

POW BECK VALLEY COMMUNITY STADIUM DEVELOPMENT

EXECUTIVE MEMBER: Councillor Hugh Branney
LEAD OFFICER: Pat Graham, Corporate Director-People and Places
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WHAT BENEFITS WILL THESE PROPOSALS BRING TO COPELAND RESIDENTS

The provision of increased sporting facilities, the use of the stadium for education, training and hospitality purposes and new jobs.

WHY HAS THIS REPORT COME TO THE EXECUTIVE?

(eg Key Decision, Policy recommendation for Full Council, at request of Council, etc.)

This report provides an update on progress on a transformational regeneration project.

RECOMMENDATION:

Members are asked to:

- a) Support the development of the Pow Beck Valley as a Sports Village to be delivered in phases with the first phase comprising the development of a new Community Stadium
- b) Agree in principle to act as the Accountable Body and potentially the applicant on behalf of the SPV, once it has established, with regard to the various external funding sources, subject to acceptability of grant conditions.
- c) To note the timeline for further decisions required by the Executive as set out in Section 7

1. Introduction

- 1.1 Whitehaven is at the heart of Britain's Energy Coast and at the heart of Copeland, and the Town's continuing physical regeneration and future economic prosperity is fundamental to the stimulation of the economy of the West Cumbrian sub-region.
- 1.2 The Pow Beck Valley has been identified as a key mixed use development site within Whitehaven and a regeneration Masterplan for the site was adopted in 2003 as one of just four main programme elements of West Lakes Renaissance Urban Regeneration Company.
- 1.3 A Supplementary Planning Document (SPD), the Pow Beck Development Brief was adopted by the Council in 2008 to help facilitate and shape the regeneration process.

The SPD considers a range of acceptable uses for the site notably the potential to develop the area as a "sports village".

- 1.4 The Council has been actively involved with key partners in promoting the delivery of a new Community Stadium at Pow Beck Valley as the first phase of the "sports village". Executive will recall approving the appointment of WYG Engineering Ltd in January 2010, financed by Britain's Energy Coast (formerly West Cumbria Vision) to develop outline proposals and a headline Business Case for a stadium and also to carry out a Technical Appraisal of the whole of the proposed site.
- 1.5 The development of a Community Stadium in Whitehaven would be a transformational project which would act, alongside other projects as a catalyst for the regeneration of the Town. Developments in and around the town centre will bring new visitors, shoppers and footfall into the town centre which supports the provision of town centre services, shops and facilities, bringing a much needed boost the local economy.
- 1.6 The project would deliver a number of direct community benefits including the provision of increased sporting facilities for local people, the use of the stadium facilities for education, training and hospitality purposes and the creation of new jobs. The new facility would enable WAFC to implement its Strategy for Growth allowing it to respond to unmet demand. This would include greater access for young people, for women and girls specifically, outreach for 25 schools, and for disabled groups. Annual usage of the facility would grow to more than 100,000 visits. Indirect benefits would also ensue such as the improved image of the area which would help with regeneration, an improved local highway and potentially enhanced property values due to the creation of pride and confidence in Whitehaven.

2. Background

- 2.1 The concept is of a Sports Village that will be delivered in phases, and that the development of the Community Stadium would be the first phase. Members will recall that the concept scheme proposed a Community Stadium built on land owned by Whitehaven Amateur Football Club with a capacity up to 8000, fully fitted club house facilities, under stand employment space, hospitality accommodation for up to 500 guests and car/coach parking.
- 2.2 A series of technical assessments were undertaken examining; land quality; flood risk; utilities infrastructure; transport and movement; archaeology; landscape and planning policy. These assessments confirmed that from a technical perspective the proposed site is suitable for the Community Stadium development. The estimated cost of the proposed scheme was circa £8.7 million
- 2.3 Following completion of the WYG proposals there have been significant changes to the economic landscape affecting the deliverability of the scheme including the impending cessation of NWDA and its potential funding support and also WRLFC, a key partner in the development, entered Administration.

- 2.4 To assist the Council and key Partners in making a decision to move this project forward, Gerald Eve LLP were commissioned to undertake an independent review of the, including the ability to deliver a more cost effective stadium.

Independent Review

- 2.5 The independent review concluded that the pursuit of enhanced sports and leisure facilities within the Pow Beck Valley remains a valid regeneration objective and supports the robustness of the earlier WYG Appraisal which is comprehensive in respect of the range of physical, legal and financial matters reviewed.

