



## **PUBLICATION OF DECISION LIST NUMBER 22/14-15**

### **MUNICIPAL YEAR 2014/2015**

Date Published: Tuesday 9<sup>th</sup> September 2014

This document lists the decisions that have been taken by the Council, which require publication in accordance with the Local Government Act 2000. The list covers key, non-key, Council and urgent decisions. The list specifies those decisions, which are eligible for call-in and the date by which they must be called-in.

A valid request for call-in is one which is submitted (on the form provided) to the Governance Secretariat in writing within 5 working days of the date of publication of the decision:

- by at least 7 Members of the Council; or
- by formal resolution of a Scrutiny Panel; or
- where it is not possible (given the call-in deadline) to put the issue to a Panel meeting, by the Chairman of a Scrutiny Panel.

Additional copies of the call-in request form are available from the Governance Secretariat.

If you have any queries or wish to obtain further report information or information on a decision please refer to:  
– James Kinsella (ext.4041)

*Phone 020 8379 then extension number indicated*

**INDEX OF PUBLISHED DECISIONS – 9<sup>th</sup> September 2014**

<b>List Ref</b>	<b>Decision Made by</b>	<b>Date Decision to come into effect</b>	<b>Part 1 or 2</b>	<b>Subject/Title of Report</b>	<b>Category of Decision</b>	<b>Affected Wards</b>	<b>Eligible for Call-In &amp; Date Decision must be called in by (If Applicable)</b>	<b>Page Number</b>
1/22/14-15	Cabinet Member for Finance (Cllr Stafford) Cabinet Member for Housing & Estate Regeneration (Cllr Oykenner)	Wednesday 17 <sup>th</sup> September 2014	Part 1 & 2 (Para 3)	Terms of Loan Agreement Between the Council & Housing Gateway Limited	Non-Key Decision	All	Yes Tuesday 16 <sup>th</sup> Sept 2014	1

**DECISIONS**

For additional copies or further details please contact James Kinsella (020 8379 4041), Governance Team.

**LIST REFERENCE: 1/22/14-15**

**SUBJECT TITLE OF THE REPORT**

**TERMS OF LOAN AGREEMENT BETWEEN THE COUNCIL AND HOUSING GATEWAY LIMITED**

<b>Part 1 or 2 (relevant exempt Paragraph)</b>	<b>Wards affected by decision</b>	<b>Decision taken by</b>	<b>Date Decision to come into effect</b>	<b>Interest declared in respect of the Decision</b>	<b>Category of decision (i.e. Key, Non-Key, Council, Urgent)</b>	<b>Contact Details</b>	<b>Eligible for Call-in &amp; Date to be called in by</b>
Part 1 & 2 (Para 3)	All	Cabinet Member for Finance (Cllr Stafford) Cabinet Member for Housing & Estate Regeneration (Cllr Oykenner)	Wednesday 17 <sup>th</sup> September 2014	None	Non-Key	Hayley Coates 0208 379 3087	Yes Tuesday 16 <sup>th</sup> Sept 2014

**DECISION**

**AGREED:** subject to no call-in being received, the following decision will come into effect on Wednesday 17<sup>th</sup> September 2014:

- To note that the Facility Letter has been drafted by Trowers and Hamlin as part of the set up Housing Gateway Limited, to ensure a formal audit trail is in place for the loan to the company.
- To approve the Facility Letter, which sets out the terms of the loan agreement between the Council and Housing Gateway Limited, as detailed in the Part Two report.

**ALTERNATIVE OPTIONS CONSIDERED:**

- A Facility Letter with a single instalment could be agreed. However, this has been discounted as it does not provide the opportunity for the company to access funding in a phased approach based on the speed of acquisition.
- The loan could be issued to the company with the absence of a formal agreement, given it involves the transfer of funds from the sole shareholder to the company. This is not considered a viable option as the loan will be a significant sum of money and the absence of a formal agreement would result in significant risk for both parties and would not meet audit guidelines.

**REASONS FOR RECOMMENDATIONS:**

- A Facility Letter is required to facilitate the issue of the loan between the Council and Housing Gateway Limited and provide clear terms of repayment.
- The Facility Letter has been drafted by Trowers and Hamlin acting on behalf of both the Council and Housing Gateway Limited.
- The Facility Letter has been drafted to enable the company to access the loan in instalments, to coincide with the speed of acquisitions. This will enable the company to manage its cash flow and avoid accruing costly interest rates when company does not require the loan.
- Schedule 3 of the Facility Letter provides the opportunity for the Council to set the interest rate for each loan instalment. This enables the Council to take into account the interest rate at the drawdown date, so the Council does not have to subsidise the interest rate. This also enables the Council to set a Commercial interest rate for the loan, if Housing Gateway leases some properties a market rent and State Aid would be applicable, as set out in the company's Entrustment Document.
- Housing Gateway Limited's Board of Directors have approved the terms of the loan in the form of the Facility Letter.

**BACKGROUND:**

Please note that a copy of the Part 1 report is available via the Decision List link on the Council's Democracy page, as the Part 2 report contains exempt information it will not be available for press and public.