

**Decision Maker:** **RENEWAL AND RECREATION POLICY DEVELOPMENT AND SCRUTINY COMMITTEE**

**EXECUTIVE AND RESOURCES POLICY AND DEVELOPMENT SCRUTINY COMMITTEE**

**EXECUTIVE**

**Thursday 26 January 2017**

**Date:** **Wednesday 1 February 2017**

**Wednesday 8 February**

**Decision Type:** Non-Urgent                      Non-Executive                      Non-Key

**Title:** **NORMAN PARK ATHLETICS TRACK - FUTURE PROPOSALS**

**Contact Officer:** Colin Brand, Assistant Director Leisure and Culture  
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**Chief Officer:** Executive Director of Environment & Community Services

**Ward:** (All Wards);

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1. Reason for report

Blackheath and Bromley Harriers Athletic Club (BBHAC) have presented to the Council an option to take over the management and operation of the Norman Park Athletics Track from the Council based on a 125 year full repairing and insuring lease. The Athletics Club is proposing to seek planning consents for their proposals, and prior to undertaking this work they are seeking in principle agreement from the Council for a 125 year lease at a peppercorn rent based on the attached draft Heads of Terms (Appendix B).

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2. **RECOMMENDATION(S)**

2.1 **That the Executive :**

2.1.1 **Considers the proposals as detailed within this report, along with the comments provided by the Renewal and Recreation Policy and Development Scrutiny Committee**

**and Portfolio Holder and the Executive and Resources Policy and Development Scrutiny Committee.**

- 2.1.2 Agrees that subject to Blackheath and Bromley Harriers Athletic Club receiving the required planning consents, Blackheath and Bromley Harriers Athletic Club are granted a 125 year full repair and insuring lease based on the attached draft Heads of Terms.**
- 2.1.3 Agrees that subject to Blackheath and Bromley Harriers Athletic Club receiving the required planning consents and entering into the proposed lease the Council shall meet the anticipated £260k costs of landlord responsibilities as detailed within the Condition Survey, funded from the underspend within the Central Contingency.**
- 2.1.4 Agree to pay Blackheath and Bromley Harriers Athletic Club the £260k to carry out the replacement of the athletics track and associated repairs.**

## Impact on Vulnerable Adults and Children

1. Summary of Impact: Norman Park Athletics Track currently provides a range of initiatives and programmes that support vulnerable adults and children encouraging inactive people to become involved in physical activity to develop their potential and their personal and leadership skills. The new proposals being put forward by BBHAC seek to improve the facilities and leisure offer at the athletics track and therefore to increase further activities that's support healthy lifestyles, wellbeing and personal development.
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## Corporate Policy

1. Policy Status: Existing Policy:
  2. BBB Priority: Children and Young People Quality Environment Supporting Independence Healthy Bromley:
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## Financial

1. Cost of proposal: Estimated Cost: £260k and savings of £37.5k per annum
  2. Ongoing costs: Recurring Cost: Savings of £37.5k per annum
  3. Budget head/performance centre: Leisure Trust Client and Central Contingency
  4. Total current budget for this head: £37.5k
  5. Source of funding: Existing revenue budget 2016/17 and Central Contingency
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## Personnel

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

1. Legal Requirement: Statutory Requirement: section 123 of the Local Government Act 1972
  2. Call-in: Applicable:
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## Procurement

1. Summary of Procurement Implications: N/A
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## Customer Impact

1. Estimated number of users/beneficiaries (current and projected):  
58,595 attendances (2015-16)  
4,089 Bees Academy (2015-16)  
230 hours school hire (2015-16)
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## Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes

Summary of Ward Councillors comments:

Comments from Councillor Graham Arthur:

The track is well run and supported and valued by the local community. The Council has historically invested heavily in the track, and I encourage these proposals which should provide further opportunities for the facilities to be upgraded and developed and the opportunities for access widened.

