

Report to: Executive Member for Corporate Strategy and Finance

Date: 9th August 2006

Report of: Director of Corporate Resources

Report No:

Contact Officer: S. M. Arnfield

Tele No: 1502

Report Title: **Bolton Arena – Development of Outdoor Facilities**

Confidential

This report is exempt from publication by virtue of Paragraphs () of Schedule 12A to the Local Government Act 1972.

Recommendations:

That approval be given to a loan of £170,000 to the Bolton Arena in order to develop 7 a side football pitches

Signed:

Leader / Executive Member

Monitoring Officer

Date:

Summary:

This report puts forward proposals from Bolton Arena to develop 7 a side football pitches and is requesting that this be funded by the Council by way of a repayable loan.

Background Information

1. INTRODUCTION

The Executive Member will be aware that the Council constructed the Bolton Arena, which it owns, but the facility is leased to the Middlebrook Trust who operate it and who are responsible for the day to day maintenance and repairs of the building.

Since the original facilities were built there have been many changes to demands within the Leisure market and the Middlebrook Trust have been aiming to adapt to these changing needs and requirements. Part of the original facilities included an "All Weather" basketball court. The Arena have faced difficulties in maintaining this due to the original design of the facility but perhaps more importantly the facility is hardly ever used and particularly not used as a basketball court.

2. PROPOSAL

The Middlebrook Trust have developed a growing market in 5 a side football utilising other outdoor playing areas within the Arena. They have now identified that this demand is growing and the provision of a 7 a side pitch would meet an outstanding demand in the Borough as well as attracting significant income to the Trust. The cost of developing this facility would be £170,000 and a paper setting out the proposals and business case is attached.

3. FINANCIAL DETAILS

Changes undertaken to other facilities within the Arena have previously been funded from Capital by the Council but on the basis of the Revenue cost being fully met by the Arena. Effectively the Council can do this by borrowing under the Prudential arrangements providing the ongoing Revenue costs can be met. There is an existing loan with the Arena as follows:-

January 2004 - Clay Courts converted to Football Pitches, improvements to Changing Rooms and provision of Multi-Use equipment within the Hall - £485,000

The above loan is being repaid over 10 years, including interest.

The business case presented for the above has enabled the Arena to fully meet its commitment and the outstanding loan as at the 1st April 2006 was £454,000.

Because the Council owns the Arena it is more appropriate for any new facilities to be developed by the Council so that there are no issues should the lease to the Middlebrook Trust ever come to an end.

From an examination of the business case put forward by the Arena for the conversion of the basket ball court, the £170,000 could be easily matched by the likely revenues to be generated and it is also predicted to produce a £25,000 surplus to the Arena after they have met the running costs and the repayments for the loan. This will help to further stabilise the Arena's overall finances.