

**Officer Decision Record Template**

Novation of Priory Campus Loan Agreement  
Record of Decision of Neil Copley

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Subject

A strategic review of the voluntary sector within Barnsley has resulted in the merger of Priory Campus and Voluntary Action Barnsley (VAB) to form a new parent or holding company / charity known as Barnsley CVS (Community & Voluntary Sector) from 1<sup>st</sup> April 2019.

The newly formed Barnsley CVS seeks to consolidate operations and its asset base to Priory Campus in order to reach a position of future sustainability. This consolidation has resulted in an opportunity for the Council to purchase The Core building as part of the wider Digital Campus aspiration within the town centre. The Core building has been independently valued at £1.275m and the acquisition of the building was approved by Cabinet in July 2018 (Cab.11.7.2018/10).

In December 2013 (Cab.18.12.2013/10), Cabinet approved a loan in principle to Priory Campus up to a maximum of £0.806m repayable over a 25 year period. The purpose of the loan was to cover existing debts to the Council, support ongoing operational costs and finance capital investment proposals. The current outstanding loan balance owed by Priory Campus as at March 2019 is £0.789m.

Purchase of The Core building from VAB will provide sufficient monies for them to redeem in full the outstanding mortgage on the building – currently £0.461m. Once VAB and the Priory Campus have discharged their liabilities and dissolved, the intention is for Barnsley CVS to use the capital receipt from the Core to contribute to the repayment of the £0.789m outstanding loan balance owed by Priory Campus. It should be noted that the loan is secured on the Priory Campus assets and the legal charge will remain until such time as the loan is fully discharged.

From 1<sup>st</sup> April 2019, the 'Priory Campus' organisation will cease to exist as it is replaced by its successor Barnsley Community and Voluntary Service (Barnsley CVS). It is therefore proposed that the current loan agreement with Priory Campus will be novated to Barnsley CVS to protect the Council's position as lender.

Authority

The Delegations to Officers section under the Terms of Reference of the full Council, Regulatory Boards and Committees and Functions Delegated to Officers, states at Paragraph 22 that the Executive Director, Core Services is authorised to negotiate, conclude and execute on behalf of the Authority any document or agreement required to give effect to any decision taken by or on behalf of the Council or a 'committee', whether or not that decision specifically records such an authorisation.

Decision Taken

The current Priory Campus loan agreement will be novated to Barnsley CVS from 1<sup>st</sup> April 2019.

Date of Decision

13<sup>th</sup> March 2019

Elected Member Conflicts of Interest

Officer decision no elected member conflict of interest.

Signature:



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Name:

Neil Copley

Title:

Service Director, Finance