



## Policy and Resources Committee

16 June 2021

<b>Title</b>	<b>West Hendon Playing Fields – Outline Business Case</b>
<b>Report of</b>	Chairman of the Policy and Resources Committee
<b>Wards</b>	West Hendon
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	Non-key
<b>Enclosures</b>	<i>Appendix A: Outline Business Case – West Hendon Playing Fields</i> <i>Appendix B: West Hendon Playing Fields Masterplan (Site Plan)</i> <i>Appendix C: West Hendon Playing Fields (Feasibility Study)</i>
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### Summary

In March 2018, the Council commissioned the Sport, Leisure and Culture Consultancy (SLC) to support with the production of a masterplan and feasibility study for West Hendon Playing Fields (WHPF) which focused on the development of a strategic sports hub with a wider leisure and community offer.

The study was completed in February 2019 and included extensive public and stakeholder consultation with 72% of respondents in support of the masterplan. The feasibility report, along with the final plan was presented to Environment Committee on the 12th March 2020.

At this stage, Environment Committee unanimously approved the plan for the site and agreed to proceed with producing an Outline Business Case which would be reported to a future Theme Committee as appropriate.

The key outputs of the masterplan and feasibility study (Appendix B and Appendix C respectively) included:

- An Options Appraisal which explored potential facility development options supported by evidence from desktop analysis and research and consultation with a range of key stakeholders.
- A subsequent site masterplan and concept designs to RIBA Stage 2 showing the development of identified options including consideration of the impact upon ecology and wildlife and an exploration of flood risk.
- An accompanying feasibility study which provided details of the development costs, high-level business plans to inform the future revenue position and an outline plan for the implementation of the masterplan.
- An appraisal of potential future management model options informed by consultation with selected key stakeholders.

In consideration of the Covid-19 pandemic and with the potential risk of changes to the sport and leisure market, the Council recommissioned SLC in November 2020 to assist with a more detailed financial analysis of the original business plan and a further review of the capital cost estimates provided in the 2018/19 feasibility report.

This assessment confirmed that there are no significant changes based on the original capital cost and business plan estimates. This detail is expanded within the Outline Business Case at Appendix A, which indicates the total estimated cost of delivering the West Hendon Playing Fields Masterplan (including professional fees) is approximately £18.8m. Given the delivery timescales and assumed sector recovery by 2023/24, the potential annual revenue to be generated from this scheme remains up to £360,000 per annum and is still based on a third-party management model. The Outline Business Case (Section 7) includes detailed financial modelling and a sensitivity analysis which highlights the impact of borrowing on the scheme and the requirement for combination of CIL monies / external funding to maintain viability.

The Outline Business Case also refers to two key interdependent workstreams; capital delivery (design and build) and transformation (management model) which are critical in the successful delivery of the project and include a series of tasks to be progressed in the next stage which focus on (but are not limited to);

- Design Development (progressing design material from RIBA Stage 2 to RIBA Stage 4).
- Appointment of professional and technical services.
- Communication and Engagement (including stakeholder, statutory and resident)
- Site investigations and surveys.
- Production of a Planning Application for the site.
- Pre-procurement activity
- Development of a Procurement Strategy (construction and management model)
- Specification and Contract Development (management model).

Policy & Resources Committee are therefore requested to approve the Outline Business Case for West Hendon Playing Fields which sets out a vision for improved and enhanced greenspace, for which a series of community, social, educational, economic and health benefits can be derived for residents.

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## **Officers Recommendations**

- 1. Policy and Resources Committee approve the Outline Business Case (OBC) for the West Hendon Playing Fields Masterplan.**
- 2. Policy and Resources Committee note the funding strategy outlined within the Outline Business Case (Section 7) and approves £18.8m capital funding, which includes the associated professional fees to deliver the West Hendon Playing Fields Masterplan.**
- 3. Policy & Resources Committee note the associated delivery timetable set out in Appendix A, Section 8 of the Outline Business Case which includes the submission of a Planning Application.**
- 4. Policy & Resources Committee delegates authority to the Executive Director for Environment to commence the procurement workstreams for both construction and operator.**

### **1. WHY THIS REPORT IS NEEDED**

#### **BACKGROUND**

- 1.1 In recent years the Council has developed a series of key strategic documents designed to shape the delivery of sport and physical activity and facilities in parks and open spaces across the Borough. These include a Parks and Open Spaces Strategy (2016-2026). Playing Pitch Strategy (2017), Fit and Active Barnet Framework (2016-2022) and an Indoor Sport and Recreation Study (2018).
- 1.2 A key recommendation within the Parks and Open Spaces Strategy and Playing Pitch Strategy focused on the creation of three strategic sports hubs located in the north (Barnet Playing Fields/ King George V), centre (Cophall Playing Fields and Mill Hill Open Spaces) and the west/south of the Borough (West Hendon Playing Fields). These sites were specifically identified as opportunities to meet existing sporting use and support demand generated through growth.

