

Meeting:	Cabinet
Date:	23 October 2008
Subject:	Major Projects – Sports and Leisure Sites
Key Decision:	No
Responsible Officer:	Andrew Trehern Corporate Director Community & Environment Services
Portfolio Holder:	Tony Ferrari, Portfolio Holder, Major Contracts and Property Chris Mote, Portfolio Holder, Community and Cultural Services
Exempt:	No
Enclosures:	None

Section 1 – Summary and Recommendations

Summary:

This report provides Members of Cabinet with a position statement and issues update, in respect of the development of sports and leisure facilities. The report recommends closure of the current Byron Park Leisure Project and further reviews of market conditions in the future.

Recommendations:

Cabinet is requested to:

- (i) Note the content of the report.
- (ii) Agree that, as a result of market conditions, which have prevented exchange of contracts in respect of the Gayton Road and Byron Park property sales, the current Byron Leisure Park development project has been taken off the list of current projects.

- (iii) Agree that, as a result of market conditions, the development of leisure facilities at Hatch End is not initiated as previously scheduled.
- (iv) Note, that as a result of market conditions, the project to consider the potential development of leisure facilities in South Harrow will not commence as scheduled in April 2009.
- (v) Agree that, authority is delegated to the Portfolio holder Major Contracts and Property, to determine any decisions in respect of the temporary use of the old Gayton Road site.
- (vi) Note the progress of the development of sports and leisure facilities, at Prince Edward Playing Field, William Ellis Playing Field, Whitchurch Playing Field and Whitmore High School.
- (vii) Note the financial implications of the above decisions will be incorporated within the Period 6 (half year) 2008/09 revenue and capital budget reports to Cabinet, and the budget planning process for 2009/10

Reason: (For recommendation)

To formally determine the status of a number of major projects related to the development of sports and leisure facilities, which are dependent on capital receipts to be realised through the sale of property assets.

Section 2 – Report

Background

Cabinet, at its meeting on 8 November 2007, approved a programme of projects to enable the development of sports and leisure facilities across the borough. Cabinet, at its meeting on 13 March 2008, approved the plans for the new Byron Leisure Centre, submission of a Planning Application and the Programme cost plan.

This programme is one element of a much broader suite of programmes, which will contribute to the social, environmental, economic, and spatial regeneration and development of Harrow. Good progress continues to be made in respect of the programmes; which will significantly enhance school, sixth form, and college facilities; provide new day care facilities and enhance significant areas of the Public Realm, e.g. Petts Hill Bridge, St Ann's Road, and Wealdstone High Street.

However, the global "credit crunch" has severely restricted the financial resources available to the commercial property markets, effectively freezing property transactions dependant on borrowing, and/or reducing property values significantly below acceptable normal market value.

Much of the Council's ambitious programme, which was established to enable the development of sports, leisure and cultural facilities across the borough, is dependent on the sale of substantial property assets.

This report provides Members of Cabinet with an update on progress, and recommends closure of current projects.

Current Situation - Property Sales

The majority of the sports, leisure and cultural facilities development programme, were to be funded from the sale of land for development at Gayton Road, Byron Park and Hatch End.

The intention was to establish two brand new facilities, one at Byron Park and the other at Hatch End. Additionally, Bannister Sports Centre was to be refurbished and consideration given to the establishment of a third new leisure facility in South Harrow.

Although very good progress had been made in respect of the property "deals" by March 2008, with formal proposals having been received from "well positioned" organisations, it became evident in April 2008, that the wider economic difficulties would impact these transactions.

Between May and September 2008, officers have worked with the "preferred partners" to endeavour to construct agreements which would create sufficient value, aligned with viable cash flows.

The "preferred partner" for Gayton Road has now formally confirmed that they have withdrawn from the project as a result of market conditions.

As a result of prevailing market conditions, the "preferred partner" for Byron Park, has significantly reduced their formally-tendered offer. Officers do not consider this revised proposal to be reflective of the value of this substantial property asset and cannot, therefore, formally recommend it to Members of Cabinet for consideration.

Without these two property sales, the capital required to enable the development of the new leisure centres is not available.

Current Situation – Development of the New Byron Leisure Centre and Skate Park

The Planning process for the new Byron Leisure facilities is substantially complete. Planning permission was approved by the Council's Planning Committee in June 2008. The Greater London Authority Stage 2 report, will be issued once Sport England publish their final report on the proposed development.

The detailed design of the new leisure centre is almost finished and will be completed, as this work has been formally commissioned with our architect.

The detailed design of the new Skate Park and The Bridge Day Centre has been suspended.

Officers recommend that, as a result of market conditions which have prevented exchange of contracts in respect of the Gayton Road and Byron Park sites, the current Byron Leisure Park development project has been taken off the list of current projects.

Officers are currently working up plans for the essential maintenance, and other improvements, that will be required to secure the existing facilities for the next three to five years. These proposals will be considered as part of the capital budget planning for 2009/10.

Revised arrangements for communications, consultation and engagement; with, in particular, our customers, other premises operators on site, CNWL, and local residents; are being developed to ensure that dialogue is maintained.

