

CABINET

23 NOVEMBER 2010

REPORT OF THE LEADER OF THE COUNCIL

Title: Olympic Legacy – Mayesbrook Park Sports Centre	For Decision
<p>Summary:</p> <p>The Council has been approached by the Olympic Delivery Authority to potentially host a number of Olympic related activities in Mayesbrook Park.</p> <p>The proposal is for several pre-games training camps to be held in a purpose built sports centre, to be constructed by a private developer, Ebbsfleet Sports Centre Ltd (the “developer”), with the Olympic Delivery Authority part funding the development.</p> <p>In order for the developer to construct and run the sports centre it is proposed for them to be given a long-term lease of part of Mayesbrook Park. The development of the sports centre, will not only provide a games time training venue for the Olympic and Paralympic events, but also create a facility that will be used after the 2012 games by local clubs and the wider community.</p> <p>The development and subsequent operation of a sports centre is a long-term arrangement and as the Olympic Delivery Authority is only a temporary body, set up solely for the Olympics, it would not be appropriate for them to take on a lease.</p> <p>The Olympic Delivery Authority has made a commitment of £3.9 million towards the cost of the scheme, which it is expected will total over £9 million. The balance of the required funding will be provided by the developer.</p> <p>The developer and the Olympic Delivery Authority are proposing to enter into an arrangement for the facility to be used exclusively as a games time training venue for handball and potentially for some Paralympic sports.</p> <p>After the Olympics, it is proposed that the venue will be operated, at no cost to the Council, by the developer as a sports centre for the local community as well as acting as the home of British handball. The opportunity for the facility to act as a regional centre for tennis and futsal (5-a-side football) is also being investigated.</p> <p>There is a very tight timeline for the delivery of the new centre to meet the requirements of the Olympic Delivery Authority and as a consequence it is impractical for the Council to procure the scheme directly because it will not be possible to comply with European procurement legislation timescales.</p> <p>Following legal advice, it is proposed that the Council will instead grant a lease of the land to the developer. The developer will in turn directly procure the building to be erected. In return for permitting the development, it is proposed that the Council will receive an annual rental income of £25,000 from the developer, which will be utilised to support community access to the new sports centre and other participatory activities in the Park.</p> <p>The new sports centre which is to include an 80 space car park is to be built in</p>	

Mayesbrook Park, on the land shown red on the plan at **Appendix 1** and will be next to Mayesbrook athletics' arena. It is expected that the development will replace the outdated and dilapidated Mayesbrook Arena stand, food outlets and changing rooms and encompass all of the current arena car park area and the two outdoor football and basketball courts. The new facility will include outdoor football and basketball courts, which will be lit to give longer usage time. The developer will also be required to construct a new pedestrian and vehicle access from Lodge Avenue.

Apart from the cost of one off legal and property related advice, which can be contained within existing budgets, it is intended that there will be no capital or ongoing revenue costs incurred by the Council for the building and operation of the new sports centre.

On the back of this development, the Olympic Delivery Authority has also entered into an in principle agreement with the Council to use the Mayesbrook athletics arena and parts of the wider park for training camps for both Olympic and Paralympic athletics.

If endorsed by the Council, this arrangement will secure significant external funding to bring the athletics' arena up to Olympic standards. It is expected that the likely improvements could include the relaying of the existing running track as well as providing new long jump and triple jump lanes, changing facilities and other benefits for local schools and clubs.

As the plans for the necessary improvements have yet to be finalised, it is not possible to place an accurate figure on the likely level of investment this could bring and the range of improvements that may be provided. However, it is hoped that, as a result of this investment, the Arena will be able to host athletics' events of regional and national significance, as well as providing truly excellent facilities for use by local schools and sports clubs for the foreseeable future.

Existing sports clubs based in Mayesbrook Park and local schools, which use the Park's facilities, are being consulted to ensure that where possible they will benefit from these proposals. However, it must be noted that because the funding that may be secured for improvements will be ring-fenced for specific purposes, it will not be possible to improve all of the sports facilities in the Park. Also there will be some temporary disruption to allow building, renovation and making good works to be implemented.

