

	REPORT TO	On
	CABINET	10 February 2021

Title	Portfolio Holder	Report of
Provision of a Loan and Grant to facilitate a works project to the Hoole Village Memorial Hall	Cabinet Member (Finance, Property and Assets)	Director of Governance

Is this report confidential?	No
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Purpose of the Report

1. To request approval to release funds by way of a loan, charge and a grant to the Trustees of Hoole Village Memorial Hall to enable them to progress and complete their works project to the premises.

The execution of the loan, grant and legal charge is undertaken by the Director of Governance

Recommendations

2. To approve the granting of the loan of £150,000.00 and a Grant of £50,000.00 to the Trustees of the Hoole Village Memorial Hall.
3. To approve that the Council's interests are protected by way of a facility agreement and legal charge and a separate grant agreement.
4. To approve the execution of the loan agreement, legal charge and grant agreement by the Director of Governance.

Reasons for recommendations

5. The village hall trustees had previously approached the Council requesting financial support for the project to address their estimated funding shortfall, for the provision of a works project to the Village Hall.

A budget of £200,000 has been included in the Budget and Medium-Term Financial Strategy for this project. A due diligence process has been undertaken with regard to the provision of a loan. In order to protect the Council's interest in the granting of the loan and Grant it is necessary to enter into certain documents with the Trust. The required agreements are a facility agreement which details the terms of the loan, a

grant agreement which details the terms of the grant and a legal charge which secures the granting of the loan against the Hoole Village Memorial Hall.

Other options considered and rejected

6. The council could of course have chosen to do nothing in this regard. However, it was not considered that this was in the best interests of the residents of Much Hoole.

Corporate outcomes

7. The report relates to the following corporate priorities:

An exemplary council		Thriving communities	X
A fair local economy that works for everyone		Good homes, green spaces, healthy places	

Background to the report

8. Following earlier approval in principle by Council (on the 26th February 2020) for a loan to the Village Hall, the business plan projections provided by the Trust have been reviewed to assess affordability.
9. Hoole Village Memorial Hall is a registered charity and as such, the annual accounts have been submitted to the Charity Commission. The community-run facility has made a profit in the last three years for which accounts have been assessed.
10. The current facility is run down and needs significant investment. There has been investment already in the re-siting of the Scouting Building to the Village Hall Site and repairs to the roof to allow the building to remain operational.
11. The new facility is designed to be a multipurpose space, able to accommodate a number of different groups and therefore maximize usage and also to be more energy efficient.
12. The loan would be secured via a charge on the property with the Trustees entering into a legally binding facility agreement which determines the terms of the loan and a grant agreement detailing the relevant terms on which the grant is to be given.

Proposals

13. It is proposed to provide a loan to the Trustees of the Hoole Village Memorial Hall in the sum of £150,000.00 and a Grant in the sum of £50,000.00

14. The Council will require the Trustees to enter into a facility agreement, protected by way of legal charge and a grant agreement.

Risk

15. The risk of the Council is being mitigated by the requirement of the facility agreement which will be protected by way of a legal charge over the property. The facility agreement requires the Trustees to provide evidence of works undertaken at certain stages throughout the process of development. This will ensure that the loan is used for the purposes it is provided.
16. The Grant Agreement will require the Trustees to provide updates regarding the delivery and success of the project and spending of the grant monies

Equality and diversity

17. None

Comments of the Statutory Finance Officer

18. The budget for this grant and loan award are within the capital programme. The repayment of the loan will be collected annually and offset the costs of the Council facilitating this amount.

Comments of the Monitoring Officer

19. The purpose of the report is to seek authority to enter into appropriate legal documentation designed to protect the council's interests. As such there are no concerns from a Monitoring Officer perspective.

There are no Background documents

There are no Appendices

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