

TRAFFORD TOWN CENTRES BUSINESS GROWTH PROGRAMME

Town Centres Loan Scheme

Key Facts Summary –Effective from 1st January 2020

Loan Purpose	<p>The scheme is to help businesses occupy vacant premises in Altrincham, Sale, Stretford and Urmston town centres by contributing towards the financial cost of physical improvements and year 1 overheads.</p> <p>The loans will be used to improve buildings and shop frontages, to assist new businesses to set up and existing businesses to expand or move into the town centre. This will enhance the character and street scene of the town centre, create a more attractive business and retail environment and encourage economic growth in the town centre.</p>																
Eligibility	<p>Vacant commercial premises in Altrincham, Sale, Stretford and Urmston town centres will be considered (see maps of coverage areas). Eligible applicants will:</p> <ul style="list-style-type: none"> • Occupy vacant ground floor properties; • Improve the town centre and complement what is currently in the town. • Demonstrate market demand for the proposed business and fulfil a gap in the 'offer'; • Create a viable and sustainable business investment opportunity; • Offer value for money. <p>The Council will have ultimate discretion in determining the types of business that are eligible for loan funding assistance. This will be assessed on a case by case basis.</p> <p>Non-eligible business types include, but are not limited to: payday loan companies; betting/gambling shops; charity shops; pawnbrokers; adult shops; pound shops; and temporary shops. A minimum 3 year lease is required.</p> <p>An applicant/ business will only be eligible to receive one individual award. If taking on a tenancy, the Applicant must have written permission from the property owner to carry out any refurbishment works.</p>																
Loan Amounts	<p>We offer loans of between £1,000 and £10,000 towards property refurbishment costs and year 1 overheads.</p> <p>The applicant must fund at least 20% of the total cost of the scheme.</p> <p>Up to 50% of the loan value can be used for overhead costs. Example:</p> <table border="1" data-bbox="448 1379 1361 1839" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">Cost of works:</td> </tr> <tr> <td style="padding-left: 20px;">Refurbishment costs <i>(e.g. access improvements)</i></td> <td style="text-align: right;">£11,000.00</td> </tr> <tr> <td style="padding-left: 20px;">Overhead costs <i>(e.g. rent and rates)</i></td> <td style="text-align: right;">£1,000.00</td> </tr> <tr> <td style="text-align: right;">TOTAL</td> <td style="text-align: right;">£12,000.00</td> </tr> <tr> <td colspan="2">Funding:</td> </tr> <tr> <td style="padding-left: 20px;">Applicant's own funds <i>(20% of total cost of scheme)</i></td> <td style="text-align: right;">£2400.00</td> </tr> <tr> <td style="padding-left: 20px;">Loan application <i>(80% of cost of scheme)</i></td> <td style="text-align: right;">£9600.00</td> </tr> <tr> <td style="text-align: right;">TOTAL</td> <td style="text-align: right;">£12,000.00</td> </tr> </table> <p>The scheme has a limited budget and applications will be considered on a 'first come first served' basis.</p>	Cost of works:		Refurbishment costs <i>(e.g. access improvements)</i>	£11,000.00	Overhead costs <i>(e.g. rent and rates)</i>	£1,000.00	TOTAL	£12,000.00	Funding:		Applicant's own funds <i>(20% of total cost of scheme)</i>	£2400.00	Loan application <i>(80% of cost of scheme)</i>	£9600.00	TOTAL	£12,000.00
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Loan Instalments	50% of the agreed loan amount will be paid on commencement of the works and 50% will be paid on completion.																
Loan Term	Unless otherwise agreed, repayments will be monthly and the loan repayable over 24 equal instalments.																

