



Cabinet 21 October 2009

Victory Sports Ground, Bury St Edmunds (Nov 09/04)

1. Summary and Reasons for Recommendations

- 1.1 This paper allows the Cabinet to consider a joint proposal from South Lee School and the Victory Sports Ground Ltd to enhance the Victory Sports Ground in Bury St Edmunds through the provision of a sports hall and pavilion. The sports ground is owned by the Borough Council and has been successfully leased to, and managed on its behalf by, Victory Sports Ground Ltd since 2001. However, the pavilion is not fit for purpose and now requires extensive investment. There is the opportunity to attract significant external investment (circa £1.8m) to improve community sports facilities in the area, by way of a £25,000 capital contribution from the Borough Council to Victory Sports Ground Ltd, linked to negotiations regarding the future level of revenue support.

2. Recommendations

- 2.1 It is recommended that:-

- (1) the Council works in a partnering arrangement with South Lee School and Victory Sports Ground Ltd to develop a scheme to build a new sports hall and pavilion on the Victory Sports Ground, Bury St Edmunds;
- (2) the Council allocates £25,000 in its capital programme to pay to the Victory Sports Ground Ltd as its contribution to the costs of removing the existing pavilion;
- (3) payment of the Council's contribution be conditional upon:-
 - (a) an agreement being reached with Victory Sports Ground Ltd that, following the construction of any new facilities, its revenue grant from the Council be reduced by way of a mechanism linked to increases in income;
 - (b) South Lee School and Victory Sports Ground Ltd obtaining sufficient funding to proceed with the scheme;
 - (c) the satisfactory completion of the necessary legal agreements;
 - (d) planning consent being obtained; and
 - (e) the completion of a community use agreement with South Lee School; and
- (4) the Corporate Director for Community Services, in consultation with the Portfolio Holder for Culture and Sport, be authorised to agree the details of the scheme with South Lee School and Victory Sports Ground Ltd and to release the Council's capital contribution.

3. Corporate Objectives

3.1 The recommendations meet the following, as contained within the Corporate Plan:-

- (a) Corporate Priorities: *'To improve the safety and well being of the Community'
To raise Corporate Standards and efficiency'; and*
- (b) Cabinet Commitments: *'Shape the future development of the Borough and the wider area'*
- (c) Vision 2025: St Edmundsbury will be a place which: *where the wide range of accessible leisure and cultural facilities on offer provide opportunities for the community.*

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4. Key Issues

- 4.1 The Council has invested significantly in its cultural and leisure facilities. There will be a pressure in the future to reinvest in existing facilities, provide new facilities to meet changes in demand and assist community organisations to develop and enhance their facilities. To achieve this, innovative approaches to funding will be required. Many requests are received from organisations to support their developments with funding support. The scheme outlined below is in this spirit and provides an opportunity to provide a new community facility with a small investment from the Council. As importantly, it will secure the continued community management of a council-owned facility.
- 4.2 The Council owns the Victory Ground. It is a high quality, multi-activity sports ground including two grass cricket wickets (one of County standard), artificial croquet lawn, two hard and two grass tennis courts and football pitches. It is the home facility of the Bury St Edmunds Cricket Club, the Victory Ground Tennis Club and the Bury St Edmunds Croquet Club and annually hosts a nationally renowned tennis tournament.
- 4.3 In 2001 the management of the Ground was transferred to a new company the Victory Sports Ground Ltd (essentially a voluntary trading arm of the Cricket Club). At the time of transfer the revenue cost to the Council was £96,000. A grant of £47,140 was awarded to the new organisation. The current level of grant is £45,000. The Victory Sports Ground Ltd collects the rents from the clubs using the facilities and currently pays the Council £11,450 per annum. The rent has not been increased since the grant of the lease, although there are provisions to increase in line with inflation. In essence, therefore, the transfer has produced a saving of over £50,000 per annum without any loss of service.
- 4.4 South Lee School have approached Victory Sports Ground Ltd (and, through them, the Council) with a proposal to build a sports hall on the Ground. They seek a long lease from the Council. They will meet the capital costs of the sports hall (circa £1.5m) and the revenue costs. They will use the sports hall during the school day and make it available for the community during evenings, weekends and school holidays.
- 4.5 Victory Sports Ground Ltd wish to construct a new pavilion on the Ground (attached to the new sports hall). They would need to be granted a lease by the Council in respect of such new pavilion. They will apply for funding from the English Cricket Board (ECB) and they request a contribution of £25,000 from the Council, as landlord, towards the cost of the capital project (which is essential in order to bring in other funders such as the ECB partner). They have offered to negotiate with the Council regarding a reduction in the revenue grant received from the Council after construction of the new pavilion; the reduction likely to be linked to the increase in income that they anticipate achieving (due to the improved facilities, and opportunity to hire the space for functions etc).
- 4.6 The existing pavilion and changing rooms are dated. The responsibility for repair and maintenance of the pavilion is with Victory Sports Ground Ltd until the expiry of their lease (which was originally taken out until 31 October 2031). Were the Company to hand the pavilion and changing rooms back to the Council at any point, the Council could be faced with the decision of whether to replace or demolish the pavilion (as well as the revenue costs of maintaining the grounds and pitches). As such, there is a strong incentive for the Council to assist Victory Sports Ground Ltd to improve the facilities and thereby strengthen their future viability.
- 4.7 The provision of a new facility on the Ground also increases the ability of Victory Sports Ground Ltd to increase their income and thereby be less reliant on grant funding from the Council, which provides a further incentive to invest in the pavilion on behalf of the

