

SCOTTISH BORDERS COUNCIL

PEEBLES COMMON GOOD FUND SUB-COMMITTEE

MINUTE of SPECIAL Meeting of the
PEEBLES COMMON GOOD FUND SUB-
COMMITTEE held in Committee Room 2,
Council Headquarters, Newtown St. Boswells
on Thursday, 6 February, 2020 at 3.30 pm

Present:- Councillors R. Tatler (Chairman), H. Anderson, S. Bell, K. Chapman,
S. Haslam and E. Small

In Attendance:- Pension & Investments Manager, Solicitor (E. Moir), Solicitor (G. Sellar),
Democratic Services Officer (F. Walling).

CHAIRMAN

The Chairman clarified the special circumstances which required the arrangement of this special meeting. He was of the opinion that the application for a loan, the subject of the meeting, should be considered as a matter of urgency as if this was delayed until the next scheduled meeting any financial assistance provided would not be in time to be used for the purpose it had been requested.

1. REQUEST FOR LOAN

- 1.1 There had been circulated copies of an application from Tweeddale Youth Action for a loan of £20,000. Also circulated were copies of the Tweeddale Youth Action Annual Report and Financial Statements for the Year Ended 31 March 2019 and an email from the LEADER Programme Facilitator. The Chairman welcomed to the meeting David Hodson, Tweeddale Youth Action Manager, to speak in support of the application. Mr Hodson referred to the programme of activities provided by the organisation. In addition to 5 times weekly evening drop-in sessions, trips away and targeted support for vulnerable young people, the programme included two social enterprises. Bike Punks social enterprise involved teaching metal work and bicycle repair skills to young people including those who were not in education, employment or training and this led to further employability opportunities. Food Punks social enterprise involved teaching front and back of house catering and hospitality skills to young people whilst generating income for Tweeddale Youth Action. Mr Hodson explained that the two social enterprises had been supported with funding from LEADER, Robertson Trust and SEStran. While Robertson Trust and SEStran funded in a conventional way with funding given up front, LEADER was a retrospective funder that required spend to be made and then claimed back. The claim process had taken much longer than anticipated leading to a cash flow issue, to the extent that while waiting for claims to be processed the organisation was forecasting a deficit of £20,000 by the end of March 2020. A loan of £20,000 was requested which would enable money to be spent on equipment and consumables to meet the LEADER funding Delivery Milestones which would then be claimed back from LEADER. If money was not spent as per the LEADER targets the organisation would lose this unique opportunity to invest in its social enterprise infrastructure. Without a loan, there was also concern about not being able to meet LEADER associated payroll commitments in March.
- 1.2 Mr Hodson answered questions from Members, in particular about the management of the programme against the LEADER Milestones. He accepted that they had not sufficiently understood the complexity around LEADER funding regulations and had not initially realised that the project could not underspend without penalties. The email from the LEADER Programme Facilitator confirmed that there potentially remained available grants of £47k for Tweeddale Youth Action from an original total grant of just under £95k.

Following claims against January payroll Mr Hodson advised that there remained about £30k to claim before the end of March. In discussion, Members sought advice from the Pension and Investments Manager about possible sources for a loan which Mr Hodson could approach as an alternative to the Common Good Fund. Members also asked for information about the circumstances behind loans given by the Council's other Common Good Funds and the terms of these loans.

- 1.3 On a vote of 4 in favour and 2 against, Members decided to continue the discussion in private and Mr Hodson left the meeting room.

DECISION

DECIDED under Section 50A(4) of the Local Government (Scotland) Act 1973 to exclude the public from the meeting during consideration of the business detailed in the Appendix to this Minute on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 6 of Part I of Schedule 7A to the Act.

SUMMARY OF PRIVATE BUSINESS

- 1.4 Members continued their discussion about the request for a loan from Tweeddale Youth Action.

PUBLIC BUSINESS

- 1.5 The Sub-Committee moved back into public business. Mr Hodson was invited to return to the meeting and the Members' decision was read to him as follows:-

DECISION

AGREED to grant a loan of £20,000 to Tweeddale Youth Action, to be spent for the benefit of children and young people residing in Peebles, on the following terms:

- (a) that the loan be repaid in full by Tweeddale Youth Action, within 6 calendar months of the date the loan was paid and that the loan be interest-free providing it was repaid within this stated period;**
- (b) that repayments may be in regular instalments or by one or more transactions, as determined by Tweeddale Youth Action;**
- (c) that any outstanding amount owed at the end of the six month period be subject to interest at 3% above the base rate of the Royal Bank of Scotland and that a repayment plan be agreed at that point with Tweeddale Youth Action, with any remaining balance being paid in full within a further 12 calendar months.**

The meeting concluded at 4.35 pm