

Executive

Report of the Directors of City Strategy and Neighbourhoods

Community Stadium – Update Report

Summary

1. The purpose of this paper is to:
 - Provide a short update on the progress of the project
 - Consider a process for assessing the benefit potential community uses
 - Outline the draft procurement strategy
 - Consider new Project Management / Governance arrangements
2. Members are requested to note the progress with the project and agree on a new governance structure for the management of the project.

Background

3. The Executive of 6th July 2010 agreed that:
 - The preferred site for the project should be Monks Cross south.
 - The replacement athletics facilities should be developed at the Heslington East Campus as part of the York Sports Village, subject to agreement of terms with York University.
 - A procurement plan should be developed and reported back to the Executive.
4. Full Council allocated the use of the LABGI funds to provide £198K to take the project to the pre-procurement stage.

Update on progress

Vangarde and Huntington Stadium sites

5. The Vangarde site is directly adjacent to Huntington Stadium and the Monks Cross Park and Ride site (both in CYC ownership). Discussions have been initiated with the owner and prospective developer of the Vangarde site (Oakgate), regarding a potential retail scheme which would include a new stadium with associated community and commercial uses.
6. The scheme would be submitted as a single comprehensive planning application and act as an enabling development for the provision of the community stadium. This scheme is likely to be a significant departure from established planning policy. It will present a case that any planning harm caused will be mitigated by 'planning gain' (the provision of a community stadium). The planning gain would be controlled by a S106 agreement which is yet to be negotiated. Once the Heads of Terms have been agreed, the scheme will be passed to the Local Planning Authority for consideration and then formal determination.

Athletics facilities

7. Discussions have been initiated with the University regarding the provision of the replacement athletics facility. Their initial formal response is due in mid October.

Community Facilities

8. The business case presented to the Executive in June 2009 and July 2010 set out a range of community and commercial uses that could support the community stadium.
9. A schedule of potential community benefits that are suitable and deliverable for the preferred site is being developed. Detailed discussions have been initiated with relevant stakeholders regarding the scheme. The final range of components that make up the 'community package' will be dependent on many factors; particularly the amount of S106 funding, the specifics of the planning case, and the needs / demands of the relevant community stakeholders.
10. It is essential that a commercially sustainable business plan supports the scheme as the council has no budget available for the ongoing revenue support of the facility. Consequently, sufficient commercial activity needs to be included within the proposal to ensure that the can effectively operate with an appropriate sinking fund and contingency. Thus, the level and nature of the community facilities is directly linked to the overall commercial sustainability of the project and forms part of the complex S106 negotiations. The options currently being considered include:

- Community access to stadium in terms of;
 - Use of pitch
 - Use of hospitality facilities and meeting rooms
 - Use of stadium for events / concerts
 - A base for community outreach work of the sports clubs
 - Explore Library 700sq m. (shell only - building to be funded by this project, fit-out and ongoing running costs funded from existing budget)
 - Investment into leisure centre (new H&F suite and other commercial leisure opportunities, modernised swimming facilities and possibly a new 25m tank).
 - Community health facilities up to 1,500 sq m – to be operated by Hospital Trust / PCT or other public health body.
 - Independent Living Demonstration & Assessment Centre: 240 sq m.
 - Institute of Sport (classroom(s) and access to facilities)– Hub for York St John’s to focus on delivery of sport / health related courses.
 - Athletics Facility – to be provided off site at University (terms to be agreed).
 - Off site Provision of 3G sports pitches
 - Heritage experience: using the adjacent ancient monument as a learning and interpretative link to the stadium (history of sport, stadia etc).
11. In order to assess the community benefit the stadium project can generate, a matrix has been developed which is based on work that was undertaken as part of the Business Case. The matrix in **Figure 1** below provides a high level indication of potential community and other wider benefits all potential components (community and commercial) offer from the scheme. The strategic themes of Inclusive City, Learning City and Healthy City have been used to assess the potential community benefits. Contributions to the other strategic objectives, commercial sustainability and complexity are also considered.
12. A draft document with a menu of community facilities with costs / outline designs will be prepared before the S106 negotiations have been initiated.

