



**TO EACH MEMBER OF THE  
EXECUTIVE**

03 June 2010

Dear Councillor

**EXECUTIVE - Tuesday 8 June 2010**

Further to the Chairman's Briefing which was held on Wednesday 2 June 2010, please find attached the following additional information:-

**11(a) Budget Task Force Observations & Recommendations**

Please find attached a report setting out the observations and recommendations from the Budget Task Force on the Budget Process 2011/12.

**15. BUPA Contract Extension**

Please find attached an exempt addendum to the report.

**URGENT BUSINESS**

The Chairman has agreed to take the following item as urgent business in accordance with Section 100B (4) of the Local Government Act 1972.

**16. Creasey Park Community Football Development Centre**

Please find attached a report seeking approval of a £3,041,000 budget to undertake the development of Creasey Park Community Football Development Project, and subject to that decision to agree the appointment of the preferred contractor.

**Exclusion of the Press and Public**

The report contains an exempt Appendix 4 which means that the Executive will need to consider under section 100A of the Local Government Act 1972 whether to exclude the Press and Public from the meeting for its consideration on the grounds that deliberation of the item is likely to involve the disclosure of exempt information as defined in Paragraph 3 of Part I of Schedule 12A of the Act.

Should you have any queries regarding the above please contact Devina Lester, Senior Democratic Services Officer on Tel: 01234 228857.

Yours sincerely

Devina Lester  
Senior Democratic Services Officer  
email: [devina.lester@centralbedfordshire.gov.uk](mailto:devina.lester@centralbedfordshire.gov.uk)

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**Meeting:** Executive  
**Date:** 8 June 2010  
**Subject:** Budget Task Force Observations & Recommendations  
**Report of:** Budget Task Force  
**Summary:** The report details the outcomes flowing from a meeting of the Budget Task Force, which reconvened recently to reassess its original recommendations (as described in Appendix A of the Executive report “Budget Setting Process 2011/12”) in light of the receipt and consideration of said Executive report.

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**Advising Officer:** Bernard Carter, Overview & Scrutiny Manager  
**Contact Officer:** Bernard Carter, Overview & Scrutiny Manager  
**Public/Exempt:** Public  
**Wards Affected:** All  
**Function of:** Executive  
**Key Decision** Yes  
**Reason for urgency/  
exemption from call-in  
(if appropriate)** N/A

<b>CORPORATE IMPLICATIONS</b>
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<b>Council Priorities:</b>
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The Budget Setting Process will contribute indirectly to all 5 Council priorities.
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<b>Financial:</b>
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The Financial implications are set out in the report.
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<b>Legal:</b>
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None
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<b>Risk Management:</b>
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Areas of ongoing underperformance are a risk to both service delivery and the reputation of the Council.
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<b>Staffing (including Trades Unions):</b>
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None
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**Equalities/Human Rights:**

A longer-term approach to the scrutiny of the budget will mean that all of the implications of change, and their potential adverse impact on specific communities within the region can be identified and addressed as appropriate.

**Community Safety:**

None

**Sustainability:**

None

**RECOMMENDATION:**

**That the Executive considers and responds to the observations and recommendations contained in paragraphs 4 to 12 of this report.**

<i>Reason for Recommendation(s):</i>	<i>So that the Executive can take full account of the final recommendations and observations of the Budget Task Force when considering its own Budget Setting Process 2011/12 report contained elsewhere on today's agenda.</i>
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**Introduction**

1. The Executive will be aware of the existence of a Budget Task Force, established by the Customer & Central Services Overview & Scrutiny Committee (OSC), which has recently reviewed the Authority's budget setting process and made recommendations thereon.
2. Although these recommendations were endorsed in full by the OSC at its meeting of 17 May, this endorsement was made without sight of the Portfolio Holder's Budget Process 2011/12 report contained elsewhere on today's Executive agenda. The OSC therefore authorised its Task Force to meet again to reassess its original recommendations in light of the receipt and consideration of the Portfolio Holder's report and submit any additional observations and recommendations as a result directly to the Executive's meeting of 8 June 2010.
3. This report presents these additional observations and recommendations and should be read in conjunction with the Task Force's original recommendations, replicated in full at Appendix A of the Portfolio Holder's Budget Process 2011/12 report.