local taxpayer.

5. Other Options considered

5.1 The key options include:-

- (i) decline the request to build a new sports hall and pavilion on the Ground and manage the Victory Ground in the way we do now. The opportunity will be lost at this time to develop the Ground. The Ground could potentially be handed back to the Council which would have the responsibility for dealing with the old pavilion, as well as the full cost of the Ground in the short-term at least.
- (ii) approve in principle the request to build a new sport hall and pavillion, based on securing community use, but not provide any or all of the capital support requested and seek to reduce the revenue grant.
- (iii) approve in principle the request to build a new sports hall and pavilion based on securing community use and commit to a grant of up to £25,000 towards removing the existing pavilion and maintain the revenue grant.

5.2 Key Considerations

5.2.1 It is possible that the need for additional community facilities could be met from working with existing schools to open up their facilities for community use. Realistically (and when compared with a scheme requiring an investment of £25,000 from the Council), this may prove difficult and could involve long periods of negotiation before any positive outcome is achieved.

5.2.2 The current pavilion is unlikely to last until the end of the current lease, and the Council will therefore at some point have to consider its position on a replacement which Victory Sports Ground Ltd is unlikely to be able to afford. If the Council were to take the Victory Sports Ground back for any reason, even doing nothing at the Ground would carry a cost. Simply removing the pavilion has costs estimated (current value) to be £50,000. A £25,000 contribution now could therefore avoid an additional cost in the future, as well as attracting a substantial external investment in community facilities.

5.2.3 As with all other partners at the current time, officers have had discussions with Victory Sports Ground Ltd around reducing the existing revenue grant in a planned manner. Victory Sports Ground Ltd have indicated a willingness to negotiate such a reduction in the longer-term but have provided evidence that they are currently only covering the costs of maintaining the Ground due to increased ground-keeping costs. The Chief Financial Officer has reviewed the last 6 years of Victory Sports Ground Ltd accounts and confirms this to be the case.

5.2.4 There are obviously legal, property and planning issues in relation to developing this scheme. Fundamentally, the Council will need to agree surrender of the existing lease by Victory Sports Ground Ltd and negotiate the terms of a new lease with the new tenants. As such, at this stage the Council would only be offering in principle support to the scheme pending issue of the necessary consents and completion of the necessary legal agreements.

