

PROJECT:	Former Mansfield Bowling Club, Croftdown Road, LB Camden
SUBJECT:	SLC Rebuttal Statement in response new evidence from LB Camden and Third Parties Re Appeal APP/X5210/W/16/3153454 with reference to issues relating to Sport and Leisure uses
DATE:	October 2016

1. Introduction

- 1.1 This rebuttal statement has been prepared in response to new evidence in relation to the sport and leisure aspects of this appeal within:
- i. (a) the Council’s hearing statement and Appendix 6 thereto, which contains a document “Leisure and Community Need” by newly-appointed external consultants Nortoft (the external consultants originally appointed by the Council, KKP, having previously advised that the relevant policy tests were satisfied by the Appellant’s planning application). Although the introduction to this document describes it as “Notes” rather than a formal report, I will refer to it for convenience as the “Nortoft report”; and
- ii. (a) certain third party representations on the appeal.
- 1.2 This new evidence was not available at the time of the Appellant’s statement of case and therefore the Appellant has not until now had an opportunity to respond to it.
- 1.3 In some cases, similar questions are raised both by the Nortoft report and by third party representations. They will be addressed in each section as appropriate, but given that there appears to be significant overlap, reference will be made to preceding sections where possible.

2. Report on Leisure and Community Need prepared by Nortoft [Appendix 6 of LPA Statement of Case]

- 2.1 It is unclear what level of research and independent corroboration of materials submitted by third parties and relied upon by this report has been undertaken by Nortoft, particularly where they have been used to question the robustness of findings from the Council’s Leisure Consultant, KKP. KKP have undertaken in depth assessment work on sport and leisure need in the borough on behalf of the Council over an extended period (including in the context of the Council’s emerging local plan), which informed the findings of their report on the Appellant’s application.
- 2.2 The Nortoft report states that, it has *“found the needs assessment of the SLC report and the subsequent assessment of that report by KKP not be robust. There is clearly a demand without a sufficient supply for a range of alternative indoor sports”*. The demand for indoor sports is not disputed by either SLC or KKP reports respectively, however, the suitability of these alternative sports, particularly from a viability perspective is disputed.
- 2.3 Whilst the report states that *“a mix of alternative uses has a reasonable chance of being viable”* it acknowledges that this is based almost exclusively on vague statements of interest from commercial operators which are heavily caveated, as *“detailed site costs analyses, facility programming and business planning work has not been undertaken.”* Nortoft’s report seems to be based on high level soft market testing at best.
- 2.4 The judgements on the suitability of these alternative leisure uses have been asserted by SLC and KKP on the basis on an understanding of the site and its surroundings, and in depth experience relating to leisure facility development and operations.

- 2.5 The report (and the LPA Hearing Statement of Case – 6.31) suggests that there is currently an indoor sports hall on site, replacement or refurbishment of which should be considered.
- 2.6 To refer the existing facility as including an indoor sports hall [*“the current (renovated) indoor sports hall and associated buildings”*], is inaccurate. The existing facility is incapable of functioning as a sports hall and cannot be defined as such. The existing facility consists of an indoor bowls hall and associated club house, which in order to be suitable for use as an indoor sports hall would require at minimum, significant modification as well as substantive general refurbishment of ancillary facilities to improve the condition of the building.
- 2.7 Indoor bowls halls and sports halls are separately defined by Sport England as they differ fundamentally in the type and range of activities they are able to accommodate. They are not equivalent facilities and the terminology cannot be used interchangeably. An indoor bowls hall is so termed because that is the only sports use for which it is suitable. A sports hall in contrast is able to accommodate a wide range of indoor sports through provision of more suitable and flexible flooring, ceiling height, markings etc. The term cannot be applied to existing provision at MBC.
- 2.8 The proposal included on p.3 of the Nortoft Report (under the heading “Context”) of a “renovated” indoor sports hall with outside activity space and improve tennis facility has no realistic prospect of viability given that each facility type generally operates at around break-even, and substantial capital funding would be required to purchase the land and then develop such a facility.
- 2.9 Nortoft’s comments in relation to specific alternative leisure uses will now be addressed in turn.

Athletics Track

- 2.10 It should be noted that athletics as a potential use for the site has been dismissed out of hand in the third party representations submitted by Dartmouth Park Residents (Dartmouth Park Residents CIC 1, p. 13) as being unsuitable and which *“few people in the community would have any interest in using the facilities for.”*
- 2.11 The comments of Highgate Harriers Athletics Club cannot be considered material. It is unsurprising that they express that they would be supportive of an indoor athletics facility – considered a highly specialised facility, even by their own governing body – just as any sports club aspires to have access facilities of the highest possible quality. Whether a facility of this quality is required to facilitate their level of athletics in this location, considering the availability of alternative provision, or whether the club can afford to have or use such provision regularly is a different matter.
- 2.12 The club does not make reference to any available capital to contribute to the funding of such a scheme, and it is highly unlikely that an indoor athletics facility would be sustainable given its limited income generating potential and significant capital requirements. This is equally true of a compact athletics track. The prospect of the capital costs for such a facility in this location being wholly or substantially grant funded is so remote that it should not be considered viable.

