

REPORT TO:	FINANCE AND MANAGEMENT SERVICES	AGENDA ITEM: 8
DATE OF MEETING:	25th JUNE 2015	CATEGORY: DELEGATED/
REPORT FROM:	DIRECTOR OF COMMUNITY AND PLANNING SERVICES	OPEN
MEMBERS' CONTACT POINT:	DIRECTOR OF COMMUNITY AND PLANNING SERVICES STUART BATCHELOR Ext: 5820	DOC:
SUBJECT:	MELBOURNE SPORTING PARTNERSHIP	REF: SB
WARD(S) AFFECTED:	MELBOURNE	TERMS OF REFERENCE: FM08

1.0 Recommendations

1.1 To approve that £213,000 be provided from the General Fund Reserve in lieu of identified Section 106 funds towards the construction of the Cockshut Lane Recreation Ground Clubhouse and ancillary facilities.

2.0 Purpose of Report

2.1 To seek members approval for the loan from the General Fund Reserve in lieu of receipt of future S106 funds of £213,000 identified for the Melbourne Sporting Partnership project.

3.0 Detail

3.1 For the past 8 years the Council has been working with the Melbourne Sporting Partnership which includes Melbourne Parish Council, Melbourne Rugby Club, Melbourne Town Cricket Club and a number of local football clubs to develop the facilities at Cockshut Lane Recreation Ground.

3.2 In recent years significant progress has been made. The MSP have an approved site master plan, and feasibility, consultation, design, legal, VAT, grant compliance and planning issues have been dealt with. Most importantly there has been an accumulation of £2,200,913 of funding. This accumulation was stimulated to a large degree by the allocation by the District Council of £1million from the Bretby Crematorium capital receipt. The full break down of significant funding contributions received to date is as follows:

South Derbyshire District Council	£1,000,000
Derbyshire County Council	£250,000
Football Foundation	£600,000
Sport England	£200,000
Rugby Football Union	£78,000
Growth Point	£45,000
Maxplant	£20,000

- 3.3 In addition to the development work described above the first and most substantial phase of pitch levelling and drainage works has been completed and a tender exercise undertaken for the main building phase. When funds were set aside for the construction of an Artificial Grass Pitch on site and other more minor commitments there was an initial significant funding shortfall to overcome before a build contract could be let and signed. Consequently Officers have been working with the MSP partners, our appointed architect and QS and the successful contractor to simultaneously identify further funds or value engineer the design in order to reduce the shortfall and enable the contract to be let. In addition Melbourne Parish Council has approved a capital contribution of £18,000 to the build and the RFU confirming a further £20,000 towards the overall scheme and an interest free loan for future works when the initial build phase has been transferred over to the MSP to operate. Negotiations are still underway with some other potential funders and sports bodies although any contributions now will be for later phases of work. In addition local sources have also identified loans towards subsequent stages of the project.
- 3.4 As things stand there is now a shortfall of £101,000 in order to sign the build contract in July and start work on site in August. This is the timetable agreed with external funders and the contractor allowing existing prices and funding assurances to hold. The Housing and Community Services Committee at its meeting on 11th June, 2015 confirmed the allocation of £213,000 of Section 106 funds from the Kings Newton Lane development that are available for indoor and outdoor sports provision in Melbourne for use on the project and requested that this Committee authorise the use of reserves for the capital build in lieu of the S106 funds being paid to the Council. The authorisation of use of the reserves means the funding shortfall is met, certain important items taken out of the initial scheme in the value engineering exercise can be reintroduced and most importantly the build contract can be let within the required timeframe.

4.0 Financial Implications

- 4.1 The proposal is to borrow from the General Fund Reserves £213,000 in lieu of Section 106 funding allocated toward the Melbourne Sporting Project. When the S106 Funding is received this will be retained by the Council and added back to the General Fund Reserve.
- 4.2 The Section 106 funding will be received in 2 tranches; the first in 2016/17 (50% when 33 dwellings occupied) and the second in 2017/18 (50% when 50 dwellings occupied). This will depend on how quickly the new properties are occupied.

- 4.3 Until the Section 106 funding is received, the allocation of £213,000 will be a charge on the General Fund Reserve. This will effectively reduce the reserve balance and limit the potential for the balance of the General Fund Reserve, over and above the minimum level, to be considered for other options in the medium term.

5.0 Corporate Implications

- 5.1 The programme of developments linked to the 2012 Olympic Legacy links with the Councils Corporate priorities and the key action within the 'Promoting Healthy Facilities and Lifestyles' objective and the 'promotion of cultural events' in the 'Lifestyle Choice' priority. The development of facilities in Melbourne is a priority in the Corporate Plan with the Melbourne Sporting Partnership being mentioned specifically.

6.0 Community Implications

- 6.1 The 2012 London Olympics gave the community of South Derbyshire an ideal opportunity to become more physically active, support emerging local talent and benefit from external investment. The delivery of this project will continue the success of 2012 and prove to have a lasting impact on the District.

7.0 Conclusions

- 7.1 As promised by the Council the legacy of the 2012 London Olympics for South Derbyshire will be increased physical activity levels and opportunities for continued involvement in sport. This project is fulfilling that promise.