

Executive Member Decision



REPORT OF: Executive Member for Finance and Governance,
Executive Member for Growth and Development

LEAD OFFICERS: Strategic Director of Place

DATE: Friday, 25 June 2021

PORTFOLIO(S) AFFECTED: Growth and Development Finance and Governance

WARD/S AFFECTED: Blackburn South and Lower
Darwen;

SUBJECT:

EMD J4 Skatepark Advance Payment

1. EXECUTIVE SUMMARY

J4 Skatepark CIC is currently undergoing a £800,000 development of a new urban sports village on the Council owned site off Blackburn Road, Darwen. An initial £250,000 funding was approved via the Darwen Town Deal Accelerated Funding to support the development alongside a £350,000 contribution from Sports England and a further £200,000 to be allocated from the Darwen Town Deal, of which the Council expects to be approved in the coming weeks.

The work is well underway with the initial £250,000 Town Deal accelerated funding utilised and the release of grant funding from Sports England expected to pay for further development works over the coming weeks, although the release of funding is pending formal finalisation of legal agreements. A request has been made from the Directors of J4 Skatepark to the Council to provide an advance payment from the Town Deal funding, to support the project's cash flow, initially £100,000 to cover a number of immediate development costs specifically:

- Finalising the Concrete £50,000
- Roof Deposit £30,000
- Ongoing ground works and Drainage £10,000
- Container works £10,000

The Council may also be asked to provide a further subsequent £100,000 cash flow ahead of Town Deal approvals however this is subject to the two expected grant funds still being unavailable for the Skatepark Directors to draw down and any further sum will again be for specific expenditure items to progress the the construction works to completion, the details of which will be checked by the Council officers before providing.

2. RECOMMENDATIONS

To approve an advance payment of £100,000 cash flow advance to cover immediate development costs and up to £200,000 advance payment in total to J4 Skatepark ahead of the release of Sports England funding and a further Town Deal contribution of £200,000 awaiting confirmation from Central Government.

3. BACKGROUND

J4 Skate Park is a regional facility, based in Darwen, located next to Darwen Vale School, and serves over 5,000 active BMX, skateboard and scooter users.

Planning approval was granted in February 2021 for the proposal to create a new Urban Sports Village, which would increase the current capacity of the facility by 300% by adding a new outdoor, all-weather arena that meets Olympic (and COVID secure) standards. There is the potential to establish Darwen as the Northern-base of the British Olympic BMX and skateboard teams. The enhanced venue would have the capability and capacity to host Olympic trials, national and world championships and will include a street skatepark, dirt jump and pump track and BMX contest area.

The venue and its provision is capable of delivering inclusive and high quality alternative education and apprenticeship / employment opportunities to some of our most disadvantaged young people. The proposal also intends to deliver new business premises and employment opportunities in support services, and retail and food concessions, located in designer freight containers, pioneered in Box Park, Shoreditch, London, and many leading European cities. The new facility will offer the opportunity for a further phase of development, including the provision of a hotel to support extended training camps of GB teams and provide summer camp.

The Director's vision is to provide a family-orientated venue where parents will be able to come and watch their children progress in new Olympic sports in an environment attractive to young people.

The facility will be included in the BMX Freestyle National Strategic plan to develop local riders for the Olympic Games and both British Cycling and Skateboard GB/England are backing the project and will be supporting with talent programmes.

The street courses will also give BMX, scooter and skateboard street riders a place to ride away from the town centres. It will be a safe haven for all ages to explore wheeled sports.

The proposal was backed by the Darwen Town Deal Board which secured £250,000 of Government funding to support the project through the accelerated funding allocation ahead of the main Town Deal monies. This was matched with £350,000 of Sports England funding and an additional £200,000 was allocated from the Darwen Town Investment Plan submitted to central government.

4. KEY ISSUES & RISKS

J4 Skatepark is a council owned property leased to the J4 Skatepark CIC. The development of the asset supports the Council's Corporate Plan priorities, provides a much enhanced facility for residents of the borough, particularly young people but also adds value and investment to a modern facility.

Darwen Town Deal Investment Plan supports the development of a Urban Sports Academy and the Skatepark plays an important role in the development of this. Once Town Deal Monies are released by Central Government, any advance of the £200,000 allocated will be netted off the Town Deal allocation.

The urgency of the request and the need to waive 'call in' is due to the unexpected and prolonged delay in the Skatepark receiving Sports England funding following approvals. Without the cash flow funding, construction would be stalled and cause delays and increased costs.

5. POLICY IMPLICATIONS

The development of the Skatepark supports the Council's Corporate Plan priorities

- Supporting young people and raising aspirations
- Connected communities.
- Reducing health inequalities and improving health outcomes.
- Strong economy to enable social mobility.
- Supporting town centres and businesses.

The proposal supports the delivery of the Darwen Town Deal Investment Plan.

6. FINANCIAL IMPLICATIONS

The Council, as the accountable body for the outlay of the Town Deal Fund, will account for this advancement of the Funds by reducing J4 Skatepark CIC's total entitlement under the Town Deal Funding by an equivalent amount when it becomes available to the Council. A grant Funding Agreement will be entered into with the Directors of the Skatepark and any appropriate provisions of the Government's funding agreement will be transferred to them with the intention that it will also capture the funds advanced pursuant to this decision.

7. LEGAL IMPLICATIONS

- 7.1 Due to the urgency, the advance is being made against a letter between the parties confirming the essential terms. This will be confirmed as signed by both parties immediately following this decision being made.
- 7.2 The Skatepark company has the benefit of a recently granted 30 year lease by the Council and so while there is the overall financial comfort that the funds will ultimately be enhancing a Council asset and hence it will likely gain capital value, there are no avenues that are realistically available that will enable any spent cash being returned if the Skatepark defaults (apart from directly demanding it from the Skatepark company).
- 7.3 This decision is to be made to be regarded as urgent under Rule 15 of the Overview & Scrutiny Procedure Rules and the requirements under the Rule will need to be complied with

8. RESOURCE IMPLICATIONS

No resource implications

9. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below.

Option 1 Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2 In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision.

10. CONSULTATIONS

11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded in the Summary of Decisions published.

CONTACT OFFICER:	Clare Turner, , clare.turner@blackburn.gov.uk
DATE:	21/6/2021
BACKGROUND PAPER:	