



Name of meeting: Cabinet
Date: 20th September 2016

Title of report: Provision of loan facility to Kirklees Stadium Development Ltd (KSDL) for investment purposes.

Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes
Is it in the Council's Forward Plan ?	Yes
Is it eligible for "call in" by Scrutiny ?	Yes
Date signed off by Director & name	Jacqui Gedman 12.9.16
Is it signed off by the Director of Resources?	David Smith 8.9.16
Is it signed off by the Assistant Director - Legal, Governance & Monitoring?	Julie Muscroft 9.9.16
Cabinet member portfolio	Councillor Graham Turner - Asset Strategy, Resources and Creative Kirklees(Arts)

Electoral [wards](#) affected: N/A Impact is beyond the immediate ward
 Ward councillors consulted: Cabinet
 Public or private: Public Report with Private Appendix

1. Purpose of report

- 1.1** To consider a proposal from Kirklees Stadium Development Ltd (KSDL) for the Council to provide secured debt funding to KSDL which would allow KSDL to take a majority equity stake in the outdoor Snow Sports Centre (SSC) which is the centrepiece visitor attraction of the wider HD One Development planned for the John Smith's Stadium site in Huddersfield. If Cabinet is minded to support the request in principle that officers be authorised to carry out appropriate due diligence on the proposal and detailed negotiation on the relevant documentation and agreements required and that the Chief Executive, in consultation with the relevant Portfolio Holder, be given delegated authority to agree the detailed terms of any loan to KSDL and also agree on behalf of the Council the terms by which KSDL makes its equity investment in the Special Purpose Vehicle that will develop the SSC. In addition the Assistant Director Legal, Governance and Monitoring be given the delegated authority to enter into any documentation required in connection with the proposed loan.

2. Key points

- 2.1** The detailed information required for Cabinet to form a view on the request from KSDL is set out in the Private Appendix to this report.

3. Implications

3.1 Financial

In terms of funding the loan advance to KSDL it is proposed that this would be funded from the Risks and Pressures budget within the approved Capital Plan. The terms of the loan would be such that the costs of the Council borrowing and an appropriate margin will be met by KSDL.

3.2 Legal

The Council has the powers to provide a loan facility to KSDL using the General Power of Governance under Section 1 of the Localism Act 2011.

4. Officer recommendations and reasons

It is recommended that Cabinet:

- a.** Agree to support in principle, an offer of secured debt to KSDL to allow KSDL to invest to acquire a majority equity stake in the Snow Sports Centre Special Purpose Vehicle (SPV) that will develop such a facility at the John Smith's Stadium site, Huddersfield.
- b.** Authorise the Assistant Director Place (Investment and Regeneration) supported by the Assistant Director, Financial Management, Risk, IT and Performance and the Assistant Director, Legal, Governance & Monitoring, to enter into detailed due diligence on the documentation required to progress a) above and to progress negotiations on a loan to provide secured debt.
- c.** Delegate authority to the Chief Executive, in consultation with the relevant Portfolio Holder, to agree the final terms of the loan with KSDL and give consent on behalf of the Council to the terms by which KSDL makes its equity investment into the Special Purpose Vehicle for the Snow Sports Centre.
- d.** Delegate to the Assistant Director (Legal, Governance & Monitoring), the authority to enter into any documentation required in connection with the loan to KSDL.

5. Portfolio Holders Recommendation

The Portfolio Holder, Cllr Graham Turner, supports the officer recommendations as they will assist in securing the investment for the overall HD One scheme.

6. Contact Officer

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7. Assistant Directors responsible

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