

Executive – 19 November 2009

LOANS TO COMMUNITY GROUPS AND PARISHES – IVYBRIDGE CRICKET CLUB

Report of Head of Landscape and Leisure

Statutory Powers:

Local Government Act 2000, Section 2 and Local Government Act 1989, Section 33.

Financial Implications:

A loan of up to £10,000 from the Council's capital resources, to be repaid over a period of 1-10 years as set out in the Interest Bearing Loan procedures.

The Community Loan Scheme strengthens the Council's commitment to supporting communities in achieving its overall aim 'to improve the well-being of the people of the South Hams' whilst contributing to Council priorities, cross-cutting themes and commitments.

Purpose

1. To seek the approval of the Executive to offer an Interest Bearing Loan following an application from Ivybridge Cricket Club towards the provision of new facilities at Filham Fields, Ivybridge
2. The use of loans to community groups will strengthen the Council's commitment to supporting communities in achieving its overall aim 'to improve the well-being of the people of the South Hams' whilst contributing to the Council's priorities and commitments. The loan scheme is being offered to community groups as an alternative to the Community Grants Fund; in line with Members' view that, where appropriate, a greater use of loans to organisations, at competitive rates, be made (minute E.126/03 refers).

RECOMMENDATION

That the Executive RESOLVES to:

- (a) **approve a loan of up to £10,000 to Ivybridge Cricket Club towards the provision of new facilities at Filham Fields, Ivybridge.**
- (b) **agree that the loan be repaid over a 1-10 year period as set out in the Interest Bearing Loan procedures.**

Introduction

3. The Council is able to offer social, cultural or sporting organisations and Parish Councils loans up to a maximum of 75% of total project costs or £10,000 whichever is the lesser. Because of demands on resources, the total value of loans approved in one year cannot exceed £20,000. In the current financial year £5,000 has been approved – but subsequently not drawn down.

4. Ivybridge Cricket Club has an ambitious programme to move its facilities to Filham Fields from its current base at Erme Valley. This allows them to expand their own capacity and to allow Ivybridge Town Football Club to expand its capacity at Erme Valley. Both moves are essential to accommodate the growth of both clubs – particularly across the youth age groups. The Football club has funding anticipated from the FA and DCC. The football club needs to expand to retain its current league status and has a planning approval for the works.
5. The Cricket Club has secured grants of £120,000 from the English Cricket Board and £25,000 from SHDC through the “Investment in the Community” Grant. It has secured £15,000 from DCC locality budget and waiting to secure further grant from DCC. In the interim it needs to secure an additional £10,000 urgently to allow scheme elements to progress.
6. The nature of the football expansion at Erme Valley and Cricket expansion at Filham is time critical. A failure to commence works imminently may leave both facilities unusable next season – leaving either (or both) without facilities and jeopardising club use and league status. Both clubs have been attempting to upgrade their facilities for some years but FA league requirements have brought matters to a head in advance of the clubs fully securing necessary grant funds.
7. As an interim measure the Cricket Club has approached the Council for a loan of £10,000, which will be repaid by the Club. They have submitted the requisite application form.
8. The Club has already benefited from an award of £25,000 from the “Investment in the Community” fund and it was noted at the time that any additional funding shortfalls might be assisted through the loan mechanism. This current request would accord with this intent.
9. Members should also be aware that other options may be available as follows

Option	Funding possibility	Issues	Benefits
Advance a direct contribution from the existing Public Space Capital programme.	<p>Could be allocated from existing Parks and Public Space allocated to Ivybridge</p> <p>This project has been a reserve project under consideration within the Public Space Capital programme</p>	<p>Would need to be taken from work programme agreed in conjunction with Town Council and community.</p> <p>Would supplement an existing decision to grant from the Investment in the Community</p>	Allows an immediate and unfettered solution to the issue
Advance a payment in anticipation of s106 receipts	Within Ivybridge £5,000 is secured in an agreement at Stowford Lodge and c £3,000 from Western Road.	<p>Income would be dependent on development progressing as consented.</p> <p>Still a minor shortfall</p>	Meets the shortfall from dedicated funds for sport and recreation purposes

No action	Not applicable	One, or possible both clubs, would jeopardise league status and security of the club structure. Council reputation.	Minimises council expenditure
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Strategic Risk Assessment

10. The following are the significant risks and opportunities identified in relation to agreeing to offer a grant:

Opportunity	Issues / Obstacles	Benefits
To give the Council's financial support to a new community-based sports facility in Ivybridge to accommodate expansion for Football and Cricket to accommodate increased youth involvement.	<p>Failure to secure the £10,000 jeopardises the move to Filham for the 2010 season which has the following possible outcomes</p> <p>Football Club fails to implement expansion and forfeits available grant and current league status. Expansion stalls.</p> <p>Cricket Club lose momentum on move and funding streams come under threat.</p> <p>The possible failure of the recipient group to repay the loan amount. However, all loans require the appropriate guarantee and the Council's Legal Section will draw up all the appropriate legal documentation as set out in the loan application process.</p>	Support for community projects which will contribute to the Council's overall aim 'to improve the well-being of the people of the South Hams'.

Conclusion

11. There is considerable demand upon the limited resources of the Community Grant Fund and other recent funds allocated to either community projects or public space improvement, each of which are being managed by using the Council Priorities as grant criteria. For those projects unsuccessful in securing grant support (either because they do not meet a priority, or do not score highly enough) the use of a loan is an alternative avenue for community groups to investigate.

12. Agreeing a grant to Ivybridge Cricket Club appears to put in place the final piece of a complex funding and operational jigsaw which allows both the Cricket Club and Football Club to progress.

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Executive
19 November 2009

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Background Documents:

Loan application
Supplementary information with application