

TELFORD & WREKIN COUNCIL

CABINET - 20th OCTOBER 2011

FULL COUNCIL - 24th NOVEMBER 2011

DAWLEY SPORTS & COOPERATIVE LEARNING COMMUNITY – SPORT ENGLAND BID SUBMISSION

REPORT OF HEAD OF LEISURE, LIBRARIES & CUSTOMER SERVICES AND HEAD OF PROPERTY & ICT

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

- 1.1 Work on the new Phoenix School rebuild as part of the Council's Building School for the Future (BSF) programme is due to start in the first quarter of 2012. The Council has been working with local and national partners to enhance the sports and leisure provision of the Dawley Sports & Cooperative Learning Community, as it will be known, for the wider benefit of Telford & Wrekin.
- 1.2 This has resulted in a successful stage 1 funding submission of £1.210m to Sport England to contribute towards the following enhanced provision.
- National standard BMX track in conjunction with the Wrekin Riders and British Cycling.
 - Installing a third generation (3G) pitch with sports lighting in conjunction with Telford Raiders Rugby League Club and the Rugby Football League (RFL). This site will become a regional centre of excellence for RFL.
 - Increase the indoor sports hall (part of BSF funding) from 4 badminton courts to 8 courts in conjunction with the Telford Table Tennis and Netball Clubs, the Telford Table Tennis Association, Shropshire County Netball Association, English Table Tennis Association (ETTA) and England Netball. This will become a regional centre for Table Tennis and a county hub for Netball with the opportunity to host regional Netball competitions as required.
- 1.3 At stage 1, the funding for all of the above facilities was to be provided by a combination of Sport England and all the four National Governing Bodies (NGBs).
- 1.4 Since the Council submitted their stage 1 bid to Sport England, a number of changes have occurred, including a change in Government resulting in a national review of funding for the various NGBs which has resulted in a reduction in their capital and revenue allocations. As a result Rugby League, Table Tennis and England Netball have had to withdraw or reduce their funding, however remain fully committed to the project and have guaranteed regular use of the new facilities. A further change was England Netball's specification and technical requirements which requires the sports hall to increase from 8 to 10 courts in order to qualify as a regional venue for competition. A technical challenge has been highlighted which will require a potential piling solutions on the sports aspects of the facilities.

The result of the changes in funder's requirements and the technical challenge on site resulted in an extra £613k being required for the overall construction project. This has resulted in an overall funding gap of £683k for the sporting element of the project outlined in the Stage 1 bid.

- 1.5 As a result the Council has considered a revised option with the full support of Sport England, who have indicated their support to help bridge the funding gap, by encouraging the Council to increase their Stage 1 bid from £1.21m to a Stage 2 bid for £1.5m and have given their support to continue with an 8 court sports hall solution.

The total projected capital cost for the sporting facilities is therefore £1.965m supported by the following funding streams:

- | | |
|-----------------------------------|--------|
| • Sport England bid | £1.5m |
| • National Governing Bodies (NGB) | £0.130 |
| • Funding from BSF programme | £0.045 |
| • Prudential Borrowing | £0.290 |

- 1.6 In conclusion the final stage 2 bid, which must be submitted in October, includes a national BMX track and full size 3G pitch for Rugby League and an 8 court facility for use by Netball, Table Tennis and Rugby. The implications of this proposal are outlined in Section 5, and the overall funding gap, which has materialised largely as a result of the reduction in funds from three of the NGB's, is £290k. The issue of the BMX ground works remains an unknown risk.

A decision will be made by the Sport England Board on 16th November, 2011

2 RECOMMENDATIONS

- 2.1 That Cabinet endorse the major opportunities outlined in this report of the iconic sporting facilities to be developed in Dawley and accept the risks identified by agreeing to progress and submit a stage 2 bid for £1.5m to Sport England as per the agreed timescales and in line with their advice.**
- 2.2 That, subject to Full Council approving acceptance of the funding as part of the Council's approved budget, the Head of Leisure, Libraries and Customer Services be granted delegated authority following consultation with the Cabinet Member for Leisure and Wellbeing to accept the Sport England offer if successful, enter into all necessary legal and financial agreements and take all steps necessary to progress and deliver the alternative project in accordance with the detail outlined in this report and the required timescales.**

