

# CITY EXECUTIVE BOARD

**Wednesday 11 June 2014**

**COUNCILLORS PRESENT:** Councillors Price (Leader), Kennedy, Seamons and Tanner.

**OFFICERS PRESENT:** Jackie Yates (Executive Director Organisational Development and Corporate Services), Nigel Kennedy (Head of Finance) and Sarah Claridge (Committee and Member Services Officer)

## **1. WELCOME BY CHAIR**

The Chair welcomed everyone and explained that the special meeting was so a loan could be agreed prior to the school holidays. The Board was agreeing in principle and any loan would be subject to legal terms of reference.

## **2. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Turner, Sinclair, Simm, Brown, Lygo and Rowley. Apologies were also received from Peter Sloman.

## **3. DECLARATIONS OF INTEREST**

There were no declarations of interest made.

## **4. PUBLIC QUESTIONS**

There were no public questions.

## **5. COUNCILLOR ADDRESSES ON ANY ITEM FOR DECISION ON THE BOARD'S AGENDA**

### Item 4: Loan to the Low Carbon Hub

Councillor Fooks asked the following questions to Councillor Tanner:

What are the administrative costs of this loan (paragraph 26)?

The loan will be paid in instalments as needed. On-going monitoring of the investment in the City will need to take place, which will incur additional cost.

Where is the money coming from?

Council is using surplus funds from the Treasury Management Strategy to make the short term loan, it is not coming from the capital budget.

## **6. LOW CARBON HUB LOAN FACILITY**

The Head of Finance submitted a report (previously circulated, now appended) considering the approval of a loan facility to the Low Carbon Hub (IPS) to facilitate the implementation of a number of renewable energy schemes.

Councillor Tanner presented the report to the Board and listed the following reasons why the £2.3M loan to Low Carbon Oxford was a good investment:

- It would be good for the environment and would help reduce Oxfordshire's carbon footprint.
- It would benefit businesses and schools within the city.
- It was a good investment with a good rate of return.

The Head of Finance informed the Board that on average the Council could expect 0.89% return on investments, whilst the short term loan is offering 5% p.a (approx. £34,000) A fifth of the investment from the loan will go to Oxford City schools and businesses.

The risk of the share issue not returning the £2.3M is low, as the last time Low Carbon Oxford has a share issue they were oversubscribed. Regardless of this, a contract to safeguard the City's investment is being drawn up.

The Council is working on the terms of the loan with the Low Carbon Hub and a written Heads of Terms is expected on Monday.

The City Executive Board resolved to AGREE:

1. That a fixed term loan facility for the Low Carbon Hub (IPS) be set up capped at £2.3 million on the basis that whenever monies are drawn down from the facility to fund individual renewable energy community projects. The sum drawn down will be repaid with 5% interest following a community share issue for that project, with the potential to revolve the facility to provide funding for other renewable projects in the pipeline.
2. That the potential to revolve the loan facility to provide funding for other renewable projects in the pipeline is built into the agreement subject to the successful repayment of the initial and subsequent loans.
3. That the Board delegates the authority to enter into an appropriate Loan Agreement with the Low Carbon Hub (IPS) to the Section 151 Officer and Monitoring Officer in consultation with the Chief Executive Officer.

## **7. FUTURE ITEMS**

None

## **8. MINUTES**

The minutes of the meeting held on 23 May 2014 were approved as a correct and accurate record.

## **9. MATTERS EXEMPT FROM PUBLICATION**

The City Executive Board resolved to exclude the press and public from the meeting during consideration of the items in the exempt from publication part of the agenda in accordance with the provisions in Paragraph 21(1)(b) of the Local Authorities (Executive Arrangements) (England) Regulations 2000 on the grounds that their presence could involve the likely disclosure of exempt information as described in specific paragraphs of Schedule 12A of the Local Government Act 1972 and that, in all the circumstances of the case, the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

Summary of business transacted by the Board after passing the resolution contained in minute 6

The Board received and noted the contents of the not for publication appendix to the reports at item 4 (minute 6 refers).

**The meeting started at 1.30 pm and ended at 1.50 pm**