

Agenda item:

CABINET On 15 December 2009

Report Title: White Hart Lane Community Sports Centre Redevelopment Plan

Report of : **Mun Thong Phung, Director of Adult, Culture & Community Services.**
 Signed : _____

Contact Officer : Paul Ely
 Tel: 020 8489 5690 email: paul.ely@haringey.gov.uk

Wards(s) affected: All

Report for: **Key Decision**

1. Purpose of the report

1.1 The purpose of this report is to seek delegated powers for the Director of ACCS to enter into contracts with the London Organising Committee of the Olympic Games (LOGOG) and with the Olympic Delivery Authority (ODA) in the event that White Hart Lane Community Sports Centre (WHLCSC) is selected as an In Games Training Venue for Athletics

1.2 To obtain the approval of Cabinet to advertise the investment opportunities available at WHLCSC and Finsbury Park in order to identify any potential sources of external funding that might help to secure the future delivery of sports provision at both sites.

1.3 To explore different management arrangements at both WHLCSC and Finsbury Park Track and Gym (FPTG)

2. Introduction by Cabinet Member

2.1 I am asking colleagues to consider the options detailed in this report. The aspiration of the Borough is to develop White Hart Lane Community Sports Centre to provide the infrastructure to ensure a vibrant well regarded multi sports hub at the site which will lead to significant increases in usage and a reduction in net operating cost. Additionally an immediate area for consideration is the centre’s likelihood to be chosen as an ‘In Games Training Venue’ for 2012, and I am asking colleagues to approve in principle that the Council enters into contracts with LOCOG and the ODA.

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

3.1 Key elements of the Council Plan relevant to this report are:

- Improving the natural environment (2.1)
- Improved opportunities for leisure (3.3)
- Engaging citizens (5.1)

3.2 The National Performance Indicators that the redevelopment can most significantly contribute to are :

- NI 6 Volunteering
- NI 8 Adult participation in sport and active recreation (LAA target)
- NI 56 Obesity in primary school age children in year 6
- NI 57 Children and Young People's participation in high quality P.E. and sport
- NI 110 Young People's participation in positive activities
- NI 199 Children and Young People's satisfaction with parks and play areas.
- NI 7 Environment for a thriving 3rd sector
- NI119 Self reported measure of people's overall health and well being
- NI 120 All age all cause mortality rate
- N121 Mortality rate all circulatory diseases at age 75
- NI174 Skills gaps in the current workforce reported by employers
- NI197 Improved local bio diversity – active management of local sites.

3.3 There are also direct links with the Council's strategies for Sport and Physical Activity and Open Spaces.

4. Recommendations

4.1 Through this report, Cabinet is being asked to:

- 4.1.1 Agree that, if White Hart Lane Community Sports Centre (WHLCSC) is approved by LOCOG as an In Games Training Facility, that delegated authority is given to the Director of Adult, Culture & Community Services acting in consultation with the lead Cabinet Member to enter into a contract with LOCOG for use of this venue for the 2012 Olympic and Paralympic Games and to conclude a funding agreement with the ODA to fund upgrade works at the venue.
- 4.1.2 Endorse the upgrade of the athletics facilities and other critical items of refurbishment in line with the previously approved Sports and Leisure Improvement Programme.
- 4.1.3 Agree to officers continuing to seek investment for improvement and/or refurbishment works to facilities at both White Hart Lane Community Sports Centre and Finsbury Park Track & Gym (FPTG) from private, public and charitable sector investors.
- 4.1.4 Allow officers to explore the optimum management arrangements for both centres in order to improve commercial potential and align site management arrangements more directly to stakeholder objectives.

