the sum of Repayable Funding reallocated to or from you (if any).
5. All payments made by you to us must be made in full, without set-off, counterclaim or condition, and free and clear of, and without any deduction or withholding without our prior written agreement.

6. Interest will accrue on any overdue repayment of the Repayable Funding in accordance with Condition 9(e).
7. Once you have repaid the Repayable Funding to us, you must account to us for any surplus in the Fund. Any surplus in the Fund shall be divided equally between us and you must pay to us our share of the surplus at the end of the term.

SCHEDULE 4

Governance Requirements

You must provide clear evidence of appropriate due diligence for loan allocations from receipt of enquiry for a loan through to final repayment of the loan which shows the checks and controls you have in place to ensure that only approved eligible loans are made and repaid. Please note this must be signed by the Chief Finance (Section 151) Officer.

This should cover the following areas:

- Evidence of Enquiry Handling and recording on to a customer relationship handling system or equivalent spreadsheet.
- Loan Application form process
- Eligibility assessment and sign off (covers geographic location, allowable repair costs, any conflicts of interest, planning requirements etc.)
- Decline process (either for ineligibility, unaffordability or other)
- Review/due diligence process for business plan and financial forecasts (or equivalent such as the application form) – in particular addressing the assessment of works to be carried out, loan amount required, applicant management assessment, credit searches, risk, market value.
- Process for determining the term of a loan and repayments frequency.
- Loan sanctioning process including delegated authorities depending on loan size.
- Loan completion process including:
 - a. Final completion checks (Companies House and Law Courts checks)
 - b. Receipt of signed direct debit form (if applicable)
 - c. Entry of loan onto financial management system or equivalent spreadsheet
 - d. KPI recording (such as other private sector leverage, occupancy, rent book value etc.)
 - e. Customer Due Diligence completion (including identification and verification of all executive directors of applicant, all share holders/owners with a >25% shareholding or equivalent,

consideration of need for additional due diligence for high risk persons etc.).

- f. Confirmation of source for match funding.
- g. Completion of any legal charges.

Loan monitoring process for individual loans including collection of repayments, provision of statements and collection of any management information

Quarterly reporting process to WG regarding loan book performance and KPIs

I can confirm that I am the Chief Finance (Section 151) Officer of Newport City Council and certify the above information is correct and in place.

_____ Signature

_____ Name

_____ Date

SCHEDULE 5

Monitoring Requirements

TCL MONITORING FORM – Part 1

Local Authority Name:	
Contact Details:	
Town:	
Progress over last Quarter:	
Activities planned for next Quarter including any press opportunities:	
Risk Issues:	Milestones: Include individual project milestones
Rag Status (Red/Amber/Green)	
Any other comments / issues: (expand box if necessary and add photos if applicable)	
Signed (LA Project Manager):	
Date:	

TCL MONITORING FORM – Part 2

Local Authority Name:	
Contact Details:	
Town:	
Progress over last year:	
Activities planned for next year including any press opportunities:	
Risk Issues:	Milestones: Include individual project milestones
Rag Status (Red/Amber/Green)	
Any other comments / issues: (expand box if necessary and add photos if applicable)	
Signed (LA Project Manager):	
Date:	

TCL MONITORING FORM – Part 3

Local Authority:	
Town:	
Date of Report:	

Current projects in receipt of loan funding

Project Name & Location	Project Description	Loan Recipient	Loan Value	Total Project Cost	Proposed Outputs	Due for completion & loan repayment

Completed Projects

Project Name & Location	Project Description	Loan Recipient	Loan Value	Total Project Cost	Outputs	Completion date & loan repaid confirmation

TWO SIGNATORIES ARE REQUIRED

We hereby accept the award of Repayable Funding for a Fund to support town centre regeneration in **Newport City Centre** and the Conditions relating to the Repayable Funding.

An authorised signatory of **Newport City Council** Signature

_____ Name

_____ Job Title

_____ Date

An authorised signatory of **Newport City Council** Signature

_____ Name

_____ Job Title

_____ Date

