

# CABINET

## Return of Monies Allocated to the Former Lancaster, Morecambe & District Sports Council

### Individual Cabinet Member Decision

### Report of the Head of Democratic Services

PURPOSE OF REPORT				
The report advises of the final steps in dealing with monies returned to the Council following the closure of the Lancaster, Morecambe & District Sports Council.				
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input checked="" type="checkbox"/>	Referral from Cabinet Member
Date Included in Forward Plan	Not applicable.			
This report is public				

#### RECOMMENDATIONS

- (1) That the receipt be noted of £5,234.65, being the closing balance of the former Lancaster, Morecambe & District Sports Council's bank account and those involved in providing this be thanked.
- (2) That the funds identified as having been donated by other organisations be returned as follows:

James Bond Charity	£1,000.00
Yvonne Watson Memorial Fund	£500.00

- (3) That a sum of £1,500 be identified as grant funding for allocation to individual young sports persons in the district who can show that they have national or international potential, and the Head of Democratic Services be authorised to manage the application process alongside the small miscellaneous grants scheme, with the relevant Cabinet Member for Young People determining the applications.
- (4) That the remaining £2,234.65 fall into balances.

## **1.0 Introduction**

- 1.1 Until 2005/06 the City Council allocated 2 separate grants to the Lancaster, Morecambe & District Sports Council, with Service Level Agreements in place which set out the expectations of the City Council in terms of the service to be provided by the Sports Council and the level of funding to be made available for that purpose by the City Council. One of these related to the organisation of the Youth Games and the other provided a sum of money for individual grants to young sports people in the District who had demonstrated the potential to advance to national or international level and a contribution towards the administrative costs of the Sports Council.
- 1.2 Many Members will be aware of the problems in 2005/06 which resulted in officers in the former Leisure and Administration Services organising the games in Lancaster at short notice from both the sporting and civic side. The intended grant of £50,000 was utilised for this purpose and not paid as a grant to the Sports Council.
- 1.3 Subsequent participation in the Games organised by our twin towns has continued to be arranged by the City Council utilising the budget previously allocated for payment to the Sports Council for this purpose under the terms of the SLA.
- 1.4 With regard to the second Agreement, although this was signed by the Sports Council in May 2005, this was just as they had advised of their difficulties regarding the organisation of the Youth Games and in order to safeguard the Council's position regarding budgetary requirements for the Games, the Council did not sign or make the payment, nor was it requested by the Sports Council.
- 1.5 As a result both SLAs in place with the Sports Council for the period 2005/06 to 2008/09 were formally terminated by the City Council in October 2006 and no further payments were made.
- 1.6 It was noted at that time that no individual grants had been awarded by the Sports Council for some time and accounts showed an accumulation of grant funding provided by the City Council and not allocated.
- 1.7 As part of the decision to terminate the Service Level Agreements in October 2006, it was also agreed:

*'That the Lancaster, Morecambe & District Sports Council be requested to return any outstanding funds held for grant purposes to the City Council for allocation.'*

## **2.0 Proposal Details**

- 2.1 Since the report was presented to Cabinet members in October 2006 the Sports Council initially decided to re-launch itself but eventually in 2008 reached the conclusion that the organisation should be disbanded. There followed a further delay in seeking out the former officers of the Sports Council with the authority to deal with the outstanding monies and the bank account.
- 2.2 It was eventually agreed with the former Chairman and other former officers who were signatories of the bank account that the remaining funds should be passed to the City Council who would investigate the source of the funding and return any unallocated to the provider. The bank account would then be closed.
- 2.3 After a further period of delay the former Sports Council returned a sum of £5,234.65 to the City Council in March 2010. Since the details of who this funding should be

returned to could not be determined before the end of the year, a request to carry the sum forward into 2010/11 has been made to allow time for this to be done.

