

Decision Maker: EXECUTIVE

**For pre-decision scrutiny at the Renewal, Recreation and
Housing Policy Development and Scrutiny Committee
8 SEPTEMBER 2021**

Date: 22 SEPTEMBER 2021

Decision Type: Non-Urgent Executive Key

Title: NORMAN PARK

Contact Officer: Alicia Munday, Head of Regeneration
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Chief Officer: Director of Housing, Planning, Property and Regeneration

Ward: Hayes and Coney Hall

1. Reason for report

This report provides Members with an update on plans for Blackheath and Bromley Harriers Athletic Club (BBHAC) to take over the management and operation of the Norman Park Athletic Track on a 125-year full repairing and insuring lease. In relation to this and the Club's plans to make the site self-sustaining this report recommends a grant of £200k towards the development of the new Clubhouse, funded by a draw down from Central Contingency in 2021/22, of which £41k relates to forward funding of the remaining year of the current contract and will be credited back to Central Contingency in 2022/23.

2. **RECOMMENDATION(S)**

That Members of the Renewal, Recreation and Housing PDS:

2.1 Note the contents of the report.

That Members of the Executive:

2.2 Approve, subject to legal consideration of Subsidy Control Legislation (previously state aid), a grant of £200k towards the cost of the new clubhouse at Norman Park, to be funded by a drawdown from Central Contingency in 2021/22, of which £41k relates to forward

funding of the remaining year of the current contract and will be credited back to Central Contingency from the Leisure Client revenue budget in 2022/23.

- 2.3 Agree to the Director of Housing, Planning & Regeneration in consultation with the Director of Finance authorising the grant conditions and due process following receipt of the information detailed in paragraph 7.4.
- 2.4 Authorise the Director of Corporate Services for Legal Services to execute the Grant Agreement and all ancillary paperwork/legal documentation.

Impact on Vulnerable Adults and Children

1. Summary of Impact: The development plans at Norman Park will support a self-sustaining future for this site, ensuring that this leisure provision continues to be available to the local community.
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Corporate Policy

1. Policy Status: Not Applicable
 2. BBB Priority: Excellent Council Quality Environment Regeneration
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Financial

1. Cost of proposal: £200k
 2. Ongoing costs: None
 3. Budget head/performance centre: Leisure Client – contract payments
 4. Total current budget for this head: £41k
 5. Source of funding: Central Contingency and the existing revenue budget
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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: Non-Statutory - Government Guidance
 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): Over 50 organisations currently use the track and associated facilities. Pre Covid-19 they received approximately 80,000 visits from users. It is estimated that following the development the site will attract at least 20,000 more visits, which Sport England believe to be pessimistic, and the real figure may be in the region of 50,000 more visits. Currently 90% of usage is from people based in Bromley borough.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments: Ward Councillors are supportive of the proposed development and support the Council's contribution of £200k to be allocated to this scheme.

3. COMMENTARY

- 3.1 Blackheath and Bromley Harriers Athletic Club (BBHAC) in partnership with Norman Park Management Limited have been developing proposals to take over the management and operation of the Norman Park Athletic Track from the Council based on a 125 full repair and insuring lease. Following earlier committee reports (report NoDDR18/007), this work is now advanced. The lease was predicated on the BBHAC obtaining the necessary planning consent to redevelop the athletic track area. Planning permission for this work has now been granted, and the lease has been prepared to enter into.
- 3.2 Under the current lease arrangements, the Council has landlord responsibility for maintenance and repairs at the track which include the responsibility for maintenance and repairs at the associated pavilion building. In addition, the Council has a management agreement with the BBHAC which currently costs the Council £41k per annum. This agreement is due to end in March 2023, by which time it is anticipated that the Trust will have taken over responsibility, and the Council will no longer require this contract. The 125-year lease will mean that the Council will no longer have any responsibility to undertake any future repairs, maintenance, replacements or upgrades at the site.
- 3.3 Since this work was first scoped in 2018, build works for the new clubhouse have increased. Increasing construction costs is a trend being experienced across the UK. As a consequence the Trust has identified a shortfall of £200k and have approached the Council for support.
- 3.4 The overall build works are now estimated to be in the region of £3.4m, this is circa £600k more than originally thought, therefore the request for support from the Council represents less than 6% contribution with the remaining funding coming from the sale of the Trust's Bourne Way site (£2m), fundraising (£940k), Sport England contribution (£200k) and £250k from the Charity Bank. This represents a total of the build costs, for what is quite a significant development for the Borough.
- 3.5 The further £400k required as a result of increased construction costs is being managed by BBHAC through value-engineering, further fundraising, and the phased delivery of the development. There will be no call on the Council for additional funding. A formal grant agreement will be put in place if the recommendations in this report are agreed.
- 3.6 It is worth noting that should the development proceed, there will also be a section 106 contribution of £176k from Bourne Way, the former clubhouse. There is a condition in the Trust's development agreement on this site that this work cannot progress until the Trust commence works on Norman Park.
- 3.7 BBHAC have a significant profile in the Borough and it is considered a popular local asset. They have over their time in the Borough supported and trained some high-profile athletes, including Dina Asher-Smith, but their work spans and supports a range of abilities.