Development of New Facilities at Hatch End and South Harrow

The initial planning, including extensive consultation and engagement for the new leisure and library facilities at Hatch End, together with the refurbishment of the Bannister Sports Centre, was scheduled to commence in September 2008.

Given market conditions, Officers now recommend that this project is not initiated.

However, the plans to improve the Arts Centre facilities will be progressed, with completion of this phased project scheduled for March 2010.

The essential maintenance requirements of the Hatch End facilities are being reviewed. Proposals will be considered as part of the Capital budget review 2009/10.

Revised arrangements for consultation with stakeholders are being developed.

Development of New Facilities – South Harrow

The initial high level planning for the development of new leisure facilities in South Harrow is scheduled to commence in April 2009.

Given market conditions, Officers consider that this project will not be commenced as scheduled.

Gayton Road Library Site

The old Gayton Road library requires significant structural repair. This facility was closed in March 2008 and the new Garden House library opened in April 2008.

The Gayton Road site is now boarded up and Officers are considering how best to manage this site, pending development in the future when market conditions permit.

It is possible that a number of short/medium term uses will be identified and subject to appraisal.

Officers recommend that authority to approve any property decisions, relating to the temporary use of this site, is delegated to the Portfolio Holder - Major Contracts and Property.

Development of Other Sports and Leisure Facilities

Barnet Football Club, the Council's partner at **Prince Edward Playing Field**, were advised in mid September 2008, that they had been awarded a £1M grant by the Football Foundation.

Work to develop this substantial, but currently derelict site, will commence in November 2008.

Opening of the first phase of this superb new facility; which will be operated as a "Centre of Excellence", and will incorporate all-weather and grass football pitches, together with changing, treatment, shower & toilet facilities, and training accommodation; is scheduled to open in June/July 2009.

Development of the new Hindu School at **William Ellis Playing Field** is progressing as scheduled. The Section 106 Agreement has provided capital resources to enable the development of new facilities for Belmont United Football Club.

Belmont United will submit a grant application to the Football Foundation, to enable further development, with a funding decision expected in April 2009.

A number of local organisations have expressed an interest in the development of the **Whitchurch Playing Field** site for sports, leisure and community use. Cabinet, in November 2008, will consider a report, which recommends market testing, to enable the upgrading and development of this key sports and leisure facility.

The development of the new **Whitmore High School**, is progressing to schedule, as a One School Pathfinder, for the "Building Schools for the Future" Programme. The Council has provided additional capital resources to enable community leisure facilities to be incorporated within this development.

Financial Implications

The implications for 2008/09 revenue and capital budget monitoring will be reported in the half year report to Cabinet in December 2008.

The implications for future years will be incorporated in the medium term financial strategy (MTFS) currently being developed for approval by Council.

The extensive planning and detailed design work for the new facilities which has been completed to date will be retained on file for use in the future. Given the increasing uncertainty in respect of the prospects for economic recovery, it is not considered appropriate to provide any indication when these projects can be taken forward in the future.

Performance Issues

The previous reports (November 2007 and March 2008) provide an overview of the extensive performance improvements which would be realised through the originally proposed substantial investment in new and refurbished facilities.

Medium term investment will secure the operation of the existing facilities with the objective of realising performance gains across the range of customer satisfaction and involvement indicators.

However, as a result of the closure of this programme, the following key indicators are likely to be adversely impacted. National Indicator 8 – Adult Participation in Sport; current performance is 19% participation. The improvement target for 2010/11 is 23%. National Indicator 57 – Children’s Participation in Quality Sporting Activity; the baseline for this is yet to be established. The Active Places Indicator measures travel time/distance to accredited sports facilities. Current performance is 45%. The target for this is 50%.

Impact on Affordable Housing objectives of closing these Council led projects

The Byron Leisure Park scheme and Gayton Road scheme together were estimated to deliver around 200 new affordable homes, of which around 120 would be available as social rented housing for those most in housing need. This is a significant contribution to the Council’s Local Area Agreement target/ National Indicator 155 to increase the level of affordable housing supply in the borough.

Officers are currently examining the impact of the credit crunch on projected new affordable housing supply, which is primarily achieved through planning agreements. Targets for 2008/9 and possible 2009/10 will be achieved due to schemes that have already started on site although a large proportion of these will come through completions on existing regeneration schemes which are not available to households generally on the Council’s Housing Register, that is they will not contribute to the rehousing of homeless and other priority households.

The completions pipeline post 2009/10 will be directly affected by delays in schemes starting on site now including the above projects.

Risk Management Implications

Ongoing maintenance will minimise Health and Safety risks.

Effective planning will aim to ensure that all significant financial liabilities are identified and appropriately resourced over the medium term.

Section 3 - Statutory Officer Clearance

Name: Myfanwy Barrett Chief Financial Officer

Date: 13 October 2008

Name: Jessica Farmer On behalf of the
Monitoring Officer

Date: 13 October 2008

Section 4 – Performance Officer Clearance

Name: Tom Whiting Assistant Chief
Executive

Date: 13 October 2008

Section 5 - Contact Details and Background Papers

Contact: Andrew Trehern – Corporate Director Community and
Environment Services

Background Papers:

Reports to Cabinet 8 November 2007 and 13 March 2008

Facility Plans and Designs