

Wormwood Scrubs Charitable Trust Committee Agenda

Wednesday 19 December 2018

7.00 pm

Kathy Dolan Centre, 78 White City Close, W12 7DZ

MEMBERSHIP

Administration	Opposition
Councillor Wesley Harcourt (Chair) Councillor Alexandra Sanderson	Councillor Belinda Donovan
Co-optees	
Miriam Shea Stephan Waley-Cohen	

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Members of the public are welcome to attend.

Date Issued: 10 December 2018

Wormwood Scrubs Charitable Trust Committee

Agenda

19 December 2018

<u>Item</u>	<u>Pages</u>
1. MINUTES OF THE LAST MEETING	4 - 9
To approve as an accurate record, and the Chair to sign, the minutes of the meeting held on 19 September 2018.	
2. APOLOGIES FOR ABSENCE	
3. DECLARATIONS OF INTEREST	
If a Councillor has a disclosable pecuniary interest in a particular item, whether or not it is entered in the Authority's register of interests, or any other significant interest which they consider should be declared in the public interest, they should declare the existence and, unless it is a sensitive interest as defined in the Member Code of Conduct, the nature of the interest at the commencement of the consideration of that item or as soon as it becomes apparent.	
At meetings where members of the public are allowed to be in attendance and speak, any Councillor with a disclosable pecuniary interest or other significant interest may also make representations, give evidence or answer questions about the matter. The Councillor must then withdraw immediately from the meeting before the matter is discussed and any vote taken.	
Where Members of the public are not allowed to be in attendance and speak, then the Councillor with a disclosable pecuniary interest should withdraw from the meeting whilst the matter is under consideration. Councillors who have declared other significant interests should also withdraw from the meeting if they consider their continued participation in the matter would not be reasonable in the circumstances and may give rise to a perception of a conflict of interest.	
Councillors are not obliged to withdraw from the meeting where a dispensation to that effect has been obtained from the Audit, Pensions and Standards Committee.	
4. MANAGERS REPORT	10 - 38
The Committee is asked to note all matters in this report, including Appendix 1, a report on options for the Linford Christie Stadium Site.	
The Committee is also asked to agree to complete a joint public consultation with the Council on the options for the Linford Christie Outdoors Sports Stadium for a period of 12 weeks, as set out in Appendix 1.	

5. EXCLUSION OF THE PUBLIC PRESS

That under Section 100A(4) of the Local Government Act 1972, that the public and press be excluded from the meeting during the consideration of the following items of business, on the grounds that they contain the likely disclosure of exempt information, as defined in paragraph 3 of Schedule 12A of the said Act, and that the public interest in maintaining the exemption currently outweighs the public interest in disclosing the information.

6. EXEMPT MINUTES OF THE PREVIOUS MEETING

To approve the exempt minutes of the meeting held on 19 September 2018

7. MANAGERS REPORT - EXEMPT APPENDIX 2

Appendix 2 of the Manager's Report contains exempt information

Agenda Item 1



London Borough of Hammersmith & Fulham

Wormwood Scrubs Charitable Trust Committee Minutes

Wednesday 19 September 2018

PRESENT

Committee members: Councillors Wesley Harcourt (Chair), Alexandra Sanderson and Belinda Donovan

Co-opted members: Miriam Shea

Officers: Christina Cato (Lead Head of Finance), Richard Gill (Wormwood Scrubs Development Manager), Ian Ross (Leisure Services Manager), Mahmood Siddiqi (Bi-Borough Director Transport, Highways, Parks & Leisure) David Burns (Assistant Director - Growth, HCH Finance and Resources) and Amrita Gill (Governance).

Guests:

Benjamin Owen, Bryan Little, Jenna Smith and Ben Porter (London Institute of Medical Sciences)

Arran Rose (KPMG)

1. MINUTES OF THE LAST MEETING

RESOLVED

The minutes of the meeting held on 19 June 2018 were approved and signed by the Chair.

2. APOLOGIES FOR ABSENCE

Apologies of absence were received from Stephen Waley Cohen (Co-opted Member), Farrah Rossi (Principal Planning Projects Officer) and Mike Rumble (Parks Inspector).

3. DECLARATIONS OF INTEREST

There were no declarations of interest.

4. WORMWOOD SCRUBS CHARITABLE TRUST STATEMENT OF ACCOUNTS 2017/18

Minutes are subject to confirmation at the next meeting as a correct record of the proceedings and any amendments arising will be recorded in the minutes of that subsequent meeting.

Arran Rose (KPMG) presented the Wormwood Scrubs Charitable Trust Annual Trustee's Report which included the draft 2017/18 financial accounts. He noted that financial performance for the Trust was £335,303 better when compared to last year, with the Trust achieving net incoming resources of £297,964. The amount carried forward consisted of unrestricted income funds of £515,243 and designated funds relating to the valuation of land and building of £5,000,001. The Trust's balances reduced in recent years, mainly due to reductions in pay and display parking income and increased grounds maintenance costs due to annual contract inflation. The Trust continued to closely monitor and scrutinise its income and expenditure.

The work had identified only a few risks and the situation was being monitored. A key element in the management of risk was managing income and expenditure and setting a reserves policy for regular review by the Trustee.