2.4 The balance of £5,234.65 passed to the Council is made up as follows:

<b>Source of funding</b>	<b>Amount</b>	<b>Information obtained</b>
Yvonne Watson Memorial fund	£500.00	A memorial fund was set up by Mr. Tom Watson and the Sports Council have requested that this be returned to him to be used in whatever manner he wishes to commemorate his wife.
James Bond Charity	£1,000.00	The James Bond Charity Trust which is managed by the City Council with a Board comprising City Council Members and some independent trustees has records showing that payments of £1,000 per year (in 2 instalments) were made to the Sports Council primarily to support the Youth Games and in particular the participation of disabled young people in the Games. The last recorded payment was in 2003. The payments in 2004 were missed in error and in 2005 the Trust agreed to pay the outstanding sum as well as another £1,000 for 2005. However this was never paid following the withdrawal of the Sports Council from the organisation of the games.  It is reasonable to assume therefore that a maximum of £1,000 of the donated money remained in the account at the end of 2005.
Kitchen and Hill Fund	£1,669.00	Proceeds of a charity event given to the Sports Council to support cycling for the disabled. It has been suggested that this could be used by the City Council to support disability sport in the district or to support future provision of the Youth Games.
Lancaster City Council	£2,065.65	The remaining balance can be attributed to accumulated general funds and unallocated individual grants funds which were paid by the Council in accordance with the Service Level Agreements, this being a sum of £250 towards the administration costs and £1,250 for grant allocation per annum as well as a varying amount for the organisation of the Youth Games dependent upon the venue each year. These sums were paid each year with the final payment in April 2004. A grant of £12,300 had been paid in April 2004 for the organisation of the Games in Rendsberg that year. The accounts show that there had been a surplus of £5,931 in respect of this grant, but this had been utilised for payments required in the early stages of organising the 2005 Games in Lancaster prior to the City Council taking over.

### **3.0 Details of Consultation**

3.1 Contact has been maintained throughout this process with available officers of the former Lancaster, Morecambe & District Sports Council.

#### **4.0 Options and Options Analysis (including risk assessment)**

- 4.1 Option 1 is to re-pay the sums set out in paragraph 2.4 which can be identified as being donated from a particular source and are easily returnable, i.e. in respect of the Yvonne Watson Memorial Fund and donations from the James Bond Charity, allowing the remainder to fall into balances.
- 4.2 Option 2 is to re-pay the sums set out in paragraph 2.4 which can be identified as being donated from a particular source and are easily returnable, i.e. in respect of the Yvonne Watson Memorial Fund and donations from the James Bond Charity, and allocate the remainder or part of the remainder for a particular purpose related to the original purpose, for example the City Council could advertise the availability of individual sports grants for young people for one year only.
- 4.3 Option 3 is to re-pay differing sums to those set out in paragraph 2.4 to the identified organisations, i.e. in respect of the Yvonne Watson Memorial Fund and donations from the James Bond Charity, allowing the remainder to fall into balances.
- 4.4 Option 4 is to re-pay differing sums to those set out in paragraph 2.4 to the identified organisations, i.e. in respect of the Yvonne Watson Memorial Fund and donations from the James Bond Charity, and allocate the remainder or part of the remainder for a particular purpose, for example the City Council could advertise the availability of individual sports grants for young people for one year only.

#### **5.0 Officer Preferred Option (and comments)**

- 5.1 Option 2 is the officer preferred option. This returns monies which can easily be identified to the original donor for future use as they wish and allows a proportion of the remainder donated by the Kitchen and Hill Charity event and by the City Council to assist promising young athletes in the district.
- 5.2 It is suggested that a sum be identified for this purpose which could be advertised and managed alongside the small miscellaneous grants scheme in Democratic Services, with advice on criteria and the suitability of individual applicants provided by officers in the Community Engagement Service (Wellbeing).

#### **6.0 Conclusion**

- 6.1 It has taken a long period of time to bring this piece of work to a conclusion, but it is now possible to identify the source of monies in the bank account of the former Lancaster, Morecambe & District Sports Council and to be assured that the remaining funding was for the most part provided by the City Council. The City Council now has the opportunity to return those monies clearly identifiable and to use the remainder for an appropriate purpose bearing in mind the original function or to assist in reducing the burden of identifying savings in the future budget process.

#### **RELATIONSHIP TO POLICY FRAMEWORK**

Whilst not specifically identified within the Corporate Plan, encouraging participation in sport contributes to proposals to reduce health inequalities in the district contained in the LDLSP's Thematic Group action plans.

**CONCLUSION OF IMPACT ASSESSMENT**

**(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)**

There are no direct implications as a result of this report.

**FINANCIAL IMPLICATIONS**

The financial implications are as set out in the report. A sum of £5,234.65 has been paid to the City Council, but it is clear that not all this money originated from the City Council grants and should therefore be returned to the original donors.

It is for Members to decide whether to allocate the remaining sum for a particular purpose or to allow this to fall into balances.

The request to carry forward the money received is included in the Cabinet agenda for 27 July 2010. Should the request to carry forward be refused, there remains an obligation to return at least part of the money to the original donors and funding for this will need to be identified.

**SECTION 151 OFFICER'S COMMENTS**

The S151 Officer has been consulted and has advised that Members' decision on this matter will need to fit with the resolution of Cabinet at its meeting on 27 July 2010.

**LEGAL IMPLICATIONS**

Legal Services have been consulted and there are no legal implications as a direct result of this report.

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments.

**BACKGROUND PAPERS**

None.

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