
REPORT TO:	FINANCE AND MANAGEMENT	AGENDA ITEM: 7
DATE OF MEETING:	18th FEBRUARY 2016	CATEGORY: RECOMMENDED
REPORT FROM:	DIRECTOR OF COMMUNITY AND PLANNING	OPEN PARAGRAPH NO:
MEMBERS' CONTACT POINT:	MALCOLM ROSEBURGH x5774 malcolm.roseburgh@south-derbys.gov.uk	DOC:
SUBJECT:	CHESTNUT AVENUE COMMUNITY FACILITY	REF:
WARD(S) AFFECTED:	MIDWAY	TERMS OF REFERENCE: FM01

1.0 Recommendations

- 1.1 To recommend approval of a start-up revenue budget of £28,889 in 2016/17, £16,875 in 2017/18 and £13,572 in 2018/19 to manage the Council's new community facility at Chestnut Avenue.

2.0 Purpose of Report

- 2.1 A new community facility is being built at Chestnut Avenue with an expected completion and handover to the Council in late Summer of 2016. The report seeks to gain approval for a 3 year revenue budget including year 1 start-up costs in order to manage the facility.

3.0 Detail

- 3.1 On 21st June 2012 Housing & Community Services (HCS) Committee approved in principle the sale of land at Chestnut Avenue, Midway with the receipt to be invested directly into the provision of new leisure and community facilities on the retained land at Chestnut Avenue Recreation Ground.
- 3.2 In March 2014 committee approved that Strata Homes (Yorkshire) Limited be selected as the preferred developer for the sale of the residential land and construction of the leisure facilities at the Chestnut Avenue site and further, that subject to planning consent, approval be granted to the design and specification of the leisure and community facilities for the site as detailed in the committee report.
- 3.3 In addition Committee were asked to give consideration to financing an estimated revenue cost of £13,000 from the 2015/16 Leisure & Facilities budget, until such time as a community group were in a position to manage the facility.
- 3.4 The leisure facilities along with the residential development are now well under construction. The leisure facilities will comprise:

- A 400 sq m/4,300 sq ft Community Building with parking for 48 vehicles
- Two positively drained football pitches together with a ball-keep fence adjacent to the residential development and
- A play area

The building contains a badminton-court sized multi-purpose hall, together with kitchen, toilet facilities, a foyer and changing rooms for two teams and officials. The layout has been designed to divide the changing rooms from activities within the hall area, with players having separate access to the football pitches.

- 3.5 In the aforementioned March 2014 Committee Report it was indicated that to start with the new facility would be managed by the Council's Community & Planning Department in conjunction with the Grounds Service.
- 3.6 It was explained Cultural Services had previously managed bookings on the original pitch and the plan initially at least was to continue this arrangement on the new pitches. It was further explained that they would need to employ a caretaker/cleaner to manage opening and closing of the facility and cleaning of all areas with the exception of the changing rooms. The Grounds team previously maintained and marked the pitches and cleaned the changing rooms, and it was anticipated that this arrangement would also continue in the new facility.
- 3.7 Contact from community representatives had indicated that there were groups ready and waiting to use the new facilities and an initial revenue budget was estimated and presented utilising information based on this information and research done at other community facilities in the district. This initial budget estimate showed a net year on year cost of approx. £13,000 p.a.
- 3.8 Strata have made good progress with both building and selling the residential plots and likewise have also made good progress in building the leisure facilities. According to their latest programme they intend to leave the site in September 2016 at which point the Council will take control of the leisure facilities. In light of this further work has been done on the budget to include start-up costs to kit out the different rooms and the football facility. The revised budget includes items such as kitchen fit out; general fixtures and fittings; tables, chairs, trolleys; goal posts; badminton equipment; storage systems etc. With the start-up equipment costs added to the original estimated running costs it is necessary to seek approval for a start-up revenue budget of £28,889 in 2016/17, £16,875 in 2017/18 and £13,572 in 2018/19. The budget decreases significantly after year 1 once start-up costs disappear and requires only a minimal equipment budget after year 2. The proposed revised budget is attached at Appendix 1.
- 3.9 The long term ambition for the Council is that once opened representatives from the community will come forward and wish to manage the facility for themselves. However in the meantime it is imperative that the Council are correctly positioned to manage the facility from the handover.
- 3.10 At its meeting on February 4th HCS committee considered the request for the budget outlined above and recommended a report to the F&M committee for approval. Since the HCS Committee further examination of the budget has revealed a miscalculation primarily relating to year one of the NNDR cost which should have been halved. This has now been rectified resulting in a reduction of £4,000 in the year one budget from that reported to HCS Committee i.e. from £32,889 to £28,889.

4.0 Financial Implications

- 4.1 The above revenue cost is a best estimate covering the first 3 years of operation and its accuracy will be somewhat dependant on to what extent use of the facility is taken up by the local community.
- 4.2 The largest single cost year-on-year is business rates. If a community group managed the facility they would enjoy 80% mandatory rate relief and in addition potentially undertake at least some of the caretaking duties on a voluntary basis. Removal of these two cost items alone from the budget would significantly reduce the annual operating costs. Discussions will take place with any community groups that express an interest in the future management of the facility.
- 4.3 There is no budgetary provision included in the Council's Medium-term Financial Plan hence the financial implications of the proposals need to be considered by this Committee.

5.0 Corporate Implications

- 5.1 The new facility will support the health and cultural elements of both the existing and emerging Corporate Plans.
- 5.2 The project will offer positive opportunities to showcase a new facility in the heart of the District.

6.0 Community Implications

- 6.1 The new facilities replace an old and inferior pavilion, sports field and play area with bigger and better facilities and represent the realisation of a long held community aspiration to provide decent community facilities in Midway.

7.0 Background Papers

- 7.1 Appendix 1 – Updated Chestnut Avenue 3 year revenue budget.