<p>6. Community impact <i>(including Section 17 of the Crime and Disorder Act 1998 and diversity issues)</i></p> <p>6.1 <u>General</u></p> <p>6.1.1 The scheme offers increased opportunities for sporting participation, which will address an identified community need. An assessment of this need is provided in Appendix 1.</p> <p>6.2 <u>Diversity</u></p> <p>6.2.1 All the community clubs using the facility will have an open access policy enabling all in the community to participate.</p>
<p>7. Consultation</p> <p>7.1 Aside from the financial advantages of a strong management company running the facility on its behalf, the benefit of this scheme to the Council is that it provides additional facilities for community use. In assessing the need and potential usage of a facility, consultation has taken place with Sport England, Suffolk Sport and Abbeycroft. Details of this consultation are contained in Appendix 1.</p> <p>7.2 Victory Sports Ground Ltd will consult and involve other users of the Ground in any scheme, and seek to maintain good relationships with local residents. Local residents and the Town Council will be consulted on any planning application for the new buildings.</p> <p>7.3 The two Borough Council ward members have been consulted about the proposal and any comments received from them will be presented at the meeting.</p>
<p>8. Resource implications <i>(including asset management implications)</i></p> <p>8.1 The total cost of the scheme is estimated to be c£1.8m. The Victory Sports Ground Ltd will apply for external support from the English Cricket Board. Following negotiation, the request is now that the Council contributes £25,000 capital towards the costs of removing the existing pavilion and seeks to reduce its revenue support to the Victory Sports Ground Ltd. The financial support of the Council is essential to the application for external funding.</p> <p>8.2 The costs of operating the new sports hall facility are to be entirely met by the School. There is no revenue implication for the Council over and above the existing level of grant support (which is to be reduced over time as mentioned above). There are opportunities for collaboration with Abbeycroft.</p> <p>8.3 A full asset management review has not been undertaken in consideration of this project. An options appraisal will be undertaken in parallel with the proposed way forward.</p> <p>8.4 The Council has committed to considering community management and ownership of assets as part of its option appraisal process.</p>

9. Risk Assessment *(potential hazards or opportunities affecting corporate, service or project objectives)*

Risk area	Inherent level of Risk (before controls)	Controls	Residual Risk (after controls)
Lost opportunity to improve community sporting facilities to meet future demand, at low cost to taxpayer	Medium	Council pledges support to scheme and assists in its development	Medium (external funding still not guaranteed)
External funding which will benefit local residents is not attracted	High	Council offers its own funding to support external bids	Medium (external funding still not guaranteed)
Council feels obligated to contribute, as landlord, to works to improve the pavilion	High	Council supports scheme to achieve replacement of pavilion using external bids.	Medium
VSG Ltd returns management of the Ground to the Borough Council and existing revenue saving is lost	Medium	Council can enforce contractual terms of the lease to prevent this. Council supports wider scheme to increase viability and income generating potential of VSG Ltd	Low
Missed opportunity to promote the development of community ownership, a strong community sector and a local business	Medium	Council pledges support to scheme and assists in its developme	Low
All existing interested users cannot agree with the proposals	Medium	Early consultation	Low

10. Legal or policy implications

- 10.1 The request is for a 99 year lease for the land on which the new facility will be constructed. Initial discussions have taken place with legal, property and planning officers and there has been an initial assessment of legal and property issues.
- 10.2 There is a covenant in place covering part of the Ground.
- 10.3 There will have to be a review of the leases and licences which relate to occupation of the Ground, which may result in surrendering or terminating such leases and licences.

Wards affected	All	Portfolio Holder	Culture and Sport
Background Papers		Subject Area	Leisure, Sport, Arts and Culture

Responses of Sport England and Abbeycroft in respect of future demand

1. Sport England offer the following comments:
 - i) There is significant scope to increase participation in the locality - facilities will play a part in this process (see the participation data from Active People below).
 - ii) Good quality sports hall provision with high standard ancillary provision is a significant factor for a number of sports in terms of contributing to satisfaction and sustaining participation.
 - iii) Predicting growth in participation to 2016 alongside the population growth expected in Bury St Edmunds will lead to a growth in demand for sports provision and as part of this sports hall provision - the tables show the need for increased provision therefore to maintain current levels and the effects of population growth and demand growth in the borough up to 2016.
 - iv) Going forwards one way of addressing the above is to consider widening access to existing provision but this is not always practical and deliverable, where there is opportunity for increased investment to provide new provision and it doesn't inadvertently duplicate existing provision a local case could be made for new provision – we would suggest however that this argument needs to be made in the context of local circumstance - clubs, demographics, location of other provision and to this end a local strategy where a detailed assessment of circumstance to determine demand would ideally be the most appropriate next step.

