

Cabinet

9 September 2014

Report of Cabinet Member for Leisure, Culture & Tourism

Community Stadium & Leisure Facilities Update

Executive Summary

1. The purpose of this paper is to update Cabinet of the progress of the procurement for the Community Stadium & City Leisure Facilities contract. The scope of the project has expanded considerably with the inclusion of the city's leisure facilities since the approval of the original business case.
2. The final bid stage is now complete and Greenwich Leisure Limited (GLL) have been selected as the Preferred Bidder. GLL propose to create a new leisure destination of regional significance which will include an extensive and exciting range of community focused facilities.
3. This exciting new scheme the 'New Stadium Leisure Complex' (NSLC) proposes:
 - 8000 all-seat community sports stadium to host professional football and rugby league games.
 - New 'state-of-the-art' leisure and sports centre including 3 pools, a competition standard sports hall (meeting a priority need for the City) and a children's extreme / adventure play centre.
 - NHS Training & Development Centre with use within the Community Hub.
 - Community hub housing a range of community uses and partners focused around an atrium containing an Explore Library with a cafe meeting area
 - Commercial retail, digital cinema and restaurants / bars to complement the site creating a unique and exciting leisure destination that will provide the majority of the funding for the new leisure swimming facilities.
4. This scheme provides a major boost for the City's sport and leisure offer with a range of exciting high quality leisure facilities that far exceed those currently available. The total direct cost of the project will be c.£37M, requiring only c.£8M of CYC funds (22% of the total costs). The financial implications and associated risks of proceeding with the project up to

contract award are set out below. Council approval will be required of a revised capital budget.

Background

5. The Business Case and budget for the project were noted at Cabinet on 6th March 2012 and approved at Full Council on 29th March 2012. Outline planning permission was granted on the 5th July, following confirmation from the Secretary of State that the decision should be dealt with locally. The 3 month Judicial Review period ended without challenge on the 6th October 2012.
6. At the January 2012 meeting of the Cabinet Member for Leisure, Culture & Tourism the Procurement Strategy was agreed for the project. An OJEU notice starting the formal procurement activity for the project was posted on the 14th September 2012.
7. The scheme includes the Design, Build, Operation and ongoing Maintenance (DBOM) of the NSLC and the Council's leisure facilities for a 13 year period with the option for an additional 5 years (total 18 years).
8. There was a strong response from the market. The Council short listed four consortia to proceed in the Competitive Dialogue (CD) process. A number of key commercial messages emerged from the process:
 - Waterworld was considered not to be a commercially sustainable leisure concern in its current format and condition. It would require significant reconfiguration and investment to make it commercially sustainable.
 - Options for investment into Yearsley were also considered as part of the procurement. However, it would require considerable investment and better car parking facilities, which to date have not been secured, making it too expensive with a limited leisure offer compared with other options. The cost to the Council of operating Yearsley Pool has been consistently over £250k per annum over the last 5 years and this made it a commercial unattractive option as part of the future leisure management contract for the City.
 - There was considerable scope for the creation of a major leisure destination at the site, if effectively linked to the new Vangarde retail park.
 - The opportunity exists to increase the level of investment and community benefits through some additional commercial development.
 - Scope existed to increase the base capacity of the stadium.
9. To fully explore these issues, the 'outline proposal' stage of the procurement was extended so detailed feasibility work could be undertaken. This has created a delay to the outcome of the procurement

process. The feasibility examined the potential of using commercial development as a means of funding a suitable replacement for Waterworld and the most cost effective means of delivering the optimum master-plan for the site that will maximise community benefits. This has had a dramatic impact on the overall project costs.

10. In December 2013 two bidders were invited to prepare final submissions. Following in-depth evaluation, GLL have been appointed as the preferred bidder.

Scheme Proposals

11. The outcome of the last 18 months' work is a landmark leisure destination of regional significance with an extensive mix of sports, community, leisure and commercial facilities. Images of the scheme are provided in Annex 2. The new proposals fall into three separate categories: a) the New Stadium Leisure Complex, b) the wider leisure estate, c) off site facilities related to the project.

