Full Council, November 25th 2026.

St Mark's Tennis Centre. Proposed Court Resurfacing Works and Funding Arrangement: Amendment to the March 2026 Council Resolution to Clarify the Statutory Powers and Lawfulness of the Proposed Arrangement.

1. Purpose of Report

1.1 This report seeks the Council's consideration of revising the proposed funding arrangement for the resurfacing and upgrading of the tennis courts at St Mark's Tennis Centre agreed in March 2026.

St Mark's Recreation Ground, is an important community recreational facility providing accessible and affordable sporting opportunities for residents in our Parish, around Swindon and across our region.

The site is home to Swindon Tennis Centre, one of the largest public park tennis facilities in the SW. With our tenant we provide ten floodlit tennis courts, four smaller touchtennis courts, a community café pavilion, clubhouse facilities, tennis shop, basketball court, pétanque and bowls.

The tennis centre offers a wide range of activities, including junior and adult coaching, social tennis, competitive matches, holiday programmes and community participation sessions. Its emphasis is on encouraging physical activity, improving health and wellbeing, and making tennis accessible to the wider community.

The facilities have benefited from significant investment by SBC, LTA, the Parish Council and our tenant over recent years, supported through partnership working between the Council, charitable organisations and tennis development partners.

The latest proposed £110,000 court resurfacing project will help protect this investment, maintain the quality and safety of the playing surfaces, and ensure that St Mark's continues to provide high-quality recreational opportunities for the local community.

1.2 The total estimated project cost is **£110,000**, of which the partner charitable Trust CSN L&LT will contribute the vast majority at **£90,000.**

1.3 The remaining £20,000 would initially be funded by the Parish Council, with the Trust reimbursing the Council over 60 months commencing in May 2027, together with interest at 1.5% per annum.

1.4 The Trust would be permitted to repay all or part of the outstanding balance early at any time, without financial penalty or additional charges.

1.5 Rather than providing a direct cash loan to the Trust, it is proposed that the Council, as owner of the premises, commissions the improvement works and enters into a formal reimbursement agreement with the Trust.

2. Background

2.1 St Mark's Tennis Centre is owned by the Parish Council and operated by a partner charitable Trust.

2.2 The Trust has identified the need to upgrade the existing tennis court surfaces to maintain the quality, safety and long-term sustainability of the facilities.

2.3 The proposed improvements will benefit existing users, support continued participation in tennis and contribute towards maintaining an important recreational facility for the local community.

2.4 The estimated total cost of the works is £110,000.

2.5 The Trust proposes to fund £90,000, representing approximately 81.8% of the project cost.

2.6 The Trust has requested assistance from the Council in meeting the remaining £20,000, with the intention that this amount, together with interest, will be repaid over five years.

3. Proposed Funding Arrangement

3.1 The proposed funding structure is as follows:

Funding source	**Amount**
Charitable Trust contribution	£90,000
Initial Parish Council contribution	£20,000
Total project cost	**£110,000**

3.2 The Council would commission the works in its capacity as property owner, subject to the existing lease or management agreement and the Council's procurement requirements.

3.3 The Trust would contribute £90,000 towards the project, with the timing and method of payment agreed before the Council enters the works contract.

3.4 The Council would initially meet the outstanding £20,000 from available funds, subject to confirmation of the appropriate budget provision.

3.5 Under a formal written agreement, the Trust would reimburse the Council over 60 months, commencing in May 2027, with interest charged at 1.5% per annum on the outstanding balance.

3.6 The agreement would expressly permit early repayment without penalties or additional charges.

3.7 Although the Council would commission the works directly, the deferred reimbursement arrangement may constitute financing or lending in substance. Legal advice is therefore required to confirm the Council's statutory powers.

4. Proposed Repayment Schedule

4.1 It is proposed that the £20,000 be reimbursed over five years, with interest calculated monthly at an annual rate of 1.5% on the reducing outstanding balance. The 1.5% equates to the amount the Council would lose by not having the balance held in reserve. Therefore making the arrangement cost neutral.

Detail	**Proposed arrangement**
Principal amount	£20,000
Annual interest rate	1.5% fixed
Interest calculation	Monthly, reducing balance
Repayment period	60 months
First repayment	May 2027
Final scheduled repayment	April 2032
Monthly instalment	Approximately £346.20
Total interest over 60 months	Approximately £771.87
Total scheduled repayment	Approximately £20,771.87

Early repayment	Permitted without penalty

4.2 The final instalment would be adjusted to account for rounding, ensuring that the full outstanding principal and accrued interest are discharged.

4.3 Interest would be payable on the outstanding principal balance. Any early repayment would therefore reduce the interest payable over the remaining term.

4.4 Early Repayment Provision

It is proposed that the formal agreement include the following provision:

"The Trust (CSNL&LT) may, at any time during the term of this Agreement, repay all or any part of the outstanding principal balance without penalty, premium, administration fee or other early repayment charge. Interest shall be calculated only on the principal outstanding up to the date of repayment.

Any partial early repayment shall reduce the outstanding balance, and the remaining repayment schedule shall be recalculated as agreed between the parties. Full early repayment shall discharge the Trust's financial obligations under this arrangement once all principal and accrued interest have been paid."

4.5 This provision would provide flexibility for the Trust to reduce or discharge its financial commitment earlier should its financial circumstances permit.

4.6 The arrangement would also benefit the Council by allowing public funds to be recovered earlier without creating additional financial barriers for the Trust.

5. Legal Considerations

5.1 Section 19 of the Local Government (Miscellaneous Provisions) Act 1976 provides parish councils with powers relating to the provision of recreational facilities.