BMX Track

- 2.13 BMX is another use which has been dismissed by Dartmouth Park Residents as not being of interest to the local community (Dartmouth Park Residents CIC 1, p.13).
- 2.14 It is unclear how an informal youth track as suggested here would sustain the costs associated with the on-site and time management resources required to adequately

mitigate the residential amenity impact, as informal BMX facilities do not generate income. This is not a viable proposal for a site so closely bordered by residential properties which would very likely be impacted by noise pollution and possibly anti-social behaviour.

Cricket Pitch

- 2.15 Cricket nets were included as a possible use for a sports hall in the Sport and Leisure report. The list of possible uses included there was not exhaustive, and the addition of further possible use examples does not materially impact the conclusions reached. Further discussion of a sports hall as an alternative leisure use is included below.

Football Pitch / Five-a-side football / Rugby union pitch

- 2.16 Grass pitches are not self-sustaining regardless of demand due to their high maintenance costs and limited carrying capacity. The residential amenity impact would also be significant particularly on weekends, even if the facility were not floodlit, with regard to noise pollution and increased traffic / vehicular access issues at specific times.
- 2.17 Rugby pitches were dismissed as not of interest to the local community by Dartmouth Park Residents (Dartmouth Park Residents CIC 1, p.13).
- 2.18 Indoor football / futsal were also considered as part of the likely demand for a sports hall as an alternative leisure use, further discussion of which is included below.

Health and Fitness

- 2.19 The Indoor Sport and Leisure Facilities Assessment (2015) referenced here, (and produced by KKP) states that although LB Camden's health and fitness facilities are experiencing high levels of demand, in part due to the commuter market and competitive pricing, there is in the area "*a plentiful range of private facility providers.*" This is entirely consistent with SLC's assessment that, although in a highly segmented market there is always potential to compete for market share, additional supply is not required to meet demand.
- 2.20 The fact that LB Camden's facilities in particular are operating at capacity / are oversubscribed is not a material consideration in terms of the adequacy of supply overall, which is not restricted to local authority provision. It is, in contrast, a significant explanatory factor for GLL's purported interest in the site, which would allow them to create a health and fitness driven facility not bound by their current contractual obligations to the Council that ensure income generation is balanced by community amenity value.
- 2.21 This would enable the operator to seek to increase market share in the area (as distinct from increasing overall participation), which they cannot currently do if their LB Camden health and fitness facilities are at capacity. They would position themselves to maximise the transfer of members from LB Camden facilities to an alternative locally-based GLL facility in the event that they lose the LB Camden contract when it is renewed in 2020, to the financial detriment of LB Camden.
- 2.22 In other cases where operators have established their own wholly-owned health and fitness facilities in addition to their Local Authority contracted facilities in the same area, the incumbent operator has refused to provide bulk transfer of the local authority facilities' member direct debits to the incoming operator upon the transfer of the contract as would be customary. This has significant revenue cost implications for the Local Authority in the renewal of their leisure contract, and thus the quality of leisure provision for all Camden residents.

- 2.23 Regardless of the long term strategic value of such a site to the operator, without an enabling development, the operator would need to fully fund the significant redevelopment / refurbishment costs, and land purchase costs of the health and fitness facilities as well as any additional community sport and leisure facilities. An operator would need keep inclusion of any additional community leisure facilities such as a sports hall etc. to a minimum as they would damage the overall income generating potential of the site and limit any prospect of a potential return on investment. They would substantially increase capital costs without materially increasing income. Indeed GLL were an original partner to the applicant in the original planning application in 2013 and withdrew. As part of this original application they had the significant benefit of enabling development and did not have to purchase the land or fully fund the capital works.
- 2.24 There is adequate health and fitness provision locally, and its viability as a cross-subsidising facility would be inadequate to meet the shortfalls in revenue and capital costs of a community sport and leisure facility without enabling residential development.

Korfball

- 2.25 Korfball, a niche minority sport, although not explicitly mentioned as part of the list of possible uses for a sports hall in the Sport & Leisure Report, falls under the consideration of this type of provision, discussion in more detail below.
- 2.26 The list included in the Sport & Leisure Report of potential sports hall uses is not exhaustive, nor is the addition of further potential uses or interested parties relevant to the ultimate conclusions, which are based on an assessment of viability rather than a lack of demand.
- 2.27 It has not been concluded that *“there would be no groups wanting to use such a facility”* as stated by Highbury Korfball Club, rather that the demand for sports hall provision does not make it a viable alternative use.

Martial Arts

- 2.28 Martial Arts were also considered as part of the likely demand for a sports hall as an alternative leisure use, further discussion of which is included below.

MUGA and Skate Park

- 2.29 It is unclear how a MUGA and skate park would sustain the costs associated with the on-site and time management resources required to adequately mitigate the residential amenity impact, as they generate limited income and would have other associated running costs. A lack of floodlights, and therefore no evening use for much of year, would significantly limit the community value of this kind of facility. This is not a viable proposal for a site so closely bordered by residential properties.

Children’s Soft Play

- 2.30 There are 5 soft play facilities identified within 20 minutes of the site – this supply is adequate to meet demand locally. Facilities may be busy, but users are not failing to be accommodated within the existing supply. Gambado may have stated an interest in the site, although this would be subject to a business case which would need to consider significant redevelopment / refurbishment capital costs and land purchase costs. Their model would need to be predicated on gaining market share rather than creating a facility for users who are currently unable to access facilities in the area due to a lack of capacity.
- 2.31 There are better located facilities, e.g. at Talacre and Swiss Cottage, which provide a facility within a broader leisure environment and with more convenient public transport access

(particularly important for parents with young children and pushchairs). The operator of these facilities has stated that they are adequate to meet demand.