#### **MASTERPLAN DEVELOPMENT**

- 1.3 In March 2018, the Council commissioned the Sport, Leisure and Culture Consultancy (SLC) to support with the development of a masterplan and feasibility study for the development of a strategic sports hub with a wider leisure and community offer at West Hendon Playing Fields.
- 1.4 As part of developing a future facility mix, the Council in partnership with SLC undertook an extensive engagement with a range of stakeholders to fully understand the challenges and constraints of the existing site and to explore potential opportunities for the provision of new and improved facilities through the development of a masterplan for WHPF.

- 1.5 This engagement process was supplemented by a supply and demand assessment to explore the market potential for a range of additional, complementary potential developments based on local demographics and the supply of competing facilities.
- 1.6 The initial stakeholder engagement and results of the supply and demand assessment informed the development of a long list of facility options which were then presented to wider stakeholders, including the general public, through an online questionnaire issued through the Council's Engage Barnet webpage. This stage of and stakeholder consultation received approximately 900 responses of which 72% were in support/ strong support of the scheme.
- 1.7 As a result, the final facilities mix agreed for West Hendon Playing Fields is;
- Brand new Sports Hub facility including (but not limited to):
    - Café
    - Multi-use community rooms
    - Open plan office area for community sports hub
    - Clip and climb indoor climbing area
    - Multiuse activities studio
    - New nursery area
    - Soft play area
    - Changing rooms and toilets
  - Improved and reconfigured football pitches
  - 3G Artificial Turf Pitches (ATPs)
  - Multi Use Games Area (MUGA)
  - Tennis Courts
  - Wheeled Sports Facility
  - Bowling Green
  - Adventurous Play and Toddler Play
  - Outdoor Gym and Trim Trail
  - Adventure Golf
  - High Ropes
  - Woodland Nature Trail
  - Sensory Garden and Community Garden
  - Pedestrian and Cycle Routes
- 1.8 The facilities mix referred to above, endorsed through consultation is considered to provide a range of accessible indoor and outdoor facilities and commercial elements to support the business plan. It also provides a significant opportunity to meet the demand of individuals and organised sports within the community.
- 1.9 Having identified and prioritised facility mix for future development at WHPF, further masterplanning progress commenced throughout 2019/20 which included;
- Development of accommodation schedules for built infrastructure
  - Ecological assessment and flood risk assessment to inform masterplanning
  - Concept designs for built infrastructure and sketch masterplans
  - Budget estimates on development costs
  - Programme of use and high-level business plans to inform projected revenue

- Consultation with Planning and Highways on sketch masterplans
  - Outline development timeline
  - Identification of potential funding options and partners
  - Formal consultation on draft masterplans.
  - Progress with Phase 3: Appraisal of options for future management model
  - Identification of potential operating models including case studies of comparable sites
  - Consultation with selected stakeholders on identified operating models
  - Soft market testing (where appropriate) with potential operators.
- 1.10 The study was completed in February 2019 and at this stage indicated a capital cost estimate of circa £17.7m to deliver the scheme, with an approximate annual surplus of up to £360,000 (excluding any borrowing arrangements).
- 1.11 The Feasibility Study (Appendix C), along with the final proposed masterplan (Appendix B) was presented to Environment Committee on 12 March 2020. At this stage, Environment Committee unanimously approved the plan for the site and provided agreement to proceed with producing an Outline Business Case which would be reported to a future Theme Committee as appropriate.

