

Governance Options Appraisal: Parish Council vs Football Club vs Charitable Trust Purpose

To assess the viable governance structures for owning and operating a new MUGA, considering legal constraints, financial sustainability, community access, and long-term management.

1. Option A – Parish Council Ownership & Operation as a non Quality Council Strengths

- Clear public accountability and transparency.
- Eligible for some public grants.
- Can hold land and enter contracts securely.
- Perceived neutrality in managing community assets.
- Simplest as requires no change of title.

Weaknesses

- **Legal restriction:** Parish councils may only provide facilities for their own residents.
 - Cannot hire to groups from outside the parish.
 - Cannot allow a club to hire and then sub-hire to others.
 - Cannot compete with existing commercial businesses
- Limited staff capacity to manage bookings, maintenance, and compliance.
- Risk of the council becoming the “operator of last resort”.
- Potential reputational risk if the facility runs at a loss.
- VAT, insurance, and procurement obligations add administrative burden.

Financial implications

- Income severely constrained by the inability to hire to external groups.
- Council would need to underwrite maintenance and sinking fund costs.
- High risk of the facility becoming a net cost to the precept.
- Money cannot be ring-fenced

Alternative Parish Council Ownership & Operation (as a Quality Council)

If the parish council were to become a Quality Council and gain the General Power of Competence the legal restrictions would be removed and the Parish Council could operate the playing fields as a business open to all. However, many of the other weaknesses remain.

Overall viability

Low. Legally restrictive, operationally burdensome, and financially risky.

2. Option B – Football Club Ownership or Lease Strengths

- Strong user base and natural anchor tenant.
- Experience managing sports facilities and volunteers.
- Could integrate the MUGA and social club into club development pathways.

Weaknesses

- Does not have perpetual succession (ie the club could close leaving the facilities in limbo)

- Club unlikely to afford commercial lease or purchase of the facility.
- If the club does not own the asset, it cannot sub-hire to other groups.
- Risk of perceived or actual “exclusive use” by one organisation.
- Vulnerable to changes in club leadership, finances, or volunteer capacity.
- Limited eligibility for major capital grants unless part of a wider community trust.

Financial implications

- Club income alone unlikely to cover full operating and sinking-fund costs.
- Would require significant external subsidy or preferential terms.

Overall viability

Moderate, depending on financial capacity. Governance and legal constraints make it unsuitable as the primary operator.

3. Option C – Independent Charitable Trust (e.g., CIO, CIC or ordinary charity)

Strengths

- Most flexible governance model for community sports facilities.
- Can hire to any group, regardless of parish boundaries.
- Eligible for Sport England, Football Foundation, and other major grants.
- Can claim 80% mandatory business rate relief (and often 100%).
- Seen by funders as the gold standard for long-term sustainability.
- Can include representatives from the parish council, football club, and community.
- Can ring-fence income for maintenance and sinking funds.
- Provides continuity beyond changes in council or club leadership.

Weaknesses

- Requires initial setup work (constitution, trustees, bank account).
- Needs a clear management plan and volunteer/paid staffing model.
- Must comply with Charity Commission reporting requirements (CIO or ordinary charity) or Companies House reporting requirements (CIC).

Financial implications

- Able to maximise income by hiring to all users.
- Eligible for a wider range of grants and sponsorship.
- Strongest model for building and protecting a sinking fund.
- Lowest long-term cost to the parish council.
- Some charitable structures have unlimited liability.

Overall viability

High. The only model that resolves legal constraints, maximises income, and satisfies funder expectations.

4. Comparative Summary Table

Criterion	Parish Council	Football Club	Charitable Trust or CIC
Legal ability to hire to all groups	No	No (unless owner)	Yes
Ability to allow sub-hiring	No	No (unless owner)	Yes
Grant eligibility	Moderate	Limited	High
Financial sustainability	Weak	Weak–Moderate	Moderate-High
Administrative burden	High	Moderate	Moderate
Community neutrality	High	Low–Moderate	High
Long-term viability	Low	Moderate	High

5. Recommendation

Based on legal constraints, financial sustainability, and funder expectations, the Independent Charitable Trust (CIC or CIO) model is the only governance structure that:

- Allows unrestricted community hiring
- Enables sub-hiring and partnership working
- Qualifies for major grant funding
- Protects the parish council from operational and financial risk
- Ensures long-term sustainability through a dedicated sinking fund
- Mirrors successful models used by other community MUGAs (including Holsworthy)

This aligns with the earlier proposal from **Active Halwill** and resolves the governance issues identified.
