

Item No.	Classification Open	Date: 5 October 2011	Meeting Name: Cabinet Member for Finance, Resources and Community Safety
Report title:		Southwark 2012 Olympic Capital Legacy Fund: Final recommendations for a £2m capital investment	
Ward(s) or groups affected:		All	
From:		Strategic Director of Environment & Leisure	

RECOMMENDATION

1. That the Cabinet member approves the recommendations of the capital legacy group for a £2m package of capital projects that seek to improve access to and increase participation in sport in the London borough of Southwark, as set out in paragraph 23 and appendix A of this report.

BACKGROUND INFORMATION

2. 'Southwark 2012' is the name given to the project for delivering the Council's objectives for the upcoming London 2012 Olympic and Paralympic Games. Several distinct work streams exist in the Southwark 2012 project structure, one of which is the capital legacy group.
3. The capital legacy group was formed in November 2010 and is chaired by the Leader of the Council. The group is composed of external delegates from the local business community, London Southbank University and Sport England, the MP for Dulwich and West Norwood, Southwark Council cabinet members and senior Council officers.
4. The capital legacy group was created to provide an expert and independent panel to consider bids submitted to the Council for the capital legacy fund and to make recommendations to the Cabinet Member for Finance, Resources and Community Safety in respect of applications.
5. The objective of the capital legacy group is to invest £2m in capital projects that support a lasting Olympic and Paralympic legacy in Southwark from the 2012 games, improving access to and increasing participation in physical activity and encouraging the development of the Olympic values in the borough's communities.
6. The capital legacy funding process was split over two stages. The first stage invited project proposals based on the criteria agreed by the capital legacy group. The second stage centered on gaining more detailed information from applicants in order to make assessments for feasibility and risk.

7. Forty unique submissions were received by the Council for stage one the funding process. Seventeen of those projects, with a combined value of £4.51m were recommended by the capital legacy group to be successful at stage one.
8. The stage one recommendations were the subject of an Individual Decision Maker (IDM) report for the Cabinet Member for Finance, Resources and Community Safety. The recommendations were approved in June 2011.
9. Following the approval of the stage one IDM, the seventeen successful bids were invited to participate in stage two of the funding process. All were asked to complete a stage two application form and standardized risk log.
10. The stage two application form requested details of the bid ranging from specific project planning and costs to match funding and the last three years of financial accounts of the organisation submitting the proposal.
11. The deadline for completing stage two application forms was 5pm on Friday 22 July 2011.
12. Fourteen stage two applications with a combined value of £3.61m were received by the Council by the 22 July 2011.
13. Three of the seventeen bids successful at stage one did not submit applications at stage two. These were:
 - Urban Roots Active X (value = £150K)
 - Adizones (£491K)
 - Dulwich Park Multi sports Court (£20K)
14. It should be noted that some applicants altered their project value between stages one and two to reflect findings uncovered through further project scoping, further specification and/or research. Those changes are as follows:

Project	Stage 1 project bid value (£000s)	Stage 2 project bid value (£000s)	Increase / decrease	Reason for increase / decrease
Peckham Pulse disability pool hoist	4.3	5.6	↑	In order to minimise impact of installation on current pool activity, pool hoist is to be installed at night, thereby increasing installation costs.
Peckham settlement: "Southwark Run training facility"	350	70	↓	Further research by applicant into feasibility of original project scope, carried out between stage 1 and stage 2, revealed critical flaws. Applicant permitted to submit reduced application.
Trinity College Centre Outdoor sports area	60	30	↓	Applicant carried out further specification of project and eliminated risks that would have kept the bid value at £60K

15. A technical assessment of all fourteen of the submitted stage two application forms was carried out by the Public Realm division of the Environment and Leisure department. This assessment included an evaluation of risks associated with the project and feasibility of delivery.
16. Financial assessments of all projects submitted by external organisations have been carried out and all have been found to be sufficiently financially stable.
17. This report recommends a package of ten capital projects with a combined value of £2,000,600.

KEY ISSUES FOR CONSIDERATION

18. Recommendations are based on the extent to which each project met the criteria agreed by the capital legacy group and their feasibility of delivery (assessed via the stage two application form).

19. The stage one criteria are set out below:

Time:

- Is there a project plan and proposed completion date?
- Does the project plan to begin (on site or otherwise) by the summer of 2012?
- Does the project plan to complete by the end of 2013/14 financial year?

Quality:

- Will the project improve access and participation to sport and physical activity?
- Will the project encourage the Olympic and Paralympic values of respect, excellence, friendship, courage, determination, inspiration and equality in the local community?
- Are you clear that your bid is a capital project?

