Committee: CABINET
Date of meeting: 14 September 2016

<table>
<thead>
<tr>
<th>Subject:</th>
<th>Waterside Drive Sports Hub and Stompond Lane Development Update</th>
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<tr>
<td>Lead Officer:</td>
<td>Heads of Asset Management &amp; Property Services and Leisure &amp; Cultural Services</td>
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<tr>
<td>Portfolio Holder:</td>
<td>Councillor Sadler – Portfolio Holder for Resources and Councillor Mrs Turner – Portfolio Holder for Leisure &amp; Culture</td>
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<td>Link to Council Priorities:</td>
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<td>Exempt information:</td>
<td>None</td>
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<td>Delegated status:</td>
<td>For Resolution</td>
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<td>Key decision:</td>
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EXECUTIVE SUMMARY:

This report gives an update on where the Council is with regard to construction of the Waterside Drive Sports Hub. The report also advises on the current position with regard to the operation of the Sports Hub once built and informs the Council of the procurement process. The key priority remains that the facility will be financially sustainable and will break even or generate sufficient funds to re-invest in the facility and, in doing so, will require limited revenue subsidy from the Council.

The report further highlights the current position on the sale of Stompond Lane to developers London Square and the relevant timings.

RECOMMENDATION: THAT THE CABINET:

(A) NOTE THE UPDATE ON CONSTRUCTION OF THE SPORTS HUB AT WATERSIDE DRIVE; AND

(B) NOTE THE UPDATE ON THE SALE OF STOMPOND LANE.

REPORT:

1. **Background Waterside Drive**

Members will be aware that one of the Council's flagship projects is to complete the contamination works and start construction of the Sports Hub on the former Landfill site at Waterside Drive. In July 2015, Council approved the construction of the Sports Hub which will create an enhanced sports facility for the Community and agreed that the capital receipt from the disposal of Stompond Lane would fund the Sports Hub development. It was also agreed that the Construction will be carried out by an organisation called Willmott Dixon.

In January 2016 full planning permission was granted to Willmott Dixon for the development of the Sports Hub which comprises a new football and athletics stadium with spectator seating and detached two storey building.
incorporating changing facilities, storage function and club rooms, floodlighting, additional football sports pitches, a new car park and access road, hard and soft landscaping, playground and a new electric sub-station.

2. **Progress to Date**

The building contract was signed between Willmott Dixon and Elmbridge Borough Council in March of this year and subsequently Willmott Dixon commenced work on site on 21 March 2016. The first stage of the programme was to undertake site set up and to demolish the existing buildings on site in order to facilitate the comprehensive development of the Sports Hub. The contract duration is 76 weeks and contract completion is expected to be in September 2017. At the time of writing there are no delays expected and we are on target to complete on the date advised above but this is strictly subject to matters outside of our control eg, weather, labour and materials market and deleterious objects found in the ground. Bi-weekly updates will keep members and the public informed of the progress.

Willmott Dixon have been on site for 21 weeks and the major first phase of the works is the grounds work element which will continue until end of the calendar year. In addition to the ground work the following tasks have already been or near to completion: -

- Installation of PRB (Permeable Reactive Barrier)
- Installation of virtual curtain (to control any future gas emissions)
- New entrance road created along with stabilisation
- New foul and surface drainage
- Completion of the piling to the pavilion
- Completion of ground beam excavation

Over the next four months the ground works’ element will continue along capping the whole site. Pile cutting, stabilisation of the pavilion will continue and bulk fill and surfacing works to the access road. It is envisaged that subject to no underground obstructions being found during the remediation works along with inclement weather conditions over this next period, the actual construction of the pitches and pavilion will start to come out of the ground in early 2017. The last element of the scheme to go in will be the laying of the running track which has to be done during the summer months.

We have agreed a communication strategy which will engage with the local community including the schools, stakeholders, and Places for People to promote the end product of the Sports Hub. We will also be providing Members with bi-weekly communication updates as to what has been achieved on the construction with immediate effect. This will also be uploaded to our website. Willmott Dixon will be producing quarterly newsletters to the local residents keeping them fully informed of progress.

In addition, there have been a number of site visits for Members and for the Sports Clubs. These have helped to provide an appreciation of the scale of the development and the importance of the emerging facilities to the sports clubs and their future development plans.
The Waterside Drive Member Reference Group has now been formed and will be meeting in September.

Members will be aware that the existing planning application was called in for a Judicial Review which is now scheduled to take place on 6 December this year.