Figure 1: Community / Commercial Output Matrix

	Inclusive City	Learning City	Healthy City	Community Contribution	Sustainable City	Thriving City	City of Culture	Safer City	Complexity	Revenue stream	Other benefits	Total
Health Service Provision	5	2	5	12	1	2	1	1	3	3	11	23
Library	5	5	2	12	1	2	4	2	4	2	15	27
Independent Living Centre	5	3	5	13	1	2	2	1	4	2	12	25
H&F Leisure facilities	3	2	5	10	1	3	4	2	4	4	18	28
3G pitches	4	2	5	11	1	2	4	3	4	4	18	29
Sports Institute	3	5	3	11	1	2	4	1	4	3	15	26
Park and Ride Extension	3	-	1	4	4	3	4	2	3	-	16	20
Community Outreach Services	4	4	4	12	1	1	3	3	4	1	13	25
Hotel	1	-	-	1	1	5	2	1	3	3	15	16
Office Space	1	2	-	-	1	5	1	1	3	3	17	17
Commercial cafes / restaurants	-	-	-	-	1	5	2	1	4	5	18	18
Heritage Experience	4	4	1	9	1	1	4	1	5	-	12	21

Procurement strategy

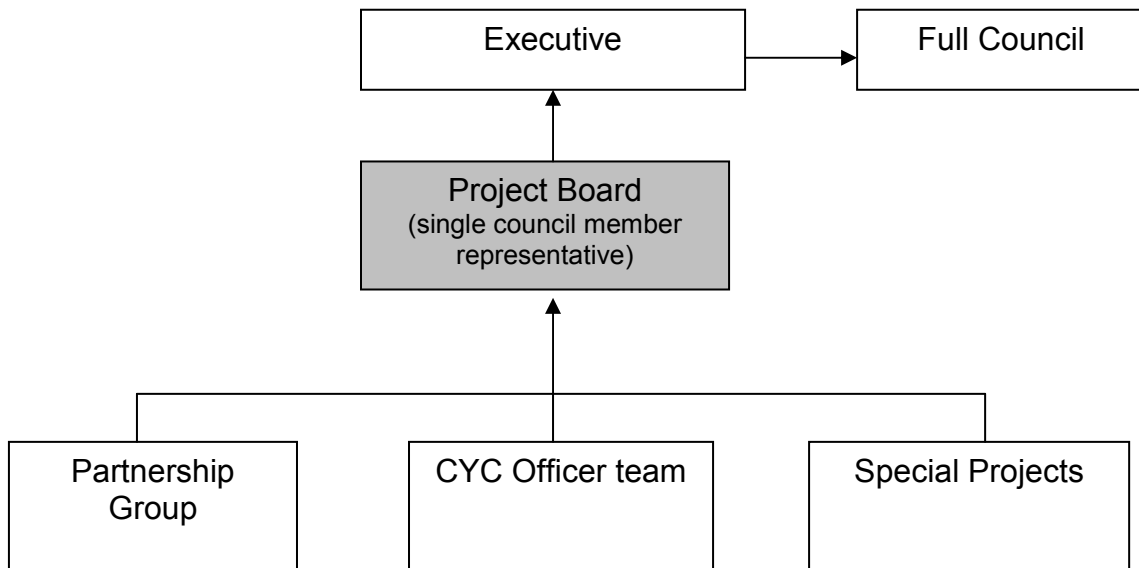
13. As the Council will derive a benefit from the delivery of the stadium the construction will fall under EU procurement regulations. It will not, for example, be possible for the developer to build the stadium and associated facilities as part of the S106 agreement. There are a number of procurement paths or options open to the council. One of the key challenges will be to ensure that sufficient commercial components are included and procured in a way that will create a positive revenue stream to cover the operation of the stadium and leisure facilities.
14. As part of the procurement design process, agreement must be reached offering some certainty of the following matters:
 - The mechanism and amount of funds to be transferred through the S106 agreement. Officers are currently developing a process to begin these negotiations.
 - Consideration of underwriting of the abortive costs of final bidders if Competitive Dialogue is the preferred route.
 - Option for using a pre-qualified / tender framework to reduce timescales. This might enable a development partner to work on the project at an earlier stage and be more involved in the design / business planning (as has worked successfully with a number of recently built stadia).
 - Details of the operating agreements between the clubs and the council. Once the plans have been prepared by the developers architects, discussions can be initiated to work towards Heads of Terms.
 - Resolution of outstanding legal matters relating to Huntington stadium and Waterworld.
15. There is considerable work to be undertaken before the procurement can begin. However, if the necessary resources are dedicated to the project a procurement strategy and plan could be in place by early / mid 2011.