Wards Affected: Mayesbrook, Longbridge, Becontree and Eastbury

Recommendation(s)

The Cabinet is recommended to agree:

1. Sports Centre
 - (i) To delegate final approval of the Heads of Terms of the legal documentation for the proposed sports centre to the Corporate Director of Finance and Commercial Services in combination with the Legal Partners, including grant of a lease of 100 years, between the Council and Ebbsfleet Sports Centre Ltd on commercial terms to enable the proposed development to go ahead;
 - (ii) That the rent received by the Council be utilised to support community access to the new sports centre and the provision of other participatory

activities in Mayesbrook Park;

- (iii) That the lease restricts use of the development to a sports / leisure centre within Planning Use class D2 plus necessary ancillary uses such as café and refreshment facilities. The use will also permit the centre to be used for holding seminars, music and performing arts events, provided that they do not constitute more than 20% of the total hours of use of the centre;
- (iv) To grant any ancillary documentation to the lease, to facilitate the development e.g. licences for carrying out works in compliance with planning consents etc.;

2. Athletics Training Camp

- (v) To approve the exclusive use of the athletics arena and other parts of Mayesbrook Park by the London Organising Committee for the Olympic Games (LOCOG) from early June to mid October 2012;
- (vi) To agree to implement the renovation of the Mayesbrook Arena and associated facilities at no capital cost to the Council; and accordingly;
- (vii) To authorise the Corporate Director of Adult and Community Services, in consultation with the Corporate Director of Finance and Commercial Services and Legal Partners, to award the contract for these works once they have been through the appropriate procurement process, which will be clarified once the scope of works has been finalised.

Reason(s)

The 2012 games provides a once in a lifetime opportunity to provide new and improved sporting facilities in the Borough which will help to encourage and enable local people to become and remain physically active.

Comments of the Legal Partner

There are special Planning Considerations concerning Mayesbrook Park as the Park is classified as Metropolitan Open Land and subject to the same level of protection as the green belt in the Council's Local Development Framework to prevent inappropriate development. The Council cannot grant permission without first referring the matter to the Secretary of State.

The Legal Practice has been consulted in respect of the proposed development of Mayesbrook Park, using funding from the Olympic Delivery Authority, and the advice provided as confirmed by external legal advisers (Eversheds), was that procurement of a developer by the Council to undertake the proposed development works would need to be undertaken in compliance with EU public procurement regulations.

As the report states, however, the very tight timelines stipulated by the Olympic Delivery Authority for completion of the development works made it impractical for the Council to procure the scheme directly because it will not be possible to comply with European procurement legislation timescales.

This report is therefore proposing that the Council grants a 100 year lease of part of the Mayesbrook Park to a private developer, Ebbsfleet Sports Centre Ltd, who will then procure the development works.

In return for permitting the development, it is proposed that the Council will receive an annual rental income of £25,000 from Ebbsfleet Sports Centre Ltd. The Council's Property Services have confirmed that this is the market value consideration for the land.

A lease agreement with a private developer with no specific requirements / controls or specification of uses or outputs generally falls outside the scope of the EU public procurement regime.

The Heads of Terms of the lease to be agreed with Ebbsfleet Sports Centre Ltd. should include a provision ensuring that the annual ground rent is reviewed regularly to keep it in line with inflation and the Council's consent is required before Ebbsfleet Sports Centre Ltd can assign its interest.

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1. Background

- 1.1 The Council has been approached by the Olympic Delivery Authority to host a number of Olympic related activities in Mayesbrook Park, which have the potential to provide long-term benefit to Borough residents.
- 1.2 Prior to this approach and as previously reported to the Council Executive on 16 March 2010 (minute 146 refers), negotiations were underway with the Olympic Delivery Authority to secure a permanent shooting venue in the Borough as part of a multi use sports centre that would be used for the Olympic games and subsequently by local gun clubs and the wider community. However, it has not proved possible to secure agreement on a suitable specification for this facility that both meets the wider needs of the Council and has an adequate life span. As a result this opportunity is no longer being pursued.
- 1.3 If the proposals outlined in this report are approved, it is estimated that this will enable the Borough to benefit from several million pounds of external funding, which will be utilised to create a multi-sport hub in Mayesbrook Park. This is a key element of the plans for the renovation of the Mayesbrook Park which were supported by the Council Executive at its meeting on 16 March 2010.
- 1.4 It will also help to realise many of the community and stakeholder priorities for improvements to the park:

- Better safety and security;
- Better quality and range of facilities;
- More events and activities;
- Improved physical access and parking facilities; and
- Improved provision for sports and safe routes.

