

DUNOON AMATEUR BOXING CLUB (DABC) – FUNDING REQUEST

1. EXECUTIVE SUMMARY

- 1.1 Dunoon Amateur Boxing Club (DABC) has been operating as the sole affiliated boxing club in Argyll and Bute for over 40 years. DABC have been developing proposals over a number of years for a new build Community Sport Facility which would provide them with a permanent base from which to operate.
- 1.2 The Council agreed to make provision in the Capital Plan for a grant of £100,000 to DABC towards the capital cost of the new facility. Having secured all other funding, including the recently approved £40,000 funding from the Robertson Trust (see funding table below), DABC are now formally seeking the release of the Council's £100,000.

<u>Funding Avenue</u>	<u>%</u>	<u>Funding £</u>
DABC Contribution from own funds	11%	30,000
sportscotland	33%	100,000
In Kind Contribution	11%	30,000
Robertson Trust	12%	40,000
Argyll and Bute Council	33%	100,000
Total		300,000

- 1.3 Following a fully detailed assessment of the business case officers of the council now consider that a formal grant offer can be issued and the funding released.
- 1.4 This consideration involved a council approved business case assessment process which involved a 4 stage review:
- Policy
 - Governance
 - Financial
 - Deliverability and Risk

RECOMMENDATIONS

- 1.5 Members are asked to approve the release of £100,000 subject to the receipt of acceptable tenders being received that are considered to be deliverable by council officers

- 1.6 That members agree that the final release of council funding be delegated to the Executive Director of Development and Infrastructure in consultation with the Executive Director of Customer Services and the Head of Strategic Finance.

DUNOON AMATEUR BOXING CLUB (DABC) – FUNDING REQUEST

2. INTRODUCTION

2.1 Dunoon Amateur Boxing Club (DABC) has been operating as the sole affiliated boxing club in Argyll and Bute for over 40 years.

2.2 The Council agreed to make provision in the Capital Plan for a grant of £100,000 to DABC towards the capital cost of a new community sport, facility from which DABC would operate. Having secured all other funding, including the recently approved £40,000 funding from the Robertson Trust, DABC are now formally seeking the release of the Councils £100,000.

2.3 An assessment has now been undertaken based on the process for assessing funding requests from a third party that was approved by the Policy and Resources Committee on 19 March 2015. All applications go through the same assessment process which is subject to a 4 stage review:

- Policy
- Governance
- Financial
- Deliverability and Risk

2.4 Following a fully detailed assessment of the business case officers of the council now consider that a formal grant offer can be issued and the funding released.

3. RECOMMENDATIONS

3.1 Members are asked to approve the release of £100,000 subject to the receipt of acceptable tenders being received that are considered to be deliverable by council officers.

3.2 That members agree to the final release of council funding being delegated to the Executive Director of Development and Infrastructure in consultation with the Executive Director of Customer Services and the Head of Strategic Finance.

4. DETAIL

4.1 Background

4.1.1 DABC has been operating in the main for over 40 years and is currently the only Boxing Scotland affiliated club to deliver boxing tuition in the Argyll and Bute area. The club are an affiliated member of the Western District Amateur Boxing Association. The club at its peak, had over 40 boxers training on a weekly basis with many of them going on to compete at national level.

4.1.2 The charitable purposes of the DABC is the advancement of public participation in the sport of Amateur Boxing and the provision of recreational facilities/and or activities, with the objective of improving the conditions of life for the persons for whom they are primarily intended.

4.1.3 DABC is situated in the town of Dunoon and was delivering training sessions in a number of different venues due to having no fixed premises. Over the past few years with the closure of the Queens Hall and the lack of suitable venues, not already being used to capacity by other local sporting or volunteer groups, DABC have been unable to deliver any training sessions or associated sporting operations.

4.1.4 In order for DABC to continue to grow and develop it was felt, by the club's committee, that a bespoke community sporting facility should be built. The facility would act as DABC official clubhouse and training venue. In addition to the club the facility would also serve as a venue for community use. It is proposed to build this facility in the grounds of Dunoon Stadium.

