



CABINET REPORT

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Service Area	Community Regeneration
Committee Division	Cabinet
Exempt/Non Exempt	Non-Exempt
Committee Date	21 st April 2021

To: Chair, Ladies and Gentlemen

Repayable Funding to Support the Regeneration of Merthyr Tydfil Town Centre

1.0 SUMMARY OF THE REPORT

- 1.1 In October 2020, the Deputy Minister for Housing and Local Government opened a call for applications for the Town Centre Loan Repayable Funding Scheme for Local Authority use.
- 1.2 The core aims of the scheme are to reduce the number of vacant, underutilised and redundant sites and premises in town centres and to support the diversification of town centres.
- 1.3 In January 2021, a loans programme application was submitted to Welsh Government requesting finance for businesses to access, across both Merthyr Tydfil and Treharris Town Centres.
- 1.4 It is anticipated that the loan finance will be targeted primarily at Merthyr Tydfil Town Centre but would be available for businesses in Treharris should a robust business case be presented.
- 1.5 Merthyr Tydfil CBC is currently delivering a 'Merthyr Tydfil Business Loan Scheme' which is being funded through Welsh Government's Regeneration Department.
- 1.6 An initial loans programme was approved in 2018. The loan programme was deemed a success and in January 2020 a further request was made to Welsh

Government to extend the loan programme in Merthyr Tydfil Town Centre and in March 2020 an offer letter was issued for £1m for the period April 2020 to April 2025.

- 1.7 The purpose of the request for the Town Centre Repayable Funding Scheme was identical to the current loan programme that Merthyr Tydfil CBC are delivering (with the exception that Merthyr Tydfil CBC would also be eligible to apply and use the loan for regeneration purposes to support the delivery of the masterplan).
- 1.8 In March 2021, an offer letter was issued to Merthyr Tydfil CBC by Welsh Government confirming that the Council had secured £1m to issue as repayable finance

2.0 RECOMMENDATIONS that

- 2.1 The award of repayable funding for the regeneration of Merthyr Tydfil Town Centre is approved.

3.0 INTRODUCTION AND BACKGROUND

- 3.1 In October 2020, the Deputy Minister for Housing and Local Government opened a call for applications for the Town Centre Loan Repayable Funding Scheme for Local Authority use.
- 3.2 The core aims of the scheme are to reduce the number of vacant, underutilised and redundant sites and premises in town centres and to support the diversification of town centres. This scheme would encourage more sustainable uses for empty sites and premises, such as residential, leisure and for key services.
- 3.3 By supporting the vibrancy and viability of town centres the outcomes would 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.
- 3.4 This allocation would also become an additional tool that can be used to support the recovery plans for Town Centres following the COVID-19 lockdown, which has had far reaching repercussions across Wales.
- 3.5 The location of any investment must be focussed on town centres. Welsh Government require local authorities to report against which town centres are being assisted.
- 3.6 The funding can be recycled over a 15-year period and the Welsh Government will require it returned in full after 15 years.
- 3.7 This is a capital fund only so no additional funding to manage and administer this initiative would be provided by the Welsh Government.

4.0 Repayable Funding Application

- 4.1 In January 2021, a loans programme application was submitted to Welsh Government requesting finance for businesses to access, across both Merthyr Tydfil and Treharris Town Centres. It is anticipated that the loan finance will be targeted primarily at Merthyr Tydfil Town Centre but would be available for businesses in Treharris should a robust business case be presented.
- 4.2 Merthyr Tydfil CBC is currently delivering a 'Merthyr Tydfil Business Loan Scheme' which is being funded through Welsh Government's Regeneration Department. The Business Loan was allocated to Merthyr Tydfil CBC in January 2018 and the term of the loan was April 2018 to April 2020. £1m was made available under the repayable scheme and the purpose of the loan was to provide businesses with short term finance for the purpose of increasing jobs, increasing visitor numbers, reducing the number of vacant, redundant or under-utilised sites and premises within Merthyr Tydfil Town Centre by encouraging more sustainable uses for empty sites and premises.
- 4.3 The loan programme was deemed a success and in January 2020 a further request was made to Welsh Government to extend the loan programme in Merthyr Tydfil Town Centre and in March 2020 an offer letter was issued for £1m for the period April 2020 to April 2025. The loan purpose remained the same as the original loan.
- 4.4 The purpose of the request for the Town Centre Repayable Funding Scheme was identical to the current loan programme that Merthyr Tydfil CBC are delivering (with the exception that Merthyr Tydfil CBC would also be eligible to apply and use the loan for regeneration purposes to support the delivery of the masterplan). A business can apply for loan finance (with no lower or upper limit) and the assessment is based on the outputs that can be achieved, the benefit the scheme will have on the Town Centre, linkages to key strategies, the re-payable term and following robust due diligence on the applicant.
- 4.5 In March 2021, an offer letter was issued to Merthyr Tydfil CBC by Welsh Government confirming that the Council had secured £1m to issue as repayable finance.

5.0 FINANCIAL IMPLICATION(S)

- 5.1 There are no financial implications for the local authority.

6.0 INTEGRATED IMPACT ASSESSMENT

	Positive Impacts	Negative Impacts	Neutral/Not Applicable	
1. Merthyr Tydfil Well-being Objectives	3 of 4	1 of 4	0 of 4	
2. Sustainable Development Principles - How have you considered the five ways of working? <ul style="list-style-type: none"> • Long term • Prevention • Integration • Collaboration • Involvement 	5 of 5	0 of 5	0 of 5	
3. Protected Characteristics (including Welsh Language)	2 of 10	0 of 10	8 of 10	
4. Socio-economic Disadvantage	0 of 6	0 of 6	6 of 6	
5. Consultation and Engagement	Undertaken	Due to be Undertaken	Not Required	
	0 of 1	1 of 1	1 of 1	
6. Data and Evidence to inform the proposal	Yes		No	
	1 of 1		0 of 1	
7. Biodiversity and the resilience of Ecosystems	Maintained	Enhanced	Reduced	Neutral/Not Applicable
	1 of 1	0 of 1	0 of 1	0 of 1
Summary				
The main positive impacts are:	The main positive impacts are that the delivery of the Reayable Loan Scheme in Merthyr Tydfil Town Centre will support Well-being Objectives and Sustainable Development Principles through targeting economic growth and reducing vacancy rates, with a focus on the long-term sustainability of the Town Centre. The project will have a positive effect on the economy, socially and on heritage.			
The main negative impacts are:	No negative impacts have been identified.			

ALYN OWEN
DEPUTY CHIEF EXECUTIVE

COUNCILLOR GERAINT THOMAS
CABINET MEMBER FOR
REGENERATION, TRANSFORMATION
AND COMMERCIALISATION

BACKGROUND PAPERS		
Title of Document(s)	Document(s) Date	Document Location
Does the report contain any issue that may impact the Council's Constitution?		No

Consultation has been undertaken with the Corporate Management Team in respect of each proposal(s) and recommendation(s) set out in this report.