

Bolsover District Council

Meeting of the Executive on 11th September 2023

Review of Economic Loan Fund & Exceptional Loan Request

Report of the Portfolio Holder for Growth

Classification	This report is Public
Contact Officer	Pam Brown Service Director Executive, Corporate Services and Partnerships

PURPOSE OF REPORT

The purpose of this report is to provide a review of the Economic Loan Fund and seek approval for an exceptional loan request.

REPORT DETAILS

1. Background

- 1.1 The Economic Loan Fund (ELF) was launched in September 2020 offering small and medium-sized businesses the option of taking out a loan from the Council of between £2,000 and £10,000 over variable repayment periods.
- 1.2 It was considered that the ELF would be an additional but valuable source of financial support for businesses in the local area that might otherwise struggle to access finance.
- 1.3 At the time of its launch, it was also considered that the ELF would help the local economy recover and businesses bounce back following the lockdown restrictions earlier in 2020.
- 1.4 A year after its launch, a review of the ELF was then reported to the Executive in October 2021. At that time, only one £10,000 loan had been agreed but the report noted the availability of COVID grant funding may have softened demand for this facility.
- 1.5 The report recommended a further review of the scheme at the end of the 2021/2022 financial year or once all funding for the ELF has been committed.
- 1.6 The current situation is that £140,000 remains in reserve for the ELF compared to the original £150,000 earmarked for this purpose and it remains the case that only one £10,000 loan has been made since its launch in 2020.

2. Details of Proposal

- 2.1 Following the launch of the UK Shared Prosperity Fund and the Rural England Prosperity Fund, there is now a significant amount of grant funding available to community groups, VSCE organisations and businesses operating within the District.
- 2.2 Therefore, there is still limited demand for the loan facility offered by the ELF, which is further restricted by the upper limits on the loans offered, which is the case in point for the subject of this report.
- 2.3 In the alternative, the grant programmes do not provide for the request made by Platform Thirty1 who are seeking a loan of £25,000 to allow the organisation to manage a funding award of £249,999 from the Heritage Lottery Fund. The loan would solve a cashflow problem resulting from payment of the funding award being made in arrears.
- 2.4 The funding award from the HLF is for the Home Truths project, which is an extension of the activities that Platform Thirty1 are already carrying out in the District primarily the Greater Creative programme in Blackwell.
- 2.5 The Home Truths project will include suite of innovative activities designed to unlock, capture, curate and celebrate local heritage in such a way that will bring generations together, develop community leaders and enhance the local environment.
- 2.6 This project aims to provide an ex-industrial working-class community with rich, locally owned heritage resources to mirror their rich, industrial heritage past, and have the opportunity to develop their skills and voices as they work with professionals to co-create projects that are meaningful to them.
- 2.7 Therefore, the programme aligns with the Council's own ambitions for empowering communities to improve their own lives and the environmental quality of the places they live.
- 2.8 Consequently, this report seeks approval of a loan to Platform Thirty1 of £25,000 from the ELF to facilitate the delivery of this project, which in all other respects would be subject to the normal conditions attached to that loan.

3. Reasons for Recommendation

- 3.1 Platform Thirty1 are a well-established not for profit organisation that has a track record of delivery in the District and is demonstrably financially sound. The loan is to maintain cashflow and is effectively secured against a much larger funding award.
- 3.2 The loan would facilitate the release of the funding award and result in a £300,000 investment in the District, which would be used to fund a series of community activities over three years that would be free to residents.

- 3.3 The community activities that have already taken place are valued by the local community and have resulted in significant socio-economic and environmental benefits.
- 3.4 It is therefore considered that the individual merits of this proposal warrants consideration of an exception to the upper limit normally attached to the ELF because the loan would be made at relatively low risk to the Council, it would make good use of an under utilised reserve; and it would unlock £300,000 of funding, which will be spent in the District for the benefit of our local communities and their local environment.

4 Alternative Options and Reasons for Rejection

- 4.1 To refuse to consider a loan facility was rejected because of the adverse impact of losing the £300,000 investment in the District.
- 4.2 To invest £25,000 in the company was rejected because this money would not be used to pay for a service.

RECOMMENDATION(S)

- 1. To approve a loan of £25,000 to Platform 31 from the Economic Loan Fund subject to completion of an appropriate loan agreement and subject to the normal conditions of the Economic Loan Fund.

Approved by Councillor John Ritchie Portfolio Holder for Growth

<u>IMPLICATIONS:</u>	
<u>Finance and Risk:</u>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Details: A balance of £140,000 remains within the Council’s Transformation Reserve for this loan fund. <p style="text-align: right;">On behalf of the Section 151 Officer</p>	
<u>Legal (including Data Protection):</u>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Details: The Council’s ability to offer loans derives from the local authority’s general power of competence under the Localism Act 2011. <p style="text-align: right;">On behalf of the Solicitor to the Council</p>	
<u>Environment:</u>	
Details: There are no environmental implications arising from this report.	
<u>Staffing:</u>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Details: There are no staffing implications arising from this report. <p style="text-align: right;">On behalf of the Head of Paid Service</p>	

DECISION INFORMATION

<p>Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:</p> <p>Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i></p>	No
<p>Is the decision subject to Call-In? <i>(Only Key Decisions are subject to Call-In)</i></p>	No

<p>District Wards Significantly Affected</p>	<p>(please state which wards or state All if all wards are affected)</p>
<p>Consultation: Leader / Deputy Leader <input checked="" type="checkbox"/> Executive <input type="checkbox"/> SLT <input checked="" type="checkbox"/> Relevant Service Manager <input checked="" type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/></p>	<p>Details:</p>

<p>Links to Council Ambition: Customers, Economy and Environment.</p>
<p>Economic Growth</p>

DOCUMENT INFORMATION	
Appendix No	Title

<p>Background Papers</p>
<p><i>(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive you must provide copies of the background papers).</i></p>