

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	2976
Author:	Kamala Atwal
Department:	Development and Growth
Contact:	Kamala Atwal (Job Title: Strategic Finance and Accountable Body Manager, Email: kamala.atwal@nottinghamcity.gov.uk, Phone: 0115 98763637)
Subject:	D2N2 Local Enterprise Partnership Growing Places Fund Loan Approval and Deferrals
Total Value:	£500,000 (Type: Capital)
Decision Being Taken:	<p>(1) On behalf of the D2N2 Local enterprise partnership, to approve the offer of a capital loan totalling £500,000 in consultation with the Leader of the Council, the Portfolio Holder for Resources and Neighbourhood Regeneration and the Portfolio Holder for Business, Education and Skills.</p> <p>(2) On behalf of the D2N2 Local enterprise partnership to offer a loan variation to existing loan applicants as set out in the exempt appendix</p>
Reasons for the Decision(s)	<p>Executive Board approved the delegation on 19 February 2013 minute 124</p> <p>Nottingham City Council is the Accountable Body for the D2N2 LEP Growing Places Fund. As part of this role the council is required to undertake due diligence on project applications and where appropriate offer loans to suitable projects.</p> <p>In May 2012 minute 4 Executive Board resolved that on behalf of D2N2 Local Enterprise Partnership that the Council accepted the role of accountable body for the Growing places fund.</p>
Other Options Considered:	Do nothing.Rejected. Nottingham City Council is the Accountable Body for Growing Places Funding. Not approving the expenditure, which follows due diligence by the Council, would put the City's and LEP's reputation at risk and not deliver the economic priorities of the LEP

Background Papers:

Published Works:	Executive Board 22 May 2012 Executive Board 19 February 2013
Affected Wards:	Citywide
Colleague / Councillor Interests:	
Any Information Exempt from publication:	Yes
Exempt Information:	
Description of what is exempt:	The appendix is an exempt item as it contains information relating to the financial and business affairs of GPF applicants
	An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972
3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).	The public interest in maintaining the exemption outweighs the public interest in disclosing the information because it would unreasonably prejudice the businesses in question
Documents exempt from publication:	Appendix 1 GPF Loan 110917.docx
Consultations:	Those not consulted are not directly affected by the decision.
Crime and Disorder Implications:	there are no crime and disorder implications
Equality:	EIA not required. Reasons: not applicable

Decision Type:	Officer
Executive Decision?	Yes
£50,000 or more:	Yes
Scheme of Delegation Reference Number or Other Source of Delegation:	Executive Board 19th February 2013
Subject to Call In:	Yes
Call In Expiry date:	26/10/2017
Advice Sought:	Legal, Finance
Legal Advice:	<p>This report is a record of the decision by the Corporate Director of Development pursuant to authority delegated to him by the Executive Board to make loans from the GPF fund. The award of the loan will be subject to a loan agreement setting out the terms for repayment. The interest rate has been calculated based on the EU Commission reference rates which ensure the loan is not unlawful state aid.</p> <p>The changes to the two existing loans set out in the exempt appendix should be documented to record the variation to the loan agreements. The City Council must be satisfied the forbearance granted by the variations is not state aid. It is understood that following the commercial and financial due diligence the Council has determined that there is a greater likelihood of recovering repayment of the loan through the variation than by instigating legal proceedings. The City Council has a wide margin of judgment to make this decision and the financial impact of the variation will be state aid only if no other private lender would have agreed the revised terms. Advice provided by Andrew James (Team Leader Contracts and Commercial) on 13/09/2017.</p>

Finance Advice:

In May 2012 Executive Board agreed that the Council would act as Accountable body for the Growing Places Fund on behalf of the D2N2 LEP and a further Executive Board report was approved in February 2013 delegating authority to the Corporate Director of Development. Following the approval of this decision paper the capital programme will be amended to reflect the capital loan of £0.500m, making the cumulative approved capital spend for the Growing Places Fund £9.163m. This additional approval of £0.500m is to be wholly grant funded by the D2N2 LEP.

The two loan variations are in relation to Growing Place Fund loans which were approved in delegated decision 2041 and 1539 respectively.

Information regarding the due diligence on the proposed loan and details regarding the loan variations are included within the exempt appendix.

Advice provided by Tom Straw (Senior Accountant - Capital Programmes) on 18/09/2017.

Signatures:

David Bishop (Corporate Director Development)

SIGNED and Dated: 19/10/2017