



CAMBRIDGESHIRE
& PETERBOROUGH
COMBINED AUTHORITY

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| Officer Decision/Mayoral Decision No.: | ODN108-2019 |
| OFFICER DECISION TITLE: Loan to ECTC – Haddenham - £6.5m Facility | |
| NAME OF OFFICER EXERCISING DELEGATED POWERS: Kim Sawyer, Interim Chief Executive, Noel O’Neill, Deputy Section 151 Officer, Howard Norris, Interim Monitoring Officer | |
| DATE OF OFFICER/MAYORAL DECISION: 8 th May 2019 | |

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| Responsible Director: | Kim Sawyer, Joint Chief Executive, Noel O’Neill, S151 Officer and Patrick Arran, Interim Monitoring Officer |
| Report Author and contact details: | Roger Thompson – Director of Housing and Development, E mail:roger.thompson@cambridgeshirepeterborough-ca.gov.uk, Tel 07796 274906 |
| Is it a key decision? | No |
| Is this a public report? If a key decision, it will be a public report and will be published on the CA website. | No |


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| Decision taken | The Chief Executive, S151 and Monitoring Officer – in consultation and on the advice obtained by /provided by the Director of Housing and Development, are approving that the backstop date of the first drawdown on the £6.5m facility agreement will be extended from the originally contracted date of 28 th February 2019 to 31 st May 2019. |
| Authorisation (delete as appropriate) | At its meeting on 28 th March 2018 the Board resolved to (a) Approve the provision of a commercial loan facility capped at £6.5m from the £100m Housing Programme for a period of two years to East Cambs Trading Company Ltd for the CLT scheme at West End Gardens, Haddenham. Approval was subject to the loan being re-paid within 2 years from the first drawdown. With the extension of the date for the first drawdown, the final re-payment date will not change, so the re-payment will now be within 21 months of the first drawdown. |
| Background Information | BUSINESS CASE |



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| | <p>An update to the business case has been provided by ECTC and reviewed as part of the process. This has included:</p> <ul style="list-style-type: none">• A detailed monthly cashflow including a projected drawdown and repayment schedule and design fees <p>DUE DILIGENCE</p> <p>Pinsent masons have been involved in the legal due diligence looking at the title, planning, access and other issues. Conditional on providing the loan is that the borrower is to take out two title indemnity insurance policies at their cost, to resolve potential access and title issues. As part of this we have secured confirmation from the developer's sales and market agents (Cheffins) that the projected sales values in the development appraisals are still appropriate and achievable.</p> <p>This loan is a first 'proof of concept' loan and an appropriate level of due diligence has been applied.</p> <p>The loan is conditional upon CPCA securing a first legal charge on the land and the facility agreement stipulating that money under the loan can only be drawn down upon receipt of certification of the completion of the stages of works by a professionally qualified quantity surveyor. The loan will be drawn down on a side by side basis with ECTC's equity on an 20% ECTC equity/80% CPCA loan split. There will be monthly reporting by the lender to CPCA on the progress and monitoring of the scheme as part of the drawdown process. We also have other protections in the facilities agreement including step in rights.</p> <p>Pinsent Masons are preparing the variation to the Facilities Agreement under the guidance of the Director of Housing and Development and an officer from the Monitoring Officer's team. The extension is enabling the developer to resolve complicated contractor procurement and pricing issues.</p> |
| Consultation | None |
| Declarations / Conflicts of Interests (only if the decision falls under the 'Express Authorisation' category) | None N/A |
| Supporting documentation | N/A |



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| Officer signature | Kim Sawyer, Chief Executive  | Date 09/05/2019 |
| Once signed please file in the electronic file Documents/Governance/ office decision notice and enter details in the register. If a public report, pass to Democratic Services and we will arrange publication. | | |