

Decision Maker: **Renewal and Recreation Portfolio Holder
For Pre Decision Scrutiny by the Renewal and Recreation
PDS Committee**

**Environment Portfolio Holder
For Pre Decision Scrutiny by the Environment PDS
Committee**

Executive

Date: **5 July 2011
19 July 2011
20 July 2011**

Decision Type: Non-Urgent Executive Key

Title: **NORMAN PARK MULTI HUB SITE**

Contact Officer: John Gledhill, Head of Cultural Business Development
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Chief Officer: Marc Hume, Director of Renewal and Recreation

Ward: Borough wide

1. Reason for report

- 1.1 This report provides Members with details on proposals for the development of a multisport hub site at Norman Park.
 - 1.2 The report outlines proposals to seek a suitable and appropriately qualified leisure investment and management company to design, construct, manage, fund manage and operate a new multi sport hub site at Norman Park, which will look to incorporate the current athletics track and playing pitches within the park.
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2. RECOMMENDATION(S)

That the Renewal and Recreation PDS, and the Environment PDS:

2.1 Note the contents of the report and provide their Portfolio Holder with their comments.

That the Renewal and Recreation Portfolio Holder, and the Environment Portfolio Holder consider the comments provided by the Renewal and Recreation PDS and the Environment PDS and recommend that the Executive:

2.2 Agrees for Officers to continue to develop proposals for a multi hub site at Norman Park in line with the project timetable detailed within the Report, and that Officers bring a further Report back to the Renewal and Recreation PDS and Portfolio Holder, the Environment PDS and Portfolio Holder, and the Executive, updating Members on the outcome of the tender process, and the details of the proposals received.

Corporate Policy

1. Policy Status: Existing policy. Included with BBB priorities for 2011-12
 2. BBB Priority: Vibrant Thriving Town Centres. and Quality Environment
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Financial

1. Cost of proposal: Estimated cost potential annual saving of £40k (£1m over a 25 year period) and cost avoidance of £28k p.a. for annual maintenance (property)
 2. Ongoing costs: Recurring cost.
 3. Budget head/performance centre: Leisure Trust Client
 4. Total current budget for this head: £40k
 5. Source of funding: Existing revenue budgets 2011/12
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Staff

1. Number of staff (current and additional): 0
 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): Norman Park Track - 46,130 casual users , 334 memberships, 428 school hours. Delegated Sports Management - 38 senior players, 320 junior players.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes.
2. Summary of Ward Councillors comments: Ward Members have been consulted on the proposals as they currently stand. Generally Ward Members views towards the scheme were favourable and positive, although some concerns were raised in respect to the impact the scheme may have in terms of additional traffic that may be generated, and in respect to the impact that any proposed floodlights may have on neighbouring local residents. Members also expressed a desire for local residents who may potentially be effected by the proposals to be consulted as more detailed plans for the scheme emerge.

3. COMMENTARY

Background

- 3.1 This report outlines proposals to upgrade the existing facilities and to develop new facilities within Norman Park, Bromley. The current changing facilities and the infrastructure within the park and the athletics track are becoming outdated and unfit for purpose, and will require significant investment and maintenance going forward. Additionally the formal sports and recreational offer in the park is currently limited to athletics and football, and the play area in the park requires upgrading and potentially re-siting. The park would also benefit from the addition of a modern high quality cafeteria. The proposals as set out in this report will look to address these concerns, potentially creating a high quality multi sports destination for local residents.
- 3.2 There are potentially significant future liabilities for the Council in continuing with the current arrangements for the operation of the Norman Park and the athletics track. Historically between 2000 and 2010 the Council has spent £293k on maintenance across the facilities within the park and the athletics track (an additional £100k was also secured from the London Marathon Fund in 2005 to upgrade the track from six to eight lanes). The Council has also funded Norman Park Track Management Company (NPTMC) to the value of £420k over that period for its management of the athletics track (the current grant is £39k per annum).
- 3.3 The financial projections for the period 2011 – 2021 are for a minimum financial commitment of £276k to be spent to maintain the pavilions, the athletics track and the gate-keepers house, and £400k to be paid to NPTMC (£40k for 10 years). Members should be aware that the sub base to athletics track was last replaced in 1992 and it will need replacing along with the track surface within the next 10 years. This is estimated to be around £142k, and it is included within the above financial projections. If these works are not undertaken then the track would lose its licence to stage county competitions and events. The current athletics pavilion has also been underpinned on three occasions within the last 20 years, the latest works taking place in early 2010. Further underpinning works may be required on the building going forward if it continues to subside. The above figures do not include replacement of the athletics pavilion or provision for further underpinning works.
- 3.4 One option for the Council is to seek to develop the site as multi sports hub, and to appoint a suitable and appropriately qualified leisure investment and management company to fund, design, construct, manage, maintain, and operate the new facilities at the park, along with the athletics track and the grass playing pitches within the park.
- 3.5 Officers have developed a draft “Partner Brief” (Appendix A) which will be amended to accommodate any additional requirements or changes that Members may wish to include. Should Members wish officers to further develop the scheme, it is proposed to undertake a soft market testing exercise with potential partner companies to refine and develop the Partner Brief. This developed Partner Brief will be advertised to interested management partners as part of a tender process to identify a suitable management partner for the scheme.
- 3.6 The London Borough of Bromley’s Procurement and Legal teams have advised that this scheme would be let through a concession arrangement between the London Borough of Bromley and the management partner.
- 3.7 It is proposed that within the arrangements for the new developments at the park, the aforementioned ongoing liabilities would be the responsibility of the new management