Cost:

- Does your bid cost less than £500,000?

20. The application form for stage two of the funding process is set out in appendix C.

21. When considering these recommendations due regard should be given to the public sector Equality Duty which requires public bodies to have **due regard** to the need to:

- **eliminate unlawful discrimination**, harassment, victimisation and any other conduct prohibited by the Act;
- **advance equality of opportunity** between people who share a protected characteristic and people who do not share it; and
- **foster good relations** between people who share a protected characteristic and people who do not share it.
- Having **due regard** means consciously thinking about the three aims of the duty as part of the process of decision-making.

22. Ten of the fourteen projects submitted at stage two have been recommended for award, either in full or in part. Four projects were unsuccessful in their bid for grant funding. A summary is shown below.
- Six project applications are recommended to be awarded the full amount applied for.
 - Four project applications are recommended to be awarded part of the amount applied for.
 - Four projects have been unsuccessful and are recommended not to be funded.
23. Ten projects are recommended for full or part award. These are:
- Bethwin Road Playground's bid for a multi use games area in Bethwin Road for **£95K**
 - Southwark Tennis Club's bid for support for a BMX Track for Burgess Park for **£150K**
 - The Camberwell Baths Campaign's bid for a further phase of refurbishment to the Camberwell Leisure Centre Sports Hall for **£490K**
 - Herne Hill Velodrome Trust's bid for a contribution towards refurbishment of the Herne Hill Velodrome track for **£400K**
 - Athenlay Football Club's bid for a Sports Ground Development in Homestall Road for £175k
 - Peckham Town Football Club's bid for an Outdoor disability multi-sports court for **£85K**
 - Fusion's bid for a disability Pool Hoist for the Peckham Pulse Healthy Living Centre for **£5.6K**
 - The parks and open spaces' service bid for upgrading the Peckham Rye pitches & changing rooms for **£200K**
 - The sports services' bid for a contribution towards the redevelopment of the Southwark Park Sports complex for £370K
 - Trinity in Camberwell's bid for an outdoor sports area in Camberwell for **£30K**
24. Bethwin Road Playground's bid for a multi use games area in Bethwin Road is a relatively simple project that updates an existing facility that is recognised as tired and of poor quality. This low risk project included realistic timescales, costing and objectives, aiming to complete upgrade works by June 2012 and then to increase its user base by 150%. Match funding of £25K from the London Marathon Trust further helped this bid to secure the full amount that was applied for.
25. Southwark Tennis Club's bid for support for a BMX Track for Burgess Park proposed a cost effective, low risk and high impact project in an area of high demand. Having already attracted three independent sources of match funding and one other conditional offer of grant, this technically strong proposal offers very good value for money. This project provides a facility of national standard and quality with open access to the most recent sport to be added to the Olympic Games. The board felt that this bid would afford a strong legacy and would very likely improve access to and participation in sport.
26. The Camberwell Baths Campaign's bid for a further phase of refurbishment to the Camberwell Leisure Centre Sports Hall is a community driven proposal that upgrades a significantly under used facility located in an area of high demand.

The sports hall forms the final phase in the wider refurbishment of the leisure centre and would greatly increase usable space. The bid offers minimum risk with achievable and realistic costs that afford good value for money. The board felt that this bid would afford a strong legacy and would very likely improve access to and participation in sport. For this reason, this project is recommended to be funded to 99% of the amount applied for.

27. The Herne Hill Velodrome is the last remaining structure from the 1948 London Olympic Games and the Herne Hill Velodrome Trust's bid for a contribution towards refurbishment of the Herne Hill Velodrome track was unique for this reason. The bid was technically very strong, focusing on increasing participation in sport by providing children's and family cycle tracks that aim to attract a broader spectrum of cyclist. While the construction works are not proposed to be on site until September 2012, the board felt the completed project would secure a very strong legacy from the London 2012 Olympic and Paralympic games and for that reason the project is recommended to receive part funding of £400K. £90K of the total cost was for a tarmac multi purpose area to be used for cycle polo and other activities. The board felt that this part of the project could be funded from elsewhere, leaving capital legacy funding to meet costs for the family and junior cycle tracks and secure a future for introducing young people to the sport of track cycling.
28. With £100K of match funding secured and a technically strong submission, Athenley Football Club's bid for a Sports Ground Development in Homestall Road is recommended to receive full funding. The project will offer a significant increase in usability of an existing and underused space that is currently unfit for purpose. Timescales and costs are realistic and the project offers good value for money. Following the proposed upgrades, the availability of the facility would increase dramatically allowing for 25,000 individual attendances per annum. The board felt that this bid would afford a strong legacy and would very likely improve access to and participation in sport.
29. Peckham Town Football Club's bid for an Outdoor disability multi-sports court is a community driven proposal, made in association with Peckham Town FC, which aims to improve access to football coaching for disabled people and people with special needs. The construction of an all-weather, flood lit and synthetic pitch is considered very likely to improve access to and increase participation in sport and physical activity thereby providing a strong legacy from the London 2012 Olympic and Paralympic Games.
30. Fusion's bid for a disability Pool Hoist for the Peckham Pulse Healthy Living Centre is a risk free, low value, high impact project that would serve to significantly increase access to the swimming pool for disability groups. The project offers excellent value for money, realistic and achievable objectives and a positive contribution to a strong legacy in Southwark.
31. The parks and open spaces' service bid for upgrading the Peckham Rye pitches & changing rooms, would almost double the capacity for pitch based sports in an area of high need. After clarification of costs post-submission, it was determined that the project could be completed for less than the £250k originally applied for, therefore the bid is recommended to be part funded with £200k. The project will increase participation in and access to sport within agreed timescales.