4. RECOMMENDATIONS

- 4.1 Given the scale of works being undertaken by the Trust for the benefit of Bromley residents, and that the Council will not be responsible for any ongoing costs, securing the previously agreed management fee saving of £40k per annum, it is recommended that the Council grants the Trust a contribution of £200k towards capital works, upon receiving evidence of the Trust's existing financial contributions.

5. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 5.1 Norman Park Athletic Track provides a range of initiatives and programmes that support vulnerable adults and children. They currently support and provide athletic 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 leadership skills. They provide facilities to schools and running clubs and encourage people to adopt healthy and active lifestyles. The planning permission granted will significantly improve and enhance the facilities available and ensure facilities are available for generations to come.

6. POLICY IMPLICATIONS

6.1 This work supports the Council's adopted Regeneration Strategy, together with Building a Better Bromley Priorities.

7. FINANCIAL IMPLICATIONS

7.1 The Council currently pays an annual management fee of £41k to BBHAC. This arrangement is due to end by March 2023 when it is anticipated the Club will take over full responsibility of the track. That saving is already included in the Council's financial forecast from 2023/24 onwards.

7.2 The Council, as landlord, is currently responsible for maintenance of the track and has recently invested £309k in its refurbishment. It also incurs unplanned and reactive repair costs which vary from year to year.

7.3 This report proposes providing BBHAC with a contribution of £200k towards the cost of the capital works of their new clubhouse, of which £41k would be a forward payment of the final year's management fee. This would leave a balance of £159k remaining to be funded from Central Contingency. In practice, this will initially require the full £200k to be drawn from Contingency in 2021/22; in the following year, the £41k revenue budget for the management fee will not be required and will be credited back to Central Contingency meaning that the overall additional funding requirement is £159k.

7.4 In agreeing any contribution, the Trust will need to supply the Council with the financial details of the overall scheme and evidence of financial contributions towards its full funding. The Trust's financial standing will also need to be verified. As with any construction project, and particularly in the current construction market, there are inherent risks of increases in build costs that could lead to further cost overruns and potentially lead to the scheme not being completed. Therefore, the proposed legal agreement will need to contain appropriate protections to ensure that the Council's contribution is conditional on successful completion of the scheme with no further call on Council support.

8. LEGAL IMPLICATIONS

8.1 Blackheath and Bromley Harriers Athletic Club (BBHAC) in conjunction with Norman Park Management Limited have developed a proposal to take over the management and operation of the Norman Park Athletic Track from the Council based on a 125 full repair and insurance lease. Following earlier committee reports (report NoDDR18/007), this proposal has been advanced to the stage where planning permission for this work has now been granted and the Lease has been prepared in readiness for execution and completion.

8.2 This report is recommending that the Council provides financial support in terms of grant funding to be allocated to BBHAC to meet a shortfall of £200k to enable building works to be completed, this will be subject to conditions as specified by the Council in the Grant Agreement.

- 8.3 It is a fundamental principle of administrative law that a public body may only do what it is empowered or required to do by statute, whether expressly or by necessary implication. Section 1 of the Localism Act 2011 provides a power for local authorities to act in any way they see fit provided that action falls within the law (the general power of competence). This would include any action calculated to be in the best interests of the Council's local area.
- 8.4 Decisions made by the Council must properly relate to its functions, be rational and only take into account relevant considerations including the Council's framework, budget, policies, priorities and all internal rules such the Councils Financial Regulations .The Council must ensure its decisions are made in accordance with its a fiduciary duty to act prudently, responsibly, in a business-like manner which in its view of what constitutes the best interests of the general body of local taxpayers.
- 8.5 Legal Services are in the process of seeking specialist legal advice as this grant funding may be impacted by the Subsidy Control Legislation (formally State Aid) and are currently awaiting external legal advice in relation to this report. Legal Services will provide updated legal implications in this regard as soon as this is obtained.

Non-Applicable Sections:	Procurement implications; Personnel implications
Background Documents: (Access via Contact Officer)	DDR18/007