

Minute Extracts

**Council Cabinet
21 January 2015**

Key Decisions

119/14 Derbyshire County Cricket Club – Investment Programme

The Council Cabinet considered a report which stated that Derbyshire County Cricket Club (DCCC) was looking to bring about a step change to its efforts in raising the profile and image of Derbyshire cricket both in the domestic and international game. DCCC was pursuing an investment programme that would see:

- the 3aaa County Ground achieve International Cricket Council (ICC) and English and Wales Cricket Board (ECB) approved venue status;
- create an all year round business, cultural and community venue;
- establish a sustainable business model that would support improved cricketing performance; and
- ensure that DCCC remained an active partner in local community regeneration.

The efforts of DCCC would build on and complement previous investments in the sporting facilities of Derby at the I-Pro Stadium and the Arena.

The purpose of the report was to seek approval to a financial package of Council support to DCCC in delivering its investment programme. The proposed financial package included (i) the provision of loan facilities by the Council and (ii) grant assistance provided through a combination of internal and externally funded programmes administered by the Council.

The terms on which the loan finance would be provided were such as to cover the Council's borrowing and administration costs thereby ensuring no on-going costs to the Council of administering and servicing of any borrowing made to the Club. As it stood, the combined effect of the financial package over the lifetime of the loans on the Council's medium term financial plan was viewed to be neutral.

Significant due diligence and negotiation would be required before the proposed financial arrangements could be completed.

Options considered

1. The Council could choose not to make loan finance available to DCCC. This would avoid or limit any financial risk being taken by the Council. It would though similarly limit the scope of improvement plans by DCCC to the funding/enabling developments it secured in the private market and from the ECB and other grant funding sources.

It should be noted that failure to provide the Bridging Loan would not affect future payments of grant by the ECB to DCCC. However, not providing the Bridging Loan would delay DCCC and the City from realising the benefits set out in the report and in particular would prevent a bid for Women's World Cup 2017 Host City status.

2. The Council could choose to make only one of the two loan elements available to DCCC. This would help support stadium improvement plans, but would mean the Club was unable to realise its business plan ambitions within the programme envisaged to facilitate a successful bid to host the Women's Cricket World Cup.

Decision

1. To approve a £410,000 allocation from the Council's Regeneration Fund, to fund DCCC's loan for acquisition and maintenance costs and a grant for enhancement costs of the Gateway Centre and the Council's legal and due diligence costs. This was subject to:
 - agreement of acceptable terms and security arrangements in line with Draft Heads of Terms
 - a successful application by DCCC to the Council's Regeneration Fund;
 - completion of a satisfactory due diligence exercise raising no significant issues of concern.
2. **To recommend Council to approve of a bridging loan of £2,000,000, subject to:**
 - **agreement of acceptable terms and security arrangements (including agreement with the ECB) in line with Draft Heads of Terms;**
 - **specifically, identification of sufficient assets to provide security for the interest repayments by DCCC;**
 - **approval of such loan into the Council's Capital Programme at Council in March 2015;**
 - **completion of a satisfactory due diligence exercise raising no significant issues of concern.**
3. To delegate authority to the Chief Executive, following consultation with the Director of Finance and the Leader of the Council, the authority to finalise the amounts and terms of the loan finance arrangements referred to in paragraphs 2.1 and 2.2 of the report.
4. To note the applications made by DCCC to the Derby Enterprise Growth Fund (DEGF) and the Department for Culture, Media and Sports' (DCMS) Connected Cities Initiative for grant assistance to support stadia improvements.

Reasons

1. Over the past 2 years, DCCC had looked at various alternatives for the development of a sustainable business model for the DCCC moving forward. DCCC had determined that the most favourable option was to undertake a phased programme of development at the existing 3aaa County Ground on Nottingham Road (Ground).

DCCC had therefore committed to a 3 year development strategy for the Ground with a stated objective to achieve:

- increased 365 day a year revenue opportunities by providing an increased choice of conference, event and business meeting facilities throughout the year;
- increased match day revenues by growing the match day corporate hospitality business;
- improved customer experience for visitors to the Ground and therefore encouraging return visits;
- ICC/ECB approved status for the Ground, to enable the submission of a bid to be a Host City for the 2017 Women's Cricket World Cup.

DCCC had identified a number of key opportunities for the improvement of the Ground encapsulated in their Beyond the Boundary 2017 document at Appendix 2, which included development of:

- a. The Pavilion – to become Derby's Premier Conference and Business Meeting Centre
 - b. The Gateway Centre – to become a Centre of Excellence, offering International Standard Cricket Facilities
 - c. A Community Events Venue
 - d. An Academy for Education, Training and Skills Development
 - e. A Sky TV Media Centre incorporating Corporate Executive Boxes and Roof Top Bar.
2. The proposed improvements to the stadia and ancillary facilities of DCCC were viewed by DCCC to offer the city a number of important social and economic benefits:
 - (i) Reinforcement of Derby's sporting reputation through the provision of international standard facilities to complement the I-Pro Stadium and the Arena. By 2019 DCCC aimed to have made Derbyshire in to a competitive Division One side and contender for limited overs silverware. It wanted the County to become a source of talent for future England teams with the area benefiting from more people watching, playing and following cricket than ever before.
 - (ii) Increasing Derby's current suite of cultural venues with the provision of an outdoor amphitheatre suitable for hosting a range of open air community and cultural events, concerts and showed which currently could not be accommodated in the city.
 - (iii) Generation of new employment opportunities.

- (iv) To act as a stimulus for wider economic activity in the City, in particular through increased visitor numbers bringing additional spending power to Derby.
 - (v) Improved social cohesion – DCCC sought to bring communities together through the enjoyment of cricket. The improvement of the stadia and the enhanced facilities would offer community sports benefits, with facilities at the Gateway Centre remaining available to the community. In addition, DCCC was keen to deliver a community pitch, and was working with Council officers to achieve this goal.
3. To attract to Derby international sporting events such as the Women's World Cup in 2017, with the associated benefits for the City, DCCC required the support of the Council.

Budget and Policy Framework

139/14 Council Tax Base for 2015/16

The Council Cabinet considered a report on Council Tax Base for 2015/16. The Council had to calculate its council tax base for 2015/16 as a means of raising council tax income for the 2015/16 financial year from Derby council tax payers.

The tax base was an estimated figure of the number of domestic properties in terms of 'band D' in the Council's area during the financial year concerned. It was used to determine a headline charge for band D properties in the city. Charges for other bands were calculated as defined fractions of the headline charge.

Changes arising from the Government's Welfare Reform programme (specifically the replacing of council tax benefit with local council tax support) and the decision to give local authorities greater discretion over the reliefs from council tax available in respect of second homes and some empty properties would continue to have a significant impact on the Council's tax base.

The proposed council tax base for 2015/16 is 63,240.36 band D equivalent properties compared with the 2014/15 council tax base of 62,419.06. This represented an increase of 821.3 band D equivalent properties.

As well as taking into account the changes mentioned in paragraph 1.3 of the report, the tax base also included a prudent estimate of the number of newly built homes between 1 December 2014 and 31 March 2016 that would add to the tax base.

Decision

- 1. To approve the council tax base for the year 2015/16 as 63,240.36 band D equivalent properties in accordance with The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 (SI 2012/2914).**
- 2. That in accordance with the methodology and estimates shown at Appendix 2 of the report, to recommend Council to approve this calculation.**