	<p>At the discretion of the Council, the first monthly repayment will be due one calendar month following the payment of the final instalment.</p> <p>The outstanding loan amount can be repaid in full at any time without penalty. The applicant must let Trafford Council know at least 2 months in advance of vacating the premises if the loan has not been repaid in full.</p>								
Loan Interest Rates	<p>The loan will be interest free, unless in the instance of default, where the rate of interest will be charged at 4% plus the Bank of England Base Rate.</p>								
Arrangement Fee	<p>An administration fee of 5% will be added to the loan amount, which will be repaid first from the monthly repayments.</p> <p>Example:</p> <table data-bbox="448 517 1358 689"> <tr> <td data-bbox="448 517 823 555">Total amount of loan awarded</td> <td data-bbox="1230 517 1347 555">£9600.00</td> </tr> <tr> <td data-bbox="448 562 743 600">Administration fee (5%)</td> <td data-bbox="1230 562 1347 600">£480.00</td> </tr> <tr> <td data-bbox="852 607 1118 645">TOTAL REPAYABLE</td> <td data-bbox="1206 607 1347 645">£10,080.00</td> </tr> <tr> <td data-bbox="836 651 1118 689">24 monthly instalments of:</td> <td data-bbox="1254 651 1347 689">£420.00</td> </tr> </table>	Total amount of loan awarded	£9600.00	Administration fee (5%)	£480.00	TOTAL REPAYABLE	£10,080.00	24 monthly instalments of:	£420.00
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Guidance Notes – Effective from 1st January 2020

Who can apply?

The Applicant must be the tenant or landlord. A guarantor will not be accepted.

Applications will be assessed as a personal loan to the proprietor of the business.

Trafford Council will not loan money to any Applicant who has existing debts to the Council including, but not exclusive to Council Tax and Business Rates arrears, or has been declared bankrupt. The applicant must provide permission for the Council to check these records.

If demand exceeds the amount of funding that is available, priority may be given to businesses which provide a different or enhanced 'offer'; are likely to create more jobs and footfall; are investing a larger amount of their own funds; will use local suppliers; or are located in areas that the Council deems to be of greatest priority for assistance.

Priority will also be given to those applications that are committed to improving accessibility for all. There are legal obligations a business owner has to fulfil, but there are also additional actions that can be taken, above and beyond these, that will illustrate an applicant's commitment to this key priority for the Council. See the links below for further information and initiatives.

The Equality Act 2010: Guidance - <https://www.gov.uk/guidance/equality-act-2010-guidance>

Equality & Humans Rights Commission: Guidance for Businesses - <https://www.equalityhumanrights.com/en/advice-and-guidance/guidance-businesses>

Purple Tuesday - <https://purpletuesday.org.uk/>

Visit Britain: Make Your Business Accessible - <https://www.visitbritain.org/business-advice/make-your-business-accessible>

What can the loan pay for?

Works to the street facing elevation/s of the building and interior refurbishment works will be the main consideration for funding assistance, although up to 50% of the funding can contribute towards year 1 overheads.

We encourage businesses to provide improvements to accessibility and assist visitors with disabilities, where possible.

The offer of loan funding assistance will be based on a quotation provided from a reputable supplier and submitted as part of the application. Significant alterations must be agreed in advance.

The following table should be used as a guide to items that could be funded through the scheme:

Potentially Eligible Items

Non-eligible

Works Costs:

- | | |
|---|---|
| <ul style="list-style-type: none">• Frontage improvements• Guttering• Signage• Access improvements• Interior refurbishment and decoration• Windows and Doors• Furniture and equipment• Security systems• External/internal lighting• Fixed display stands/ shelving• Accessibility improvements | <ul style="list-style-type: none">• Works already underway or completed (unless agreed).• Rental Deposit.• Stock.• Loan payments & interest.• VAT which can be reclaimed.• Statutory fees (including Planning and Building Regulations).• Design fees.• Staffing costs.• Electrical items (computers, tablets, mobile phones etc.).• Costs of developing loan application. |
|---|---|

Potentially Eligible Items cont.

Non-eligible cont.

Overheads Costs (up to 50% of loan value):

- Rent and Business Rates
 - Utility costs
 - Insurances
 - Staff training
- Basements and upper floors (unless agreed as part of a comprehensive scheme including ground floor).
 - Future maintenance.

What statutory and legal consents do I need?

All statutory and legal consents including Planning, Building Regulations and Food Premises Registration (where applicable) must be in place before the first loan payment can be made. If a business receiving loan funding is later held to account for any breaches relating to those improvements, the Applicant may be asked to repay the entire loan paid to date. Preliminary advice is available from the Planning Department on Tel. 0161 912 3149).

How does the application process work?

