

<b>Notice of:</b>	The Leader of the Council
<b>Decision Number:</b>	PH41/2018
<b>Relevant Officer:</b>	Alan Cavill, Director of Communication and Regeneration
<b>Relevant Cabinet Member:</b>	Councillor Simon Blackburn, Leader of the Council
<b>Date of Decision</b>	31 May 2018

## THE BLACKPOOL BUSINESS LOANS FUND – RESCHEDULING OF AN EXISTING LOAN

### 1.0 Purpose of the report:

- 1.1 To seek approval to reschedule the capital payment on an existing loan in order to release cash to the applicant to enable additional development to take place.

### 2.0 Recommendation(s):

- 2.1 To agree the rescheduling of £495,000 with the full repayment to contained within the existing timeframe.
- 2.2 Subject to 2.1, to authorise the Head of Legal to vary the provisions of the existing legal agreement.

### 3.0 Reasons for recommendation(s):

- 3.1 The applicant is seeking to commence a wider scheme of development and has requested that the Council reschedule existing capital repayments to make £495,000 of cash available to do this. As this enhances proposed developments further and will create additional jobs the case has been considered favourably. Using this mechanism greatly increases the viability of the project and its delivery date.

The security offered at the time of the original loan remains intact. The amount repaid to date exceeds this capital request. There will be no change to the overall term of the loan which is due to repaid within the existing timescale.

- 3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No
- 3.2b Is the recommendation in accordance with the Council's approved Yes

budget?

3.3 Other alternative options to be considered:

If the sum is not advanced the project will be delayed and economic and job outputs will be affected. Similarly subjecting this request to an additional loan application rather than rescheduling the existing loan would put these desired outcomes at risk.

**4.0 Council Priority:**

4.1 The relevant Council priority is: "The economy: Maximising growth and opportunity across Blackpool"

**5.0 Background Information**

5.1 The Council's Business Loans Fund has been approved by the Council and is available to support businesses in delivering their goals and ambitions.

5.2 A current recipient of a loan from the fund has approached the Council with a view to rescheduling their existing loan. This would enable the organisation to begin preparatory work on another project which would further enhance their business and complete the project by the timescale of early next year.

5.3 Does the information submitted include any exempt information? No

**5.4 List of Appendices:**

None.

**6.0 Legal considerations:**

6.1 Legal Services will ensure that the relevant documentation will be put in place prior to any funds being released.

**7.0 Human Resources considerations:**

7.1 None.

**8.0 Equalities considerations:**

8.1 None, the operation of the Council Business Loans Fund is compliant with the

Council's equalities policy and equalities law.

**9.0 Financial considerations:**

- 9.1 Finance has confirmed –
- a) there is sufficient head room under the current loan facility to enable the drawdown of the proposed £495,000.
  - b) there is appropriate security in place to cover the additional drawdown.

**10.0 Risk management considerations:**

- 10.1 The security remains the same as for the loan when it was first awarded there is no increased risk to the Council. The project should if anything improve the finances of the applicant even further.

**11.0 Ethical considerations:**

- 11.1 None.

**12.0 Internal/ External Consultation undertaken:**

- 12.1 Consultation has taken place with the Council's legal and finance representatives.

**13.0 Background papers:**

- 13.1 None.

**14.0 Key decision information:**

- 14.1 Is this a key decision? No
- 14.2 If so, Forward Plan reference number:
- 14.3 If a key decision, is the decision required in less than five days? No
- 14.4 If **yes**, please describe the reason for urgency:

**15.0 Call-in information:**

15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? Yes

15.2 If **yes**, please give reason:

The project in question is time sensitive and to have maximum impact needs to be completed early next year. If this is going to happen work needs to commence immediately. The project will bring 40 new jobs to the town and help to facilitate other investment and business. Preliminary works that can be completed to the value requested will enable the timescales to be met but if this window is missed the investment may either not occur at all or would certainly be placed on hold until the following year and the resultant investment and jobs would either be not forthcoming or not available for at least 12 months more. The release of this money by Friday 1 June will ensure the project goes ahead.

**TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE**

**16.0 Scrutiny Committee Chairman (where appropriate):**

Date informed:

Date approved:

**17.0 Declarations of interest (if applicable):**

17.1 None.

**18.0 Executive decision:**

18.1 The Leader of the Council resolved to agree the following resolution an urgent decision in line with paragraph 16 of Part 4e of the Council's Constitution on the grounds outlined in paragraph 15.2 above.

1. To agree the rescheduling of £495,000 with the full repayment to contained within the existing timeframe.
2. To authorise the Head of Legal to vary the provisions of the existing legal agreement.

**18.2 Date of Decision:**

31 May 2018

**19.0 Reason(s) for decision:**

The applicant is seeking to commence a wider scheme of development and has requested that the Council reschedule existing capital repayments to make £495,000 of cash available to do this. As this enhances proposed developments further and will create additional jobs the case has been considered favourably. Using this mechanism greatly increases the viability of the project and its delivery date.

The security offered at the time of the original loan remains intact. The amount repaid to date exceeds this capital request. There will be no change to the overall term of the loan which is due to repaid within the existing timescale.

**19.1 Date Decision published:**

31 May 2018

**20.0 Executive Members in attendance:**

20.1

**21.0 Call-in:**

21.1

**22.0 Notes:**

22.1