

 Executive Committee – 19th June 2013		Agenda Item No. <h1>16</h1>
Title	Monetary loan to Warwick Town Council	
For further information about this report please contact	Andrew Jones Andrew.jones@warwickdc.gov.uk (01926) 456830	
Wards of the District directly affected	None	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	N/A	
Background Papers	N/A	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan?	No
Equality & Sustainability Impact Assessment Undertaken	N/A

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive	6 th June 2013	Chris Elliott
Deputy Chief Executive & Monitoring Officer	6 th June 2013	Author
CMT	6 th June 2013	Chris Elliott Bill Hunt Andrew Jones
Section 151 Officer	6 th June 2013	Mike Snow
Portfolio Holder	6 th June 2013	CouncillorsDoody &Caborn
Consultation & Community Engagement		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. SUMMARY

- 1.1 The report asks Executive to agree to a loan of £150,000 to Warwick Town Council to assist with the reinstatement works being undertaken on the Court House, Jury Street, Warwick.

2. RECOMMENDATION

- 2.1 That Executive agrees to make available a £150,000 loan at nil interest to Warwick Town Council (WTC) to enable the continuation of reinstatement works on the Court House, Jury Street, Warwick.
- 2.2 That subject to agreeing recommendation 2.1, the loan is paid upon execution by WTC and Warwick District Council (WDC)(Deputy Chief Executive (AJ)) of a deed confirming that repayment will be made before 31st March 2014 and also satisfactory approval of WTC's financial position by this Council's Head of Finance.
- 2.3 That the Capital Programme be amended to reflect this project, financed from the Capital Investment Reserve.

3. REASONS FOR THE RECOMMENDATION

- 3.1 In 2011, WTC was awarded a Heritage Lottery Fund grant approaching £3/4m to undertake reinstatement works on the Court House, Jury Street, Warwick. Members have previously been made aware of this scheme and agreed to make a grant of £60,000 for complementary improvement works to the adjoining Pageant House.
- 3.2 Works commenced on the Court House in 2012 but those works have exposed essential further works (see appendix 1). The bid to the HLF could not have foreseen the extra works and so a further bid to the Heritage Lottery Fund has had to be made.
- 3.3 Whilst WTC will ultimately be able to cover the cost of the works, even if the further HLF bid is not successful, there is a short-term cashflow problem. The contractors have advised that they will not continue with their work unless the necessary staged payments are made.
- 3.4 The Leader of WTC approached this Council's Leader to ask whether WDC could assist with the cashflow problem by way of a loan of £150,000. The Leader advised that he was personally sympathetic to WTC's plight and would therefore put the matter to WDC Executive for consideration.
- 3.5 It is imperative that this Council's financial position is not compromised should a loan be agreed. Therefore the necessary legal and financial checks will need to be undertaken to the satisfaction of Deputy Chief Executive (AJ) and Head of Finance.

4. POLICY FRAMEOWRK

- 4.1 The reinstatement works at the Court House accord with the Council's policy framework in respect of supporting the vitality of town centres, promoting tourism and where appropriate protecting the heritage of the built environment.

5. BUDGETARY FRAMEWORK

- 5.1 The £150,000 will need to be drawn from the Capital Investment Reserve, which currently has an unallocated balance of £1,042,000. The Council's capital resources will be replenished when the loan is repaid before 31 March 2014, when it will be classed as a capital receipt. Whilst the loan will be at zero interest, the potential opportunity cost in terms of the interest foregone will not be significant given the period of the loan and the current level of interest rates.
- 5.2 The loan will need to be included as a project within the Capital Programme in view of the nature of the works.

6. ALTERNATIVE OPTIONS CONSIDERED

- 6.1 WTC could apply to the Public Works Loans Board but they have advised that this process would take too long as there is an immediate cashflow issue to be resolved.