Miriam Shea, referring to page 32 of the agenda pack asked what the debtor balance of £273,361 consisted of. Christina Cato said that this mainly consisted of income owed from UKPN, KAA and HS2, however would confirm and provide the exact details after the meeting.

Action: Christina Cato

Miriam Shea said that she had noticed some small errors, relating to the tone of the Annual Trustee's Report, and asked that a word copy be sent to her to mark up and circulate to the Committee.

Action: Miriam Shea

RESOLVED

1. That the Committee noted the content of the draft 2017/18 financial accounts for Wormwood Scrubs Charitable Trust.
2. That the Committee approved delegation of authority to the Bi-Borough Director for Transport, Highways, Parks and Leisure, Residents Services for the approval of the audited 2017/18 Statement of Accounts and Trustee's report in the event of auditor changes subsequent to this Committee meeting.
3. That the Committee approved the management representation letter, attached as Appendix 2 of the report.
4. That the Committee approved the Trustee's Annual Report, attached as Appendix 1.
5. That the Committee noted the contents of the annual risk assessment (contained in the Trustee's report on pages 25-26).

5. REPORT OF THE CONSTRUCTION LOGISTICS FOR THE LONDON INSTITUTE OF MEDICAL SCIENCES BUILDING PROJECT

Bryan Little gave a presentation and noted that the objective was to discuss plans to create a state of the art collaborative research facility at the Hammersmith Hospital Campus, Du Cane Road. All options proposed the use of the disused

tennis courts as site accommodation and storage and short route from there into the hospital through the existing boundary treeline.

Jenny Smith said that the research focused on some of the biggest challenges faced by health care and the underpinning pressures behind how certain diseases progressed. The findings on how these diseases could be prevented was also being investigated.

Ben Porter, provided an overview of the project and site coordination and noted that the institute was currently located in four different locations across the Hammersmith Hospital Campus. Existing facilities were aged and did not provide appropriate environment for housing high-tech equipment. The new building would provide greater research opportunities and build on the future institution.

Close collaboration between the Medical Research Council (MRC), London Institute of Medical Sciences (LMS) and Imperial College London (ICL) was an important element to provide fundamental research and clinical application. In addition, the project would be co-funded by MRC and ICL.

Miriam Shea asked if the height of the new building would be larger in comparison to the current site. Ben Porter explained that the proposed new building would be slightly taller than the current site, however design works were still in the process of being finalised.

Bryan Little presented three options that would be put forward in the planning application outlined below:

Option 1 - would allow construction traffic via Artillery Lane and access through Imperial College Healthcare Trust (ICHT) car park. This would minimise disturbance to Woodman Mews residents, school sites, the Pony Centre, and Grounds maintenance (GM) operations. This would increase traffic to public carparks and Artillery Lane.

Option 2 - would allow construction traffic via Woodman's Mews and access through the GM depot and the Linford Christie Stadium (LCS) grass area to the site accommodation. This would cause disturbances to Woodman's Mews residents, school sites, the Pony Centre, and the Grounds Maintenance (GM) operations.

Option 3 - would allow construction traffic to enter and exit via Du Cane Road. This would have the least disturbance to any Scrubs or LCS activities but would require the hospital to resolve internal circulation issues.

Miriam Shea felt that Option 2 was the least favourable as this would impact the Pony Centre and the residents at Woodman Mews. Furthermore, this option would also require a greater footprint on Linford Christie Stadium. The Chair asked for option 2 and 3 to be avoided due to the disturbances these would cause to residents. The Committee agreed and noted that option 1 had offered the best alternative provision and felt it was the most viable option.

The Chair thanked the developer for their presentation and contributions made at the meeting.

RESOLVED

That the Committee considered the options presented by MRC LMS.

6. MANAGERS REPORT

HS2 Bill – Proposed Wetland Mitigation Legal Agreement

Richard Gill provided an overview and noted that a Project Initiation Document (PID) had been completed with agreement of HS2. The PID outlined a planned direction for the AEM project and was included in the agenda pack for information and comment. It was a reference document for stakeholders which outlined the motivation, objectives, benefits, and costs of the project. The PID would be agreed by the project board and would be adapted if required to respond to further issues and opportunities. The aim was to appoint consultants in January 2019 to design the AEM proposals. The consultants would produce detailed draft proposals to be approved by HS2 before a specification was developed and agreed.

HS2 Bill – Re-Routing Stamford Brook Sewer Legal Agreement

Richard Gill said that the location of the boreholes was agreed and works had been completed. A meeting would be held with HS2 to conclude the final details of the route and an update would be provided once this was confirmed. The works for the re-route of the sewer were planned for the summer of 2019.

OPDC Draft Local Plan

Richard Gill provided an update and noted that Draft Local Plan could be viewed on www.london.gov.uk/opdclocalplan

The OPDC carried out 2 rounds of regulation 19, public consultation on their Draft Local Plan. The first round was carried out in June to September 2017. The Wormwood Scrubs Charitable Trust made representations which were considered by the OPDC in reviewing and redrafting their draft plan. A further regulation 19 consultation ran from 14 June to 30 July.