5. Reason for recommendation(s)

- 5.1 LOCOG is responsible for the preparation and the staging of the 2012 Olympic and Paralympic Games. They have indicated that the Olympic Delivery Authority will pay for the track upgrade at WHLCSC (if Haringey is chosen) which is valued at an estimated £300K
- 5.2 Negotiations with LOCOG will in broad terms require agreement for:
 - closure dates of the facility to the general public (6 to 8 weeks in July/August 2012 and disruption to the centre for some weeks prior to this)
 - Acceptance of the transfer of risk for commissioning and completing athletics facility works which LOCOG will fund.
 - Granting free use of the venue for the required period without compensation for lost income.
- 5.3 Securing In Games Training status at WHLCSC will be a major benefit to Haringey as it will provide both substantial investment and a major opportunity for the Borough to share in the Olympics.
- 5.4 Announcement of the training venues is likely imminent and at that time negotiations will commence with LOCOG. Once a satisfactory agreement is reached the contracts will need to be signed off without delay in order for the commissioning process to begin to ensure that the works are completed by August/September 2011.
- 5.5 However, this investment and £250k previously agreed to be spent on essential works at the site will only partly address overall investment needs and should be seen as the catalyst for further improvement.
- 5.6 The facility is an important part of the Whole Sport Development Plans for a number of sports national governing bodies (NGBs) - however, they do not have sufficient levels of available funding to meet the likely cost of rebuilding. Hence, private sector investment in the site could help to secure the future of provision.
- 5.7 One of these buildings is used by the Wood Green Youth Project and as part of the redevelopment it is anticipated that the Youth Project will relocate to the HALS building across White Hart Lane in the adjacent Woodside High School. This move would free up some of the site's footprint for future development.
- 5.8 It is proposed that, in order to test the market, the Council draw up a Development Prospectus for the site that can be used to identify potential investors and investment.
- 5.9 Officers would also recommend exploring the potential for private sector investment at Finsbury Park. Initial exploration has indicated an interest from both football and tennis operators in Finsbury Park and should this come to fruition, it could assist in attracting investment in other park sports facilities. As part of this exploration, the potential to secure funding from the neighbouring boroughs of Islington and Hackney, from national governing bodies (NGBs) of sport and from charitable sources would also be investigated.
- 5.10 Additionally, management options at both sites will be explored to ensure that on site management can best deliver the Centre's objectives. See Appendix 1 for a breakdown of Management Options
- 5.11 Sport England, as one of the key players in sports sector funding, have awarded £130k revenue grant funding to the Council for a three year period to March 2012 to develop a multi sport hub at both sites with specific targets to be achieved for increased participation, more coaches and more volunteers. These targets and performance are monitored and reported through our Hariactive – Make a Change programme, and the Wellbeing Partnership Board.

- 5.12 The multi sports hub approach has been acknowledged by Sport England as the most effective approach available to maximise lifetime sports participation. This is because it can provide the key ingredients that best support this goal. These are:
- Membership of a sports club (combining a social element)
 - Access to high quality coaching
 - The opportunity to take part in competition
 - The opportunity to take up different sports.
- 5.13 It would therefore seem prudent to continue to build a funding package for the centre's redevelopment and thus have in place public body finance to match and support any commercial opportunities that arise – particularly looking forward to an improved economic outlook for capital developments generally and specifically in the White Hart Lane area.

6 Other options considered

In respect of White Hart Lane Community Sports Centre

- 6.1 **Do Nothing:** There are a number of reasons why this option is not recommended
- There is already a sum of £250K identified in the Leisure Centre Renewal capital budget to carry out refurbishment
 - The centre has numerous urgent refurbishment needs
 - Particularly if the LOCOG funding is available the ability to carry out critical repairs and improvements will ensure the facility is able to function at a reasonable level for a number of years.
- 6.2 **To refurbish all the existing facilities:** to ensure another 10 to 15 years of life before major works will be required again (assuming reasonably robust maintenance arrangements). This includes refurbishment of the athletics track to LOCOG standards (for 2012 Olympic Training Venue). This option is not recommended as:
- The likely cost in excess of £1M will not deliver the improvements to participation desired as the disparate nature of the site will remain
 - NGB's and other public bodies such as Sport England would not contribute
- 6.3 **Demolition and rebuild:** to demolish most of the buildings on site excepting the stadium and build a purpose build pavilion, tennis dome and a sports hall.
- This option is only viable with substantial external investment.

