

Report To:	EXECUTIVE CABINET
Date:	13 December 2017
Executive Reporting Officer:	Member/ Councillor John Taylor, Deputy Executive Leader Robin Monk, Executive Director – Place
Subject:	COMMUNITY LOAN APPLICATION BY CURZON ASHTON FOOTBALL CLUB FOR NEW SYNTHETIC TURF PITCH
Report Summary:	This report sets out details of an application from Curzon Ashton Football Club for a £50,000 loan under the Council's Community Loans Policy. The loan is towards project funding to replace the club's synthetic turf pitch.
Recommendations:	Cabinet Members are invited to confirm that they would support an application in principle by Curzon Ashton Football Club for a loan of £50,000 subject to the necessary application being received under the terms of the Council's Community Loans Policy to be approved by executive decision by Cllr Fitzpatrick.
Policy Implications:	This proposal supports the Tameside Health and Wellbeing Strategy and, specifically the strategic priority pertaining to reducing physical inactivity and improved physical activity levels across Tameside.
Financial Implications: (Authorised by the Section 151 Officer)	<p>The financial aspects of the proposal are covered in Sections 4, 5 and 6. However, in summary, the club are planning to invest £486k towards the refurbishment of the 3G pitch and its environs. The club are currently £50k short and have requested a loan to make up the shortfall (10.3% of the total investment).</p> <p>In terms of financial stability of the club and their ability to repay, like with many football clubs, income can be volatile. The accounts show an overall deficit position that has been financed by creditors lending money to the club. As at August 2017, the club had a deficit reserves position of £50k that was financed by creditors. The club have just over £70k in the bank which they are planning on using as their contribution to the proposed works.</p> <p>The requested repayment period is over 5 years, which would require annual repayments of £11.5k, assuming a 5% rate of interest. The club have stated that if they have a good cup run then they would repay sooner.</p> <p>The business case assumes that third parties would be charged for the use of the pitch, which is currently well used. This income prudently assumed in the business case is £49k per annum, however, it is already received by the club and will not be an additional income stream. In addition the terms of the Football Foundation arrangement is that the club establish a sinking fund to allow replacement to be funded without additional future support. This will act as a further drain on the clubs finances.</p> <p>Any failure to repay would request in a debt write off that would be charged to the Council's Income and Expenditure account and therefore become a revenue expenditure.</p>
Legal Implications: (Authorised by the Borough Solicitor)	To ensure the Council is protected from successful challenge it must be able to demonstrate that it has acted reasonably and rationally, without bias or prejudice, taking all its public law duties

into account, including those under the best value and equalities legislation, and at all times acting in the public interest.

To ensure such decisions are lawful, Members will need to be satisfied that the assessment of any loan requested complies with the requirements of the Council's Community Loans Policy. The Policy sets out what criteria will be applied to any case where an organisation or person comes to the Council requesting monies to support them in their venture so any decision can be clearly made and referenced to be in accordance with those public law duties and responsibilities.

Members must have regard to the Policy when making this decision.

It will be necessary for an application to be received in a form to be provided by Ade Alao, Head of Investment and Development to meet the requirements of the policy for an expedient decision

Risk Management:

The primary risks associated with scheme are; The projected business case isn't achieved, capital funding is not realised, other Tameside based football clubs require financial support from the Council on the same or similar basis.

Access to Information:

The background papers relating to this report can be inspected by contacting the report writer: Ade Alao, Head of Investment and Development.



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1.0 BACKGROUND

- 1.1 Curzon Ashton Football Club (the Club) is based at the Tameside Stadium which is part of the Roy Oldham Sports Village located off Richmond Street in Ashton. The club was relocated from its National Park home to the purpose-built facility in 2005. The ground, owned by the Council and leased to the club under a 99-year lease, was funded by the Council from the Council's Capital Programme and a grant from the Football Foundation.
- 1.2 The 2005 the Tameside Stadium development included the provision of a full sized synthetic turf pitch (STP) available for community use. The life expectancy of synthetic turf is between 8 and 10 years based on the intensity of use and adequacy of the maintenance regime. The existing synthetic turf pitch is now 12 years old and although very well maintained has now reached the end of its serviceable life.
- 1.3 The Football Foundation now requires, as a condition of grant, organisations to establish a sinking fund for the replacement of STP's to ensure that installations are sustainable in the long term. In 2005 a sinking fund was encouraged by the Football Foundation but it wasn't a specific condition of grant.
- 1.4 The club has not maintained a sinking fund to replace the synthetic turf carpet and as a consequence it is now seeking grant and partnership funding to deliver the replacement scheme at a total cost of £486,000. The scheme also includes upgrades to the existing floodlight and fencing installations
- 1.5 The club proposes to fund the scheme as follow:

Table 1

Funder	Type of funding	Value
The Football Foundation	Grant	£366,000
Curzon Ashton Football Club	Income received from 2016/17 FA Cup run	£70,000
Curzon Ashton Football Club	Community Loan from Tameside Council	£50,000
Total		£486,000

- 1.5 This report sets out the strategic need for the development and the club's application for a £50,000 community loan from the Council.

