

Officer Executive Decisions

Developing and Empowering Resources in Communities

The Cabinet considered a report on 5 April 2015 that sought approval from Medway Council to act as Guarantor for the Developing and Empowering Resources in Communities (DERiC) initiative.

A copy of the report is available via the following link:

<http://democracy.medway.gov.uk/ieListDocuments.aspx?CId=115&MId=3169&Ver=4>

The DERiC projects would work to improve outcomes for vulnerable people of all ages by enhancing the quality of support through a focus on personalisation (direct payments), which should result in reduced demand on base budget funding and utilising social capital that would reduce latent demand on services. It is an innovative community development approach initiated by DERiC which worked in partnership with communities in Walderslade (WALT CiC), the Hoo Peninsula (wHoo Cares CiC), Medway Council and Medway Clinical Commissioning Group. A guarantee from Medway Council will allow DERiC to invest in the communities of Walderslade and the Hoo Peninsula to build resilient communities.

Delegation from Leader and Cabinet and date:

The Cabinet agreed on the 6/4/2016 to delegate authority to the Deputy Director of Children and Adults Services, in consultation with the Portfolio Holder for Adult Services, to provide a guarantee to DERiC (Option 1), as set out in paragraph 3.1 of the report (decision number 59/2016).

The Cabinet agreed on the 6/4/2016 to delegate authority to the Monitoring Officer to finalise the terms of the guarantee with DERiC and arrange the proper execution of the required legal documents (decision number 60/2016).

Decisions:

As guided by Medway Legal Services the following contracts relating to the guarantee has been completed with DERiC, WALT CiC and wHoo Cares CiC.

Details of the contracts are as follows:

Deed of Guarantee

Parties:

- (1) Medway Council
- (2) DERiC
- (3) WALT

Completed: 11 April 2016

Deed of Guarantee

- (1) Medway Council
- (2) DERiC
- (3) wHoo Cares

Completed: 11 April 2016

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Side Agreement

- (1) Medway Council
- (2) WALT

Completed: 31 March 2016

Side Agreement

- (1) Medway Council
- (2) wHoo Cares

Completed: 31 March 2016

Deed of Guarantee for loan facility from DERIC to WALT and wHoo Cares CICs for the provision of adult care support services.

Supplemental Agreements

- (1) Loan Facility Agreement between DERIC and WALT 09 April 2016;
- (2) Loan Facility Agreement between DERIC and wHoo Cares – 09 April 2016

Start Date: 11 April 2016

End Date End date of Loan Facility Agreement

Value £150,000 to each CIC

Reasons for Decision:

The decision by Cabinet delegated authority to the Monitoring Officer to finalise the terms of the guarantee with DERiC. The required legal documents of Deed of Guarantee and Side Agreements were completed and are sealed and kept by Legal Services, Packet Ref: 44/7401.

The Deed of Guarantee provided by Medway Council on the 11 April 2016 was given to DERiC who consequently requested the funding from Big Society Capital for £150,000 per CiC.

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Date of Decision: 11 April 2016

Officers:

Morounfolu Olatuja, Lawyer (Place Team), Legal Service

Carla van Zyl, Project Lead – Combining Personalisation with Community Empowerment (CPCE)

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Details of any other options considered and rejected:

The report to Cabinet considered the role of Medway Council acting as a Guarantor for the Developing and Empowering Resources in Communities (DERiC CiC) initiative.

The report also considered another option, of the Council opening an escrow bank account with DERiC and place matching funds to those invested by DERiC to the CiCs in this account. The Council's funds would be available to make any missed repayments. Once the loans have been repaid over six years the escrow account will be closed and funds within it remain with the Council. It was agreed not to pursue this option as it would require loan guarantee monies to be set aside and therefore not available for the Council.

Conflicts of Interest: None