

CWPC BOWLS CLUB WORKING GROUP –Report July 2020

1.0 BACKGROUND

1.1 The Parish Council (PC) was approached in January 2020 with a request to financially assist with the purchase of the Bowls green by the Coney Weston Swan Bowls Club (CWSBC); as the land that the bowls club sits on along with additional land to the rear of the Green had been put up for sale by the Landowners (Greene King) at a price of £50000 + VAT.

1.2 It was agreed that the PC and the CWSBC would work together to see if a solution could be reached. A working group was formed and met 3 times to explore options available to both the CWSBC and the PC.

1.3 In March 2020 having submitted an offer of £62400 including Vat to Greene King for the Purchase of the land, estimating legal costs at an additional £2400 and having obtained grant offers from Sport England (£49500) and Havebury Housing Partnership of (£5000). CWSBC then formally requested a grant of £5150 from CWPC to cover 50 percent of the shortfall after grant funding. CWSBC would cover the remaining £5150. The PC agreed in principle to financial assistance subject to certain conditions.

Extract from PC Meeting minutes March 2020

“6.1.1.1 The Bowls Club provided an update on progress in regard to the possible purchase of land. The offer made to Greene King including legal costs and VAT is £64,800. Sport England are providing £49500 as a grant and subject to market valuation. Havebury Housing is providing £5000.

This leaves a shortfall of £10,300.

3 options were presented –

- 1. The Parish Council meets the shortfall*
- 2. The shortfall is jointly funded by the Bowls Club and the Parish Council.*
- 3. The Bowls Club meets the shortfall.*

Option 2 was seen as the most realistic proposal and the Parish Council was asked to give their agreement to this option.

There was some discussion about this, Greene King have not yet formally accepted the Bowls Club offer. There also needs to be discussion on the basis of an agreement for instance if the Bowls Club folds, want to sell the land etc.

Cllr Hogg proposed and Cllr Mihr seconded that the Council agree in principle option 2 subject to the official acceptance of the offer by Greene King and the land valuation by Sport England. Further work will need to be done to agree how the Parish Council will find the money and working up an agreement between themselves and the Bowls Club once the final figure is known.”

1.4 Since March 2020 the CWSBC have received further funding of £1000 from Suffolk County Council (SCC) and £500 from West Suffolk Council (WSC). CWSBC have also had confirmation of legal costs for the sale which are £3310 incl VAT - higher than the previously estimated £2400.

1.5 The PC and CWSBC have continued to discuss potential grant funding, how this could be raised by the PC and what conditions or wider benefits could be secured for the village through the offer of grant assistance to CWSBC.

1.6 These discussions have now concluded and this report sets out the issues and options around a grant offer to CWSBC.

2.0 Issues

2.1 **Outstanding costs** – Since March 2020 CWSBC has been successful in securing additional grant funding for the purchase (outside of the PC) and the legal costs have been finalised. The current costs of purchase against funding secured leaves a shortfall of £ 9710 as set out in table 1 below.

Table 1

Offer to Greene King	£62400	
Legal fees	£3310 (revised estimate)	
Grant from Sport England		£49500
Grant from Havebury Housing		£5000
Grant from SCC		£1000
Grant from WSC		£500
Totals	£65710	£ 56000
Shortfall		£9710

2.2 CWSBC are suggesting that the shortfall for the purchase of the land is split 50 – 50 with the PC. The grant request from CWSBC to the PC is therefore £4885

2.3 **Community Benefit** – The CWSBC suggest that the purchase of the land and securing the future of the club are of benefit to the wider Community because :-

- It retains of provision of a sporting facility within the village
- It provides wider benefits to the community by assisting with the financial viability of the Swan PH.
- It is of visual amenity within the Village.
- Securing the land may offer the opportunity for the club to improve facilities through external funding as the “landowner”. An option previously not available to them.

The community benefit is tangible. Although the Club has relatively limited membership within the Village the facilities can be enjoyed by anyone for a modest subscription. The wider visual amenity of the green and the PH are of benefit to the whole community.

