

Meeting	Executive
Date	17 March 2016
Present	Councillors Steward (Chair), Aspden (Vice-Chair), Ayre, Brooks, Carr, Gillies, Runciman and Waller
Other Members participating in the meeting	Councillor Looker
In Attendance	Councillors Doughty, Hayes and Levene
Apologies	Councillor D'Agorne

Part B - Matters Referred To Council

133. Community Stadium and Leisure Facilities Report

Consideration was given to a report which set out the background to the approval for a new stadium and leisure complex at the Vangarde Retail Park and confirmation of Greenwich Leisure Ltd as the preferred bidder for the procurement exercise.

Further information was presented to highlight the significant work undertaken to progress the scheme. This included works to incorporate a large community hub and space for a number of Community Partners together with details of the wider city leisure facilities and operation together with the maintenance of Energise Leisure Centre and Yearsley Swimming Pool. The timetable for delivery of the new complex in early 2018 and key milestones were also reported.

Officers expressed their thanks to the project team for their work on both the report and in progressing the scheme. They highlighted the enhanced facilities for the city, the reduction in capital cost by in excess of £4m and receipt of business rates in the region of £3m over the 13 year period. Members were also asked to note the funding of the project costs summarised in the

report at paragraphs 44 to 77, and in particular the legal risks and implications of not proceeding.

Members expressed their thanks to Officers for their work on the project and to earlier speakers and residents who had submitted comments and attended recent drop-in sessions. In particular Members reiterated the need to work closely with the football and rugby clubs to ensure delivery of the scheme.

Following further lengthy discussion it was

Recommended: That Executive recommend Council approval of the following:

- (i) Agreement to proceed with the Community Stadium and Leisure Facilities Project.
- (ii) The Director of Customer and Business Support Services, in conjunction with the Leader and Executive Member for Leisure & Culture be authorised to complete all final negotiations and arrange execution of the following legal documents:
 - a) the Design, Build, Operate and Maintain contract (“DBOM Contract”) and ancillary documents to the DBOM Contract;
 - b) Freehold transfer of the land adjacent to the proposed South Stand of the NSLC (“Southern Block”);
 - c) Agreement for lease of the East Stand Retail Units;
 - d) Agreement for lease of commercial space on first floor of the Southern Block;
 - e) Agreements for lease with the Community Partners.
- (iii) The approval of a total capital budget of £44.2m for the Project (as set out at table 2).
- (iv) Funding for the Project as set out below:

- a) £15.3m Stadium s106 contribution
 - b) £2.0m Football Club contribution
 - c) £1.2m Highways s106 contribution
 - d) £11.3m Commercial Capital Land Receipt
 - e) £13.4m Prudential borrowing
 - f) £1.0m Venture Fund
- (v) That additional borrowing of £5.4m, within the revised total Capital budget of £44.2m, is undertaken to fund the Project (as set out at paragraph 63 of the report).
- (vi) That the annual additional borrowing costs (£0.4m) relating to the prudential borrowing set out under recommendation (v) be included as a committed growth item in the 2017/18 Revenue Budget.
- (vii) That the Venture Fund be used to fund £1.0m of the capital expenditure which will be repaid from later years leisure revenue budget savings (as set out at paragraph 75 of the report).
- (viii) The use of the Venture Fund to manage early years deficits on the leisure revenue budget, up to a total of £0.3m. This to be repaid from later years savings on the leisure revenue budget (as set out at paragraph 75).
- (ix) That £1.2m of the transport mitigation monies from the Vangarde Section 106 Agreement be used to fund the Project (further detail of which are set out at paragraph 58).
- (x) That £0.4m be used from the existing stadium capital budget for continued early design works through to DBOM Contract signature ("Financial Close"). This £0.4m will be netted off from the overall DBOM Contract capital

cost set out in the report and is therefore not an additional cost.

- (xi) That the Commercial Development proposal be approved bringing the “Capital Land Receipt” and capital contribution to Stadium works to the Project (further detail of which are set out at paragraphs 32 - 41).
- (xii) That the freehold land transfer from the Council to the Investment Fund of the Southern Block is approved.
- (xiii) That the terms of Agreement for Lease of the East Stand Retail Units under which the Council will grant a 250 year lease to the Investment Fund be approved.
- (xiv) That the Director of Customer and Business Support Services, in conjunction with the Leader and Executive Member for Leisure & Culture be authorised, following further negotiations, to finalise and arrange execution of a 15 year lease with the Investment Fund for a portion of commercial space in the Southern Block (further detail of which are set out at paragraphs 42 - 43).
- (xv) That the Director of Customer and Business Support Services, in conjunction with the Leader and Executive Member for Leisure & Culture be authorised to complete all final negotiations and arrange execution of the Stadium Naming Rights Sponsorship agreement.
- (xvi) That the terms of the current Design Build Operate and Maintain (DBOM) Contract, as set out at paragraphs 22 - 29 be acknowledged and in relation to Yearsley Pool note the continuing Review which will be subject of a separate Executive report to be brought in Autumn 2016.
- (xvii) That the current anticipated Project timetable for delivery of the New Stadium and Leisure

Complex (NSLC) in the report is acknowledged, as set out at table 7.

- (xviii) That the risks of the Project as set out in the report, that cover the period to reaching DBOM Contract signature and through the NSLC construction period and the ongoing operation of the full term of the DBOM Contract, are noted.

Reason: To progress with the Project and enter into all legal agreements to deliver NSLC and operation by Greenwich Leisure Ltd of the NSLC and the city's wider leisure facilities.

Cllr C Steward, Chair

[The meeting started at 5.30 pm and finished at 6.45 pm].