

EXECUTIVE DECISION

made by a Cabinet Member



REPORT OF ACTION TAKEN UNDER DELEGATED AUTHORITY BY AN INDIVIDUAL CABINET MEMBER

Executive Decision Reference Number – L04 24/25


Decision	
1	Title of decision: Support to Millfields Community Economic Development Trust
2	Decision maker: Councillor Tudor Evans OBE, Leader of Plymouth City Council
3	Report author and contact details: Anna Peachey, Economy, Partnerships and Regeneration Manager, anna.peachey@plymouth.gov.uk ; 01752 307840
4	<p>Decision to be taken:</p> <ol style="list-style-type: none"> 1. Provide a bridging loan to repay the original loan that was provided by Somerset County Council (on behalf of Heart of SW LEP) to Millfields Community Economic Development Trust (the Trust) for the development of the Genesis building, Union Street, Plymouth. 2. Delegate authority to the Section 151 Officer to agree the final terms and conditions of the bridging loan, to a value not to exceed £1.7m.
5	<p>Reasons for decision:</p> <p>Further to Cabinet Decision ‘Urban Enterprise’: New Enterprise Units at Millfields Trust” Passed on 13 March 2013, Plymouth City Council acted as a guarantor for a £2.1m loan to the Trust from the Heart of SW LEP for developing the Genesis Building in 2013 (the LEP loan). Somerset County Council was acting as accountable body for the LEP. This loan from PCC to the Trust is intended to forestall default on settlement of the LEP loan.</p> <p>The LEP loan was made on condition of refinancing after 10 years, and the balance is due to be repaid by 30 June 2024 (extended from 31 October 2023). The Trust has been negotiating a commercial loan with a high street bank since July 2023. Delays due to changes in personnel have been exacerbated by the need to agree renewal of lease and grant agreements with Plymouth City Council.</p> <p>The Council has been working closely with the Trust to understand and meet requirements of the Bank in applying for a commercial loan. There is a high probability that the bank loan will not be drawn down before the LEP deadline.</p> <p>As one of Plymouth City Council’s strategic Community Economic Development Trusts, the Trust receives support from the Council to improve economic participation and benefit their community. The loan would be made on commercial terms and secured against capital assets. The terms will be agreed by the Director for Place and Section 151 Officer following completion of due diligence and legal advice.</p>
6	Alternative options considered and rejected: The alternative to PCC repaying the loan settlement is to risk default and invocation of the Guarantee.
7	Financial implications and risks: As a loan Guarantor, there has always been a risk that the Council would be required to finance the payment of the loan balance to the Heart of SW LEP.

	<p>The Trust has partly repaid the loan over 10 years, so the value of the financial liability to the City Council is less than the original £2.1m that was agreed by Cabinet in 2013.</p> <p>A commercial loan agreement and a charge against the Trusts' capital assets will minimise risk.</p> <p>As this is a bridging loan it is being accounted for as a short term arrangement and therefore will not be added to our capital programme. If circumstances change, this accounting treatment may change.</p>			
8	Is the decision a Key Decision? (please contact Democratic Support for further advice)	Yes	No	Per the Constitution, a key decision is one which:
			x	in the case of capital projects and contract awards, results in a new commitment to spend and/or save in excess of £3million in total
			x	in the case of revenue projects when the decision involves entering into new commitments and/or making new savings in excess of £1 million annually
		x	is significant in terms of its effect on communities living or working in an area comprising two or more wards in the area of the local authority.	
	If yes, date of publication of the notice in the Forward Plan of Key Decisions			
9	Please specify how this decision is linked to the Council's corporate plan/Plymouth Plan and/or the policy framework and/or the revenue/capital budget:	Unlocking the city's potential - has a vibrant economy offering quality jobs and skills; Delivering on our commitments by: - Enabling our people to deliver - Engaging with and listening to our residents, businesses, and communities		
10	Please specify any direct environmental implications of the decision (carbon impact)	None.		

Urgent decisions

11	Is the decision urgent and to be implemented immediately in the interests of the Council or the public?	Yes		(If yes, please contact Democratic Support (democraticsupport@plymouth.gov.uk) for advice)
		No	x	(If no, go to section 13a)
12a	Reason for urgency:			
12b	Scrutiny Chair Signature:		Date	
	Scrutiny Committee name:			
	Print Name:			

Consultation				
13a	Are any other Cabinet members' portfolios affected by the decision?	Yes		
		No	x	(If no go to section 14)
13b	Which other Cabinet member's portfolio is affected by the decision?	Councillor Chris Penberthy, Cabinet Member for Housing, Cooperative Development and Communities. Councillor Penberthy is aware of the work but has declared a conflict of Interest as a Trust Board member.		
13c	Date Cabinet member consulted	08/09/2024		
14	Has any Cabinet member declared a conflict of interest in relation to the decision?	Yes	x	If yes, please discuss with the Monitoring Officer
		No		
15	Which Corporate Management Team member has been consulted?	Name	Anthony Payne	
		Job title	Strategic Director for Place	
		Date consulted	10 May 2024	
Sign-off				
16	Sign off codes from the relevant departments consulted:	Democratic Support (mandatory)	DS05 24/25	
		Finance (mandatory)	DJN.24.24.015	
		Legal (mandatory)	LS/00001312/3/AC/30/5/24	
		Procurement (if applicable)		
		Corporate property (decisions involving Council owned land or facilities) (if applicable)		
		Human Resources (if applicable)		
Appendices				
17	Ref.	Title of appendix		
	A	Part I Briefing Report		
	B	Equalities Impact Assessment		
Confidential/exempt information				
18a	Do you need to include any confidential/exempt information?	Yes	x	If yes, prepare a second, confidential ('Part II') briefing report and indicate why it is not for

		No	publication by virtue of Part I of Schedule 12A of the Local Government Act 1972 by ticking the relevant box in 18b below. (Keep as much information as possible in the briefing report that will be in the public domain)					
		Exemption Paragraph Number						
		1	2	3	4	5	6	7
18b	Confidential/exempt briefing report title: Part II briefing report			x				
Background Papers								
19	Please list all unpublished, background papers relevant to the decision in the table below. Background papers are <u>unpublished</u> works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based. If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part I of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.							
Title of background paper(s)		Exemption Paragraph Number						
		1	2	3	4	5	6	7
Cabinet Member Signature								
20	I agree the decision and confirm that it is not contrary to the Council's policy and budget framework, Corporate Plan or Budget. In taking this decision I have given due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act (2010) and those who do not. For further details please see the EIA attached.							
Signature			Date of decision	30 May 2024				
Print Name	Councillor Tudor Evans OBE, Leader of Plymouth City Council							