32. The Southwark Council sports services' bid for a contribution towards the redevelopment of the Southwark Park Sports complex (specifically the athletics track) is unique among submissions, and with a focus on athletics, would represent a special legacy from the Games. While match funding remains an issue, it is hoped that a £370K award will help to attract funding from external sources in a bid to get this once superb facility upgraded and available once again for public use.
33. Trinity in Camberwell's bid for an outdoor sports area in Camberwell is technically strong and provides a facility for children and young people in an area of high demand. It is a simple, low risk project that updates an existing facility that is acknowledged as tired and of poor quality and as a result is little used. The improved facility is very likely to improve access to sport and physical activity for its target users.
34. Four projects are not recommended to be funded. These are:
- London Southbank University's (LSBU) bid for a new entrance to the LSBU sports centre for £309.5K
 - The Peckham Settlement's bid for a new 'Southwark run training facility' in the Peckham Settlement for £70K
 - Sustrans' bid for the 'Connect2' and 'South Bermondsey Link' projects for £461K
 - Tideways Sailability's bid for an ability centre and pontoon access to the River Thames for £490K
35. London Southbank University's (LSBU) bid for a new entrance to the LSBU sports centre was not recommended to be funded. While the proposal had a measurable and worthy objective it was focused on improving access to an existing LSBU facility rather than increasing the direct sporting legacy by providing new or refurbished sporting facilities. The board felt that the strength of other bids involving new sporting provision meant this could not be supported.
36. The Peckham Settlement's bid for a new running / training facility in the Peckham Settlement was not successful because it did not demonstrate attempts to obtain funding from any other sources and because the link between the 'Southwark Run' and the training facility was not sufficiently clear. While the project objectives were admirable, it was felt that other proposals offered more value for money and a stronger legacy.
37. Sustrans' bid for the 'Connect2' and 'South Bermondsey Link' projects was unique among stage two projects due to its focus on physical activity generally rather than sport per se. Unfortunately the recommendation from the capital legacy was not to fund the project, in favour of other projects of similar value which concentrated on increasing participation in sport. The board also felt that it was difficult to measure the impact of the project on participation in physical activity, thereby making it hard for Southwark Council to measure value for money.

38. Tideways Sailability's bid for an ability centre and pontoon access to the River Thames had commendable and worthy objectives which, if achieved, would have afforded a strong legacy from the Games. However the project was viewed as very underdeveloped and was judged to be too high risk for a project applying for nearly the full grant permitted. The board did recommend that council officers work more closely with Tideways to develop a deliverable project as it was impressed by Tideways' achievements to date and ambition for the future.
39. The recommendations made by the capital legacy group are set out in appendix 'A' of this report.

Community impact statement

40. The ten projects recommended for full and part award are evenly distributed across the borough. A map showing the geographical distribution of projects recommended to be funded is in appendix B of this report.
41. The range of sports offered within those projects that have been recommended to be funded will offer a wider range of sport than is currently available, providing Southwark residents with a broader choice of physical activity to engage in.
42. Approval of this report will not result in adverse impacts on any community in Southwark

