

Strategic Policy and Resources Committee

Friday, 26th April, 2013

MEETING OF STRATEGIC POLICY AND RESOURCES COMMITTEE

Members present: Councillor Hargey (Chairman); and
Councillors Attwood, Convery, Haire, Hanna,
Hendron, Jones, Lavery, Maskey, McVeigh,
Ó Muilleoir, A. Newton and Reynolds.

Also attended: Alderman Rodgers.

In attendance: Mr. P. McNaney, Chief Executive;
Mr. R. Cregan, Director of Finance and Resources;
Mr. A Hassard, Director of Parks and Leisure;
Mr. G Millar, Director of Property and Projects;
Mr. Stephen McCrory, Democratic Services Manager; and
Mr. J. Hanna, Senior Democratic Services Officer.

Apologies

Apologies for inability to attend were reported from Aldermen M. Campbell and R. Newton and Councillors Corr and Mac Giolla Mhín.

Declarations of Interest

No declarations of interest were reported.

Maximising the Regeneration Impact of Stadia

The Committee considered the undernoted report:

"1 Purpose of paper and special Committee meeting

1.1 The key purpose of this paper and the Special Committee is to ask Members to decide –

if they wish to proceed with the option to relocate the existing Olympia Leisure facility into the new West Stand in Windsor Stadium. This was highlighted as Members' preferred approach in relation to the Windsor redevelopment at the special SP&R Committee meeting on 8th March 2013.

If this option is selected then delivery would be in two phases:

- Phase 1 - building the new centre in the stadium and
- Phase 2 -redeveloping the existing Olympia site as a 'sports village' and boulevard entrance from Boucher Road as part of the wider regeneration plan.

- 1.2 Members are asked to note that intensive discussions have been ongoing with the IFA/DCAL in relation to this project and the proposed lease arrangements and potential community benefit proposals. This paper provides an overview of the current status of the discussions as at Thursday 25th April (see para 2.7). Members will be updated if this position changes.
- 1.3 Members are asked to note that this decision is tightly timebound. The money allocated to the stadia projects must be spent within this Comprehensive Spending Review period which ends in 2015 or else it is at risk. Planning permission for the stadium at Windsor has been granted and DCAL/IFA intend to begin construction in September 2013. The stadium includes a structure on the west stand that requires further design if Olympia was to relocate into it. The stadium tender provides an opportunity for the Council to avail of the rates for the overall stadium construction and this should present better value for money than if we proceeded outside this.
- 1.4 This paper also gives an update on the ongoing work in relation to the Andersonstown site.

2. Relevant Background Information

- 2.1 Members will be aware that in March 2013, SP&R agreed to continue the 'in principle' decision to move both the Olympia and Andersonstown Leisure Centres to Stage 2 of the Capital Programme as the first phase of the Citywide Leisure Estate Review; and to further develop the regeneration plans in respect of both sites concurrently as far as possible working toward an investment decision in May with a completion date in 2016. Since this time discussions have been ongoing with DCAL, the IFA and with DSD re the wider regeneration plans.

Olympia

- 2.2 Members agreed at Committee on 8th March that Olympia should 'in principle' move to Stage 2 of the Capital Programme. A Strategic Outline Case (SOC) has been developed and a full Economic Appraisal has been commissioned. A number of other comparator options in

relation to Olympia have been examined. All the options are based on a notional 2,500m² centre (based on the size of the existing Olympia) in a range of locations. These options have been also assessed against the principles of the leisure transformation programme which were presented to Members in January, as part of the Deloitte report on the leisure review.

2.3 Table 1 – Extent to which the options fit with the principles of the Leisure Review Leisure Review Principles

Leisure Review Principles						
Options 1-5	Quality	Health and well-being outcomes	Value for money	Balanced investment and accessibility	Partnership	Affordability
1. Do nothing	○	●	○	●	○	●
2. Redevelop on current site	●	●	●	○	○	○
3. Relocation into stadium	●	●	●	●	●	○
4. Site not currently owned by BCC	●	●	○	○	○	○
5. Re-develop on site owned by BCC	●	○	●	○	○	○

Fit with Leisure Review principles:

No fit	○	Partial fit	●	Strong fit	●
--------	---	-------------	---	------------	---

2.4 From the analysis relocation into Windsor appears to offer the best overall fit with the principles underpinning the Leisure Review. This is strengthened by feedback from the programme of engagement which is ongoing with the public, stakeholders and staff. Responses to date have been very positive in terms of the potential redevelopment of the area, and the possibility of relocating into the stadium. It should be noted that the relocation into the stadium has been presented in the context of the wider sports village regeneration concept.