2. Key Participation Points

- Levels of participation in St Edmundsbury were lower than in the East and in England, with one in five people engaged in regular sport or recreational activity.
- Over half the residents in St Edmundsbury (54%) reported no sport or recreational activity.
- One in four 16-34 year olds compared with one in twelve aged over 55 years participated on 3 occasions a week.
- St Edmundsbury had lower participation rates for both the 16-34 year old and over 55 age groups than the East and was generally lower than its geographical neighbours and similar IMD and ONS areas.
- Two out of five of the people aged 16-34 years in St Edmundsbury reported zero sport or recreational activity and this increased with age to three out of four in the over 55 age group.
- People with limiting disabilities participated more than in the East and England. Three out of four respondents reported no activity at all.
- Of the respondents in the higher socio-economic groups (1-4) one out of four people, compared with only one in eight in the lower socio-economic groups (5-8), took part in regular sport and recreational activity.
- Zero participation was higher in the lower socio-economic groups (5-8) when compared to the higher socioeconomic groups (1-4)

(Source: Active People Survey, Sport England, November 2006)

3. The national target of a 1% year on year increase in participation also needs to be considered because if this is achieved the number of active participants will increase significantly. Whilst some of the additional demand will be satisfied by non-facility based activities such as walking, other popular sports such as swimming will need 'places' in which to participate.

4. To illustrate this, the current population of the County is 704,400, and is due to increase to 754,200; this equates to an increase in population of 49,800 by 2016. Whilst the population will increase, it is fair to assume that the total increase in population will not equate to the total increase in participation, given that not everyone participates in sport and physical activity and that not all participation increases will be in formal facilities.
5. Existing levels of provision (212 x 4+ badminton courts) are sufficient to meet current and future demand. The issue is that the existing facilities are actually not all accessible for community use; in reality there is a current accessibility deficit in the county of 61 courts, which increases to 74 by 2016 (and 84 courts when taking into account an increase in participation).
6. In theory, this situation could be most effectively addressed by negotiating more access to the existing sports hall supply, but in reality this is likely to be difficult to achieve, or by ensuring appropriate access through eg BSF investment. New facilities would also be an option, but unless these replace outdated facilities this option would seem to require more capital investment than re-negotiation of access arrangements.

Table 1 Sports Hall Provision needed by 2016

LOCAL AUTHORITY AREA	INCREASE IN POPULATION BY 2016	ADDITIONAL SPORTS HALL PROVISION - NUMBER OF COURTS (4 BADMINTON COURT SIZE AND ABOVE) NEEDED BY 2016 TO MAINTAIN COUNTY AVERAGE
St Edmundsbury	6,300	2.46

Table 2 - Impact of Increased Population and Participation on Sports Hall Supply by 2016

LOCAL AUTHORITY AREA	CURRENT POPULATION (Mid Year 2007 estimates)	POPULATION BY 2016	NUMBER OF BADMINTON COURTS needed by 2016 (based on SFC demand using 2016 population and assuming 5% increase in demand)	BADMINTON COURTS Difference between number of courts needed by 2016, and current supply of all courts/current supply of accessible courts (SFC – demand utilizing 2016 population and assuming 5% increase in demand)
St Edmundsbury	102,100	108,400	32.22	11.78/-15.22

As you can see from the above table 2 - accessibility is a key issue locally - when you take out the accessibility issues you have a deficit of provision by 2016 of 15.22 instead of a surplus of 11.78.

7. Further advice has been sought from Abbeycroft Leisure who have provided a detailed report. They conclude that there is a local need for a Sports Hall with at least 4 badminton courts to cater for a range of sport and physical activity. They add that such a provision may provide additional opportunities for participation.
8. The proposal for this scheme is that the Sports Clubs are the key community users of the new facility, but that those clubs have an open membership policy. This may result in additional facilities being available for pay and play customers at Bury St Edmunds Leisure Centre.