New Stadium Leisure Complex (NSLC)

12. The scheme proposes the following outputs at the existing Huntington Stadium / Waterworld site:
 - 8000 all-seat sports stadium to host professional football and rugby league games (originally 6,000 seats).
 - A large Community hub (4408 sqm) forming central atrium with cafe meeting area and access to stadium, leisure facilities and community uses which contains:
 - York NHS Hospital Trust facilities including use of the Stadium Hospitality areas for Training & Development and use of Community Hub space.
 - York St John University's 'Community Institute for Sport and Wellbeing team'.
 - Independent Living Assessment Centre retail & support unit which assists residents with information, assessments, and products to aid independent living operated by 'Be Independent' social enterprise.
 - Gateway Explore Library space that will be based in the main atrium area providing a new type of library aimed at accessing new users & groups.
 - Other charitable organisations seeking office & retail space.

- A major new 'state-of-the-art' leisure and sports centre totalling 5113 sqm (this is a new component of the project with a major financial value) containing:
 - 25m swimming pool
 - Teaching pool
 - Leisure fun pool
 - Café and viewing gallery
 - 4 court sports hall (competition standard basketball) with viewing gallery
 - Outdoor high ropes climbing facility
 - Children's Indoor adventure / extreme centre
 - Outdoor 3g sports pitches
 - 100 station gym
 - Spin and dance studio
 - Changing facilities
- The community uses will be supported by and integrated with an exciting range of commercial leisure uses that will add to the attraction of the destination and also provide the majority of the funding for the new leisure facilities, the 2000 additional seats to the stadium and associated project costs and external works. It is proposed to include:
 - Retail units totalling 4245 sq m
 - Two restaurants totalling 110 sq m
 - A digital cinema with bar totalling 1652 sq m

a) Wider City Leisure Facilities:

13. The proposal will involve the operation of the NSL Centre (set out above), Energise and Yearsley swimming pool. Waterworld will close as part of the redevelopment to make way for the new leisure complex. These facilities will be managed as part of an operational contract for 13 years with a 5 year extension clause. The future operation of Yearsley will be subject to a review 6 months before the opening of the NSLC, providing the option for the operator to continue with the management if it can be operated at no additional cost, or the option of exploring other operational structures with the community and stakeholders if the operator does not wish to take up this option. This will be linked to decisions and options that may arise regarding potential investment into the wider Yearsley site.

b) Off-site facilities

14. **Athletics:** The partnership between the University of York and CYC in improving the City's sport provisions has been further developed. The delivery of the County Standard Athletics facilities is now secured through a funding & user agreement with York University. The facilities are under construction. A new sand dressed astro-turf pitch has also been included as an additional project output that will significantly improve the City's sport offer. The capital cost for delivering this project has not changed and will be delivered within the £2M budget. The feasibility and project costs in developing the proposals of the off-site developments and agreements have been charged to the wider project costs budget.
15. **Rugby League Training & Reserve Facilities:** A user agreement has been signed between YSJ & CYC securing the development of a new 3G 'RFL Community Standard' pitch suitable for training and reserve grade matches at Haxby Road Playing Fields. The 20 year agreement secures use for 11 hours per week training and sports development use, reserve matches and the dedicated use of all support facilities including a gymnasium and pavilion. When the YSJ new pavilion proposals are implemented the agreement will allow their ongoing use. These facilities are transferable to the Rugby League team as part of the stadium development. These facilities are being delivered within the budget. Legal and feasibility costs have been charged to the wider project costs budget.

NSLC Site Management

16. GLL will be responsible for the overall management of the site and the direct management of the Community Hub, leisure facilities and associated assets. This will be controlled by an overarching lease and management contract for a 13 year period with a 5 year extension option. As part of the procurement process, GLL have appointed York City Football Club (YCFC) as a sub-contractor to operate the stadium area. YCFC will work with CGC (York Racecourse hospitality company). The proposal will involve changes to the existing parking and access arrangements. This will see the re-routing of Kathryn Avenue around the stadium, creating a pedestrian only and fan zone, strengthening links with the Vangarde retail scheme. The existing Park & Ride site will be extended to ensure the existing capacity remains.
17. GLL will be responsible for the management of all partners and tenants within the stadium & community hub. These relationships will be governed by management agreements between the parties. All community hub tenants will enter into lease agreements with CYC for the use of the facilities. All leases have been set at appropriate commercial rates. Now the final scheme and preferred bidder have been announced, the lease documentation can be finalised.

18. Match Day Agreements (MDAs) have been prepared for the sports clubs' occupation of the Stadium. The MDAs will govern their terms of use rentals and mechanisms for the generation of income.