Project management / governance arrangements

16. To date the project management and governance arrangements have been based on the decision made by Executive in Jan 2009. This agreed the use of the structure shown in **Figure 2**. It established a Project Board that was chaired by the Director of City Strategy with a single representative from each partner organisation. The council's nominated representative was the Member responsible for City Strategy.
17. The operation of the current structure in place sees all Community Stadium project business go through the Executive. This does not enable wider political input. It also limits the flexibility of the project board in its ability to

respond effectively to any issues due to the formalised lead-in times and other administrative constraints.

Figure 2: Existing governance arrangements



Partners have stated that greater transparency would be beneficial, particularly as this project has significant wider public interest. Additionally Members of the opposition parties have expressed that there should be wider political representation on the Project Board and that there is a need for a more publicly open forum. To this end two alternative options are proposed, these are set out in **Figures 3 & 4** below.

Figure 3: Multi-Party Advisory Board with co-opted partner representation

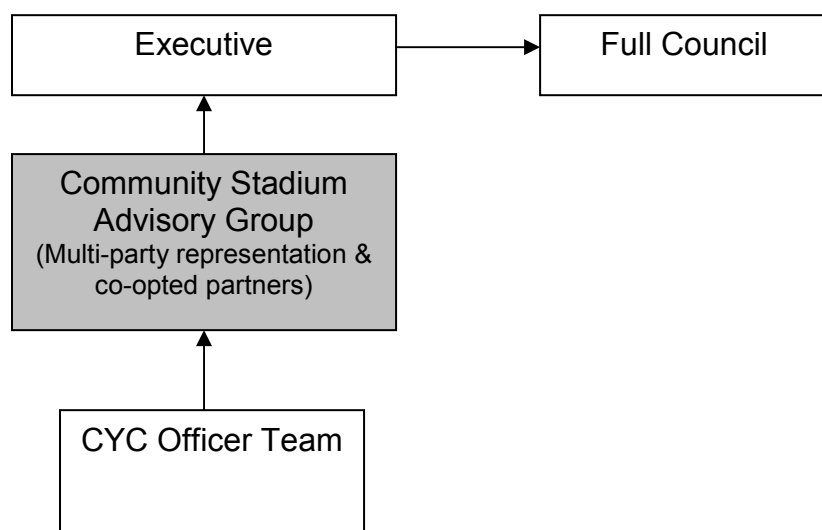
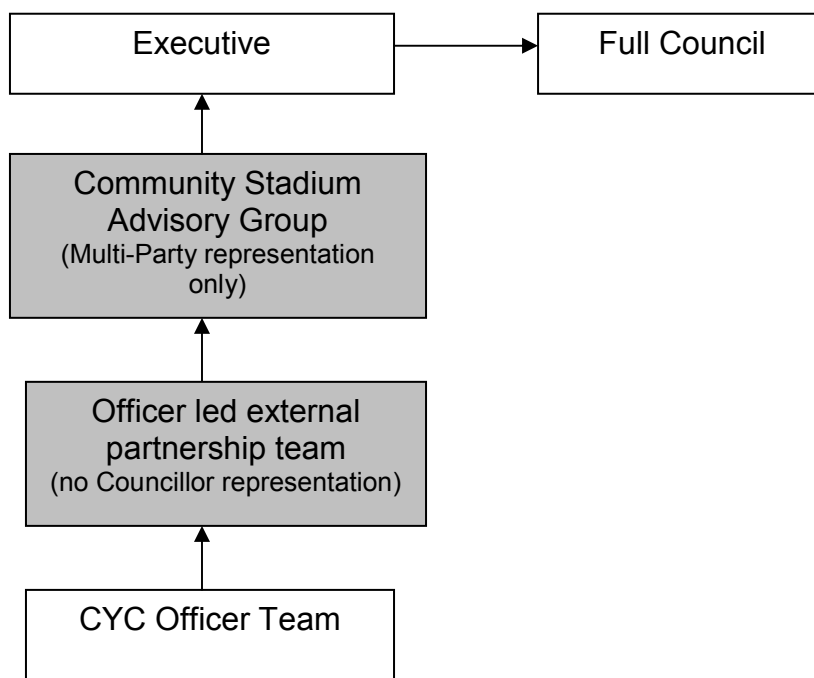


