

**POW BECK VALLEY REGENERATION INITIATIVE – SPORTS VILLAGE
FEASIBILITY STUDY.**

EXECUTIVE MEMBER: Deputy Leader Councillor Allan Holliday.
LEAD OFFICER: Keith Parker, Head of Leisure and Environmental
Services.
REPORT AUTHOR: Cath Coombs, Cultural Services Manager.

Summary and Recommendation:

This report provides an overview of the findings of the Pow Beck Valley Sport Village Feasibility Study.

It is recommended that:

1. An Executive Member is appointed as project champion to drive the project forward and the Corporate Director (Economic Prosperity and Sustainability) is given delegated powers to programme manage the development.
2. Sign up is obtained from all partners to pursue the vision within the Pow Beck. This will involve ascertaining each organisation's "deal breakers" and communicating the value of a joined up approach.
3. To confirm integrated option 1 as the preferred option and consult with local interests.
4. Pursue national sport hub initiative funding, following conclusion of pilot programmes currently underway.
5. Pursue the Nuclear Decommissioning Agency to ascertain willingness to fund this land mark project.
6. Provisionally set aside a sum of approximately £20,000 from the reserve fund, to buy in additional capacity as required.

1. INTRODUCTION

- 1.1 At the Executive meeting of 21st November 2006 a decision was taken to commission an additional piece of consultancy that followed up on issues explored within the Pow Beck Valley Sports Centre Relocation Feasibility Study.
- 1.2 The conclusion of the report stated that in recognition of the identified funding gap it is essential to explore other options to deliver the Sports Centre and Swimming Pool relocation into the Pow Beck Valley area. The provision of high quality leisure facilities are integral to the Pow Beck Valley

project as a whole and form an essential part of the vision of the area. It has been identified within the Corporate Plan that the various elements of the programme should be progressed to a position where cost certainty is known, and there is a need to explore the Sport Village concept in greater detail to enable key decisions to be taken.

- 1.3 A brief for investigation of the Sport Village concept was developed and PMP Consultants were appointed to carry out the work.
- 1.4 The resulting Feasibility Study has been completed, containing an analysis of the four main leisure related developments identified within the Pow Beck, a refresh of the context of the project, additional consultation with a range of stakeholders, and a funding appraisal for future development.

2. MAIN FINDINGS

- 2.1 It is demonstrated via the table below that the four main leisure projects being pursued within the Pow Beck Valley all have significant funding gaps and duplication in aspiration.

Capital Cost and Funding Shortfall of Individual Schemes

Scheme	Capital Cost	Funding Shortfall
Leisure Centre Re-development	£16m	£11.6m
Miners Welfare Re-location	£1.3m	£0.5m
Whitehaven Amateurs	£2.5m	£0.7m
Whitehaven RFL	£7m (mid range estimate)	£6.5m
Total	£26.8m	£19.3m

By looking at joint developments there is potential to avoid duplication and through joint design (where appropriate) reduce capital costs. Furthermore, within all of the separate feasibility studies similar options were identified for closing the funding gap, namely West Lakes Renaissance, Copeland Borough Council and the Nuclear Decommissioning Agency (NDA). Developing the schemes on an individual basis also brings the potential for unnecessary competition between facilities on the same site in the future. For example, commercial opportunities were investigated to potentially include health and fitness within the Stadium, which would be in direct competition with any new

public health and fitness provision as part of the leisure centre re-development.

The sport village concept or community sports hub promotes joint delivery and partnership working to increase the sustainability of delivering sport led regeneration schemes like the Pow Beck Valley project. By embracing the Sport Village concept as a potential way forward the project partners could realise significant savings in comparison to delivery in isolation

- 2.2 The strength of the sport village model is the ability to engage both sporting and non-sporting organisations in one location, delivering against the Government’s Sustainable Communities agenda, delivering a sustainable legacy within local communities and offering wider social benefits in areas such as health, education and training, social inclusion, crime reduction, and improved civic pride.
- 2.3 As part of the Feasibility Study consultation phase a range of traditional and non-traditional partners were contacted to explore how a sport village may work within the Pow Beck Valley area.
- 2.4 One conclusion within the report states that *“PBV could undoubtedly develop into a comprehensive multi- sports hub within Whitehaven, contributing toward health improvement targets and increasing levels of participation in sport and physical activity. However, to become a Community Sports hub it is essential that all partners support and sign-up to the concept and sustainable community facilities are promoted to provide the opportunity for sport to directly deliver benefits in areas such as health, education, and community regeneration.”*

3. OPTIONS TO BE CONSIDERED

- 3.1 Following an analysis of local provision, strategic drivers, supply and demand analysis and funding appraisal the following options for development have been identified.