Update on the Business Case

19. The original business case for the Project was approved in March 2012. This was based on a stadium only solution. The business case was updated at the Cabinet in November 2012. Since then the project scope has changed considerably, with the inclusion of the City leisure facilities and now the proposal to redevelop Waterworld with a new leisure complex. To deliver this exceptionally high quality and extensive regional leisure complex the overall value of the wider proposals have increased from c.£19M (stadium only) to c.£37M. The main drivers for the increase in cost are summarised below:
- Higher specification of the stadium element including an increase of base capacity by 2,000 seats to 8,000.
 - Inclusion of new state-of-art leisure complex for the City including a 25m pool, training & leisure pools, competition sports hall (a key priority for the City's leisure facilities strategy), 100 station gym, adventure / extreme play centre.
 - Increased quality design specification for the community hub, atrium that will also include an additional community tenants (including local charity York Against Cancer).
 - Uplift in project costs & contingencies due to an increase in overall value and complexity in delivery.
 - Improvement in the overall design and efficiency of the proposal to create a commercially sustainable scheme that meets the Council's long term financial objectives for the provision of high quality leisure facilities across the City.
20. The Council's original contribution towards the Community Stadium element of the proposal remains at £4M. The majority of the additional capital cost for the new items included within the scheme set out in the bullet points above. The commercial development proposed will be structured as a land transaction within the overall DBOM contract. The construction costs of the commercial development will be funded by the Developer. The commercial development will also generate £12m capital contribution to the construction of the stadium.

The Council will need to make an additional capital contribution to part-fund the new leisure facilities proposed, to ensure that the facilities maximise the potential of the site, deliver the widest range of community benefits and provide an acceptable balance of commercial and community uses. This additional capital would need to be funded through the Council's

Prudential Borrowing mechanism and is estimated to be c.£4M subject to the final scheme details. Approval is sought as part of this report.

21. The overall increased capital cost has also created a range of new income streams through the new facilities provided. This has the benefit of improving the long term financial sustainability of the complex, ensuring that its operation and maintenance remains within the Council revenue budget of £323K per annum, identified for the contract period.
22. A summary of the Project's progression and the overall capital financial position is provided in the tables below (based on the bid proposals);

Table 1: Comparison of Capital Costs 2012 - 2014

Component	Approved March 2012 (£Ms)	Approved Nov 2012 (£Ms)	Proposed Sept 2014 (£Ms)
Community Stadium	14.2	14.8	16
Leisure Complex	0	0	12
NSLC External works	1.5	1.45	3
NSLC sub total	15.7	15.25	31
Other facilities / Project costs & contingencies	3.5	3.95	6
Total	19.2	19.2	37
<i>Commercial Development Costs (externally funded)</i>	-	-	10
Gross Total Cost	19.2	19.2	47

Table 2: Proposed Project Funding

Overall Project Capital Funding (figures rounded)	Amount (£Ms)
CYC Stadium capital	4
CYC Leisure capital ¹	4
S106 funds ²	15
YCFC / FSIF funds ³	2
Commercial development land deal	12
TOTAL CAPITAL FUNDS	37

NOTES

1 This £4M is an additional funding requirement based on the bidder's proposals and is not yet approved in the Council's capital programme. The associated revenue cost of prudential borrowing will need to be factored into the appropriate revenue budget. Approval is sought as part of this report.

2 Contributions for transport mitigation and other technical issues relating to the retail aspect of the outline consent are not included in this figure and remain in a ring fenced S106 fund. A breakdown of the S106 funds is provided in Annex 4.

3 The legal agreement controlling the YCFC capital contribution through the sale of Bootham Crescent and FSIF grant is currently being finalised. The overall value will be dependent on a complex funding formula that will secure £2m over the life of the contract that will be used to support project costs, site enabling works and act as a project contingency.

Project Costs

23. The project costs have increased considerably from the original business case, yet remain within the overall budget parameters. This is a reflection of the significant increase in scope and complexity of the project. The decision to include the City's Leisure facilities and use Competitive Dialogue for a Design Build Operate & Maintain (DBOM) contract has added great complexity to the management of the project, particularly in relation to legal costs, commercial advice and ongoing risk management. The timescale through to financial close has also extended, compared to that originally envisaged. The increase in specification and inclusion of a new leisure complex has significantly increased the professional fees, feasibility, survey and site enabling works required.
24. The inclusion of the commercial proposals has introduced a new level of complexity which has required specialist commercial and legal advice. The cumulative effect of these additional aspects also required a better resourced CYC Project Team to ensure continuity and risk management for the Council as part of the delivery of this highly complex multi-partnership programme. These resources will need to be in place through to financial close which is estimated to be 2016/17 at the earliest.

