

At a meeting of the Overview and Scrutiny Committee held in Council Chamber - Allerdale House, Workington on Thursday 11 April 2019 at 9.30 am

Members

Councillor Alan Pitcher (Chair)
Councillor John Cook
Councillor Malcolm Grainger
Councillor Frank Johnston
Councillor Jim Osborn
Councillor Martin Wood

Councillor Joseph Cowell
Councillor Hilary Harrington
Councillor Billy Miskelly
Councillor Bill Pegram

Apologies for absence were received from Councillor Janet Farebrother Councillor Joe Holliday

Staff Present

B Carlin, S Elsworth, I Hinde, L Jardine, K Kerrigan, C Nicholson and A Seekings

Also Present

T Annison, B Cannon (Executive Member: Corporate Resources (Finance and Property)), B Finlay (Leader of the Independent Group), M Fryer (Executive Member: Deputy Leader - Economic Growth) and A Smith

441. Declaration of Interests

3. Call In - Consideration of Detailed Business Case for the Development of a New Community Stadium for Workington.
Councillor Alan Smith; Other Interest; Due to being a shareholder of Workington Association Football Club.
3. Call In - Consideration of Detailed Business Case for the Development of a New Community Stadium for Workington.
Councillor Mark Fryer; Other Interest; Due to being a shareholder of Workington Town R.L.F.C.

442. Call In - Consideration of Detailed Business Case for the Development of a New Community Stadium for Workington

At a meeting of the Executive on 22 March 2019, a decision was taken to approve the business case for the development of a new community stadium for Allerdale, that the Council undertakes a regulated procurement role to select an investor/developer to develop the new community stadium, to develop a business plan for the establishment of a stadium management company, and to delegate the procurement of a contract for the demolition of Borough Park to Head of Place Development. A decision was also taken for the Council to authorise a guarantee of the head lease to the investor, the final details of which will be delegated to the Corporate Director in conjunction with the Statutory Officers.

On 3rd April 2019 a 'call-in' form was submitted to the Councils Monitoring Officer. The Monitoring Officer accepted the call in.

The Call In was presented by Councillor Tony Annison and Councillor Bill Finlay. Councillor Mark Jenkinson was a signatory on the call in.

Before the meeting began, the Chair of the Overview and Scrutiny Committee read the following statement,

'There may be a closed session during the consideration of agenda item 3 as it may require the discussion of commercially confidential and sensitive information. Members of the press and public will be asked to leave the meeting during that session but will be invited back in to the meeting once the discussion has concluded'.

Councillor Finlay submitted the call in and provided his representations to the Committee, explaining his concerns over the Council acting as guarantor. He went through his 'call in' letter, advising the proposal for a community stadium was not within the 2015/19 Council plan and that some of the Executive reports were contradictory. Councillor Finlay went on explain that he was also concerned with the investor model, the 'rushed' timescale of the development and the potential risks the development would pose to the Council.

Councillor Annison provided his representations, advising that he was not against a new stadium, but expressed his concerns at the Council acting as guarantor, and that no mandate/debate was presented to full Council. Councillor Annison went on to say he felt the project was being rushed, sharing examples of similar developments that have been delivered late, over budget or have not been sustainable.

In response to the 'Call In', Councillor Fryer response to each point raised on the original 'call in' letter. He advised that the procurement to demolish Borough Park would only commence once the Council had agreed licence terms with Workington Town and Workington Reds. In relation to the business case he also acknowledged that the 2021 Rugby League World Cup had to be considered, but explained that a separate report without the scenario of hosting the competition had also been prepared.

In response to potential attendances, Councillor Fryer explained that he did not know one example where attendances drop once a new stadium has been developed.

Councillor Fryer also explained that the comparators studies were relevant, and that they were used to identify best practice and lessons learnt, not as a direct correlation to this proposed development.

Councillor Fryer then explained that the rest of the points raised had been answered in the Business Plan and/or by the report from KPMG.

Councillor Finlay and Councillor Annison then asked questions to members of the Executive.