- 2.6 The Options examined were to:-

- Develop Community Stadium as Proposed (Single Phase £8.7m)
- Develop Community Stadium in Phases (£4m-£5m)
- Invest in Land assembly and infrastructure provision
- Relocate Council sports centre provision into new centre in Pow Beck Valley
- Support other Council/Whitehaven regeneration projects namely a Harbourside Hotel, Cumbria Sports Academy, Whitehaven Schools Learning Hub.

- 2.7 Having considered the benefits and risk of each option it concluded that the most appropriate deliverable option aligned to the original regeneration objectives for the Pow Beck Valley would be to pursue the **phased development** of the new Community Stadium.

- 2.8 This option would constitute phase one of the wider Sports Village at Pow Beck Valley. The Council's emerging Sports and Leisure Strategy will consider how the Council can consolidate other sports and leisure facilities within the Pow Beck Valley, as existing facilities approach the end of their operational lives, and then in doing so, how other town centre regeneration opportunities can be created. Such decisions would be subject to positive financial circumstances at that time and subject to a robust and strategic evidence needs base. The current leisure delivery arrangements were put in place to enable this to happen.

3 Preferred Option- Phased Development of Stadium

- 3.1 Options of a phased stadium have been explored , including three alternative designs to reflect a revised funding budget of between £4m and £5.5m.
- 3.2 The three options were discussed in some detail by the key project partners who favored a particular option (with some amendments) requiring a budget allocation of circa **£5.5 million**.
- 3.3 The preferred option would provide:-

- A new Community Stadium as a Centrepiece for staging Rugby League and Football matches comprising:-
 - fully covered North West and South West Stands
 - terraced standing facilities on uncovered North East and South East Stands
 - covered seating capacity 390
 - covered standing - minimum 1070 maximum 2140
 - uncovered standing – minimum 1205 maximum 2415
 - accommodation for Administration, Changing facilities and Social use
 - Furniture, Fixtures and Equipment
- Formal Car parking (44 spaces)
- Informal Car parking (137 spaces)
- Improved roads, footpaths, fencing and roundabout on Coach Road.

4 Delivering the Project

- 4.1 There are a number of key tasks which will enable the successful delivery of this project. These are:-

Formalising the Partnership

- 4.2 A Special Purpose Vehicle (SPV) to deliver the project was created in shadow form some while ago with membership from a partnership of Copeland Borough Council, Britain's Energy Coast, Whitehaven Amateur Football Club, and Whitehaven Rugby League Football Club.
- 4.3 Since the original WRLFC Company partner entered Administration a new WRLFC Company has been formed with a much healthier financial standing which bodes well for the SPV partnership.
- 4.4 The new Community Stadium will be built on land owned by WAFC who have agreed to enter into a 99 year lease with the SPV to enable the development.
- 4.5 The principles of partnership working between the members is agreed and the formalities of the governance arrangements can be completed relatively quickly subject to the approval by the Council of the Memorandum and Articles of Association of the SPV Company. A formal decision will be sought from the Executive on our joining of the SPV.

Identifying Funding

- 4.6 Britain's Energy Coast has earmarked £4m within its current Investment Plan towards the project. A further £355k is held by West Cumbria Development Fund specifically ring fenced for a rugby stadium at Pow Beck subject to proving the scheme's deliverability.
- 4.7 The governing bodies of the key sporting Partners i.e RFL and the Football League are in support of the project and are also potential financial contributors. Other avenues

including Sport England, Private Sector sponsors, Copeland Community Fund and Brewery loans are being explored so that the balance of the funding requirement of £1.15m is sourced. It is not proposed that the Council makes any contribution to the capital required.

Ensuring Site Access

- 4.8 RFL is currently in discussion with Whitehaven Miners Welfare Organisation and CISWO to enter into a 25 year lease arrangement for the existing WRLFC ground and also for the access road to the new stadium site.
- 4.9 Alternative access arrangements have also been identified and the Council has already resolved to use CPO powers if necessary to enable the development, should the current discussions not offer resolution to this matter. Through an earlier procurement process the Council have retained a CPO legal specialist to support the case.