### 3. COMMENTARY

- 3.1 The current arrangements for the management and operation of Norman Park Athletics Track were approved by the Renewal and Recreation Portfolio Holder in September 2013, when Norman Park Track Management Ltd (NPTML) were awarded the contract to continue to manage the athletics track from April 2014 for a period of 10 years for an annual fee of £37,500 with an inflationary increase after 3 years. Under these arrangements the Council has responsibility for the repair and replacement of the track, jumps and throwing areas, the floodlights and the pavilion.
- 3.2 The athletics track opened in 1980 and was initially run in house by the Council. NPTML have been successfully operating the track at since 1992. BBHAC are the anchor tenant at the club and are one of the Country's oldest and largest athletics clubs, with over 850 members. Established in 1869, they have a long and proud history of promoting participation in athletics and running and walking events, welcoming athletes of all ages, backgrounds and levels of performance, and of producing outstanding athletes.
- 3.3 Recently, 7 of BBHAC members competed for England in the last Commonwealth Games in Glasgow and 3 of these athletes represented GB in the 2015 World Championships in Beijing. Dina Asher-Smith and Adam Gemili, regarded by many as Britain's most promising sprint talents of their generation, are current members. Both have been World Junior 100m champions.
- 3.4 The Club's senior men's Track & Field team is in Division 1 of the British Athletics League and the Senior Women gained promotion back to the UK Women's League Premiership last summer. The Club's young athlete teams are also among the very best in the country. The Junior Men and Women are reigning National Champions; the Women's team have been National Champions for 9 out of the last 10 years and were runners-up at European Champion Clubs Cup in Castellon, Spain.
- 3.5 The BEES Academy, run by Club BBHAC members, caters for approximately 200 children at the beginning of their athletics careers (ages 5-12) and the Masters' teams provide competition for those still active into their 60s and 70s. Members regularly volunteer at the Bromley ParkRun and as officials at League, School and County competitions as well organising the introductory Zero to Hero and Zero to ParkRun activities.
- 3.6 NPTM and BBHAC have worked closely for over 25 years to ensure the successful operation of the track and the club. The two organisations are proposing to merge should the proposals go ahead and the new facility is built. They already share some support services and volunteers.
- 3.7 BBHAC, in conjunction with NPTML, have been developing proposals to take over the management and operation of the Norman Park Athletics Track from the Council based on a 125 year full repairing and insuring lease. Under this proposal BABHAC will invest around £2m into the development of the track and new pavilion and indoor track and they are therefore seeking a 125 year lease in return for that investment. The proposals are predicated on BBHAC obtaining the necessary planning consent to redevelop the athletics track, including a new pavilion and additional facilities. Initial outline plans for the redevelopment of the athletics facilities and pavilion, are shown in Appendix A.
- 3.8 BBHAC are currently refining their proposals prior to submitting for the required planning consents. They are aspiring to develop a new pavilion, fitness /class room, weights room, treatment rooms, changing rooms, café and bar plus community areas and an indoor track. These will be located roughly on the footprint of the current pavilion, with the current pavilion being demolished.

- 3.9 NPTML have been working with BBHAC in the development of the proposals and subject to all consents and the lease being agreed NPTML have indicated they would happy to agree to a termination of the current contractual arrangements with the Council to facilitate the new proposals.
- 3.10 BBHAC and the Council have also worked with an external consultant to determine the overall technical and financial feasibility of delivering the new proposals, including a supply and demand analysis, and a financial evaluation of the business case including the capital costs, operating income and expenditure, usage, pricing and routine and planned maintenance costs. This information has been adopted by BBHAC within their proposals and in developing their business plan and will be further refined by them as the scheme continues to progress.
- 3.11 The proposed 125 year lease would be a full repairing and insuring lease and the Council would therefore no longer have any responsibility to undertake any future repairs, maintenance, replacements or upgrades at the site. In December 2016, the Council undertook a condition survey on the athletics facilities, excluding the pavilion and lights. The report indicates there are works to an estimated value of £260k required at the track over the next two years. The Council will be required to undertake these works to ensure the track maintains its UKA certification and is therefore able to host regional athletics meetings. Ultimately these works are required to ensure that the track remains safe to operate and therefore remains open. It is proposed to have a non-assignment clause in the lease. If for any reason at some point in the future BBHAC no longer wish to manage the facility, then the facility and equipment would be handed back to LBB.
- 3.12 BBHAC are seeking as a requirement for them to proceed with their proposals, agreement from the Council that it will as landlord meet the costs of these works, which BBHAC would then undertake following the signing a new lease. Under the current contractual arrangements the Council is required to undertake these works to ensure that the track remains, certificated and operational.
- 3.13 The Council is seeking external funding from the London Marathon Fund Major Capital Project Grants for up to £150k to support the resurfacing of the track, which if successful would reduce the cost of the work required to be undertaken by the Council as the landlord. This requires the applicant to show a commitment to inspiring and supporting people who are not physically active to take part in sporting activities. BBHAC is committed to providing access for the whole community and opportunities for those new to sport and physical activity. Initiatives such as Zero to Parkrun and Zero to Hero along with the work done with younger children through their BEES academy will help support the grant application. The application is a two stage process with stage one applications being considered in April and stage two in October. The Council was previously successful in 2005 when it received £100k funding from the London Marathon for the widening of the track from 6 to 8 lanes and improvements to the outfield.