partner, and all tenderers will be asked to demonstrate their maintenance and investment proposals over the life of the agreement within their submissions to the Council.

- 3.8 The scheme would look to demolish the existing four pavilions that currently support the park's grass playing pitches, and the gatekeepers lodge (currently empty), along with the pavilion within the athletics track. It is proposed to use this footprint and replace these buildings with a new dual aspect pavilion which will provide all necessary changing facilities for the proposed new facilities, the athletics track and the existing grass pitches. This would enable modern changing facilities to be developed within a single building, and would improve the openness and the aesthetics of the park through the removal of the four large park pavilions.
- 3.9 The Council is seeking to appoint a successful management partner that would:
- Develop the existing facilities and provide a range of new facilities and services to enhance the leisure, sporting and recreational offer available in the park, under a full repairing and insuring lease which is expected to be for 25 years, however the length of the lease will be negotiated through the tendering process.
 - Develop and implement plans that will enable access and increase participation in sport and physical activity, support active lifestyles, and enable people to develop their sporting potential.
 - Ensure the park and its facilities are developed for use by clubs, community and voluntary groups, schools and colleges, local businesses and the local community.
- 3.10 The Council will require interested companies to develop a suitable and costed business case for their proposals. The Council will insist that there must be no reduction of the current levels of service provision in respect to activities within the athletics track, activities within the park including the grass pitches, and the current events programme for the park.
- 3.11 The Council will require the successful partner company to provide costed details of its commitments to capital investment across the newly developed and existing facilities over the life of the contract, and its planned maintenance and decorations programmes.

Future Proposals

- 3.12 It is anticipated that a management partner will be appointed who will be responsible for the management, operation and development of the site, under a full repairing and insuring lease.
- 3.13 The new management partner may wish to continue with the current arrangements for management of the athletics track with Norman Park Track Management Limited (NPTML), or may seek to enter into discussions with the Council and NPTML to deliver this service directly themselves.
- 3.14 Similarly, any new management partner may wish to continue with the current arrangements for the booking and operation of the grass pitches with the current delegated manager, utilising the new changing facilities provided within the new facilities, or the new management partner may wish to undertake these functions directly themselves.
- 3.15 The new management partner may also wish to continue with the current arrangements for the maintenance of the grass pitches or may seek to re-specify the arrangements with the current contractor, or the new management partner may wish to undertake these functions directly themselves.

- 3.16 The Council will continue with its current maintenance commitments and responsibilities for the car parks.
- 3.17 The management partner will be responsible for developing, managing, and marketing:
- The facilities
 - The agreed development plans
 - The usage of the facility by the community, clubs and schools etc.
- 3.18 The Council wishes the successful partner company to be able to demonstrate within their submission how their proposals deliver the Council's sustainable community strategy - Building a Better Bromley 2020, and how their submission aligns with local, regional, and national strategies and plans, and meets local needs and targets.
- 3.19 The Council is seeking proposals from suitable management partners regarding the wider development of the park and as such the Council may also seek to work with other agencies such as National Governing Bodies for Sports, and Pro Active Bromley to examine further development opportunities that may be possible within the park such as cycling facilities, and enhancing the play provision within the park.

Benefits of the Scheme

- 3.20 It is anticipated the development could provide the following benefits:
- A range of new and improved sports and recreational facilities within Norman Park offering new activities and opportunities that make the park a destination of choice for Bromley's residents.
 - Capital and service improvements to be provided at no cost to the Council
 - A potential saving to the Council over the life of the agreement as the current ongoing liabilities and management would become the responsibility of the new management partner, equating to potentially around £400k for the first 10 years as well as cost avoidance of at least £418k.
 - New opportunities for wider access, increased participation, improved performance and support for healthy lifestyles.
 - Development plans to increase sporting and recreational opportunities for the local clubs, community, groups, schools, colleges and businesses.
 - New changing and office facilities for the athletics track replacing the current pavilion and potentially improved spectator facilities.
 - New changing and facilities for parks based activities.
 - Potential, dependent upon tender returns, for an income stream to be generated via lease arrangements with partner company.

