

## Members' Library Service Request Form

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Originator	Catherine Molloy
Originator's Ref (if any)	
Document Title	Review of Financial Assistance Afforded to Community Organisations.

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Additional information:

Authorised By	Jim Lamond
Designation	Head of Council Resources
Date	27/03/14

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**REPORT TO:** Members' Library Service

**MEETING DATE:**

**BY:** Head of Council Resources

**SUBJECT:** Review of Financial Assistance Afforded to Community Organisations

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## **1 PURPOSE**

- 1.1 To provide an update in respect of the financial assistance packages to (1) Musselburgh Old Course Golf Club and (2) Prestongrange Bowling Club and to report on a financial assistance provided to Haddington Golf Club

## **2 RECOMMENDATIONS**

- 2.1 To note the satisfactory conclusion of support arrangements for both Musselburgh Old Course Golf Club and Prestongrange Bowling Club.
- 2.2 To approve the loan assistance to Haddington Golf Club in terms of 3.4 below

## **3 BACKGROUND**

- 3.1 A report to East Lothian Council on 23 October 2012 Financial Strategy 2012-2015 Mid Year Review confirmed the following :

### **3.2 Musselburgh Old Course Golf Club**

In April 2011, the Council provided a short term interest bearing loan facility to ease the clubs immediate cash flow difficulties. The 2012 Report confirmed the intention to finalise a further loan facility that would allow the club to extinguish all other loan debt which would lead to the Council's loan becoming secured on a first ranking basis.

Musselburgh Old Course Golf Club has successfully negotiated a refinancing package with the Bank of Scotland. This will allow the

repayment of the short term loan facility within the next 4 weeks and discharge, in full, the standard security in favour of the Council.

### 3.3 Prestongrange Bowling Club

Towards the end of 2011, club officials approached the Council as the club faced increasing financial difficulties with mounting liabilities and a dwindling membership/patronage. Club officials proposed to sell the entire site to the Council but retain use of the green and pavilion for bowling purposes.

Prestongrange Bowling Club negotiated and successfully concluded the sale of the site to Preston Lodge Rugby Club. There is no longer any requirement for Council intervention.

### 3.4 Haddington Golf Club

In August 2013, club officials approached the Council as the club faced increasing financial difficulties. Under Section 4.4 of the 2013/14 Treasury Management and Investment Strategy (approved by the Council on 26<sup>th</sup> February 2013), Permitted Investments are within the remit and delegated authority of the Section 95 officer including loans to third parties. Using this delegated authority, it was agreed that the Council would provide a maximum loan facility of £20,000 on the following terms:-

1. A loan facility of £20k which is repayable over 3 years on a capital repayment and interest basis
2. The loan facility has an interest rate of 5%.
3. The loan can be accessed in 2 tranches, each of £10,000.00
4. The first tranche is to support cash flow management. The second tranche will be released to facilitate redundancy payments originally anticipated to be due in December 2013.
5. A rent free period of the Clubhouse for 2 years until 31 March 2015

## **4 POLICY IMPLICATIONS**

- 4.1 None

## **5 EQUALITIES IMPACT ASSESSMENT**

- 5.1 No equalities impact assessment is required

## **6 RESOURCE IMPLICATIONS**

- 6.1 Financial – the new loan facility provided to Haddington Golf Club will generate a small amount of interest that will be accredited to the general services revenue account.

## **7 BACKGROUND PAPERS**

- 7.1 A report to East Lothian Council on 23 October 2012 – Financial Strategy 2012-2015 Mid Year Review

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