

Item number	Classification	Date:	Meeting Name
	OPEN	2 nd December 2003	EXECUTIVE
Report Title	Freehold sale of Surrey Docks Stadium, Salter Road, SE16 5LH		
Ward(s) affected	Surrey Docks		
Group(s) affected			
From:	Director of Environment and Leisure and Strategic Director of Regeneration		

RECOMMENDATIONS

1. That approval is given to the sale of the site being Surrey Docks Stadium, Salter Road, SE16 5LH to include LBS professional fee costs and that the Director of Regeneration is given delegated authority to agree Heads of Terms and final contract details.
2. That Members request Full Council approval to the allocation of a proportion of the receipt from the sale of the site to the two Environment and Leisure projects outlined in the report.

BACKGROUND INFORMATION

3. The Council own the freehold interest in Surrey Docks Stadium, Salter Road, SE16 5LH. See attached plan in Appendix 1. The total area of the property measures approximately 4 .1 acres (1.6 hectares) and consists of:
 - 2.46 acres (0.99 hectares) of Metropolitan Open Land of which 1.9 acres (0.77 hectares) is a football pitch
 - 1.66 acres (0.67 hectares) of Regeneration area
4. In order that the Council comply with the requirements of the Local Government Act 1972, Section 123 for the sale of open space such as a. above the sale will be advertised for two consecutive weeks in local papers. The sale of the freehold interest would be conditional upon the response to the advertisement.
5. The Regeneration area consists of Fisher Athletics Office space and club facilities along with other outdated sports facility stock an area of depot use and car parking.
6. Fisher Athletic Football Club (FAFC) has a lease hold interest in the land of 25 years granted on the 15th of May 1998. Without working with FAFC the stadium and associated grounds could not be redeveloped until the existing lease expires in 2023.
NB: Compulsory Purchase Powers may be available to LBS, however, on this occasion it is felt that such an action would be ultimately unsuccessful.

KEY ISSUES FOR CONSIDERATION

7. The Council were approached by FAFC along with the Housing developer Barratts who have a partnership arrangement with regards to the development of Surrey Docks Stadium. FAFC want to substantially improve the existing football facilities on the site, which is not financially viable under their current leasehold interest. The lease also restricts the Council from redeveloping the site until its expiry in 2023.
8. Fisher Athletic will surrender their leasehold interest upon receiving the freehold title of the land they currently lease. The surrender of the lease will facilitate the redevelopment of the area detailed below, deliver part of the service requirements of Environment and Leisure and produce capital receipt for the Council from the sale of the freehold title.

Barratts have drawn up a housing scheme, which would be developed within the Regeneration area designated section of the site, see accommodation schedule below

Proposed Development

Number of Units	Number of Beds	Affordable/ Private
104	1 Beds	Private
48	2 Beds	Private
36	1 Bed	Affordable
15	2 Bed	Affordable
FAFC Facilities	Specification to be agreed	

The above schedule of accommodation complies with the Councils requirement of 25% affordable housing to be provided in new developments.

9. Football and ancillary facilities will be substantially upgraded and improved in line with modern standards. Fisher Athletic FC will manage the improved facilities, which should make a major, lasting contribution to further improving the standing of the football club and increase opportunities for local people to play competitive football.
10. The property has been declared surplus to requirements by Environment and Leisure Department who hold the property declared surplus on the 4th November 03.
11. The conditions of the sale of the freehold interest will ensure that the present football use will be continued in perpetuity.

Environment and Leisure Service - Strategic Development of Sport and other forms of active recreation

12. By effectively reinvesting a portion of the capital receipt from the sale of the freehold in the football and ancillary facilities at the Surrey Docks Stadium, the Council would be presenting Fisher Athletic FC with a golden opportunity

for greater success on the field and becoming a lasting and more potent force in the game in Southwark, London and beyond. This would bring prestige to the borough and draw more local players, coaches, managers, administrators and spectators to the game in Southwark. There would, therefore, be a major contribution to the Council's football development strategy, which has key aims to increase participation and standards of performance, especially by young people.

13. It is not the opinion of the Environment and Leisure department that Fisher Athletic should be provided with revenue funding by the Council in addition to the capital investment in facilities.

Provision of capital funding for other Environment and Leisure projects

14. To help meet the expressed need and demand for high quality, community sports facilities and the Council's other strategic objectives for sport arising from the recent Best Value review, a percentage of the capital receipt from the sale of the Surrey Docks stadium is intended to be ring fenced to a number of sports facility improvement projects in the Borough. These are:

- Mellish Fields Community Sports Ground, and £0.3 m
- Southwark Park Sports Complex £1.0 m

Mellish Fields Sporting facilities provision and improvements

15. Mellish Fields Community Sports Ground, formerly known as Mellish Fields, is a 3-hectare green-field site, situated next to Bacons City Technology College and Surrey Docks Stadium. Southwark Council owns the freehold interest, it is designated Metropolitan Open Land for recreational use for planning purposes. There are currently no formal management arrangements in place for the site and it is in poor condition, underused and abused.

