



AGENDA ITEM: 9

SUMMARY

Report for:	Cabinet
Date of meeting:	29 April 2014
PART:	1
If Part II, reason:	

Title of report:	Additional Funding for Sportspace 2014/15
Contact:	<p>Councillor Nick Tiley, Portfolio Holder for Finance & Resources</p> <p>Councillor Neil Harden, Portfolio Holder for Residents & Regulatory Services</p> <p>Martin Hone, Corporate Director of Finance & Operations</p>
Purpose of report:	<p>To seek approval to a further revenue contribution of £100k for the financial year 2014/15 to support Dacorum Sports Trust, (trading as 'Sportspace').</p> <p>To agree that officers should explore the possibility of the Council acting as guarantor for loans/leases the Trust may wish to enter into to develop sports facilities across the Borough.</p>
Recommendation	<p>That Cabinet -</p> <ol style="list-style-type: none"> 1. recommend to Council the approval of a supplementary estimate to be financed from Management of Change reserve to provide a further revenue contribution of £100k for the financial year 2014/15 to support Sportspace for one year only contingent upon the development of a delivery plan as outlined in this report, and 2. delegate to the Corporate Director of Finance & Operations, in consultation with the Portfolio Holder for Finance & Resources and the Portfolio Holder for Residents & Regulatory Services , authority to consider and, where it is considered appropriate to do so, to give

	approval to the Council acting as guarantor for Sportspace in relation to such loans and/or lease arrangements which Sportspace may wish to enter into for the purpose of developing or improving sports facilities across the Borough.
Corporate objectives:	The recommendations support the Council's commitment to maintain and develop leisure and recreation for the communities it serves.
Implications:	<p><u>Financial</u> The additional £100k grant for 2014/15 can be funded from the Council's Management of Change Reserve; any additional risk exposure in the event of the Council agreeing to act as guarantor for loans/leases the Trust may enter into would be considered within the overall mandate of the Council's Treasury Management Strategy, which was agreed by Council in February.</p> <p><u>Value for Money</u> The additional grant proposed would be contingent on the development of performance indicators outlined in this report, ensuring that the additional funds provide good value for money.</p>
Risk Implications	As stated above (in the Financial Implications section), the risk exposure from acting as guarantor to the Trust would be evaluated in the context of the Council's Treasury Management Strategy.
Equalities Implications	Access to sports and leisure facilities has equalities implications for local residents and visitors to the area. The Council has recently contributed to a county-wide health and wellbeing strategy.
Health And Safety Implications	N/A
Monitoring Officer/S.151 Officer Comments	<p>Monitoring Officer: Comments incorporated in the report.</p> <p>S.151 Officer As set out in the report.</p>
Consultees:	Portfolio Holders; Chief Officer's Group; Sportspace
Background papers:	Sportspace: Finance Report: Finance & Resources Overview and Scrutiny Committee – 4 March 2014

Glossary of acronyms and any other abbreviations used in this report:	
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BACKGROUND

1. The Dacorum Sports Trust was established in 2004 and manages many of the Council's Sports facilities. The Trust (trading as Sportspace) now manages the following facilities through lease arrangements or dual use agreements:
 - Hemel Hempstead Sports Centre
 - Berkhamsted Sports Centre
 - Tring Sports Centre (dual use facility with Tring School)
 - Longdean Sports Centre (dual use facility with Longdean School)
 - Floodlit Multi-Sports Area (dual use with Hemel Hempstead School)
 - Dacorum Athletics track
 - Little Hay Golf Complex
2. In addition, the Trust run a programme of Sports Development throughout the Borough and aims to deliver innovative sports ventures such as the XC building at Jarman Park, the result of working with the Council and Youth Connexions over a two year period to develop an extreme sports and youth centre.
3. The funding of the Dacorum Sports Trust is reviewed annually as part of the Council's budget setting process.
4. The core grant subsidy made to Sportspace for 2014/15 is £475,000 which includes £50,000 for Little Hay Golf Course, although this will reduce in the event that a surplus is generated above an agreed level. The benefits of any surplus are shared between Sportspace and the Council on a 50:50 basis.
5. The original grant when the services transferred in 2004/05 was £862,000. The grant has been reducing year on year, apart from in 2007/8, when there was a significant rise in utility costs and the Council agreed to make a contribution for that year only. The Trust also, by agreement, receives and manages the Sports grants for groups with disabilities which is around £13,000 annually.

RECENT DEVELOPMENTS

1. On 4 March, Sportspace presented its Annual Finance Report to the Council's Finance & Resources Overview & Scrutiny Committee. Later in the month, the Leader and relevant Portfolio Holders, the Council's Chief Officer Group, members of the Trust's Board and senior officers of Sportspace met to discuss a range of issues regarding the current provision of services by the Trust, its funding and plans for future investment in leisure facilities.
2. As regards the current services being provided, the Trust's draft budget for 2014/15 indicated a net deficit for the year of £95k. Representatives of the Trust set out proposals to reduce and eliminate the deficit in future years, but it was apparent that the remedies proposed would not be implemented in time to ensure break-even in financial year 2014/15. As a result, the Council has been asked to provide additional grant support for 2014/15 only of £100k. This would be contingent upon the Trust working with the Council to deliver a delivery plan to include expected actions and outputs under the following outcomes:
 - Residents involved in sporting activities
 - Community groups delivering opportunities for participation particularly in deprived areas of the borough
 - Increased physical activity with target groups
 - Young people
 - Older people
 - People with disabilities
 - People with long-term health concerns
 - People actively seeking a healthy weight
 - A detailed awareness of safeguarding
 - A detailed awareness of diversity and equalities
 - Communities receiving value for money quality services.
3. The table in Appendix 1 outlines the link between outcomes, expected actions and outputs. These were discussed with Sportspace in November last year and again earlier this month when Cllr Harden and the Assistant Director (Chief Executive's Unit) met with Dave Cove (the Trust's Chief Executive) and Rebecca Hemmant (Business Development Manager).
4. The Trust's five year capital plan was also scrutinised. It is clear that significant capital investment will be required to bring about the sorts of improvements in the leisure offer that will increase membership/participation.
5. Subsequent to the meetings in March, the Trust have brought forward proposals for investment in facilities including Little Hay Golf Course, Berkhamsted Sports Centre and a new low-cost gymnasium. The total cost of buildings and equipment is estimated to be approximately £1.2

million. The Trust has requested that the Council act as guarantor for any loan and/or lease obligations it may enter into in order to secure funds for these developments. Given that these planned investments would help to both deliver the Council's objectives in terms of increasing participation and improve the financial position of the Trust, it is recommended that officers look into the possibility of the Council guaranteeing these transactions.