

ST. IVO OUTDOOR CENTRE: RELEASE OF SECTION 106 FUNDING**(Report by Leisure Centres Co-ordinator)****1. BACKGROUND**

- 1.1 Cabinet are reminded that an MTP scheme to develop additional changing accommodation at St. Ivo Outdoor Centre and Priory Park, St Neots to cope with increased demand, especially for junior football, was approved initially in 2003, with the possibility of grant from the Football Foundation. Subsequently in February 2006, Cabinet were informed that provision had been made in Section 106 Agreements for nearby housing development at St Ives for contributions to be made to off-site development at the Outdoor Centre. As the cost of the new facilities at Priory Park was higher than originally forecast, Cabinet agreed to allocate the whole of the MTP provision to the latter scheme and to meet the cost of the St Ivo scheme, net of grant from the Foundation, from the Section 106 receipts.
- 1.2 The scheme at the Outdoor Centre comprises additional changing accommodation, new training and lecture facilities, demolition and relocation of the groundsman's store to facilitate the building extension, additional car parking to meet increased demand and a cycle-way through the site to connect the new developments to the local primary school.
- 1.3 Funding for the project, estimated to cost £1m, was to be met equally from Section 106 contributions for the developments at St. Ives Golf Club, Houghton Grange and Houghton Road and from grant from the Football Foundation.

2. CURRENT SITUATION

- 2.1 Preparation of the bid to the Football Foundation has been undertaken by a professional agency which included consultation with existing and potential user groups. Prior to its submission, the Foundation indicated that they had additional funding available and they suggested the inclusion within the bid of a second synthetic pitch at the Centre, the cost of which (estimated at £500,000) would be met by the Foundation. This would comprise 'third generation (3G)' turf, suitable for football only, with full floodlighting.
- 2.2 Consequently, further work on the bid has taken place and this will be submitted before the end of September 2007. The extended scheme estimate now totals £1.5 million with grant now sought from the Football Foundation of £1 million and the remaining cost met from Section 106 contributions.
- 2.3 This scheme provides an excellent opportunity to increase facility provision to meet growing demand, especially for youngsters, and increase income generation without capital expenditure on the part of the Council. The number of grass pitches at St. Ivo will be reduced by

one but the new pitch will be configured to allow either one full-size or up to 3 smaller games to take place simultaneously. With floodlighting the additional usage will be substantial and although some existing bookings will transfer from the current synthetic pitch, it should be possible to fill most of that space with additional hockey activity and waiting-list bookings.

- 2.4 The Football Foundation bid will be determined in October/November 2007 and although there is no guarantee of success, the close liaison with County Football Association, Local Football Partnership (LFP) and the Football Foundation representatives in the formulation of the application suggests the chances are good with clear evidence of unmet demand and a strategic need.

3. SECTION 106 AGREEMENTS

- 3.1 The agreements require payment of the contributions to the Council before the first dwelling on each of the sites is occupied or the letting of the contract for the off-site work, whichever is the later. However, all of the planning permissions are outline and the most likely forecast is that occupation of the first dwelling at two of the sites will be in approximately two years. The timescale is more difficult to predict at Houghton Grange but this does represent the smallest of the three contributions at £30,000.

- 3.2 If approval is obtained from the Football Foundation, the scheme will precede the housing development but will be unable to proceed unless funding is provided by the Council in advance of the Section 106 receipts. This will not conflict with the provision made in the Agreements. There is a risk that the developments may not proceed or that they may be delayed for some time which would result in the Council failing to be reimbursed or this taking longer than envisaged. The risk of not receiving Section 106 agreed funding is, however, considered minimal. Conversely, the opportunity of additional grant from the Foundation of £500,000 is unlikely to be repeated.

4. REVENUE IMPACT

- 4.1 The following table represents an achievable and realistic forecast of income and expenditure over the next ten years for the new synthetic pitch and associated changing and training facilities (prices as at 2007 levels). This includes loss of interest for Council funding for up to two years in advance of the receipt of Section 106 funding and an estimate for loss of income resulting from departure of existing bookings from the current synthetic pitch.

Income projections are based on 66% occupancy at weekday peak times and 20% occupancy at weekends during the football season (32 weeks), and half that figure during the out of season period (18 weeks). Expenditure includes a replacement pitch surface in year 10.

£k	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Total
New Bookings	53	54	55	56	57	58	59	60	61	62	575
Training Room	2	2	3	3	4	4	5	5	6	6	40
Total Income	55	56	57	58	59	60	61	62	63	64	615
Electricity	7	7	8	8	9	9	10	10	11	11	90
Rates	1	1	1	1	1	1	1	1	1	1	10
Maintenance	5	5	6	6	7	7	8	8	9	9	70
Cleaning	1	1	1	1	1	1	1	1	1	1	10
Loss of Interest	30	30	0	0	0	0	0	0	0	0	60
Total Expenditure	44	44	16	16	18	18	20	20	22	22	230
Lost existing pitch income	6	6	5	5	4	4	3	3	2	2	40
Net surplus	5	6	36	37	37	38	38	39	39	40	315
Replacement Pitch surface										120	120
Cumulative Surplus	5	11	47	84	121	159	197	236	275	195	195

4.2 Income does not take into account any additional bar and catering proceeds which the increased attendances will generate.

4.3 Realisation of the above could increase admissions to the centre by up to 30,000 per annum the majority of whom will be under 15 years of age.

5. CONCLUSION

5.1 The scheme has developed substantially over the past two years and the completed bid to the Football Foundation will be for grant of approximately £1 million. Although the Council's 33% contribution to the total estimated cost of £1.5 million can be met from Section 106 receipts from nearby development, this will not be available in time for the anticipated start on site early in 2008 with completion by the ensuing summer holiday period.

5.2 The scheme will not require any capital contribution from the Council's reserves and is shown as a nil contribution in the approved MTP. Minimal additional staffing costs will be required to operate the extended facilities at the Outdoor Centre and these are forecast to generate net additional income of around £41,000 per annum. The scheme is, however, dependent upon the Council being prepared to fund a 33% contribution in advance of the receipt of the Section 106 funding.

5.3 The scheme provides an opportunity to enhance the facilities at the Outdoor Centre and generate both higher attendances and additional net income. It meets several of the objectives contained in the Council's Corporate Plan 'Growing Success' by encouraging participation in active leisure pursuits and providing a new cycleway, while at the same time maximising external funding and reducing the Council's net expenditure.

6. RECOMMENDATION

6.1 Cabinet therefore are

RECOMMENDED

(a) to approve the submission of a bid for funding from the Football Foundation in the sum of £1 million towards a total scheme cost of

£1.5 million for the development proposed at the St Ivo Outdoor Centre as outlined in the report; and

- (b) to meet the cost of the Council's contribution to the scheme in the sum of £0.5 million in advance of the receipt of Section 106 contributions from developments at Houghton Grange, Houghton Road and St. Ives Golf Club allocated to this project in those agreements.


Background Papers

Planning permissions and Section 106 Agreements for development at Houghton Grange, Houghton Road and St Ives Golf Club, St Ives.

Application for funding to Football Foundation for St Ivo Outdoor Centre scheme.
Huntingdonshire District Council Corporate Plan.

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