School Use

- 2.32 “School use” is not in itself a discrete leisure use and was not considered as such. The Sport & Leisure Report’s consideration of alternative leisure uses such as sports halls and other facilities assumed that there would be interest from schools for off peak use. The fact that it was not explicitly discussed does not mean that it was not considered or acknowledged. However, demand from schools does not negate the viability and other issues raised, particularly as the revenue contribution of schools as hirers is limited by their understandable price sensitivity and interest in off peak (and therefore lower cost) use.
- 2.33 The potential interest of certain schools in providing capital funding is discussed in paragraphs 4.26 – 4.28 and 7.5 – 7.10.

Trampoline Park

- 2.34 As has been raised by third party submissions as well as Nortoft’s statement, trampoline site operators have expressed an initial high level interest in the site to objectors, albeit without undertaking any costings and with no commitment or obligation, presumably largely on the basis of its favourable location and access to a large and affluent catchment area.
- 2.35 Trampoline parks are a very recent trend in the leisure market in the UK with no evidence on how well this trend will perform over the long term, and operators are competing for new sites and market share.
- 2.36 In our experience of working with trampoline park operators and evaluating trampoline parks as propositions, they are usually based on the conversion and fit out of large scale warehouse style buildings with ample ceiling height, normally based on industrial estates where they can secure a low rent to keep fixed costs down.
- 2.37 A recent proposition we have reviewed for the conversion of the interior of an existing structure with adequate ceiling height calculated capital costs at c. £2 million. This proposition was from a significantly larger operator with greater purchasing power than the operators mentioned here and in Amy Silverston 1, and with funding to be provided by a 3rd party with available capital.
- 2.38 To create a suitable facility on this site we would expect far higher costs of c. £3 – 4 million, excluding the cost of the land, and it is likely that the existing building would need to be demolished to achieve this.
- 2.39 The viability of this use would be highly questionable, as we believe operators would conclude if asked to subject their expression of interest to an assessment of land purchase and capital investment costs, business case and site / planning considerations.
- 2.40 This use would almost certainly not be a suitable use for the site. It would require generous parking provision to accommodate peak time use (50-100 car parking places) and good highways access to accommodate increased vehicular traffic, public transport accessibility and site visibility are poor, and the development of a trampoline park would significantly increase the overall massing on the site, creating a building entirely incongruous with its surroundings.

Other Community and Commercial Uses

- 2.41 Consideration of a sports hall as an alternative leisure use (including the varied uses for such as facility listed here) is discussed further below. From the information included here it

would seem that Kajima Partnership, School Lettings Solutions and Go Mammoth are offering their services as contracted operational and / or booking agents, for which there would presumably be a contractual charge or commission-based fee structure. While income is estimated, running costs (including their own fees) are not mentioned. Capital is not offered nor is the potential of such a facility to repay capital costs over its lifetime discussed. The viability of the facility over the short, medium or long term would be of no consequence to them, and their interest does not speak to viability.

- 2.42 Non-leisure uses such as lone worker workhub / nurseries are beyond the scope of the Sport & Leisure Report (and of Nortoft's expertise) and thus were not specifically addressed.
- 2.43 The proposal for a workhub / crèche with a sports hall does not resolve the issue of the lack of capital to fund the development of a sports hall and would not be a viable leisure use for this site. The third party representations submitted by Third Door are discussed in more detail in Section 5.

Sports Hall

- 2.44 The comments provided in the Nortoft report do not materially impact the conclusions included in the Sport & Leisure Report that a sports hall would not be a viable alternative leisure use.
- 2.45 The demand for, and borough-wide deficit in sports hall space is not disputed. As stated in the Sport & Leisure Report, it is acknowledged that there is demand for sports hall facilities locally from both clubs and schools. However, this is insufficient to make the facility viable, particularly as a standalone proposition (but also as part of a mixed development on this site as discussed below).
- 2.46 As stated in the Sport & Leisure Report, standalone sports halls generally are not commercially attractive facilities, hence why provision is almost exclusively in the ownership of local authorities (for public benefit) or educational establishments (for use by students as part of the national curriculum etc.) who provide the capital to fund such facilities. Sports halls as standalone propositions are not commercially viable due to low income generating potential, and particularly not if one also needs to recover capital investment and land purchase costs (in addition to revenue costs) to fund the initial development.
- 2.47 The interest from potential users listed in here and in third party representations (Camden Fencing Club / fencing, gymnastics, indoor football / futsal / Fairplay Football, korfbal, circus skills school, schools etc.) is cited as evidence of viability on the basis that they could all co-exist with a commercial operator, which would provide the necessary capital and income levels required. We categorically dispute that a commercial operator would have any interest in funding a standalone sports hall (discussion of a broader leisure facility included separately in paragraphs 2.58 and 4.9 – 4.13), and that all users mentioned could be accommodated, as well as other hirers.
- 2.48 GLL have heavily caveated their interest with a wide range of issues on which they are not in a position to comment (*"type of tenure, unknown on-site abnormal costs, the state of the building and cost of renovation / replacement and a deliverable business plan"*) and at the forefront of their proposed potential uses are those which would see them drive income through increased market share rather than those of more significant community amenity value. The viability of an operator-led development as proposed, albeit heavily caveated, would be based on the development of a health and fitness driven facility with minimal community provision in order to mitigate the high capital costs required. The numbers of fitness stations that could be accommodated would not be able to deliver the profits required to cover any capital or interest repayments without enabling development.

