



Report to:	Cabinet
Lead Cabinet Member:	Cllr Bill Handley (Lead Cabinet Member for Communities)
Lead Officer:	Anne Ainsworth (Chief Operating Officer)

Northstowe – Acquisition of Western Park Sports Pitches; governance arrangements for the Western Park facility; and procurement of an external operator

Executive Summary

1. The report updates Cabinet on a decision taken by the Chief Executive to accept a land transfer from L&Q for the land containing the sports pitches within the Western Park, Northstowe. These are the facilities which the Phase 1 Sports Pavilion is designed to serve.
2. The report provides an update on governance arrangements for the Phase 1 Sports Pavilion and the procurement of an external operator to manage and maintain the combined facility.

Key Decision

3. No, although this report updates Cabinet on a Key Decision taken on 19 September 2023 by the Chief Executive. This decision was required to enable the Council to receive land through a land transfer agreement from L&Q, Northstowe Phase 1 master developer, to bring the Western Park sports pitches into the ownership of South Cambridgeshire District Council (SCDC). Although this transfer was offered at nil consideration, the red book valuation of the land (not received until after Cabinet's last meeting on 27 June) required that this acquisition be treated as a key decision.
4. The decision to accept the land transfer by the Chief Executive was urgent in order to commence the procurement process to secure an external operator to manage and maintain both the pitches, sports pavilion and car park to operate the facility as a single entity. The main construction of the building is expected to be complete in September 2023 and an operator must be in place to open for public use at the earliest point possible. Therefore, this matter could not be delayed for Cabinet to consider on 28 September 2023.

Recommendations

5. The report asks that Cabinet notes the following:
 - i. The acceptance of the freehold land transfer of the Sports Pitches within the Western Park through a Decision taken by the Chief Executive, having considered the valuation report and assessment of resultant liabilities.
 - ii. The procurement of an external specialist operator for the unified Western Park sports facility has progressed and an operator has been identified; the contract has been awarded subject to satisfactory references and is conditional upon successful land transfer.
 - iii. The establishment of a Governance mechanism by which Northstowe Town Council and the local community can partner with SCDC to ensure local accountability and oversight of the management and maintenance of the Phase 1 Sports Facility, i.e. the creation of a management board through a memorandum of understanding.

Reasons for Recommendations

6. The Council had an obligation, resulting from the Northstowe Phase 1 Section 106 agreement, to deliver the Sports Pavilion serving Northstowe's first phase development of 1,500 homes. The measures taken allow the Council to bring this facility into operation for the benefit of the community. Without the unification of the pavilion and the pitches the operation of the facility would not be viable.
7. The Council lacked the necessary in-house expertise to operate the Phase 1 Sports Pavilion and pitches at Northstowe. An external operator therefore offered the best available solution to deliver a fully functional community sports facility on completion of the construction project.
8. The governance arrangements put in place will serve as an interim solution; the Council can still consider any proposal arising from the community to take on the Phase 1 Sports facilities at a later date in accordance with the Council's Asset Transfer Policy.

Details

Background

9. Developers L&Q activated a provision in the Phase 1 Northstowe Section 106 agreement which meant that the district council was passed the responsibility for building the Phase 1 sports pavilion.
10. The Pavilion and car park is constructed on land that has been transferred to the district council from L&Q. However, the adjacent sports pitches (including the bowling green) are still the freehold property of L&Q. The leasehold for the

pitches and bowling green were set to transfer to Greenbelt, the management company appointed by L&Q, a company that does not specialise in managing sports facilities.

