

Culture and Sport Committee

10am, Tuesday, 17 December 2013

Meadowbank Sports Centre and Stadium: options appraisal and stakeholder engagement

Item number	8.1
Report number	
Wards	All

Links

Coalition pledges	P24 , P42 and P43
Council outcomes	C04 , CO10 and CO20
Single Outcome Agreement	SO2

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Executive Summary

Summary

Meadowbank Sports centre and Stadium was built in the late 1960s as a venue for the 1970 Commonwealth Games. Between 2005 and 2007, the Council developed plans to relocate the sporting facilities of Meadowbank to a new facility at Sighthill Park. However, these plans were met with strong opposition from the local community and the plans were withdrawn. Since then, whilst the Council has spent £1.4m upgrading the ancillary facilities, the sporting infrastructure has continued to decline and does not meet the requirements of a modern 21st Century sports facility.

In February 2013, the Council allocated £60k for an initial stakeholder engagement and options appraisal for the facility and in August 2013, the Council appointed Deloitte Real Estate, supported by The Sports Consultancy and Reiach and Hall Architects, to carry out this study. In terms of the stakeholder engagement, a wide range of organisations were consulted including Edinburgh Leisure, the national Governing Bodies of Sport and representatives of the key clubs using the facility. The main aim of this consultation was to ascertain the sporting facility mix for any redevelopment.

Three broad concept designs have been developed that incorporate the facilities identified through the consultation, all of which focus on a new build and the retention of the existing athletic track. The designs show the potential for a land sale for the east of the meadowbank site, the proceeds of which could be used to help fund the project. The minimum option would cost in the region of £35m. A detailed feasibility study and business plan is now required in order to confirm the sporting facilities mix and to provide a funding solution for the redevelopment as each of the designs have a considerable funding gap.

Recommendations

It is recommended that the Culture and Sport Committee:

1. considers the results of the options appraisal and stakeholder engagement;
2. notes that a detailed feasibility study would also explore other sources of funding, including from the private sector, with a view to minimising the call on the Council's capital contribution;
3. notes that work is ongoing to assess the social, sporting, health and economic impacts of a new Meadowbank, including a community stadium and this will be included in any future feasibility study;
4. notes that development costs of £300k would be required to proceed with a feasibility study to RIBA Stage C (incorporating community consultation and full business case development), and that this would need to be identified in the revenue budget for 2014/15;
5. recommends that any financial impacts arising from this report be considered when setting the Council's budget for 2014/15 and beyond, and make adjustments as appropriate; and

6. requests that regular updates are provided to and the relevant approvals are sought from the appropriate Council Committees.

Measures of success

Approval of the consultant team's report and agreement from the Culture and Sport Committee in December to refer the report to the City of Edinburgh Council's budget process for 2014/15.

Financial impact

The consultancy fee for the options appraisal and stakeholder engagement was approved by Council in February 2013 and is held against the Culture and Sport revenue budget. Additional resources will now be required in order to proceed with the detailed feasibility study (RIBA stage C).

Equalities impact

There is no immediate equalities impact from this report. The project should result in a range of positive impacts upon groups with protected characteristics under the Equality Act 2010. The community consultation during the feasibility study will gather views from those groups, and a full equalities impact assessment will be prepared.

Sustainability impact

This major construction project should have a wide range of positive impacts on the health and well being of Edinburgh residents and communities, and should therefore contribute positively to the city's sustainability in its widest sense.

The project should also result in a new sports facility that is financially more sustainable. The economic impact of the proposed redevelopment is currently being assessed.

Impacts on carbon and climate change will be fully considered during the RIBA design stages to ensure the facility meets sustainability criteria.

Consultation and engagement

The options appraisal and stakeholder engagement has required initial consultation with the national governing bodies of sport, **sportscotland**, Edinburgh Leisure, and clubs currently using Meadowbank. The feasibility study phase will require further detailed consultation with the wider Edinburgh sporting community as well as the local community. The strategic nature of this work will require ongoing consultation with key elected members and the Corporate Management Team, as well as with other key stakeholders such as the Board and management of Edinburgh Leisure, and **sportscotland**.

