



## Leader Decision (Communities portfolio)

<b>Date:</b>	<b>9 September 2022</b>
<b>Reference number:</b>	CO02.22
<b>Title:</b>	<b>Bucks Big Society Bank Loan</b>
<b>Cabinet Member(s):</b>	Cllr. Steve Bowles, Cabinet Member for Communities
<b>Contact officer:</b>	Gail Hudson, Senior Policy Officer
<b>Ward(s) affected:</b>	None specific.
<b>Recommendations:</b>	<b>That the Bucks Big Society Bank Loan provided to Heart of Bucks Community Foundation is renewed for a further period of 10 years up to 2031.</b>
<b>Reason for decision:</b>	To ensure ongoing support to the Bucks Big Society Bank to provide finance to social enterprises and other not-for-profit organisations, to benefit the residents of Buckinghamshire.

*There are confidential appendices to this report, which are exempt by virtue of paragraph 3 of Schedule 12A of Part 1 of Schedule 12a of the Local Government Act 1972 because they contain information relating to the financial or business affairs of any particular person (including the authority holding that information).*

### **1. BACKGROUND**

- 1.1 The Bucks Big Society Bank was set up in 2011 to provide loans of between £1,000 to £25,000 to charities and not-for-profit organisations. The original agreement was to run for 10 years till 2021.
- 1.2 The fund is administered by Heart of Bucks Community Foundation, who receive, vet, award and monitor the loans. and award the loans. The loans are granted to registered charities, social enterprises and not-for-profit organisations and are

awarded on a short-term basis to support local organisation who in turn provide a community benefit to Buckinghamshire residents.

- 1.3 An original contribution of £75,000 was made in 2011 which was increased by a further £75,000 in 2013. Our total contribution to the fund is £150,000, no interest is payable. We are not the sole contributors to the fund.
- 1.4 The objective of Big Society Bank is to provide a source of loan funding to facilitate, encourage and support organisations within the VCSE sector in developing new approaches to service delivery and in improving the contribution of local voluntary and community organisations in their area.
- 1.5 The loan fund also improves their access to smaller levels of funding to develop and deliver projects which are not eligible for national or regional funding streams. The loans also overcome potential cashflow issues where grants are paid in arrears
- 1.6 To date the loan fund has enabled Heart of Bucks to award 33 loans totalling investment of almost £550,000 to help residents. Appendix A shows the current recipient of the loans.
- 1.7 The original agreement was for the £150,000 loan to be repaid by April 2021, but Heart of Bucks has requested that the repayment period be extended for a further 10 years to April 2031 on the same terms. This will enable continuing financial support to the sector.
- 1.8 There is a clause in the loan agreement relating to the termination of the agreement if the funds are not used for the agreed purposes.
- 1.9 A draft copy of the new loan agreement is attached at Appendix B.

## **2. Other options considered**

- 2.1 Not agreeing to extend the period of the loan would reduce the capacity of the Bucks Big Society Bank to make loans to not-for-profit organisations in Buckinghamshire and impact their ability to deliver projects to help support their local communities.

## **3. Legal and financial implications**

- 3.1 The loan funds are currently held by Heart of Bucks and no further transfer of funds is required.
- 3.2 A new loan agreement has been drafted (Appendix B) to cover the extended period with appropriate clauses to ensure the appropriate use of the funds and early repayment for inappropriate use.



#### **4. Corporate implications**

- 4.1 This report relates to the Corporate Plan priority for 'Strengthening our communities'. There are no other corporate implications resulting from this report.

#### **5. Next steps and review**

- 5.1 The Leader through his delegated authority gives approval for the loan agreement to be renewed until 2031.
- 5.2 The revised loan is signed by both parties, this will be the Deputy Chief Executive or Service Director from BC and the Chairman and Chief Executive of Heart of Bucks Community Foundation, as outlined on page 13 of the agreement.
- 5.3 Continue monitoring meetings with Heart of Bucks to ensure adherence to the agreement.

#### **6. Background papers**

- 6.1 None.

#### **7. Your questions and views (for key decisions)**

- 1.1 If you have any questions about the matters contained in this report, please contact the author of this report. If you have any views that you would like the cabinet member to consider, please inform the democratic services team. This can be done by telephone or email [gail.hudson@buckinghamshire.gov.uk](mailto:gail.hudson@buckinghamshire.gov.uk)

