

(For Democratic Services use)

Decision Number: 8 (2017/18)

Portfolio Holder Executive Decision Statement

The Local Authority (Executive Arrangements)(Meetings and Access to Information)(England) Regulations 2012

Subject: Quercus 7 Overdraft Facilities

Details of Decision taken

To charge a rate of 2% plus ^{B & E} base rate to Quercus 7 for the overdraft facilities given to them for their working capital requirements.

Reason for Decision

The Council has given Quercus 7 overdraft drawdown facilities to fund its working capital requirements. Those facilities were unsecured.

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 Council. This means that the authority must recover the costs of any services or support given to the company.

All Documents considered:

- Report to Cabinet 5 March 2015 (Paragraph 33) refers to initial loans for working capital for set up costs and incidental expenses.
- Details of the overdraft charges in the Council's banking contract were reviewed.

Details of any alternative options considered and rejected by the Member when making the Decision:

A rate below market rate would effectively subsidise the company and would therefore breach the rules of State Aid.

Financial implications

The overdraft given for working capital in 2016/17 was £43k. Quercus 7 is a company wholly owned by SDC and was set up with the objective to enhance the economic wellbeing of the District as well as providing an income stream to help the Council be less dependant upon Government funding (Council

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Minute 51 of 31 March 2015)

Legal Implications and Risk Assessment Statement

Failure to charge Quercus 7 for facilities or services given would breach State Aid rules.

Equality Impacts (Consideration of impacts under the Public Sector Equality Duty)

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.

Local Member (s), other Portfolio Holders and/or Directors/Heads of Service Consulted

Chief Executive
Leader of the Council

23.05.17.

Details of any conflicts of interest

a) declared by any executive member who is consulted by the Decision Taker

None


b) and any details of dispensations granted by the Chief Executive in respect of any declared conflict

None

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Decision Number:

Decision taken by:	Portfolio Holder for Finance and Resources
Signed by Portfolio Holder	
Date of Decision	05.06.17
Record made by:	
Date of record:	

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