### **Value for Money**

- 3.14 Section 123 of the Local Government Act 1972 requires a local authority to secure the best consideration reasonably obtainable when it disposes of land (other than on a lease for 7 years or less). The Council currently pays Norman Park Track Management Company around £37.5k a year to manage and operate the track. Additionally the Council has landlord repairing responsibilities, for the track, pavilion and floodlights at the track. The cost to the Council over the current 10 year contract including the costs within the current condition survey is around £630k. In addition works to the pavilion due to further subsidence may be required in the short term, and the pavilion and the floodlights will need to be replaced in the mid to long term.

- 3.15 If the Council were to extend the current contract for a further 10 years, the cost would be around £400k (based on a management fee of £40k per year) plus the costs of any further landlord maintenance or repair that may be required.
- 3.16 The Council undertook a market testing exercise in 2012 to seek to identify a suitable leisure investment and management company to design, construct, manage, fund and operate a new multi-sport hub site at Norman Park, incorporating the current athletics track and playing pitches within the park. The Council was seeking an arrangement whereby there would be no capital or ongoing revenue costs to the Council in delivering the project and its subsequent operation. The results of that exercise were reported to the Renewal and Recreation PDS Committee on 13<sup>th</sup> November 2012 and concluded that the market does not support such a model and that in fact either an annual subsidy of £360k per annum was required from the Council, or that the Council provides £2m contribution to the capital funding for the project to make it viable.
- 3.17 The area of land occupied by the athletic track is designated as green belt within the UDP and as such the opportunities for commercial activities that would generate rental income for the Council are limited. The results the 2012 market testing demonstrated that significant subsidies would be required to develop and operate a multi-sport hub site at the facility, whilst the BBHAC lease proposals represent a saving to the Council of around £10m. The land will be used to contribute to the promotion or improvement of economic, social or environmental well-being in the whole or any part of its area, or of all or any persons in the whole or any part of its area. Members should consider these points when considering the requirements of the General Disposal Consent (England) 2003 as mentioned within the legal commentary below.

#### **4. IMPACT ON VULNERABLE ADULTS AND CHILDREN**

- 4.1 Norman Park Athletics Track currently provides a range of initiatives and programmes that support vulnerable adults and children. They currently support and provide athletics activities that focus on getting inactive people to become involved in physical activity, and to encourage children and young people to develop their potential, and their personal and leadership skills. They provide facilities to schools and running clubs and encourage people to adopt healthy and active lifestyles. The new proposals being put forward by BBHAC seek to improve the facilities and leisure offer at the athletics track and therefore to increase further activities that's support healthy lifestyles and wellbeing.

#### **5. FINANCIAL IMPLICATIONS**

- 5.1 This report is seeking approval to grant a 125 year full repairing and insuring lease at a peppercorn rent, to BBHAC subject to planning consents being agreed.
- 5.2 The proposal requires the Council to provide a sum of £260k to the BBHAC to undertake the works on the athletics track that has been identified by the recent condition survey.
- 5.3 In return, the BBHAC agrees to invest around £2m to develop the track and new pavilion including an indoor track.
- 5.4 It is proposed that the £260k is funded from the under spend from the Central Contingency. This may be reduced should the Council be successful in securing a capital project grant of up to £150k from the London Marathon Fund.
- 5.5 If the proposal goes ahead, it will enable the Council to save £37.5k per annum from the termination of the current management contract and any future costs of repair/replacement of the track and lighting.

## 6. LEGAL IMPLICATIONS

- 6.1 Section 123 of the Local Government Act 1972 requires a local authority to secure the best consideration reasonably obtainable when it disposes of land (other than on a lease for 7 years or less) unless it has the benefit of an express or general consent from the Secretary of State.
- 6.2 However, the General Disposal Consent (England) 2003 permits a local authority to dispose of land at an undervalue if the amount of undervalue is less than £2m and the authority considers that the purpose for which the land will be used will contribute to the promotion or improvement of economic, social or environmental well-being in the whole or any part of its area, or of all or any persons in the whole or any part of its area. If Members are satisfied that this purpose is met, they could therefore agree to the proposal for the letting of the building to the Trust, or to the re-provision of the community facility and the letting of that to the Trust provided that the amount of any undervalue in capital receipt (or the capital receipt foregone) will be less than £2m.
- 6.3 In the light of the information set out in 3.14 – 3.16 and in Section 5 above, Members may consider that they are satisfied that the requirements of the General Disposal Consent (England) 2003 are met in this case.

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| <b>Non-Applicable Sections:</b>                       | Policy Implications<br>Personnel Implications<br>Procurement Implications  |
| Background Documents:<br>(Access via Contact Officer) | Report to Renewal and Recreation PDS and Portfolio Holder: Norman Park Multi Hub Site, 13 <sup>th</sup> November 2012<br><br>Report to Renewal and Recreation PDS and Portfolio Holder: Norman Park Athletics Track – Outcome of Tender Process, 18 <sup>th</sup> September 2013 |