

Extracts from Draft Minutes – Special Cabinet 22 September 2022
3 RIVERS DEVELOPMENTS LIMITED – Funding Request – Minute 61

The Scrutiny Committee had met the previous day to discuss a decision which had been taken by the Cabinet on 6th September 2022 in relation to a 3 Rivers Development Limited Funding Request and which had been called in by the Chairman of the Scrutiny Committee.

The Scrutiny Committee had asked for the following comments to be passed back to the Cabinet for further consideration:

The Scrutiny Committee were of the opinion that the updates contained in the Cabinet papers of 6th September were of such significance that the Committee believed that they constituted a new business plan rather than a simple update and therefore the Committee recommended that Cabinet, before reaching a decision on further borrowing, ensured that the agreed due diligence and governance steps were carried out, namely that the business plan was reviewed by the Audit Committee and that they were given the opportunity to comment on any risks and mitigations and that the opinion of the Audit Committee would be taken into account when making any further lending decisions.

(Proposed by Cllr J Buczkowski and seconded by Cllr L J Cruwys)

Having considered the comments of the Scrutiny Committee the Cabinet gave consideration to:

- The Bank of England base rate increase from 2.25% from 1.75% due to be announced on 22nd September and the effect of this on 3 Rivers Development Company and its Loans.
- The effect of any subsequent delay in decision making monetarily.
- The revised Business Plan which would be presented to the Scrutiny and Audit Committees, as per the agreed procedure, in November 2022.

The Cabinet **RESOLVED** not to support the recommendation of the Scrutiny Committee and to remain consistent with its view taken on 6th September:

That it be agreed to increase the current loan agreements by a total of £2,280,784 to cover; the identified project overspends on 2 projects included in the previously agreed Business Plan funding envelope agreed on the 30 November 2021 and increased the working capital loan agreement. In addition, it be agreed that a transfer from a future projects budget of £0.58m in order for the business to work up new potential projects to replace the out of District projects that had to be removed from the company's business plan after changes to the Treasury's Public Works Loan Board loan arrangements.

(Proposed by the Leader)