

INGRAMS SPORTS PITCHES FINANCIAL POSITION

Introduction

The responsibility for the delivery of the Ingrams Pavilion transferred to the Town Council with a deed of variation to the Section 106 agreement in 2021.

Against an original budget of £1,347,885 in 2021, the delivery of the Ingrams Pavilion is currently overspent by £59,445.47 with a total expenditure to date of £1,407,330.47. There are a range of additional costs which have impacted this overall financial position, not least the loss of revenue but also fit-out costs, the continued delay in the connection of the remaining services and the redesign and refiguration costs relating to the installation of an air-source heat pump as opposed to district heating (ref. minute 24/117 dated 22 July 2024).

On 18 March 2024, the Council agreed to a contribution from the Council's general reserves to a maximum of £50,000 at present to fund the shortfall in capital, to absorb the losses associated with the lack of service connections to date and to vire those funds from the general to the relevant earmarked reserve (ref. minute 24/42). The report on the basis this decision was made is attached to this report.

On 22 July 2024, the Council resolved to pursue the installation of an air-source heat pump system and delegated authority to the Chairman of the Finance & Personnel Committee and the Clerk to approve any additional expenditure in accordance with the Council's Financial Regulations (ref. minute 24/117). The local planning authority's consent to not connect to the district heating network has been sought on two occasions in 2024 and no response has been received.

Financial Position

Attached to this report is a detailed breakdown of the capital position and the expenditure incurred in relation to the delivery of the Ingrams Pavilion since 2021.

As can be seen in the attached, the Council currently holds £13,089.49 in its earmarked reserve for the Ingrams Pavilion against which outstanding expenditure is expected. The position reported to the Council's Finance & Personnel Committee on 13 January 2025 (ref. minute F&P/25/9) included the following:

Healthmatic	£22,177.75
Tamar Security	£5,236.17
Studio Four	£760.00

In addition to the above, the permanent electricity connection will cost £4,123.09 (included on the January schedule of payments) and £8,244 and £420 in additional groundworks and fence panel hire (featuring on this month's schedule of payments), totalling £40,541.01 and leaving a shortfall of £27,871.52. Persimmon Homes SW have been occupying part of the car park with a rent from 2 August 2024 until 31

March 2025 of £13,000 and it is suggested that this sum should be credited to the earmarked reserve in order to assist with the shortfall of capital.

On 31 December 2024, the Council held £635,997.42 in its general reserves. On 16 October 2023, the Council's Finance & Personnel Committee agreed that the Council should maintain in region of £195,283 as a general reserve which represents approximately six months of net revenue expenditure, being a median between the recommended three and twelve months (ref. minute F&P/23/41). A report will be submitted to the Finance & Personnel Committee on 16 June 2025 reviewing the Council's recommended general reserve figure in light of the Council's increased net revenue expenditure requirements since 2023, but for the purpose of this report it is evident that the Council has a sufficient general reserve to absorb the capital shortfall.

Operational Financial Management

For the Younghayes Centre, the Council operates a separate bank account into which all revenue which the asset generates is paid by tenants and hirers and out of which all the maintenance and operational expenditure is paid. It is suggested that all transactions relating to the Ingrams sports pitches are also credited and debited to that account and the account be renamed "Town Council Assets".

Recommendation(s)

To vire from the general reserve £20,000 to cover the anticipated shortfall of capital expenditure of currently £14,871.52 plus some contingency.