



## Belfast City Council

<b>Report to:</b>	Parks and Leisure Committee
<b>Subject:</b>	Community Capital Programme
<b>Date:</b>	11 August 2011
<b>Reporting Officer:</b>	Andrew Hassard, Director of Parks and Leisure
<b>Contact Officer:</b>	Stephen Walker, Parks and Leisure Department

<b>1.</b>	<b>Relevant Background Information</b>
	<p>The committee is reminded that at its meetings in December 2010 and January 2011 it received reports regarding a number of funding applications, which had been made by organisations, to Sport NI (SNI) under the Community Capital Programme (CCP). These applications related to land and/or facilities which were owned by Belfast City Council. The proposals and sites were:</p> <ol style="list-style-type: none"><li>1. Provision of a mountain bike trail at Barnett's Demesne</li><li>2. The provision of a 3G full size soccer pitch at Marrowbone Millennium Park;</li><li>3. The provision of a full size 3G soccer pitch at the Hammer Open Space; and</li><li>4. The provision of a 3G multi user games area and casual polymeric kick about area at North Queen Street Playground; and</li></ol> <p>The committee agreed to support the schemes in principle subject to further information being made available around funding; terms and conditions of the funding; receipt of the necessary statutory approvals; type of security of tenure required and the proposed management arrangements post completion.</p> <p>Following an evaluation of all applications by SNI, the first 3 of the 4 applicants were asked to provide evidence of their 'state of readiness' by 15 March 2011. Unfortunately it was a short turn around period, around 6 weeks and none of the applicants were sufficiently well advanced to proceed within the financial year 2011/12. The 3 were placed on a call of list.</p> <p>Since that time there has been a further request from SNI seeking</p>

evidence of the 'state of readiness' to progress the schemes. Again the schemes have not been sufficiently advanced to enable SNI to make an offer of funding. We believe that a further request to the 3 applicants will be issued in September seeking an update on progress with each of the applications.

The purpose of this report is to seek the necessary approvals from Committee in order to move forward.

#### *Current position*

Sport NI has indicated that the applicants have all demonstrated a high level of need for their respective projects and that these projects fit with the criteria of the programme. There are three main areas to be addressed to the satisfaction of SNI:

1. security of tenure;
2. matched funding; and
3. possession of the necessary statutory approvals.

#### *Security of tenure*

In order to secure funding the applicant must demonstrate that the facility will continue to function for a period of 10 years following the provision of grant. The council can either agree to enter into a lease arrangement in respect of the land, in which case it would be normal to seek some form of annual 'rent' in return for the lease; or to enter in to a deed of dedication where in the council would retain management responsibility for the facility for a period of 10 years and in addition should the council not comply with the terms and conditions of the deed then it may have to repay a proportion of the grant.

At this time there has been no agreement with the applicants as to the most appropriate form of tenure required, however, in order to move this forward the committee is asked to authorise officers to enter into further discussions with local groups regarding the terms and nature of any potential agreements, including proposed management arrangements.

#### *Matched Funding*

The maximum grant from SNI is £245,000. There is a short fall in funding with each of the three projects. At this time there is a degree of uncertainty around the exacts, however it is estimated that the short fall in respect of each scheme is as follows:

- The provision of a mountain bike trail at Barnetts is believed to be in the region of £70-100k;
- The provision of a 3G pitch at the Hammer open space in the region of £70-100k; and
- The provision of a 3G pitch at Marrowbone in the region of £250k.

The committee is asked to note that the facility at Marrowbone would require additional fencing and floodlighting consequently the overall cost is considerably greater than that at the Hammer Open Space.

