

REPORT TO: Cabinet
LEAD OFFICER: Executive Director (Corporate Services)

13 July 2017

Cambridge Ice Arena: Loan to Cambridge Leisure and Ice Centre (CLIC)

Purpose

1. The attached report reviews the financial risks relating to the Council providing a loan to CLIC to support the development of an ice rink on the outskirts of Cambridge. It considers how the remaining financial risk could be mitigated and provides information to support a final decision on provision of the loan.
2. The report includes consideration of the various legal agreements under development in relation to the financing, construction and operation of the Ice Rink and identifies matters that must be satisfactorily addressed in these agreements to ensure that the Council's financial position is protected.
3. This is not a key decision. It provides further analysis and support for the key decision made by Council on 22 September 2016 to approve the loan.

Recommendations

4. It is recommended that Cabinet:-
 - (a) Considers the risks identified and the measures taken to mitigate them, including matters to be included in legal documents prior to drawdown of the loan;
 - (b) Confirms approval for the loan and authorises the Executive Director (Corporate Services), in consultation with the Finance and Staffing Portfolio Holder, to approve the loan agreement and drawdowns subject to satisfactory completion of all outstanding matters.

Reasons for Recommendations

5. The report identifies the financial risks to the Council of providing a 25 year loan of £1.85m to CLIC to partially fund the development of an ice rink. It then shows how these can be mitigated to a significant degree, such that the Council can be confident that it will receive the interest and capital payments when due

Background

6. Council on 22 September 2016 approved a 25 year loan of £1.85m through the prudential borrowing facility in order to address the funding gap in respect of the Cambridge Ice Arena. CLIC are now asking the council to agree and execute a loan agreement with a view to commencing building work in July 2017.

Considerations and options

7. The attached confidential report sets out the considerations and options for Cabinet.

Implications

8. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered: -

Financial

9. This report directly addresses the financial implications of the loan to CLIC.

Legal

10. The attached report directly addresses the legal implications of the loan to CLIC.

Risk Management

11. This report directly addresses the risk management implications of the loan to CLIC

Effect on Strategic Aims

Aim 1 - Living well

12. The ice rink will provide opportunities for residents to follow an active life style. The operator is also committed to providing community activities.

Aim 2 – An innovative and dynamic organisation

13. The Council has identified, assessed and proposes to take this investment opportunity.

Background Papers

Where [the Local Authorities \(Executive Arrangements\) \(Meetings and Access to Information\) \(England\) Regulations 2012](#) require documents to be open to inspection by members of the public, they must be available for inspection: -

- (a) at all reasonable hours at the offices of South Cambridgeshire District Council;
- (b) on the Council's website; and
- (c) in the case of documents to be available for inspection pursuant to regulation 15, on payment of a reasonable fee required by the Council by the person seeking to inspect the documents at the offices of South Cambridgeshire District Council.

Agenda, decisions and minutes of Council Meeting on 22 September 2016

<http://scambsm.gov.co.uk/ieListDocuments.aspx?CId=410&MId=6688&Ver=4>

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