

CARDIFF INTERNATIONAL SPORTS STADIUM

Reason for Report

1. To provide Members with an update following the decision taken at Cabinet on 19 March 2015 to remove Cardiff International Sports Stadium from the leisure management procurement process on receipt of a detailed and satisfactory business plan for the Stadium from Cardiff and Vale College.

Background

2. Cardiff International Sports Stadium (CISS) is located in Leckwith, Cardiff. The stadium includes fully certified international track and field facilities, a fitness suite, AstroTurf pitches, meeting rooms and offices. The stadium has a capacity of 4,953 – 2,555 of which is seated.
3. Cardiff Council is currently undertaking a procurement exercise for ten of its leisure facilities. The procurement is split into four 'Lots', with Lot 1 comprising of 7 facilities and the remaining Lots as stand-alone facilities. At the time of going out to the market, CISS was one of these stand-alone facilities (Lot 4).

Economy & Culture Scrutiny Committee Task & Finish Inquiry

4. Members of this Committee considered the procurement exercise for leisure facilities via a Task and Finish Inquiry – Alternative Operating Models in Leisure and Cultural Venues. At a meeting in November 2014 it was explained to Members that the rationale behind the separate, individual facility Lots was:

- to encourage participation by smaller/more specialised operators for the specific facilities;
 - to reflect possible alternative solutions which may be more appropriate for operation of these facilities
 - to enable a simpler approach to balancing the competing pressures if addition of any of these facilities might limit the ability to achieve a zero subsidy position.
5. Members were also informed that the Council reserved the right to add or remove sites throughout the procurement and during the lifetime of the contract. This would allow the Council to remove a facility from the procurement process should circumstances change in relation to that particular facility.
6. Following this meeting, Members wrote to Cllr Bradbury (Cabinet Member - Community Development, Co-operatives & Social Enterprise) to welcome this approach:

“We welcome the approach that has been taken within the Leisure Facilities procurement, with four separate Lots available for bidders and feel it is clear that officers have put considerable thought into this Lot allocation. We feel the three single facility Lots will provide the opportunity for smaller operators/ organisations to participate in the procurement, which would not been possible had the Council gone with fewer, larger Lots, while at the same time retaining a more substantial Lot that will be attractive to larger organisations.”

2015/16 Budget and 19 March 2015 Cabinet Paper

7. The 2015/16 Budget contains a £305,00 saving against Cardiff International Sport Centre, with this saving listed separately from the £435,000 against the procurement process to determine a new operating model for a Council leisure centres.

8. A paper was taken to the 19 March Cabinet meeting seeking approval to remove the Cardiff International Sports Stadium from the Council's wider procurement process for leisure facilities and lease the Stadium and grounds to Cardiff and Vale College. This paper is attached at **Appendix A**.

9. The Cabinet paper identifies that the Council has received a proposal from Cardiff and Vale College (CAVC) to take CISS on a 30 year lease from the end of June 2015. CAVC would enhance the facilities and manage it for community and student use. This proposal also includes the sub-letting of the sports facilities to The House of Sport.

10. The basis of the proposal is as follows (further detail can be found in **Appendix A, Paragraph 3**):
 - The Council would issue a 30 year lease to the College with peppercorn rent that could be subject to review
 - Any surpluses retained within the operation would be re-invested into CISS.
 - The College would govern via a Sub-Committee of its Finance and Estates Committee, on to which the Council and House of Sport would be co-opted into membership. There would be a wider stakeholder group, which would represent the interests of user organisations and involve bodies such as Cardiff Athletics Club, Welsh Athletics and the Sports Council for Wales.
 - The House of Sport would take a sub-lease on the sports facilities from the College. Sub-leases would be assigned to Welsh Athletics and Cardiff Athletics Club as core tenants of the building and grounds.
 - The College would take on a full repairing lease from the Council for the stadium and grounds (excluding track)
 - The College would replace the artificial pitch, potentially add a further artificial pitch, and a further sports hall would be constructed at the House of Sport.
 - The College would redesign the internal accommodation of the grandstand to create sports education and sports medicine services, and operate Higher Education courses from the site in sport fitness.

- The Council would pay the capital cost of replacing the track at an estimated cost of circa £500,000 as a one-off payment, which would be required in three to four years' time. The track replacement would be to recreational standard. Any additional cost to upgrade the track to elite level would have to be secured by the College from external sources. Beyond this initial payment, there would be no funding provided by the Council towards meeting the costs of track replacement in the future.

11. The Cabinet paper identifies that it is hoped the College would take over the operation of the facility from 1 July 2015 with a view to operating at an optimum financial level by September 2015 when students would be on site and when the new artificial pitch had been installed. Further detail on timings can be found in **Appendix A, Paragraphs 5 – 7**.

12. The detailed financial implications of the proposal in respect of CISS will not be known until a full business plan is received and reviewed. However the Cabinet paper indicates that the deliverability of the £305,000 savings is considered to be achievable and that any further savings realised in 2015/16 would help to offset additional income targets set for the Sport, Leisure and Culture Directorate.

13. At the 19 March 2015 Cabinet meeting it was agreed:

- that on submission of a final, detailed and satisfactory business plan from Cardiff and Vale College to remove the Cardiff International Sports Stadium from the leisure management procurement process
- to delegate authority to the Director of Sport, Leisure and Culture to negotiate the lease and any ancillary documentation to Cardiff and Vale College, in conjunction with the Cabinet Member for Community Development, Co-operatives and Social Enterprise, the Cabinet Member for Corporate Services and Performance and the Section 151 Officer
- that the arrangement between the Council and Cardiff and Vale College should be predicated on public access to the facilities being guaranteed for the future and the Council being able to monitor and influence its success.

Way Forward

14. Councillor Peter Bradbury (Cabinet Member for Community Development, Co-operatives and Social Enterprise) will be joined by Chris Hespe (Director – Sport, Leisure and Culture), Mark Roberts (Deputy Principal – Cardiff and Vale College) and Steve Borley (House of Sport) to provide Members with an overview of the lease of Cardiff International Sports Stadium to the Cardiff and Vale College and the future plans for the Stadium. Matt Newman (Chief Executive, Welsh Athletics) has also been invited to give his perspective on the decision.
15. Members of the Committee will have the opportunity to provide comments, observations, identify priorities and form recommendations to the Cabinet for consideration.

Legal Implications

16. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

17. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

RECOMMENDATION

18. The Committee is recommended to give consideration to the information attached to this report and received at this meeting and to submit any recommendations, observations or comments to the Cabinet.

Marie Rosenthal

County Clerk and Monitoring Officer

27 March 2015