7. Summary

- 7.1 The Council has previously approved an overall Sport and Physical Activity Strategy in 2005 (2005-2010).
- 7.2 A core component of this Strategy included an objective:

'To develop White Hart Lane Community Sports Centre as the Community Sports Development hub for the Borough.'

- 7.3 The overall WHLCSC site comprises the sport centre, Woodside and St. Thomas More schools, Perth Road and White Hart Lane Recreation Ground playing fields, and Coles Park. Rationalisation and improvement of these facilities could significantly boost sports participation rates for the Borough.
- 7.4 There is an opportunity to significantly improve the athletics facilities if the centre is chosen as an In Game Training Venue for the 2012 Olympic and Paralympic Games. This refurbishment will be fully funded by LOCOG

- 7.5 There is an identified and confirmed budget of £250K for refurbishment works at the centre
- 7.6 There is further potential to draw down funds from NGBs and other public bodies to invest in a purpose built multi sports hub; if match funding is available.
- 7.7 At such time as the wider economy improves, there may be potential to also utilise Section 106 and capital receipt funding.
- 7.8 At Finsbury Park the private sector is showing specific interest in the development of football and tennis. It is likely that the benefits from these potential developments alongside other investment would resolve the refurbishment requirements at FPTG
- 7.9 At both centres different management arrangements would probably assist in the draw down of private sector finance as well as delivering improvements to the revenue positions at both WHLCSC and FPTG.

8. Chief Financial Officer Comments

- 8.1 This report is noted along with the fact that no new additional resources are required. There is currently approved capital funding for limited developments within the WHLCSC site, which would act as match funding for any resources coming from LOCOG. Any further developments proposed will require a business case to be produced and additional funding to be identified.

9. Head of Legal Services Comments

- 9.1 The Head of Legal Services notes the recommendations at paragraph 4 of the report.
- 9.2 To give effect to the recommendations at para. 4.1.1 of the report, it will be necessary for the Council to enter into a funding agreement with the ODA as well as a contract for use of the WHLCSC.
- 9.3 Under the Local Government Act 2000, section 15(5)(b), the Council has the power to delegate its functions to an officer of the Council. The power to enter into the contractual agreements referred to in para. 9.2 may therefore be delegated to the Director of Adult, Culture & Community Services .
- 9.4 In as far as the recommendation at para. 4.1.2 of the report will involve the Council procuring works, goods or services, the appropriate procurement processes under the Council's Contract Standing Orders (CSO) and any other applicable procurement rules should be followed.
- 9.5 With respect to the recommendations at paras. 4.1.3 and 4.1.4, Legal Services should continue to be consulted on the legal implications of the specific investment proposals and management arrangements being considered. Firm proposals for the selection of any these investment options and management arrangements should be brought back to Cabinet for approval before they are finalised.
- 9.6 Legal Services should be consulted on the procurement processes and forms of contract or other agreements referred to in paras. 9.2 to 9.4 above before binding arrangements are entered into.

10. Equalities and Community Cohesion Comments

- 10.1 The redevelopment of WHLCSC and FPTG will lead to improved participation at these centres by women, disabled people and people from black and ethnic minorities
- 10.2 The current Sport England part funded Multi Sports Hub Project at both sites targets these groups for improved participation

11. Consultation

- 11.1 Consultation has been undertaken with relevant Council services, Haringey CSPAN and with the WHLCSC and FPTG Redevelopment Steering Groups made up of key stakeholders at the respective centres. These include local sports clubs, the Tottenham Hotspur Foundation and the Haringey Sports Development Trust.
- 11.2 The Council will continue to work with these partners in taking forward the development plans as this will provide additional support and leverage as well as providing an approach that recognises and seeks to meet partner and resident needs.

12. Service Financial Comments

- 12.1 Proposals for the upgrade of the athletics facilities at WHLCSC and to deal with some of the refurbishment concerns at the site are to be funded by LOCOG and already identified and confirmed council capital.
- 12.2 This will build on investment made over the last 3 years through the Sports and Leisure Improvement Programme and for the new astroturf pitch and tennis courts.
- 12.3 While there is some indication of funding from other sources for further development of WHLCSC and Finsbury Park – these monies have yet to be confirmed.
- 12.4 Officers will continue to work with partners in seeking to secure further funding for the Centre in order to build on the investments made over the last few years and planned in the future through this report.
- 12.5 Non council management at both sites may also bring revenue savings as well as greater ability to draw down private sector capital.