## Observations and Recommendations

### *Task Force Recommendation (i)*

4. The Task Force was pleased to note that the Budget Setting Process Timetable (the Timetable) made early reference to the development of critical outcomes against each of the Council's five priorities; however it is imperative that these outcomes are formally approved by the Executive and full Council before the budget setting process can effectively proceed. The Executive is therefore requested to include such approvals in the Timetable.

### *Task Force Recommendation (ii)*

5. The Task Force was pleased to note that in general terms the Portfolio Holder's report had taken account of this recommendation however, it would request that the Executive considers, endorses and/or addresses the following points:-
  - (i) That the Timetable be enhanced by clearly identifying those critical dates within it that can not slip;
  - (ii) That the Timetable be amended to include additional OSC review in the January cycle of committee meetings (and before 8 February Executive) **should it be considered necessary** i.e. where significant changes have been made to budget proposals following the OSC's consideration of directorate budgets in the November cycle of meetings;
  - (iii) That the Timetable be amended to allow an OSC Task Force to review the robustness and accuracy of the budgets following production of detailed budget proposals but prior to 2 November Executive i.e. sometime in October. This would then allow individual OSCs to concentrate their efforts on challenging budget proposals against corporate priorities and service outcomes in the November cycle of meetings; and
  - (iv) That the Executive confirm that the Timetable has been adhered to thus far and is therefore on schedule.

### *Task Force Recommendation (iii)*

6. Although the Task Force recognised that the proposals contained within the Portfolio Holder's report attempt to improve the challenge process (compared to last year), unfortunately the report contained insufficient detail to assess the effectiveness of these proposals. The Task Force therefore believes it is essential that the robustness and accuracy of the budget proposals are challenged via Task Force review as outlined in 5 (iii) above.

*Task Force Recommendation (iv)*

7. Although the proposals contained within the Portfolio Holder's report referred to the production of a Medium Term Financial Strategy (MTFS), it was the Task Force's view that it contained insufficient detail and would be prepared too late to effectively drive the budget setting process. For this reason, the Task Force would wish to reiterate its recommendation (iv) regarding the need for a longer term Corporate Plan, which is a "live document" and request the Executive to respond accordingly.

*Task Force Recommendation (v)*

8. Whilst the Task Force was pleased to note that the MTFS would take account of the level of efficiencies required throughout the organisation, it was nevertheless concerned to note mention of a funding gap of £30M, inclusion of which forms no part of a process based review and which additionally, is unsubstantiated within the confines of the report. The Executive is therefore asked to comment upon the inclusion and substance of such a figure.

*Task Force Recommendation (vi)*

9. Whilst the Task Force had not seen a "Budget Pack" as such, it was pleased to note that the proposals contained reference to the production and distribution of guidance for budget managers. It did however wish the Executive to endorse the need for such guidance to include a request to budget managers to clearly identify:-
  - (i) Cost Drivers for demand led budgets; and
  - (ii) One off, short term expenditure such that underlying expenditure can be identified.

*Task Force Recommendations (vii), (viii) and (ix)*

10. The Task Force was disappointed to note that the issues associated with the above recommendations had not been recognised within the Portfolio Holder's proposals but understood to some degree that they did not necessarily form part of a budget process report. Nevertheless, the Task Force believes these issues are critical to the successful delivery of good financial management, particularly so budget ownership, which is a fundamental building block of such. The Task Force therefore calls upon the Executive to respond positively to these recommendations and outline how they will be addressed.

*Portfolio Holder's Report (What involvement was there from Scrutiny?)*

11. The Task Force was pleased to note that the Portfolio Holder has recognised at paragraphs 15 to 17 of his report that Overview & Scrutiny was hampered from challenging effectively by a lack of information and opportunity, and calls upon the Executive to ensure that this does not happen again.