4.1.5 The overall cost of the project is estimated at £300,000 and a business case is attached, see **Appendix 1**. The table below outlines the sources of funding:

<u>Funding Avenue</u>	<u>%</u>	<u>Funding £</u>
DABC Contribution from own funds	11%	30,000
sportscotland	33%	100,000
In Kind Contribution	11%	30,000
Robertson Trust	12%	40,000
Argyll and Bute Council	33%	100,000
Total		300,000

4.1.6 DABC have been incorporated as a Scottish Charitable Incorporated Organisation (SCIO) and it was registered on 26 August 2015. This provides them with tax benefits and has made it easier to raise funds from public grant-making trusts.

4.1.7 DABC has commissioned Allied Surveyors to establish an estimated works cost for the proposed build. The following table outlines the proposed cost of the build. It excludes VAT due to the Club's charitable status:

Project Expenditure	Cost
Estimated works cost (165m ²)	£247,500
Professional Fees	15% £37,125
VAT (on professional fees)	20% £7,425
Direct Charges Planning, warrant, site investigations	£7,950
Estimated total project cost	£300,000

4.1.8 DABC have secured planning permission through Argyll and Bute Council's planning service (reference number: 16/00180/PP) to build the proposed facility on the grounds of Dunoon Stadium. The group have also secured a 25 year lease to use the site for £1 per annum.

4.1.9 Within the capital programme the council agreed to make provision for £100,000. Having secured all other match funding DABC is now seeking the release of the council funding

4.2 Application Assessment Process

4.2.1 An assessment has been undertaken following the process for additional funding approved by the Policy and Resources Committee on 19 March 2015. All applications go through the same assessment process which is subject to a 4 stage review:

- Policy
- Governance
- Financial
- Deliverability and Risk

4.2.2 The process requires officers to write a report that captures the outcome of the assessment. The overall assessment should be narrative and qualitative rather than a set of weighted scores. The assessment is contained in the following paragraphs.

4.2.3 DABC has provided the following documentation to support the application which is appended to this report:

- Appendix 1 – Business Plan (February 2018)
- Appendix 2 – Cash Flow Statement
- Appendix 3 – DABC Financial Information - Bank Statement and Financial Forecast

4.3 Policy

What is the impact of granting the request?

4.3.1 The overall impact of the project will be that it will allow DABC to restart their operations in an area where there is currently no boxing delivery for children and young people of any age. DABC are of the view that boxing clubs on a whole can play a significant role in the community and can have an impact on the following key areas:

- Crime and antisocial behaviour
- Social disadvantage and deprivation
- Promotion of healthier lifestyles
- Educational attainment and attendance

Their intention is that the new centre will also allow other sport and fitness groups a place to participate in sporting activities and grow and develop their clubs. More information on DABC activities is detailed in the Business Plan Appendix1

What locations will benefit?

4.3.2 Although the proposed facility has been highlighted as having potential to help address social disadvantage and deprivation, it must be noted that the proposed facility does not currently reside in a Scottish Index of Multiple Deprivation Area (SIMD). The new centre is situated close by and DABC have undertaken to use outreach activities to attract members from within this community.

How does the application relate to the Local Outcome Improvement Plan (LOIP)

4.3.3 The development of Dunoon Community Sport Centre would help achieve the outcomes of the LOIP, by offering the community of Dunoon a much needed facility. Currently there is a lack of suitable facilities within the area that will cater for contact sports, as most facilities are either not suitable or are fully booked by other clubs and user groups. The proposal would upgrade the existing Dunoon Stadium site to include an indoor training facility.

4.3.4 Physical activity is high on the agenda as part of the Scottish Government's national strategic objectives. There is a key focus on encouraging and enabling inactive people to become more active, while encouraging those who are currently active to stay active.