## **OUTLINE BUSINESS CASE DEVELOPMENT**

- 1.12 Following Committee approval, throughout 2020/21 officers have been progressing the development of an Outline Business Case. This has included a review of the following;
- Noting the findings of the masterplan and feasibility study and considering the requirements to the scheme forward to the next stages of design (from RIBA Stage 2 to up to RIBA Stage 4).
  - A review of the procurement and delivery options for construction considering developing a Procurement Strategy.
  - Further analysis of the the 10-year Business Plan produced as part of the Feasibility Study and considering any impact brought about by Covid-19.
  - A review and development of a financial model that sets out the net financial position including capital costs and funding, lifecycle costs, equipment replacement provisions, estimates of income and the net operational position for a range of model scenarios
  - Pre-Procurement activity required to support the development of a Procurement Strategy (for suitable site management).
  - Review of construction and procurement risks and issues associated with delivering the Project.
  - Produce a draft consultation and engagement plan, identifying the requirements to engage with statutory planning consultees e.g. Canal and River Trust, Environment Agency, to fully understand the potential constraints of development linked to the Welsh Harp, SSSI and Local Nature Reserve.
  - Development of an outline funding strategy to explore options for delivery of the proposed masterplan.
  - Continued engagement with external stakeholders such as Sport England and the Football Foundation to assess the potential of submitting a funding application to support the development of specific facilities within the scheme.

- Resource requirements (including professional services) in order to successfully deliver the scheme.
  - A programme timetable to deliver the scheme and the key milestones which will need to be achieved.
  - Confirming the Project Outcomes and Project Objectives in delivering the scheme.
- 1.13 In further appraising of the above, in November 2020 the Council recommissioned SLC to assist with a more detailed financial analysis of the original business plan and a further review of the capital cost estimates provided in the 2018/19 feasibility report. The detail of this is expanded on in Section 5 of this report and Section 7 in the Outline Business Case.
- 1.14 The key summary headlines from this update concluded;
- The expected scheme capital cost is estimated to be £16.6m, representing a decrease from the original feasibility cost estimate.
  - Additional costs (e.g. resourcing, professional fees, legal) is estimated at £2.2m, which represents a total project cost of £18.8m
  - Income generated through facility hire and bookings could generate up to £1.4m a year.
  - At business plan maturity (Year 2), an annual surplus of between £161k to £361k could be generated (dependant on the management contract risk share profile).
  - This income could be used to support Greenspaces MTFS savings / the Councils General Fund / reinvestment back into Greenspaces.
  - The projected account information for maintenance, sinking fund, operator overheads and profit has been reviewed.
  - Based on assumptions, this could represent a potential revenue benefit of circa £611k per year
  - The surplus does not account for borrowing and MRP; the full OBC document includes detailed financial modelling which outlines the impact of borrowing on the scheme and the requirement for combination of CIL monies / external funding to maintain viability.
- 1.15 Given the significant community, social, environmental and economic benefit, Policy and Resources Committee are requested to endorse and approve the Outline Business Case for West Hendon Playing Fields.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 West Hendon Playing Fields is an important and reasonably well used sporting, recreation and community resource with strong links to adjacent areas of significant ecological interest. The site currently provides a series of outdoor and indoor facilities to support existing sports clubs.
- 2.2 The playing fields and wider site has strong ecological interest being located adjacent to the Welsh Harp / Brent Reservoir, a designated Local Nature Reserve and Site of Importance for Nature Conservation. The site also forms a buffer zone to the Welsh Harp which is also a designated Site of Special Scientific Interest (SSSI), providing a vital habitat for wildlife.

- 2.3 The current site is unwelcoming and is characterised by rundown built infrastructure, poor quality facilities, poor access and circulation routes and an overarching lack of identity. It is made up of a series of unconnected functions operating in isolation and with an apparent lack of site overall management. This has resulted in a disparate, disjointed and incoherent offer.
- 2.4 Despite the weaknesses of the current site, there are clear opportunities to develop facilities and services which not only meet local need for improved sports and community facilities but exploit the unique nature and location of the site, particularly linked to its SSSI designation. As well as developing a new sports hub and community facilities for residents, there is a clear opportunity to improve basic pedestrian and cycle route connections to and around the wider site. Thus, creating an exciting sport and community destination for residents which can support achieving improved health, social, community, educational, economic and environmental outcomes.
- 2.5 The scheme forms a core placemaking element of the wider regeneration of West Hendon which has seen development of 2000 new private and affordable homes. It will provide a valuable asset for use by local communities, generate new employment and volunteering opportunities and act as a much-needed positive addition to the area.
- 2.6 The masterplan aligns strongly with a number of Council strategies including the Fit and Active Barnet Framework, the Parks and Open Spaces Strategy, the Playing Pitch Strategy and the Joint Health and Wellbeing Strategy. It has been subject to extensive consultation and engagement with over 900 users, wider stakeholders and local residents with almost three-quarters being either supportive or very supportive of the overall development.
- 2.7 The scheme will help to meet the specific needs of local sports clubs for grass football pitches (particularly junior pitches) and Artificial Turf Pitches as identified in the Council's Playing Pitch Strategy. It will also provide local demand for free to access activities and facilities including a wheeled sports facility (skateboarding, scootering and BMX),
- 2.8 Further benefits will provide improved indoor facilities for existing users including the bowls club, nursery and martial arts club, additional community meeting space and additional indoor activities such as softplay and climbing, providing more opportunities for local children and young people to be physically active.
- 2.9 The masterplan will capitalise upon the unique ecological interest of WHPF and the Welsh Harp and its designation as a Site of Special Scientific Interest (SSSI) by widening awareness through education and interpretation and by improving access to enable more people to learn about this important natural asset.
- 2.10 The proposed developments will revitalise the site providing valuable and much needed open space, enriching opportunities for local residents and communities and optimising its use through investment and providing a significant social return.

