

Loan to Hinton St. George and Locality Rural Community Services Ltd

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Purpose of the Report

That District Executive request that full Council approves a loan of £190,000 to Hinton St George and Locality Rural Community Services Ltd. (HCRS) and is a registered society to replace their mortgage on the Hinton St George shop and Post Office.

Forward Plan

This report appeared on the District Executive Forward Plan with an anticipated Committee date of 1st October 2015.

Public Interest

SSDC has received a request for a loan from Hinton St George shop and Post Office to replace their current mortgage. The Council has a Loans Policy which supports loans at affordable rates to local community groups.

Recommendation

That District Executive recommend full Council approve a loan of £190,000 to Hinton St George and Locality Rural Community Services Ltd.(HCRS), to be repaid over 20 years, from the available capital balances and under the terms of SSDC's loans policy (with the exception that the loan is for £190,000 over 20 years).

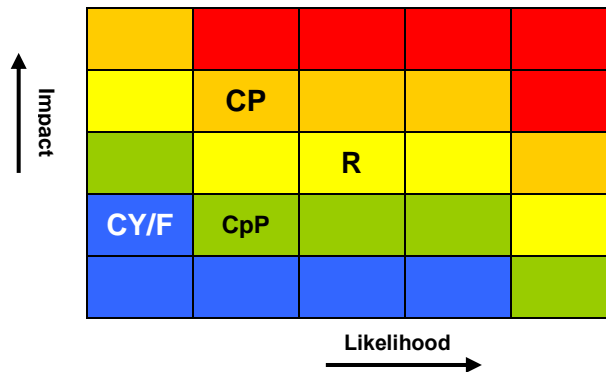
Background

Hinton St George shop and Post Office was purchased by HCRS in 2011 through a commercial loan. It is the only shop in Hinton St George and serves an immediate community of 239 households. The shop employs 3 part-time staff assisted by a team of over 50 volunteers with 100 individuals having provided financial support. The applicants have outlined that when surveyed 99% of residents consider the shop to be important or very important to the community. The Group is seeking to obtain a fixed rate mortgage to mitigate the risk of rising interest rates and the impact that would have on their business plan.

Report

SSDC's Loans Policy was set up to provide affordable loans to local community groups at affordable rates linked to the Public Works Loans Board (i.e. the rate at which SSDC could borrow funds). This policy is aimed at providing small loans to outside bodies where alternative forms of borrowing are not available or at prohibitive costs. The Group has approached SSDC to request a fixed loan of £190,000 over 20 years. This is

Risk Matrix of not giving the Loan



Key

Categories	Colours (for further detail please refer to Risk management strategy)
R = Reputation	Red = High impact and high probability
CpP = Corporate Plan Priorities	Orange = Major impact and major probability
CP = Community Priorities	Yellow = Moderate impact and moderate probability
CY = Capacity	Green = Minor impact and minor probability
F = Financial	Blue = Insignificant impact and insignificant probability

Implications for Corporate Priorities

The work of WCV contributes to Jobs and Health and Communities specifically to “Work with and lobby partners to help communities to develop transport schemes and local solutions to reduce rural isolation and inequalities to meet existing needs of those communities”.

Other Implications

None

Background Papers

Business Plan
Application Letter
