

Record of Delegated Decisions and Authorisations

The following decisions were made under Delegated Powers agreed under minute 2488 of the Cabinet meeting on 24th October 2017.

Decision

It was agreed to set the interest rate payable on the loans from SNC to Big Sky Property Management at 4% with effect from 1st November 2016.

Authorised by Peter Catchpole (Section 151 Officer)

Date 16/03/2017

Consultation with Cabinet Members/Officers

Meeting with Michael Edney (Cabinet Member – Finance and Resources) and Debbie Lorimer (Business Development Director) at SNC offices on 16/03/2017.

Reason for Decision

As reported in the Cabinet meeting on 24th October 2016 the original loan interest rate of 8% no longer reflects the market environment and the level of risk that the Council is taking in making this loan. BSPM now has significant assets and in light of reductions in base rate and a review of comparable commercial loan rates it was established that a lower rate of 4% would be more appropriate. This would still be sufficient to ensure that the Council complies with State Aid rules.

Supporting Papers

Email to the Business Development Director on Thursday 16th March 2017 detailing the commercial rationale.

Implications:

Humans Rights - None

Equality - None

Legal – Compliant with State Aid rules.

Other - Financial – Applying this new rate from 1st November reduces the loan interest payable to SNC by £8,100 in 2016-17 although this would be partially offset through increased profitability for BSPM.