**Market Drayton Sports Association Ltd**

*Application for financial assistance in relation to electricity infrastructure*

**Proposal**

* To reimburse the urgent electrical work sanctioned by the MDSA Ltd board **up to a maximum of £15k** and subject to detailed invoices for the work undertaken. Payment within 2 months. The above figure is inclusive of VAT as the MDSA Ltd is not VAT registered (this is effectively £12.5k plus VAT of contractor invoices)
* To request a formal costed specification from 3 suitably qualified electrical contractors for the additional work detailed in the RGS report - for consideration by MDTC and to be available within the next 3 months. I am positioning this now as am aware that budgets are being drawn up and that this proposal will be a key consideration within the budgetary process. The estimates provided by the contractor total £67.5k plus VAT (£81k inc of VAT). Phase one of the work (paragraph above) will account for £12.5k plus VAT (£15K inc of VAT) so the **maximum residual requirement identified in Appendix 1 below will amount to £55k plus VAT (£66k inclusive of VAT)**

*Before providing more context to this request I would state that the lack of detailed costings is due to the immediacy of the finance committee meeting on the 15th December and the need to make representation. The initial £12.k plus VAT (£15K) will allow urgent work to be completed, after that a full tender process will be undertaken for the residual work and submitted to the finance committee.*

**Background**

On the 18/9/1986 13.02 acres of land was conveyed from George Moore to North Shropshire District Council – this included 4.03 acres to the south of Greenfields lane (rugby pitch) and 8.99 acres to the north of Greenfields Lane (all land to the south of the brook)

On the 16/3/1999 a further 5.2 acres of land was conveyed from Danbank Developments Ltd to North Shropshire District Council (land to the north of the brook)

Finally on the 16/5/2006 a further unspecified area (believed to be around 2/3 acres) was conveyed from Danbank Developments Ltd to Market Drayton Town Council

An initial lease was created from NSDC either to MDTC or the Trustees of Greenfields but this lease was superseded by a head lease between North Shropshire District Council and Market Drayton Town Council on the 25/10/2004 – this was for a term of 99 years.

A sublease was then provided to the trustees of Greenfields for a 50 year term on the 25/10/2004.

The Market Drayton Sports Association Ltd (MDSA Ltd) was incorporated on the 11/10/2011 (7805354)

The sub lease was assigned to the MDSA Ltd on the 5/12/2011

On the 27/2/2012 Shropshire Council consented to the assignment

In summary: Shropshire Council owns the freehold to 18.22 acres of land to the north and south of Greenfields Lane – this is leased to MDTC (81 years outstanding). The land is then sublet to the MDSA Ltd (32 years outstanding). A further 2/3 acres is in the ownership of MDTC (training area).

**Funding**

During this period MDTC have provided financial support in the form of an annual payment - records going back to 2011/2012 confirm payment of £25k which then increased in 2012/2013 to £27.5k – it has remained at this level ever since.

For the period 2022/2023 a request has been submitted for an annual payment of £40k. This period covers the MDSA Ltd year end to 31/12/2023 but it is recognised that it falls within the MDTC tax year 2023/2024.

Additional income is provided by way of member club payments totalling c. £14k per annum. Support from wider sources is restricted given the historical structure of the organisation – access to sporting bodies is not available to MDSA Ltd and clubs struggle to raise revenue as they have no tenure on the site

Considerable voluntary support is provided to all clubs which would carry a financial value of tens of thousands of pounds per annum

The ability to generate additional income is further restricted by a lack of capacity on the site and despite data provided by the Market Drayton Town Profile in Spring 2021 confirming expected population growth of 3500 (33%) between 2001 and 2026 only 2 additional acres have been made available on the Greenfields site

**Infrastructure of the site**

The site is now 36 years old and the infrastructure reflects this.

This ranges from the access road to the car park and to the buildings at Greenfields. Floodlights have been added over the years to improve usage but these are now outdated are extremely expensive to operate (with the exception of the new tennis club lights).

When I was appointed as chairman to the MDSA Ltd in November 2017 there was a history of electrical work being completed by different electricians for different clubs on the site. A decision was made to go out to tender and RGS won the contract giving them exclusivity on the site for all electrical and plumbing work

As a result of the surge in energy prices it became important to ensure that the right club was paying for their own electricity and consequently a report was commissioned to understand the full diagnostics on the site. At the same time RGS were requested to review and assess the electrical infrastructure

The result was a full diagnostic report dated 12th September 2022. This report is attached with this submission. RGS were asked to prioritise the work that was required to address these issues as well as to provide some broad costings – see Appendix 1 below

The main conclusion to be drawn is that the site over many years has outgrown its electrical infrastructure and much of the hardware is now outdated and in poor condition. The report identified some serious risks to the public and members of the MDSA Ltd and a capital spend of £81k inclusive of VAT was quoted to remedy the position

**Latest Update from RGS – site meeting with RGS 2/12/2022**

Following a meeting of the board of the MDSA Ltd on the 29th November 2022 and a site visit with RGS the current situation is detailed below

RGS acknowledge that some material work has already been undertaken and the work has certainly mitigated the short term risk

They advise as for the whole site the immediate risks have been mitigated. The rest of the site requires installation as per the report provided and whilst it is far from ideal and not up to current regs the regs have changed over the years. This doesn’t make it unsafe simply not up to date. In MDSA case 20 years out of date.

RGS advise that they recently asked a similar question to the NICEIC asking how to progress with a large site which was not very well installed, the answer was to implement a program of change and tackle the worst first, there is no magic wander to correct all errors overnight as long as it didn’t present an obvious danger. As the work is upgraded certification will be provided in line with current requirements

RGS propose the following as to the way forward in the next 2 months:

* Test all trips in the distribution boxes on the site – this will ensure that we are able to identify any immediate risk areas. Timescale – December 2022
* Install x5 300Ma time delay units in the bunker – this will ensure that there is an immediate trip at source should there be any issues. Timescale – end of January
* Identify and replace priority distribution boards. Timescale – end of January

In the interim they feel that any closure of the site would be an over reaction

In the medium term (next 6 months) we must address the wider electrical issues as detailed in the RGS report

The board of the MDSA Ltd has passed a proposal to fund immediate work as detailed above out of current cashflow. This is with a view to buying some time to tender for the additional work detailed in the RGS report both in terms of specification and cost.

**Capital Funding - 2022/2023**

The need to act urgently to mitigate any risk on the site has meant a need to preempt any formal proposal to the MD Town Council. We simply must press on with the planned work detailed above and on the basis RGS have a working knowledge of the site the board has agreed to instruct the urgent work.

This will be a fraction of the overall cost.

At this stage the RGS report and email (Appendix 1) are the only costed documents that we have :

Mains Supply Switches £7000 plus VAT

Distribution Boards £40,000 plus VAT

MDFC floodlights switch gear £7,500 plus VAT

Training Lights £13,000 plus VAT

I have included as an attachment to this report the MDSA Ltd bank statement as at 30th November 2022. There is a balance of £41.5k but this includes the recently allocated and ring fenced grant of £10k for the sports consultant report. The residual balance is always a little higher at this time of the year as it includes the annual receipts from the member clubs and has to sustain the cashflow of the MDSA Ltd through until receipt of the MDTC payment in June 2023.

It is this cash balance which has allowed us to instruct contractors to complete phase one of the work.

**Finally the board of the MDSA Ltd is appreciative of the ongoing support provided by the MDTC.**