*Portfolio Holder's Report (Overview & Scrutiny)*

12. The Task Force was concerned with the meaning and content of paragraph 53 of the Portfolio Holder's report and therefore requests the Executive considers amending it as follows:-

“Overview & Scrutiny will be given greater **support in** their role for 2011/12. It is expected that Overview & Scrutiny **Committees** will have a greater degree of challenge on the relationship between the proposals and corporate priorities and service outcomes, **assisted by robust and separate Task Force** challenge on the accuracy of the data provided to them.”

**Appendices:** None

**Background Papers:** None

**Location of papers:** n/a

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**Meeting:** Executive

**Date:** 8 June 2010

**Subject:** Creasey Park Community Football Development Centre

**Report of:** Cllr David McVicar, Portfolio Holder for Safer Communities and Healthier Lifestyles

**Summary:** That the Executive approve a budget of £3,041,000 to undertake the development of Creasey Park Community Football Development Project, and subject to that decision approve appointment of the preferred contractor.

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**Advising Officer:** Gary Alderson, Director of Sustainable Communities

**Contact Officer:** Jill Dickinson, Head of Leisure Services

**Public/Exempt:** Public

**Wards Affected:** Dunstable

**Function of:** Executive

**Key Decision** Yes

**Reason for urgency/ exemption from call-in (if appropriate)** The decision is urgent in order for consideration to be given to the Football Foundation Grant position.

## **CORPORATE IMPLICATIONS**

### **Council Priorities:**

The investment in new or improved leisure facilities in Dunstable supports the Central Bedfordshire Council's (CBC) Strategic Plan 2009-11 adopted by Executive 5 August 2008 and this project supports all five priorities for 2009-2011. The project also helps deliver the five Every Child Matters outcomes outlined in the Central Bedfordshire Children and Young People's Plan.

### **Financial:**

Following a procurement exercise, the project costs total £3,041,000. External funding includes a Football Foundation grant of £700k, and £1.43 million section 106 funding to be received between 2009/10 - 2013/14. However, the project requires an additional £511k, and the Football Foundation have expressed concern about delays on the project due to the intention to include the project in the Capital Programme Review which will be considered by Executive in September 2010. The Football Foundation is stating that this delay puts the £700k at severe risk. A copy of the Football Foundation letter is at Appendix 1.

Therefore, it is proposed to utilise a Growth Area Fund grant of £420k, and £91k from two schemes in the 2010/11 Capital Programme Reserve - Capital grant aid and Play and open space strategy. This has the effect of reducing those funds available from £210k to £119k. Based on this proposal, the total CBC contribution is £491k or 16% of the project costs.

**Project budget £000's**

Year	09 -10	10 -11	11-12	12 - 13	13 - 14	Total
Gross project cost	210	2,831	0	0	0	3,041
Football Foundation Income	0	-700	0	0	0	-700
Section 106 Income	-100	0	-307	-683	-340	-1,430
GAF		-420				-420
Net project cost	110	1,711	-307	-683	-340	491

The capital programme expenditure in 2010/11 for Creasey Park is £2,290m. External Funding is £700k and the net contribution is £1,590m.

The difference in budget requirement for 10/11 is £121k. This is made up of the additional £91k from the capital grant aid reserve scheme and £30k that will be received from Section106 monies in 2011.

Due to the dilapidated state of Creasey Park, costs associated with not delivering the project totals £752k and is detailed at Appendix 2. The added risk of not delivering this project now is that the Football Foundation grant will be lost, with no certainty that the scheme could attract a grant in the future. In addition, the Growth Area Fund grant needs spending by 31 March 2011, so this would be lost if the scheme did not go ahead. The implication of both would mean an increase in CBC contributions.