A detailed Communications Plan will also be required for the next phase of this work.

Background reading / external references

Minutes of Council budget meeting on 7 February 2013

[Report to Council entitled draft Revenue Budget framework 2013-2018-referral from Committee, 7 February 2013](#)

Nine previous reports on National and Regional Sports Facilities (incorporating Meadowbank) to Council, Culture and Leisure Committee, and the Culture and Sport Committee, from 2004 to present.

Meadowbank Sports Centre and Stadium: options appraisal and stakeholder engagement

1. Background

- 1.1 Meadowbank Sports Centre and Stadium were built in the late 1960s as a venue for the 1970 Commonwealth Games. Meadowbank has been well used ever since by local people and those training and participating at regional and national levels. Currently, the Centre receives just over 500,000 visits each year, has a four year average annual income of £1.36m and an operational subsidy of approximately £425k.
- 1.2 Previous work between 2005 and 2007 to relocate Meadowbank's sports facilities and stadium to a new location met with strong local opposition and a robust 'Save Meadowbank' campaign which resulted in the Council withdrawing its plans in March 2007. As an interim investment measure, and in recognition that the facility was more than 40 years old, beyond its designed lifespan and required significant upgrades, the Council spent £1.45m in 2009 to improve the reception areas, showers and changing facilities. Edinburgh Leisure continues to carry out routine repairs and maintenance, and an annual condition survey to identify any immediate risks to the ongoing operation of the facility.
- 1.3 Meadowbank does not meet customer expectations of 21st century sporting facilities nor the requirements specified by National Governing Bodies of Sport for lighting levels, run offs for courts (to prevent injury) and ceiling heights. Meadowbank is now regarded as inferior when compared to other facilities more recently developed in Glasgow, Aberdeen, Stirling and Motherwell.
- 1.4 Replacing Meadowbank with a like-for-like facility or a refurbishment are not viable options, for the following reasons:
 - the cost of replicating the 25,000 capacity stadium originally designed to accommodate Commonwealth Games cannot be justified when there is little need for a civic stadium of that size;
 - a refurbishment would result in considerable over-provision, with large areas of the building potentially under-used, and the level of subsidy required is unlike to improve. The facilities would be closed to users during a refurbishment, which would probably take up to 18 months. The feasibility study completed by Faulkner Brown Architects in 2007 estimated refurbishment would cost around £34.4m while not resulting in significant improvement in the quality of the existing sports spaces and standards.

- 1.5 In contrast, building a more compact facility, tailored to the current and future sporting needs of the national governing bodies and the community would be more efficient and more financially viable, and if carefully designed and planned, some of the work could be done while the existing facility remains open to users.
- 1.6 The focus for many sports is for a regional training standard facility for Edinburgh, as Glasgow is now an established venue for international events in many of the sports currently played at Meadowbank. The recent announcement of Edinburgh's successful bid to bring the National Performance Centre for Sport (NPCS) to the city will have a minimal impact upon Meadowbank: the primary use of the NPCS will be for training by Scotland's national football and rugby teams, as well as their respective Scottish age group squads, individual athletes, together with performance clubs from across the region, and local community and student use ensuring a balance of provision.

2. Main report

Current position

- 2.1 In February this year, the Council allocated funding towards a comprehensive review of its sport facilities and services over two financial years, but singled out Meadowbank by allocating the sum of £60k in this financial year towards an initial stakeholder engagement and an options appraisal for the facility.
- 2.2 In August 2013, the Council appointed Deloitte Real Estate to complete the options appraisal and stakeholder engagement for the redevelopment of sports facilities at Meadowbank. Deloitte was supported by The Sports Consultancy and Reiach and Hall Architects. The Council's client team included representatives from Culture and Sport, **sportscotland** and Edinburgh Leisure. This team reports to the Member/Officer Working Group set up for this purpose, which is chaired by the Convener of Culture and Sport.
- 2.3 Specifically, the consultancy was asked to deliver the following:
 - a summary of the outcome of stakeholder consultation;
 - recommendations on the sporting facility mix required;
 - concept drawings of the proposed new facilities on site; and
 - details on funding and affordability.
- 2.4 This initial research has helped to quantify that around £35m investment would have to be found from a range of sources to deliver the lowest cost option. Some further details on the findings are given below. Details and the concept drawings for three indicative redevelopment options can be found in the full report which is available in the Group Rooms.