2.5 The early economic analysis of these options concluded that the relocation of Olympia into Windsor (Option 3) was the best fit for the Council provided that this was at a nil rental and with at least a 25 year lease period. Scenarios where a rental is charged were also considered as part of Option 3 however

these were discounted as they did not provide a value for money option for the Council.

2.6 The initial analysis has also explored the potential mutual benefits to the Council, IFA and DCAL in co-locating the stadium and leisure facilities as per Option 3. There are further mutual benefits involved in the delivery of the wider sports village concept, including the provision of the new proposed boulevard access. The benefits for IFA and DCAL include:

- Programme synergies between Council and IFA e.g. for young people
- Increase footfall based on the 210,000 visits to the Council's current leisure provision
- Cross-marketing opportunities to diversify attendees at stadium events e.g. families
- Proactive management by Council of a shared, welcoming and safe location

Further detail on the potential benefits shared by all parties has been circulated. Preliminary discussions have taken place with the IFA as to how to maximise and sustain the community benefits from co-location.

Discussions with the IFA and DCAL

2.7 As outlined above in 1.2, intensive discussions have been ongoing with the IFA/DCAL re the lease agreement if the Council was to relocate its facility into Windsor. These discussions have ranged from the IFA proposing an initial rental cost of £200,000 per annum, and a further revised proposal of £142,500 per annum reviewable annually in line with RPI and based on a 25-50 year lease term. IFA were basing their rental proposals on a 'return on capital' investment principle.

2.8 The Council in its discussions with DCAL and the IFA has stressed that the option of relocation into Windsor is only feasible and value for money to the Council if this is provided at a nil rental with a 25 to 50 year lease period (in line with the Council's obligations under Best Value legislation and in keeping with the aims of reducing our costs which is an integral part of the leisure transformation programme) and with a mutually beneficial community development/ social capital proposal as an integral part of the project.

2.9 On Wednesday 24th April, the IFA confirmed in an email to the Council that –

‘the Association would be in agreement in principle to engage with BCC on the use of the West Wing for the relocation of leisure services currently provided at Olympia. This would be subject to agreement in detail on a funding methodology which would enable the Association to develop significant social capital in the local area by way of community developments. We can work on this in some detail with our respective staff teams in the coming days to agree appropriate quantum etc. We understand that there will be a two stage approach to the overall development of the wider site, with more detail on the rest of the available space down towards Boucher Road at a later date’.

- 2.10 Members are asked to note that preliminary discussions have taken place with the IFA as to how to maximise and sustain the community benefits from co-location. This could include, as part of a partnership arrangement between IFA and the Council, revenue costs for a sports development/community development programme, based in the stadium and working across Belfast to deliver increased participation, health and well-being outcomes as well as ensuring the stadium and leisure facility is a welcoming, shared and safe space for all. To enable IFA to appreciate the benefits of co-location as a matter of urgency, work will be undertaken to determine the nature, financial implications and social value of the partnership arrangements. Further detail will be brought back to Committee for their consideration.**
- 2.11 Members are asked to note that DCAL has also highlighted that as a condition of the funding, they require the IFA to demonstrate tangible community benefit and the provision of a community facility as part of the overall development.**

3. Key issues

- 3.1 The correspondence from IFA raises a number of key issues and there are a number of other points that Members will need to consider in coming to an investment decision –**
- a. The correspondence from the IFA on Wednesday 24th April is vague in its detail. It does not definitely confirm that the relocation will be at a nil rental. It also does not give any confirmation re the lease period which would be offered to the Council –this does not represent a value for money proposition for the Council**