With regard to Section 106 monies, the developer covenants with the Council to pay contributions when they are due and failure to do this would result in a breach of the agreement and action as necessary would be taken by the Council. All instalments have to be spent within 10 years of receipt. Since the Capital Programme was confirmed in February instalments for the Section 106 funds have been confirmed as follows; First instalment - £101,419 – received, Second instalment - £307,400 - now payable on 150th occupation - Est. Date Early 2011, Third instalment - £683,000 - now payable on 300th occupation - Est. Date Mid 2013, Fourth instalment - £315,000 - now payable on 370th occupation – Est. Date Mid 2014, Final instalment - £25,000 - now payable on 370th occupation - Est. Date Mid 2014

A section 106 contribution of £107,000 from Carter’s Yard development for the management of Creasey Park supports the business plan to manage the facilities.

In addition, from 2011/12 there will be a requirement for a modest annual capital and revenue provision for all major plant and landlord costs for operating the building including building insurance, and potentially, budget provision for rates payable. Based on a rateable value which is estimated at £99,500, rates payable is £42,000. If rate relief was granted to a body to manage the facilities, it would cost CBC 25% of the rates payable.

**Legal:**

The footprint of the buildings and playing fields will be owned by CBC and the new facility will also become an asset of the council. Management arrangements need to be concluded but Dunstable Town Council has agreed to manage the facility at their meeting on 7 December 2009. Dunstable Town Council has agreed to surrender the lease on Peppercorn Park after a decision has been made by CBC Executive on progressing the project. Following advice from Legal Services the Grant conditions set by the Football Foundation have been accepted. A formal contract between CBC and the Football Foundation is not formed until all preconstruction conditions are discharged and the Football Foundation has given permission to start on site.

**Risk Management:**

The project is managed within Prince 2 methodology, and a risk analysis has been undertaken as set out in the Project initiation Document

**Staffing (including Trades Unions):**

None

**Equalities/Human Rights:**

An Equality Impact Assessment has been undertaken and is available as a background document.

**Community Safety:**

Through sport we can work with hard to reach groups and other areas of the community to develop understanding and promote cohesion through the provision of sport opportunities for different groups within the same geographical area. Provision of football will enhance community cohesion through the provision of sport and healthy lifestyle opportunities. We will enhance family development through engagement of the full family in sports programmes and social activities. Many of the adults targeted will be parents, guardians or friends of young people. The development plan seeks to raise standards of behaviour through the Football Association, (FA) Charter Standard and Respect campaign, and increase the levels of and opportunities for the involvement of new volunteers. The football development manager will seek to ensure the local community safety agenda be supported by this facility.

**Sustainability:**

As this will involve a new development then there is scope to ensure that the new buildings are as energy efficient as possible. The architects/project management brief considers how energy efficiency is incorporated in the proposal

**Summary of Overview and Scrutiny Comments:**

- The project has not been subject to consideration by the Overview and Scrutiny Committee.

**RECOMMENDATION(S):**

1. To approve a project budget of £3.041 million to build a new Community Football Development at Creasey Park, Dunstable using income and Council funds as set out in paragraphs 7 and 8 of this report.
2. That subject to 1. above appoint the preferred contractor detailed in Appendix 4 to carry out the building works.
3. That authority be delegated to the Director of Sustainable Communities in consultation with the Portfolio Holder for Safer Communities and Healthier Lifestyles to agree management arrangements for the facility in accordance with the Community Engagement Strategy.

*Reason for Recommendation(s):* So that the redevelopment of the football facilities can be undertaken and the Section 106 money and Football Foundation and Growth Area Fund grant can be utilised.

**Background**

1. The football facility is dilapidated and is falling down. It requires substantial investment to bring it up to an acceptable standard. There are temporary changing facilities and flood lights, and a spectator stand that has been condemned as a dangerous structure. The project is to provide a sporting opportunity for all and at the same time, use sport to deliver wider social outcomes of inclusion, crime reduction, health improvement and civic pride. The facility will be the home of Dunstable Town Football Club, AFC Dunstable and links the Brewers Hill Middle School site with Peppercorn Park to provide additional community pitches within the area.
2. The land for this project is identified in the South Bedfordshire Local Plan as an area of new urban open space to make good existing and future deficiencies and provide recreational opportunities for the residents of new housing areas. Associated development is providing £1.43 million section 106 to deliver this project. The identified recreational use will enhance the area and provide appropriate management of existing open space.
3. Due to the deficit in quality football facilities in the area, the Football Foundation and Football Association (FA) identified the project as a strategically relevant scheme for funding in 2009/10 and the Council has been successful in bidding for £780k (£700k capital and £80k revenue). The application had to demonstrate that there is a genuine requirement for the improvement and addition to existing artificial and grass football facilities within the Dunstable area, and how the scheme will increase participation rates in playing sport and volunteering, and adults becoming qualified coaches.