4.3.5 The proposed facility will increase the number of facilities in the Dunoon area giving the community more choice while allowing DABC to develop within a bespoke environment. The facility development will link to outcome 5 of the LOIP as DABC will be able to target children and young people and engage them in a range of physical activity that is not currently offered within the community.

4.3.6 The proposed facility would also help to raise physical activity levels in the sport of boxing while enabling sport specific training to take place in an indoor facility in the grounds of Dunoon Stadium.

Would it support Other Projects or Initiatives?

- 4.3.7 The Community Sports Hub (CSH) which launched in February 2016 would benefit from a strong boxing club as part of its work to develop and implement the Hub in Dunoon.
- 4.3.8 In addition to DABC the facility would also serve as a venue for community use. Details of proposed other users are included in Appendix 3.

SWOT Analysis

- 4.3.9 The following quadrants make up the main strengths, weaknesses, opportunities and threats of agreeing the grant funding application for the proposed Dunoon Sports Community Centre to be delivered by DABC.

Strengths	Weaknesses
<ul style="list-style-type: none"> 1. Quality indoor facility at the stadium 2. Supports LOIP outcomes 3. Supports CSH principles 4. Sustainable boxing club facility 5. New bespoke fitness/training facility 6. Charitable status 7. External support (clubs etc.) 8. Additional fitness provision 9. Lease agreement secured 10. Planning permission approved 11. Trustees are volunteers 12. The offer of facilities that are significantly different from other venues 	<ul style="list-style-type: none"> 1. Lack of long-term DABC development plan 2. Current DABC activity
Opportunities	Threats
<ul style="list-style-type: none"> 1. Community access 2. Additional venue for meetings etc. 3. Community Sports HUB venue 4. Partnership work with Dunoon Youth Football League and Rugby Club 5. Increased membership opportunities 6. Fitness class income to help with the long-term facility running costs 7. Meeting room hire 8. Development of boxing competition in the area 9. Development of additional programmes 	<ul style="list-style-type: none"> 1. Escalation in build costs 2. Project management – scope creep 3. Long-term management costs 4. Long-term maintenance costs 5. Possible perception of over capacity of facilities

What is the economic impact of supporting the Application?

- 4.3.10 The proposed facility would help to establish long-term future of DABC. In the past DABC have hosted annual competitions which have brought competitors and boxing enthusiasts to the town. Therefore there may be a marginal

economic benefit from potential competitions being held in the area. In order to host competitions and events of this nature in the future it is important that the DABC have a stable long-term venue to train and develop the club.

- 4.3.11 In addition to the economic benefit from hosting events, DABC are working with Police Scotland to develop a rehabilitation of offenders' programme that will use the centre. They have also been working with Dunoon Youth Football League to develop ways to use the new facilities.

How many jobs will be created?

- 4.3.12 It is proposed that the facility will be managed and run by volunteers with a cleaner/caretaker being employed by DABC and contracted for a few hours per week. There is also the possibility for some part-time and contract employment. Some specialist programmes would need to employ/contact specialist to deliver these programmes There will also be employment by additional users of the facilities, instructors who run classes.

4.4 Governance

What is the Legal Status of the Applicant and is this secured?

- 4.4.1 DABC are registered with Boxing Scotland and are an affiliated member of the West District Amateur Boxing Association. There is no other related registered company involved with the club or the request for grant funding.
- 4.4.2 DABC is a voluntary organisation which has an elected board of Trustees and has charitable status. Its Trustees serve to promote the interests of the charity and its aims, DABC, its membership and the local community.
- 4.4.3 DABC have been successfully granted Incorporation as a Scottish Charitable Incorporated Organisation (SCIO) by the Scottish Charitable Regulator (OSCR) on the 26 August 2015. This confirms that DABC have charitable status through OSCR the Scottish Charity Regulator for which their charitable purposes are:
- The advancement of public participation in sport.
 - The provision of recreational facilities, or the organisation of recreational facilities, with the object of improving the conditions of life for the persons whom the facilities are primarily attended.
- 4.4.4 DABC charitable objective is "to pursue the advancement of public participation in the sport, in particular of amateur boxing and the provision or organisation of recreational activities with the objective of improving the conditions of the life for the persons for whom they are primarily intended". DABC recognises that many people may wish to participate in physical sport that is not boxing and will encourage and support partners to make use of the facilities and to further the range of sporting activities available to local people.
- 4.4.5 The registration of DABC has been confirmed and DABC has documentation