New sports centre for handball and other sports

- 1.5 The Olympic Delivery Authority has approached the Council to host a games time training camp for handball. Rather than a temporary venue with limited legacy benefits, the Olympic Delivery Authority will part fund the building of a permanent sports centre in Mayesbrook Park, which will meet the Olympic standard for handball, but will also be suitable in the longer term for a wide range of other sporting activities and events.
- 1.6 Alongside handball it is also expected that the facility will be used as a games time training venue for wheelchair rugby, Paralympic judo and Paralympic athletics.
- 1.7 After the Olympics, it is expected that the centre will become the national home for British Handball. As well as being the training base for the national team it is expected that the venue will also host regional, national and European handball tournaments and matches.
- 1.8 The potential to develop the centre as a regional centre of excellence by the Lawn Tennis Association is also being investigated. The facility is large enough to accommodate eight indoor tennis courts.
- 1.9 The Football Association has expressed interest in using the facility as a regional hub for Futsal (five a side football).
- 1.10 It is also expected that the centre will be widely used as a training venue by local sports clubs already based in the park as well as in the wider community. It is anticipated that the health and fitness, catering and other facilities will be used extensively by local people living in the catchment area of the new centre.

Sports centre – facility mix

- 1.11 In brief, the proposed development will comprise a sports centre measuring 100 metres x 60 metres x 12 metres high in size and will be large enough to house four Olympic size handball courts, eight changing rooms, a 175 station gym, mezzanine area overlooking the athletics track, restaurant, bar and snack/coffee area.
- 1.12 The centre will also have drug testing rooms, office space which can be utilised by the Council's Park Rangers and the parks Safer Neighbourhoods' Team and an area for educational and community based activities.
- 1.13 To enable the facility to better blend in with its surroundings it will be sunk into the ground to a depth of 1.5 metres and the extracted earth used to build a two to three metre high earth mound around the building's perimeter to the north and east.
- 1.14 The facility will be built next to the Mayesbrook Arena and will incorporate the removal of the dilapidated Arena stand, changing rooms, catering areas, Arena

car park, as well as the outdoor five a side football pitch and basketball court. All of these facilities will be re-provided in or around the new facility.

- 1.15 A new one way road system will be put in place so that vehicles enter the park at the existing Lodge Avenue entrance and leave via the Barking Football Club exit. A car park for up to eighty vehicles will be provided.
- 1.16 If the Council supports this proposal, it is likely that construction of the new sports centre will start in February 2011 and will be completed in January 2012.
- 1.17 The centre will not be available for club or public use until after the Olympics in September 2012.

Sports Centre - Strategic context

- 1.18 If built, the new sports centre will fully address the relative shortfall in sports hall provision in the Borough identified in the latest Sport England Facilities Planning model 2010 profile report.
- 1.19 An officer assessment indicates that the 175 station (pieces of equipment) gym proposed for the new sports centre will reduce the deficit of this type of provision in the Borough to fewer than 200 stations, which is equivalent to about five standard size gyms.

Athletics' training camp

- 1.20 Alongside the sports centre development, the Olympic Delivery Authority has entered into an in principle agreement with the Council to use the athletics' arena in the Park as a games time training venue for athletics. This would also require the fencing off of other areas of the Park that are currently used for football on a temporary basis for throwing sports (javelin, shot put, discus and hammer).
- 1.21 If Councillors agree to the use of the athletics' arena and wider Park for this purpose, it is expected that the Olympic Delivery Authority will invest significant funding to bring the athletics' arena up to the Olympic standard. This will probably include the relaying of the running track as well as the likely provision of new facilities for long jump, high jump and pole vault and a new protective cage for throwing discus and hammer.
- 1.22 It is expected that the athletics' club, which is based at the Arena, will benefit from these development opportunities if they are implemented. Also the maintenance of their current arrangements is guaranteed by the decision of the Development Control Board, which is outlined below.
- 1.23 The detailed specification for these improvements is currently being finalised. The potential to demolish and replace the derelict club house and changing rooms at the adjacent Council owned football stadium, which is used by Barking Football Club and others, is also being pursued as part of this development.

