

**Title of meeting:** Cabinet  
**Date of meeting:** 6<sup>th</sup> November 2014  
**Subject:** Support for the Provision of Affordable Finance  
**Report by:** Head of Finance & Section 151 Officer  
**Wards affected:** ALL wards  
**Key decision:** Yes  
**Full Council decision:** No

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**1. Purpose of report**

1.1 The purpose of this report is to set out the general responsibilities of both the City Council and the S151 Officer in relation to safeguarding public funds and, in that context, seek a decision from Cabinet in relation to entering into a loan facility agreement with United Savings and Loans (US&L), formerly known as the Hampshire Credit Union.

**2. Recommendations**

2.1 That, taking into account the Council's obligations to safeguard public funds, the Cabinet consider:

- i) Not providing a loan facility agreement to US&L
- ii) Providing a loan facility agreement on the terms referred to in Appendix 1.

2.2 In the event that a loan facility agreement is approved, the S151 Officer, in consultation with the Leader of the Council, be given delegated authority to determine whether to enter into a loan facility in accordance with the terms in Appendix 1

**3. Responsibilities of the Council and the S151 Officer in regard to the Safeguarding of Public Funds**

3.1 In general terms, the S151 Officer is responsible for leading the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

3.2 More specifically, the S151 Officer has a duty to the local taxpayers and must act in the public interest at all times. Equally, the City Council itself has a responsibility to

act in the public interest and therefore also has a responsibility to act responsibly and to safeguard public funds.

3.3 The key considerations for the Cabinet in determining whether to provide any form of financial assistance are:

- The strength and sustainability of the Business Plan and the robustness of the underlying key assumptions
- The confidence in the ability of the Board and management to implement the proposed Business Plan

If the Cabinet do not have reasonable confidence and certainty of either the Business Plan or its delivery, it would not be responsible to provide a loan facility agreement.

#### 4. Background

4.1 Full Council on 12 November 2013 made provision within the Capital Programme for the provision of financial assistance to vulnerable people and the removal of category hazards and risks in the home through the issuing of loans and grants, as follows:

| <b>Capital Scheme</b>                        | <b>2014/15<br/>£</b> |
|--|----------------------|
| Support for Vulnerable People                | 1,970,070            |
| Removal of Hazards and Risks within the Home | 410,770              |
| <b>Total</b>                                 | <b>2,380,840</b>     |

4.2 An agreement is in place for US&L to provide a number of Home Improvement and Green Deal loans, which were previously provided by Portsmouth City Council within the capital schemes listed above.

#### 4. Equality impact assessment (EIA)

4.1 A preliminary EIA has been carried out which indicates that the requirement for a full EIA is low.

#### 5. City Solicitor's comments

5.1 The Council has the power under the Local Government and Localism Acts to enter into this investment. As is set out in the body of the report it will not constitute unlawful state aid.

5.2 The loan will need to be documented by a carefully constructed contract which will have to avoid creating any form of security which will leave the Council a risk if insolvency occurs.

**6. Head of Finance's comments**

6.1 The comments of the Head of Finance are incorporated into the body of this report and its appendices.

Signed by:

**Appendices:**

- 1 Support for Affordable Credit and Proposed Loan Terms (exempt)

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

| Title of document | Location |
|-------------------|----------|
|                   |          |
|                   |          |

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by ..... on .....

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