Leisure Revenue Budget for the Contract

25. At the time the original business case was approved, considerable work was undertaken, on potential operational models for the stadium that were supported by estimated profit & loss accounts (P&Ls). As the scheme has been developed through the procurement process more certainty has been

provided regarding the model that will be used, and the flow of cost and income.

26. The detailed workings of the operation of the stadium and leisure contract will be transferred to the contractor for the management of the facilities; therefore further detailed analysis is not necessary. Detailed due diligence of the bid proposals has been undertaken. The Council will still retain some ongoing risks relating to the overall operation of the stadium and leisure contract. A summary of these risks is provided in the risk section of this report. A full risk assessment of the development and ongoing contractual risks will be provided as part of a future paper before the point of contract award, when all of the outstanding contractual issues have been resolved through the next stage of the procurement process.
27. The increased capital expenditure has not only created a significant improved range of community facilities, but it also enables the generation of new income streams and better quality facilities that are sustainable in the long term. These income streams will be contained within the DBOM contract, that also include lifecycle and maintenance programmes for all facilities for 25 years. All of these costs are contained within the budget set by the Council, and will be maintained over the life of this 18 year contract, minimising the ongoing financial risk to the Council.
28. The bid submission is within the Council's affordability target of £323K per annum (agreed CYC budget) for the ongoing management of the stadium and leisure facilities contract. Due diligence and risk assessment work suggests that there is sufficient scope through the 'Preferred Bidder' stage to deliver the contract within the budget set by the Council.
29. Consideration is given as part of this report to the cost of Prudential Borrowing an additional £4M for the new leisure facilities. This would be approximately £360K per annum and would take effect from 2016/17. Council would need to approve the borrowing and make a commitment to the future revenue costs. Further commentary is provided in the financial implications section below.

Sports clubs

30. Detailed commercial negotiations have been underway with York City Knights Rugby League Club (YCKs) and YCFC, since the approval of the business case in March 2012. This has resulted in the finalisation of MDAs which contain all terms for the occupation of the stadium.
31. These negotiations have required a careful balance to achieve a commercially viable solution that demonstrates best value for the Council, whilst providing a sound and affordable starting position for the City's professional football and rugby league clubs, using the new community stadium as their home. The outcome of these negotiations is set out in a suite of legal agreements, based around the MDA for each club.

32. With regards to York City FC, a number of associated agreements have been prepared that will secure the terms of the FSIF grant payment relating to the sale of Bootham Crescent.
33. With regards to York City Knights, separate agreements have been signed between the Council and:
- a) **YCFC**; to secure use of Bootham Crescent for up to two seasons for first team rugby league matches whilst the new stadium is built. A user agreement has been prepared between CYC and YCKs transferring those rights for the use of Bootham Crescent.
 - b) **York St John University**; for access to the YSJ Haxby Road Sports Village. This agreement secures the provision of a new purpose built 3G RFL 'Community' standard floodlit pitch and access to other facilities at the sports village. It secures 11 hours training use per week and access for reserve games, as well as access to the gym, classroom and other facilities. A user agreement has been prepared between CYC and YCKs transferring those rights for the use of the facilities to YCKs for up to a 20 year period.

Timescale

34. The estimated completion date of the project is July 2016. The key milestones are set out below. There remains a risk that during the final stage of the procurement process complications may delay the progress of the project, particularly in relation to resolving detailed contractual issues and the progress of the planning application. The key dates moving forward would be:

Table 3: Estimated Project Timetable

Date	Action / Milestone
December 2014	Waterworld closes
Nov / Dec 2014	Planning Submission
December 2014	Archaeological dig and intrusive / structural survey work
Feb / March 2015	Planning Approval
March 2015	Site mobilisation
April 2015	Contract live (GLL operation of Energise and Waterworld)
April 2015	Construction begins
July / August 2016	Construction complete / facilities operational