Option	Description	Key Issues
<i>Do nothing</i>	<ul style="list-style-type: none"> • No development takes place, the leisure centre does not re-locate to the site • The Miners Welfare remain in situ • Whitehaven Amateurs and Whitehaven RFL continue to struggle to develop their 	<ul style="list-style-type: none"> • The Miners Welfare will continue with their poor facilities with little prospect of external investment • Alternative solutions will need to be found for the long-term replacement of Whitehaven Sports Centre • The wider Pow Beck

Option	Description	Key Issues
	facilities	Valley re-location will not happen
Develop the site as 4 separate schemes	<ul style="list-style-type: none"> • Develop 4 separate projects in line with individual feasibility studies 	<ul style="list-style-type: none"> • Not a Community Sports Hub (CSH = sport village) project • Significant duplication and inefficiency • Significant shortfall in funding and potential space • Unlikely to attract any external funding, which may be available for an integrated landmark development via Sport England CSH programme or Nuclear Decommissioning Agency who are seeking to support significant infrastructure and transformational change programmes
Integrated Option 1	<ul style="list-style-type: none"> • Integration of community space – bars, classrooms, function space in development with partners • Integration of ancillary space – changing rooms, reception • Stadium development with commercial space (not health and fitness) • Preferred wet / dry leisure centre option providing high quality public leisure facility – core facilities; pool, hall, health and fitness, tennis, squash, flexible spaces developed on a co-ordinated basis across the site • Site managed through trust or private sector 	<ul style="list-style-type: none"> • Starts to meet CSH philosophy • Delivers a high quality central facility to attract commercial sector to wider site and cross-subsidy potential, in line with emerging CSH philosophy from Sport England • Integration more attractive to funding partners – Sport England and NDA • Opens up further economic regeneration potential on the site

Option	Description	Key Issues
	<p>vehicle with partner representation</p>	
Integrated Option 2	<ul style="list-style-type: none"> • Integration of community space – bars, classrooms, function space in development with partners • Integration of ancillary space – changing rooms, reception • Stadium development with commercial space (not health and fitness) • Scaled down dry side public leisure facility. Pool to remain at current site. • Site managed through trust or private sector vehicle with partner representation 	<ul style="list-style-type: none"> • Starts to meet CSH philosophy • Central facility may be less attractive to enabling development • Integration more attractive to funding partners – Sport England and NDA • Opens up further economic regeneration potential on the site
Community Development	<ul style="list-style-type: none"> • Fully integrated community hub incorporating all community space and ancillary provision (as applicable) to service needs of all club partners • Stadium development with commercial space and health and fitness provision • No council leisure development on-site. Developed on alternative site elsewhere. • Site managed through trust or private sector vehicle with partner representation 	<ul style="list-style-type: none"> • Local CSH model driven by local needs • Scale may be appropriate to local needs but view of Sport England and NDA would need to be sought • No central flagship, could impact on enabling development and wider regeneration • A potentially deliverable scheme, which could provide a well scaled CSH model for Whitehaven and drive participation and community agendas through joined delivery between clubs and community partners • Delivery of a replacement facility for Whitehaven

Option	Description	Key Issues
		Sports Centre

It can be seen that there is an overwhelming case for an integrated option being pursued. When linked to the findings of the funding appraisal and deliverability considered in detail this position is re-enforced.

3.2 Financial analysis of options and comments on deliverability.

Option	Outline Costs	Potential Funding	Deliverability
Do Nothing	Individual refurbishment costs, which would have to be separately sourced	Limited to individual sources, no added value to funding partners	No development No wider regeneration
Stand alone developments	£26.8m	£19.1m shortfall	Undeliverable, would have to be funded locally, limited access to significant external funding
Integrated 1	Circa £20m through minimising duplication, shared provision and integration	£7.7m partner funding £5m potential through national CSH programme £5m potential through NDA to significant infrastructure scheme	High capital cost, despite integration may still be difficult to bridge funding gap
Integrated 2	Circa £15m	£7.7m partner funding £5m potential through national CSH programme £5m potential through NDA to significant infrastructure scheme	Lower capital cost with removal of the pool, which reduces funding shortfall If wider CSH monies and NDA could be attracted could be deliverable with careful design / value engineering
Community Development	Circa £10m	Partnership funding reduced without leisure centre to circa £3m	Funding shortfall and does not address long-term replacement of Whitehaven Sports

Option	Outline Costs	Potential Funding	Deliverability
		Not clear whether significant levels of CSH or NDA monies could be attracted to make good the shortfall	Centre

3.3 Following this analysis it was concluded that *“It is evident that developing the schemes as standalone projects will not be deliverable, similarly the inclusion of the swimming pool within the facility mix for the CSH has significant implications in terms of deliverability. An integrated dry leisure scheme model appears the most deliverable solution”*.