Results of stakeholder consultation

- 2.5 A wide range of organisations was consulted including national governing bodies of sport, Edinburgh Leisure, **sportscotland**, Heriot-Watt University and representatives of clubs using Meadowbank. Individual users and the wider

sporting community have not been consulted yet as both the project team and Member/Officer Working Group agreed that they did not wish to raise expectations relating to a possible redevelopment until the outcome of the initial options appraisal was agreed by Council.

2.6 Amongst the issues raised during the stakeholder engagement which are detailed in the full report, the following issues and associated funding sources would need to be addressed during any further detailed feasibility work:

- the question of the appropriate level of provision required for athletics in Edinburgh (a regional training facility, similar in scale to Aberdeen Sports Village, or a smaller scale community training facility, similar to the Ayrshire Athletics Arena in Kilmarnock);
- Scottish Rugby is keen to have access to a 10,000 capacity stadium; this has been explored as part of this study. The initial cost estimates for this are in the region of an additional £27.5m.
- Scottish Cycling is supportive of a suitable regional track training facility which could be outdoors and options for this are currently being explored as part of a project appraisal for the Jack Kane Centre and Hunter's Hall Park. (The Council has already committed £1.25m for cycling facilities at this location).

Sporting Facility Mix

2.7 The project team agreed a list of potential facilities which were divided into core and optional. The core facilities are considered essential for any future redevelopment are:

- reception areas
- 10-court sports hall (seating for 2,500)
- 5-court sports hall (bleacher seating for 650)
- gymnastics/trampolining hall
- gym (120 stations)
- 4 studio spaces
- 3 squash courts with 2 moveable walls
- combat studio (dojo/boxing)
- changing rooms
- other areas/event support facilities
- staff accommodation
- circulation spaces and plant spaces (mechanical and electrical)
- full-sized 3G training pitch for football/rugby
- outdoor athletics track with central rugby/football grass pitch (seating for 500)

2.8 The optional facilities identified by the project team are:

- outdoor athletics track with central rugby/ football 3G pitch (seating for 500)
- 10,000 capacity community stadium with 3G pitch inside track
- indoor athletics (regional Model e.g. Aberdeen Sports Village)
- indoor athletics (community model e.g. Kilmarnock Arena)
- indoor five-a-side 3G football pitch

- indoor tennis (4 courts)
- indoor velodrome (200m)
- indoor 60m x 40m 3G pitch
- outdoor athletics throwing area (javelin etc)

- 2.9 The consultant team has provided details of three initial options based on the above lists; other options could be created from different permutations of facilities.
- 2.10 To take this project any further, the facility mix needs to be finalized, and that will require a detailed feasibility study to RIBA Stage C, including community consultation and the development of a business case.
- 2.11 This proposed feasibility study would cost approximately £300k.

Social Return on Investment

- 2.12 A recent study by Baker Tilly on the Social Return on Investment of, approximately 60% of the services and programmes delivered by Edinburgh Leisure, which included Meadowbank, attached the following values to the health and well being and social outcomes :
- Ageing Well, an activity programme for older adults, based at Meadowbank, equates to healthcare cost savings to participants and volunteers of £440k ;
 - Healthy Active Minds, a physical activity referral programme for people with mild to moderate mental health issues, is hosted at Meadowbank and other Edinburgh Leisure venues. The programme has approximately 650 participants. This is estimated to have delivered health care cost savings of over £2m per annum;
 - fitness membership and leisure cards support business by improving sickness absence costs to the value of £5.2 m per annum and healthcare cost savings of £21m per annum, whilst improving people's health;and
 - the impact of engaging young people in Open all Hours, a multi activity session (Friday evenings in a variety of venues) , has a positive impact on healthcare cost savings and youth engagement and a reduction in 'anti social behaviour incidents', valued at circa£370k per annum.

