

Roe Valley Enterprises	13th February 2018
To: The Leisure and Development Committee For Decision	

Linkage to Council Strategy (2015-19)	
Strategic Theme	Accelerating our Economy and Contributing to Prosperity
Outcome	N/A
Lead Officer	Head of Prosperity and Place
Cost: (If applicable)	N/A

The purpose of this report is to recommend commencing a process to waive an outstanding debenture on the property of Roe Valley Enterprises, (formerly Limavady Small Business Agency).

Background

In 1998, Limavady Small Business Agency, (which has since been amalgamated with its parent company, Roe Valley Enterprises), requested funding from Limavady Borough Council towards the extension of their offering at Aghanloo Industrial Estate.

The request was for funding towards 18,000 square feet of office space, adjacent to the Enterprise Agency's existing units.

This proposal was agreed, and the office space was funded as follows:

Limavady Borough Council	£100,000
Limavady District Partnership	£75,000
International Fund for Ireland	£75,220
Bank Loan	£200,000
Own resources	£77,628

As per the original Letter of Offer from 11th May 1999, the asset could not be disposed of, for a period of 10 years.

The project commenced in 1999, and completed in early 2001.

However, Council did not put a debenture in place until 2001. Unlike all other debentures against the project, Council's debenture was not time-limited.

The debentures which were put in place from the International Fund and the District Partnership have since expired (after a five and ten year period, respectively). The sole remaining debenture is that of the former Limavady Borough Council.

Having examined all remaining correspondence on file, it was noted that in 2001, the solicitors for Roe Valley Enterprises had suggested a period of 10 years for the debenture to be in place.

However, there is no further communication agreeing this, or indeed any correspondence which suggests why it was not put in place.

Roe Valley Enterprises has now approached Council with regard to finalising the position of the debenture – given that all the remaining debentures have now expired.

As the ten year period attached to the original letter of offer has now lapsed, the Board has requested that this debenture is now finalised.

The outstanding debenture may create some difficulties should Roe Valley Enterprises seek other funding, or consents for expansion. For example, Council recently had to provide the Agency with a letter of comfort regarding the installation of solar panels, and the specific issue of an open-ended debenture was raised.

It is therefore recommended that Council either places a final time limit on the outstanding debenture, or closes this process off completely.

Recommendation

It is recommended that Council commence the process of finalising this debenture in light of the passage of time, the expiry of all other debentures, and the continued operation of Roe Valley Enterprises as a stable local stakeholder in economic development.