4. A 5 year sports development plan submitted as part of the bid had to demonstrate how the project would improve facilities, increase and sustain participation rates across a number of age groups, including schools and local clubs, girls and women, black and minority ethnic communities and disability users groups, raise standards of behaviour through the Football Association, (FA) Charter Standard and Respect campaign, increase the levels of and opportunities for the involvement of new volunteers, and increase the number, skills and opportunities for coaches. The sports development plan is underpinned by a set of key performance indicators that will measure and monitor the effect of the new facilities against the targets agreed by the Football Association. The Football Foundation £80k revenue funds helps supports a Football Development Officer to deliver the development plan.
  
5. The principal stakeholders in the project are CBC (asset owners), Dunstable Town Council, Dunstable Town Football Club, AFC Dunstable and Brewers Hill Middle School, the Football Association (FA) and Bedfordshire County FA. The local community have been consulted on a number of occasions and the former Portfolio Holder for Culture and Skills held a ward member meeting on 3 August 2009 and 19 February 2010 where all ward members supported the project.
  
6. The scope of the contracted building works includes the following costs:

Item	£000's
Preliminaries – Staffing (Supervision and Attendances), plant (i.e. dumpers, hoists etc), site hutting (Site Set Up) and scaffolding.	105
Demolitions	46
A new purpose built pavilion with community facilities and changing rooms linked to sporting use	963
Grounds maintenance equipment storage	51
1 full size football pitch with perimeter barrier and spectator stand 1 adult and Under 18 11 aside pitch 3 junior pitches 3 mini soccer	244
A full size 3 <sup>rd</sup> generation artificial turf grass pitch	432
Relocated BMX Track	65
External Works -car park and paving, planting, fencing and gates, turnstiles dugouts cycle shelter	282
Drainage	56
Incoming Services	11
Provisional Sums	216
	£2,471

## Budget position

- 7 The project costs total £3,041,000. External funding includes a Football Foundation grant of £700k, and £1.43 million section 106 funding to be received between 2009/10 - 2013/14. However, the project cost requires an additional £511k. Due to the project cost exceeding the budget available, the scheme was scheduled to be part of the capital Programme Review, which would draw its conclusions for Executive to consider in September 2010. However, the Football Foundation has expressed concern about delaying the scheme and their offer of £700k is at severe risk. A copy of the Football Foundation letter is attached at Appendix 1.
- 8 Therefore, it is proposed to utilise a Growth Area Fund grant of £420k, and reduce two 2010/11 Capital Programme Reserve Schemes by £91k. These are Capital Grant Aid of £135k and Play and open space strategy of £75k. Based on this proposal, the total CBC net contribution is £491k, £91k over the original budget. This represents 16% of the project costs and is detailed at Appendix 3.

## Growth Area Fund

- 9 £1.045m was set aside in 2009 for a Rolling Social and Community Infrastructure Fund as part of the Luton and South Beds Growth Area Fund Round 3 (GAF3). The purpose was to support the early provision of social and community infrastructure or early delivery with the programme.
- 10 In January 2010 Executive endorsed a reduction in the budget to £500k as part of savings which had to be secured to meet a cut in the overall GAF3 allocation from Government. The Executive report referred to options for spending the £500k being under consideration by officers, with a focus on bringing forward community facilities for the new housing development south of Leighton Buzzard. The spend deadline for this budget is 31<sup>st</sup> March 2011 so the Council must be confident that any project chosen to receive this financial support is in a position to achieve the spend deadline. A review of potential projects in south Leighton Buzzard has revealed that with the exception of a contribution towards the Community House project, other projects have delivery problems within the timescale of needing to spend the GAF3 funds by 31 March 2011.
- 11 Creasey Park is a project that can be delivered in 2010/11, and provides an important leisure/community facility for the Dunstable and Houghton Regis part of the Growth Area. By utilising £420k GAF at Creasey Park, it fills a significant part of the funding gap, enabling the project to proceed. Importantly, both GAF and the Football Foundation grants are at severe risk of being returned if not spent in 2010/11.