### 3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 In March 2016, Environment Committee approved the Parks and Open Spaces Strategy. An agreed action was to “create new Sports Hubs with good quality facilities”, where a number of sites were subsequently identified.
- 3.2 At the meeting of the Environment Committee on 13 July 2017 it was agreed that:
- “Masterplans would be developed for both West Hendon Playing Fields and Barnet Playing Fields to create a Sports Hub. Blended funding streams would be pursued for the development of these Sports Hubs in line with the agreed Greenspaces Capital Investment Programme and the Playing Pitch Strategy (2017) for Barnet.”
- 3.3 Alongside this, Authority would be delegated to the ‘Strategic Director for Environment’ to procure appropriately qualified external support to develop the Masterplans for the sites in accordance with the Council’s Contract Procedure Rules.

### 4. POST DECISION IMPLEMENTATION

- 4.1 Subject to Committee approval of the Outline Business Case, it is assumed that a WHPF Project Board will be established. The responsibility of this Board will be to provide leadership of the project, working with appointed consultants to deliver.
- 4.2 In February 2021, £1.4m was secured from the Community Infrastructure Levy administration fund via a decision made by Policy and Resources Committee. This initial budget will enable progress of the following;
- Develop the design produced as part of SLC’s feasibility study, including architectural, landscaping and engineering design consultancy
  - Develop project budget through cost estimates and valuation exercises
  - Undertake market testing to establish approach to contractor and operator appointments
  - Undertake further stakeholder engagement and develop site knowledge through required surveys and reports
  - Finalise internal resourcing requirements to support programme, including governance arrangements and staffing appointments where necessary
  - Develop documentation required and apply for outline planning permission to develop the site
  - Develop tender documentation and engage with procurement to prepare for appointments of contractors following finalisation of approach
- 4.3 The above activity will support in delivering against the current high-level programme timetable:

**Table 1**

Outline Business Case reported and approved	June 2021
Internal resources and governance arrangements finalised	July 2021
First technical appointments made	July 2021
Completion of site surveys and reports	October 2021
Developed design complete (RIBA 3)	March 2022
Outline planning application submitted	July 2022

Contractor procurement exercise undertaken	September 2022
Full business case approved	November 2022
Technical designs complete (RIBA 4)	January 2023
Approval of reserved matters	March 2023
Phased construction - start on site (RIBA 5)	June 2023
Leisure operator procurement complete	July 2023
Phased construction completes	Summer 2025
Leisure operator - mobilisation (RIBA 6)	Summer 2025

- 4.4 Where relevant, further reports will be provided back to Policy and Resources Committee to provide an update on progress and consideration of any decisions required.

## 5. IMPLICATIONS OF DECISION

### 5.1 Corporate Priorities and Performance

- 5.1.1 The project supports the wider strategy of the local authority and the upcoming Barnet Plan, and its four main priorities, in the following ways:

#### **Clean, safe and well-run**

- a place where our streets are clean and anti-social behaviour is dealt with so our residents feel safe; providing good-quality, customer-friendly services in all that we do
- improvements to the quality of parks infrastructure
- operational arrangements introduced to a site to ensure security, safety, maintenance and longevity
- ecological improvements to a Site of Special Scientific Interest, increasing awareness of the natural environment

#### **Family friendly**

- creating a family friendly Barnet, enabling opportunities for our children and our young people to achieve their best an informed and well-researched facility mix which caters for all age groups and considers all stakeholders
- improved offer for younger people, including improved junior pitches and new, accessible community facilities

#### **Healthy**

- a place with fantastic facilities for all ages, enabling people to live happy and healthy lives development of facilities to promote healthy and active lifestyles among residents
- inclusion of free-to-access facilities alongside more specialist options, to provide a unique offer to local residents
- improvement to community facilities