Kensington Aldridge Academy (KAA)

Mahmood Siddiqi explained that the license for KAA had been renewed for another year, however the school had returned to their main site in North Kensington in September 2018. They intended to rent the site for a further year in case there were any concerns with the RBKC site and needed to decant at short notice. In addition, they also wished to rent the 6 car park spaces on site for a further year. The Chair noted that he was happy for the rental of the school to commence for a further year.

Community Safety Update

Officers provided an overview and noted that from 1 June 2018 Parks Police had carried out 67 patrols on the Scrubs and attended 16 incidents. Two fixed penalties had been issued to 'professional' dog walkers for breaches of the PSPO (dog control).

The Chair highlighted that there were some concerns relating to a Husky dog climbing into the enclosure and chasing the horses located in the Pony Centre. He noted that further action needed to be taken and requested that officers and parks

police worked together to resolve this issue as the owner of the dog had not been receptive.

Action: Mahmood Siddiqi

Grounds Maintenance and Site Management Update

Ian Ross noted that in general there had been no issues, however litter continued to be the biggest challenge on the Scrubs but some progress was being made. In addition, Idverde had undertaken a number of unannounced checks over the summer and as a result had caught teams playing without booking. These were being followed up and addressed.

On 4 September officers and Idverde had a walkabout with Councillor Harcourt to investigate many points. He added that litter in copses needed addressing, however this was difficult due to the density of the trees. Some bins through the course of time were now within copses, these would need to be relocated so they were usable.

The Chair noted that during the walkabout he noticed that an area of the Scrubs was being used as a toilet and officers needed to review how this could be managed better going forward. He also said that the site management contract was due for renewal and asked officers to present a summary of options at the next Committee meeting.

Events

Officers noted that in the last quarter there had only been one event at the Scrubs. There were a few concerns over the post-event clear up but these were minor and dealt with promptly. In addition, there were no events planned for the coming quarter.

London Institute of Medical Sciences Building Project

Note: This item was discussed in conjunction with Item 5. Please see item 5 for further information.

Officers noted that the London Institute of Medical Sciences and the Medical Research Council proposed to construct a major research facility on the Hammersmith Hospital campus in Du Cane Road. A number of options were presented for consideration at the Committee meeting for accessing the site during the construction.

Financial 2018/19

Christina Cato provided an overview and noted that the budget for 2018/19 was set with an anticipated surplus of £19,354 to be added to the Trust's reserves. The forecast for 2018/19 was for a surplus of £186,852 which was £167,498 better than budget. The Hammersmith Hospital car park income had been estimated at £336,109, the same as quarter 1. The temporary relocation of KAA on the Scrubs site had been extended to July 2019. This had increased the income forecast by £201,022. As at quarter 1, annual rental from UKPN for occupation was £3,446

and from electrical vehicle charging points was £9,000. Profit sharing although contractual had not been included due to uncertainty.

Legal Comments

There were no legal implications to be noted.

RESOLVED

That the Committee noted all matters in this report

7. EXCLUSION OF THE PUBLIC AND PRESS

That under Section 100A (4) of the Local Government Act 1972, that the public and press be excluded from the meeting during the consideration of the following items of business, on the grounds that they contain the likely disclosure of exempt information, as defined in paragraph 3 of Schedule 12A of the said Act, and that the public interest in maintaining the exemption currently outweighs the public interest in disclosing the information.

8. LINFORD CHRISTIE STADIUM - EXEMPT ITEM

Officers apologised that an oral update had to be provided to the meeting. David Burns said that a written report would be presented at the next meeting. The full details of the update and discussions are contained in the exempt minutes.


Meeting started: 7:00pm

Meeting ended: 8:30pm

Chair

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Agenda Item 4

<p>London Borough of Hammersmith & Fulham</p> <p>WORMWOOD SCRUBS CHARITABLE TRUST COMMITTEE</p> <p>19 December 2018</p>	
MANAGERS REPORT	
Report of the Director for Transport, Highways, Leisure and Parks and the Director for Finance and Resources, Residents' Services	
Open Report	
Classification: For review and comment Key Decision: No	
Wards Affected: College Park and Old Oak	
Accountable Director: Mahmood Siddiqi, Director for Transport, Highways, Parks and Leisure	
Report Author: Mahmood Siddiqi, Director for Transport, Highways, Parks and Leisure	Contact Details: E-mail: mahmood.siddiqi@lbhf.gov.uk Telephone: 020 8753 3019

1. Executive Summary and Decisions Sought

- 1.1 The Committee is asked to note all matters in this report.
- 1.2 The Committee is asked to note Appendix 1, a report on options for the Linford Christie Stadium Site..
- 1.3 The Committee is asked agree to complete a joint public consultation with the Council on the options for the Linford Christie Outdoors Sports Stadium for a period of 12 weeks, as set out in Appendix 1.

2. WORMWOOD SCRUBS DEVELOPMENT MANAGER UPDATE

2.1 Alternative Ecological Mitigation (AEM) Proposals

2.2 Appointment of AEM Consultant

The procurement of consultants to manage the design of the AEM works has been launched. A questionnaire from prospective tenderers is due to be received 20th December. Following an evaluation of these bidders, 5-7

consultants will be invited to submit tenders with a planned appointment of consultants in early March 2019.

