

TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE 28TH MAY 2003

REPORT OF THE HEAD OF FINANCE

This Matter Is The Responsibility of Executive Cllr Williams (Leader of the Council)

WELLSPRINGS FUNDING

1. Purpose of Report

- 1.1 To outline the funding position on the Wellsprings Project now the Sport England decision is known.

2. The Funding Gap

- 2.1 The report to full Council on 22nd April 2003 set out the anticipated costs of completion together with the expected funding position on Wellsprings as follows:-

2.2

COSTS TO COMPLETE PROJECT

	Advance Contract - Already Funded	Main Contract – Funding Required	TOTAL
	£	£	£
Contract Costs (GMS)	148,453	1,648,347	1,796,800
Symonds Fees	111,825	76,528	188,353
Clerk of Works	-	18,900	18,900
Equipment To Be Purchased	-	22,000	22,000
Irrecoverable VAT	13,665	92,703	106,368
	273,943	1,858,478	2,132,421

FUNDING SOURCES FOR MAIN CONTRACT

	£
Sport England Lottery (remainder of original bid)	238,327
Sport England Lottery (February 2003 Bid)	550,000
Somerset County Council	200,000
TDBC Contribution	870,151*
Total Funding Package For Main Contract	1,858,478

* It was recommended that extra funding of £100k be set aside to cover further legal fees.

- 2.3 The report went on to set out how Taunton Deane's share of the funding package (£870,171 + £100,000) would be met.

- 2.4 Sport England have recently rejected the Councils bid for extra funding, therefore in order to complete the project, Taunton Deane Borough Council now must find the £550,000 from it's own resources. As agreed at Council on 22nd April 2003, this funding decision was delegated to the Chief Executive, together with the Head of Finance and the Leaders of the political parties.

3. The Funding Plan

- 3.1 The Chief Executive, Head of Finance, and the Leaders of the political parties met on 2nd May 2003 and agreed the following funding plan to complete the project.

Funding Sources	£
Amount of currently unallocated capital resources	315,000
Further Draw Down on Self Insurance Fund	235,000
Total	550,000

- 3.2 The £315,000 of unallocated capital resources shown above is made up of the amount uncommitted at budget setting time plus the additional capital receipt, over that which was budgeted, for the sale of Creech Paper Mills. This means that there are no unallocated capital resources available and that any further additions to the capital programme will have to be funded from revenue or through the sale of assets.
- 3.3 The self-insurance fund is primarily used to minimise insurance premiums while still providing sufficient insurance cover. The use of the fund to the extent shown above would mean that the amount available to cover such risks would fall to around £800,000. It would seem prudent to rebuild this provision back to current levels over the coming years.

4. Impact on Corporate Priorities

- 4.1 The funding decision will allow completion of the Wellsprings Sports Centre, (a key project for helping the Council deliver its' priority of "encouraging healthier lifestyles").

5. Recommendation

- 5.1 The Executive is requested to note and endorse the funding decision taken on 2nd May.

Shirlene Adam
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Background Paper

The Wellsprings Centre – Report to Council (22 April 2003)