

DUNDEE CITY COUNCIL

REPORT TO: Policy and Resources Committee – 17 January 2005

REPORT ON: Ward Road Gym

REPORT BY: Chief Executive

REPORT NO: 35-2005

1.0 PURPOSE OF REPORT

- 1.1 To consider a loan to Ward Road Gym Trust to enable the development of Ward Road Gym.

2.0 RECOMMENDATIONS

It is recommended that members:-

- 2.1 Agree to a loan of £73,000 to Ward Road Gym Trust at an interest rate of 6.05%, to be repaid over 10 years.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The most advantageous tender for essential works to Ward Road Gym have been confirmed at £328,000. The Ward Road Gym Trust has raised £85,000. Dundee City Council has previously agreed to commit £157,000 through a combination of Common Good Funding and £65,000 in the Leisure and Arts Capital Plan. A further £13,000 will be contained within the Chief Executive's Capital Plan. A loan of £73,000 will enable the project to progress. There are continuing discussions regarding VAT implications, and dependent on the outcome of these discussions, any balance of funding required will be contained within the Chief Executive's Capital Plan.

4.0 LOCAL AGENDA 21 IMPLICATIONS

- 4.1 The retention of provision at Ward Road Gym shall ensure local facilities are retained and developed.

5.0 EQUAL OPPORTUNITIES IMPLICATIONS

- 5.1 The proposal to develop Ward Road Gym would ensure quality of access for all citizens.

6.0 BACKGROUND

- 6.1 Ward Road Gym has a long history as a home for netball and table tennis within the city. Most recently the Education Department managed and operated the Ward Road Gym until 1998. Since then Dundee and District Table Tennis Association has been using the gym and providing it for schools' netball, table tennis and some public badminton.
- 6.2 During 2002, proposals were developed for the refurbishment of Ward Road Gym on the basis of Ward Road Gym taking ownership of the building and seeking external sportscotland lottery funding support. An application was developed in conjunction with the Director of Leisure and Arts. The application was rejected however, despite a formal appeal being progressed in relation to the original decision.

6.3 In February 2004, the Leisure and Arts Services Committee agreed proposals for the refurbishment and upgrading of Ward Road Gym and remitted the Director of Leisure and Arts to seek tenders. In addition, it was agreed that the building remains in the City Council's ownership to ensure the minimization of taxation and VAT implications. It was further agreed that a lease be entered into with Ward Road Gym Trust for a 25 year period with the Trust taking full responsibility for the repairs and maintenance.

6.4 The City Council has continued to work with the Ward Road Gym Trust to achieve a positive solution which will enable the continued use of the facility as a home for sporting activity. The age and current condition of the building requires a minimum amount of upgrading works to meet current building regulations, health and safety and disability access requirements. An assessment has been carried out by the City Architect to identify the minimum works which would be required to meet current standards. As a result the following works have been identified and agreed with the Ward Road Gym Trust:-

- upgrading earth bonding and distribution board
- upgrading fire alarm
- repair to roof and dormer and decontamination of roof
- repair to lintels
- repairs to fire exit
- repairs to gym hall dado
- new toilets and changing facilities
- ground floor refurbishment
- vinyl flooring to ground floor
- renew heating system throughout
- renew electrical lighting and power to ground floor
- disabled access and automation of front door

The most advantageous tender for these works is at a cost of £328,000.

6.5 Ward Road Gym Trust has embarked on an ambitious programme of fundraising which has already exceeded their initial target of £50,000 and currently stands at £85,000. The group is hopeful it will achieve a greater sum between now and the end of the contract period. Given the City Council's previously agreed commitment of £157,000, and a further £13,000 which can be contained within the Chief Executive's Capital Plan, a shortfall of up to £73,000 remains. This may reduce if Ward Road Gym Trust is successful in further fundraising. It is, therefore, proposed that a loan of up to £73,000 at an interest rate of 6.05% be provided to Ward Road Gym Trust to be repaid over 10 years. Assuming the full £73K loan, an initial annual payment of £9,942 would become payable one year after the advance of the loan. The loan would be drawn down when the users take entry to the building on completion of the works. There are continuing discussions regarding VAT implications, and dependent on the outcome of these discussions, any balance of funding required will be contained within the Chief Executive's Capital Plan.

7.0 CONSULTATION

7.1 Depute Chief Executive (Finance), Depute Chief Executive (Support Services) and Assistant Chief Executive (Community Planning), Director of Leisure and Arts and Director of Economic Development have been consulted on this report and are in agreement with its contents.

8.0 BACKGROUND PAPERS

8.1 None.

Alex Stephen
Chief Executive

21 December 2004