

<b>Report to :</b>	<b>EXECUTIVE CABINET</b>
<b>Date :</b>	16 December 2015
<b>Executive Member / Reporting Officer:</b>	Councillor Gerald P Cooney, Executive Member (Learning, Skills and Economic Growth)  Damien Bourke – Assistant Executive Director (Sustainable Growth and Assets)
<b>Subject :</b>	<b>ASTLEY SPORTS COLLEGE – FOOTBALL FOUNDATION GRANT – NEW 3G FLOODLIT PITCH</b>
<b>Report Summary :</b>	<p>Astley Sports College (Dukinfield) has been awarded a capital grant from the Football Foundation for the installation of a new floodlit 3G football pitch. The maximum sum awarded is £ 487,227 which is 83% of the total project cost (£587,227).</p> <p>The Council is required to accept the Football Foundation grant conditions (<b>Appendix A</b>) on behalf of Astley Sports College. The request was presented within a report (Investment in Education Buildings) to the Strategic Planning and Capital Monitoring Panel on 30 November 2015. There were a number of assurances required by the Council prior to acceptance of the associated grant terms to ensure the Council is indemnified in the event of any pre or post project completion liabilities (21 year term grant clawback period from date of grant acceptance).</p> <p>This report provides Elected Members with the details of these assurances to support the recommendation.</p>
<b>Recommendations :</b>	Executive Cabinet is recommended to accept the Football Foundation Capital Grant Conditions ( <b>Appendix A</b> ) relating to the installation of a floodlit 3G football pitch at Astley Sports College, Dukinfield. The Council have received assurances from the College to ensure that the Council will not be subject to any pre or post project completion liabilities (21 year term grant clawback period from date of grant acceptance). The assurances are detailed within the report. The Sports College Governing Body will be required to provide a legally binding agreement to support the indemnification of any project related liabilities to the Council (section 5 refers). This will be required in advance of acceptance of the grant conditions by the Council and will also bind any successors in title to cover the event of academisation.
<b>Links to Sustainable Community Strategy :</b>	The proposals in the report support those elements of the Community Strategy which relate to a Learning and Supportive Tameside.
<b>Policy Implications :</b>	The proposals contained in this report will support the delivery of the community strategy.
<b>Financial Implications : (Authorised by the Section 151 Officer)</b>	The report recommends that the Council accepts the Football Foundation grant conditions ( <b>Appendix A</b> ) relating to the new 3G floodlit pitch project at Astley Sports College. The Council has received assurance from the Sports College governing body that any associated liabilities that may arise during the subsequent 21 year term grant clawback period (from date of grant acceptance) will be recoverable from the Astley Sports College governing

body. The Sports College Governing Body will be required to accept a legally binding agreement to support the indemnification of any project related liabilities to the Council in advance of acceptance of the grant conditions by the Council (section 5 refers).

There Sports College have provided evidence that the residual £100,000 project capital balance not supported by the Football Foundation grant will be financed via Astley Sports College (£85,000), Cromwell Special School (£10,000) and Yew Tree Primary School (£5,000).

Astley Sports College have provided a revised three year revenue budget plan which demonstrates a cumulative surplus position for the college during this period (section 4.2 table 3 refers). The revised plan includes the annual expenditure and income associated with this new facility.

It is essential that this revised plan is stringently monitored to ensure the actions taken are implemented since the original projected cumulative deficit budget plan was submitted in April 2015. (section 1.5, table 1).

**Legal Implications :  
(Authorised by the Borough  
Solicitor)**

Executive Cabinet is recommended to accept the Football Foundation Capital Grant Conditions (**Appendix A**) relating to the installation of a floodlit 3G football pitch at Astley Sports College, Dukinfield. The Council have received assurances from the College to ensure that the Council will not be subject to any pre or post project completion liabilities (21 year term grant clawback period from date of grant acceptance). The assurances are detailed within the report. The Sports College Governing Body will be required to accept a legally binding agreement to support the indemnification of any project related liabilities to the Council (section 5 refers). This will be required in advance of acceptance of the grant conditions by the Council and will also be expected to bind any successors in title such as an Academy.

**Risk Management :**

The Council has received various assurances from Astley Sports College to ensure that the Council is not subject to any pre or post project completion liabilities (21 year term grant clawback period from date of grant acceptance). The assurances are detailed within the report. The Sports College Governing Body will be required to authorise a legally binding agreement to support the indemnification of any project related liabilities to the Council. This will be required in advance of acceptance of the grant conditions by the Council (section 5 refers).

**Access to Information :**

The background papers relating to this report can be inspected by contacting Stephen Wilde



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## 1 INTRODUCTION

- 1.1 A capital grant has been applied for by Astley Sports College to fund the development of a floodlit 3G football pitch on its grounds. The Football foundation grant comes with a number of conditions (**Appendix A**) which the Council needs to be satisfied have been addressed in advance of accepting the associated grant condition terms.
- 1.2 The Football Foundation has provisionally allocated £487,227 of capital grant towards the project which is 83% of the estimated costs of the project. The remaining balance of the capital funding required is £100,000.
- 1.3 A report (Investment in Education Buildings) was presented to the Strategic Planning and Capital Monitoring Panel on 30 November 2015. This report included a request for the Council to accept the associated grant conditions. However, there were a number of assurances required by the Council prior to acceptance of the grant terms to ensure the Council is not subject to any pre or post project completion liabilities (21 year term grant clawback period from date of grant acceptance).
- 1.4 The School brought forward a deficit revenue balance of £ 82,000 from 2014/15. The three year budget plan received from the school in April 2015 projected the following cumulative revenue balances.

