

## LOAN FACILITIES TO QUERCUS 7

Council - 25 April 2017

Report of Chief Executive

Status For Decision

Key Decision: No

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**This report supports the Council promise to provide value for money**

Portfolio Holder Cllr John Scholey

Contact Officer Helen Martin, Ext. 7483

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### **Recommendation to Council:**

The Chief Executive be authorised to offer loan facilities to Quercus 7 following consultation with the Portfolio Holder for Finance in line with the rules set out in this report relating to State Aid.

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**Reason for recommendation:** To avoid conflicts of interest as the Council undertakes trading activities to enhance the economic wellbeing of the District and to achieve self sufficiency from central government funding.

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### **Introduction and Background**

- 1 In March 2015, Council (minute 51) agreed that the Chief Finance Officer be authorised to provide loan facilities in consultation with the Chief Executive, the Chief Officer Legal and Governance and the Portfolio Holder for Finance and Resources.
- 2 Since that meeting, the Chief Finance Officer has been appointed as Chairman of the Board of Quercus 7 and, therefore, there would now be a conflict of interest with the authority given to him by Council in March 2015.
- 3 The post of Chief Officer Legal and Governance no longer exists. The Monitoring Officer (Head of Legal and Democratic Services) is now the Company Secretary of Quercus 7 and would also have a conflict of interest.
- 4 This amendment ensures openness and transparency of reporting and decision making and clearly demonstrates the separation of duties in this matter.

## State Aid

- 5 In order to ensure transparency and competitiveness with the private sector and not to breach the rules in relation to State Aid, the Company must not be subsidised by the Authority. This means that the authority must recover the costs of any accommodation, goods, services from employees or any other support it gives to the company.
- 6 Council (March 2015) noted that specialist advice would be sought when Quercus 7 received loans from the Council to ensure that State Aid regulations were complied with.

## Key Implications

### Financial

- 7 There are no new Financial implications arising from this report.

### Legal Implications and Risk Assessment Statement.

- 8 There are no new Legal implications or risks arising from this report.

### Equality Assessment

- 9 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

## Conclusions

- 10 The Chief Executive be authorised to provide loan facilities to Quercus 7 in consultation with the Portfolio Holder for Finance.

Appendices            None

Background Papers:            [Report to Council 31 March 2015](#)

Dr Pav Ramewal  
Chief Executive