Ensuring Revenue Sustainability

- 4.10 A detailed Business Plan will be formulated based on the revised stadium configuration which will be worked up jointly between WRLFC and WAFC with support from CBC and the RFL.
- 4.11 The Business Plan and financial forecast must prove that the SPV model will be self sustaining as the Council will not be expected to make any revenue contributions to the SPV.

Obtaining Planning Consent

- 4.12 WYG/Hurd Rolland were appointed as (financed by Britain's Energy Coast) under a competitive process to work up the project in sufficient detail to apply for planning permission for the scheme. Following approval of Britain's Energy Coast Board on 15 December 2010 to move the project on to the next stage WYG have been re-engaged to develop the design proposals and to submit a planning application in respect of the preferred option.

5 Timeline

- Updated BEC Strategy/Project Delivery Committee- 9/12/2010
- Achieved in principle support from BEC Board -15/12/2010.
- Advised WCDF of intention of CBC/BEC Partners to commit remaining Ex BNFL monies to project -December 2010
- Re-negotiated WYG fee proposal and appoint for Stage 2 Feasibility /Planning work-January 2011
- Obtain CBC Executive approval to lead project-24/1/2011

- Formulate Business Plan and Funding applications Jan-March 2011.
- Formalisation of the role, function, responsibilities and Memorandum and Articles of Association of the SPV Company - Spring 2011(Executive Decision)
- Submit Planning application- May 2011
- Obtain Planning approval – August 2011
- As the Accountable Body approve grant offer conditions of various funding providers – September 2011(Executive Decision)
- Council to procure the professionals required on behalf of SPV- September 2011(Executive Decision)
- Council to procure the Construction contract on behalf of the SPV- September 2011 (Executive Decision)
- Construction phase- September 2011-January 2013

6 Conclusion

- 6.1 The proposals as it now stands is feasible and affordable yet still offers the regeneration, sporting and community benefits to Whitehaven and Copleand that support it's development. The opportunity now exists for a strong partnership facilitated by Copeland Borough Council to lead on the delivery of this transformational project for Whitehaven and Copeland.
- 6.2 Although this project relates to the first phase of the Pow Beck Sports Village development it needs to be recognised in the wider context of the Regeneration Programme for Whitehaven and as such should be supported.
- 6.3 It will compliment other emerging key projects for which funding is also available including the Albion Square office development, the Transport Interchange and proposed new Tesco store and, Harbourside developments as well as enhancing the regeneration opportunity of the Ginns site., and the attraction of Copeland as a place to visit and live. It will compliment the existing cultural and leisure facilities in Copeland and will encourage visitors to Copeland and provide a much deserved facility for residents to enjoy and be proud of.

7 WHAT ARE THE LEGAL, FINANCIAL AND HUMAN RESOURCES IMPLICATIONS?

Finance comments

- 7.1 The Council will not be directly contributing to the project and therefore there are no additional costs for the Council.
- 7.2 However, the Council will be supporting the project through the member and officer time invested into this scheme.

- 7.3 It is important that the SPV is formally established and the Council's role clarified to ensure that as a member of the SPV no liabilities for the project passed to the Council.
- 7.4 Due to the Council acting as the accountable body It is also important that sufficient controls put in place to ensure that no liabilities for the project are passed to the Council as the work progresses.
- 7.5 Grant conditions will be applied to the external funding sources which at this stage cannot be identified. Approval to accept the conditions will be sought in due course.

Legal Comments

- 7.6 An assessment of the risks of Accountable Body status to the Council needs to be made once the terms of funding are known from the funding parties. This should include an assessment of whether there are continuing risks once the Stadium is constructed.
- 7.7 Although not the subject of the report it is clear that further negotiations need to be undertaken to determine the terms of the proposed lease of the Stadium and the way in which the stadium will be managed.

8. HOW WILL THE PROPOSALS BE PROJECT MANAGED AND HOW ARE THE RISKS GOING TO BE MANAGED?

- 8.1 The Copeland Borough Council input will be led by the Corporate Director –People and Places and managed for the time being by the Project Manager.
- 8.2 Detailed progress review reports will be considered by the Executive on a quarterly basis, and further reports as set out in Section 7.

9. WHAT MEASURABLE OUTCOMES OR OUTPUTS WILL ARISE FROM THIS REPORT?

- 9.1 None specifically from this report.

List of Appendices

- Appendix A - <Appendix Title>
- Appendix B - <Appendix Title>

**List of Background Documents:
Project file**