5.2 As the Council owns St Mark's Tennis Centre, the proposed resurfacing works in the Clerks view falls within our statutory powers to provide and maintain recreational facilities.

5.3 The Council would be improving an asset in its ownership rather than providing an unrestricted payment to a third party reducing any risk to the Council even if the CSNL&LT defaults.

5.4 However, commissioning the works directly does not necessarily prevent the five-year reimbursement arrangement from being regarded as lending or the provision of credit.

5.5 Before entering into any binding commitment, the Clerk obtained advice from WALC who concurred with ensuring the following are confirmed:

- The statutory powers available to enter into the arrangement.
- The implications of the existing lease or management agreement.
- The terms necessary to protect the Council's financial interests.

5.6 The Council must also comply with its Financial Regulations, Standing Orders and applicable procurement legislation.

6. Financial Implications

6.1 The Council would initially commit £20,000 towards the resurfacing project, with the expectation of recovering the principal and interest by April 2032.

6.2 Based on a fixed annual interest rate of 1.5%, calculated monthly on the reducing balance, the Council would receive approximately £771.87 in interest if the arrangement continued for the full 60-month period.

6.3 The total anticipated receipts would therefore be approximately £20,771.87, subject to rounding and any early repayments.

6.4 The interest charged would provide a modest financial return to the Council in recognition of the funds committed over the repayment period and loss of interest from the Unity low yield instant access account.

7. Benefits of the Proposed Arrangement

7.1 The proposed arrangement offers several potential benefits:

- The resurfacing works would improve an asset owned by the Parish Council.
- The Trust would meet approximately 81.8% of the total project cost.
- The Council would retain contractual oversight of the improvements.
- The works would support the long-term sustainability of the tennis centre.

- The proposed reimbursement arrangement would provide a defined timetable for recovering the Council's £20,000.
- The 1.5% interest rate would provide a modest return on the Council's funds.
- The ability to repay early without penalty would provide flexibility for the Trust.
- The project would support the provision of community recreational facilities.

7.2 The arrangement could also strengthen the partnership between the Council and the Trust, subject to appropriate governance and financial safeguards.

8. Risks and Safeguards

8.1 The principal risks associated with the proposal are:

Financial risk: The Trust may be unable to meet the agreed repayments over the five-year period. With such a low interest rate however the capital will reduce immediately with time.

Legal risk: The reimbursement arrangement could be regarded as financing or lending, requiring specific statutory authority, which the Clerk is confident we hold with the right conditions.

Contractual risk: The Council may become liable for the full contract value, including cost overruns or contractor claims.

Operational risk: Delays or unexpected issues during resurfacing may affect the availability of the tennis courts.

8.2 To mitigate these risks, it is proposed that:

- A formal written agreement be entered into before works commence.
- The Trust's £90,000 contribution be secured in advance and paid via BACS immediately.
- The Trust provide appropriate financial information demonstrating repayment affordability.
- The agreement specifies the fixed interest rate, monthly instalments and early repayment provisions.

- The Council receive regular updates on the project and repayment position.
- The works contract include appropriate provisions for quality, warranties, insurance, variations and completion.

9. Conclusion

9.1 The proposed resurfacing project represents a significant investment in St Mark's Tennis Centre and would improve a recreational asset owned by the Parish Council.

9.2 The Trust's proposed £90,000 contribution represents the substantial majority of the £110,000 project cost. Whilst already agreed in March 2026 the resolution in the Clerks absence on paternity lacked legal clarity and guidelines.

9.3 The Council's proposed £20,000 contribution would be reimbursed over 60 months, commencing in May 2027 and concluding in April 2032, with interest charged at 1.5% per annum.

9.4 The Trust would be able to repay the outstanding balance in full or in part at any time without penalty or additional charges.

9.5 The Council commission the works directly, given its ownership of the property.

10. Recommendations

Given the previous recommendation is now over SIX months in age. It is recommended that the Council:

10.1 NOTE the proposed resurfacing and upgrading of the tennis courts at St Mark's Tennis Centre at an estimated total cost of £110,000.

10.2 NOTE the Trust's proposed contribution of £90,000 towards the works.

10.3 APPROVE in principle the proposal for the Council to commission the works as owner of the property, with an initial Council contribution of £20,000 to be reimbursed by the Trust.

10.4 APPROVE in principle to a reimbursement period of 60 months commencing in May 2027, with interest charged at a fixed rate of 1.5% per annum on the reducing outstanding balance.

10.5 APPROVE in principle that the Trust may repay all or part of the outstanding balance early at any time without penalty or additional charges, with interest payable only up to the date of repayment.

10.6 NOTE that the anticipated monthly repayment would be approximately £346.20, subject to final agreement and rounding adjustments. The Clerk to instruct the sales finance team to establish a monthly invoice.

Legislation permitting the decision:

1. **Local Government (Miscellaneous Provisions) Act 1976: S19(3)(a):** Allows parish councils to provide grants or loans to voluntary organisations towards the provision of recreational facilities, including tennis courts.

2. **Localism Act 2011 S1 General Power of Competence:** Since May 2026 the Council again holds this broad power to enter into financial and contractual arrangements, subject to statutory restrictions.

3. **Local Government Act 1972 S111:** Allows councils to undertake activities incidental to their statutory functions, including associated contractual and administrative arrangements, but does not independently authorise lending.

Conclusion: Section 19(3)(a) provides a specific statutory basis for the proposed £20,000 loan towards tennis court resurfacing, supported where appropriate by GPC.

The Clerk would not recommend using s137, as this is a measure of last resort.