Figure 4: Multi-Party Advisory Group with council representation only. No partner representation



18. Both options include the creation of a Multi-Party Community Stadium Advisory Group. The principle of the Group is to enable the business of the project to be considered more regularly and in greater detail. It would report key findings to the Executive. The Executive would continue to be responsible for decision making.
19. Both options allow for more regular meetings, allowing to react to the demands of a commercially driven project, as the strict forward planning timetable for Executive papers would not be required. It would also offer the opportunity for independent / specialist advisors. Additionally it offers the opportunity for wider political representation. The Group's meetings would not be in public, however, the option to publish the agendas, minutes and potentially, findings, is available. The key matter for consideration is whether the Multi-Party Community Stadium Advisory Group should:
 - a) formally co-opt the project partners (and possibly other key stakeholders).
 - b) be an advisory group with council representation only. Business with the project partners would take place at a simplified officer led partnership group with no councillor representation.
20. A more detailed report covering the working arrangements of the proposed Multi-Party Community Stadium Advisory Group is included in Annex 1 which is attached.

Corporate Priorities

21. The provision of a new community stadium for the city is a priority action in the Corporate Strategy 2009-2012 which states: "We will develop proposals to complete the building of a Community Stadium for the City that will provide high quality sport recreation and other community focused opportunities." It is also identified in Active York's 'Sport and Active Leisure Strategy' which was signed up to at the Leisure and Heritage EMAP in June 2005. The facilities section of this strategy was updated in May 2007.

Implications

Financial

22. This project currently has both a revenue and capital budget allocated. With regard to the revenue budget the project has £198K of Local Authority Business Growth Incentive (LABGI) funds that were approved at Full Council in July 2010 for the development of the project to the pre-procurement stage.
23. Officers will bring a more detailed report to the Executive with full financial details for the delivery of the project when the proposals are finalised.

Risk Management

24. A detailed report regarding the project's risks will be presented to the audit and governance Committee on 6th December 2010.

Equalities – There are no equalities implications at this stage.

Legal – There are no legal implications at this stage.

Human Resources – There are no implications.

Crime and Disorder – There are no implications

Information Technology – There are no implications

Property – There are no implications at this stage

Recommendations

1. That the Executive note the progress made on the Community Stadium project to date.

2. That the Executive choose a preferred model for the ongoing governance arrangements for the project.
- 3 That the Executive agree the approach set out for the provision of community and commercial components as set out in figure 1 in this report.

Contact Details

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Report Approved Date 8/10/10

Specialist Implications Officer(s) :
None

Wards Affected: *List wards or tick box to indicate all*

All tick

For further information please contact the author of the report

Background Papers:

- Community Stadium Report to Staffing and Urgency Committee 21st May 2008
- Staffing and Urgency Committee Minutes 21st May 2008
- Deloitte report on community stadium for CYC 20th June 2008
- Active York's Sport and Leisure Strategy
- Executive Report 15th July 2008
- Executive Report 9th September 2008
- Executive Report 20th January 2009
- Executive Report 23rd June 2009
- Executive Report July 6th 2010