

CLAYTON SPORTS CENTRE

Submitted by: Executive Director – Operational Services

Portfolio: Culture and Leisure

Ward(s) affected: All (particularly Clayton)

Purpose of the Report

To provide Cabinet with an overview on the strategic significance of Clayton Sports Centre and the key issues concerning the long term sustainability.

To make Members aware of an opportunity to secure external funding to improve the structure and quality of the centre and the implications of the Council acting as an applicant in this respect.

Recommendations

(a) That the strategic significance of the sports centre be recognised and the Councils role as the applicant for grant funding for the project be noted .

(b) That a further report be submitted to Cabinet in the spring of 2013 reporting progress made on the project and the outcome of external funding applications.

Reasons

To ensure the continuity of service delivered from Clayton Sports Centre which benefits the residents of the borough as well as meeting the Councils and partners strategic objectives for sports and healthy and active lifestyles.

1. Background

- 1.1 On 29 September 1970 the Council entered into a one hundred year ground lease with Stone and District Sports Association (SDSA), for a plot of land fronting Lilleshall Road, Clayton, and Newcastle-under-Lyme Staffordshire. As a condition of both parties entering into a ground lease the SDSA constructed a sports facility, consisting of, a five court sports hall, spectator gallery, associated changing rooms, two meeting rooms, kitchen area, and shared parking arrangements with the cricket club adjacent to the centre.
- 1.2 The facility has strategic significance in terms of the provision of a multi use publicly accessible sports hall which can be used for a range of sports such as football, badminton, cricket and others. The location of this facility, within the same general location as Newcastle Rugby Club, Newcastle and Hartshill Cricket Club, Newcastle Town Football Club and the cycling velodrome, with all the associated sports development activities that take place, increases the importance of the venue.
- 1.3 For the past forty two years Clayton Sports Centre has been directly managed by the SDSA as a charitable trust. During this period the centre has been exceptionally well used by the local community, and has an annual footfall of circa 35,000.
- 1.4 In the Spring of 2012 the board of trustees requested the support of your officers to try and secure the long term sustainability of the centre as it was feared that elements of the building were coming to the end of their useful life, coupled with the fact the SDSA did not have the financial resources to undertake the repairs required.

2. **Issues/Progress Update**

2.1 Over the past six months your Officers have been working closely with the board of trustees for the SDSA in an attempt to identify the best way forward to secure the long term sustainability for Clayton Sports Centre. In summary the key issues identified are as follows:

- The Council owns the freehold for the plot of land with the SDSA having a ground lease for a further 58 years. Currently the SDSA own the asset but should they fold or the centre becomes inoperable due to a building failure the sports centre could revert back into the Council's ownership.
- Clayton Sports Centre has significant strategic value to the Council and national governing bodies for sport, given that the facilities available are critical for the development of the badminton & cricket within the county as well as contributing nationally to Sport England targets which the Council is assessed against as part of the Active People Survey.
- It has been identified that key elements of the sports centre are no longer fit for purpose in particular the roof to the sports hall and the associated changing areas. A cost plan has been developed which has indentified the centre would require an investment of circa £250,000 inclusive of fees and contingency to secure the longevity of the facility. Without the investment it is possible that the sports centre could face closure within the next 18 months due to building failure.
- Your officers have been working in conjunction with the board of trustees for the centre, Staffordshire County Cricket Board, The England and Wales Cricket Board (ECB), and Badminton England to identify potential funding opportunities and have identified that external funding is potentially available from the following funding bodies, the SDSA, Sport England, the England a Wales Cricket Board and Staffordshire County Council Cricket Board. Subject to funding applications being made and approved your officers are confident that the level of capital funding required can be secured.
- The Councils involvement in the project as the applicant provides the opportunity to apply for greater levels of grant funding than the SDSA could themselves. Therefore the Councils role in this proposed project is pivotal in securing the required level of investment to deal with the issues identified with the centre.
- However, it is important also to recognise that the implications of acting as the applicant in such matters could place future obligations on the Council in terms of a liability for any claw back of grant funding should the centre cease to operate within a given timescale of the grant being awarded.
- Your officers submitted a funding application to Sport England in September 2012. It is envisaged that a funding application to the ECB will be submitted by the end of November 2012. At this stage the submission of the funding applications will not put the Council at any risk as the applications can be withdrawn at any time and the SDSA are aware of this. It should be noted that there would be liability for the claw back of funds for a period of up to fifteen years.

Should the grant applications for funding not be successful it is possible that SDSA would have to consider winding up the operation of the sports centre in the event of building failure and the centre could therefore revert back into the Council's ownership. At this point the Council could become liable for the holding/demolition costs of the sports centre estimated to be in the region of £40,000.

2.2 In order to address the issues above a small working group of Officers has been established. The group are currently working in partnership with the SDSA to finalise the following pieces

of work by the end of February 2103 which will minimise the risk of the Council entering into funding agreements in relation to Clayton sports Centre:

- To establish the most appropriate procurement route to ensure value for money.
- To renegotiate the lease with the SDSA to ensure the recovery of VAT for the project, that strong governance arrangements are in place for the management of the centre, and the key outcomes of external funding bodies are achieved.
- To have a legal contract in place with the SDSA, in order to ensure no financial burden is placed on the Council as a direct result of the project.
- To identify and put in place measures to protect the Council from any potential claw back liabilities.
- To agree and draft a comprehensive specification for the works and contractual documentation.

2.3 Consultation has taken place with the Portfolio Holder for Culture and Leisure, local ward members, and the Council's Capital Programme Review Group who were supportive of the project.

3 **Proposal**

3.1 The Cabinet note the information contained within this report, and agrees to receive a further report in the spring of 2013 outlining the outcome of the external funding applications and progress with the issues outlined in 2.2 of this report.

4. **Reasons for the Preferred Solution**

4.1 To ensure the continuity of service delivered from Clayton Sports Centre which benefits the residents of the borough as well as meeting the Councils and partners strategic objectives.

5. **Financial and Resource Implications**

5.1 The SDSA have been informed that the Council does not have capital resources to contribute towards the project. However it should be noted that should Clayton Sports Centre revert back into the Council direct ownership this potentially would incur holding/demolition costs of up to £40,000 which the Council would have to absorb from the Councils revenue budgets.

6. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

6.1 The long term sustainability of Clayton Sports Centre will contribute towards the delivery of the Council's Strategic Priorities as set out in the Council Plan for sport, healthy and active communities.

7. **Legal and Statutory Implications**

7.1 The Council has powers, under the Local Government Act 2000, to improve the social, economic and environmental well-being of the Borough's residents.

8. **Equality Impact Assessment (EIA)**

8.1 Despite Clayton Sports Centre not being owned or operated by the Council, your officers have noted that there are some accessibility issues with the design of the centre and it is envisaged that these will be addressed as part of the project, where reasonably practicable to do so, in order to optimise access from all sections of the community.

9. **Major Risks**

9.1 A full risk assessment/log has been developed in conjunction with the Council's Corporate Risk Manager and the contract will be subject to regular review.

10. **Key Decision Information**

10.1 The operation of Clayton Sports Centre which is operated by the SDSA is a well used sports facility with an annual attendances of circa 35,000 per annum. The centre not only contributes to the Council's strategic priorities but is also vital for the development of cricket and badminton within the County.

11. **Previous Cabinet Decisions**

None

12. **List of Appendices**

Appendix A - Risk Log