15. Shortage of good quality and publicly accessible sports facilities in the area often means local people having to travel out of the borough to find them. For example, Docklands Junior Football Club currently play their matches in Eltham.

16. It is proposed to turn the site into a high quality, community multi-sports facility, primarily for people of the area, in particular schools, youth groups and children and young people generally. This would enable local schools to maximise their obligation to fulfil National Curriculum requirements for physical education, increase community participation in priority sports (football, athletics and cricket) It will make a lasting contribution to improving health in the area, help to reduce anti-social behaviour and crime, especially youth crime and enhance the local environment, through improved management, maintenance and more appropriate and sympathetic use of open space.

16. £1.8m is the estimated capital cost, over 60% of which is being sought from external funding partners. These include the Football Foundation and Marathon Trust, who have given very strong and positive indications of support to the scheme. It is proposed that the Council and its development partner, Bacon's City Technology College make up the difference on a 50/50

basis. This requires a capital contribution of £300,000 from the Council, of which £100,000 has already been approved for 2003/04

17. Both the Surrey Docks Stadium and Mellish Fields Schemes would have a similar time scale for completion, if given approval.
18. It will be a requirement of the management arrangements for Mellish Fields, which are subject to formal agreement between the Council and Bacons City Technology College and currently in preparation, that Fisher Athletic form an integral part of the football development plan for Mellish Fields, including reciprocal arrangements for the use of improved facilities on both sites.

Southwark Park Sports Complex

19. Southwark Park Sports Complex is owned by Southwark Council and managed by Fusion, an independent Trust. The site was once a key venue and focal point for athletics in Southwark and a much wider area. Today, however, it under-fulfils its purpose and potential as a public athletics facility for the use and enjoyment of local people and from further afield. Major improvements are needed to bring it back into full and effective use.
20. The ageing athletics facilities at Southwark Park do not meet modern standards of provision and no longer meet the needs for athletics in Southwark and the wider area as once it did, the track has also now reached the end of its serviceable life. This is having an increasingly negative impact on the quality and quantity of activity on the track. A point is in sight when the safety risks become both unmanageable and uninsurable and there will be no option but to take it out of service completely.
21. The apparent terminal decline of the track is mirrored by a gradual decline in participation and athletics development. This is despite the commitment of the Council and centre management to keep the track going, albeit with insufficient resources for the extent of the maintenance required, and the energy, hard work and enthusiasm of the borough Athletics Development Officer.
22. Athletics in the Borough has been detrimentally affected. Three years ago there was a promising, vibrant and increasingly thriving athletics programme and community at Southwark Park. Today this is substantially diminished.
23. To reverse this decline and recreate a high quality community athletics facility that the borough needs, it is proposed to replace the existing track with a new current generation track and replace the area in the middle of the track, which is currently an all-weather training pitch (ATP) with grass. This would be the starting gun for a resurgent, reinvigorated and burgeoning programme of grass roots athletics development, creation of a new club at Southwark Park and a full itinerary of local and regional competitions. The loss of the full size ATP would probably be more than offset in terms of public amenity, sporting diversity, access and opportunity and revenue generation by one, possibly two multi-use games areas, on currently unused space in between the track and the perimeter fence along Hawkstone Road.
25. The estimated capital cost is £1.5m although unlike Mellish Fields there appears to be hardly any opportunities for capital funding from external sources at this time.

26. Only UK Athletics (The National Governing Body for the Sport) has given a positive indication of support and an amount that they may be willing to contribute; a maximum of £200,000. This leaves a shortfall, on current estimates, of £1.3m and current indications are that the majority of this may have to come from the Council, unless other partners can be found. Fusion and the Marathon Trust may be the only other options worth pursuing. Fusion, however, has indicated that while it is willing, in principle, to make a capital contribution it may not be a substantial sum as their strategic priorities for investment are Surrey Docks Watersports Centre, Seven Islands Leisure Centre, Camberwell Leisure Centre and Dulwich Leisure Centre. The Council and Fusion are currently, however, in the process of negotiating a long-term investment and management agreement with Fusion and we will use our best endeavours to raise capital for Southwark Park through this process. The Marathon Trust has also expressed interest in supporting the scheme, but their currently ceiling is £100k.

