

Time began: 9.05am
Time ended: 9.12am

COUNCIL CABINET
15 April 2015

Present Councillor Banwait (Chair)
 Councillors Hussain, Martin, Rawson, Repton, Russell and
 Shanker

This record of decisions was published on 17 April 2015. The key decisions set out in this record will come into force and may be implemented on the expiry of five clear days unless a key decision is called in.

191/14 Apologies

Apologies for absence were received from Councillors Afzal and Jones.

192/14 Late Items

There were no late items received.

193/14 Identification of Urgent Items to which Call In will not apply

There were no items.

194/14 Declarations of Interest

There were no declarations of interest.

Key Decisions

195/14 Derby Regional Growth Fund Programme

The Council Cabinet considered a report on Derby Regional Growth Fund Programme. The Council successfully secured £40m from the Regional Growth Fund (RGF) in November 2012. The programme comprised four strategic projects: the creation of Infinity Park Derby (IPD); the construction of an Innovation Centre (iC) to become the Centre of Supply Chain Innovation in Transport Engineering; investment in facilities at the Railway Technical Centre (RTC); and a grant and loan fund to support the expansion of local businesses – the Derby Enterprise Growth Fund (DEGF). The Programme also provided funding to support the administration and management of the programme.

The RGF programme was making excellent progress and, at the time of writing, £28m (70%) of the programme allocation had been invested and 477 new jobs had already been created, mainly through DEGF. As part of the RGF agreement the Council was contractually obliged to monitor jobs created through new DEGF projects and the other capital projects in the programme to 2020.

DEGF was initially established with £20.258m allocated from RGF. This fund had been exceptionally successful, over 150 projects had received support and the fund was considered one of the most successful of its kind in the country. Contracts had already been issued to the value of £21.77m and a further £1.09m had been offered "in principle" subject to due diligence and completion of contracts. Over £12m of DEGF awards had been made in the form of commercial loans. Loan repayments would enable the Council to continue to invest in new DEGF projects until at least March 2020. There continued to be a strong pipeline of projects seeking DEGF support.

The Department for Business, Innovation and Skills (BIS, the RGF funding body) advised in February that the national RGF spend deadline would be extended from June 2015 to 31 March 2016. This change in timeline required Council Cabinet to consider changes to the currently approved RGF programme.

The purpose of the accompanying confidential report was to seek approval for changes to the Councils capital programme to enable the continuation of DEGF as a revolving fund to support job creation through business growth until at least March 2020.

Options Considered

If the recommendations proposed in the confidential report were not approved, then the DEGF initiative would have to be wound down in 2015/16 and the DEGF Investment Panel not be able to make any further awards until such time as funds from loan repayments had been accrued. The fund would then re-open for new projects in April 2016.

Decision

1. To note the report for information.
2. To note that the detail of the changes to the Regional Growth Fund programme arrangements were covered within the confidential part of the agenda.

Reasons

For Members to note the success of the work undertaken as part of the RGF funding allocation, and the need to make changes to the programme as a result of a change in the RGF spending timelines from Government.

196/14 Exclusion of Press and Public

To consider a resolution to exclude the press and public during consideration of the following item

“that under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting during discussion of the following item on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information”

Key Decisions

197/14 Derby Regional Growth Fund Programme

The Council Cabinet considered exempt information in relation to Derby Regional Growth Fund Programme.

Options Considered

These were set out in paragraphs 5.1 and 5.2 of the report.

Decision

1. To note the progress on the Derby RGF Programme.
2. To approve the over-commitment of DEGF by £2.602m to £22.86m.
3. To recommend to Council a short term loan over 12 months of £1.5m to maintain DEGF in 2015/16, the detail of loan profile would be approved by the Director of Finance and Procurement.
4. To agree to establish an Economic Regeneration reserve and transfer £20,000 in 2015/16 and £10,000 in 2016/17 from the previously agreed Economic Regeneration revenue budget to fund the interest costs associated with the short term loan (£30,000) in 2016/17.
5. To use capital reserves yet to be applied to enable DEGF contracts to be signed in April 2015, to be reimbursed following Council approval of the short term loan.
6. To agree for DEGF to operate as a recycled grant and loan scheme managed within the annual limits of the recycled loan and in line with the RGF Scheme Offer Letter.

Reasons

Theses were set out in paragraphs 3.1 to 3.3 of the report.

MINUTES END