2.3 **Advance Works**

Advance works have been commissioned to facilitate the work of the AEM consultant including:

- Biodiversity Surveys: Following the recommendations of surveys in 2016 and 2017 further surveys were carried out this year by London Wildlife Trust (LWT) to inform the AEM proposals; An additional survey for birds and hedgehogs has been completed to complement those in 2017 which were not carried out in the optimum season and following the recommendations of the 2017 survey, a Phase 2 Vegetation and an invertebrate survey has now been completed in the meadow area.
- Japanese Knotweed Removal: Before any AEM proposals can be implemented on the embankment Japanese Knotweed needs to be removed. The first year's treatment has now been completed. The very dry summer may have impacted how effective the treatment was. An assessment will be made in the spring once it starts growing again to see if any changes need to be made to the proposed treatment.
- Woodland Management: The northern woodland of the Scrubs is a complex habitat with few survey records. A quote has been received for a tree survey to BS 5837 and we are waiting agreement from HS2 that they will fund these preliminary works. These works will enable the project to understand the type of information required by the AEM consultant to design the AEM works and identify any immediate Health and Safety concerns that should be addressed

2.4 **Stakeholders**

Ongoing engagement with stakeholders has addressed live issues and has helped to define and inform the AEM works

- Friends of Wormwood Scrubs: An enquiry to the Friends led to the discovery that UKPN had cleared vegetation within the Local Nature Reserve. UKPN have an easement over this part of the Scrubs but did not inform us that the works were planned. This was of concern as the area was known to be a valuable habitat for invertebrates. UKPN have agreed to provide mitigation proposals to reinstate this habitat and a management plan for its long-term care.
- Old Oak and Park Royal Development Corporation: A meeting was held with the OPDC and the Friends to familiarise the OPDC Chair with the site and discuss the concerns raised during the consultation for the OPDC Local plan.

OPDC have confirmed that they have £175,000 available from the Good Growth Fund. We have agreed that this is to be added to the AEM consultants brief to ensure compatibility of project works.

- Pony Centre: The WSCT requested that the flooding of the Pony Centre in Easter 2018 was investigated. It was due to the unexpected quantity of surface water runoff caused by a higher than average rainfall and impermeable ground conditions. In addition, the development of the KAA site had raised ground levels locally with the result that surface water could not run off site as it had done previously.

We have been working with Department for Education (DofE) and Highways to agree a solution. Idverde will start works in January to provide a continuous earth bund north of the access road to prevent flooding of the Pony Centre. To avoid excessive water collecting in Martin Bell's Wood, an area normally wet in winter conditions, an overflow will connect with the surface water drains of the KAA site. Highways have agreed to fund the connection with the balance of cost to the WSCT being £7-9,000.

2.5 Forest Schools

Forest Schools are an innovative approach to outdoor play and education where children use local woodlands on a regular basis to learn about the natural environment, how to handle risks, solve problems and co-operate with others. This use aligns with much of the H&F business Plan in particular; working with schools, helping children participate in sport, play and have access to parks.

- The Old Oak Primary School already use the Scrubs for forestry school type sessions but would benefit from improved access to woodland areas. They have few needs and use the area infrequently so a charge is thought inappropriate.
- A local resident is exploring the idea of a Forestry School at the Scrubs. This would need an occasional indoor space for wet weather, storage of equipment, pick up drop off arrangements and formalisation of use, restrictions and what charge would be appropriate.

Two potential areas are planned to benefit biodiversity and enrich the experience of general park users as well as providing benefits for organised groups of children.

- The Hammersmith Community Garden Association (HCGA) 'Get Out There' volunteers have cleared a path through the central copse, along a semi established route, and opened a clearing which could be used as an outdoor classroom. These actions will encourage an herb layer, increasing biodiversity.
- Idverde are planning a Volunteer activity, under their Corporate Social Responsibility (CSR) Programme, to open a route through the woodland planting immediately to the north of the large play area off Braybrook

Street. This area would probably be more attractive to the Old Oak school due to its proximity.

The long-term aspiration of the Biodiversity Commission for an Ecology Centre and Officer in one of the boroughs parks would support this type of outdoor learning initiative. If the committee supports initiative in principle we should explore the current potential for forest school use and report at a later date if required

For decision

2.6 **Re-Routing Stamford Brook Sewer Legal Agreement**

Further surveys for the Stamford Brook Sewer realignment have taken place and HS2 continue to explore alternative options to re-route the sewer but do not yet have a final solution. If an alternative is not found a legal agreement is in place to provide method statements to protect the Scrubs habitats.