#### **Thriving**

- a place fit for the future, where all residents, business and visitors benefit from improved, sustainable infrastructure and opportunity
- Improvements to cycle and pedestrian routes through the park, increasing Barnet's offer in terms of active travel
- A significant placemaking contribution to the wider West Hendon regeneration works

- Improvement to facilities for existing local businesses

## 5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

### FINANCE

- 5.2.1 The original capital cost estimate developed by cost consultants, Castons and SLC was developed approximately two years ago. It was based upon a delivery programme which, at the time used a provisional timetable commencing in 2019.
- 5.2.2 In November 2020, the Council recommissioned SLC to assist with a more detailed financial analysis of the original business plan and a further review of the capital cost estimates provided in the 2018/19 feasibility report.
- 5.2.3 The key outputs of this assessment, to which the detail is expanded in Section 7 of the Outline Business Case were to:
- Develop a financial model that sets out the net financial position including capital costs and funding, lifecycle costs, equipment replacement provisions, estimates of income and the net operational position for a range of model scenarios
  - To understand the level of investment and the financial viability of modelled options, in terms of capital, revenue, Internal Rate of Return (IRR) and overall cashflow against each scenario
  - To consider the level and timing of capital receipts / funding or external finance that can be used to finance the capital investment
  - A model to include an assessment of expenditure which is likely to influence the terms of any future lease negotiation and / or asset transfer arrangement.
  - Provide a headline summary of procurement options available (construction and operational), identifying where there are any opportunities / associated risks
  - Undertake a key risk assessment for each of the options linked to the sustainability of each option including (as a minimum):
  - Provide a cost estimate of the Social Return on Investment based on associated capital expenditure
  - Provide an outline of non-financial benefits associated within the scheme and where relevant indicate approximate value
  - Summary conclusion of the appropriate financial / funding strategy for scheme which achieves the optimum best value (finance and outcomes)
  - Produce a Draft Report for consideration by officers which draws together all elements of the work which provides an update to the outline business case.
- 5.2.4 The total budget cost estimate of delivering the masterplan for WHPF, developed by Castons in December 2018, was £17.7M (including an inflation allowance). The Castons revised total development cost estimate totals £16.62M which includes a lower inflation allowance, based on a mid-point of construction of 2nd quarter 2024. Both estimates use the same base date of December 2018.

5.2.5 The estimate of inflation has based on the Building Cost Information Service (BCIS) predictions. These are produced by the Royal Institute of Chartered Surveyors (RICS). Castons also provided a professional view of these predictions based on experience of recent the budget cost estimate on the basis of one building contract awarded to a single contractor. Further clarification on the cost of inflation will be included within the Full Business Case for the project.

5.2.6 It is possible that some phases of the contract could be completed earlier and handed over to the Council as the project progresses, this will be subject to an ongoing review of the project. In the event this materialises, this option will incur some additional preliminaries costs by the contractor and an allowance for this phasing has therefore been included in the budget cost estimate.

5.2.7 The high-level business plan developed by SLC as part of the feasibility study on the masterplan for WHPF has been reviewed and developed in more detail to inform the outline business case.

5.2.8 The key changes to the business plan include:

- Extending the business plan to cover a 30 and 50-year period (previous version was 10 years)
- More detailed development of projected expenditure (previous business plan was based on high level assumptions regarding expenditure associated with the different facility developments)
- Updating the 'yields' (prices) associated with income generation of the different facility developments on the basis that two years has passed since the original business plans were developed
- Including lifecycle replacement costs (or sinking fund) as an additional 'below the line' cost
- Removing inflation consistent with the approach used within the financial model (described in Section 3)
- Sensitivity analysis to demonstrate the financial implications of under/over performance.

5.2.9 The original business plans were developed prior to the current Covid-19 pandemic which has subsequently had a significant negative impact upon the leisure industry. However, given the timeframe for delivery of the scheme (all facilities open to the community in 2024/25), it is assumed that the pandemic will have ceased and normal trading of leisure operations will have been restored in accordance with pre-Covid conditions. The revised business plan therefore reflects this assumed position which is assumed to generate up to an optimum level of £360,000 per annum.

5.2.10 An annual summary of the revised business plan in steady state (from year 3) is shown in Section 7 within Appendix A.

## **FUNDING STRATEGY**

5.2.11 As part of developing the Outline Business Case, the Council has assessed a range of financing options to understand the financial viability of each option over a 30 and 50-year period. There are 8 options which are modelled within the sensitivity analysis

which look at funding arrangements through prudential borrowing, community infrastructure levy (CIL), Section 106 and external grant monies.