3 SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	The project will significantly contribute to improving the health of residents of Telford & Wrekin by providing better opportunities to participate in both current and new sports not currently available as well as increasing physical activity. The project also supports other corporate priorities in particular education and learning
	Will the proposals impact on specific groups of people?	
	Yes	If successful, the project will provide enhanced community and sporting provision for a range of community groups including people of all ages, different genders, those with a disability and affected by deprivation. People living in the Dawley and the surrounding wards as well as those across Telford & Wrekin as a whole including potential visitors to the cycle track and sports hall from out of borough due to regional significance of the facilities.
TARGET COMPLETION/DELIVERY DATE	Work will form part of the BSF programme delivery which is projected to start in 2012.	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	There is a budget gap for the project which will need to be funded through prudential borrowing or additional capital receipts. The revenue cost of borrowing £290k is £22.9k. There is no budgetary provision to meet these costs under the current budget strategy. It should be noted that there are also revenue implications associated with the running costs of the new sports facilities which would need to include as a minimum an increase in NNDR and a requirement to have a sinking fund. These have not been fully costed at this point in time as the management vehicle for the site has not yet been confirmed however they will need to form part of the budget strategy for 2013/14 MLB 30.09.11
LEGAL ISSUES	Yes	Legal Services have seen a draft set of grant terms and conditions. The grant may only be used for capital expenditure and in accordance with the agreed strategic purposes. The grant conditions will apply to the site for 25 years from the date of the construction contract. Should the Council breach the terms of the grant agreement then the funder will be entitled to seek repayment of all or part of the grant. This is a standard provision within Sport England grant agreements. It is also a condition of the grant agreement (again, standard to Sport England) that the Council registers a restriction against its title to the site so that the site cannot be disposed of without the consent of the English Sports

		<p>Council. Members should note that once the grant is accepted the Council would be under an obligation to pay part of the proceeds of any sale of the site to Sport England should the Council wish to sell the site within 25 years.</p>
<p>OTHER IMPACTS, RISKS & OPPORTUNITIES</p>	<p>Yes</p>	<p>This represents excellent value for sport and leisure as it maximises external funding. For an additional £1.965m (£1.630m of which is external funding), the borough will have a national BMX track, 8-court sports hall with bleacher seating for table tennis and a full size 3G pitch /regional centre for Rugby FL. The site will provide the high quality sports and leisure facilities that are fully accessible to the local community and for the wider benefit of Telford & Wrekin as a whole.</p> <p>The project will be regarded nationally as a 2012 legacy facility and will strengthen the Council's national reputation and relationships with Sport England and other sporting organisations such as National Governing Bodies. The project is already being considered as a national case study for Sport England</p> <p>Any bid to Sport England carries with it a risk that the board decide not to fund the project or reduce their contribution.</p> <p>The planning application has been submitted and is scheduled for determination in October 2011. The submission is based on a 10 court sports hall. It will be possible to apply for an amendment for a reduced size sports hall reflecting 8 courts with minimal impact on the application process. However, if planning consent is delayed, there is a significant risk that the construction contract could not be placed before the expiry of the framework contract with Kier on 31 December 2011.. It would not be advisable to amend the design once the contract is let as it is a fixed price contract and changes to the scope could prove expensive. However, if necessary, alternative, costed designs could be incorporated in the contract prior to it being awarded.</p>
<p>IMPACT ON SPECIFIC WARDS</p>	<p>Yes</p>	<p>Dawley and the surrounding wards. The project will also have a positive impact on the borough as a whole and will be seen as having regional importance.</p>

PART B) – ADDITIONAL INFORMATION

4 INFORMATION

Background

4.1 Work on the new Phoenix School rebuild as part of the Council's Building School for the Future programme is due to start in the first quarter of 2012. The Dawley Sports & Cooperative Learning Community, as it will be known, includes a range of community and sporting facilities for the pupils and residents of Dawley and its surrounding areas. The enhanced sporting facilities have already been outlined in the Summary.

BSF Contract Implications

4.2 The new Phoenix School is being designed and constructed by Kier Moss. This project has been procured using the Partnerships for Schools Academies Framework. In order to comply with the timescales set out in the framework, the Council must enter into a design and build contract with Kier Moss before the end of 2011.

4.3 The design and build contract is a fixed-price contract and offers little financial risk to the Council. However, this would not be the case if significant changes are made after the contract has been let. It would not be advisable to amend the design once the contract is let.

4.4 To ensure that the Council is prepared to enter into the contract on time, the alternative designs could be commenced immediately although this will result in increased design costs, this mitigates the risk to the Council

5 IMPACT ASSESSMENT – ADDITIONAL INFORMATION

5.1 *External funding leverage* - the project represents excellent value for sport and leisure as it maximises funding through the BSF programme along with £1.630m external funding to secure a national BMX track, 8 court sports hall for table tennis and netball and a full size 3G pitch/ regional centre for RFL. The site will provide the high quality sports and leisure facilities, unequalled across the county, that are fully accessible to the local community and for the wider benefit of Telford & Wrekin as a whole.

5.2 *BMX track* – due to the uncertainty in the ground conditions on the proposed site, the BSF team has flagged the site of the BMX track as a potential risk. Although it has been confirmed that the contours and levels of the site are suitable for a national standard track, the project has not developed far enough to provide certainty around ground stability at this stage.

5.3 *Funding gap* – should Sport England agree to retain their capital contribution at stage 2 of £1.5m, the Council will be left with a funding gap of £290k which they will be required to underwrite. The National Governing Bodies will be required to provide a formal commitment to provide funds as part of the Stage 2 bid.

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