

Single Member Cabinet Decision

**Executive
Forward Plan
Reference**

E3211

**Rule 4 - Aequus - Bounce Back Business Loan
Authorisation**

Decision maker/s	Cllr Dine Romero, Leader of Bath and North East Somerset Council
The Issue	<p>As part of its response to support small and medium sized businesses with the impacts of the Covid 19 pandemic, the Government have announced the provision of a Bounce Back Loan Scheme. The Council's development and construction companies (ADL and ACL) are eligible for this scheme although, as 100% owned Council companies, the approval of the Shareholder is required to make any borrowings under the specific Shareholder Agreement.</p>
Decision Date	28th May 2020
The decision	<p>The Leader as Shareholder is asked to,</p> <ul style="list-style-type: none">• Authorise the Aequus Companies (ADL and ACL) to access the Government backed, Bounce Back Loan facility for small and medium sized businesses, to support their working capital as a result of the Covid 19 pandemic.
Rationale for decision	<p>The Covid 19 pandemic is having an unprecedented impact on business and the economy and the Government have put in place a range of measures to support business with the economic impacts they are facing. This includes the Bounce Back Business Loan Scheme.</p> <p>As the Council owned private rented and housing development companies, ADL and ACL, the Covid 19 pandemic and resulting lockdown has impacted on rents received and housing sales, together with the progress of development activity. These impacts are currently anticipated to be relatively short-term in nature and the companies have detailed actions and plans in place to deal with the issues arising.</p> <p>The potential to access the Bounce Back Business Loan Scheme will provide valuable working capital at a time when contractors are returning to work and staff are returning from furlough to recommence business for the companies after a period of significantly reduced activity.</p> <p>This decision is to be made under part 4G Rule 4 of the Council's Constitution as an urgent decision. This matter is urgent to enable application to the government loan scheme to address the immediate cashflow implications from the Covid-19 restrictions that impact</p>

	business income.
Financial and budget implications	ADL is projected to turnover approximately £1.4M this year with a profit forecast of £100K and ACL has a projected turnover of £20.1M with a profit forecast of £4.2M. However, careful management of the company cash flows is necessary during this current period to ensure the company maintains sufficient cash to meet its anticipated liabilities. The Bounce Back loans have a low rate of interest and are 100% underwritten by the Government.
Issues considered	Customer Focus; Sustainability; Property; Corporate; Other Legal Considerations
Consultation undertaken	Policy Development & Scrutiny Chair; Section 151 Finance Officer; Chief Executive; Monitoring Officer
How consultation was carried out	By email, telephone and skype meetings
Other options considered	Not applicable
Declaration of interest by Cabinet Member(s) for decision:	None
Any conflict of interest declared by anyone who is consulted by a Member taking the decision:	None

Name and Signature of Decision Maker/s	
Date of Signature	
This decision is NOT subject to Call-in	