

## Senior Officer Decision

**Consultative meetings:** Cabinet

**Consultative meeting dates:** 7 September 2021



## Exempt from publication

None

## Title: Beer Community Land Trust Refinancing of Development Loan

### Links to:

(i) **Officer report to consultative meetings**

<https://democracy.eastdevon.gov.uk/documents/g1700/Public%20reports%20pack%2008th-Sep-2021%2018.00%20Cabinet.pdf?T=10>

(ii) **Recording of consultative meetings**

[https://www.youtube.com/embed/k2m2R\\_q5bKM](https://www.youtube.com/embed/k2m2R_q5bKM)

(iii) **Minutes of consultative meetings**

<https://democracy.eastdevon.gov.uk/documents/g1700/Printed%20minutes%2008th-Sep-2021%2018.00%20Cabinet.pdf?T=1>

### Recommendation:

**CABINET RECOMMEND:** That Cabinet recommend to approve Beer CLT request of refinancing previously approved development loans as detailed in the report. That Cabinet recommends that the Council's costs of entering into revised agreements, including due diligence, legal and surveying costs are to be met by the Borrower.

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### Authority

Decision of Council on 26<sup>th</sup> July 2021 to delegate decision making to officers until 23.59 17<sup>th</sup> January 2022. [Minutes 26th July 2021 Council Meeting](#).

## Officer Decision

### Consultations:

I was present at / have watched the recording of the consultative meeting which considered this item

Yes  No

Detail any other consultations carried out:

N/A

### Other considerations:

Do the legal and finance comments and equalities impact, climate change and risk assessments as detailed in the officer report remain the same.

Yes  No

If no, provide the updated assessment below;

### Legal Implications

*A member of the legal team must provide comments.*

### Financial Implications

*A member of the finance team must provide comments.*

### Decision:

To approve Beer CLT request of refinancing previously approved development loans as detailed in the report. That Cabinet recommends that the Council's costs of entering into revised agreements, including due diligence, legal and surveying costs are to be met by the Borrower.

This being in line with the report:

The Council has made available development finance to the CLT for two schemes providing local affordable housing and amendments of refinancing agreed as follows:

- 1<sup>st</sup> scheme (7 houses; 4 affordable rental and 3 discounted sales) - Now complete with original loan being £1,060,000, the majority now repaid in line with the agreement. The final sum outstanding is £290,000 due for repayment now. The request from the CLT is for a further 5 year term, with £40,000 principal paid off now, leaving £250,000 being refinanced giving a repayment date of October 2026.

To be refinanced on the same terms in relation to corresponding Public Works Loan Rate with a margin added to ensure compliance with subsidy control/competition rules.

- 2nd scheme (6 units; 2 houses and 1 flat affordable rental, 2 houses and 1 flat shared equity) – Currently in development with a loan of £1,150,000. The request does not to increase the amount borrowed but asks to reschedule the loan tranches and extend the term of the loans by a maximum of 6 months.
- The 1<sup>st</sup> tranche of £250,000 scheduled repayment June 2022 extended to November 2022
- The 2<sup>nd</sup> tranche of £550,000 to be released in September 2021 with repayment in October 2026
- The 3<sup>rd</sup> tranche of £350,000 to be released before March 2022 with repayment by November 2022

Again to be refinanced on the same terms.

The development finance to Beer CLT has previously been agreed on the understanding that appropriate collateral is legally secured to protect the Council and all costs are recovered to give a cost neutral or better position to the Council. Should Cabinet agree to the refinancing as requested then it will be ensured these two key aspects remain.

**Reasons for decision:**

The decision is in line with the recommendations of the report presented to Cabinet and members of Cabinet were in agreement with the report.

Signed



..... Dated 29/9/2021

Senior Officer job title and name: Strategic Lead Finance, Simon Davey

**For Democratic Services use.**

Website publication Date: