



Author/Lead Officer of Report: Paul Billington,
Director of Culture and Environment

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Report of: Eugene Walker
Report to: Cabinet
Date of Decision: 18th July 2018
Subject: **Delivery of Sports Hall Provision for the Oasis Academy**

Is this a Key Decision? If Yes, reason for Key Decision:-
 Yes No
 - Expenditure and/or savings over £500,000
 - Affects 2 or more Wards

Which Cabinet Member Portfolio does this relate to?
 Culture, Parks and Leisure – Cabinet Member Mary Lea
 Which Scrutiny and Policy Development Committee does this relate to? Children, Young People and Family Support

Has an Equality Impact Assessment (EIA) been undertaken? Yes No
 If YES, what EIA reference number has it been given? *(Insert reference number)*

Does the report contain confidential or exempt information? Yes No

If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-
Part 2 of this report and Appendices are not for publication by virtue of Regulation 20(2) Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 because, in the opinion of the proper officer, it contains exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended) and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Purpose of Report:

To seek approval by the City Council to the proposed solution to provide the Oasis Academy at the Olympic Legacy Park with an indoor sport facility.

Recommendations:

That Cabinet:

1. Approves the selection of Sheffield City Trust as preferred provider of the indoor sports provision for the Oasis Academy, through an expansion of the EISS facility.
2. Notes that approval will be sought through the Council Capital Approval process for the requisite funding from the Schools Capital allocation
3. Delegates authority to the Executive Director of Resources in consultation with the Executive Director of Place and Executive Director of People to agree an appropriate level of grant funding with SCT in line with the figures in this report.
4. Approves the provision of a loan to SCT to secure the funding of the EISS Expansion in line with the figures in this report.
5. Delegates authority to the Chief Property Officer in consultation with Executive Director of Resources and the Executive Director of Place to acquire a sub- lease (or other appropriate legal interest) with SCT to secure the continued rights of use of the facility for the Oasis academy.

Background Papers:

Report to Cabinet October 18 2017

Lead Officer to complete:-	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: Jayne Clarke
	Legal: David Hollis
	Equalities:
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	EMT member who approved submission:
	Eugene Walker
3	Cabinet Member consulted:
	Councillor Mary Lea
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.

Lead Officer Name: Paul Billington	Job Title: Director of Culture and Environment
Date: <i>(Insert date)</i>	

1. BACKGROUND

- 1.1 The Council is required by Government, as reflected in the lease, to furnish the Oasis Academy at the Olympic Legacy Park with an indoor sport facility.
- 1.2 A key objective for the Council is also to provide access to a facility that would be aspirational for Oasis school children through sharing of the venue with elite sports people. Equally, alongside school use, the Council is committed to community use of the facility and that the venue is in keeping with the aspirations of the Olympic Legacy Park.
- 1.3 The Council is also seeking a solution that does not require a long term subsidy in relation to day to day operation of the facility.
- 1.4 The school is currently using the English Institute of Sport Sheffield (EISS) on a temporary basis, but as the school grows there is not sufficient room at EISS without its expansion or an alternative venue being provided. Any solution needs to be in place to accommodate the 2019/20 Academic Year.
- 1.5 The Council has therefore considered a number of options for delivering the required sports hall. A list of options was appraised (both independently and by officers) on the basis of cost, risk and deliverability.
- 1.6 The Council has engaged extensively with the relevant parties who would be responsible for the delivery of those options to ensure our full understanding of the possible ways forward.
- 1.7 Details of the options and their relative merits are set out in this report.

2. PROPOSAL

2.1 Expansion of EISS by Sheffield City Trust (SCT)

2.1.1 Summary of Sports Hall Concept

Sheffield City Trust (the owner of EISS) has produced a business plan to build and operate an extension to the existing facility. The proposal from SCT is to create an additional sports hall as a seamless extension to EISS, together with associated changing rooms and two classrooms. The proposed facility has been designed to meet the school requirements and be available for extensive community use outside those times.

2.1.2 This will be an expansion to the existing EISS sports hall provision and constructed in keeping with the existing building. The expected delivery time for the expansion is 12 months and will be available for the 2019/20 academic year.

2.1.3 The sports hall will be operated on the same basis as the existing EISS but with exclusive free use for the Oasis Academy to meet curriculum requirements.

2.2 Lease Structure

The site is already operated by SCT under a 150 year lease from the Council. The Council will secure the ongoing rights of free use of the sports hall for Oasis for the duration of the lease and regardless of the operator.

2.3 Funding Proposal

Details of the SCT funding proposals are set out in Part 2 to this report.

3. **HOW DOES THIS DECISION CONTRIBUTE?**

3.1 **Economic**

The EISS already operates without council subsidy and the proposed extension will further improve the financial position of the facility. The venue also attracts and supports major events, extensive community use and elite athletes. An extended venue will offer the opportunity to increase all of these existing benefits.

3.2 **Social and sporting**

The EISS already offers a 'melting pot' of community use, schools use, local events, international events and training for elite athletes. The extension proposed will bring daily use by school children from Oasis into this world class venue and see them mixing with the broadest spectrum of role models, from local people through to international athletes and coaches.