5.2.12 Each of these options have been modelled under the baseline, under and over performance business plan scenarios to assess their financial viability based on the following assumptions:

- Prudential Works Loan Board (PWLB) maturity loan at 1.5% fixed for the term of 30 and 50 years
- Minimum Revenue Provision (MRP) at 2% fixed, based on loan terms of 30 or 50 years
- Net Present Value (NPV) factor of 3.5%
- No inflation applied to the business plan
- Full lifecycle and replacement costs funded through a sinking fund allocation in the business plan.

Model Description		100% Prudential	100% Prudential	100% S106/CIL	100% S106/CIL	50% Prud/50% S106/CIL	50% Prud/50% S106/CIL	65% Prud/35% S106/CIL	65% Prud/35% S106/CIL
Loan Period		30 Years	50 Years	30 Years	50 Years	30 Years	50 Years	30 Years	50 Years
		£m	£m	£m	£m	£m	£m	£m	£m
Net Revenue Expenditure/(Income) before MRP	A	3.25	5.01	(4.23)	(7.46)	(0.49)	(1.22)	0.63	0.65
Net Revenue Expenditure/(Income) including MRP	B	19.87	21.63	(4.23)	(7.46)	7.82	7.09	11.44	11.45
Net Revenue Expenditure/(Income) NPV	C	12.39	10.45	(2.38)	(3.20)	5.01	3.62	7.22	5.67

5.2.13 Sensitivity modelling was based on the adjustments to and other variable factors such interest and expenditure can be adjusted within the modelling. It is proposed that as the project progresses (e.g. throughout the pre-procurement and procurement phases) this is closely monitored at project Gateway stages.

5.2.14 The conclusions of this modelling indicate a requirement to obtain a combination of CIL monies and external grant funding to maintain the viability of the business case. Even in a mixed model, the cost of prudential borrowing and inclusion of MRP will prove to be prohibitive.

5.2.15 The updated financial appraisal information was presented to Capital Strategy Board (CSB) in January 2021, alongside updated capital cost estimates and business plan detail with a request of c£1.4m of CIL monies to enable further development of the Outline Business Case.

5.2.16 This submission was approved and thus included within the capital programme and reported to Policy & Resources Committee (February 2021).

## PROCUREMENT – MANAGEMENT MODEL

5.2.17 As part of the original feasibility study an appraisal of the management model options for the operation of the facilities proposed for WHPF was considered. These options included:

- Direct delivery by the Council (in-house)
- Outsourced delivery through procurement of a single external operator
- Outsourced delivery through procurement of multiple external operators
- Asset transfer to a charitable trust
- Asset transfer to a Community Sports Association.

5.2.18 The appraisal included an evaluation of each management model option against an agreed set of financial and non-financial criteria and identified the two outsourcing options - procurement of a single operator or multiple external operator(s) - as being the clear preferred options.

5.2.19 Either of option is likely to be based on a management contract, supported by a detailed services specification which links directly to the Council's strategic priorities and contributes strongly to its strategic outcomes.

5.2.20 Given the projected timeframes for delivery of the scheme, it is assumed that the current Covid-19 pandemic will have ceased and that normal trading of park/leisure operations will have been restored in accordance with pre-Covid conditions. It is also assumed that the external operator market will have recovered to pre-Covid levels of activity.

5.2.21 These are key risks which are identified within the Outline Business Case, and important aspect of the transformation (management model) workstream will need to re-engage with the operator market as part of determining the final appropriate management option.

5.2.22 In considering options for the future management of facilities the project will need to ensure a strong and sustainable revenue position and the delivery of high-quality facilities, this will be tested through pre-procurement activity including any opportunities for engagement related to design development.

5.2.23 The indicative issues which have been identified for a single management operation and multi-site operation are captured in full in Section 4 of the OBC.

5.2.24 It assumed that any future contract (opposed to long-lease of the site) provides the Council with an opportunity to safeguard and maintain overall influence of the site, working alongside a partner to create and establish an identity for the site which optimises use and attracts a range of audiences.

5.2.25 Through the establishment of a contract, it is considered that the Council would be able to design more appropriate terms that enable effective and proactive management of performance. Other requirements could be included, for example the majority of potential suppliers are used to providing sport/ community development as part of 'leisure' services contracts.