Procurement issues

- 1.24 Prior to this opportunity being made available to the Council, the Olympic Delivery Authority had been working with Ebbsfleet Sports Centre Ltd to provide the handball games time training venue at a site in Kent. This proposal fell through at the eleventh hour, when the proposed site was sold for residential development.
- 1.25 This left the developer without a site to build the sports centre on and the Olympic Delivery Authority short of an essential games time training venue. Subsequently the Government Olympic Executive, after consultation with the Olympic Delivery Authority, approached the Council to see if there was any interest in hosting the venue in the Borough.
- 1.26 Following discussions with the Corporate Management Team, the Leader of the Council and Mayesbrook ward councillors it was agreed, in principle, to pursue this opportunity. The Cabinet are now asked to formally approve the proposal.
- 1.27 The Council's legal advisors consider that the Council cannot directly procure the building of the new sports centre via a competitive tender process that would meet the Olympic Delivery Authority's tight timescale for delivery and at the same time comply with relevant procurement legislation.
- 1.28 They have advised that the only way the procurement and timescale issues can be addressed is by the Council agreeing to lease the land on which the sports centre will be built to the Olympic Delivery Authority's nominated developer, Ebbsfleet Sports Centre Ltd, and for the developer to then directly procure the construction of the sports centre.

Planning issues

- 1.29 The planning application for the construction of the new sports centre was approved by the Development Control Board on 18 October 2010 subject to the following key conditions, which are intended to ensure community benefit from the new facility and that the athletics' club, which currently has an annual hire agreement to use the Mayesbrook Arena, continues to enjoy the use of adequate facilities:

“a Section 106 agreement securing community use of the sports centre and a local labour and business agreement, and any direction of the Secretary of State, that the decision to approve any submitted amendment to the siting of the proposed changing rooms be delegated to the Regeneration and Economic Development Divisional Director in consultation with the Chair and Deputy Chair of the Development Control Board the provision of a convenient warm up/cool down area, storage space and space for refreshments for athletics club use of Mayesbrook Arena, the precise details of which be delegated to the Regeneration and Economic Development Director in consultation with the Chair and Deputy Chair of the Development Control Board.”

- 1.30 As the facility will be built on Metropolitan Open Land, the planning application also requires the approval of the Mayor of London and of the Secretary of State for Communities and Local Government. The Mayor has provided comments on the application and has agreed that the Council can proceed to its own decision without

further reference back to the Mayor. Discussions are ongoing with the applicant regarding the details of the Section 106 agreement, which must be signed before planning permission can be granted.

- 1.31 The Secretary of State's response is expected on 12 November 2010. A verbal update on this issue will be provided at the Cabinet meeting.

2. Proposal

- 2.1 It is proposed to utilise external funding to meet the costs of building a new sports centre in Mayesbrook Park and to renovate the Mayesbrook Arena athletics' facility.
- 2.2 To secure funding from the Olympic Delivery Authority to part fund the cost of building the new sports centre, it will be necessary in the first instance for the venue to be used to host a number of Olympic games time training camps, which will require exclusive, but time limited, use of the new sports centre.
- 2.3 The same restriction will apply to the Mayesbrook athletics' arena and the Park's football pitches, which will be used for throwing sports (javelin, shot put, hammer and discus).
- 2.4 Once the Olympics are over the sports centre and athletics' arena will be re-opened for community and club use. The football pitches will be reinstated and made available for use by local clubs.

3. Financial Issues

- 3.1 The new sports centre will not require any capital investment by the Council and the same applies to the improvements to the athletics' facilities at the Mayesbrook Arena.
- 3.2 The sports centre development will only be progressed on the basis that the capital and ongoing revenue costs will be wholly externally funded. The likely cost of building the sports centre is estimated to be £9.355 million, which will be met in total by the private developer. It is expected that the developer will secure a grant of about £3.9 million from the Olympic Delivery Authority to allow the facility to be used as a games time training venue for the Olympics and Paralympics.
- 3.3 As the lessee, the developer will be responsible for operating the sports centre during and after the Games. There are no ongoing revenue implications for the Council associated with this proposal.
- 3.4 Property Services have advised that an appropriate ground rent for this type of commercial arrangement is £25,000 per annum. It is proposed that this sum will start to be paid to the Council on an annual basis on the first anniversary of the lease.
- 3.5 This funding will be utilised to provide enhanced community access to the new sports centre and for the provision of participatory activities in the wider park.

4. Legal Issues

The comments of the Legal Partner appear above.

5. Other Implications

Risk Management

Athletics' training camp

- 5.1 There are not considered to be any meaningful risks associated with the potential improvements to the athletics' arena. If these go ahead it is expected that they will be delivered at no additional cost to the Council.

