

**SUBJECT: ABERGAVENNY: VIBRANT AND VIABLE PLACES – TOWN CENTRE  
LOAN FUND – ADMINISTRATION FEE**

**MEETING: INDIVIDUAL CABINET MEMBER DECISION – CLLR R.J.W. GREENLAND**

**DATE: 25<sup>TH</sup> MAY 2016**

**DIVISION/WARDS AFFECTED: BRYN Y CWM**

**1. PURPOSE:**

To seek Cabinet Member approval for the amendment of the current administration fee which covers the costs associated with delivering the scheme.

**2. RECOMMENDATIONS:**

To approve the fee structure outlined in Appendix 1 of the report.

**3. KEY ISSUES:**

- (a) Cabinet approved a 5% administration fee on 20<sup>th</sup> May 2015. It was agreed that the fee would be reviewed periodically.
- (b) The fee was intended to cover the costs associated with the delivery of the project and ensure that the loan offer was attractive but had reasonable regard to the costs incurred by the Council in administering the scheme.
- (c) It is necessary to ensure that the fee charged is not too high to impact negatively on demand and thus it is now recommended that loans have a marginal fee rate in line with the table (appendix 1 to the report). This ensures that higher value loans do not have an unreasonable fee attached.

**4. REASONS:**

On reviewing the fee and the costs incurred by the Authority in administering the scheme, the flat fee of 5% would be considered unreasonable on schemes of higher value.

**5. RESOURCE IMPLICATIONS:**

None attached to this report.

**6. WELLBEING OF FUTURE GENERATIONS IMPLICATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING AND CORPORATE PARENTING):**

The significant equality impacts identified in the assessment (Appendix 2) are summarised below for members' consideration:

No negative impacts.

The actual impacts from this report's recommendations will be reviewed annually.

**7. CONSULTEES:**

SLT, Cabinet

Robert Tranter, Head of Legal Services

Dave Walton, Audit Manager

Mark Howcroft, Assistant Head of Finance

**8. BACKGROUND PAPERS:**

Individual Cabinet Member Report/Decision – 20<sup>th</sup> May 2015.

**9. AUTHOR:**

Stephen Griffiths, Strategy and Policy Officer (Housing)

Rachel Rawlings, Whole Place Officer.

**10. CONTACT DETAILS:**

Tel: 01633 6444455

E-mail: [stephengriffiths@monmouthshire.gov.uk](mailto:stephengriffiths@monmouthshire.gov.uk)

	Marginal Fee Rate	Illustrative Loan Value																
		50,000	75,000	100,000	150,000	200,000	250,000	300,000	350,000	400,000	450,000	500,000	550,000	600,000	650,000	700,000	750,000	800,000
On the first 100k	5%	2,500	3,750	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
On £100k to £200k	4%	0	0	0	2,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
On £200k to £300k	3%	0	0	0	0	0	1,500	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
On £300k to £400k	2%	0	0	0	0	0	0	0	1,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
On £400k to £500k	1%	0	0	0	0	0	0	0	0	0	500	1,000	1,000	1,000	1,000	1,000	1,000	1,000
On loan over £500k	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>Total Fee</b>	<b>2,500</b>	<b>3,750</b>	<b>5,000</b>	<b>7,000</b>	<b>9,000</b>	<b>10,500</b>	<b>12,000</b>	<b>13,000</b>	<b>14,000</b>	<b>14,500</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>
	<b>Fee as %age of the total loan value</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>4.67%</b>	<b>4.50%</b>	<b>4.20%</b>	<b>4.00%</b>	<b>3.71%</b>	<b>3.50%</b>	<b>3.22%</b>	<b>3.00%</b>	<b>2.73%</b>	<b>2.50%</b>	<b>2.31%</b>	<b>2.14%</b>	<b>2.00%</b>	<b>1.88%</b>

\*\*\*Please note fees are cumulative - So for example a loan of £150,000 would attract fees of 5% on the first £100k and 4% on the remaining £50k, i.e. £7,000 in total, representing 4.67% of the total loan value\*\*\*