

WARRINGTON BOROUGH COUNCIL
RECORD OF DECISION TAKEN BY AN OFFICER

DECISION TITLE: Redwood Bank Investment

Executive Board Decision No and/or Forward Plan No (Executive decisions only)	EB128 – 16 January 2017 EB 115 – 11 February 2019
Directorate Ref No (Non Executive decisions only) If applicable	N/A
Decision detail	<p>Further to the Executive Board report and approval of 16 January 2017, the Council intends to make the 3rd tranche investment in the Redwood Bank structure.</p> <p>To recap, on 16 January 2017, the Executive Board authorised:</p> <p><i>(i) approve the Redwood Bank Business Case (Appendix 1).</i></p> <p><i>(ii) approve the Council acquiring and maintaining a 33% share in the new bank, up to the £30m initial allocation.</i></p> <p><i>(iii) delegate to the Director of Finance (Section 151 Officer) and the Head of Legal and Democratic Services and Monitoring Officer to the Council (following consultation with the Chief Executive and the Executive Board Member, Corporate Finance) the preparation and completion of the ancillary legal documents required to give effect to the Council’s investment in the bank, unless there are material changes to the plan.</i></p> <p>In line with the above delegation, and as noted by the Executive Board on 11 February 2019, the Council made the initial investments in to the Redwood Bank structure, totalling £19,994,514 to date in order to acquire and maintain a 33% shareholding.</p> <p>To confirm, the investments to date have been made in Redwood Financial Partners Ltd (“RFPL”) as opposed to Redwood Bank Ltd (“RBL”). RFPL is the 100% shareholder of RBL and has no other business, and its articles were amended, so that its only function was to hold RBL, in effect mirroring it. The money invested in RFPL simply flows straight down into RBL. The investment in RFPL does not change the principles of the investment in the Bank’s structure. The Council has invested the same amount, at the same time, for the same share, with the same position of influence and leading to the same arrangement for a return of the investment should it be successful.</p> <p>The intention is to now make the final approved tranche of investment totalling £9,985,361.40, in RFPL, in line with the delegated approval from the Executive Board in 16 January 2017.</p>

	All investments made in the Bank are governed by the Investment Agreement which is in place between all the shareholders of the Bank structure.
Reason for decision	The final tranche of investment is being made for a number of reasons including: <ul style="list-style-type: none"> - The Bank is performing in line with the business plan - The final tranche of investment is in line with the current business plan, the final investment will enable the Bank to continue to perform in line with the business plan; - The further investment will enable the Bank to make further loans in compliance with the PRA's capitalisation requirements; - As well as the Council's investment, the other shareholders will also be making further investments in line with the Investment Agreement.
Decision Maker/Responsible Officer	Lynton Green, Director of Corporate Services Matthew Cumberbatch Monitoring Officer and Head of Legal and Democratic Services
Directorate	Corporate Services
Lead Executive Board Member consulted (if applicable)	Clr Russ Bowden – Leader
Decision Date	14 March 2019
Date Decision was published / notified (normally within 2 clear working days of decision being made)	28 March 2019
Summary of options considered	The Council has the option to not make the final tranche investment, however for the reasons set out above, the investment is to be made.
Interests declared	None
Background Papers (if applicable) <i>(period expires after 4 years from date of decision)</i>	Executive Board Reports 16 January 2017 and 11 February 2019
Confidential / exempt information Category (if applicable)	Part 2 report

NB. This form expires after 6 years.