

Exercise of emergency functions – Approval to provide a loan facility of up to the sum of £2,500,000 (Two Million five hundred thousand pounds) to Coventry Warwickshire Reinvestment Trust (CWRT) (“the Funding Amount”) for a CBILS FUND for businesses in Coventry

1. Part 2M of the constitution of the City Council provides for the Scheme of Functions delegated to Employees including to the Chief Executive/Head of Paid Service.
2. Paragraph 3.8 of Part 2M of the Constitution enables the Chief Executive, in consultation with the Leader to make decisions required in an emergency.
3. As it is well known, the magnitude at which the Coronavirus (COVID-19) has spread is unprecedented, with the number of confirmed cases at the beginning rising rapidly each day. It’s impact has been far reaching and has – understandably – caused wide-scale panic amongst businesses and the general public. The Council has been encouraged by central Government to assist suppliers and local businesses where possible the PPN Guidance highlights this.
4. The EU Commission has issued a “Temporary Framework for State Aid Measures in the current Covid-19 Outbreak”. The Temporary Framework makes provision for amongst other matters subsidised loans from public resources to cover immediate working capital and investment needs subject to ensuring that it meets the caps and conditions set out in the Temporary Framework.
5. The due diligence undertaken by legal and finance colleagues concludes that the Funding Amount is capable of being provided by the Council to the CWRT by way of a loan facility which will be structured in a manner which accords with the conditions set out in the Temporary Framework to ensure state aid compliance.
6. The reason for urgency is based on the fact is local businesses require assistance. The Funding Amount sought will help towards ensuring businesses in Coventry continue to exist and employ people.
7. On the basis set out above, I am satisfied that the decision being taken pursuant to this emergency provision is critical to the Council’s ability to provide the much needed relief support to the Company in these challenging times.
8. In light of the above I agree that this constitutes an emergency and I am making the decision that the City Council:
 - (a) approves the provision of the Funding Amount up to the sum of £2,500,000 by way of a loan facility and subject to the following conditions:

- the level of interest for the loan facility shall be 1% above LIBOR which currently sits at 0.97% and
 - the term of the loan facility shall not exceed 5 years.
- (b) delegated authority be given to the Director of Finance and Corporate Service and the Director of Legal and Governance Services to finalise the terms of the loan facility and the authority to thereafter enter into the necessary legal agreement to give legal effect to the loan transaction.

I have consulted with the Leader of the City Council to confirm his agreement to this course of action.

A report will be taken to Council at the next appropriate meeting that will include information about this emergency decision.

Signed:

A black rectangular redaction box covering the signature of the Chief Executive of Coventry City Council.

Chief Executive of Coventry City Council

Dated: 30 June 2020