2.4 **Possible additional benefits** – The offer of grant assistance may enable the PC to secure additional benefits for the community such as a closer working relationship between the PC the Playing field and the CWSBC by, for example, sharing Car Parking with the CWSBC to assist users of the playing field (which currently lacks any dedicated parking).

2.5 **Future of the Club** - A further key issue is the sustainability of the club and what happens should the club cease to exist in the future. Any grant made might offer the opportunity to secure a closer working relationship between the PC the Playing field Committee and the CWSBC in order to be able to manage that scenario in a more inclusive way for the Community.

2.6 CWSBC is proposing securing a closer working relationship with the PC and Playing field committee by asking representatives from the PC and Playing field Committee to attend and vote at the annual general meeting of the CWSBC. Whilst there may be some issues around governance that will require resolving, it is clear that a closer working relationship could be achieved.

2.7 CWSBC is required to set out key performance indicators (KPI's) as part of the grant conditions from Sport England. As a result of ongoing discussions with the PC, CWSBC are suggesting that future sharing of car parking and a closer working relationship with the PC and the Playing field committee could be identified within these KPI's.

2.8 Sport England has also placed a charge on the land as a condition of their grant for a period of 21 years to protect the investment they are making should the club cease to exist within that period.

2.8 Regarding the ownership of the land following purchase the Club has stated :-

“The land has to be held by a recognised body and the club itself has no legal status. Subsequently the land has to be held by 4 members and we have chosen to have this supported by a declaration of trust (a trust deed). This will state that the land is legally held in name by those 4 people but they are holding it for the benefit of the club. This method helps to ring fence any risk to the named owners because the trust deed evidences that the true beneficial ownership is held by the club”

3.0 Options

3.1 The PC agreed in principle to assisting the CWSBC at its' meeting in March 2020 subject to the outcome of further discussions.

3.2 These discussions have now concluded and the outcomes are as set out in 2.4 – 2.7 above.

3.3 If PC members agree that the outcome of discussions is sufficiently positive to go ahead and confirm a grant offer to the CWSBC there are a number of options to consider regarding:-

- Amount of grant
- Funding of grant
- Conditions of grant

3.4 - **Amount of grant** – The CWSBC is proposing that the PC grant 50 percent of the outstanding funds a figure of £ 4885 - Although they have indicated that any grant assistance would be welcome.

Option 1 – The PC could offer part of the requested £4885. The PC would need to decide what it considered an appropriate figure.

Option 2 – The PC could offer all of the requested £4885.

3.4 **Funding of grant** – The PC has a number of options around funding.

Option 1 - The PC could fund the grant from reserves. The PC currently has reserves of £6792 and is currently on budget for the financial year 2020 -21. Funding from reserves could be

undertaken in a single payment from financial year 2020-21. A single payment of the full amount would reduce reserves to a level of £1907 for the remainder of the financial year representing a minor financial risk. A single Payment of a less than the full amount say £2500 would reduce reserves to a level of £4292 for the remainder of the financial year representing a very minor financial risk. See Appendix 1 Risk Assessment.

Option 2 – Funding from reserves could be undertaken in 2 stages. One payment from financial year 2020-21 and one from 2021 -22. This option might only be appropriate for a grant of the full amount or if the PC decided to be very risk adverse for a lesser grant. CWSBC has indicated that funding in 2 stages would be acceptable to them.

With both the above options, reserves could be built up again gradually through the precept as the annual budget is set. With both the above options the PC is not required to formally consult the community, but an extraordinary PC meeting which the community can attend and participate would be an appropriate way forward.

Option 3 – The PC could take out a Public Loans Board loan to secure funding to offer grant assistance. This could be to offer the full amount requested by CWSBC or for a lesser amount. The loan is structured over a repayment period and the PC would raise monies to cover the payments annually through the precept. The PC would pay interest on the loan. The loan application is a 2 stage process with a “permission to apply” application followed (if granted) by an application for the funds. There are a number of conditions of grant including the need to have a community consultation and mandate for the loan.

3.5 Conditions of grant – Following the discussions with the CWSBC the club have offered to work with the PC and the Playing field Committee to secure a closer working relationship and additional community benefits such as the potential to share car parking with the Playing field. Sport England has placed a charge on the land to secure their investment for the next 21 years.

