

NOTICE OF MOTION

GREEN GROUP

CREATION OF LOAN FINANCE FACILITIES FOR COMMUNITY BORROWING

This committee notes that the council holds cash balances and reserves some of which are not needed for years to come. The income from these reserves and balances amounts to around 0.85% per annum at current interest rates. Projects needing bridging finance if a loan could be made from reserves. These loans would be subject to robust business cases, including due diligence and State Aid compliance.

This committee resolves:

- To ask officers to prepare a report that assesses the practicalities and options for establishing:
 - A “revolving door” short term loan finance facility for Community housing, wealth building and sustainability projects by accessing reserves
 - a ‘self-funding’ longer term loan fund to promote on lending for social value projects
- That if possible such a report is prepared in a timeframe that allows a decision to be taken on a new budget line at Full Council, and if not, then at a subsequent Policy & Resources Committee meeting.

Proposed by: Cllr Gibson

Seconded: Cllr Mac Cafferty

Supporting information:

Short and long term finance is needed for community wealth building, sustainability and community land trust housing projects. Such initiatives contributing to social value and enhancing the quality of life of the city’s residents often cannot get off the ground. or are delayed due to lack of finance.

The practice of council ‘on-lending,’ of Public Works Loan Board loans for projects contributing to the council plan could be made available at rates that reflect the social value benefits to the community. The aspiration of community borrowing has a direct correlation to community wealth building.

Cornwall Council has lent money to build community housing:

<https://www.cornwall.gov.uk/housing/affordable-housing/community-led-housing/community-housing-land-remediation-fund/>

