

WYRE FOREST DISTRICT COUNCIL

CABINET
THURSDAY 26TH JUNE 2008

Amendment to the Capital Programme – Stourport Sports Club

| OPEN | |
|-------------------------------------|---|
| COMMUNITY STRATEGY THEME: | A Better Environment |
| CORPORATE PLAN THEME: | Managing the Local Environment |
| CORPORATE PLAN KEY PRIORITY: | Environment |
| CABINET MEMBER: | Councillor J P Campion |
| HEAD OF SERVICE: | Head of Property and Operational Services |
| CONTACT OFFICER: | Andrew Dickens Extension 2901 andrew.dickens@wyreforestdc.gov.uk |
| APPENDICES: | None |

1.0 PURPOSE OF REPORT

- 1.1 To consider an amendment to the Capital Programme in order to provide grant aid for Stourport Sports Club Limited for the rebuilding of the Clubhouse and storage facilities.

2.0 RECOMMENDATIONS

The Cabinet are asked to recommend to Council:

- 2.1 **That the Capital Programme be amended to provide £36,000 of Grant Aid to Stourport Sports Club by using unallocated Capital receipts.**
- 2.2 **The Head of Property & Operational Services, in consultation with the Leader and the Head of Financial Services, be authorised to release the funds on confirmation that the reconstruction of contracts have been let following approval of the Club's insurers.**

3.0 BACKGROUND

- 3.1 In December 2007, the Clubhouse at Stourport Sports Club was totally destroyed by fire following an arson attack. The Clubhouse is 92% owned by Wyre Forest District Council and leased to Stourport Sports Club on a 125 year lease which commenced in 1999 (the remainder is owned by Stourport Hockey Club which reflects their Capital investment in the original project). The original building was constructed using a £1.8m lottery grant and included changing rooms, lounge bar and storage facilities.

- 3.2 Stourport Sports Club Limited is a not for profit company, jointly owned by Wyre Forest District Council, Worcestershire County Council, Stourport on Severn High School, Stourport Hockey Club and Kidderminster and Stourport Athletics Club.
- 3.3 The lease requires Stourport Sports Club Limited to operate on a full repairing and insuring lease, however, the rebuild costs exceed the sum insured by £61,000. £25,000 of the under insured sum can be reduced from the tender receipt for the rebuilding and this has been agreed with insurers as there were a number of items of “betterment” in the specification. However, a sum of £36,000 has been allowed in the tender document to relocate the storage facilities and garages that were previously designed into the main Clubhouse as these were the main cause of the rapid spread of fire within the building. As this is an improvement to the original design, this is not an insurable item and therefore the Board of Stourport Sports Club are currently seeking Grant Aid to cover this additional expenditure. If Grant Aid proves to be available then the grant being provided by Wyre Forest District Council will be repaid in part or full.
- 3.4 In order to allow the construction contract to be let and therefore avoid delays in construction, it is necessary to let the contract including the improvements to the storage and garage facilities. This requires the Board of Directors to have access to the funds to discharge the construction contract and therefore it is proposed that Wyre Forest District Council Grant Aid provision be made available subject to recovery of part or all of the grant if funds from other sources can be identified at a later date.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The Capital programme currently has unallocated Capital receipts and therefore the amendment to the Capital programme of £36,000 can be funded within the Council’s current financial strategy.

5.0 LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications relating to the proposed Grant Aid.

6.0 RISK MANAGEMENT

- 6.1 If Wyre Forest District Council does not make funds available at this time it will not be possible to let the contract for construction in accordance with the approved planning consent, as the insurers have indicated they will not fund the separation of the garages and storage which is seen as essential in the rebuilding of the Clubhouse in order to improve fire safety and the long term protection of the building.

CONSULTEES

Chief Executive
Head of Legal & Democratic Services
Head of Financial Services
Leader of the Council

BACKGROUND PAPERS

Nil