**Capital Programme Reserve Schemes - Capital grant aid and Play and open space strategy.**

- 12 In order to meet the remaining shortfall of £91k, it is proposed to reduce two 2010/11 Capital Programme Reserve Schemes by £91k. These are Capital Grant Aid of £135k and Play and Open Space Strategy of £75k. The Play and Open Space Strategy grant scheme supports Town and Parish Councils in the provision of new and improved play, sport and amenity open space sites. The Capital Grant Aid scheme supports community projects, burial ground and cemetery improvements.

**Procurement for the project**

- 13 The project has been procured following the council's procurement rules. Six companies were invited to tender, which resulted in three tender returns. Following a ward member briefing in February 2010, the options for re scoping the project to help accommodate the project budget concluded that some elements of the project should be reviewed to reduce the cost. Accordingly the Multi Use Games Area has been removed, and the car park and grounds maintenance storage has been reduced in size. Other elements of the project such as the fitting out of the facilities have also been scaled back. Subsequently, the exercise resulted in a lowest tender return of £2.471m, detailed in Appendix 4.
- 14 The Football Foundation grant fund £700k towards the seated accommodation, floodlighting, changing rooms, floodlit artificial pitch and new grass pitches. The terms and conditions of that grant mean that these items must be delivered in order to attract the grant at that level.
- 15 Specific elements that are not funded by the Football Foundation grant include the relocation of the BMX track and the provision of grounds maintenance equipment storage and car parking. Dunstable Town Council currently pays for storage of grounds maintenance equipment elsewhere. The business plan agreed by the Football Foundation included a sum of £10,000 from Dunstable Town Council. This is based on their ability to move their equipment to new facilities on Creasey Park. If the storage is not provided, alternative funding will be required to cover this loss of income.

**Management arrangements**

- 16 Currently, the preferred partner for managing the facilities is Dunstable Town Council who agreed to this at their meeting on 7 December 2009.

- 17 Central Bedfordshire Council's Community Engagement Strategy sets out the principles for enhancing the role of Town and Parish Councils. The Council will work closely with Town and Parish Councils to devolve budgets for 'quality of life' services to those who want them and where the service will be enhanced by doing so. Each application to deliver a devolved service must be supported by a robust business case that demonstrates improved value for money. This report recommends that the decision for agreeing the preferred management arrangements be delegated to the Director of Sustainable Communities in consultation with the Portfolio Holder for Safer Communities and Healthier Lifestyles.

### **Conclusion and Next Steps**

- 18 The procurement exercise has involved substantial re-scoping and value engineering to secure the best contract cost. The project cost exceeds the capital allocation of £2.5million, requiring £511k additional capital provision.
- 19 Proposals to plug this gap are set out in the report at paragraphs 7 and 8 and Executive is asked to approve a budget of £3,041,000.

### **Appendices:**

Appendix 1. Copy of the Football Foundation letter expressing concern of delaying the scheme until the outcome of the Capital Programme review.

Appendix 2 Details costs for not proceeding.

Appendix 3 Details Project Costs, income and CBC contribution.

Appendix 4 Details of the contractors tender returns.