Financial implications

43. It should be noted that the final package recommended by the capital legacy group has a combined value of £2,000,600. This is £600 over the agreed budget of £2m.
44. The latest approved council capital programme has a total allocation of £2m for Olympic Legacy with £1.5m for 2011/12 and £0.5m in 2012/13. The profiling of the actual expenditure incurred will depend how stage payments are negotiated with successful applicants who will have till end of 2013/14 to complete the projects.
45. The total expenditure incurred and sources of funding for the proposed projects will be monitored and reported on as part of the overall capital programme.
46. Staffing requirements in monitoring the projects approved for award are to be absorbed by existing resources in the Environment & Leisure department.
47. Grant funding is the chosen method of distributing funds to projects approved for award which are being led by external organisations. In the case of these projects, grant agreements are being created for each grant and take account of the specific details of each proposal to mitigate risks posed by individual projects.
48. Value for money will be ensured through a combination of effective performance monitoring through a Southwark Council commissioning officer and the use of specific grant conditions enabling claw back of part or all funds should project specifications, agreed timescales and targets not be met by the project applicants.

49. Projects have been awarded on the basis of meeting two timelines, in terms of being on site by the summer of 2012 and works being completed by the end of the 2013/14 financial year. The project team will monitor compliance and should these timelines not be adhered to for no good reason action will be taken to rescind the allocation and return it to the capital legacy fund for further consideration by members.
50. Successful applicants will receive funding on a stage by stage basis. Stages will be designed and tailored around the specific details and requirements of each individual project. The tailored payment schedules will be discussed and agreed with successful applicants following approval of this report.

Consultation

51. Consultation has not taken place for capital legacy funding. Independent and objective recommendations have been made by the capital legacy group. Due to complexity, consultation on the funding process was not considered appropriate.
52. Consultation on the implementation of projects in the future will be considered as and when appropriate for each individual funded proposal.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance (NC0911)

53. The Strategic Director of Communities, Law & Governance notes the content of this report.
54. Section 2 of the Local Government Act 2000 enables a local authority to do anything which it considers is likely to achieve the promotion of improvement of the economic, social or environmental well-being of the area. It is considered that overall objective of the capital legacy group to improve access to and increasing participation in physical activity and encouraging the development of the Olympic values in the borough's communities is compatible with this statutory power.
55. In addition, section 19 of the Local Government (Miscellaneous Provisions) Act 1976 confers general powers to provide recreational facilities.
56. It must be noted that the funding of capital legacy was considered by Cabinet in June this year who decided that the refreshed capital programme for 2012-22 be formally reported to cabinet in February 2012 to ensure council priorities continue to be met and following announcement of the successful Olympic legacy bids.
57. As stated in paragraph 21 the public sector Equality Duty requires public bodies to have ***due regard*** to the need to:
 - **eliminate unlawful discrimination**, harassment, victimisation and any other conduct prohibited by the Act;
 - **advance equality of opportunity** between people who share a protected characteristic and people who do not share it; and
 - **foster good relations** between people who share a protected characteristic and people who do not share it.

- Having **due regard** means consciously thinking about the three aims of the duty as part of the process of decision-making.

58. These recommendations appear to have taken due regard of this duty and particularly in advance equality of opportunity and foster good relations between people who share a protected characteristic and people who do not share it. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

Finance Director (FS048-11)

59. This report seeks approval to the recommendations of the capital legacy group for the allocation of £2m of funding for a number of capital projects that support a lasting Olympic and Paralympic legacy in Southwark from the 2012 games, improving access to and increasing participation in physical activity and encouraging the development of the Olympic values in the borough's communities.

60. Paragraph 44 confirms that a budget of £2m has been agreed within the current capital programme.

61. Paragraphs 47 and 48 confirm that where funding is being paid as a grant to an external body, appropriate grant funding agreements are put in place alongside performance monitoring to ensure value for money and compliance with grant conditions.

49. Paragraph 44 details the profile of the funding within the capital programme. Officers within Environment and Leisure will need to manage the tailored payment schedules to ensure that any change in the profile of budget required does not have adverse cash flow implications.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Capital Programme 2011 - 2021	Finance and Resources, 160 Tooley St, SE12TZ	Sue Emmons 020 7525 7334
Southwark 2012 Olympic capital legacy fund: short listing stage 1 applications	Environment department, 160 Tooley St, SE12TZ	Ben Finden 020 7525 1289

APPENDICES

No.	Title
Appendix A	Capital legacy group stage two recommendations (table)
Appendix B	Project geographical distribution map
Appendix C	Stage two application form

AUDIT TRAIL

Cabinet Member	Councillor Richard Livingstone, Finance, Resources and Community Safety	
Lead Officer	Gill Davies, Strategic Director of Environment & Leisure	
Report Author	Ben Finden, Project Manager, Service Delivery, Environment & Leisure department	
Version	Final	
Dated	05/10/2011	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
List other officers here		
Cabinet Member		
Date final report sent to Constitutional		05 October 2011