Councillor Finlay asked about the 2021 Rugby League World Cup in more detail and how the potential benefits had been measured. Councillor Fryer explained that a bid was made by Allerdale to host the competition, and that investment would be needed to realise the economic benefits to Allerdale.

The Corporate Director explained that cost benefit analysis had been undertaken by the Rugby Football League, and that information was in the public domain. He clarified that the cost benefit model used was a government approved model developed by English Partnerships.

In response to a question regarding cross subsidy and the proposed tenants, the Corporate Director confirmed that the rental cost to the tenants had to be commercially competitive and that the tenants could not subsidise the sports clubs.

In response to questions relating to planning the Head of Place Development confirmed that the Borough Park cannot be demolished without planning permission, The Corporate Director also clarified that after demolition, Workington Reds AFC would ground share with Workington Town RLFC.

Questions were also asked about the sustainability of the development if clubs were to go out of business, and of the commercial rental income. The Deputy Monitoring Officer explained that due to commercial sensitivity, the responses to these questions would be made in Part 2 of the meeting.

The Overview and Scrutiny Committee then asked questions of the Executive Members.

In response to questions over the benefits of the stadium, Councillor Alan Smith explained that the stadium will bring Allerdale into the 21st century, providing a platform for aspirational sports stars. He also highlighted the potential benefits to groups such as disabled athletes and children, providing much needed sporting facilities which will improve participation levels.

Councillor Fryer explained that the benefits are not just sporting, with 350 jobs, and a consolidation of GP surgeries including improved medical and pharmacy facilities which will improve health services for Allerdale.

The Head of Development then explained that new facilities will complement Workington Leisure Centre and that Sport England would not commit to funding if facilities were taken away from the Sport Centre.

Further questions were asked over the potential increase in participation levels. The Corporate Director explained that the council is working with the Rugby and Football authorities to achieve this and that the stadium will enhance opportunities for underprivileged groups.

Questions were then raised over the NHS facilities with Councillor Fryer explaining that the consolidation of GP surgeries was at the request of the NHS. The Corporate Director went on to explain that it is a future vision of the NHS, and that the new model is the government approach to healthcare.

Councillor Annison then asked whether NHS facilities would be affected on match/event days and the potential issue of flooding. The Head of Place Development confirmed that flooding is a planning issue and that there will be very limited situations where events/matches would be on during NHS hours.

The Head of Finance and Property Services then clarified the responsibilities of the Council being guarantor.

The Chair of the Overview and Scrutiny Committee then moved the meeting into closed session and read the following statement.

'The Overview and Scrutiny Committee resolves that under the provisions of section 100A of the Local Government Act 1972 that the press and public are excluded from the meeting for the consideration of specific issues at agenda item 3 on the grounds that it involves the likely disclosure of confidential information and/or exempt information as defined in paragraph 3 of the Part 1 of Schedule 12A of the Act'.

When the meeting was moved back to open session, the Deputy Monitoring Officer clarified to the Committee the potential outcome of the meeting, either to let the decision stand or refer the decision back to the Executive.

Councillor Finlay proposed that the committee refer the decision back to the Executive Committee. He acknowledged that some of his points raised had been dealt with but that the decision should go back to the Executive due to a lack of evidence in relation to cost analysis, sustainability appraisals, and that further information was required including a wider scoping exercise regarding the comparator studies of the stadia at Leigh, Warrington and York.

In the ensuing debate the Corporate Director explained that all of Workington Town RLFC shareholders were in favour of the proposal and that shareholders of Workington Reds AFC were meeting soon after this meeting. He went on to clarify that mitigation is in place to minimise potential risks but he acknowledged that going forward, improved communication is needed.

Following the debate a vote was taken whether to refer the decision back to the Executive noting the request for further clarity regarding the cost analysis, comparator studies and sustainability appraisals.

5 voted in favour of referring the decision back to the Executive

5 voted in favour of letting the decision stand

0 Abstentions

As Chair, Councillor Pitcher had the casting vote and voted to refer the decision made on 22nd March 2019 back to the Executive.

The meeting closed at 1.05 pm