Implications & Risks

35. **Yearsley:** The pool will be operated under the contract until the NSLC opens. A review point is proposed to be completed 6 months prior to the opening of the NSLC. The contract provides the option for Yearsley Pool's ongoing operation, providing this is at no additional cost to the Council. It is proposed to now fully explore the potential for alternative options for Yearsley's ongoing operation outside the leisure contract once the NSLC is open should the operator not be able to operate it at no additional cost. There is a long lead-in time to the review date, providing a good opportunity to consider all potential options with the community and relevant stakeholders regarding future operational models.
36. **Waterworld:** Proposals for the NSLC provide an impressive range of additional leisure and community benefits compared with those currently offered at the site. The new swimming offer includes leisure water space and features. However, the closure of Waterworld will cause disruption to the swimming and gym provision in the City. It is proposed to close Waterworld just prior to Christmas 2014.
37. The closure will be managed to ensure residents and users (including swim lesson customers and gym members) are relocated to existing leisure provision in the city. Upon closure the site will be returned to CYC control and the site will be made secure until the construction programme commences.
38. **Planning:** Outline planning permission exists for the community stadium & retail development. The retail (enabling) element of this consent has now been implemented and the retail units (John Lewis, Marks & Spencer and Next) are all operational and reported to be trading well. The outline consent covered a 6,000 all-seat stadium & community hub only. This consent has been implemented through the reserved matters submission for the retail scheme. The stadium element has taken longer to bring forward due to the requirement to follow EU procurement regulations to procure its design, construction and operation. A decision was taken to follow a Competitive Dialogue process for a DBOM contract, to ensure that all development opportunities could be fully explored so that the community benefits of the scheme could be maximised.
39. The proposals include c.6000sq m of commercial development to support the delivery of the additional 2000 seats to the stadium and the new leisure complex. The retail element of the proposals will focus on sports and outdoor related retail uses that will contribute to the creation of a unique leisure and retail destination of regional significance. The commercial uses proposed are essential components of the scheme, providing the majority of the funding for the new leisure complex and the additional 2,000 seats in the stadium. Although, city centre football numbers have risen since the

opening of the Vanguard Retail Park, the proposals seek to minimise any negative impact on existing city centre business.

40. As with all major planning applications there remains a risk of delay or complication in the pre-application and submission stages. This could result in a change in format of the proposals. The planning submission being prepared will include specialist retail & commercial impact studies.
41. **FSIF / YCFC Funding:** Heads of Terms have been agreed with YCFC and the FSIF. Detailed legal documents are being finalised to secure YCFC's financial contribution to the Project. Until the legal documentation is executed there remains a risk that the funding will not be secured, which could create a financial pressure at project close.

Financial

42. The scope of the project has grown considerably from the approval of the March 2012 business case, including a new leisure complex and management of the wider leisure estate.
43. The bid submission suggests that the Project is deliverable from a financial perspective in both a capital and revenue terms. However, as is to be expected of a project of this scale and complexity the precise cost and annual budget cannot yet be finalised. Accordingly, further work needs to be programmed up to the preparation of a planning submission and through the mobilisation and construction phases to ensure that the financial impact of the final design phase is managed and mitigated where possible. Revisions to the financial submission, including capital costs, will be required as part of the planning and site mobilisation stages and these will be reported back where changes are necessary for appropriate approvals prior to contract award.
44. Initial due diligence suggests there is sufficient scope to deliver the Project as set out on the assumption the Council provide an additional £4m of capital investment to contribute toward the leisure facility, such a commitment would allow the on going operation of the facility as a whole to be contained within existing revenue budget provision. However, it should be noted that a number of the agreements and funding proposals still remain at risk until legally binding. Thus, careful risk and financial management of the project is required as it progresses through its final procurement and design phases.
45. The revenue implications an additional £4M council capital contribution towards the new leisure facilities is not included in the Project revenue budget of £323k per annum. The revenue cost of Prudential Borrowing this additional capital investment is c£360K per annum.
46. The new development will result in a change to the business rates (NNDR) position compared to the existing facility. It is estimated to yield an additional net improvement to the Council from the proposed commercial

development of approximately £400K per annum. This financial gain would offset the additional borrowing requirement of £360K per annum.

47. As set out in the Project Costs section above, considerable resources will be required to progress the Project through the final stages of the procurement and construction.