5.2.26 Through pre-procurement, the Council will seek to further identify an appropriate length of contract, tasks will include;

- Review of information collated within the Feasibility Study/Financial Appraisal and update where necessary.

- Review of similar park/leisure type destinations and the existing arrangements.
- Engagement with provider market, collate information on management model(s) for consideration.
- Contract duration, commercial, contract management, performance monitoring, associated outcomes.
- Produce conclusion summary of findings to be incorporated into Procurement Strategy.

5.2.27 Project outputs will be refined as the programme develops and confirmed at the end of the Pre-Procurement stage. The proposed draft characteristics identified below will form the basis of key requirements in delivery of securing a provider for the site:

- The ability to deliver a minimum income to the Council of £161k pa (dependent on exclusions this may increase to threshold of £360kpa – to be tested during Soft Market Testing).
- A demonstrable track record of efficient and effective operations management of park / leisure facilities.
- Willing to work as a genuine partner to the Council.
- The capability to demonstrate and implement new innovations, making WHPF an attractive destination to visit for sporting and community, conservation activities.
- The capability and aspiration of the Council to deliver a range of outcomes which support; health, education, social, community, environment.
- The ability to be flexible and evolve within the contract duration to meet any sector changes

## **PROCUREMENT – DESIGN & BUILD**

5.2.28 As part of the capital delivery workstream, the project will assess the feasibility of engaging with its strategic construction partner to explore any opportunities, where appropriate and in line with Council Procurement Regulations in supporting the delivery requirements of the WHPF scheme.

5.2.29 The Council has been in dialogue with the Football Foundation (FF) for approximately 24 months to bring forward an application to the FF of circa £1m to support the implementation of two brand new floodlit Aesthetic Turf Pitches. If successful, the Council will be required to utilise the FF framework to access the market and deliver construction.

5.2.30 It is therefore proposed that as part of assessing the design and build procurement, the Project Team explore opportunities within the contractor market alongside consulting with the Football Foundation.

5.2.31 The alignment of the design and build workstream is also critical to the success of the project; to ensure that an operator has the earliest opportunity to influence design, mobilise services and avoid any un-necessary delays which could result in LAD's.

5.2.32 A key element for both the design and build and service contract(s) is how the Council can extract greater community value, aside from the actual requirements of the contract. This includes things, such as the creation of apprenticeships, employing

local people, using local suppliers for equipment and maintenance, raising awareness of the benefits of leisure and exercise.

5.2.33 The Project is already engaging with the Town Centre and Employment and Skills Team to identify connecting opportunities.

5.2.34 Developing social value criteria will form a key component during the specification design phase.

5.2.35 A Procurement Strategy for both the construction and operator procurement workstreams will be developed and confirmed as the project progresses, with the key objective in achieving quality and value.

## **STAFFING**

5.2.36 The Project will be governed through the establishment a West Hendon Playing Fields (WHPF) Board, which will include representation from across the Council.

5.2.37 The WHPF Board will provide strategic oversight, regular monitoring of project progress and where decisions / escalations are required report as appropriate.

## **5.3 Legal and Constitutional References**

5.3.1 Local authorities have several different statutory powers in relation to parks and open spaces, including the Public Health Act 1875 (as amended by the Local Government Act 1972) which gave local authorities discretionary power to purchase and maintain public walks or pleasure grounds and the Local Government (Miscellaneous Provisions) Act 1976, which gives wide powers to provide recreational facilities. The Open Spaces Act 1906 provides that local authorities may acquire and hold and administer open space in trust to allow the enjoyment of it by the public and shall maintain and keep the open space in a good and decent state.

5.3.2 The Council's Constitution, Article 7 sets out the terms of reference of the Policy and Resources Committee including: To be responsible for: strategic policy, finance and corporate risk management including recommending: Capital and Revenue Budget; Medium Term Financial Strategy and Corporate Plan to Full Council; Strategic Partnerships. The Committee is responsible for those matters not specifically allocated to any other committee affecting the affairs of the Council. Whilst Environment Committee have previously received and made decisions; the subject matter of the report arguably straddles 3 other committee and consequently it is appropriate for Policy and Resources Committee to consider this report, OBC and masterplan.

5.3.3 Significant proportions of the site is designated as either Green Belt or Metropolitan Open Land. The future development of the proposals included in the final master plan will need to fully comply with the requirements arising from those designations. Any disposal by way of letting or other of the playing field will need to be advertised and any representations given proper consideration before the Council can determine whether it is appropriate to proceed with any letting. Any development will also need to be subject to planning.

