

Council seeks to recover funds from TNS

The Market Town Revitalisation Programme (MTRP) was a grant fund of £3.5 million, made available by Shropshire Council, designed to support and stimulate economic growth in Shropshire market towns. The use of the grant was determined locally, with Shropshire councillors working with town and parish councils and local business organisations to ensure that a local, grass roots, understanding of need would be properly considered and so maximise the best use of funds.

The New Saints (TNS) Football Club was awarded a grant of £80,000 from the MTRP. This was used to install a new stand to provide an additional 500 seats to comply with UEFA infrastructure criteria and allow the club to attract additional events, delivering economic and community benefit.

One condition of the grant funding agreement with TNS was that they were required to deliver a grant of £16,000 each year, over a five-year period (therefore totalling £80,000). Although this has happened in part, the onward grant payments have not yet been made in full and therefore TNS's compliance with the terms of the grant is in dispute.

The grant was awarded by Shropshire Council in accordance with the Large Market Towns Member Guidance. The council believes that the grant arrangements were legal and in compliance State Aid Rules.

Monies equal to the amount of the grant received by TNS should have been paid out as grants within the Oswestry area, the criteria for which was to be approved by the Oswestry Economic Board (a partnership between Oswestry Town Council, Shropshire Council and local business), thereby multiplying the benefits of the initial grant.

Grants totalling the £80,000 received should have been paid by January 2017. The Oswestry Joint Economic Board ceased to operate in July 2013, before a set of ongoing criteria for the purposes of the TNS grants was adopted, although a single project had been approved for a grant of £10,000. (Please note the first grant was due January 2013 when the Oswestry Joint Economic Board was still operating. The audit was inconclusive as to why the funds had not been recovered earlier).

Shropshire Council administer the MTRP overall and required that the grant funding be repaid as the conditions under which the initial grant was made have not been fulfilled, resulting in TNS benefitting from monies which should have been paid out as grants for the benefit of Oswestry.

The council took steps to recover funds within the terms of the grant agreement, but this was not properly followed through. Some of this can be explained by multiple handover of the project due to officers leaving the council, but overall management of this has not been satisfactory and does not meet our usual and expected standards. However, such internal matters do not affect the council's rights to enforce the terms of the grant agreement, which it is in the process of doing.

The Chief Executive of Shropshire Council has taken appropriate action within the council's usual procedures. However, a number of officers involved with the project have left the council and it is unfair to determine whether any failure is attributable to them.

The council is now seeking to recover funds from TNS in accordance with the terms of the grant agreement.

Elected members have had access to the Summary Report which went to the Audit Committee on 28 June 2018. It is usual for officers to summarise long reports. However, the full report is now available to members in response to requests.