	<p>Ordinarily these projects would be treated as capital projects and would be subject to the gates review process. However, Members will be mindful that the Strategic Policy &amp; Resources Committee is considering the introduction of a local investment fund to support projects such as these and to enable the council to meet the shortfall in funding. The scheme is still being worked up and will be subject to the development of an application process setting out criteria, eligible expenditure, maximum grant etc, there are to be party group briefings regarding this. However it is hoped that the scheme will be in place and will be able to support this type of project.</p> <p>Parks and Leisure Department has no provision in the revenue budget to cover any match funding for these projects.</p> <p><i>Statutory and other approvals</i></p> <p>The statutory approvals are a matter for the applicant, although the committee has previously conveyed authority for officers to work with the applicants where necessary in support of the application, this could mean the preparation of drawings for planning purposes. As the facilities will be on council land, this would be a practical approach to take.</p> <p>The committee is asked to note that approvals may also be required from external bodies (for example the Millennium Commission re Marrowbone) before any agreements are entered into or construction is commenced.</p>
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<b>2.</b>	<b>Key Issues</b>
	<p>The key issues for the committee to note are:</p> <ol style="list-style-type: none"> <li>1. The need for additional 3G pitches has been established as has the need for a mountain bike trail;</li> <li>2. The need for the council to provide an appropriate form of security of tenure to satisfy the requirements of SNI, this is likely to be either a 10 year lease or a 10 year deed of dedication with associated management costs and a potential claw back clause should the council default on the agreement;</li> <li>3. There is a funding shortfall in respect of each of the proposed projects and there is an expectation that the council will meet the short fall, one possible route is the proposed local Investment fund, which is currently under consideration. Another option would be through the capital programme with projects being subject to the gates process.</li> </ol>

<b>3.</b>	<b>Resource Implications</b>
	<p><u>Financial Implications</u></p> <p>The financial implications remain unclear. Preliminary estimates would indicate that there the shortfall in respect of each project is as follows:</p> <ul style="list-style-type: none"> <li>• The provision of a mountain bike trail at Barnett's is believed to be in the region of £70-100k;</li> <li>• The provision of a 3G pitch at the Hammer open space in the</li> </ul>

	<p>region of £70-100k; and</p> <ul style="list-style-type: none"> <li>• The provision of a 3G pitch at Marrowbone in the region of £250k.</li> <li>• The revenue implications will be influenced by the nature of the legal agreement.</li> </ul> <p>However, where a 3G facility is provided we would expect a business plan to demonstrate that the facility would break even and would not incur additional revenue expense on the part of the council.</p> <p>Entering into legal arrangements with third parties, which are themselves subject to grant aid conditions, places some financial risk on the council in addition to the proposed council contribution to capital funding. This risk potentially includes the repayment of grant monies or obligations to repair or replace damaged facilities during the whole of the 10 year period.</p> <p><u>Human Resource Implications</u> There are no additional human resource implications at this time other than officer time.</p> <p><u>Asset and other implications</u> These facilities will enhance the existing asset and will improve service provision and provide additional opportunities for residents to participate in physical activities to improve health and well being and may also be support diversionary activities to combat anti social behaviour. Entering into legal arrangements with third parties could help ensure the assets are not disposed of by the council for other purposes for a minimum of 10 years.</p>
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<b>5.</b>	<b>Equality Implications</b>
	There may be equality implications in respect of the provision of soccer pitches, however, this issue will be considered within the wider discussions on the pitches strategy.

<b>6.</b>	<b>Recommendations</b>
	<p>The Committee is asked to:</p> <ul style="list-style-type: none"> <li>• Note the content of the report;</li> <li>• Authorise officers to enter into further discussions with the various groups to agree the nature of any legal arrangements, including management arrangements, and to agree the terms of these prior to seeking approval to same from the Parks and Leisure Committee and ultimately the Strategic Policy and Resources Committee in accordance with Standing Orders 46 and 60. Any approvals required from third parties would be sought at an appropriate stage.</li> <li>• Agree that Officers continue to explore ways in which the Council might support these projects through the provision of funding</li> </ul>

<b>7.</b>	<b>Key to abbreviations</b>
	3G: third generation SNI: Sport Northern Ireland

<b>8.</b>	<b>Documents attached</b>
	None.