## 5.4 Insight

5.4.1 Please refer to Appendix C (Feasibility Study) which details the extent of information gathered and the insight used to develop and inform proposal.

## 5.5 Social Value

5.5.1 In addition to the core financial data associated with the development of the masterplan for WHPF, it is critical that the overall business case takes account of the non-financial benefits of the scheme in order to fully assess value for money.

5.5.2 As part of the development of the Outline Business Case, '4Global Sport' were commissioned to undertake analysis on the likely Social Value that the WHPF scheme would generate. The statistics have been based on the site reaching its full maturity, which is assumed to be after 2 years, in line with the industry average.

5.5.3 4Global's Social Value Calculator (SVC) is a tool has been developed in collaboration with Sheffield Hallam University, following the most recent national modelling undertaken on behalf of DCMS, originally delivered in 2016 and refreshed in 2018.

5.5.4 Using the research of Sheffield Hallam University and by overlaying lifestyle data from Experian, the Social Value Calculator uses physical activity data and benchmarks to calculate the expected level of social value, which will be delivered by a facility or investment programme.

5.5.5 A relationship between sport, physical activity and 4 categories of social impact has been evidenced, in the areas of:

- Improved health
- Improved life satisfaction or 'subjective wellbeing'
- Increased educational attainment
- Reduced crime.

5.5.6 The Social Value generated by the WHPF scheme has been projected using estimated throughput data included within the feasibility study. Accounting for average visit patterns of members and non-members, including the crossover of individuals using multiple facility types, a total of 9,628 'active unique users' are projected to use the facilities and hit the social value threshold (4+ visits per month) over a given year.

5.5.7 The Social Value Calculator shows a value per individual 'active unique user' of £411 and a total projected Social Value of c. £3.95M per annum. This level of Social Value is significant and should be considered carefully alongside the financial modelling and the non-financial benefits described in this report and in assessing the overall business case for the proposed developments at WHPF.

## 5.6 Risk Management

All risks identified at the start of the project have been included within a detailed risk register which will continue to be monitored and updated throughout the lifecycle of the programme.

The risks identified are expanded on within Section 6 of the Outline Business Case and primarily relate to;

- Planning
- Funding
- Revenue
- Capital Cost
- Contractor Procurement
- Contractor Performance
- Construction Risks
- Operator Procurement
- Operator Performance

This has been developed with the input of specialist leisure consultants, their design team and cost consultants.

## **5.7 Equalities and Diversity**

5.7.1 The master planning process has been subject to an extensive consultation and engagement process. This has also included an Equalities Impact Assessment as part of the reporting information presented to Environment Committee in March 2020. As the Outline Business Case progresses through design and procurement stages further equality impact assessments will be undertaken to ensure that the scheme considers access, inclusion and protected characteristics defined as part of the Equalities Act 2010.

## **5.8 Corporate Parenting**

5.8.1 None.

## **5.9 Consultation and Engagement**

5.9.1 Summer 2019, SLC supported the Council in undertaking a comprehensive public consultation on the final draft masterplan for West Hendon Playing Fields. This was delivered through a combination of face-to-face meetings, email correspondence, telephone discussions, workshops, public drop-in sessions and an online questionnaire with key stakeholders and the general public.

5.9.2 The consultation process engaged with over 900 local residents and stakeholders during the 8-week period which demonstrates a good level of engagement.

5.9.3 A full detailed summary of the Consultation Report and findings can be located in Section 11 of the Feasibility Study.

## **6. BACKGROUND PAPERS**

SLC Feasibility Study and Draft Masterplan

[West Hendon Playing Fields - Feasibility Study including the Draft Master Plan – Barnet Open Data](#)

SLC Addendum Report, Consultation Report and Draft Final Masterplan

[West Hendon Playing Fields – Addendum Report, Consultation Report and Draft Final Master Plan – Barnet Open Data](#)

Environment Committee 12 March 2020, Sports Hub Masterplanning Report and Supporting Documentation (Item 7)

[Agenda for Environment Committee on Thursday 12th March, 2020, 7.00 pm \(modern.gov.co.uk\)](#)

Environment Committee 14 March 2019, Sports Hub Masterplanning Report and Supporting Documentation (Item 8)

[Agenda for Environment Committee on Thursday 14th March, 2019, 6.00 pm \(modern.gov.co.uk\)](#)

Draft Playing Pitch Strategy

[Draft Playing Pitch Strategy 2017 – Barnet Open Data](#)

Parks and Open Spaces Strategy

[Open Spaces Strategy – Barnet Open Data](#)