

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1.	Meeting:	Cabinet Member for Economic Development, Planning & Transportation
2.	Date:	19th July 2010
3.	Title:	Reallocation of RERF and LABGI funding
4.	Programme Area:	Environment and Development Services

5. Summary

To seek Cabinet Member approval to reallocate existing RERF and LABGI allocations, in order to cover potential funding gaps for the Community Stadium and All Saints Development projects, which have arisen as a result of the Government cutting 50% of the LAA Reward Grant the Council was expecting to receive

6. Recommendations

- To note the report.
- To agree that £400,000 of RERF funding and £108,737 of LABGI funding is awarded to the Community Stadium project. *(The award of RERF will be conditional on submission of an application form that the Economic Strategy Team endorse as meeting the criteria of the RERF Programme)*
- To agree that £26,463 of LABGI funding is awarded to the All Saints project

7. Proposals and Details

Due to its achievement of a number of stretch targets under the 2006-09 Local Area Agreement (LAA), Rotherham was expecting to receive around £6 million of reward grant. This was split 50/50 between capital and revenue and was due to be paid half in 2010/11 and half in 2011/12. Although the first tranche of money was paid, the 2011/12 payment has been withdrawn as part of the Coalition Government's cuts in public spending.

An allocation of £2 million had already been agreed to purchase land at Guest & Chrimes for building of a community stadium. With the total capital award from the reduced Reward Grant being £1,491,263, this left a funding gap of £508,737 against this activity

Similarly, the reductions in Yorkshire Forward's budget (£40M+ in the current year) meant that a number of proposed Geographic Programme projects have been cut or deferred, including development of the All Saints site into high quality public realm. This would also have drawn down ERDF monies, but the loss of the YF funding has meant any project is now no longer large enough to meet the £1 million threshold needed to access ERDF.

£300,000 is required to provide "temporary" public realm, of a good standard but allowing the possibility of further redevelopment should funds become available in future years. £268,500 has been approved from the reduced reward grant allocation and the remaining WNF monies. However a funding gap of £31,500 still exists.

£420,000 of RERF funding was approved by Cabinet Member on 18th January 2010 for delivery of Undercroft parking as part of the Weirside project within the Town Centre Renaissance. With the cuts in YF support meaning Weirside is indefinitely delayed, we are requesting that the funding is removed from the Undercroft parking and £400,000 of it used to fund the Community stadium.

There is also a proportion of money allocated under the Local Authority Business Grant Incentives (LABGI) that has still to be spent/allocated. This includes:-

- £117,700 allocated to the Transformers project
- £17,500 still to be allocated under "technology and innovation initiatives."

It is proposed that this £135,200 is removed from its current activity and used to fund the Community Stadium (£108,737), with the remainder (£26,463) funding All Saints Public Realm, meaning it will have £294,963 available to spend.

8. Finance

The RERF capital allocation is currently overbid by £22,112. The recouping of the £420,000 from the Undercroft parking and the allocation of £400,000 to the Community Stadium will leave an overbid of £2,112. It is expected this will be absorbed through underspend on other RERF capital projects.

9. Risks and Uncertainties

RMBC will purchase the land, but it is the responsibility of the football club to secure the finance for the construction of the Stadium.

Although the proposed works on All Saints will allow future redevelopment, it is highly unlikely that any funding will become available in the near future with the current squeeze on the public finances.

Even with the award of the funding to redevelop All Saints, the current hoardings are likely to remain in place until summer 2011, as work must be completed on Minister Yard, followed by the work on All Saints itself before they can be removed

10. Policy and Performance Agenda Implications

Delivery of the Community Stadium and the All Saints development meet the following priorities of the Rotherham Community Strategy

- Revitalise the town centre

The town centre, together with employability, has been identified as the two most important current priorities by the LSP.

11. Background Papers and Consultation

A copy of the original RERF application for the Undercroft Parking is available on request.

RMBC Finance have been consulted on this report

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