Richard Gill

3. **PARKS MANAGER UPDATE**

3.1 **General site update**

- Litter still remains the biggest challenge at the site and the on-site team are working hard to keep on top of this. We continue to monitor litter generated by sports teams and this has thrown up the issue that the worst offenders are not actually making bookings. Idverde are now monitoring this and have staff working weekends to follow this up.
- The concrete barriers that separate the Scrubs Lane car park and access road at Wormwood Mews will be replaced with lockable bollards, which are hopefully more aesthetically pleasing but also allow access when the temporary school is dismantled. This is being funded by the Department for Education (DofE). They are also covering the cost of replacing the wooden fencing along the access road.
- A number of repairs have taken place to the fencing around the car park at the hospital; this is primarily due to cars reversing into it. Officers continue to liaise with the hospital's property managers and they have paid for the most recent damage as it was obviously caused by someone using their car park

3.2 **Options post March 2021**

- Officers were asked at the last meeting to outline the charitable trust's options when the Idverde contract comes to an end in March 2021. The possible options are:
 1. Be part of any future procurement exercise the council undertakes or arrangements it may consider

2. As above but perhaps only for general options (mowing, cleansing and sports pitch maintenance) and more specialist works (linked to HS2 project) are packaged separately or the trust has its own workforce to do this work
3. Seek to procure its own contract wholly separate from what the council does
4. Seek to employ its own workforce
5. Seek an extension to the existing contract should the council do so for the other elements

With options 1 and 2 it may be possible for the trust to test the market and include their elements only as provisional items and see what costs are before making a decision.

It is worth noting that the depot facilities at Wormwood Scrubs are pivotal and strategically important to the operation of the contract elements that operate on parks and housing.

Ian Ross

4. Community Safety

- 4.1 The Scrubs has been remarkably quiet during the last three months. Two dog related incidents of note included a husky dog that was entering the pony club enclosure and harassing the ponies and donkey. Despite ongoing observations we were unable to trace the owner or seize the dog, however no further reports have been made. A young dog sadly died after suffering a seizure whilst being walked. One FPN was issued for dog fouling.

Month	Incidents	Patrols	Crimes
September 2018	4	24	01
October 2018	5	29	NDA *
November 2018	4	22	NDA *

**No Data Available*

Mike Rumble

5. UK Power Networks lease – Wormwood Scrubs

- 5.1 All terms of the lease have been agreed with UK Power Networks, however there is an outstanding temporary works licence with terms to be approved. Legal Services drafted and sent the document to UKPN's solicitors in late September, but there have been unexplained delays in receiving comments

back despite numerous regular requests for a response from either party. We understand the solicitors are awaiting client instructions.

- 5.2 Approval of the Licence will facilitate completion of the lease and payment of all sums as per the Heads of Terms. We believe that UKPN's solicitors are in funds, so once the licence is approved, then the main lease completion should follow shortly afterwards.

Henry Azariah

6. Financial Forecast 2018/19

- 6.1 The latest financial forecast for Wormwood Scrubs Charitable Trust ("the Trust") for 2018/19 is summarised below and is detailed in Annexe A. Financial transactions for the financial year to date are set out in Annexe B.

Activity	Outturn 2017/18	Budget 2018/19	Forecast 2018/19	Variance	Previously Reported		
					Comments	Last Reported	Movement
Pay and Display Parking Meters	(259,674)	(281,611)	(328,606)	(46,995)	The budget was based on the average income over the last 3 years. Income is expected to be higher than 2017/18 due to the introduction of cashless parking. Actual costs April to September 2018 are higher than forecasted	(306,168)	(22,438)
Hammersmith Hospital Car Park Licence	(324,619)	(336,109)	(336,109)	0	Current forecast: Quarterly contracted lease payments to increase 1.84% in Q4 (from £83,3642.58 to £85,181.60)	(336,109)	0
Other income from activities for generating funds	(488,002)	(171,958)	(329,456)	(157,498)	Current forecast assumptions: £294k KAA income (£200k increase due to licence extension); £13k 2017/18 KAA portacabin; £9k from UKPN EV charging points; £7k from Filming & Events (reduced to KAA occupaton); and £3k investment income.	(329,456)	0
Total Income and endowments	(1,072,295)	(789,678)	(994,171)	(204,492)		(971,733)	(22,438)
Grounds Maintenance	706,909	712,344	720,938	8,595	Actual 2018/19 inflation is 1.63% (0.11 % less than budgeted inflation). The contract price is budgeted at £699,994; £20,944 forecasted governance costs have been added to this.	718,157	2,782
Contribution to Linford Christie Stadium	32,330	32,344	32,441	97	Includes £0.94k of governance costs, not credited to Linford Christie Stadium accounts.	32,316	125
Other Expenditure	35,093	25,637	34,409	8,771	Forecast increased due to non routine maintenance costs rising to £19,432 (including £565 governance costs) and legal fees associated with UKPN And KAA licence completions. Actual costs will depend on WSCT income and cost of work commissioned by Council officers.	34,409	(0)
Total Expenditure	774,332	770,325	787,788	17,464		784,881	2,907
Net (income)/expenditure	(297,964)	(19,354)	(206,382)	(187,029)		(186,852)	(19,531)

- 6.2 The budget for 2018/19 was set with an anticipated surplus of £19,354 to be added to the Trust's reserves. The current forecast for 2018/19 is for a surplus of £206,032, which is £187,028 better than budget.
- 6.3 The Trust's opening funds for 2018/19 is £5,515,244. The latest forecast anticipates this being increased to £5,721,626 and carried forward to 2019/20. This is £19,531 better than last forecasted; a £186,852 addition to reserves. These figures do not include proposed costs of approximately £9,000 for addressing litter and security issues.