**Table 1**

<b>Financial Year</b>	<b>Projected Cumulative Revenue Balance ( ) = Deficit £</b>
2015/2016 (Adjusted for correct 2014/15 balance brought forward)	(77,466)
2016/2017	(33,834)
2017/2018	201,476

- 1.5 There was an additional risk identified that the school were unable to finance the ongoing maintenance costs of the pitch for the duration of the grant conditions. The above balances excluded related expenditure and income details associated with the ongoing management of the project.
- 1.6 The Sports College Governing Body were requested to provide an updated and balanced budget plan together with reassurance that the grant conditions (**Appendix A**) will be adhered to for the duration of the grant clawback term (21 years) and that all associated project liabilities will be financed from the Sports College budget.
- 1.7 The new pitch is expected to be completed by September 2016 for use from the commencement of the 2016/17 academic year.

## 2 CAPITAL GRANT BALANCE (£100,000)

- 2.1 The Football Foundation has provisionally allocated £487,227 of capital grant towards the project which is 83% of the estimated costs of the project. The remaining balance of the capital funding required is £100,000.

- 2.2 Astley Sports College have confirmed £85,000 towards the residual funding required to finance the total project expenditure. £20,000 will be financed in 2015/16 with £ 65,000 financed in 2016/17.
- 2.3 Cromwell Special School have confirmed £10,000 towards the residual project funding required.
- 2.4 Yew Tree Primary School has confirmed £5,000 towards the residual project funding required.
- 2.5 The relevant school contributions are included within the associated school three year approved budget plan.
- 2.6 The financing of any capital related expenditure in excess of the £100,000 balance will be the liability of Astley Sports College.
- 2.7 The Football Foundation has appointed Robinson Low Francis as the organisation who will manage the project. The organisation will manage the associated tender procedures for the construction of the facility once the relevant site planning permission is obtained. The Council in conjunction with the Sports College will ensure that approved Procurement Standing Order thresholds and procedures are adhered to when awarding the associated contract(s) to deliver the project alongside Football Foundation grant conditions.
- 2.8 Astley Sports College will manage the project capital expenditure cashflow. The Sports College will issue a grant claim form to the Football Foundation in advance of any project capital expenditure (with supporting evidence). The Football Foundation will pay the Sports College 83% of the claim/ invoice total within 21 days of receipt. The Sports College we will then pay the total value of invoices received on receipt of the grant together with the 17% contribution balance (identified within the school budget together with contributions received from Cromwell Special School and Yew Tree Primary School as detailed in sections 2.3 and 2.4).

### 3. REVENUE EXPENDITURE AND INCOME

- 3.1 The Sports College have provided supporting business plan details to the Council associated with the ongoing revenue expenditure and income of the new pitch. The five year summary detailed in table 2 below demonstrates that the facility is projected to deliver excess income compared to expenditure on an annual basis during the initial five years.

**Table 2**

<b>Financial Year</b>	<b>Projected Expenditure £</b>	<b>Projected Income £</b>	<b>Projected Annual Surplus £</b>
2016/17	19,140	25,270	6,130
2017/18	35,590	45,320	9,730
2018/19	39,680	48,850	9,170
2019/20	41,160	52,550	11,390
2020/21	42,410	56,430	14,020

- 3.2 The expenditure includes an annual sinking fund contribution of £25,000 (part year 2016/17) to finance a replacement pitch which is estimated to have a useable duration between 10 and 15 years. It is essential that the school maintain this accumulated sum as an identified reserve within the school's annual accounts. It must not be used for any

alternative purpose during the accumulation duration period and should be appropriately monitored and reported to the Governing Body together with the Football Foundation.

- 3.3 The Sports College will be liable for any deficit balance that may arise on an annual basis relating to the facility in the initial five year term and subsequent years should the projected levels of income not materialise

#### 4. SCHOOL BUDGET PLAN

- 4.1 The school have provided a revised budget plan to the Council which incorporates the related expenditure and income for the 3G pitch together with the schools contribution towards the balance of construction expenditure.
- 4.2 Table 3 provides a summary of the revised cumulative estimated revenue balances for the three year period as stated. The school have presented a three year budget which now demonstrates a surplus position during this period. This will require stringent monitoring to ensure the actions taken are implemented since the original projected cumulative deficit budget plan was submitted in April 2015. (section 1.5, table 1)

**Table 3**

<b>Financial Year</b>	<b>Projected Cumulative Revenue Balance ( ) = Deficit £</b>
2015/2016	34,562
2016/2017	258,919
2017/2018	778,493

#### 5. INDEMNIFICATION OF POTENTIAL LIABILITES

- 5.1 The Sports College Governing Body will be required to accept a legally binding agreement to support the indemnification of any project related liabilities to the Council. This will be required in advance of acceptance of the grant conditions by the Council. The potential liabilities for indemnification include :
- Residual balance of capital project funding not supported by the Football Foundation Grant
  - Annual sinking fund contribution for future pitch replacement (£25,000 as recommended by the Football Foundation)
  - Annual deficit balance which may arise where the related annual pitch hire income is not sufficient to finance associated annual expenditure.
  - Football Foundation legal costs as stated in section 3 (page 12) of the Football Foundation grant conditions (**Appendix A**)

#### 6. RECOMMENDATION

- 6.1 As stated on the front of the report.