



Cabinet

25 May 2011

Growth Area Fund Loan: Hanchet End Business Park, Haverhill

On 16 March 2011 the Cabinet considered the recommendations from the St Edmundsbury Growth Area Partnership Board meeting held on 2 March 2011 (Report B512 refers). In respect of the Hanchet End Business Park, the Cabinet resolved (minute 140(1)) that:-

- (1) *Growth Area Major Development Projects Progress: Hanchet End Business Park, Haverhill*
 - (a) *A loan of £750,000 be made to Carisbrooke Developments on condition that it be used to facilitate the bringing forward of the business development, rather than any residential development that might eventually be allowed in the Masterplan, and that repayment in full be made to the Council when the first business unit is occupied on site or three years after the adoption of the Masterplan, whichever is sooner; and*
 - (b) *the loan to be subject to interest at a rate to be agreed by the Chief Finance Officer, in consultation with the Portfolio Holder.*

Since the Cabinet decision, officers have been informed that although the masterplan for the site was prepared by Carisbrooke, the developers of the site will actually be a company called Jaynic Investments LLC (Jaynic), with Carisbrooke managing the development on their behalf. A request has therefore been made for the loan to be paid to Jaynic.

Changes to these terms will require Cabinet approval, therefore the matter has been brought back to this meeting.

The principle of changing the name of the recipient of the loan is considered acceptable because the purpose will be the same as the original loan, which was to enable the development of the Hanchet End Business Park to be brought forward at an early date. Officers have undertaken a credit check of Jaynic which confirms that, from the review of currently available financial information, the company appears to be currently of sufficient financial stability to fulfil its obligations under the arrangement proposed.

It will also be necessary to secure the loan by means of a charge over the land, which will mean ensuring that Jaynic has a suitable interest in the land and the terms and conditions for the loan will still require the investment to assist in the delivery of the necessary infrastructure to deliver the Business Park development.

It is **RECOMMENDED** that the growth area fund loan of £750,000 for Hanchet End Business Park, Haverhill, originally approved by Cabinet on 16 March 2011 should be amended to be payable to Jaynic Investments LLC.

For further information, please contact:-

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