- 2.49 The reality of this is supported by the summary of financial position of Talacre Sports Centre provided by LBC's Head of Sports in correspondence with Cllr Sally Gimson (3PR – Amy Silverston 1; p28):

[Talacre] is the only Camden leisure centre that has an operational subsidy...This is mainly because the current facilities, which include a Sport England compliant sports hall and purpose built gymnastics hall, while very well used do not generate sufficient income to fully cover the overhead. To make it more viable and sustainable in the long term means adding revenue generators, including adult fitness provision to compliment and cross-subsidise the excellent children and young people's offer there.

- 2.50 The 'sports users' referenced have offered no capital funding and do not appear (from third party representations) to have realistically considered the true costs involved in bringing such a facility into adequate condition, and would appear to be entirely reliant on grant funding. This is not realistic.
- 2.51 It is wildly optimistic, and unrealistic, to hope to secure the capital costs for the development of such a facility and the land purchase wholly or even largely through grant funding. In our experience, the process for securing grant funding for even a fraction of the capital costs required would be very competitive and would be subject to the development of a robust business case and evidence of long-term sustainability. It would require commitments from a range of partners and evidence of how different users' requirements would be accommodated and how this would increase participation (and be monitored), as well as require match funding. Most individual agencies able to offer only limited funding support to a very select number of projects of high strategic value for them. Larger agencies favour multi-sport mass participation venues which attract a high volume of users and can demonstrate long term sustainability through a robust business case and the ability to deliver increases in participation and decreased levels of inactivity. A facility on this site is very unlikely to meet the criteria required to attract significant grant funding, which would still likely represent only a fraction of the overall capital cost requirements.
- 2.52 The endorsement of the potential viability of this kind of approach by Nortoft appears to be based on little beyond the unsubstantiated claims found in third party representations, which, at best appear to naively rely on grant funding for the vast majority of capital costs and the hire of the facilities by several groups at once.
- 2.53 There is no attempt to demonstrate how the varying parties who have expressed an interest could co-exist and all be accommodated on site given that many of them have very similar time-slot requirements. This is the greatest limiting factor on the income generating potential of sports hall facilities – peak hours can only be booked once, no matter how much demand for those hours there may be.
- 2.54 While it is conceivable that off peak usage could be satisfactorily negotiated between schools and other users with an interest in day time weekday usage, the majority of these users will be competing with each other for peak time use on weekday evening and weekend mornings and afternoons. Camden Fencing Club have stated that if they were to utilise a sports hall on the MBC site *"there would be little time available in evening for alternative club use"*. This demonstrates the difficulty in programming leisure facilities and accommodating multiple users, particularly clubs. It also inevitably limits the income that can be generated through hires. This limiting factor does not appear to have been considered to any significant extent by those proposing users for a sports hall facility on the site.
- 2.55 There is no "current" sports hall to be refurbished. It is an indoor bowls hall with limited height and would need to be entirely redesigned to serve as a sports hall. In order to have

any conceivable hope of achieving any grant funding at all from Sport England or an NGB for a sports hall-based sport, this design would also have to be compliant with Sport England guidance and be a strategic priority for LB Camden, which it is not.

- 2.56 Refurbishment / remodelling of the existing building was accepted as a possible option, albeit an expensive one and it is far from clear that this would be cost effective or represent a meaningful saving given the condition of the building and the extent of work which would be required.
- 2.57 It has elsewhere been suggested (Amy Silverston 1; p. 7, 18-23) that Camden Fencing Club would be a realistic prospect to purchase, redevelop and operate the site as a home base supported by community hire. It would be extremely unlikely that the club could raise the necessary funds to purchase the site (even at a non-commercial / residential rate as caveated in correspondence) and redevelop / refurbish the facility to a usable standard. As has been set out elsewhere, grant funding is limited, competitive, subject to multiple criteria and conditions and very unlikely to be bestowed on this kind of site or project in any significant quantity. The capital investment requirements in contrast are high and income generating potential, particularly of a facility that is going to severely limit peak time availability through its own use, very limited.
- 2.58 The potential for the development of a larger scale multi-use leisure facility for the site has been suggested here and more directly by third party representations as a way of attracting investment from commercial leisure operators such as GLL or another anonymous national chains of sports and fitness clubs. There are a number of issues with this as a proposal for the site:
- The expressions of interest on which these suggestions are put forwards as realistic propositions are very heavily caveated and would be subject to a robust investigation in to land purchase costs, capital investment costs for redevelopment, site conditions and facility mix options, programming, business case etc.
 - The capital investment requirements for a dry side leisure facility likely to be £4 – 5 million plus VAT plus the land value. The willingness of an operator to fund this level of investment is highly questionable given the income generating limitations of the site
 - Any mixed use leisure development on the site would need to be heavily driven by income generating facilities rather than the community sport and leisure facilities for which there is demand. Any community sport and leisure facility will need to be heavily cross-subsidised by revenue generating provision, and would be the lowest priority of the operator and the first thing to be sacrificed or minimised in order achieve viability
 - Health and fitness provision would be the obvious option for this type of operator in terms of revenue generating provision. As already established by the Sport & Leisure Report and LB Camden Indoor Sport and Leisure Facilities Strategy (2015), there is adequate health and fitness provision locally to meet demand, and a new facility would be reliant on gaining market share, to the detriment of existing facilities including LBC facilities
 - The introduction of the commercial leisure operator to the site would require that the site not only generate sufficient income to meet its revenue and capital repayment costs, but also shareholder profit
 - The site is not suitable for a large leisure facility for a number of reasons:
 - There is a significant risk that the required scale of the building would impinge either on open space, existing parking or both. Leisure facilities often need c. 150 spaces to

handle change over and peak times, and there is likely to be insufficient parking for a facility of this type on the site

