

# BRIGHTON & HOVE CITY COUNCIL

## BRIGHTON I360 UPDATE

4.00pm 28 JUNE 2018

HOVE TOWN HALL

# DECISION LIST

## Part One

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### 1. BRIGHTON I360 UPDATE

Contact Officer: Mark Ireland

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Ward Affected: All Wards

**RESOLVED:** That the Committee:

- (i) Noted the financial and commercial performance of the i360 to date.
- (ii) Noted the action so far taken by the i360 to reduce costs, increase visitor numbers and increase revenue generating capacity.
- (iii) Agreed to defer £570,007.73 of the £1,492,304.25 due on 30 June 2018 until 31 December 2018 on the basis that the i360 will pay the council £922,296.52 to enable the council to pay the PWLB the same amount on the same day.
- (iv) Agreed not to take default action at this stage in relation to the failure to hit the financial ratios set out in the loan agreement.
- (v) Noted that representatives of the council, LEP and i360 Board will meet regularly to discuss a long term restructuring of the loans and that a further report will be brought to PRG Committee on 6 December 2018, if it is anticipated that the debtor will default in making December's payment, that the Committee be fully apprised of the options as set out in Section 4 of this report, including that BHCC enforces its security.
- (vi) Authorised the Executive Director Economy, Environment & Culture, in consultation with the Executive Director Finance & Resources, to commission a specialist commercial adviser to provide advice and options to the council for a long-term loan restructuring and advise on whether those proposals meet the market economy operator principle.

- (vii) Authorised the Executive Director Economy, Environment & Culture, in consultation with the Executive Director Finance & Resources, after discussion with the i360 Board, to procure additional support (such as a commercial advisor with specialist experience of visitor attractions) for the i360 management and Board to help them improve the financial performance of the i360.
- (viii) Allocated a sum of £50,000 from the Strategic Investment Fund to meet the costs of the recommendations at 2.1.6 and 2.1.7, and that these costs are recovered with interest from the Brighton i360 Ltd by adding this sum to their loan repayments.
- (ix) Instructed Officers to seek to recover the full costs, detailed in 2.1.8, from the Brighton i360 Ltd and ensure that those costs are added to the debt.
- (x) Requested that Officers seek to negotiate, as part of any restructuring deal, agreement that BHCC will receive 25% of ticket sales, over an agreed level of visitor numbers.
- (xi) Instructed Officers to present a progress report to the October meeting of this Committee, which outlines a full range of restructuring options that seeks to reduce the financial and reputational risk to the Council.
- (xii) Requested that should there be a material change of circumstances resulting in a significant departure from the assumptions contained in this report that an urgency PRG committee be convened.