
Decision Maker: Renewal and Recreation Portfolio Holder
For pre-decision scrutiny by the Renewal and Recreation
PDS Committee

Date: 26th February 2013

Decision Type: Non-Urgent Executive Non-Key

Title: **NORMAN PARK UPDATE**

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Chief Officer: Marc Hume, Director of Renewal and Recreation

Ward: All

1. Reason for report

- 1.1 This report provides Members with an up date on the soft tendering exercise that Officers have undertaken to identify potential leisure investment opportunities from companies wishing to develop new sports or recreation facilities in Norman Park.
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2. **RECOMMENDATION(S)**

- 2.1 That the Renewal and Recreation PDS, and the Environment PDS, note the contents of the report and the soft tender exercise undertaken to identify a suitable leisure investment company for a commercial operation at Norman Park; and

The Renewal and Recreation Portfolio Holder is requested to agree that:

- 2.1 Officers now undertake a tendering exercise to identify suitable organisations that would:
- 2.1.1 Manage the athletics track from 1st April 2014 for a period of up to 25 years, under arrangements that are similar to the current operational model, whereby the Council has responsibility for the repair and replacement of the track, floodlights and pavilion.

And / or

- 2.1.2 Manage the athletics track from 1st April 2014 for a period of up to 25 years, under a full repair and maintain lease, whereby the operator has responsibility for the repair and replacement of the track, floodlights and pavilion.
- 2.2 Officers bring back a further Report to Members Renewal and Recreation PDS in July updating them on the outcome of the tendering exercise described in 2.1.

Corporate Policy

1. Policy Status: N/A. Existing Policy
 2. BBB Priority: Vibrant Thriving Town Centres.
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Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A.
 3. Budget head/performance centre: Norman Park Track Management fee
 4. Total current budget for this head: £42.3k
 5. Source of funding: Existing revenue budget 2013/14
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Staff

1. Number of staff (current and additional):
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: No statutory requirement or Government guidance.
 2. Call-in: Call-in is applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 51,000
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes.
2. Summary of Ward Councillors comments: Ward Members were initially consulted on the proposals as detailed within the Report to the Executive on 20th July 2011. Ward Members views on the outcome of the tender exercise have not been sought.

3. COMMENTARY

- 3.1 At the Renewal and Recreation Portfolio Holder Committee meeting and the PDS Committee meeting on 17 November 2012, Officers reported that the tendering exercise undertaken to identify a leisure investment and management company that would build and operate a new multi sport hub site at Norman Park at no cost to the Council, had not resulted in any suitable companies being identified.
- 3.2 In response to this, Officers have therefore undertaken a further soft market testing exercise to determine if there may be interest from other companies that may wish to invest and develop the facilities at Norman Park on a purely commercial basis, and which may provide some form of revenue income to be generated which could be used to re-invest into further facility developments at the site.
- 3.3 Officers have been in discussions with 3 companies: Wilmott Dixon Construction; Powerleague; and Mytime.
- 3.4 Officers met with representatives from Willmott Dixon Construction on site in December 2012. They discussed their initial plans for a potential development with Officers and have since contacted operators within the leisure sector. To date they have not been able to identify a suitable company interested in developing the site.
- 3.5 Officers have been in discussions with Powerleague who have created a private / public sector partnership with Sport England and the Mayor's Office for facility investments. Powerleague have conducted a detailed analysis of the opportunity at the site, but found that the likely demand wasn't as strong as required. They highlighted that the Goals centre at Elmer's End meets much of the local demand, and, as part of their agreement with the Mayors Office and Sport England requires them to focus on areas of latent demand rather than just competing with existing provision, they were not able to consider Norman Park as a suitable site.
- 3.6 Officers also met with Mytime on site in December 2012 to discuss possible options for Mytime investment at the site, or options for using the Investment Fund the Council provides to Mytime. Officers have not received any further proposals from Mytime at present.
- 3.7 Officers have now met with Norman Park Track Management Company, and Officers along with the Portfolio Holder for Renewal and Recreation, have also met with Blackheath and Bromley Harriers to discuss the future arrangements for the Athletics Track. The contract for the management of the site expires on the 31st March 2014 and as such, Officers are now recommending that they undertake a tendering exercise to identify suitable organisations that would:
1. Manage the athletics track from 1st April 2014 for a period of up to 25 years, under arrangements that are similar to the current operational model, whereby the Council has responsibility for the repair and replacement of the track, floodlights and pavilion.
- And / or
2. Manage the athletics track from 1st April 2014 for a period of up to 25 years, under a full repair and maintain lease, whereby the operator has responsibility for the repair and replacement of the track, floodlights and pavilion.
- 3.8 Early discussions with the existing Track Management Company indicate that there is the potential to significantly reduce the cost of the annual grant. Officers will therefore under

Option 1, be looking to identify an operator who is able to undertake this with either with no subsidy, or a greatly reduced subsidy (which is currently around £40k) from the Council.

3.9 The timetable for Tendering is detailed below:

Report to Renewal and Recreation PDS and PH	26 Feb 2013
Advertisement in press	4 March 2013
Expressions of interest received	25 March 2013
PQQ dispatched	2 April 2013
PQQ returns	22 April 2013
Approval of short list of partner companies	6 May 2013
Full documents issued	10 May 2013
Briefing of potential partner companies / visits to site	17 May 2013
Scheme proposals returned by partner companies	31 May 2013
Evaluation of scheme proposals	7 June 2013
Selection of preferred contractor	11 June 2013
Report to Renewal and Recreation PDS and PH, Report to Environment PDS and PH	2 July 2013
Award of contract	August 2013
Start of Contract	April 2014

3.10 Officers are also proposing to submit an application to the London Marathon Trust Fund for funding for works to extend the current life expectancy of the track. This years applications to the Marathon Trust Fund close on 31 August 2013.

3.11 Officers from Parks and Greenspaces are currently assessing further developments for the wider park and are liaising with Officers from Renewal and Recreation as required.

4. FINANCIAL IMPLICATIONS

4.1 The 2013/14 budget has an amount of £42,300 set aside for the grant payable towards the management of the track.

4.2 Members should note that the draft budget report in January 2013 identified a budget option of £35k due to be made in 2014/15 from this budget. It is anticipated that the majority of this saving will be realised following the return of the tender prices that are expected to be significantly lower than the current grant payable.

4.3 The full financial implications will be included in the report to Members of the outcome of the tender exercise later this year.

Non-Applicable Sections:	Policy, Legal and Personnel Implications
Background Documents: (Access via Contact Officer) Report to Renewal and Recreation Portfolio Holder, Environment Portfolio Holder, and the Executive.	Norman Park Multi Hub Site 20 July 2011 (Executive)
Report to Renewal and Recreation Portfolio Holder, Environment Portfolio Holder.	Norman Park Multi Hub Site 13 November 2012