The values attached to the outcomes generated by these programmes is being developed with a focus on Meadowbank and this will be explored in greater detail in the feasibility study.

Funding and Affordability

- 2.13 The appraisal's financial modeling for the three initial options includes estimates for the likely receipts from the sale of any potential surplus land at Meadowbank: two figures are given for each option – a low figure, and a higher one, to take account of potential variation in land valuations. These cost estimates are shown

below and detailed in the full report. Cost estimates exclude lifecycle costs and the costs of any asbestos removal within the existing sports centre.

	Capital cost	Prudential Borrowing	Capital Receipt	Affordability
Option 1	£35,100,000	£3,028,083	£16,770,000(h)	-£15,301,917
			£10,062,000(l)	-£ 22,009,917
Option 2	£41,000,000	£4,759,604	£13,080,000(h)	-£23,160,396
			£7,848,000 (l)	-£28,392,396
Option 3 *	£85,200,000	£3,432,681	£9,615,000 (h)	-£72,152,319
			£5,769,000 (l)	-£75,998,319

* relates to points on 3rd party funding as described in 2.6 and 2.15

- 2.14 The financial modeling shows the funding and affordability gap for each option. Discussions are at an early stage with **sportscotland** who would consider grant funding to help the Council meet the funding gap for whichever option is chosen. Also, a detailed feasibility would explore other sources of funding, including the private sector, with a view to minimise the call on the Council's capital contribution.
- 2.15 Disposal of excess land is critical to the funding of the project and this will need to be considered by Council. Option 3, the provision of a community stadium and/or indoor velodrome, would require significant additional funding and this would require to be addressed during the detailed feasibility work. However, dialogue with Scottish Rugby and Scottish Cycling will continue with a view to determining the potential for any additional funding packages.

Timescales

- 2.16 The consultant team's report includes a detailed master programme which demonstrates that the project could be delivered by spring 2017, prior to the next local government elections, provided the Council takes a decision quickly.

3. Recommendations

- 3.1 It is recommended that the Culture and Sport Committee:
- 3.1.1 considers the results of the options appraisal and stakeholder engagement;
 - 3.1.2 notes that a detailed feasibility study would also explore other sources of funding, including from the private sector, with a view to minimising the call on the Council's capital contribution;
 - 3.1.3 notes that work is ongoing to assess the social, sporting, health and economic impacts of a new Meadowbank, including a community stadium and this will be included in any detailed feasibility study;

- 3.1.4 notes that development costs of £300k would be required to proceed with a feasibility study to RIBA Stage C (incorporating community consultation and full business case development), and that this would need to be identified in the revenue budget for 2014/15;
- 3.1.5 recommends that any financial impacts arising from this report be considered when setting the Council's budget for 2014/15 and beyond, and make adjustments as appropriate; and
- 3.1.6 requests that regular updates are provided to and the relevant approvals are sought from the appropriate Council Committees.

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Director of Corporate Governance

Links

Coalition pledges	<p>P24 - Maintain and enhance support for our world-famous festivals and events</p> <p>P42 - Continue to support and invest in our sporting infrastructure</p> <p>P43 - Invest in healthy living and fitness advice for those most in need</p>
Council outcomes	<p>CO4 –Our children and young people are physically and emotionally healthy</p> <p>CO10 – Improved health and reduced inequalities.</p> <p>CO20 – Culture, sport and major events – Edinburgh continues to be a leading cultural city where culture and sport play a central part in the lives and futures of citizens.</p>
Single Outcome Agreement	<p>SO2 – Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health.</p>