27. While the Director of Environmental & Leisure Services aims, as stated, to maximise a capital contribution from these potential sources, the Council may, in order to guarantee the future of the facility and services, have to provide the Lion's share. This is likely to be in the region of £1m.

PLANNING POLICY IMPLICATIONS

Southwark Deposit Unitary Development Plan UDP

28. The football pitch and the triangular shaped area adjacent, abutting Salter Road are designated Metropolitan Open Land within the 1995 UDP, these areas will remain as they are within the scheme.

29. The remainder of the space currently occupied with Fisher Athletic Facilities is designated as Regeneration Area, which will be developed as per the above accommodation schedule including the Fisher Athletic facilities specification; of this is to be agreed.

30. There will be no change in designations over the land concerned from the adopted UDP to the final draft of the UDP, which will be adopted in 2004.

RESOURCE IMPLICATIONS

See Closed Report

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Comment from Borough Solicitor and Secretary

The report recommends that the Council dispose of its freehold interest in Surrey Docks Stadium to Fisher Athletic Football Club for a consideration of £4,573,429 plus surveyors and legal fees. In addition to the premium to be paid to the Council FAFC will be required to carry out works to improve their existing grounds and facilities. The disposal will be structured as a building lease with the transfer of the freehold taking place on completion of the works. In order to facilitate the transaction FAFC will surrender its current leasehold interest in the site on the grant of the building lease.

Section 120 of the Local Government Act 1972 ("the 1972 Act") allows local authorities to acquire land by agreement for the purposes of any of their statutory functions: this provision can be used to facilitate the surrender of FAFC's current leasehold interest in the site to the Council. Section 123 of the 1972 Act enables local authorities to dispose of land provided that the authority receives the best consideration that can reasonably be obtained. Information contained in the report confirms that the consideration to be paid represents the best consideration.

As Surrey Docks Stadium consists of open space it will be necessary for the Council to advertise its intention to dispose of the land to FAFC in a local newspaper for two consecutive weeks. The Council will then need to consider any objections to the proposed disposal before making a final decision. The Borough Solicitor is advised that the proposal has not yet been advertised and that any decision to agree the disposal at the present time should therefore be in principle only, subject to the consideration of any objections which may be received.

Comment from Chief Financial Officer

The disposal of the site will generate a 100% useable capital receipt. This can be used to fund capital schemes. The Environment and Leisure Department are requesting that a proportion of the receipt is used to fund improvements at Mellish Fields and the Southwark Park Sports Complex. It is Council policy that receipts from the disposals are not ring fenced to specific projects. All receipts are used to fund the capital programme which included projects, which are, approved Members on the basis of the relative need for the project. As part of the Policy and Resourcing Strategy both of the above schemes have requested funding in future years. This has yet to be decided upon.

To enable the ring fencing of the receipt from the disposal of the Surrey Docks Stadium will require the approval of Full Council. This has been included as recommendation 2 in this report. To enable the two projects to take place a further report to the Executive would be required to seek approval to the details of each scheme including their financial arrangements.

The disposal will result in the Council not receiving any rental income from the site. This is of small value and will have a minimal impact on the revenue budget.

Comment from the Director of Housing

The Council's recently completed Housing Needs Survey (2003) highlights that the need in the social rented sector for 3 and 4 bed-roomed homes is greater than the need for smaller units. Housing Officers would therefore seek some revision of the scheme currently proposed in order to generate some 3 or 4 bed roomed affordable homes with adequate levels of amenity

Background Papers	Held At	Contact
Surrey Docks Stadium File	Chiltern House Portland Street	Toby Sowter 020 7525 5348
The Southwark Plan 2002	Planning Team Chiltern House Portland St	Duty Planner
The Unitary Development Plan 1995	Planning Team Chiltern House Portland St	Duty Planner

Audit Trail			
<i>Lead Officer:</i>		<i>Gill Davies & Paul Evans</i>	
<i>Report Authors</i>		<i>Nigel Robinson Toby Sowter</i>	
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<i>Key Decision?:</i>		<i>Yes</i>	
CONSULTATION WITH OTHER OFFICERS/ DIRECTORS / EXECUTIVE MEMBERS			
<i>Officer Title</i>	<i>Department</i>	<i>Comments Sought</i>	<i>Comments Received</i>
<i>Borough Solicitor & Secretary</i>	<i>Legal Services</i>	<i>YES</i>	<i>YES</i>
<i>Chief Finance Officer</i>	<i>Corporate and Strategic Finance</i>	<i>YES</i>	<i>YES</i>
<i>Executive Member</i>		<i>NO</i>	<i>NO</i>
<i>Principal Project Officer</i>	<i>Housing</i>	<i>YES</i>	<i>YES</i>
<i>Date final report</i>	<i>24/11/03</i>		