### **Background Papers:** (open to public inspection)

CBC Executive Report October 2009

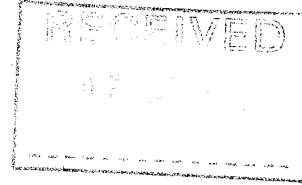
Equality Impact Assessment

Project initiation Document

**Location of papers:** (CBC Priory House)

APPENDIX 1 (attached)

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Jill Dickinson  
**Central Bedfordshire Council**  
Priory House,  
Monks Walk,  
Chicksands,  
Shefford,  
Bedfordshire.  
SG17 5TQ

29 April 2010

Ref: 70393 & 72976

Dear Jill

#### **CENTRAL BEDFORDSHIRE COUNCIL – FOOTBALL FOUNDATION GRANTS**

Dean Potter, the Foundation's Technical Advisor for the South and South East, has forwarded to me your email of 28 April, in which you refer to the Foundation's offer of grant aid for the projects at Creasey Park, Dunstable and the Football Development Centre at Amphill Road and Redborne School, Flitwick.

I note the issues that you have encountered in relation to these projects and specifically the decision by your Corporate Management Team to include both of these projects in the Council-wide Capital Programme Review. Whilst I am sympathetic to the financial issues faced by all Local Authorities at this time, I am unfortunately not in a position to offer any flexibility in respect of the timescales detailed in the conditions of our offer letters of 4 December 2009 and 30 March 2010 respectively.

As you may well be aware, the Foundation's current funding agreement is due to finish on 31 May 2010. The commitment associated with both of these projects falls within this agreement and, as a consequence, I have been charged with ensuring their timely completion, including the total associated spends. Unfortunately, your desire to delay decisions on whether to proceed with these projects until the conclusion of the review in September 2010, will not only prevent me from meeting this remit but, more importantly, may lead to the withdrawal of the original grant offer.

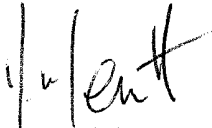
In deciding on a way forward, you may also wish to note that, whilst retaining the option to re-apply for funding at a later date, the anticipated pressure on funding under our new agreement means that it is highly unlikely that the Foundation would be in a position to re-offer grant aid at the current level of funding.

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Finally, in assuring you that the Foundation remains fully supportive of both projects and their aims and objectives, may I urge you to do all you can to ensure that both projects proceed as previously planned.

I look forward to hearing of your intentions in due course however; should you have any queries relating to the contents of this letter, please do not hesitate to get in contact.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D. McDermott', written in a cursive style.

**Dave McDermott**  
**Director of Operations**

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**Appendix 2**

Costs associated with not delivering the project until all the Section 106 funds have been received in 2014

Item	£ 000's	Comment
1..Football Development plan and tendering exercise	210.0	Authorised October Exec 2009.
<b>Sub total</b>	<b>210.0</b>	<b>Authorised 2009/10 expenditure</b>
2.Covered spectator stand	100.0	The current stand has been condemned as a dangerous structure. A covered spectator is required by the football league. Demolition and re-provision costs
3. Perimeter fencing	125.0	The site continues to suffer vandalism and associated costs due to the poor condition of the perimeter fence.
<b>Sub total</b>	<b>225.0</b>	<b>Un budgeted Capital costs</b>
4.Landlord Contingency budget	80.0	revenue budget for this project for unforeseen problems continue to arise due to the asset being in such poor condition until 13/14 (20K /yr)
5. Collapsed sewage pipe	007.0	Repair of broken pipe
6.Continuation of providing temporary facilities	230.0	changing facilities and lights pending re-provision until all the Section 106 funds are received (anticipated 2013/14)
<b>Sub total</b>	<b>317.0</b>	<b>Unbudgeted revenue costs until 13/14</b>
<b>Total</b>	<b>752.0</b>	

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**Project costs, income and CBC contribution**

Item	£000's	% of project costs
Pre tender works (approved 2009/10)	210	9%
Professional fees	75	
Build costs	2,471	91%
7.5% client contingency	185	
Fixtures and fittings	100	
<b>Total costs</b>	<b>3,041</b>	<b>100%</b>

Income	£000's	% of project costs
Section 106	1,430	84%
Growth Area Funds	420	
Football Foundation grant	700	
Total income	2,550	
CBC capital programme 10	491	
<b>Total CBC contribution</b>	<b>491</b>	<b>16%</b>

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