to prove that they have been granted charitable status through OSCR. DABC SCIO's registered name is: Dunoon Amateur Boxing Club and their charity number is: SC045935. Strategic Finance has confirmed the registration number and they have found it to be in order.

Have the Board agreed to the Project?

- 4.4.6 DABC President and Club Secretary in their positions as club officials have a wealth of experience in the sport of boxing and have been put forward as the key members of their board in safeguarding the delivery of the proposed project.
- 4.4.7 DABC has commissioned Chartered Surveyor from Allied Surveyors, 35A Union Street, Greenock PA16 to oversee the management and building of the project. The tender process is underway, five offers have been received to date with the process closing on 16th June.
- 4.4.8 DABC Board of Trustees will liaise with the project manager regarding the proposed facility in order to ensure the project continues to meet the scope of the initial business case.
- 4.4.9 DABC's constitution states clearly under section 5.6 they have the powers to take on lease hire or otherwise acquire any property and construct buildings.

4.5 Financial

Have costings been provided?

- 4.5.1 Costings have been provided for the building of the proposed facility. Copies of the daft annual accounts have been provided for the year ended 26th August 2015 and year ended 31st August 2016. DABC made a profit over the years and have been self-sufficient for 40 years. The figures are small as DABC has not been trading due to the difficulties in securing a suitable venue following the closure of the Queens Hall.
- 4.5.2 A copy of the latest DABC accounts show that they have met the required level of funding from their own efforts and is confirmed by a statement in the attached accounts **Appendix 3**.
- 4.5.3 As part of the review of the ad hoc funding application undertaken by Strategic Finance a financial forecast of the proposed income and expenditure once the building is fully operational has been provided. **Appendix 3**.

What other Funding is in place?

- 4.5.4 DABC are seeking the release of the £100,000 towards the overall cost of the project estimated to be £300,000 and a business case is attached, see Appendix 1. The table below outlines the sources of funding:

Funding Avenue	%	Funding £
DABC Contribution from own funds	11%	30,000
sportscotland	33%	100,000
In Kind Contribution	11%	30,000
Robertson Trust	12%	40,000
Argyll and Bute Council	33%	100,000
Total		300,000

Following confirmation from the Robertson Trust of their £40,000 funding all funding is now in place subject to agreement from the council to release the £100,000.

Is there an estimated cash flow for ongoing operating costs?

- 4.5.5 DABC have produced a cash flow summary included in **Appendix 2** and this has been challenged as to whether it is sustainable into the medium term. DABC have produced a Financial Forecast included in **Appendix 3** and have confirmed that they will have little building costs or rent to pay and since DABC is a registered charity it will gain cost benefits as a result. Running costs for the building will be negligible, utilities, insurance etc. DABC has been running for 40 years and has always managed to be self-sufficient. They will continue to raise money via activities such as sponsored walks, raffles, coffee mornings etc. The annual boxing show also brings in good income which should continue with their forecast of increased membership. DABC believe this will place them in an ideal position to have the necessary funding to maintain and develop the building into the future.

4.6 Deliverability and Risk

Is there a Business Plan?

- 4.6.1 The business plan has been received as part of the funding application – see **Appendix 1**. In the main the business plan summarises the history of DABC, the management structure, the services provided, charitable status, project costs and financial status.

Who are their Partners/Advisors and are they sufficiently experience?