11. A Phase 1 Northstowe Open Space Steering Group was established in 2021 to oversee the management and maintenance of open space in Phase 1 Northstowe, including the sports facilities. Membership of this group includes representation from SCDC, Cambridgeshire County Council, Northstowe Town Council, Longstanton Parish Council, Greenbelt and Anglian Water. The group discussed the issue and agreed that joining the sports pavilion and pitches together would be both desirable and necessary for the effective management and maintenance of the provision.
12. L&Q and Greenbelt were supportive of a proposal to transfer the freehold interest in the grass pitches, Multi Use Games Area, Artificial Turf Pitch and bowling green to SCDC in the first instance, whilst the remainder of the Western Park and other open space elements are transferred (as a leasehold interest) to Greenbelt as planned.
13. In 2020 officers commissioned consultancy Strategic Leisure Ltd to produce a Governance Options report for the Phase 1 Sports Pavilion (and Phase 1 Community Centre). This has been recently revised by the same consultants, with a final report provided in February 2023, taking account of changing market conditions and projected running costs and with the full construction particulars now available.
14. A Red Book Valuation for the building and associated car park has been undertaken. This provides an accounting value of the asset of £5.4 million; (however, when the planning constraints and covenants that will be attached to the land transfer are taken into account, the restricted and unrestricted value (on which value must be assessed for Asset Transfer purposes) are both set at £1.
15. A Red Book Valuation for the Western Park sports pitches has also now been undertaken, it indicates they have an accounting value, based on Depreciated Replacement Value, of £6.23 million (see Appendix A), although the transfer arrangements within the Section 106 agreement require transfer at nil consideration to the district council.
16. The governance options for the Phase 1 Sports Pavilion and pitches have been appraised and are set out in Appendix B.
17. A working group established by the Town Council investigated the role taken by other similar local authorities in facility and open space management. Having examined the resources required to operate the facilities, the group formed the view that at this stage they could not recommend to the Town Council that it should pursue this course of action.

18. Given the need to secure an operating solution, SCDC, working with the Town Council, have therefore developed a proposal for an interim period of outsourced management, procured by SCDC.
19. The principle underlying the procurement approach is one of achieving financial sustainability of this key community asset, such that it may ultimately become an attractive and viable asset of interest for transfer either to the Town Council or another local stakeholder, to provide a long-term stewardship solution.
20. Since many of the sporting seasons begin in September, commencing operations later in the year could impact on earning potential. It is therefore in the interests of SCDC and of the operator to commence operation as soon as practical.
21. It is common practice for the operator of a sports facility to be offered the leasehold of the land over which it is to operate. In this instance the leasehold arrangement would cover all areas within the curtilage of the pavilion and the sports pitches.
22. The intention would be to offer a licence to occupy to Longstanton Bowls Club to manage and maintain the bowling green with access to on-site storage to stow maintenance equipment to maintain the bowling green at their own expense. This would remove this element of management and maintenance cost from the operator contract.
23. To provide the leasehold to the operator, and licence to Longstanton Bowls Club, the land must first be in the ownership of SCDC, and therefore this is contingent upon the land transfer of the Western Park sports pitches to SCDC from L&Q.
24. Appendix C provides a plan of the combined facility and illustrates how the proposed operator model would function in terms of responsibilities held by the operator, SCDC, Longstanton Bowls Club and L&Q/Greenbelt.

Implications

25. In the writing of this report, taking into account financial, legal, staffing, risk, equality and diversity, climate change, and any other key issues, the following implications have been considered: -

Financial

26. The District Council is building the sports pavilion and car park and is the freeholder of this site. Operation of the facility without access to the sports pitches it supports is unviable. Without joining the pavilion and pitches the district council would be the owner of a building it is unable to operate for its

intended purpose. SCDC would also be without access to revenue from sports pitch hire which is required to support the pavilion.

27. The financial implications of taking on the sports pitches arise from the costs of management and maintenance, less the revenue generated from their use. The financial model provided by Strategic Leisure Ltd indicates annual maintenance costs of all sports pitches to be £33,535 (at three years of maturity). This cost is based on full utilisation of the pitches. In addition, £25,000 per annum is assumed to be set aside into a sinking fund to resurface the Multi Use Games Area and Artificial Turf Pitch in due course.
28. The operational expenditure of the facility as a whole (pitches and pavilion) is circa £200,000 per year in the Strategic Leisure Ltd model, although these costs would be offset by income. The s106 allows for £180k revenue support contribution to offset any net loss, should it be required in the early years of operation.
29. The Strategic Leisure Ltd model indicates that a break-even position could be possible by year 4 of the operation if revenue generation from the pavilion and pitches is optimised.
30. The proposed terms of the land transfer agreement will see SCDC holding responsibility for maintaining the drainage which exclusively serves the pitches. This includes drainage that crosses the pitches and the drainage channels outside the transferred land that solely take water away from the pitches and to Kingfisher Pond. L&Q has full responsibility for maintaining Kingfisher Pond. Confirmation has been received that the drainage has been built as per the specification. A proportionate maintenance regime to ensure these drains continue to function as required is to be undertaken. SCDC would seek to recover such funds as are necessary from the reserved Management and Maintenance fund provided by the s106 agreement.

