



CAMBRIDGESHIRE
& PETERBOROUGH
COMBINED AUTHORITY

Officer Decision/Mayoral Decision No.:	ODN156-2019
Execution of Commercial Loan Facility for Fore Hill Ely LLP regarding the development of Alexander House, 38 Fore Hill, Ely	
NAME OF OFFICER/MAYOR EXERCISING DELEGATED POWERS: Roger Thompson, Director of Housing & Development	
DATE OF OFFICER/MAYORAL DECISION: [] October 2019	

Responsible Director/Mayor:	Roger Thompson
Report Author and contact details:	Dermot Pearson, Interim Legal Counsel [dermot.pearson@cambridgeshirepeterborough-ca.gov.uk]
Is it a key decision?	No
All reports will be published on the CA website. Does your report include exempt or confidential information?	Yes. The terms of the loan facility are exempt from publication under paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 [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 terms of the loan facility.
KEY DECISIONS ONLY	
Insert forward plan ref number	
Date when Mayor intend to make decision.	
Date report published on the website	
Implementation Date	
Does the report have any annex that contains exempt information?	

Decision taken	The Director of Housing & Development agreed to execute the loan facility for Fore Hill Ely LLP regarding the development of Alexander House, 38 Fore Hill, Ely.
Authorisation (<i>delete as</i>	This decision has been taken under:



appropriate)	<p>Specific delegation by Board</p> <p>At its meeting on 26/6/19 the Combined Authority Board resolved to:</p> <p><i>a) Approve the provision of a commercial loan facility of £4.84m to Laragh House Developments Ltd for a scheme of 25 units based on the heads of terms detailed in the exempt Appendix 1.</i></p> <p><i>b) Authorise the Director of Housing and Development, in consultation with Legal Counsel and the Portfolio Holder for Investment and Finance, to conclude any necessary legal documentation to secure the loan, to include taking a charge upon the land.</i></p>
Background Information	<p>This officer decision implements the decision of the Combined Authority Board set out above. The loan facility is to be with Fore Hill Ely LLP who own the property and who are able to grant a legal charge over the property, and not with Laragh House Developments Limited, who do not own the property. The loan facility includes the terms set out in the heads of terms reported to the Combined Authority Board with the amendments set out in the Financial Implications below. The Monitoring Officer has confirmed that the loan facility is based on the heads of terms appended to the report to the Combined Authority Board on 26/6/19, which is a condition of the delegation.</p>
Alternative options considered.	<p>The officer decision exercises the delegation granted by the Combined Authority Board.</p>
Financial Implications	<p>The Combined Authority will provide a £4.84m commercial loan facility for a twenty one month period to Fore Hill Ely LLP. Anticipated commencement of drawdown is September 2019 from the £100m Housing programme.</p> <p>Maximum loan drawdown is projected to be £4.55m (In Aug 2020), however this is reliant upon the first properties being sold in Sept 2020. We are offering a loan for £4.84m so that the borrower has sufficient funds to ensure completion of the project without relying upon revenue from projected sales to complete the project. This loan will be secured by the CPCA taking a charge against the property and is subject to the borrower satisfying the</p>



	<p>finance related conditions as set out in the 'Heads of Terms – loan agreement'.</p> <p>The interest rate on the loan will be calculated according to State Aid rules. In this case the risk is mitigated because the funding is being used to convert an existing building and a primary charge is secured against the asset.</p> <p>Laragh House Developments Ltd are to provide a primary obligor guarantee of performance of Fore Hill Ely LLP of 10% of the construction cost. This is not a requirement of the heads of terms.</p> <p>Budget Code: []</p>	
<p>Consultation</p>	<p><i>List any relevant consultation undertaken in relation to the decision. For example portfolio holders, other Chief Officers.</i></p> <p><i>Chief Executive</i></p> <p><i>Responsible Director/Chief Officer</i></p> <p><i>Monitoring Officer</i></p> <p><i>S73</i></p> <p><i>Portfolio Holder</i></p> <p><i>Other</i></p>	<p>Councillor Steve Count consulted in accordance with specific delegation, see email dated []</p> <p>Kim Sawyer</p> <p>Roger Thompson</p> <p>Dermot Pearson</p> <p>Jon Alsop</p> <p>Councillor Steve Count</p> <p>Peter Geach, Legal</p>
<p>Declarations / Conflicts of Interests (only if the decision falls under the 'Express Authorisation' category)</p>	<p>N/a</p>	
<p>Supporting documentation</p>	<p>Combined Authority Board Officer Report [Item 3.1(i)] and Minutes for meeting on 26/6/19 at:</p> <p>CA Papers 26 June 2019</p> <p>The appendices to the report to the Combined Authority Board and the loan facility agreement are exempt from publication under paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 [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 these documents.</p>	



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**Officer/Mayor
signature**

A handwritten signature in black ink, appearing to be 'A. Thomas'.

**29 October
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.