



Belfast City Council

Report to:	Parks and Leisure Committee
Subject:	Sport NI – Community Capital Programme
Date:	10 November 2011
Reporting Officer:	Andrew Hassard, Director of Parks and Leisure
Contact Officer:	Stephen Walker, Departmental Portfolio Programme Manager Ken Anderson, Estates Management Unit, Property and Projects Department

1	Relevant Background Information
	<p>At its meeting on 11 August 2011 the Committee was provided with information on three schemes which were progressing under the Sport NI Community Capital Programme funding scheme. The three schemes were for the provision of a:</p> <ol style="list-style-type: none">1. mountain bike trail at Barnett Demesne/Mary Peters Track (CAAN);2. 3G soccer pitch at Marrowbone Millennium Park (Shankill United); and3. a 3G soccer pitch at Hammer Open Space (Ardoyne Youth Providers). <p>Sport NI (SNI) 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. The three schemes have been prioritised for funding subject to the applicants satisfying Sport NI that they have:</p> <ol style="list-style-type: none">1. security of tenure;2. secured sufficient matched funding to complete the project; and3. all the necessary statutory approvals. <p>Sport NI has now asked the three applicants to demonstrate their state of readiness.</p> <p>Committee had authorised officers to enter into further discussions with the applicant groups to agree the nature of any legal arrangements and agree terms prior to referring the matter back to the Parks and Leisure Committee and ultimately the Strategic Policy and Resources Committee in accordance with Standing Orders 46 and 60. Committee also authorised officers to continue to explore ways in which the council might provide financial assistance to the projects.</p>

2	Key Issues
	<p>Further discussions have taken place between officers, the grant applicants, and SNI resulting in clarification of the requirements for each party as follows:</p> <ul style="list-style-type: none"> • In the case of the Marrowbone and Hammer 3G pitch developments, SNI has stated that while it prefers that the grant applicant hold a lease for ten years from the date of the grant award, it would be satisfied with an appropriate management agreement between the council and the applicant setting out the respective roles and responsibilities of each; this agreement would be underpinned by a deed of dedication which would represent a tie to the land and would require the council to continue to use the land for the agreed purpose for a period of 10 years from completion of the works; • In the case of the mountain bike trail at Barnett's Demesne/Mary Peters Track, SNI has stated that it does not require the grant applicant to hold a lease and is content that the applicant's security of tenure is by means of a 'permissive agreement'. This is basically an acknowledgement that the track will be installed on the council's land and does not confer any title upon the grant recipient. The council would also enter into a deed of dedication similar to that for the projects at Marrowbone and the Hammer • The deed of dedication with the three grant recipients would require the council to take over responsibility for maintaining, operating and (if necessary) replacing or renewing the facility if the grant recipient is unable to do so at any time during the ten years. Alternatively if the council chose not to maintain, operate, or replace the facility, SNI could seek repayment of part of the grant funding (based on a sliding scale over the ten year period). <p>It is therefore proposed that the schemes at Marrowbone and the Hammer be formalised by way of an agreement for a management arrangement. The terms set out in the agreement would allow for a building licence, during the construction period and would lead to the grant of a management arrangement plus deed of dedication once the construction phase had been satisfactorily completed. It would also require the relevant group to satisfy some prerequisites before commencement of the building works. These would include:</p> <ul style="list-style-type: none"> • plans and outline specification to be submitted by grant recipient to the council for approval; • full planning permission, where necessary, obtained for the project; • evidence that capital funding is in place for the whole project; • a sports development plan and business plan for the delivery of the programme of activities/use. <p>All of the applicants have indicated that they have a current shortfall in funding to match the SNI offer of £245,000 for each project. The exact amount in each case has still to be finally determined but is likely to be as follows:</p> <ul style="list-style-type: none"> • Barnett Demesne/Mary Peters approximately £100k. • Hammer – approximately £100k. • Marrowbone – approximately £250k.

	<p>Discussions have taken place with the Director of Finance and Resources who has indicated that as the schemes are enhancing council assets they should be viewed as capital schemes and therefore the best source for any council match funding would be the capital budget.</p> <p>The Director of Finance and Resources reported to the Strategic Policy and Resources Committee on 4 November that the introduction of the new Local Government Finance Act 2011 would give greater flexibility to how the capital programme is managed. With the new Act, if the full budget for the capital programme loan repayments is not needed in a particular year, that element of the budget which is not required may be reallocated in that year to pay for other capital schemes, on a one-off basis.</p>
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3	Resource Implications
	<p><u>Financial</u> In this context it is recommended that the Committee agree that the three schemes should be put forward for inclusion in the council's capital programme. This means that Members will be required to submit the above proposal to the Strategic Policy and Resources Committee and the gates process. If approved, the council's funding element would then be financed on the basis of a one-off payment in the context of the new Finance Act. This means that there would be no additional burden on the ratepayer and the spend would lever external funding totalling up to £735,000.</p> <p>Should the council make a contribution to the project costs it would be to a maximum of £375k.</p> <p><u>Human Resources</u> No additional human resources required or released. Existing resources in Parks and Leisure, Legal Services and Property and Projects Department required in setting up the various legal arrangements.</p> <p><u>Asset and Other Implications</u> The projects will have implications for the council's estate in that there will be associated deeds of dedication that tie the council in to a 10 year use of that land for the specified purpose. Should the council default on this there may be financial implications imposed through a claw back clause. However, the completion of the works will provide an enhanced facility and will make a positive contribution to health and well being of the city.</p>

4	Equality and Good Relations Considerations
	<p>The proposed agreements and deeds of dedication will include requirements related to Section 75 compliance via the sports development plans.</p>

5	Recommendations
	<p>It is recommended that the Committee:</p> <ol style="list-style-type: none"> 1. approve entering into management agreements with each of the applicants and formalise this by agreement to enter into management agreements to the satisfaction of Sport NI; 2. agree that the management arrangement be for a period of 10 year; 3. agree to 10 year deeds of dedication with Sport NI and the prospective grant recipients to provide a safety net to Sport NI in the event that the aforementioned grant recipients are unable to sustain the facilities and/or the leases. This recommendation is subject to the further approval of the SP&R Committee in accordance with Standing Orders 46 and 60; 4. agree to provide the necessary licence agreements to facilitate construction works at the appropriate times; and 5. agree to recommend to SP&R Committee that a financial contribution be made to each of the three projects to a maximum of £125k per project.
6.	Decision Tracking
	A further update report will be brought to Committee in March 2012 by the Departmental Portfolio Programme Manager.
7.	Key to Abbreviations
	<p>SNI: Sport Northern Ireland SP&R: Strategic Policy and Resources Committee</p>
8.	Documents Attached
	None.