4. CONCLUSIONS

4.1 Consultants have indicated that the most affordable and deliverable option is Integrated Option 2. This would include the replacement of Whitehaven Sports Centre but leave Copeland Pool in its present location. This would mean that Whitehaven continues to have disparate leisure facilities, with associated duplication of revenue cost, but the possibility of delivery of the entire programme is significantly increased.

4.2 A number of recommendations have been made to take the project forward and obtain greater funding certainty. These are:

- Appoint an Executive Member as project champion to drive the project forward.
- Obtain sign up from all partners to pursue the vision. This will involve ascertaining each organisation's “deal breakers” and communicating the value of a joined up approach.
- Develop the preferred option and consult with local interests.
- Further detailed site investigations required (link to Pow Beck Valley regeneration programme) issues.
- Pursue national sport hub initiative funding, following conclusion of pilot programmes currently underway.
- Pursue the Nuclear Decommissioning Agency to ascertain willingness to fund this land mark project.

4.3 There remain a number of significant practical, people, and funding issues to overcome which will not be resolved without significant Member and Officer time commitment.

- 4.4 There remains a desire amongst Members to pursue Integrated Option 1 (relocation of Whitehaven Sports Centre and Copeland Pool). This would truly be a landmark project and have the benefit of future economies of scale being released in terms of operational management costs. It would also strengthen the status of the Pow Beck Sport Village as all main facilities would be centrally located.
- 4.5 Should it not be possible to pursue the sport village concept, careful consideration should be given to the residual life of the current Whitehaven Sports Centre in particular. This will involve an analysis of other options for longer term replacement, and a re-negotiation of the maintenance arrangements with Leisure Copeland. When the current contract was entered into a five year maintenance plan was developed following the findings of a detailed condition survey, with some large capital items deferred because of the limited operational life of the building.

5. FINANCIAL AND HUMAN RESOURCES IMPLICATIONS (INCLUDING SOURCES OF FINANCE)

- 5.1 A capital funding appraisal summary has been included within section 3.2.
- 5.2 It should be noted that some of the recommendations detailed in section 4.2 will require additional resources to reach the desired conclusions. This is especially relevant in terms of individual negotiations with stakeholders, when an external organisation will have a greater chance of breaking down barriers. A sum of £20,000 has been estimated at this stage. This would demonstrate Copeland BC's commitment to the Sport Village aspect of Pow Beck and give every opportunity to deliver this aspect of the regeneration initiative.
- 5.3 Within the funding appraisal included in section 3.2 an indicative allowance has been included for possible capital contributions to the leisure facilities re-location arising from the sale of the Whitehaven Sports Centre site and Copeland Pool site. It is also possible to draw down capital funding for the project via the use of prudential borrowing if appropriate. A clear business case would be required, demonstration significant ongoing future revenue cost savings which would enable loan repayments to be made.

6. PROJECT AND RISK MANAGEMENT

- 6.1 A risk matrix will be prepared by the Pow Beck Valley Regeneration Initiative project team.

6.2 Risks relating to the Sport Village project are as follows:

- Land ownership issues not resolved and project does not proceed.
- Ground conditions prohibit development.
- Planning permission is withheld.
- Funding not secured.

7. IMPACT ON CORPORATE PLAN

7.1 This project is identified within section 2.2.1 of the Corporate Plan under the heading “Implement the Whitehaven Regeneration Programme”. Regeneration of the Pow Beck Valley is one of the four main strands of the programme and as such can be considered as direct delivery against the Plan.

7.2 This project also enables action 3.6.2, development plans for new public leisure facilities within the Pow Beck, to move a step closer.

List of Appendices: None.

List of Background Documents: Pow Beck Valley Sports Village Feasibility Study – June 2007.

List of Consultees: Cllr A Holliday, Cllr C Giel, Cllr T Knowles, Corporate Team, Chris Lloyd, Peter Meadows, John Maude (Chief Executive - Leisure Copeland).

CHECKLIST FOR DEALING WITH KEY ISSUES

Please confirm against the issue if the key issues below have been addressed. This can be by either a short narrative or quoting the paragraph number in the report in which it has been covered.

Impact on Crime and Disorder	The regeneration of the Pow Beck will enhance the environment and promote pride in Whitehaven.
Impact on Sustainability	Each area of the development will be sustainable.
Impact on Rural Proofing	None.
Health and Safety Implications	None at this stage.
Impact on Equality and Diversity Issues	None at this stage.
Children and Young Persons Implications	It is intended that new leisure facilities are included that will positively impact on the lives of young people.
Human Rights Act Implications	None.

Please say if this report will require the making of a Key Decision YES/**NO**