3. **Procurement of Operator for the Sports Hub**

   As reported to Cabinet and Council previously, the key priority for when the Sports Hub is built is to ensure that it is financially sustainable and that it will generate sufficient funds to re-invest in the facility. In this regard, we are in the process of undertaking a procurement exercise, whereby the appropriate procedures will be followed to find an operator for the Sports Hub who will work with the Council and the four clubs to develop and provide a fit for purpose operating model that will work for all involved. It is envisaged that this will take approximately 6 months and we will be looking to bring a report to Cabinet to approve the operator in the Spring of 2017.

4. **Revised Planning Application**

   The Council will submit a revised planning application in the coming days which will make some minor changes to the approved Sports Hub scheme. This will not diminish any aspect of the facility but will make adjustments that respond to comments made by some objectors to the original scheme and also enable the Council to alter some aspects such as consideration of the size of the bunds and tree species which will assist the screening along the river frontage. In these respects, the revised application will reduce the height of some car park lighting columns, will remove a spectator stand, realign some fencing, change some storage areas, and re-site the play area (subject to public consultation) around the open space.

5. **Stompond Lane development**

   By way of background, a marketing exercise for the sale of Stompond Lane was conducted last year. The Property Appraisal Group reviewed the bids and considered that the proposal from London Square would deliver the best and most appropriate outcome for the Council. The Cabinet considered the proposal on 8 July 2015 and recommended to the Council that the offer from London Square be accepted and the Contract of Sale be agreed. The Council approved the recommendations from Cabinet on 22 July 2015. London Square were duly appointed as our preferred purchaser/developers. Contracts were exchanged prior to Christmas 2015 and since then officers have been liaising with London Square in respect of preparation of a full planning application for their development.

   As it currently stands, the scheme will contain 52 dwellings of which 9 units will be affordable rented. This was the basis on which the Council offered the site for sale although the residential unit numbers are slightly increased following changes to other elements of the scheme. The scheme will also
include a 5000 sq. ft. nursery and a 10,000 sq. ft. doctor’s surgery. EBC has the option to purchase the commercial element of the scheme back and negotiations with potential occupiers for the nursery space and doctor’s surgery are ongoing and will be presented to Cabinet later on in the year.

6. Timing of London Square Planning Process

London Square are looking to submit a planning application by the beginning of the October and will hold Member and public consultations prior to this. Once the planning application is submitted it will go through the statutory process and the land will be appropriated thereafter as reported to Cabinet and Council in July 2015.

Officers are in the process of working with the existing occupiers to ensure that vacant possession can be delivered to London Square in a timely fashion, in line with the agreed terms of sale to London Square. In parallel, the Council is working with the purchaser to enable continued use of the facilities at Stompond Lane by the clubs during the time it takes for London Square to secure planning permission and to mobilise development. Subject to Planning, the expected date for development to commence is Spring 2017. It is likely that the activation of the break clause in the lease, to enable vacant possession and to allow for continued informal use for the clubs, will involve legal proceedings.

7. Stakeholders

The football and athletics clubs have been offered alternative accommodation arranged by EBC in the event that any transitional arrangements are required before the Sports Hub is completed by September 2017. Asset Management and Leisure Services are working closely with Walton Tennis Club in respect of their ongoing occupation and regular meetings are taking place. London Square have also been in touch with the tennis club and will continue to work with them to ensure continuity of their facilities during the build.

Financial implications:
Waterside Drive - The total Project cost is £19.2M, of which the building contract with Willmott Dixon is for the sum of £18.25M. The contract costs are monitored with the help of our quantity surveyors Pick Everard on a regular basis.

Stompond Lane Development - The sale price of the Sports Ground at Stompond Lane was communicated to Members in July 2015 as part of the detailed reporting. It remains commercially sensitive but will be sufficient to cover the full development costs associated with the construction of the Sports Hub. The key principle has always been that the construction at Waterside Drive should not burden the Council Tax payer with long-term debt or additional on-going revenue requirements. This remains the case.
**Environmental/Sustainability Implications:**
Requirements concerning sustainability will form part of any full application on the Stompond Lane site. With regard to Waterside Drive planning conditions have already been imposed and these will be discharged prior to the completion of the Sports Hub.

**Legal implications:**
The contracts signed with Willmott Dixon and London Square are legally binding. Heads of terms for a revised lease will be agreed with the tennis club and the legal team will be instructed accordingly.

**Equality Implications:**
Public consultation with regard to the planning application will take place and take into account community engagement in this regard

**Risk Implications:**
There is a contract for sale in place for the disposal of Stompond Lane Sports Ground. Failure to meet contractual obligations would expose a defaulting party to the risk of a claim for damages.

**Community Safety Implications:**
Redevelopment of both sites will have a positive impact on the local area and will stimulate the economy

**Principal Consultees:**
The Leader
Portfolio Holders for Resources and Leisure
Council Management Board
Current Stakeholders at Stompond Lane

**Background papers:**
None

**Enclosures/Appendices:**
None

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