Public Health / Leisure / Play

48. The proposals will make a major contribution to the City's health improvement priorities. The site brings together a wide range of partners many with related health objectives; around mobility, physical activity health improvement and prolonged independence, focused around a new and exciting leisure destination. The co-location of health and leisure services offers unique opportunities for both to reach new audiences and to deliver their services collaboratively, this could include health information services, condition specific exercise sessions and combined appointments for users of multiple services.
49. Active York's 2014 Built Sports Facilities Strategy which is an adopted evidence base for York's emerging Local Plan, which identifies that the City has a shortage of 'open access' indoor sports space, and in particular York has no sports halls with spectator facilities, which could host competitions or showcase indoor sports. The need to address these two shortages is highlighted as key actions in the strategy. The stadium proposal will provide both casual and bookable sports hall space and a competition venue. This facility will be a major addition to the City's facility portfolio and will be welcomed by community clubs and sports governing bodies.
50. Analysis undertaken by Sport England and Active York indicates that York has a higher level of swimming pool provision per 1,000 in the population than comparable local authorities, the region or nationally. This analysis also highlights the need for modernisation of Waterworld and the need to expand the leisure offer to make Yearsley financially sustainable. The new pool at the stadium will provide a modern facility which caters for the full breadth of swimming activities, and will offer facilities which support the work of the community partners on site.
51. The City's play strategy "Taking Play Forward" 2013-2016, sets priorities for the development of high quality play provision, these include 'Support risk and challenge in all play activities; and allow children to test boundaries and assess risk for themselves.' The indoor and outdoor high ropes, climbing and adventurous play facilities will encourage risky play and provide challenge whilst enabling independence in the assessment of risk. We also welcome the additional provision of 3G football facilities which will encourage participation in physical activity and will enhance the

offer for young people in partnership with the community activities offered by the professional clubs.

Ecology

52. As part of the survey and site enabling process ecological mitigation is required to deliver the NSLC proposals, particularly relating to the expansion of the P&R car park. A number of options for mitigation are open to the Council that require the consent of English Nature. The potential for delay / complication in this process is possible. This issue & risk is constantly being managed and mitigations options being developed.

Risk Management

53. A paper was taken to the Council's Audit & Governance Committee (December 2013) regarding the Risk Process for the Stadium project. A robust risk management process is in place to control the projects risks and issues. The risk and issue registers are commercially sensitive and must remain confidential, however a summary of some of the key risks is provided in Annex 1.
54. It must be emphasised that these summaries are presented as potential risks i.e. issues or events that may arise or are yet to be resolved and may require mitigating action. They are not predictions or statements of actions that will occur or have occurred.

Legal

55. Section 122 of the Local Government Act 1972 enables the Council to 'appropriate' to another purpose/use any land owned by the Council which the Council no longer needs for the purpose for which the land was originally acquired by the Council. Where land has been appropriated for planning purposes Section 237 of the Town and Country Planning Act 1990 enables the carrying out of any development/building works authorised by planning permission where those works interfere with any easement or covenant benefiting a third party subject to payment of compensation to such third part(y/ies).
56. It is reasonable for the Council to use its powers in this case to appropriate the land for planning purposes as the appropriation will facilitate the carrying out of development, re-development or improvement works on the land and this which will contribute to the promotion of the economic, environmental or social well-being of the City.
57. Additionally the Council can only appropriate to another use any land comprising open space unless they have first advertised notice of their intention in at least two consecutive editions of a local newspaper and duly considered any objections/comments received from the local community.

Property issues

58. The land comprising the proposed stadium complex/leisure facilities site was originally acquired by Ryedale Council for leisure purposes.
59. It is considered that appropriation of the land to planning purposes will facilitate the carrying out of development, re-development or improvement works on the land which will contribute to the promotion or improvement of the economic, environmental or social well-being of its area

Human Resources (HR)

60. There has been regular briefing and consultation with Council staff and trade union representatives on the progress and development of the proposals for Leisure services.
61. Council staff employed at Energise and Yearsley will ultimately transfer to the new provider who will manage Leisure services. The TUPE transfer will be implemented in accordance with current legislation and in line with the Council's Supporting Transformation (Managing Change) policies and guidelines.
62. It is anticipated the new provider will have discussions with the North Yorkshire Pensions provider regarding application for Admitted Body Status.
63. There are no Council staff employed at Waterworld which is currently managed by Greenwich Leisure Limited (GLL).
64. Individual and collective consultation with staff and trade union representatives will be on going throughout the process, including consultation around time scales and likely date of transfer.