Income

- 6.4 Income from pay & display and cashless parking was budgeted at 2016/17 levels; which was higher than 2017/18. However, actual year to date income is higher than expected. Income in each month April to October has exceeded the 2017/18 equivalent by at least £8,000; this exceeds a 90% increase year-

to-date. This improves the budgeted income by £46,995; a £22,438 improvement compared compared to that reported at Quarter 2.

- 6.5 Hammersmith Hospital car park income has been estimated at £336,109, the same as Quarter 1.

Other income from activities for generating income:

- 6.6 A cautious assumption was made about the likely income from filming and events in 2018/19. This was budgeted at £55,778 assuming Kensington Aldridge Academy(KAA) occupation for six months only. However, the KAA licence renewal has a negative effect on forecasted income generated from filming and events. For example, parking of police vehicles during the Notting Hill Carnival was not possible this year, resulting in the loss of approximately £3,100 income. The forecasts, due to uncertainty, remains at £7,000 as reported at Quarter 2.
- 6.7 The KAA lease extension, to July 2019, generates income of £294,3552.
- 6.8 Annual rental from UKPN for occupation is £3,446 and from electrical vehicle charging points is £9,000. Profit sharing, although contractual, has not been included due to uncertainty.

Expenditure

- 6.9 Governance costs are currently estimated at £22,451; these include audit fees, legals fees and Finance support costs. These costs have been apportioned to the expenditure items based on value.
- 6.10 The cost of the grounds maintenance contract is £699,994; £20,944 of governance costs are forecasted to be added to this, totalling £720,938. The Retail Price Index (RPI) indices used to calculate the contractual uplift on the grounds maintenance contract were forecast to be 1.98% during budget setting. However, the actual uplift is 1.632% for 2018/19. This has decreased the grounds maintenance forecast by £1,441; £5,813 higher than assumed during budget setting. The change of £2,782 results from increased legal costs; not grounds maintenance.
- 6.11 Contributions to Linford Christie Stadium have been capped at £31,500. The small variance and change is due to apportionment of governance costs.
- 6.12 The £34,409 forecast for other expenditure includes non-routine maintenance, repairs estimated at £19,432, including governance costs. Legal fees associated with the licence completions for UKPN and KAA are also included.

Christina Cato

Committee to Note

7. Legal Comments

7.1. There are no legal implications arising from this report.

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	None		

Current (Q3) Financial Forecast

WORMWOOD SCRUBS CHARITABLE TRUST
STATEMENT OF ACCOUNTS 2018/19 - Based on Forecast

Wormwood Scrubs Charitable Trust		
Statement of Financial Activities for Year ended 31 March 2018		
Income and Expenditure	2018/19 Forecast	2017/18 Actual
	£	£
Income and endowments from:		
Donations and legacies		
Income from Charitable activities:		
Pay and Display Parking Meters	(328,606)	(259,674) Parking Income has grown April to October and exceeds the 2018/19 forecast by £47k
Hammersmith Hospital Car Park Licence	(336,109)	(324,619) Contracted lease payments are forecasted to increase by 3.54% compared to 2017/18
Other trading activities	(325,772)	(485,376) Includes income from the KAA and UKPN charging points. Backdated payments for UKPN is the reason why 2017/18 income is significantly higher.
Income from Investments	(3,684)	(2,626) Forecast interest on cash balance and rental income from the park lodge.
Other Income		0
Total Income and endowments	(994,171)	(1,072,295)
Expenditure on:		
Raising funds	0	0
Charitable activities:		
Contribution to Linford Christie Stadium	32,441	32,329 Contribution to Linford Christie Stadium plus proportion of governance costs.
Non Routine Maintenance of Wormwood Scrubs	19,432	3,267 Expenditure on non-routine grounds maintenance plus proportion of governance costs.
Routine Grounds Maintenance of Wormwood Scrubs	720,938	706,909 Grounds Maintenance contracted spend plus proportion of governance costs.
Other expenditure	14,977	31,826 Other expenditure plus a proportion of governance costs
Total Expenditure	787,788	774,331
Net gains/(losses) on investments		
Net (income)/expenditure	(206,382)	(297,964)
Reconciliation of Funds		
Total funds brought forward	(5,515,244)	(5,217,280)
Total funds carried forward	(5,721,626)	(5,515,244)

