



Trafford Town Centres Loan Scheme Guidance Notes

1. Background / Introduction

Trafford Council is supporting town centre businesses and property owners by providing interest free loans to bring vacant business premises in Altrincham, Sale, Stretford and Urmston town centres back into use.

The loans will be used to improve buildings and shop frontages, 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.

2. Aim of the Scheme

The aim is to help businesses occupy premises in the town centre that are currently vacant by contributing towards the financial cost of physical improvements, overheads and marketing costs.

3. What businesses will be eligible through the scheme?

All vacant commercial premises within the town centre boundary will be considered (a map can be supplied). The loan funding award will be given to businesses which:

- Occupy vacant ground floor properties;
- Improve the town centre, complement what is currently in the town or fulfil a gap in the offer.
- Offer value for money;
- Create a viable and sustainable business investment opportunity.
- Complement the vision and strategy for the town centre

It is essential that the Applicant works with the property owner (if not the same) to develop and submit the application for funding.

The Council will have ultimate discretion in determining the types of business that are eligible for loan funding assistance which will be assessed on a case by case basis. However non-eligible uses will include: payday loan companies; betting/gambling shops; charity shops; pawnbrokers; adult shops; pound shops; and temporary shops (minimum three year lease required).

4. How much loan funding can be borrowed?

The minimum eligible loan funding assistance is £1,000 up to a maximum of £10,000. An applicant or business will normally only be eligible to receive one individual award.

The Council can loan up to 75% of the project's works, overheads and marketing costs up to a maximum loan of £10,000. In some cases, the applicant's contribution may be more than 25%.

(N.B. Up to 50% of the loan value can be used for overhead costs with marketing costs capped at £1,000 of the loan value).

If you lease your property, your landlord may be willing to make a contribution in the form of direct contributions to improvements or rent reductions.

The scheme has a limited budget and applications will be considered on a 'first come first served' basis. Loan funds may not therefore be available to support all proposals.

The offer of loan funding assistance will be based on a quotation provided from a reputable supplier and submitted as part of the application.

5. 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 some overheads, other areas of the building and items of equipment could be considered as part of an overall scheme. All works must comply with planning and building regulations.

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

Potentially Eligible Items	Non-eligible
<p>Works Costs:</p> <ul style="list-style-type: none"> • Frontage improvements • Guttering • Signage • Access improvements • Decoration • Windows and Doors • Furniture and equipment • Security systems • Interior refurbishment • External/internal lighting • Display stands/ shelving <p>Overheads Costs (up to 50% of loan value):</p> <ul style="list-style-type: none"> • Rent and Business Rates • Utility costs • Insurances <p>Marketing costs (up to £1,000)</p>	<ul style="list-style-type: none"> • Loan payments & interest • VAT which can be reclaimed • Future maintenance • Works already underway or completed (unless agreed) • Statutory fees (including Planning and Building Regulations) • Design fees • Staffing costs • Electrical items (computers, tablets, mobile phones etc.) • Costs of developing loan application

6. Application Process

- a) Following the initial contact with Trafford Council, Council Officers will meet the Applicant to discuss the detail of the scheme and eligibility of the application.
- b) The Applicant returns the completed Application Form (plus the supporting documentation specified in the Application Form) to Trafford Council.
- c) 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.
- d) 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 application will be sent to the Panel for assessment and will 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.
- e) 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.

7. Payments & Repayments

Unless otherwise agreed, 50% of the agreed loan fund will be paid on commencement of the scheduled works. The remaining 50% will be paid 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 (receipts, bank statements etc.).

At the discretion of the Council, the first monthly repayment will not be due until the third calendar month after the full loan amount has been paid to the Applicant.

The Applicant will be advised of the first repayment date. Repayments will be monthly in 36 equal instalments. A direct debit mandate will be set up to cover the monthly repayment of loans. The outstanding loan amount can be repaid in full at any time without penalty.

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.

8. Property Related Criteria

The Applicant must demonstrate ownership of the property or a lease over 3 years. The owner's written consent to undertake the works must be provided for a leased property.

The Council will seek personal guarantees against the Applicant or individual directors, if the Applicant is a Limited Company.

It will be conditional that all statutory and legal consents including Planning and Building Regulations (where applicable) are to be in place before the first loan payment will 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 all of the loan paid to date. Preliminary advice is available from the Planning Department on Tel. 0161 912 3149).

9. What are the requirements after receiving the loan approval?

The works (based on an agreed quotation) and associated costs applicable to the loan will be recorded in the loan agreement. Significant alterations must be agreed in advance.

On acceptance of the loan funding assistance award, the Applicant will have 3 months to commence the works, or the offer of loan funding assistance may be withdrawn. Works must be fully completed within 3 months of the start date, unless agreed otherwise.

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 and the works involved to market the scheme throughout the borough included photographs, quotations etc.

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.

10. Other Criteria

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

Owners of start-up business will be assessed as a personal loan to the proprietor of the business. Established businesses may be assessed as a business loan.

Trafford Council will not loan money to any Applicant who has existing debts to the Council including Council tax or Business Rates arrears.

In the event that the demand exceeds the amount of funding that is available, priority may be given to those businesses which are likely to create more jobs and footfall; businesses which are investing a larger amount of their own funds; or are located in areas that the Council deems to be of greatest priority for assistance.

11. Contact

If your proposed location is in Altrincham, please contact Altrincham Forward Town Centre Team on 0161 912 1599 or via email at altrincham.forward@trafford.gov.uk.

If your proposed location is in Sale, Stretford and Urmston or for general enquiries, please contact the Economic Growth Team on 0161 912 4176 or via email at business@trafford.gov.uk.