

NATIONAL AND REGIONAL SPORTS FACILITIES – OUTCOME OF FUNDING BID

City of Edinburgh Council

11 November 2004

Purpose of report

- 1 To inform the Council of the result of the National and Regional Sports Facilities funding bid to **sportscotland**, submitted in March 2004.

Main Report

- 2 In September 2003 **sportscotland** provided detailed guidelines inviting local authorities and other public bodies to submit bids into a funding resource established to grant-aid a range of new or refurbished national and regional sports facilities across Scotland. The package, which totalled £50m, was made up of £29m of existing Scottish Executive funding, with a further £21m coming from the **sports**lottery and other sources.
- 3 In its guidelines, **sportscotland** indicated that applications for capital grants would involve a two-stage process. Initial bids (Stage 1) were to be presented by 31 March 2004. After the go-ahead from **sportscotland**, successful elements of Stage 1 bids would then be worked up to full applications (Stage 2).
- 4 On 18 March 2004 the Council approved a report from the Director of Culture and Leisure which outlined the application process, the work undertaken by the inter-departmental Investment Steering Group established by the Chief Executive to take forward the preparation of the bid, and the details of the proposed bid.
- 5 The bid was completed and submitted to **sportscotland** by the deadline of 31 March 2004. Its main proposals were:
 - The refurbishment and upgrading of the Royal Commonwealth Pool
 - The construction of a replacement facility for Meadowbank Sports Centre at Sighthill Park comprising a stadium for athletics and rugby and indoor sports halls

- The construction of an indoor velodrome, football facility, curling academy and new HQ for **sportscotland** at Hunter's Hall Park
- 6 The report to Council on 18 March 2004 identified that the total estimated cost of providing the proposed facilities was £110.18m, at present-day prices. The design consultants estimated a further 14% (£15m) increase in costs based on a construction start during 2007. **sportscotland** confirmed that inflationary increases could be taken into account in Stage 2 Bids.
- 7 Following further design development and revised cost estimation, the Bid subsequently lodged with **sportscotland** was for a project with a total estimated cost of £128 million including inflation. The elements of the Bid were as follows:

Royal Commonwealth Pool £32.4 million

Sighthill Park £57.1 million

Hunter's Hall Park £32.9 million

New sportscotland HQ £5.6 million

Following Bid submission, further work has been undertaken to examine potential areas of cost reduction.

Bid Award

- 8 In August 2004 the Council received notification from **sportscotland** that Stage 1 award offers totalling £17 million had been granted towards the overall cost of providing the proposed sports facilities, as follows:

<u>Facility</u>	<u>Allocation</u>
Royal Commonwealth Pool:	
Upgrade existing facility to provide a 50m x 8-lane x 2m deep main pool	£3M
Upgrade existing facility to provide an international standard diving pool	£1M
Sighthill Park:	
Municipal Stadium with 6,000 seats	£4M
Indoor athletics training facility	£1M
12-court sports hall	£1.5M
Regional gymnastics facility	£0.5M
Hunter's Hall Park:	
Indoor football facility	£3M
Indoor velodrome	£3M
Total	£17M

- 9 **sportscotland** declined to support the proposed curling academy (to be accommodated at Stirling) and the decision on the location of the new **sportscotland** HQ is still to be announced.
- 10 **sportscotland** advised in their offer letter that the Stage 1 allocations are an indication of the level of funding to be expected at Stage 2, provided the projects are developed in line with approved proposals and the conditions of the

offers. **sportscotland** stated that 2% of the funding allocation could be used to contribute to the financing of the detailed design work required for the Stage 2 applications. It was also emphasised that money was allocated to specific projects and would be withdrawn should the Council decide not to go ahead with particular projects.

- 11 **sportscotland** has acknowledged that the sale of the Meadowbank site may affect the timescale for the delivery of the projects, and has asked to be kept informed of progress in this area.

Existing Meadowbank Site and Sports Centre

- 12 The City Development Department is currently preparing a strategy for the disposal of the Meadowbank site, and the most advantageous way to maximise the resulting capital receipt. Options being considered include whether to market the site as a totality or in phases. It is anticipated that the entire process - from due diligence, the initiation of marketing, through the selection of the preferred bid, and the granting of planning permission to the payment of the capital receipt - will take at least two years to complete.
- 13 The Council has accepted that it will be necessary to provide a dry community sports centre in the East LDC area to address the gap in local provision that will result from the loss of the facilities at the existing Meadowbank Sport Centre. A site search is currently underway to identify possible sites in Council ownership which might provide a suitable location in the area for the new facility.

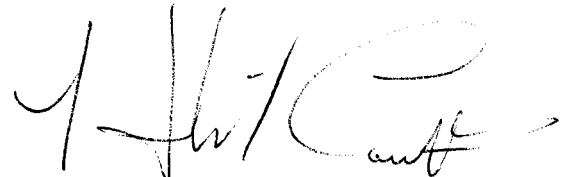
Financial Implications

- 14 As stated in para 8, the total funding awarded for all three projects, following the outcome of the stage 1 bid, was £17 million. The total estimated cost of the projects in the bid, including professional fees, ancillary and development costs, client fit out and inflation was £128 million. It was always the intention to phase these projects, and the order and timescale for their progression will be dependent on the availability of funds. While the award of £17 million from **sportscotland** is welcomed, it must be recognised that there are insufficient resources to achieve the Council's overall vision. Difficult decisions will be required on priorities, standards and phasing.
- 15 Each of the projects is now being revisited to investigate the potential for cost reductions. As previously indicated, the Curling Academy, at an estimated construction cost of £2.24 million, has now been removed from the proposals. Also, it has not been decided whether the **sportscotland** HQ will be located at Hunters Hall park.

Recommendations

- 16 The Council is recommended to:
 - (a) To confirm approval of the sale of the Meadowbank site, and the ring-fencing of the capital receipt for the provision of the proposed sports facilities.
 - (b) To instruct the Director of Culture and Leisure to consult the East LDC and relevant community groups on a dry sports centre for the local community.

- (c) To instruct the Director of Culture and Leisure to make further reports as progress is made.



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46/11/04

Appendices

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Wards affected City-wide

Background Papers Available from Director of Culture and Leisure, 23 Waterloo Place