- Highways access around the site is far from ideal for a large leisure facility, which are typically located near main roads
- The site lacks the high visibility typical of a commercial leisure facility which would detract further from its commercial appeal
- The site has comparatively poor public transport accessibility (PTAL score of 3 compared with Talacre Sports Centre's score of 6a).

Summary

2.59 Nortoft's report does not provide any realistic viable alternative leisure uses for the site or robust evidence for its statement that the assessments produced by SLC and KKP were not robust. It reiterates assertions and vague expressions of interest from third party submissions without considering the likelihood or potential for realisation of the proposals or the assumptions on which statements made without obligation and material information are based.

3. LPA Hearing Statement of Case

3.1 Other material points raise by the LPA Hearing Statement of Case and not address in Section 2 will be considered here.

3.2 [6.10, p.17] The interpretation of DP15 (e) as referring in the broadest sense to leisure and / or buildings rather than the existing facilities provided is contradicted by its recent decision on application 2016/0745/P Belsize Fire Station [Appendix 1] where DP15 is applied with reference to the specific loss of a fire station facility rather than a community facility more broadly (paragraphs 7.2 – 7.5). Legal submissions will be made on this point at the hearing, as indicated in correspondence with the Planning Inspectorate.

3.3 [6.13, p.18] This seeks to broaden the defined existing use of the site to "a multi-purpose leisure and community site". In design and function the existing site serves 2 leisure purposes: tennis, which is to be retained, and bowls, which it has been established as no longer required. As set out in 2.5 - 2.7, the facility is not designed to accommodate a range of sporting and leisure uses and would not be fit for purpose as an "indoor sports hall" [6.31, p.22].

3.4 With reference to NGP 002 and 003 [6.26; p. 21], the assessment undertaken with regard to sport and leisure uses by SLC and review by KKP was made in accordance with the Sport England Guidance referenced in NPG 002, and judged to be compliant with this guidance by KKP. Sport England did not raise the methodology used in compiling the assessment in its objection.

3.5 Sport England has not added materially to its original objection through the correspondence included in Appendix 5 of the LPA's Hearing Statement of case (p.100), and the application submissions, including correspondence to Sport England from SLC, the Council and KKP [Appendix 13 – 15], addressed the concerns set out in the original Sport England objection with regard to:

- The suitability (particularly viability) of provision of a sports hall on site
- Marketing of the site
- The Council's strategic planning for sport needs.

- 3.6 The LPA's Officer Report stated that "the Council's Head of Sport and Physical Activity considers that the grounds of objection from Sport England would not justify refusal in its own right." [LPA Appendix 1; p. 34, 6.41].
- 3.7 The provision of a sports hall is not compliant with Sport England guidance as suggested in 6.29 [p. 22] would materially restrict the facility's capacity to accommodate a range of sporting uses as would necessary to in order to attract hirers to generate income. A non-compliant facility would be limited in its capacity to satisfy demand, in the case of many potential uses would not be fit for purpose and would be severely restricted in its ability as a proposal to attract grant funding.
- 3.8 This statement of interest in operating an alternative leisure uses [6.35, p.23] and sports users' interest [6.36, p.23] has been addressed in paragraphs 2.47 - 2.58.
- 3.9 Interest from schools as potential users is addressed in paragraphs 2.32 and 2.45. Potential for a school to provide capital funding for an alternative leisure use is addressed with reference to where it has been raised with more detail in paragraphs 7.5 - 7.10.
- 3.10 Trampolining as a proposed alternative leisure use has been addressed in paragraphs **Error! Reference source not found.** - 2.40.

4. Third Party Representations - Dartmouth Park Residents CIC 1

- 4.1 This section will address the critique set out in Section 4 of the Dartmouth Park Residents CIC's written submissions referencing paragraphs 4.17 – 4.24 of the Appellant's written representations (p. 13-15).

1. Scope of the study and consultation with local community

- 4.2 The list of sports and alternative leisure uses examined was derived, not from a list that would "prove" the requirement was met, but from a list of core sports derived from Council leisure strategies and in consultation with Council leisure and planning officers. Many of the uses specifically dismissed as having "*no bearing to what people in the local community may want or need*" were expressly requested for inclusion by LBC planning officers or by the Sport and Leisure department as facilities of strategic interest. Care was taken to include the facilities which would typically form part of a sport and leisure needs assessment (such as the Council's Indoor Sport and Built Facilities Strategy) with additional facilities included to account for outdoor sports and the local context.
- 4.3 As discussed in the Sport & Leisure Report (1.4.15 – 1.4.17), in tailoring the Sport England ANOG methodology to this needs assessment, individual site assessments to assess the quality of other local facilities and individual consultations with all local clubs, competing facilities, local resident groups etc. were not undertaken because this would not be in keeping with the scale of the study (a single site assessment rather than a borough-wide review which the full methodology is designed for). Tailoring the ANOG approach is a specified stage of the Sport England methodology, and the validity of the approach was confirmed by KKP (who helped Sport England draft the ANOG guidance) and not questioned by Sport England. The focus of the needs assessments produced by the Sport England methodology is on facilities required to meet an identified need, rather than the desires and aspirations of local groups.