2018/2019 Transactions at Quarter 3

		201,952.36
Activity	Comments	Amount
Routine Grounds Maintenance	WSCT - Fixed Ground Maintenance 2018/19	699,994.61
Non Routine Maintenance of Wormwood Scrubs	Indigo Lodge Limited T/A Drayton Fencing	180.00
Non Routine Maintenance of Wormwood Scrubs	Indigo Lodge Limited T/A Drayton Fencing	1,520.00
Non Routine Maintenance of Wormwood Scrubs	Indigo Lodge Limited T/A Drayton Fencing	1,130.00
Governance costs	Reversal Accrual HCWSCT02 - WSCT 2017/2018 Audit Fees - Creditor Accrual	-9,900.00
Governance costs	KPMG	9,900.00
Governance costs	Savills UK Ltd	1,732.50
Governance costs	Savills UK Ltd	6.10
Governance costs	Legal Fees	85.00
Governance costs	Legal Fees	42.50
Governance costs	Legal Fees	25.50
Governance costs	Legal Fees	280.50
Governance costs	Legal Fees	85.00
Governance costs	Legal Fees	229.50
Governance costs	Legal Fees	221.00
Governance costs	Legal Fees	178.50
Governance costs	Legal Fees	161.50
Pay & Display Parking Meters and pay by phone	Wormwood Scrubs Income April 2018	-14,297.42
Pay & Display Parking Meters and pay by phone	Wormwood Scrubs Income April 2018 Correct	-28,550.20
Pay & Display Parking Meters and pay by phone	Wormwood Scrubs Income May 2018	-31,657.13
Pay & Display Parking Meters and pay by phone	Wormwood Scrubs Income April 2018 reverse	14,297.42
Pay & Display Parking Meters and pay by phone	Wormwood Scrubs Income June 2018	-30,479.54
Pay & Display Parking Meters and pay by phone	Wormwood Scrubs Income July 2018	-29,329.29
Pay & Display Parking Meters and pay by phone	Wormwood Scrubs Income August 2018	-30,264.96
Pay & Display Parking Meters and pay by phone	Wormwood Scrubs Income September 2018	-28,832.58
Pay & Display Parking Meters and pay by phone	Wormwood Scrubs Income October 2018	-31,373.92
Income from Investments	Park Lodge Rental Income	-273.00
Income from Investments	Park Lodge Rental Income	-273.00
Income from Investments	Park Lodge Rental Income	-273.00
Other trading activities	To be recharged	812.50
Other trading activities Accrual	Kensington Aldridge Academy Feb 2018	23,333.34
Other trading activities Accrual	Kensington Aldridge Academy March 2018	23,333.34
Other trading activities	Kensington Aldridge Academy Feb 2018	-23,333.34
Other trading activities	Kensington Aldridge Academy March 2018	-23,333.34
Other trading activities	Kensington Aldridge Academy April to July 2018	-119,354.82
Other trading activities	Kensington Aldridge Academy April to July 2018	119,354.82
Other trading activities	Kensington Aldridge Academy April to Aug 2018	23,333.34
Other trading activities	Kensington Aldridge Academy April to Aug 2018	23,333.34
Other trading activities	Kensington Aldridge Academy April to Aug 2018	23,333.34
Other trading activities	Kensington Aldridge Academy April to Aug 2018	23,333.34
Other trading activities	Kensington Aldridge Academy April to Aug 2018	-7,357.00
Other trading activities	Kensington Aldridge Academy April to Aug 2018	-189,354.84
Other trading activities	Kensington Aldridge Academy Sep to Nov 2018	-75,000.00
Other trading activities	Kensington Aldridge Academy Portakabin 2017/2018	-2,625.00
Other trading activities	Kensington Aldridge Academy Portakabin 2017/2018	-9,600.00
Other trading activities	Kensington Aldridge Academy Portakabin 2017/2018	-1,140.00
Other trading activities - Accrual	UKPN	69,420.00
Other trading activities - Accrual	UKPN	100,000.00
Other trading activities - Accrual	UKPN	3,158.83
Other trading activities	2018/19 Hospital Car Park Q1	-83,642.58
Other trading activities	2018/19 Hospital Car Park Q2	-83,642.58
Other trading activities	2018/19 Hospital Car Park Q3	-83,642.58

Appendix 1

TITLE OF REPORT: Linford Christie Outdoor Sports Stadium – Public Consultation on Options	
Report to Wormwood Scrubs Manager for consideration at Wormwood Scrubs Charitable Committee	
Accountable Director: Jo Rowlands, Strategic Director Growth and Place	
Report Author: David Burns, Assistant Director - Growth	Contact Details: Tel: 020 8753 6090 E-mail: david.burns@lbhf.gov.uk

1. INTRODUCTION

- 1.1. This Report has been produced by the Strategic Director Growth and Place to enable the Council's Trustee representative (the Manager) to make recommendations to the Trust Committee on completing a public consultation.

2. EXECUTIVE SUMMARY

- 2.1. This report sets out the current considerations around the Linford Christie Outdoor Sports Stadium and proposes to complete a public consultation on the options available to the Council and the Wormwood Scrubs Charitable Trust for the site, with the consultation to be completed jointly by the Council and the Wormwood Scrubs Charitable Trust (the Trust).
- 2.2. This report highlights that the continued subsidising of the Trust by the Council in maintaining the stadium site and associated management of pitches is not sustainable for the Council in the medium term, given that the Council's own financial position means this cannot continue, and that regardless this will not provide an ongoing stadium and athletics facility of sufficient quality.
- 2.3. The report notes that the Trust's income is, without additional fundraising, inadequate to maintain the stadium site and the rest of the Trust's land, let alone pay for any renovation of the stadium site.
- 2.4. Once the consultation has been completed the Council and the Trust will analyse the responses. Council Officers will prepare a further report for Cabinet setting out the results of the consultation and a preferred option. Officers working with the Trust will prepare a separate report for the Trust setting out the results of the consultation.
- 2.5. The Council's Cabinet in February will receive a report recommending that a joint consultation is completed.