2.0 STRATEGIC NEED

- 2.1 This proposal supports the Tameside Health and Wellbeing Strategy, specifically the strategic priority pertaining to reducing physical inactivity and improved physical activity levels across Tameside. The development will also support the Council to deliver the Playing Pitch Strategy.
- 2.2 The Football Association (FA's) considers high quality third generation artificial grass pitches as an essential tool in promoting coach and player development. The pitches can support intensive use and as such are great assets for both playing and training. Primarily, such facilities have been installed for community use and training, however, they are increasingly used for competition – something that The FA wholly supports. Getting access to good quality, affordable training facilities is a problem for many clubs throughout the country. In the winter months, midweek training is only possible at floodlit facilities. The FA's long-term ambition is to provide every affiliated team in England the opportunity to train once per week on a floodlit 3G surface, together with priority access for every Charter Standard Community Club through a partnership agreement. The FA Standard is calculated by using the latest Sport England research "AGPs State of the Nation March

2012". Improving pitch quality is one way to increase the capacity at sites but given the cost of doing such work and the continued maintenance required (and associated costs) alternatives need to be considered that can offer a more sustainable model for the future of football.

Current Usage:

2.3 The STP is heavily used during peak periods within the weekday (5.00pm – 10.00pm) currently there is only two hours available during peak periods. The pitch is used from 9.00am – 5.00pm during week days, walking football, homeless sports programme, Tameside school games programme, Tameside College. At weekends the pitch is used from 8.00am – 2.00pm every weekend by the East Manchester Junior League, following the league, the pitch is used for match play by Curzon Ashton Teams and other users including a 5-a-side league.

2.4 The Club has over 48 teams which include:

- A development squad starting at age five
- Women and girls pathway from under-7 through to a Women's team playing within the North West Women's League, only four divisions from the Women's Super league
- A disability programme that will include a number of new initiatives by July 2017 including a dedicated officer.
- Two walking football development teams.
- A men's youth development programme that has an under-17 and under-18 teams playing in the North West Alliance, which is also linked to the Tameside College football programme that aims to recruit players and provide coaching opportunities.
- The club hosts one of the country's largest junior football leagues with 550 teams starting at under-7s; the East Manchester Junior League is housed at the stadium playing its fixtures on the 3G Football Turf Pitch.
- The men's team have finished a second season within the National League North, only two divisions from the Football League

2.5 The STP hosts the following community programmes:

- Working with Infinity Initiatives and Greystones charities dedicated to supporting the homeless in Tameside, a sports programme for adult men takes place at the Football club each week.
- Working with Trinity Church the 3G FTP is home to a Friday night project working with young adult males that are not in education and from the local Ashton neighbourhood of Ashton St Michael.
- Working directly with Tameside Council, Safer Stronger communities department the 3G FTP is home to a programme for Looked After Children.
- Throughout the season the Club is host to a number of events including; Community fun day, NHS health awareness, Believe and Achieve Trust family day, Black History month awareness event, Child Sex Exploitation sports week, and Non-League fun day – all of these take place during the season with many of the events hosted on the 3G FTP. Partners include: Tameside NHS, Tameside Police, Royal British Legion, Ashton Cricket Club, Tameside Lacrosse Club, Ashton Rugby Club etc.

3.0 DELIVERY

- 3.1 The scheme will be managed, procured and delivered by the Football Foundation and their framework contractors. The cost of the scheme has been developed by the Football Foundation's nominated Quantity Surveyor.
- 3.2 Once complete, the club will establish a sinking fund of £25,000 per annum to replace the pitch in the future.

4.0 BUSINESS CASE

- 4.1 The club has prepared a comprehensive business case including a financial plan and programme of use for the redevelopment. In addition, the club has provided its most recent set of accounts for consideration.
- 4.2 The unaudited accounts show the club in a relatively healthy position, having made a surplus of £50k in the year to August 2017. There was a significant amount of income generated from the FA cup including TV income of £81k. This suggests that the positive financial results were largely due to good performance in the FA cup and other competitions which are not guaranteed on an annual basis. The club currently sit 8th in the National League North (a division below the football conference, or 6th tier in the football league hierarchy). The club are registered under the Industrial and Providence Society Act 1965, and operate as a community football club with no one member having a personal financial interest in the club of more than £10.
- 4.3 We still await a copy of the audited accounts from August 2016.

5.0 COMMUNITY LOAN APPLICATION

- 5.1 The club has made an application for a loan of £50,000 towards the cost of the scheme repayable over 5 years with repayments commencing at practical completion which is estimated to be September 2018. The repayments will be met from income generated by the redevelopment and interest will be set in line with the Council's Community Loan Policy.
- 5.2 The application has been assessed to be in compliance with the requirements of the Council's Community Loans Policy.
- 5.3 The final terms of the loan will be subject to due diligence undertaken by the Director of Finance.
- 5.4 Subject to the completion of the loan agreement, the Council can confirm to the Football Foundation that it will underwrite up to £50,000 of the club's contribution towards the project.

6.0 RISK

- 6.1 There are a number of risks associated with this scheme that should be considered:

Table 2

Risk	Mitigation	Comments
The projected Business Case isn't achieved and the loan cannot be repaid	The club has operated the existing facility for the last 12 years and has based its business plan assumptions	There is a risk that any further competition in the STP market could reduce the viability of the pitch.

	on actual performance.	However, there are currently no known development plans for the area.
Funding not realised	The club has developed a comprehensive case for the scheme and it appears to have in principle support from the Football Foundation.	If funding isn't realised then the pitch will deteriorate to a point where it will close. This would have a negative impact on the sustainability of the club and the current positive health outcomes. It will decrease the number of such facilities that are available to the local community.
Other Tameside-based clubs may require financial support on the same or a similar basis.	None	Tameside hosts a number of competitive football clubs that operate with limited funds. Other clubs may expect the Council's financial support for ground developments. Any loan application from other community football clubs will be considered in line with the Community Loan Policy.

7.0 RECOMMENDATION

7.1 As set out at the front of this report.