

EAST AYRSHIRE COUNCIL

EMERGENCY POWERS COMMITTEE

MINUTES OF MEETING HELD ON THURSDAY 5 OCTOBER 2000 AT 1118 HOURS IN THE MEETING ROOM, COUNCIL HEADQUARTERS, LONDON ROAD, KILMARNOCK

PRESENT: Councillors Drew McIntyre, Daniel Coffey, Douglas Reid, Harry Wilson, Eric Jackson, Jimmy Kelly and Provost Jimmy Boyd.

ATTENDING: David Montgomery, Chief Executive; Stephen Chorley, Director of Development Services; Robert Paton, Head of Economic Development; and Jennifer Morrison, Administrative Officer.

CHAIR: Councillor Drew McIntyre, Chair

EXCLUSION OF PRESS AND PUBLIC

1. The Committee agreed to pass the following resolution "that under Section 50A(4) of the Local Government (Scotland) Act 1973, as amended, the Press and public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 6 of Schedule 7A of the Act".

FUNDING REQUEST - CUMNOCK COMPANY (Item 5, Page 1156 99/02)

2. There was submitted a report dated 26 September 2000 (circulated) by the Director of Development Services on a funding request from a Cumnock Company to assist with the restructuring of the business.

It was agreed to advance a loan of £125k subject to the following terms and conditions:-

- (i) that the loan be made to PKG Limited;
- (ii) that appropriate security be taken in respect of the loans, including cross guarantees from PKG's group of companies;
- (iii) all security would rank equally with Scottish Enterprise National and Scottish Enterprise Ayrshire;
- (iv) the loan be advanced in two tranches, as noted in paragraph 6.2 of the report, the second tranche only being advanced on receipt of adequate management accounts which highlighted the progress of the company;
- (v) evidence of a satisfactory trading agreement between PKG and AGM;
- (vi) evidence that other sources of funding were in place; and
- (vii) that all lending to PKG be repaid to the Council in full if the numbers of AGM staff based in Cumnock fell below 180.

The Committee further agreed to note the status of existing outstanding loans and their recovery position and otherwise noted the contents of the report.

The meeting terminated at 1126 hours.