

Report of the Assistant Director (Communities and Culture)

## **Poppleton Junior Football Club: Approval Of Loan**

### **Summary**

1. This report seeks approval to make a loan to Poppleton Junior Football Club which the club will use this to finance the development of new changing rooms, club room and associated car parking at the Millfield Lane site, Poppleton. The loan will support funding already confirmed of £470,950 from the Football Foundation, the City of York Council, and the club's own fund raising and will enable the project to be completed. The Club have agreed to pay the loan back at £500 per quarter over 5 years.
2. This report is brought as a matter of urgency due to a very late and unexpected increase in the cost of materials for the project. This has created a significant funding shortfall which jeopardises the whole project just as it is about to start of site. Officers have worked with the club to bridge the shortfall and the proposed loan is a key part of the resultant strategy. Approval is needed now and cannot wait until December's Executive Member meeting.

### **Background**

3. Poppleton Junior Football Club have applied to the Council for a loan of £10k. Loans are one form of funding offered by the Community and Culture Department to York's voluntary sector. They can be made to organisations who work in the areas of:

- Sport and Active Leisure
- Arts
- Heritage
- Open Spaces
- Children's play and young people's leisure
- Events and festivals that contribute to a vibrant and cosmopolitan city culture

and who wish to collaborate with us in one or more of our key outcome areas:

- Active Lifestyles: York will have the highest participation rates in active lifestyles of any city in the country
- Learning: The level of York adults participating in informal learning opportunities will be among the best in the country

- A Cultural Offer for Young People: Young people in York will tell us that the city is among the best places to live in the country
  - Vibrant People, Places and Spaces: Local communities will be increasingly directing their own cultural activities, enjoying high quality events, facilities and open spaces
4. Loans are interest free and can be given for new equipment, repairs or building work, feasibility studies, architects' or consultants' fees and / or administration costs related to a building or similar project. Repayments can be spread over a five-year period. Applications can be made at any time. Under the scheme of delegation loans of more than £5k are approved by the Executive Member.

### **The Project**

5. Poppleton Tigers Junior Football Club are based at Millfield Lane, Poppleton, York. They are a well established club with over 300 playing members from the age of 7 years to 19 years, including boys, girls and mixed football teams. The Club is an FA Charter Standard Community Club, which is the pinnacle of the FA Charter Standard Award system.
6. The Club has been working in partnership with the Football Foundation, North Riding County FA, City of York Council, Manor C of E School and Poppleton Community Trust to raise funds to develop this much needed facility.
7. The £10k loan is to support funding already confirmed of £470,950; this will allow the project to go ahead to develop a new sports facility, which will include four changing rooms, two officials rooms, community club room, kitchen and public toilets. The facility will be fully compliant to DDA regulations and will offer a new resource for the benefit of the whole community. The Club intend to pay the loan back at £500 per quarter over 5 years; however, if the projected profits exceed the business plan expectations the Club would endeavour to increase the quarterly payments and/or make lump sum payments to settle the loan earlier than agreed.
8. The total amount of the new community sports facility is approximately £480,950. It is proposed that work will begin on the project imminently and is due for completion in Spring 2011.
9. The Council has committed to spending £40k on the project through Section 106 developer contributions for sport and recreational open space; it has also assisted the Club with advice, support and information through the Football Facilities Project Officer, who is employed by the Council and part funded through the Football Foundation.
10. Due to a very late and unexpected increase in the cost of materials for the associated car parking area, the club have had no option but to seek further funding so that the project can go ahead as scheduled (for completion in April 2011). Failure to find the extra funding would result in the Football Foundation withdrawing the 77% of funding they have agreed to contribute towards the project.

11. This project is one of two elements that together create an integrated scheme to provide improved community sports facilities in Poppleton; the other element will see new pitches and community changing facilities created on the other side of Millfield Lane, alongside the new Manor School. The Council is investing £200k to assist in the delivery of this second element.

### **Options**

12. The options available to the Executive Member are:
  - o To grant the loan
  - o To refuse the loan

### **Analysis**

13. The loan will enable the project to go ahead to the agreed time schedule. If the loan is refused it is unlikely that the project would go ahead and all other external funding would be withdrawn. It is therefore recommended that the application be approved.
14. If the funding bid is successful then York will have an excellent new facility for sports and community activities . This will substantially improve our provision of sports facilities in the city.
15. The Club has a membership of over 300 players, which generates an income of over £15k per annum; other fund raising brings in a further £10k per annum. It is expected that the new facility will generate a projected income of: £10,305 in year one, £9,530 in year two, £19,386 in year three, £12,537 in year four and £20,544 in year five, as laid out in the business plan. The projected annual figures are a very conservative figure and so the Club are more than confident that they would be able to repay the loan back at £500 per quarter over 5 years; however, if the projected profits exceed the business plan expectations the Club would endeavour to increase the quarterly payments and/or make lump sum payments to settle the loan earlier than agreed.

### **Corporate Priorities**

16. SLAs are given to meet the key priorities as detailed in paragraph 2 above. The project directly contributes to the Healthy City priorities in the Corporate strategy. It also supports Health, Young people's Offer and Vibrant Places and Spaces Outcomes in the Life-Long Learning and Culture Plan.

### **Implications**

17. **Financial:** Poppleton Tigers Junior Football Club have requested a loan of £10k. The loans fund currently has £32,565 available in it and the request can therefore be accommodated.
18. The loan will be repaid at a rate of £500 per quarter over 5 years. If the profits from the new facility exceed the expectations in the business plan the Club may be able to settle the loan earlier than agreed.
19. There are no human resources, legal, equalities, crime and disorder, or information technology implications arising from this proposal.

## **Risk Management**

20. The project will be supervised throughout with a project manager in conjunction with Poppleton Tigers Football Club and support from the Football Facilities Project Officer. Measured in terms of impact and likelihood, the risk score all risks has been assessed at less than 10; this means that at this point the risks need only to be monitored as they do not provide a real threat to the achievement of the objectives of this report.

## **Recommendations**

21. The Executive Member is asked to approve a loan of £10k to Poppleton Tigers Junior Football Club over 5 years.

Reason: So that the project can go ahead and that all other external funding is not lost.

## **Contact Details**

### **Author:**

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### **Chief Officer responsible for the report:**

Charlie Croft  
Assistant Director (Communities & Culture)

Report Approved

Date 7.11.10.

Specialist Implications Officer(s):

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Principal Accountant CBSS  
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Wards Affected: York West

All

For further information please contact the author of the report

## **Background Papers**

Loan application file held by the author.