Staffing

31. There are no staffing implications for the recommendations in the report, as the staffing resources needed to operate the pavilion and pitches would be outsourced to the specialist provider.

Risks/Opportunities

32. Failing to secure an external operator with the required expertise to take on the management and maintenance of the Western Park sports facilities is a risk to SCDC.
33. If the procurement process to find a suitably qualified operator were to be delayed there is an increased risk the operator would not be ready to take advantage of the start of the sporting year in September, when block bookings for facilities often begin.

34. If the Council does not progress a suitable model to run the facilities at Northstowe it risks not fulfilling its Section 106 obligations and the achievement of the Council's goal of making Northstowe a Healthy New Town.

Equality and Diversity

35. The community buildings specifications have been altered to include disabled-adapted facilities now required by law. This ensures access for all and encourages inclusivity. The specification included in the procurement documents for the sports operator requires that the operator caters for diverse groups within the community, promoting inclusivity and equal access.

Climate Change

36. SCDC is committed to tackling the climate crisis. Design decisions made with regard to the heating, cooling, and ventilation of the sports pavilion and integration of renewable technologies, including air-source heating, solar pv, waste-water heat recovery and increased air-tightness levels will reduce carbon emissions as well as helping to achieve long-term financial sustainability of the combined facility.

Health & Wellbeing

37. As with any new development, many people moving to the town will be forming new social circles and creating links that will support positive health and wellbeing outcomes. Good quality community spaces and sports provision will play a key role to ensure a sense of community and a place to meet and improve opportunities for integration with surrounding communities. The Western Park sports facility will enable already active people to stay active and encourage activity in those who are not currently active.

Consultation responses

38. Pre-planning consultations for the Phase 1 sports pavilion were carried out with Cambridgeshire FA, Cambridgeshire RFU, Longstanton Parish Council and Meridian Trust. Early designs were presented at the Northstowe Community Forum and Drop-in. This was all undertaken in anticipation of the resulting facility becoming a single operational unit with the sports pitches, which it is designed to serve.
39. Full statutory consultation on the Phase 1 sports pavilion was undertaken as part of the planning process.

Alignment with Council Priority Areas

Growing local businesses and economies

40. Outsourcing the management and maintenance of the Western Park sports facilities will afford business opportunities to local contractors and sub-contractors in the leisure market.

Housing that is truly affordable for everyone to live in

41. SCDC's Asset Management Strategy recognises that as a housing provider we are about more than just bricks and mortar – that we look to build communities that can thrive and grow. Our Business Plan 2020-25 reflects this and commits to delivering in Northstowe the community facilities that will support housing delivery, including the phase 1 sports pavilion and community centre, and the phase 2 civic hub and pavilion.

Being green to our core

42. SCDC'S Business Plan 2020-25 commits to identifying and delivering opportunities to reduce carbon emissions from our estate. The designs for the Community Buildings account for the use of renewable technologies.

Background Papers

- Report to Cabinet: Northstowe Phase 1 – Section 106 Funding: February 2014
- Report to Cabinet: Northstowe Phase 2 – Community Infrastructure Delivery & Requirements: July 2015
- Report to Cabinet: Northstowe – Update and Recommendations July 2022
- Report to Council: Northstowe – Update and Recommendations July 2022

Appendices

Appendix B: Governance Options Assessment

Appendix C: Plan of the combined facility, showing management responsibilities.

Restricted Papers

Appendix A: Valuation Report, Western Park Pitches

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