# Newport City Council criticised for £3m subsidies to troubled Friars Walk shopping centre



Newport City Council is facing mounting criticism for its reckless financial commitment to Friars Walk, a shopping centre that has languished under high vacancy rates. Since agreeing to provide over £3 million in subsidies back in 2017, the council has allowed taxpayer money to flow into a failing retail model, with the agreement set to continue for another nine years. This misallocation of funds has drawn ire from local opposition leaders and residents, who are rightly outraged as essential services suffer due to these misguided financial decisions.

Matthew Evans, the opposition leader, has condemned the staggering sum as a shocking waste of taxpayer resources, raising serious questions about the council’s priorities. Local residents are increasingly voicing their frustrations, questioning how a contract can favour the owners of Friars Walk while neglecting the pressing need for revitalisation and new tenants. The comments from residents like Roland Granville—who describes the council’s decisions as 'contractually inept'—highlight the sentiment that taxpayer interests are being sacrificed to prop up private profits, exacerbating the decline of vital community services such as libraries and waste collection.

Adding to the controversy, the obscure ownership structure of Friars Walk remains a mystery, with Newport City Council refusing to identify the ultimate owners. Speculation points to a hedge fund, Cyrus Capital Partners Europe LLP, which allegedly holds significant stakes in the floundering development. Meanwhile, the council funnels £500,000 each year to a company called Old Star Finance to mitigate rental income shortfalls—a move that raises even more eyebrows given the lack of transparency surrounding ownership and accountability.

As councils across Wales grapple with tightening budgets, the implications of Newport’s financial decisions regarding Friars Walk become even more poignant. Critics argue that these subsidies are not only a direct drain on community resources but also emblematic of a troubling trend towards prioritising short-term financial arrangements over long-term community welfare.

It is essential for Newport City Council to critically evaluate the effectiveness and transparency of its agreements as the burden of these financial commitments continues to weigh down on local taxpayers. Calls for clearer management and ownership details are growing louder, underscoring a demand for accountability and a commitment to a sustainable approach that seeks to rejuvenate local economies without compromising public services.

Ultimately, the debate over Friars Walk transcends the shopping centre itself; it encapsulates broader economic and governance challenges that threaten to undermine community trust in public financial responsibility as we navigate these difficult times.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.southwalesargus.co.uk/news/25185905.newport-city-councils-regular-subsidising-friars-walk/?ref=rss> - Please view link - unable to able to access data
2. <https://www.nation.cymru/news/council-pays-out-more-than-3-million-to-cover-losses-at-major-shopping-centre/> - Newport City Council has spent over £3 million in subsidies to cover revenue losses at Friars Walk, a major shopping centre in the city. The subsidy arrangement, tied to the number of vacant units, is set to run for another nine years. Opposition leader Matthew Evans criticized the substantial sums, expressing concern over the impact on taxpayers. The council maintains that the deal, struck in 2017, represented the best value for the city.
3. <https://www.herald.wales/south-wales/newport/council-pays-over-3m-in-subsidies-due-to-shopping-centres-vacant-units/> - Newport City Council has allocated over £3 million in subsidies to compensate for revenue losses at Friars Walk shopping centre. The subsidy, linked to the number of vacant units, is scheduled to continue for another nine years. Opposition leader Matthew Evans described the payments as 'a staggering amount of money' and questioned the impact on taxpayers. The council asserts that the 2017 agreement provided the best value for the city.
4. <https://www.walesonline.co.uk/news/wales-news/cash-strapped-welsh-council-paying-28667528> - Newport City Council is paying £500,000 annually to a private company to cover rental income shortfalls at Friars Walk shopping centre. The subsidy agreement, established in 2017, is set to continue until 2032. The council has provided limited information about the company receiving the payments, raising questions about transparency. Despite the substantial payments, the council maintains that the deal represents the best value for taxpayers.
5. <https://www.walesonline.co.uk/news/wales-news/mystery-over-who-actually-owns-27405796> - Ownership of Friars Walk shopping centre has become unclear, with Newport City Council paying £500,000 annually to a private company, Old Star Finance, to cover rental income shortfalls. The council has refused to disclose the ultimate owner of the centre, citing confidentiality. This lack of transparency has raised concerns among local politicians and the public about the management and financial arrangements of the shopping centre.
6. <https://www.walesonline.co.uk/news/wales-news/hedge-fund-behind-100m-shopping-28472192> - Friars Walk shopping centre, a £100 million development in Newport, has been linked to a hedge fund named Cyrus Capital Partners Europe LLP. Despite the council's refusal to disclose ownership details, reports indicate that this hedge fund is the new beneficial owner of the headlease. The lack of transparency regarding ownership and financial arrangements has raised questions about the management and future of the shopping centre.
7. <https://www.walesonline.co.uk/news/wales-news/major-newport-shopping-centre-goes-27690828> - Friars Walk shopping centre in Newport has faced challenges in filling major empty units, leading to Newport City Council paying over £1 million in subsidies over three years. The council has confirmed that Old Star Finance owns the rights to the subsidy but has refused to confirm the ultimate owner of the centre. This lack of transparency has raised concerns among local politicians and the public about the management and financial arrangements of the shopping centre.