

**WARRINGTON BOROUGH COUNCIL**  
**RECORD OF DECISION TAKEN BY AN OFFICER**

**DECISION TITLE:**                    **Warrington/North West Business Facility Agreement**

Cabinet Decision No and/or Forward Plan No (Executive decisions only)	Cabinet 12 <sup>th</sup> October 2020 CAB 243 / CAB 248 FP No 104/19
Directorate Ref No (Non Executive decisions only) If applicable	N/A
Decision detail	<p>Further to the Cabinet report of 12 October 2020, approval was obtained to provide a £202.133m loan to a standalone property company of this Warrington/North West based business against a portfolio of nine assets in Warrington and Manchester.</p> <p>The delegation from the Cabinet authorised the Director of Corporate Services (s.151 Officer) and the Director of Law and Governance (Monitoring Officer), following consultation with the Deputy Leader and Cabinet Member, Corporate Resources the preparation, negotiation and completion of all relevant documents in respect of the loan.</p> <p>The Director of Corporate Services and the Director of Law and Governance are happy with the legal documents and have consulted with the Deputy Leader and Cabinet Member, Corporate Resources. The key details of the loan are contained in the background paper – summary of key final terms. This background paper is however confidential and exempt for publication virtue of categories 3 and 5, Local Government Act 1972, schedule 12A.</p> <p>Furthermore Cabinet delegated authority to the s151 Officer and Monitoring Officer to complete all ancillary legal documents required to give effect to the loan.</p> <p>In order to complete the loan the Monitoring Officer will enter into the following documents:</p> <ol style="list-style-type: none"> <li>1. <b>Facilities agreement</b> – this is the document that sets out the terms of the loan;</li> <li>2. <b>Arrangement fee letter</b> – this is the document that sets out the amount of the arrangement fee to be paid to the Council and the timing of the payment;</li> <li>3. <b>Agency fee letter</b> – this is the document that sets out the amount of the agency fee to be payable to the Agent for administering the loan;</li> <li>4. <b>Security agreement</b> – this is the document that sets out the security being granted by the borrowing companies to the Council for the loan (including fixed charges over the properties and other assets);</li> <li>5. <b>Shareholders’ security agreement</b> – this is the document that sets out the fixed charges over the shares in the property companies, being entered into in favour of the Council as additional security for the loan;</li> </ol>

	<p><b>6. Subordination agreement</b> – this is the document that provides that any other debt of the borrowing entities will be subordinated to the repayment of the Council’s loan (in other words, ensuring that repayment of the Council’s loan takes priority);</p> <p><b>Lux share pledge</b> – this document is the equivalent of the Shareholders’ security agreement above but for the Luxembourg incorporated borrowing company.</p>
Reason for decision	<p>Cabinet delegated the completion of each of the documents listed above to the s151 officer and Monitoring officer following consultation with the Deputy Leader and Cabinet Member, Corporate Resources; and the entering into all ancillary legal documents required to give effect to the loan to the s151 officer and Monitoring Officer.</p> <p>This Record confirms the decisions have been taken by the relevant officers in line with the Cabinet delegation.</p>
Decision Maker/Responsible Officer	<p>Lynton Green - S151 Officer and Director of Corporate Services Matthew Cumberbatch – Monitoring Officer and Director of Law and Governance</p>
Directorate	Corporate Services
Lead Cabinet Member consulted (if applicable)	Cllr Cathy Mitchell
Decision Date	19 October 2020
Date Decision was published / notified (normally within 2 clear working days of decision being made)	23 October 2020
Summary of options considered	The only other option would be to not proceed with the loan.
Interests declared	None
Background Papers (if applicable) <i>(period expires after 4 years from date of decision)</i>	Part 1 Cabinet Report
Confidential / exempt information Category (if applicable)	<p>Part 2 Cabinet Report - exempt by virtue of categories 3, Local Government Act 1972, schedule 12A.</p> <p>Summary of key final terms- being exempt by virtue of categories 3 and 5, Local Government Act 1972, schedule 12A.</p>