- b. IFA have highlighted that agreement on relocation *'is subject to a funding methodology which would enable the Association to develop significant social capital in the local area by way of community developments'*. Preliminary discussions have taken place with the IFA in this regard but the nature and quantum of this remains to be agreed. This community benefit proposal needs to explore and reflect the benefits as outlined in 2.5 above
- c. Option 3 (Relocation) anticipates a contribution of £2.6m being made by DCAL/IFA in respect of the shell for the leisure facility which in effect represents the 'community benefit' contribution of the stadium development. However if the Council is charged any form of rental then this negates this financial benefit and will in effect mean that the Council is funding the community benefit part of this proposal and therefore fundamentally the public purse is funding this twice
- d. From a financial perspective if the Council was charged a rental (at any level) this would NOT reflect best terms under local government legislation, even setting aside the community benefit element.
- e. Phase 2 of this proposal (the 'sports village') concept needs further development. Substantial additional enabling works are also required in order to facilitate the relocation of the leisure facility within the West Stand. This includes the cost of the boulevard access road, the relocation of the two pitches (existing Council and Linfield), potentially a new stand and a new play park.
- f. Discussions are also ongoing re the potential of relocating the existing community centre closer to the Village area
- g. The timescales for this project are extremely tight. In order to meet the programme for delivery of the stadium there will be a significant amount of work which will need to be undertaken within the coming weeks including final specification for the centre, detailed costs and designs. There will be a cost implication to the Council of developing these and the Council will be working 'at risk' in this regard as a definitive agreement has not been reached with the IFA

5 Resource Implications

5.1

- **Financial -_Not quantified at this stage but likely to involve significant financial investment in regard to the two leisure centres and associated assets required to fulfil regeneration opportunities. There may also be potential revenue consequences in relation to the community benefits. Further design work on the Olympia project will also be ‘at risk’**
- **Human Resources -_There will be significant staff resource requirements from relevant departments in order to develop each project in line with DCAL’s tight timeframe. Potential staffing issues will be examined as part of the overall review of the leisure transformation programme. Any resultant HR issues will be managed in accordance with the Council’s processes, policies and procedures for dealing with HR matters and TU consultation.**
- **Asset and Other Implications-_Unknown at this stage, however comprehensive regeneration of the significant stadium developments should lead to improved services and benefits for the community and aesthetic improvements at Council sites.**

6 Equality and Good Relations Considerations

- 6.1 It is envisaged that both inclusive regeneration stadium strategies progress in parallel, enabling a wider positive impact across the city. The phases of the overall leisure transformation will be subject to equality screening. This will include the periodic screening of the stadia developments as part of phase 1 to identify differential impacts and any mitigating actions required, in accordance with standard Council procedures.**

7 Decisions required

7.1 The Committee is asked to –

- **note that the relocation of the leisure facility into the stadium is the preferred option but only on the basis of a lease agreement for at least 25 years with a nil rental.**
- **note that while initial discussions have been held with the IFA re the community benefit proposals the detail remains to be agreed**

- In light of the above, it is therefore recommended that the Council only agree 'in principle' with the relocation on the basis that –
 1. a nil rental and a lease of at least 25years is agreed with the IFA (subject to the detailed terms of the lease being agreed between the IFA and Council's Town Solicitor and Estates Manager) and
 2. a mutually beneficial agreement is reached by the IFA and the Council in relation to the social capital/community benefit arrangement.

- recommend that Members seek a definitive position from the IFA to allow an update report to be taken to the next SP&R Committee meeting on 10th May
- approve that the Council works 'at risk' on this project in the coming weeks on developing up costs and detailed designs in order to meet the timescales for the delivery of the stadium programme.
- agree that officers also continue to explore alternative options in the event that a mutually beneficial agreement cannot be reached with the IFA, DCAL and/or Linfield FC
- give authority for a further special meeting to be arranged at the end of May at which costs etc. will be presented to Members if this is still required
- note that a further report on Andersonstown/Casement, including an update on community benefit, will be taken back to Committee in due course."

After discussion, the Committee adopted the recommendations.

Chairman