

Cabinet



Forest Heath
District Council

Title of Report:	Policy for Providing Loans to External Organisations	
Report No:	CAB/FH/15/020	
Report to and dates:	Cabinet	31 March 2015
	Council	15 April 2015
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Purpose of report:	To set out a proposed policy for providing loans to external organisations.	
Recommendation:	It is <u>RECOMMENDED</u> that : Subject to Full Council, the Policy for Granting Loans to External Organisations, as set out in Appendix 1 to Report No CAB/FH/15/020, be adopted.	
Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i>	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>	
<i>The decision made as a result of this report will be published within 48 hours and cannot be actioned until seven working days have elapsed. This item is included on the Decisions Plan.</i>		
Consultation:	<ul style="list-style-type: none"> • None associated with this report • To be considered as part of any loan application 	
Alternative option(s):	None associated with this report.	
Implications:	Are there any financial implications? If yes, please give details	
	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> • None associated with this report • To be considered as part of any loan application 	

Are there any staffing implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> • None associated with this report	
Are there any ICT implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> • None associated with this report	
Are there any legal and/or policy implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> • Local Government Act 1972 (Sc 111) - power to lend money • Local Government Act 2000 (Sc 2) - well being powers • Localism Act 2011 - general power of competence	
Are there any equality implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> • None associated with this report	
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
	Low/Medium/ High*		Low/Medium/ High*
The absence of a loan policy creates inconsistencies with considering loan requests	Medium	Adoption of this policy will support the Council in the adoption of a suitable risk-based policy for Members to make reference to on consideration of any future loan application.	Low
Ward(s) affected:		All wards	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		None	
Documents attached:		Appendix 1 - Policy for Granting Loans to External Organisations	

1. Key issues and reasons for recommendation(s)

- 1.1 The District Council has provided loans to external organisations for a number of reasons, including promotion of economic development; and enhancement of sports, leisure or community facilities within the District.
- 1.2 At present there is no set criteria or policy for the granting of loans to external organisations as each proposal is judged on its own merits, which includes consideration of:
 - The purpose of the loan and its contribution to the achievement of the Council's priorities;
 - The financial stability and viability of the organisation to which the loan is made; and
 - The level of security offered.
- 1.3 The attached policy at Appendix 1 is based on a similar policy adopted at St Edmundsbury Borough Council, following extensive research of policies operated by other local authorities, advice from an expert in the field, and scrutiny by SEBC's Overview and Scrutiny Committee. Adoption of this policy will offer a West Suffolk approach to providing loans to external organisations.
- 1.4 As part of its development (a draft version of the policy went through an external review and proposed changes from that review are included within the attached Appendix 1).
- 1.5 Adoption of this policy will support the Council in the adoption of a suitable risk-based policy to which Councillors can refer when considering any future loan application.