

## **BRIGHTON YOUTH CENTRE GRANT FUNDING**

### **BRIGHTON & HOVE CITY COUNCIL GRANT**

#### **Subject to Contract**

#### **Payment of the Grant**

- £2.3 million grant funding from BHCC, subject to the following conditions.
- BYC to provide a detailed description of the development planned (the “Project”) for approval by the Council. The approved description of the Project shall be attached to the grant agreement (the “Agreement”) as a schedule and BYC shall only be permitted to use the grant funding to deliver the agreed Project. BYC shall not be permitted to make significant changes to the Project without the prior written agreement of the Council.
- BYC to provide financial and operational reports on a quarterly basis or as the Council may reasonably require.
- Draw down of the grant monies in tranches on a quarterly basis with the following conditions:
  - BYC to provide an anticipated spend on the whole Project (the “Cash Flow Profile”) for approval by the Council. The approved Cash Flow Profile shall be attached to the Agreement as a schedule and the drawdown of funding will be in accordance with the Cash Flow Profile.
  - BHCC may request and BYC must provide such additional information as BHCC may reasonably require in addition to the Cash Flow Profile.
  - In the event of any changes to the Cash Flow Profile, BYC must provide BHCC with a revised cash flow profile (the “Revised Cash Flow Profile”), taking into account any over or underspend which has occurred or any anticipated increase or decrease in Project costs.
  - If an underspend has occurred or there is an anticipated increase or decrease in project costs, and if BYC considers that the Cash Flow Profile for the remaining grant period is uncertain at that date, BYC must provide two forecasts: one showing the most likely Revised Cash Flow Profile and the other the maximum possible Revised Cash Flow Profile. BYC must also submit such supporting and explanatory information as BHCC may reasonably require. Draw down of further funding is dependent on BHCC approval of the Revised Cash Flow Profiles.
  - BHCC will provide initial funding to enable BYC to proceed to RIBA stage 4-5, thereafter the project shall be funded in stages with BYC and YIF alternating the release of funding.

- Draw down of funding beyond RIBA Stage 3 will be dependent on BHCC approving the submitted detailed planning application.
- Draw down of funding will be dependent on the Project Monitor (see below) being satisfied that the works are being completed to a satisfactory standard, are being well managed and are proceeding without delay.
- BYC shall have the right to pay back the grant amount at its discretion to remove any rights, restrictions or other security BHCC may have over the property.

### **Project Monitoring**

- BYC to provide access to a BHCC appointed independent monitoring surveyor (“Project Monitor”) to review the build progress.
- BYC to provide any other written supporting evidence or written confirmations that BHCC or its monitoring surveyor may reasonably require.

### **Security for the Grant**

- £2.3m grant to be secured by way of a legal charge for a period of 50 years over the freehold title to the property on the following basis:
  - BHCC to be able to exercise a power of sale in the event of material default of the Agreement or if the building ceases to be used as a youth centre;
  - Proceeds of sale to be split with YIF:
    - on an apportioned basis according to amount of grant monies drawn down from BHCC and YIF until such time as YIF have provided £2.3m to BYC;
    - then, in the first 15 years (the duration of the YIF security) on a pari pasu 50:50 split with YIF; and ;
    - then, following the first 15 years (i.e. after YIF security) BHCC will receive the secured amount (£2.3m) adjusted for inflation with the remainder of the proceeds of the sale being retained by BYC;
    - in all cases up to a maximum of the secured amount (£2.3m for BHCC) adjusted for inflation.
- BYC or any trustee of BYC shall not be liable for any amount of the grant not recovered by the proceeds of sale.
- Requirement for main contractor, sub-contractors and build professionals to provide a funder’s collateral warranty to BHCC (with the option of BHCC step in rights in the event of default).
- Form P Restriction to be entered onto the title at Land Registry in respect of the charge:

*No disposition of the registered estate by the proprietor of the registered is to be registered without a written consent signed by the proprietor for the time being of the charge dated {date} in favour of Brighton & Hove City Council referred to in the charges register or its conveyancer.*

### Provision of Services

BYC to acknowledge for the avoidance of doubt that the Council is not committing to any ongoing revenue support in relation to the provision of youth services and that no part of the grant shall be used to meet any revenue expenditure.