Sports centre

- 5.2 The Development Control Board has decided that the sports centre can only be built if adequate facilities are provided for the Havering Mayesbrook Athletics' Club.

- 5.3 There are three key risks associated with the sports centre development:

- (a) local residents, schools and clubs are not able to benefit from the development. It is planned that this risk will be managed through a S106 agreement with the developer which, it is proposed, will guarantee reduced price access to target groups and specify the support to be provided to local clubs and schools;
- (b) the developer could fail to complete the building of the new sports centre. It is planned that the Heads of Terms of the lease agreement will contain a performance bond from the developer to ensure that the building works can be completed under any and all circumstances; and
- (c) once completed, the sports centre could cease trading for a variety of reasons at some time during the course of the lease agreement with the Council. How this issue can best be managed will also be addressed in the Heads of Terms.

Customer Impact

- 5.4 The new sports centre and renovated athletics' facility will make a positive contribution to health and well being in the Borough. The sports hall and gym provision in the new sports centre will also help to address the strategic under provision of this type of facility in the Borough.
- 5.5 The S106 agreement should secure reduced priced access to be provided for specific target groups to help ensure that cost is not a barrier to participation. Also the sports centre will be designed to be accessible for disabled people.
- 5.6 Both the sports centre and the improved athletics' arena will be a valuable resource for local schools and clubs.
- 5.7 The Euro Dagenham Football Club and the Havering Mayesbrook Athletics' Club have raised specific concerns about how they might be affected by these proposals. Efforts are being made to ensure that, where appropriate, these concerns will be addressed in a positive way.

Safeguarding Children

- 5.8 The Council will work with the sports centre management team to ensure that current safeguarding standards for children and vulnerable adults that are currently in place across the Council's leisure centres will be implemented at the new centre.
- 5.9 Also the various clubs that will use the new sports centre have National Governing Bodies with rigorous governance and safeguarding arrangements in place.

Health Issues

- 5.10 The Council has approved a health and well being strategy, which has ten key priorities, one of which is to increase levels of physical activity in the Borough. If approved, the developments outlined in this report, will provide a significant improvement to the quality and range of facilities available to schools and sports clubs and will support many more local people to become and remain physically active.
- 5.11 Council and NHS Barking and Dagenham officers responsible for health improvement strongly support the proposed development. In particular the likely involvement of Paralympic sports will mean that the sports centre will have excellent access standards.
- 5.12 Similar to other areas of the Borough, the area surrounding the proposed development has high levels of obesity and cardio-vascular disease which could be reduced through increased levels of physical exercise. Physical exercise is also beneficial for mental health and the proposal would increase opportunities for physical activity for local people.
- 5.13 The provision of a health suite is important as this has the potential to attract a sports medicine or rehab unit in the community based at the new venue.
- 5.14 The sports centre operator will be encouraged to participate in the Access and Connect scheme to ensure the universal collection of leisure activity data.

Crime and Disorder Issues

- 5.15 Appropriate advice has been sought and will be implemented to minimise the likelihood and impact of vandalism, other types of crime and anti social behaviour at the new sports centre.
- 5.16 It is expected that the location of the new sports centre will help to address the vandalism and related problems being experienced at the adjacent athletics' arena. To help address anti social behaviour, the developer has allocated office space within the new sports centre (at no cost to the Council) to be used by the Neighbourhood Parks' team. Also the new sports centre will support a programme of positive and diversionary activities for young people who currently use the Park.
- 5.17 It is expected that the new sports centre will have a positive impact on crime and disorder in the Mayesbrook Park because the centre will be operating for seven

days each week and late into the night. The centre's staff and service users will provide a visible public presence in the Park, which it is considered will help to both counter anti social behaviour and enable it to be reported in a timely way if it occurs. This will be further enhanced by the provision of external lighting and CCTV equipment as part of the sports centre development.

6. Options appraisal

- 6.1 The Council has been provided with the opportunity to transform the sporting offer in one of its strategic parks through the renovation of dilapidated sporting facilities and the provision of a new multi purpose leisure centre at no capital or ongoing revenue cost. This is the preferred option.
- 6.2 Alternatively the Council could choose to forego this opportunity.

7. Background Papers Used in the Preparation of the Report:

Cabinet Minute 146 and report, 16 March 2010: Mayesbrook Park renovation scheme.

8. List of appendices:

Appendix 1 Plan of Mayesbrook Park showing proposed use as a games time training venue