13. Use of appendices /Tables and photographs

- 13.1 Appendix 1 Management Options

14. Local Government (Access to Information) Act 1985

- 14.1 The following background papers were used in the preparation of this report:
 - 14.1.1 WHLCSC Feasibility Study
 - 14.1.2 Consultation minutes (Steering Groups).

Management Options

Options	Advantages	Disadvantages
<p>1 In-house service delivery;</p> <ul style="list-style-type: none"> • Solely owned and managed by Council 	<ul style="list-style-type: none"> • Full control • Direct influence • Flexibility • No added costs of establishing another management vehicle 	<ul style="list-style-type: none"> • Council bears all operational, development, construction & financial risks • No NNDR savings • Significant amount of time, commitment and resources required from council • Dependant on having first-class appropriate skills within the authority • Stakeholders not fully involved • May not meet user needs
<p>2 Partners and Stakeholders at the site set up a vehicle for overall management of the centre and sub contract out the day to day management to another body – e.g. an existing leisure trust or a new company whose specific purpose is to manage the facilities.</p>	<ul style="list-style-type: none"> • Stakeholders fully involved • Business rate relief maybe applicable • More favourable VAT on the supply of sporting services maybe applicable • Potentially higher income generated • Potentially higher levels of utilisation • Cost recovery and net subsidy per user potentially better • Potential access to sources of capital and funding the council cannot draw down. 	<ul style="list-style-type: none"> • Two tier management of site • Conflicts between stakeholders may impede business • VAT issues to be explored • Council probably still last resort funder • Council may still need to take responsibility for most capital expenditure • Council restricted by contract as to what it can influence in terms of programming etc • Level of risk re liability for the council still applicable to some extent
<p>3 Set up a non-profit Distributing Organisation (NPDO);</p> <ul style="list-style-type: none"> • Council setting up an arms-length company, e.g. leisure trust. • This trust will operate the leisure services on behalf of council in accordance with a service level agreement (SLA) and lease agreement. • Annual subsidy paid to trust by council in return of trust achieving set targets outlined in the SLA 	<ul style="list-style-type: none"> • Reduced operational and development risks to council as shared with NPDO • Full management by NPDO • 85% relief on National Non-Domestic Rates (NNDR) • More favourable VAT on the supply of sporting services • Potentially higher income generated • Potentially higher levels of utilisation • Cost recovery and net subsidy per user potentially better 	<ul style="list-style-type: none"> • Restriction on their ability to recover VAT on costs – both revenue and capital • Council to usually take on the capital expenditure responsibility (as could be 17.5% higher through NPDO) • Council last resort funder • Stakeholders not fully involved • Council restricted by contract as to what it can influence in terms of programming etc • Level of risk re liability for the council still applicable to some extent
<p>4 Partnership with a private sector operator or existing trust</p> <ul style="list-style-type: none"> • Engage a private sector operator or existing leisure trust to transfer the management of facilities to them 	<ul style="list-style-type: none"> • Immediate saving on NNDR if a leisure trust engaged • Potentially higher income generated • Potentially higher levels of utilisation • Cost recovery and net subsidy per user potentially better • More favourable VAT on the supply of sporting services 	<ul style="list-style-type: none"> • Limited number of partners, which might restrict choice • Level of authority stake in special purpose vehicle may trigger VAT and tax issues • Stakeholders not fully involved • Council restricted by contract as to what it can influence in terms of programming etc

	<p>(leisure trust only)</p> <ul style="list-style-type: none"> • Can be deemed as offering better value for money, as they provide leisure management services for less cost than in house leisure trusts and Council run • Often willing to invest their own equity into schemes and help with revenue funding • Operating risk transferred from Council • Contract can be designed to promote partnership working 	<ul style="list-style-type: none"> • Level of risk re liability for the council still applicable to some extent
--	---	--