

DECISION TITLE: Approval of Funding for the BID Project
Cllr David Seaton – Cabinet Member for Finance
October 2020
Deadline date: 26 October 2020

Cabinet portfolio holder: Responsible Director:	Councillor Seaton – Cabinet Member for Finance Peter Carpenter – Acting Corporate Director Resources
Is this a Key Decision?	NO
Is this decision eligible for call-in?	YES
Does this Public report have any annex that contains exempt information?	NO
Is this a project and if so has it been registered on Verto?	NO

R E C O M M E N D A T I O N S
The Cabinet Member is recommended to:
<ol style="list-style-type: none"> 1. Approve a loan facility to Peterborough Positive Limited to enable them to finance the development costs of the Peterborough Business Improvement District 2. Authorise the Director of Law and Governance in consultation with the Acting Corporate Director Resources, to enter into such legal agreements as may be required to give effect to the recommendation above and the development and operation of the Business Improvement District.

1.	PURPOSE OF THIS REPORT		
1.1	This report is for the Cabinet Member for Finance to consider exercising delegated authority under paragraph 3.4.3 of Part 3 of the constitution in accordance with the terms of their portfolio at paragraph (e)		
2.	TIMESCALES		
	Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting

3.	BACKGROUND AND KEY ISSUES
3.1	<p>Cabinet approved the development of a Business Improvement District (BID) in Peterborough on the 18th November 2018. The purpose of the BID is to provide services to the BID area in addition to those provided by the Council with a view to improving the overall visitor experience. These services will be developed and implemented by the BID Proposer, Peterborough Positive Limited, a company incorporated for this purpose and supported and operated by prominent business people within the BID area.</p> <p>On the 18th November 2019 a report was submitted to Cabinet which provided an update of actions taken to date and the steps required to progress the BID project. One of those actions described in paragraph 9.1 was to secure loan finance to support the early BID development costs which will be incurred by Peterborough Positive Limited. It is now proposed that the Council provide this loan finance to Peterborough Positive Limited.</p> <p>Business Rate payers within the BID area will be asked to vote on the BID proposals developed by Peterborough Positive Limited by means of a ballot. If the ballot is successful the loan will be repaid during the duration of the first five year term of the BID in accordance with the terms of the Loan Agreement. The interest rate will be charged at the Council's five year cost of borrowing from PWLB.</p> <p>If the ballot is unsuccessful the loan advanced to that stage will be converted to a grant, no loan payments will be made and the amount of the loan spent by Peterborough Positive Limited up to the date of the ballot will not be recovered by the Council.</p> <p>A loan facility of £125,000 is required. A project plan and set of milestones have been prepared and the loan will be drawn down in accordance with those milestones. The loan facility will be funded from the Council's General Fund Reserves.</p>
4.	CONSULTATION
4.1	No consultation is required with the public for this decision. Consultation with business has started as detailed in the Cabinet Report in November 2019
5.	ANTICIPATED OUTCOMES OR IMPACT
5.1	A loan facility for Peterborough Positive Limited will be established and subsequent drawdowns on that facility will follow the agreed milestones and outcomes set out in the loan agreement.
6.	REASON FOR THE RECOMMENDATION
6.1	The Council has agreed to provide financial support by way of a Loan to the BID Proposer in its efforts to establish a BID in Peterborough. To provide financial support by way of a loan facility will ensure those costs will be repaid over the term of the BID if the ballot is successful.
7.	ALTERNATIVE OPTIONS CONSIDERED
7.1	Do Nothing The Council could choose not to finance this project. This was rejected as this loan will enable the BID company to progress the BID project up to the operation of the ballot.
8.	IMPLICATIONS

	Financial Implications
8.1	<p>If there is a successful Ballot the Loan will be repaid in full prior to the end of the loan term on repayment terms set out in the Loan Agreement. If the Ballot is unsuccessful, any loan payments made prior to the date of the Ballot will be converted to a grant, no repayments will be made and this will be a revenue cost in the financial year of the unsuccessful ballot.</p> <p>The interest rate for the loan will be provided at the Council's cost of borrowing for five years from PWLB. In the Council's opinion the state aid regulations do not apply in this circumstance as the loan and any benefit it confers on Peterborough Positive Ltd is de-minimis.</p> <p>The Council's loan will be repayable in instalments and a proportion of the loan and interest will be repayable in accordance with the Loan Agreement each year. The repayment will be made from the Bid Revenue Account held by the Council into which the levy payments will be held in accordance with the Regulations.</p>
	Legal Implications
8.2	The Council has the ability to lend to Peterborough Positive under the Local Government Act 2003 "power to invest" as well as under the general power of competence.
	Equalities Implications
8.3	<i>None</i>
	Carbon Impact Assessment
8.4	This Decision is to provide a loan to Peterborough Positive and this decision does not have a Carbon Impact.
9.	DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED
9.1	<i>None</i>
10.	BACKGROUND DOCUMENTS Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985) and The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.
10.1	Cabinet Report 19 November 2018 – Peterborough Business Improvement District (BID) Development Cabinet Report 18 November 2019 - Peterborough Business Improvement District (BID) Update Report and Proposed Next Steps
11.	APPENDICES
	<i>None</i>