

Appendix 3 - Welsh Government Conditions Which Apply To The Council's Use And Administration Of The Repayable Funding

**Part 2: Conditions on the use and administration of the Repayable Funding.**

1. The Repayable Funding is not awarded in replacement of any current scheme in place for those individuals/businesses in absolute need. It is offered and intended to complement any current scheme operated by you which provides grants to those who cannot make loan repayments.
2. You must hold and use the Repayable Funding as a recyclable fund (the "Fund"). Repayments by third party loan recipients and any profit you make when you use any part of, the Repayable Funding as described in paragraph 2 (a) and (b) of this Schedule 1 must be recycled during the Term. You may decide not to recycle the Repayable Funding during financial years (1 April – 31 March) 2028/29, 2029/30, 2030/31.
3. From 1 April 2017 you must not retain any Repayable Funding for longer than 6 months and must either make arrangements to transfer such underspend to another pilot local authority region (in accordance with paragraph 5 of Schedule 1, part 2) or to repay the sum to us on demand.
4. You must inform us of any expected "underspend" in the Repayable Funding immediately and make arrangements to transfer such underspend to another pilot local authority within the financial year [2015/16] [2016/17] (in accordance with paragraph 5 of Schedule 1, part 2) or to repay the sum to us on demand.
5. You may not transfer any Repayable Funding to another pilot local authority without our written approval. To obtain our written approval you must send the intra-region transfer pro-forma signed by you and the other pilot local authority to the Welsh Government Official.
6. Any interest earned from holding the Repayable Funding must be recycled into the Fund and added to the sum available for the Purposes.
7. The Repayable Funding cannot be used towards any management, administration or operating costs incurred by you in delivering the Purposes and in managing and administering the Fund.

8. Any fee charged by you for providing TCLs may be used towards any operating costs incurred by you in providing TCLs and managing and administering the Fund including (but not limited to) any legal or professional costs or the costs of any searches.
9. You are responsible for managing all TCLs provided and for ensuring that all necessary procedures are in place before any TCL is offered. In the event that you procure a third party to manage and administer the Fund and to provide the TCLs you must ensure that appropriate contractual documentation is in place between you and the third party.
10. You must determine what due diligence procedures are appropriate and undertake the necessary due diligence before using a part of the Repayable Funding to finance a transaction. .
11. You must put in place appropriate TCL terms and conditions ensuring that they are in accordance with the provisions of Part 1 of this Schedule 1. It is your responsibility to obtain legal advice on the terms and conditions on which any TCLs are provided.
12. You must agree with the loan recipient of each TCL the specific purpose for which the TCL is provided and how you will measure the success of the loan recipient's delivery of that purpose. SMART targets must be agreed.
13. You must collaborate with the other pilot local authorities within your region to agree (i) consistency in the provision and management of the TCL and (i) the procedure for the transfer of Repayable Funding to another pilot local authority during the financial year [2015/16] [2016/17].
14. You must exercise reasonable skill care and diligence in your management of the Fund.