

# KENT COUNTY COUNCIL - RECORD OF DECISION

## DECISION TAKEN BY

Cabinet Member for Customer & Communities

## DECISION NO.

11/ 01775

*If decision is likely to disclose exempt information please specify the relevant paragraph(s) of Part 1 of Schedule 12A of the Local Government Act 1972*

### Subject:

Establishment of a Kent Big Society Fund

### Decision:

Agree to make a charitable donation of £3m with conditions (sequenced annually) to the Kent Community Foundation to establish and operate the Kent Big Society Fund, a loan finance scheme for social enterprises in Kent.

### Any Interest Declared when the Decision was Taken

None

### Reason(s) for decision, including alternatives considered and any additional information

Bold Steps for Kent, the Medium Term Plan until 2014/15 committed KCC to establishing a Kent Big Society Fund to support the development of new and existing social enterprises. County Council agreed a one-off budget allocation for the Big Society Fund of £5million in February 2011, but after analysis of other local authority social enterprise loan and grant schemes, and given the uncertain market appetite in the social enterprise sector for such a loan scheme it has been decided to cap KCC's contribution to the establishment of the Kent Big Society Fund to £3m. This will be sequenced at £1m per year from January 2012, and should the market appetite for the Fund not materialise, or it not meet KCC's objectives for the Fund, KCC will be free not to make any further donations into the Fund in years 2 and 3 (2013 and 2014 respectively).

In developing options for the establishment of the Kent Big Society Fund, it was considered that:

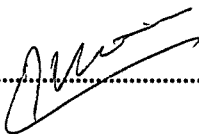
- The Kent Big Society Fund should support the transformation in the shift in the voluntary, community and social enterprise sector from dependency on grant towards more sustainable business models, including supporting them in managing the increased use of payment-by-results contracts within the public sector.
- That it should principally be a social finance loan scheme as the best mechanism to create a recyclable fund, and maximise the longevity of the fund and resources available.
- That in order to make the Fund attractive to other funding philanthropic and government funding sources, KCC should seek a partner with an existing social finance intermediary to operate and manage the Fund, and that any partner should be Kent based.

Having considered the limited options available given the relative immaturity of the social finance sector, and rejecting the option to run it in-house given the limited capacity for leverage this would yield, it is recommended that KCC should establish the Kent Big Society Fund through the Kent Community Foundation (KCF).

Kent Community Foundation is a registered charity with the Charity Commission for England and Wales. Charities are permitted to accept donations with terms or conditions so long as those conditions do not breach or bring into question its charitable status. The decision to accept conditions is a matter for the trustees of any charity. It is proposed that the establishment of the Fund and the transfer of monies to the KCF are undertaken through making a charitable donation to the KCF with conditions using the wellbeing powers provided for under Section 2 of the Local Government Act 2000. The conditions being the establishment of the Kent Big Society Fund to the principles and operating model set out in the attached key decision report, and set out in a subsequent formal agreement between KCC and the KCF to be agreed by the Director of Law and Governance.

**Background Documents:**

- Bold Steps for Kent, Medium Term Plan Unit 2014/15
- Delivering Bold Steps: Delivery Framework for the Medium Term Plan
- Kent County Council Budget Book 2011/12

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 signed

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 16 December 2011  
 date

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Decision Referred to Cabinet Scrutiny			
YES		NO	

Cabinet Scrutiny Decision to Refer Back for Reconsideration			
YES		NO	

Reconsideration Record Sheet Issued			
YES		NO	

Reconsideration of Decision Published			