Option 1 – The PC accepts that the wider community benefits it is seeking are achieved by the offer by CWSBC to include closer working with the PC and the Playing field as KPI's (as part of Sport England's grant award) and the offer from CWSBC to ask representatives from the PC and Playing field Committee to attend and vote at the annual general meeting,.

Option 2 – The PC seeks to secure a charge on the land. This may incur legal fees.

Option 3 - The PC might seek to register the land as a community asset to secure any grant it may make. This would give the opportunity for the Parish to buy the Land if it so wished before the land is offered on the open market.

Summary / conclusion – The CWSBC have informed the PC that the Club are required to pay a deposit and completion is planned for mid August. The purpose of this report is to set out and allow the Parish Council to consider the above issues and options. Identify its' preferred options and make a decision on the offer of grant assistance to CWSBC.

Appendix 1 - Risk assessment

Coney Weston Bowls Club grant application – funding from reserves and risk assessment

Coney Weston Bowls Club grant application is for **£4,885**.

One option being considered is funding this grant from reserves and this is the focus of this report.

Balances carried forward at 31 March 2020 were **£6,792** less £150 in respect of the Village Hall car park rent for the financial year ended 31 March 2020 leaving **£6,642**.

Council has set a minimum level of reserves of **£2,500** and Earmarked reserves totalling **£2,050** (made up of Election **£1,050** and Village amenities/groups **£1,000**) leaving an unallocated amount of **£2,092**. Any decisions to spend from reserves would have to be minuted.

If the total unallocated reserves of **£2,092** plus the **£1,000** earmarked reserve allocated to Village amenities/groups were used, making a total of **£3,092**, that would leave a shortfall of **£1,793**.

An assessment of the current year's expenditure to date and committed expenditure has been carried out in order to identify how much of this year's budget is potentially available. This assessment is based on certain assumptions, including that some budget headings are likely to be fully spent, for example, the Salaries and Training budgets given that the Council is in the process of recruiting a new Clerk, which may necessitate the use of a locum Clerk. This financial forecast has identified that potentially up to **£475** might be available in this year's budget to put towards this grant, which would reduce the shortfall to **£1,318**.

If the full amount of the grant is to be funded in **two unequal instalments** over two financial years the payment in the current financial year could be up to **£3,567** with the balance paid early in the 2021-2022 financial year.

If the full amount of the grant is to be funded in **two equal instalments** over two financial years that would require a first payment of **£2,443** and the second payment of **£2,442**.

An assessment of the identified risks is provided below:

Risks identified	Measures to reduce risk
Power to fund this grant not identified	The Local Government (Miscellaneous Provisions) Act 1976 s.19 give Parish Councils the power to provide and equip buildings for use of clubs having athletic, social or educational objectives" and sub section (3) says "A local authority may contribute— (a) by way of grant or loan towards the expenses incurred or to be incurred by any voluntary organisation in providing any recreational facilities which the authority has power to provide by virtue of subsection (1) of this section..."
Criticism about the size of the grant awarded	Enable residents to give their views, prior to the decision being made
Insufficient reserves/funds to cover requirements	Ensure reserves are maintained to cover potential expenditure
Potential higher costs of Locum Clerk	Ensure reserves are maintained to cover potential expenditure
Potential higher costs of new Clerk including training	Ensure reserves are maintained to cover potential expenditure
Playing field Committee requires financial support	No direct obligation exists apart from the Parish Council has agreed an annual grant to cover the cost of the insurance and grass cutting.
Village Hall Committee requires financial support	No direct obligation exists apart from the Parish Council has agreed an annual grant to cover the cost of the insurance.
Failure to take into account residents' views or ascertain the level of community support	Hold extraordinary meeting to enable residents to give their views, prior to the decision being made
Bowls Club ceases to exist and land is sold so amenity is lost	It is noted that the Club has existed for more than 50 years. Request the Bowls Club land including the adjacent land as an Asset of Community Value would enable the Parish to have the opportunity to purchase the land itself prior to it being offered for sale on the open market
Reduced levels of reserves	The precept for 2021-2022 could be increased to restore reserve to former levels.