2. Viability of Sports Hall provision

- 4.4 The Sport & Leisure Report's judgements on viability are based on decades of professional experience in the sector, including work with commercial and trust leisure operators, local authorities (including work successfully undertaken for LB Camden in the past), schools etc.,

and the development of business cases and feasibility studies for a range of facilities from standalone sports halls to large scale multi-use leisure complexes including the Olympic Aquatic Centre and Orford Jubilee Neighbourhood Hub, Warrington.

- 4.5 Viability as used in the Report, is defined by the capacity of a proposition to wash its face i.e. generate income at a level sufficient to meet operational revenue costs and recoup capital costs including land purchase and refurbishment / redevelopment costs, without public subsidy or enabling development if occupying the vast majority of the existing building footprint and massing. Where the proposition is reliant on the involvement of a commercial operator or investor, the facility will also have to generate profit after revenue and capital repayment costs are met in order to be considered viable.
- 4.6 With specific reference to sports hall provision, the viability of such a facility without significant cross-subsidisation is a conclusion which can be arrived at independent of a full study of the levels of unmet demand locally, due to the limitations on income generation of such a facility, even when operating with very high occupancy levels. As stated in the Sport & Leisure Report, demand for a sports hall facility was assumed, but this did not impact materially on the conclusions regarding viability.
- 4.7 LB Camden are clear that they would not invest in a sports hall or multi-use indoor leisure facility on this site, and professional experience tells us that sports halls are not viable standalone facilities, particularly when one considers the capital investment required and ongoing revenue costs relative to income generation.
- 4.8 The attainability of grant funding is addressed in paragraph 2.51. This is not a realistic solution to meeting the shortfall in capital funding.

3. Mixed use leisure development

- 4.9 In order for a mixed-use development to offer a viable solution, it must include enabling development (dismissed by Dartmouth Park Residents CIC) or provision capable of generating sufficient levels of income to meet its own revenue costs, the revenue shortfalls of more community-focused facilities, and the significant capital investment and land purchase costs required to develop the site initially. None of the facility mixes suggested by third party submissions is remotely capable of doing that. In the case of largely indoor proposals, they would also most likely result in a significantly increased footprint and commensurate loss in open space.
- 4.10 Combining multiple facility types on the site may improve income generation (entirely dependent on the type and scale of facilities introduced to cross subsidise community provision), which would improve operational sustainability, but the capital investment required for the development of a multi-use dryside leisure facility would be in the region of £4 – 5 million, before considering land purchase and demolition costs.
- 4.11 With capital investment requirements at this level, this is clearly not a viable proposition given the limited income generating potential of a community leisure facility, even one partly cross-subsidised by more commercial leisure provision.
- 4.12 Quite apart from the unviability of these types of large scale leisure facilities, the increased scale suggested in an attempt to devise a viable facility then brings into question the suitability of this compact site for this type provision. Dryside leisure facilities typically require generous parking availability, often c. 150 spaces to accommodate change over and peak time use. Accommodating this level of provision would be very challenging if not impossible and at the very least require compromise on loss of open space, decreased levels of income-generating provision (removing any remote prospect of viability) and / or

decreased levels of community provision e.g. sports hall space (significantly diminishing the value of the facility to the community). Highways access and lack of visibility are other significant suitability issues for a large multi-use leisure facility on this site.

- 4.13 Other multi-use leisure proposal, including for example a mixture of indoor sport hall and outdoor provision, do not materially increase the revenue generating potential of the facility overall and thus do not address viability concerns.

4. Expressions of interest in the site and demand for sports hall provision

- 4.14 The reported interest from GLL has been address in paragraphs 2.20 - 2.23 and 2.48 - 2.49. This is a heavily caveated statement of interest, made without obligation or adequate information, and provided without context regarding the terms of its solicitation. An operator would face the same viability issues already discussed regarding sports hall provision. Any potential interest would be in the possibility of establishing a health and fitness focused facility rather than providing the indoor sports hall facilities for which there is demand.
- 4.15 An acknowledgement of demand for sports hall provision has already been made and it immateriality discussed [paragraphs 2.32, 2.44 - 2.47].

5. Specific Sporting Club uses

- 4.16 The interest from specific clubs in a multi-use sports hall facility is discussed in paragraphs 2.25-2.27. 2.47, and 2.50 - 2.57. They are not able to provide a viable solution for the site without reliance on an unattainable level of grant funding.