Risks and Issues

- 3.21 Officers have, in line with Contract Procedure Rule Requirements, attempted to identify the risks and issues for the Council in developing this scheme as below:
- No suitable partner companies express an interest in the scheme.
 - The total costs of the project cannot be met through the projected operating surpluses, and therefore the scheme will need to be value engineered, and there may be no revenue stream generated for the Council.
 - Planning permission or other consents needed for the scheme are not obtained.
 - Surveys undertaken as part of the design and build process result in scheme being undeliverable.
 - The Council needs to be indemnified against a cost or time overrun by the partner company.
 - Projected income targets for the new facility are found to be unrealistic resulting in a re-negotiation of the lease arrangements, or for the termination of the agreement and a new management operator to be found.
 - The partner company becomes insolvent during the build phase or during operation.
- 3.22 The actual costs and business case will be determined via the procurement process.

Assumptions

- 3.23 The following assumptions have been made in respect to the scheme:
- There will be no capital or ongoing revenue costs to the Council in delivering this project and its subsequent operation.
 - Planning consent and all other consents, permissions and surveys will be the responsibility of the partner company and will be at their risk.
 - Current services and standards in respect to the athletics track, sports pitches and events must, as a minimum, be maintained.
 - All costs in developing the scheme shall be met by the partner company and shall be at their risk.
- 3.24 The procurement process and the development proposals will be developed to place, where possible, the risks and costs with the potential management partners rather than the Council.
- 3.25 Ultimately the feasibility of the scheme and the details of what the market can deliver at the site can only be identified through soft market testing and the tendering process. It is proposed that following the completion of the tendering process a further update report is brought to Members for their consideration.

Project Timetable

3.26 The anticipated project timetable and milestones are detailed below:

Undertake soft market testing exercise	Aug – Oct 2011
Refine and develop brief in accordance with soft market testing exercise results including tender specification	Oct – Dec 2011
Advertisement in press	Jan 2012
Expressions of interest received	Feb 2012
PQQ dispatched	Feb 2012
PQQ returns	Mar 2012
Approval of short list of partner companies	Mar 2012
Full documents issued	Apr 2012
Briefing of potential partner companies / visits to site	Jun 2012
Scheme proposals returned by partner companies	Jul 2012
Evaluation of scheme proposals (+ interviews and presentations from shortlist tenderers as required)	Aug - Sep 2012
Selection of preferred contractor	Sep 2012
Negotiate with preferred contractor on final scheme	Oct – Dec 2012
Report to Renewal and Recreation PDS and PH, Report to Environment PDS and PH, and Executive	Dec 2012
Award of contract	Jan 2013
Planning and all consents and surveys to be obtained / undertaken by partner company	May 2013
Start of build phase	Jul 2013
Completion of build phase	Aug 2014
New facilities open to public	Sep 2014

Wider Consultation and Partnerships

3.27 There are a number of partner organisations and stakeholders that may wish to be involved in shaping the development proposals of the park going forwards. Council Officers have undertaken an initial consultation with the organisations listed below.

Pro-Active Bromley, c/o London Borough of Bromley, B43a St Blaise, Bromley Civic Centre

Bromley Mytime, 4th Floor Linden House, 153-155 Masons Hill, BR2 9HY

Bromley Football Club, The Stadium, Hayes Lane, Bromley, Kent BR2 9EF

Bromley College of Further Education, Rookery Lane Campus, Rookery Lane, Bromley, Kent, BR2 8HE

Bromley School Sports Partnership, c/o Priory School, Tintagel Road, Orpington, BR5 4LG and Kelsey Park School, Manor Way, Beckenham, BR3 3SJ.

Rookery Estates, Barnet Wood Road, Bromley

Delegated Manager – Norman Park

3.28 The general consensus from the consultation was that, at the current position in respect to the development of the scheme, the proposals were welcomed and potentially offered significant benefits to the park and its future potential users. The delegated manager expressed some

concerns regarding their long-term arrangements at the park. Should the scheme further progress then additional and more detailed consultations with these partners and stakeholders would be undertaken.

4. POLICY IMPLICATIONS

4.1 The scheme is included within the BBB priorities for 2011-12 for Vibrant and Thriving Town Centres.

5. FINANCIAL IMPLICATIONS

5.1 It is assumed there will be no capital or ongoing revenue costs to the Council in delivering this project and its subsequent operation during the lease agreement. There should be annual savings of £40k on the Council’s existing revenue budget as well as the potential to generate income from the lease arrangements or from a profit share agreement.

5.2 The proposed scheme will also enable the Property Division to avoid costs of at least £276k maintaining the pavilions and replacing the track.

5.3 Depending on the final agreement, there could be the potential to make a small annual saving on the grounds maintenance costs of the park.

5.4 Prior to any final decision being made on the scheme, a full financial assessment of the potential proposals will be undertaken as part of the evaluation of the tender process and the results reported back to Members for consideration.

6. LEGAL IMPLICATIONS

6.1 Initial discussions have taken place with legal and procurement and any service to be delivered on this project will adhere to council Financial Regulations and in line with a fair and transparent procurement procedure.

Non-Applicable Sections:	Personnel Implications
Background Documents: (Access via Contact Officer)	[Title of document and date]