4. **HAS THERE BEEN ANY CONSULTATION?**

- 4.1 There is no legal requirement to consult on these proposals. As the proposals set out within this report are largely confidential there has been no formal public consultation. However the principle of provision of sports hall capacity at EISS has been discussed with Oasis and of course with the intended operator, SCT. Equally, extensive discussions have taken place with those involved in the alternative solution considered by the council.

5. **ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 The Council considered a list of options for the delivery of sports hall capacity for Oasis:
1. Guaranteed use within the arena proposed to be constructed on the Olympic Legacy Park by Park Community Arena Ltd. (PCA) to house the Sheffield Sharks Basketball team.
 2. The Council to build a new stand-alone sports hall to meet the Academy requirements.
 3. Incorporate an indoor sports hall within the stadium proposals on the Olympic Legacy Park.

4. Extend the EISS
 5. The Council to build a new indoor arena to accommodate the PCA operations.
- 5.2 Some of the above options were evaluated on the basis of broad desk-top estimates of relative costs without the engagement with the third party delivery party, others have been evaluated on more comprehensive cost/business plans and associated dialogue.
 - 5.3 Option 3 was discounted from further consideration as it was not aligned with the developers proposals and timescales on the site; option 2 would be costly and fail to meet the aspirations being sought by the Olympic Legacy Park project and option 5 was rejected because it exceeded the Council's statutory obligations in relation to school provision and placed the Council in a potentially high risk situation.
 - 5.4 The Council has further evaluated the remaining two options, including receiving comparable business plans for each. Details are included in Part 2 of this report.

6. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

6.1 Equality of Opportunity Implications

The proposed extension to the EISS will further bring this world class facility into daily use by children from the Oasis Academy and use by teams and groups from across the city, but in particular from the local community, which is amongst the most economically deprived in the city. In reaching a decision Cabinet should have regard to the Public Sector Equality Duty. There is not considered to be any specific equality implications from the proposal.

6.2 Financial and Commercial Implications

A separate report in Part 2 of this Cabinet report covers the financial and commercial implications of the proposals.

6.3 Legal Implications

The Council is responsible for building new schools that are then operated by Academy trusts. There is a requirement that schools meet curriculum needs for sport. As the indoor sports provision does not form part of the school premises the Council agreed through the lease structures to provide the facilities and is therefore legally bound by that obligation.

In addition to the schools use the new facilities will provide community and other use. The Council has the power to provide for this under s19 Local Government (Miscellaneous Provisions) Act 1976 and this can be by way of grant or loan towards the expenses incurred or to be incurred by any

voluntary organisation in providing the facilities. SCT is a voluntary organisation for the purposes of this provision (but PCA would not be).

In providing and funding, including by way of grant or loan the Council has to be compliant with EU State Aid principles. The implications of this in relation to the various options are dealt with in Part 2 of this report.

Procurement law implications are also covered in Part 2

7. REASONS FOR RECOMMENDATIONS

- 7.1 There is a strong financial, social and sporting case for opting for the EISS extension. . As detailed in Part 2 of this report, the risk adjusted cost to the council of providing the necessary school sports facility is **£0.7m** with the EISS option, compared to **£1.7m** for Council build option (Option 2) and **£2m** for the PCA option.
- 7.2 Whilst the Council build option would give the most direct control over the facility it would not provide the aspirational attributes of the EISS expansion.
- 7.3 Further, the PCA Option has not been recommended given that to date the proposal does not have a confirmed funding solution in place and Cabinet agreed last year that this option be given a deadline to secure funding and that passed many months ago. There is also no agreed legal solution that would secure the Academy access to the sports facility under this option.
- 7.4 The EISS option has far more certainty of delivery within the expected timescales and financial envelope as it will not be reliant on an extensive external funding process or securing significant new sources of income. The EISS option is therefore lower risk for the council in both capital cost, timely delivery and long term sustainability.
- 7.5 Expanding the EISS also has strategic fit for the council with SCT in terms of the additional opportunities it affords the trust to operate its assets and offering an opportunity to review the Council's strategic partnership with SCT on EISS
- 7.6 It should also be noted that if the EISS option is supported by Cabinet, then the proposed plot for the PCA option on the OLP site could be available for alternative development and therefore provide an additional financial receipt to the Council that allows it to recover the costs incurred in remediating the OLP site. An alternative development on this plot, in addition to the EISS expansion, might also offer a net increase in overall economic and/or social benefits to the council.
- 7.7 The Sharks currently play their matches at EISS and the Council has asked that talks take place between SCT and the Sharks to prepare for the possible consequences of decisions that arise from this report. Both parties have confirmed that positive discussions are underway and both the council and

SCT recognises the contribution the Sharks make both to the elite game and the development of basketball in the community. Therefore, if Cabinet supports the EISS extension option, then SCT will work with the Sharks both in terms of their match days and explore options for working together on a wider basketball development programme in the city.

- 7.8 For or these reason it is proposed that the EISS expansion option is the preferred delivery route.

Eugene Walker
Executive Director Resources

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