6. Alternative activities for consideration

- 4.17 The viability of mixed leisure uses for the site has been discussed in paragraphs 4.9 - 4.13.
- 4.18 Squash and dance would not be able to serve as cross-subsidising activities, and squash in particular would be unlikely to be sustainable in its own right. Dance facilities could likely generate a revenue surplus, but not be able to recover its own capital costs and would not be able to cross-subsidise any other community provision.
- 4.19 Climbing and bouldering are typically found as part of a larger leisure facility in order to maximise their exposure and appeal, and require significant ceiling height with a number of walls to create the necessary range to satisfy a variety of skill levels and maintain continued interest. A more limited bouldering facility would not be capable of generating sufficient interest to be viable. Given the high costs, it is not an activity with high levels of regular users, relying instead on higher volumes of casual one-off or occasional participants. It is highly unlikely that there is unmet demand in the area given that there is a facility at Swiss Cottage Leisure Centre.

7. Trampoline Park

- 4.20 Indoor trampoline parks as a suggested use have been addressed in paragraphs 2.35 - 2.40.

8. Indoor Football

- 4.21 Indoor football was included as part of an overall consideration of a sports hall facility.
- 4.22 An acknowledgement of demand for sports hall provision has already been made and its immateriality discussed [paragraphs 2.32, 2.44 - 2.47]. The interest from specific clubs in a multi-use sports hall facility is discussed in paragraphs 2.25-2.27. 2.47, and 2.50 - 2.57. They are not able to provide a viable solution for the site.

9. MUGA

- 4.23 Consideration of an unlit Multi Use Games Area (MUGA) to minimise residential amenity impact is addressed in paragraph 2.24. A significant proportion of peak time demand for MUGA use is during weekday evenings, and an unlit facility would have limited community value.

10. Mixed use site development

- 4.24 This has been addressed in paragraphs 4.9 - 4.13.

11. School Use

- 4.25 Demand for sports hall provision in particular from schools has been acknowledged and discussed in paragraphs 2.32, 2.45 - 2.47 and 2.53 - 2.54.
- 4.26 The assertion of interest for sports provision from private schools made here it unsubstantiated, and no example has been provided for consideration. In general terms, although private schools do, at times have more capital to fund sports facilities, these will invariably be for sports facilities on or very near the school campus (i.e. close enough for students to walk to). Provision of a separate sporting campus substantially reduces the benefits to the school as time and money is spent conveying students back and forth, and the appeal is thus significantly reduced.
- 4.27 Dual use sports facilities (school facilities opened to the public outside core hours) are not uncommon, although the more typical model is for an operator to take on the running of a facility owned and funded by the school under a contractual arrangement, which can improve revenue performance to some extent.
- 4.28 However, the overall income potential of the facility will still determine the level of an operator's interest, and in the case of this site, for the reasons discussed in paragraphs 4.9 - 4.13 significant operator investment would be very unlikely.

12. DP15 (f)

- 4.29 Under this interpretation, DP15 (f) becomes a policy which is incapable of being satisfied in that there will never be **no** demand at all for any leisure uses which could in principle, without regard to viability, be accommodated on any given leisure site. The test must apply to unmet demand in order to be reasonable, relevant and consistent with the wording of the policy as a whole. It must also have regard to viability considerations as already noted above.

13. NPPF

- 4.30 The Council's Development Plan has been made in accordance with the NPPF, and the application has been made with reference to and in accordance with development plan policies.

5. Third Party Representation – Third Door

- 5.1 Third party representations have been submitted by a company providing nursery / crèche provision alongside flexible work space. They currently operate a single site in Wandsworth and propose to partner with a sport or leisure user to co-locate on the site.
- 5.2 It has not been made clear in the submission [Shazia Mustafa_Third Door], if they are proposing to self-fund the development of their own facilities, but there is no realistic prospect of them providing the capital funding for the development of sports hall facilities.

- 5.3 Available capital is not mentioned in the submission and a review of their abbreviated accounts with profit and loss accounts showing losses of £230,499 and £246,570 for 2014 and 2015 respectively suggests that this would not be a viable use for the site.
- 5.4 Their existing facility in Wandsworth does not involve any element of co-location with sport and leisure provision, so this is not a model they have experience of or have proven can work elsewhere.
- 5.5 The challenges relating to other funding sources for a sports hall have been addressed elsewhere (paragraphs 2.51 and 7.2). If not serving as an enabling or cross subsidising development, which it is demonstrably incapable of doing, the relevance of this proposal is unclear.

6. Sport England

- 6.1 Sport England submitted an objection to the planning application on 12th May 2015, on the basis that they required “*further certainty that the planning authority is comfortable that the existing requirement for sport provision are being met and positively planned for*”. The methodology used by SLC and its compliance with Sport England guidance were not questioned.
- 6.2 Further evidence was provided to Sport England in response to this objection from SLC [Appellant Appendix 13], LB Camden [Appellant Appendix 14] and KKP [Appellant Appendix 15]. The Officer’s Report [LPA Appendix 1; p. 34, 6.41] considered their objection to be insufficient grounds for refusal.
- 6.3 Sport England has subsequently confirmed that they maintain their objection [LPA Appendix 5; p.100]. This has not added materially to their original objection.

7. Other Matters arising from Third Party Representations

- 7.1 This section will seek to address the outstanding matters and recurring themes raised by third party representations in relation to sport and leisure, not covered by the preceding sections.

