

Record of Delegated Executive Decision(s)

1. Subject of decision

Equity and Loan Investment to Aurora Properties (Sale) Limited for Empress Point and Northumberland Square

2. Name and Title of Decision Maker

Paul Hanson, Chief Executive

3. Details of any Conflict of Interest and any Dispensation granted in respect of such Interest

Not applicable

4. Executive summary

The purpose of this report is to seek approval for the Authority to provide up to **£1.000m** in capital funding by way of loan finance to Aurora Properties (Sale) Limited in order to provide continuing funding for the development at 13 - 16 Northumberland Square, North Shields. This is in line with the Cabinet decisions of 14 November 2016, 13 February 2017 and 8 May 2017. The amount of funding provided in this tranche supports the estimated costs to be incurred in April to June 2020 prior to proceeds from sales of properties being received.

It had been anticipated that further funding for this development would have been provided directly through proceeds from sales at other schemes. A number of sales that were anticipated to complete prior to 31 March 2020 have not done so, and due to the ongoing crisis due to the Covid-19 disruption, it is difficult to anticipate when those and subsequent completions will now take place.

The proposed funding is in line with the 2020–2025 Investment Plan and with the existing loan agreement.

5. Alternative Options considered

The decision options are to approve or not to approve the provision of **£1.000m** in capital funding from the Authority to Aurora Properties (Sale) Limited by way of loan finance. If not approved, Aurora Properties (Sale) Limited will be unable to meet its ongoing development costs in respect of the Northumberland Square scheme.

6. Decision(s)

The Head of Resources (as Section 151 officer), in consultation with the Head of Law and Governance and the Elected Mayor agree to provide **£1.000m** in capital funding from the Authority to Aurora Properties (Sale) Limited by way of loan finance.

7. Reasons for the Decision(s)

It will contribute to the successful development of homes for sale on the Northumberland Square site in line with the Cabinet decisions and will also deliver income to the Authority through interest income on the loan provided and income from services provided to the Company.

8. Date Decision Made

6 April 2020

9. Is this decision subject to call-in and if so expiry date of call-in period

Yes, the call-in period will expire at 5.00pm on Wednesday 15 April 2020

10. Date of Publication

6 April 2020

11. Implementation Date (if decision not called in)

After 5.00pm on Wednesday 15 April 2020