Equalities

65. An initial impact assessment and consultation events were held and completed in 2011 and 2012. Further consultation is planned for September and October 2014 including an event at York City FC on 1 September 2014. An updated Community Impact Assessment is being completed and will be submitted for sign off in September 2014 focusing on the changes to the leisure provision on site which were not originally included in the scheme.
66. The outcomes and impacts of these changes are all positive with the exception of a break in provision of 18 months during construction of the new facilities. However, this impact will be mitigated by the provision of alternative facilities and programmes at alternative leisure facilities in the City and the transition of customers to these venues in the short term.
67. Consultation and update has not been possible during the procurement exercise due to the commercial and legal restrictions of the process and so

will start immediately from the 01 September 2014 onwards. The original Equalities Impact Assessment form is included here in Annex 3.

Recommendations

68. Members are asked to:

- i. Proceed with the procurement on the basis of the proposals set out above, to deliver the 'New Stadium Leisure Complex' (NSLC) and the estimated project timetable set out in Table 3.
- ii. Note that GLL have been nominated as the Preferred Bidder following the Competitive Dialogue procurement exercise.
- iii. Recommend to Council the approval of £4m Prudential Borrowing for the capital investment in the replacement leisure facilities (as shown in the above tables). The associated revenue costs of the borrowing will be c£360k per annum and will be shown as growth in the treasury management budget from 2016/17.
- iv. Note the overall financial position and programme management arrangements as presented noting the financial risks and potential resultant liabilities that may arise as a result of proceeding with the scheme through the detailed planning submission and construction phases.
- v. Proceed with the submission of a detailed planning application on behalf of the Council by the preferred bidder seeking approval for the proposals for the NSLC.
- vi. Agree to the appropriation of the proposed stadium complex and leisure facilities site to planning purposes under S.122 of the Local Government Act 1972 and Section 226 of the Town and Country Planning Act 1990 on the basis that the appropriation will facilitate the carrying out of development, re-development or improvement works on the land which will contribute to the promotion or improvement of the economic, environmental or social well-being of the Council's area.
- vii. Work with relevant stakeholders in looking at community management options for Yearsley Pool as set out in para 35 of this report should the operator not take up the option to operate the pool at no additional cost.
- viii. Note the position of the project partners and the implications of proceeding and any potential delays.
- ix. Note the progress of the off-site facilities and their associated issues, risks and timetable for financial close.

- x. Note, and accept, the risks set out in the risk management section of this report, and the financial implications section.

Reason: To update Members on the procurement of the New Stadium Leisure Complex and in order to progress the scheme to provide a landmark leisure destination for the City.

Contact details

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	Report Approved	√	Date 15 August 2014
Wards Affected: All			
For further information please contact the authors of the report			

Annexes

- **Annex 1:** Project Risk Register – High level summary of key project risks
- **Annex 2:** Images of the scheme
- **Annex 3:** Original Equality Impact Assessment Form
- **Annex 4:** S106 funds from Outline Planning Consent for stadium & retail scheme July 2012

Background papers

- Cabinet Paper 6th March 2012: Community Stadium Business Case.
 - Decision Session of the Cabinet Member for Leisure, Culture & Tourism of 10th January 2012: The Community Stadium and Council Leisure Facilities: Procurement of Operator Arrangements.
 - Cabinet Paper 6th November 2012: Community Stadium Update.

Glossary of Terms

GLL	Greenwich Leisure Limited
NSLC	New Stadium Leisure Complex
NHS	National Health Service
CYC	City of York Council
OJEU	Ordinary Journal of the European Union
DBOM	Design, Build, Operate, Maintain
CD	Competitive Dialogue
UoY	University of York
YSJ	York St John
RFL	Rugby Football League
YCFC	York City Football Club
CGC	Company Name
MDA	Match Day Agreement
S106	Section 106
FSIF	Football Stadia Improvement Fund
P & L	Profit and Loss
YCK	York City Knights
EU	European Union
NNDR	National Non Domestic Rates
3G	Third Generation Astroturf pitch
P & R	Park and Ride
HR	Human Resources
TUPE	Transfer of Undertakings (Protection of Employment)