



Cabinet

Tuesday, 10 May 2022

East Leake Parish Council Temporary Cash Advance

Report of the Director – Finance and Corporate Services

Cabinet Portfolio Holder for Finance and Customer Access, Councillor G Moore

1. Purpose of report

- 1.1. East Leake Parish Council (ELPC) is currently developing its sports pavilion and is in the process of acquiring additional funding from the Public Works Loans Board (PWLB). For a few months it may need a short-term cash flow advance of up to £250k. This report seeks approval for this advance.

2. Recommendation

It is RECOMMENDED that:

- a) A short-term cash advance of up to £250k is approved to be repaid by East Leake Parish Council once it has received additional external funding.
- b) The Borough Council's capital programme is temporarily adjusted to reflect the agreed loan figure of up to £250k.

3. Reasons for Recommendation

For the purpose of transparency and compliance with the Borough Council's Financial Regulations; and to enable ELPC to proceed with the development of the sports pavilion whilst awaiting payment of the loan from the Public Works Loan Board.

4. Supporting Information

- 4.1. East Leake Parish Council (ELPC) has been looking to develop a sports pavilion. With rising construction costs funding has been a challenge. The Council is looking currently at other funding means to bridge the funding gap such as a Public Works Loan Board (PWLB) loan. The delay in obtaining the funding creates a short-term cash flow need and ELPC has therefore requested short-term funding from RBC of up to £250k.
- 4.2. The Council will arrange for a separate legal agreement to ensure the advance is recovered at PWLB interest rate (currently around 3%). Information such as

the latest accounts and the cash flow position will also be requested on releasing the advance.

5. Alternative options considered and reasons for rejection

- 5.1. The only other option is to not approve the loan which could delay the completion of the project.

6. Risks and Uncertainties

- 6.1. As a well-run local Parish Council the risk of payment default is minimal.

7. Implications

7.1. Financial Implications

The capital programme will be amended temporarily until the loan is fully repaid.

7.2. Legal Implications

Legal advice has been sought in developing the loan agreement.

7.3. Equalities Implications

There are no equalities implications.

7.4. Section 17 of the Crime and Disorder Act 1998 Implications

There are no Section 17 implications.

8. Link to Corporate Priorities

Quality of Life	An improved leisure offering in East Leake improves the quality of life for local residents.
Efficient Services	Not applicable
Sustainable Growth	Not applicable
The Environment	Not applicable

9. Recommendations

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For more information contact:	Peter Linfield DCE and Director of Finance and Corporate Services 0115 914 8451 plinfield@rushcliffe.gov.uk
Background papers available for Inspection:	None
List of appendices:	None