

Report of the Cabinet Member for Regeneration

Cabinet - 23 September 2014

VIBRANT AND VIABLE PLACES (V&VP) FPR7 – HOMES ABOVE SHOPS

Purpose:	To approve the scheme and include the budget within the Capital Programme.
Policy Framework:	City Centre Strategic Framework.
Reason for Decision:	To comply with Financial Procedure Rule No.7 (Capital Programming and Appraisals) - to commit and authorise schemes as per the Capital Programme or to include new schemes in the Capital Programme.
Consultation:	Legal, Finance, Economic Regeneration and Planning, Housing, Access to Services.
Recommendation(s):	It is recommended that Cabinet: 1) Approve the scheme as described; 2) Commit the budget to the Capital Programme for 14/15 – 16/17.
Report Author:	Neil Ranft
Finance Officer:	Steve Mathews
Legal Officer:	Nigel Havard
Access to Services Officer:	Kirsty Roderick

1. Background

- 1.1 Welsh Government (WG) in a letter dated 17th June 2014 advised that £8.394m V&VP funding had been awarded to support the schedule of projects submitted to WG on behalf of the Swansea Economic Regeneration Partnership in March 2014. All of the successful schemes will be reported individually for Cabinet approval to comply with Financial Procedure Rule 7.

2. Homes Above Shops (HAS)

- 2.1 A significant amount of floor space above retail premises is vacant or derelict and does not contribute to the vitality of the city centre. HAS is a grant scheme to private developers to support the conversion of vacant commercial floor space into new homes and will be used alongside Commercial Property Improvement grants and other initiatives to ensure comprehensive mixed use regeneration of properties. This will bring new tenants into the city centre including young professionals which will support the city centre economy and create a safer, more sustainable environment.
- 2.2 Grants are discretionary and will be targeted in the first instance at those schemes which meet the Council's regeneration priorities. Grants will be awarded on the basis of 50% of eligible project costs per unit created up to a maximum £20k per unit with a total grant available for individual schemes of £250k. Schemes will be required to provide social benefits from the investment in conjunction with the Council's Beyond Bricks and Mortar initiative. The Council will see to agree a percentage of nomination rights with successful applicants

3. Financial Implications

- 3.1 Appendix A details the financial implications. The V&VP budget totals £1,084k over the 3 year funding period 2014/15 – 2016/17. This will generate a minimum £1,084k private sector match investment. V&VP funding must be defrayed in the year allocated or the funding will be lost. There is no provision for carry forward.
- 3.2 WG have confirmed that the Council can charge for their specialist expertise relating to VVP delivery and any associated costs, so long as rates have been market tested and that the VVP programme and outputs are delivered as defined in award letter.

4. Legal Implications

- 4.1 The Council will need to comply with the terms and conditions attached to any grant funding. All contracts for works, goods and services necessary to deliver the projects must be procured in accordance with the Council's Contract Procedure Rules and the relevant EU Regulations as appropriate.
- 4.2 All statutory consents will be the responsibility of the applicant.
- 4.3 Grant applicants must either be the freeholder or have a minimum 5 year leasehold interest remaining on the property. A legal charge will be placed on the property prior to grant funding being released and this will be the subject of a clawback requirement if the property is sold within a 5 year period based on a reducing sliding scale basis.

5. Access to Services

- 5.1 An initial Equalities Impact Assessment Screening has been undertaken and this indicates an Equalities Impact Assessment will be required to inform the development of scheme guidance.

Background Papers: None.

Appendix: Appendix A - Financial Summary.

FINANCIAL IMPLICATIONS : SUMMARY

Portfolio: REGENERATION
 Service : CITY CENTRE
 Scheme : HOMES ABOVE SHOPS

<u>1. CAPITAL COSTS</u>	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	TOTAL £'000
<u>Expenditure</u>					
Capital works		568	800	800	2,168
EXPENDITURE		568	800	800	2,168
<u>Financing</u>					
WG V&VP grant		284	400	400	1,084
Private		284	400	400	1,084
FINANCING		568	800	800	2,168
<u>2. REVENUE COSTS</u>	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	FULL YEAR £'000
<u>Service Controlled - Expenditure</u>					
Employees)					0
) To be met by existing Revenue budgets					0
Maintenance)					0
Equipment)					0
Administration)					0
NET EXPENDITURE	0	0	0		0