Viability and Availability of capital funding

- 7.2 *Amy Silverston 3*, (p.4) proposes a number of sources of capital investment and questions the Sport & Leisure Report’s evaluation of revenue generating capacity. These matters relating to viability are addressed as follows:

- **Community Investment Programme funds:** LB Camden has been clear that it will not invest funds in the site in order to develop indoor leisure provision on the site:

It is noted that the MBC site has not been identified in the [LB Camden Indoor Built Facilities] Strategy as a development site for a sports hall for the following reasons:

- *The capital investment in such a facility in this location is unlikely to meet the test of operational viability and sustainability*
- *This site is not in an optimal location in the borough where under-provision and unmet need are most acute.* (Appendix 1: Officer’s Report; 6.35)
- **Grant funding (e.g. National Lottery, London Marathon Fund):** Grant funding is hugely competitive in the sport and leisure sector, with most individual agencies able to offer only limited funding support to a very select number of projects of high strategic value for them. Larger agencies favour multi-sport mass participation venues which attract a high volume of users and can demonstrate long term sustainability through a robust business case and the ability to deliver increases in participation and decreased levels

of inactivity. A number of other conditions would also need to be met in most cases relating to sources of funding, participation targets, monitoring etc. A facility on this site is very unlikely to meet the criteria required to attract significant grant funding. In the vast majority of cases, agencies are only able to provide grants representing a fraction of the overall capital cost requirements.

- Crowd funding, peer-to-peer lending: The description of *“a large sports facility in a prime location”* is inaccurate. Compared with a typical leisure centre facility, even the larger scale facilities described in some third party submissions would be small. Nor can this site be described as a *“prime location”* – it has poor visibility, poor road access, comparatively poor public transport accessibility, potentially limited parking provision etc. The view that this would have *“the capacity for delivering a good return on capital, making it an attractive investment opportunity”*, is misconceived, and based on a fundamental lack of understanding of capital investment and revenue cost requirements, and income generating potential of such a facility. Crowd funding is not a realistic option considering the level of investment required, and is particularly unrealistic if proposed as an investment opportunity rather than community donation.
- Revenue possibilities: It is claimed that the Sport & Leisure Report *“takes no realistic account of the revenue potential from hiring a large sports facility”*. The judgements shared in the Sport & Leisure Report are based on in depth knowledge and experience of the operation and development of sport and leisure facilities acquired over decades. The revenue generating potential of facilities has been considered including consideration of facility hire by local sports clubs of various kinds and local schools, in reaching a judgement of the viability of these facilities. It is the expectations of residents that are unrealistic in terms of income generating potential, revenue costs, capital investment costs and the availability of funding.

Categorisation of existing use

- 7.3 The third party submission from Dartmouth Park Residents CIC 1 also challenges the categorisation of the facility as a bowling facility when considering whether the requirement of policy DP15 (e) have been met, suggesting that the appeal site instead be *“viewed as a sports hall (rather than focusing narrowly on indoor bowling)”* (p.13).
- 7.4 The appeal site cannot be viewed as a sports hall. Indoor bowls halls and sports halls are separately defined by Sport England as they differ fundamentally in the type and range of activities they are able to accommodate. They are not equivalent facilities and the terminology cannot be interchangeably used. An indoor bowls hall is so termed because that is the only sports use for which it is suitable. A sports hall in contrast is able to accommodate a wide range of indoor sports through provision of more suitable and flexible flooring, ceiling height, markings etc. The term cannot be applied to existing provision at MBC.

La Sainte Union

- 7.5 The alleged possibility that neighbouring school La Sainte Union has available capital that it would be willing to spend on the acquisition and development of the MBC site for leisure facilities as an alternative to developing its own has been raised by third party representations.
- 7.6 These claim that La Sainte Union has been granted £7 million by the Council’s Community Investment Programme and *“[is interested in] upgrading the MBC building as an alternative to expanding their existing gym”* (Amy Silverston 1; p. 21).

- 7.7 Community investment programme project updates from 2014, found on the Council's website suggest that the school has been granted £6 million for identified capital works: *"This project is being managed by consultant appointed on behalf of the school and will ensure all urgent condition works are addressed, together with improved facilities as identified by the school's master plan. Planning permission was granted in October 2013 and works are due to include repairs to external fabric, roof, windows, door and external redecorations; improvements to electrical system; construction of a new two storey classroom and admin extension. Also to include: replacement of internal / external doors and windows; repairs to pedestrian areas and drainage; new lighting; boiler replacement in technology block. CIP funding will be allocated on the basis of a grant and set milestones.*
- 7.8 This would strongly suggest that La Sainte Union does not have £7 million to spend on the purchase and development of a suitable leisure facility on the site. The funding it has been granted has already been allocated on the basis of a developed masterplan and presumably detailed costs and plans. The scope of the project for which the funding has been allocated goes far beyond a redevelopment of its leisure provision to the extent that its sports facilities are not mentioned in the list of works.
- 7.9 The email correspondence included in Amy Silverston 3 (p.28) instead suggests that the school would seek further funding from LB Camden to fund the redevelopment of MBC as an alternative to their current plan to *"tart up and extend"* their existing gym as *"knocking it down to rebuild will cost so much."* It is unlikely that they would find the purchase of the MBC site and its redevelopment of be a cheaper option.
- 7.10 There is no corroboration beyond Ms Silverston's assertion that the school has access to sufficient capital to realise a development on the MBC site nor that this would be considered a worthwhile investment for them following a full examination of the costs.

The Sport, Leisure and Culture Consultancy

October 2016