- a) An Expression of Interest (EoI) form is to be submitted by the applicant and assessed by Trafford Council. The applicant will then be informed if they have been successful or not.
- b) If successful at the EoI stage, Council Officers will meet the Applicant to discuss the detail of the proposal and its eligibility.
- c) The Applicant returns the completed Application Form (plus the supporting documentation specified in the Application Form) to Trafford Council.
- d) The application will be assessed for eligibility and the suitability of the Applicant. This will include checks of financial records within the Council such as Council Tax and Business Rates as well as the supplied financial information and credit check report.
- e) If the application is eligible, there are no queries on any supporting documentation and the Council is satisfied that the business proposition is financially sustainable, the Panel will assess the application and make a recommendation to the Council to approve or reject the application. The Panel's decision is final and the funding is awarded at the discretion of the Council.
- f) The Applicant will be informed of the decision. Successful Applicants will receive an offer letter and loan agreement which must be signed and returned within 28 days from the date of the covering letter, or the offer of loan funding assistance may be withdrawn.

Important note: Full and complete applications must be submitted at least one month prior to the anticipated opening/trading date. If any works that form part of the application are undertaken prior to the approval of the funding, the Council must be notified at least one week in advance. The applicant undertakes the works at their own risk.

When will the Loan be paid?

50% of the agreed loan amount will be paid on commencement of the works as per the approved loan application. The remaining 50% will be paid on completion after a Council Officer has attended the premises to inspect the works carried out to date, and subject to provision of satisfactory evidence of costs incurred (invoices, receipts, bank statements etc.).

How will Loan repayments be made?

A direct debit mandate must be set up to cover the monthly repayment of loans. The outstanding loan amount can be repaid in full at any time without penalty.

What are the requirements after receiving the loan approval?

Unless otherwise agreed by the Council, the agreed works must be fully completed within 3 months of the approval, or the offer of loan funding assistance will be withdrawn. The Council reserves the right to start repayments if works are not completed with the agreed timeframe.

The Applicant should keep the improved property in good condition for the period of the loan. All repair, restoration and improvement works that are funded under this scheme will remain fixed to the property and transferred with the property to any succeeding owner or tenant.

Successful Applicants will be required to allow the Council to fully publicise the award of the loan, the loan amount and the works undertaken, as part of its promotional activity for the scheme. This will include photographs of the applicant, internal and external photographs and the supply of quotes from the applicant.

The Applicant must inform Trafford Council if the business ceases trading or intends to relocate out of the area within the period of the loan funding assistance. The Council reserves the right to claw back financial assistance in such circumstances.

Trafford Council administers the loan fund and reserves the right to claw back loan funding assistance if the loan agreement conditions are breached.

State Aid De Minimis

In order to minimise distortion of competition the European Commission sets limits on how much assistance can be given without its prior approval to organisations operating in a competitive market. This letter sets out what is needed to ensure compliance with those limits. You should note carefully the requirements and obligations. If you have any queries please discuss them with the aid administrator (i.e. Trafford Council).

Under EC Regulation 1407/2013 (De Minimis Aid Regulation) as published in the Official Journal of the European Union 24 December 2013, the support provided by the Trafford Town Centres Business Growth Programme is classed as De Minimis aid. De Minimis aid has a ceiling of €200,000 (€100,000 for undertakings in the road freight transport sector) for all De Minimis aid provided to any one organisation over a three fiscal year period (i.e. your current fiscal year and previous two fiscal years). Any De Minimis aid provided to you under this scheme will be relevant if you wish to apply, or have applied, for any other De Minimis aid. Any amount of aid received under this scheme will need to be declared to any other awarding body that requests information from you on how much De Minimis aid you have received. For the purposes of the De Minimis regulation, you must retain this letter for 10 years from the date on which the aid is granted and produce it on any request by the UK public authorities or the European Commission. (You may need to keep this letter longer than 10 years.)

Please advise us now of any other De Minimis aid which your enterprise and any enterprises linked to it may have received during your current and previous two fiscal years as we need to check that any support added to that previously received, will not exceed the threshold of €200,000 (€100,000 for undertakings in the road freight transport sector) over the last three fiscal years. De Minimis aid includes not only grant but also assistance such as free or subsidised consultancy services, marketing advice etc. If you are in any doubt about whether previous assistance received classes as De Minimis assistance please include it.

Please ensure you complete the statement enclosed in the application form confirming your eligibility for support.