- 4.6.2 There have been a number of key partners who have been involved in providing either technical, specification or funding expertise/advice including the following:
- Allied Surveyors. This company has extensive experience in providing cost control and project management on construction projects for NHS, Housing Associations and private clients.
 - sportscotland (Architect). sportscotland has provided advice and

assistance in the Club's application for funding to sportscotland.

4.6.3 It is the view that the above partners are sufficiently experienced for this project.

Who are the key people in the Club?

4.6.4 There are also a number of key people in DABC and the list below summarises their involvement and experience:

- Club President/ Head Coach, has over seventy years' experience as a Boxer, and registered boxing coach.
- Club Secretary/Child Protection Officer and Coach is a Registered Social Worker (SCR-2015235) and advises the Club on all aspects of child protection and working with young people in sport.
- Club Treasurer/Boxing Coach, is a director in the family quarry business at the Clachan Quarry, Cairndow.

4.6.5 Overall DABC has a good mix of volunteers from the local community who would be able to help deliver a project of this nature.

Have risks been clearly identified?

4.6.6 There are four main risks:

- The total funding for the capital works is not secured.
- The overall procurement process and final submitted cost exceeds the available budget.
- The project is not delivered on time, in line with funding condition from sportscotland.
- The ability of the group to achieve enough revenue income to fund the maintenance of the facility into the future.

4.6.7 In relation to the funding, £100,000 has already been secured from sportscotland and there is £30,000 in the bank. Several "in kind" donations have been received amounting to £30,000 which will reduce the overall built cost, estimated at £300,000. The Robertson Trust has also recently approved a grant of £40,000 for the project. The Council agreed to make provision in the capital plan for £100,000 for this project and if members agree to the release of the funding following consideration of this report all funding will be in place. There is no contingency set aside, however, committee members and other private individuals have pledged to make up any shortfall should this be required.

4.6.8 There is a risk in relation to the procurement process and whether the tender applications are within the estimated cost as set out by Allied Surveyors. If the tenders are higher, there could be a gap in the funding for the initial build costs and additional funding will need to be secured.

4.6.9 Tenders are currently out and there have been five offers to date, closing date is the 12th June. Work needs to start in July as part of the conditions to the sportscotland funding. The estimated build time due for completion is

November 2018, with a soft opening to activities planned for December 2018. The official opening is not envisaged until Spring 2019.

5.

CONCLUSION

- 5.1. There are number of strengths in the proposal to build the Dunoon Community Sports Centre, as there is a lack of suitable indoor venues to deliver sports of this nature. The development of the facility would help secure the long-term future of DABC. Currently DABC have secured a lease agreement for the grounds and have been granted planning permission.
- 5.2 The report provides an assessment of the application using the standard process for additional funding approved by the Policy and Resources Committee on 19 March 2015. It is therefore recommended that subject to suitable tenders being received for the work the council release up to £100k.

6.

IMPLICATIONS

- | | | |
|-----|--------------------|---|
| 6.1 | Policy - | The funding request supports the outcomes with the LOIP. |
| 6.2 | Financial - | Council agreed to make provision in the Capital Plan for £100,000 |
| 6.3 | Legal - | None. |
| 6.4 | HR - | None. |
| 6.5 | Equalities - | None. |
| 6.6 | Risk - | The project cannot raise sufficient funding to proceed and the project cannot be completed within current budget or required timescale. |
| 6.7 | Customer Service - | None. |

Pippa Milne

Executive Director of Development and Infrastructure

Kirsty Flanagan

Head of Strategic Finance

Policy Lead for Economic Development: Councillor Aileen Morton

Policy Lead for Strategic Finance and Capital Regeneration Programme: Councillor Gary Mulvaney

4 June 2018

For further information please contact

David Rennie, Social Enterprise Development Officer, 01700 501371

Appendix 1 – Business Plan (February 2018)

Appendix 2 – Cash Flow Statement

Appendix 3 – Clubs Financial Information - Bank Statement and Financial Forecast