3. RECOMMENDATIONS

That Wormwood Scrubs Charitable Trust Committee

- 3.1. Note the ongoing financial challenge that the Council and the Trust face in continuing to maintain and operate the Linford Christie Outdoors Sports Stadium and associated sports facilities on the Scrubs.
- 3.2. Agree to complete a joint public consultation with the Council on the options for the Linford Christie Outdoors Sports Stadium for a period of 12 weeks.
- 3.3. Note that the Council will use its own resources to complete the consultation.

4. Background and Reasons for Decision

- 4.1. The Wormwood Scrubs Trust is a Victorian Charity established and governed by the Wormwood Scrubs Act (WSA). The Council is the sole trustee of the Trust.
- 4.2. Under the WSA the Scrubs is held by the Council “for such military purposes as the [MOD] from time to time directs, and subject thereto, upon trust for the perpetual use thereof by the inhabitants of the metropolis for exercise and recreation.”
- 4.3. In practice the MOD makes infrequent use of the Scrubs, and in particular the Council understands the MOD has not used any part of the Scrubs for the past three years. However, any decisions in relation to the Trust land must take account of the MOD and their rights over the land.
- 4.4. In May 2013 at Full Council, the Council agreed to establish the Wormwood Scrubs Charitable Trust Committee in response to guidance from the Charities Commission on the role of Councils as corporate trustees and to ensure that the Council continues to comply with its duties under the Act.
- 4.5. The Trust Committee has delegated authority from the Council to make decisions or recommendations back to the Council on the operation of Wormwood Scrubs. It receives a manager's report and monitors the finances of the Trust. The Committee is made up of three members, two administrations and one opposition. There are also two co-opted non-voting members, who are also members of the Friends of Wormwood Scrubs a local amenity group.
- 4.6. The Linford Christie Stadium and associated land is 6.47 hectares in size, representing 8% of the Scrubs itself. It comprises sports playing and changing facilities, and associated car parking areas. In addition to the 400m athletics track and equipped athletics field, this includes the Thames Valley Harriers Clubhouse, as well as changing facilities for those using the stadium and the pitches on the Scrubs itself.
- 4.7. The Stadium officially opened on 5th September 1970 as the West London Stadium, but was in use from November 1968. It was given its present name in

1993. It is currently used by local sports clubs, schools and the public, with the Thames Valley Harriers having formal arrangements for use of Thames Valley Harriers' Clubhouse on part of the stadium site.

- 4.8. The Stadium site is closed and locked when not in use. Public access to the Stadium is in practice controlled, and to some extent restricted. This accords with what has been the position for almost all the period since the WSA was passed: the Stadium site has been used successively as a rifle range, an airship garage, civil defence headquarters, and currently as the Stadium.
- 4.9. The Stadium and pitches on the Scrubs are managed by the Council by the Parks and Leisure department on behalf of the Trust, however the income and expenditure on is not recognised within the Trust's accounts – instead it is managed and monitored from within the Council. This is likely to be an historical arrangement, from when the site was developed for athletics and other sports and when the difference between Council and the Charity was not recognised. The Council will take steps to regularise this arrangement so there is transparency for the Trust as to total income and expenditure associated with the Trust land.

4.10. Linford Christie Stadium and Sports Pitches Income and Expenditure

- 4.11. The table below sets out the revenue income and expenditure on the Stadium

Activity	2016/17	2017/18
Fees and Charges	168,155.00	123,480
Contribution from WSCT	31,500.00	31,500.00
Total Income	199,655.00	155,023.00
Salaries	158,966.00	164,336.00
Stadium Running Costs	38,354.00	79,971.00
Maintenance and Equipment	61,414.00	11,357.00
Support Services	56,649.00	41,000.00
Misc.	3,431.00	2,310.00
Capital Charges	139,845.00	144,995.00
Total Expenditure	458,659.00	443,969.00
Profit/(Loss)	(259,004.00)	(288,946.00)

- 4.12. The income in fees and charges comes from the hire of the sports pitches and use of the athletics track and field.
- 4.13. The primary costs for operating the Stadium are the salaries of those employed on site, depreciation charges, and charges for central services. These relate to HR, finance and other costs but also include charges for the work that Corporate Property Services provide in managing repairs and capital works, and thus they fluctuate year on year depending on the level of investment required. However, Corporate Property Services does not charge for the work it does in supporting income generation for the Charity, and advising the Trust.

- 4.14. The costs above also exclude some services that are simply provided by the Council free of charge (or more accurately are gifted to the Charity). For example, the work of the commercial services team in developing income generating ideas; full recharging of officer time at meetings; work related to HS2; and the cost of the Parks Police and their work in the park, all of which are not recovered from the Trust.
- 4.15. As the table above demonstrates the Council is in effect subsidising the work of the Charity by c£120,000 a year, and by more than £250,000 a year when capital charges are considered, by not fully recovering the costs of operating the site from the Trust. The Council has consistently capped the WSCT charges at £31,500 in recent years.
- 4.16. In terms of capital spending, the Council has invested £598,781.51 in the Stadium in the period from 2011/12 to 2014/15 (which included major repairs such as the new running track), has committed to £169,614.54 in 2015/16 and 2016/17, and has planned a further £27,911.65 of works. This gives a total capital commitment in recent years of £796,307.70.
- 4.17. This does not include the recent capital expenditure in the Scrubs itself of £51,721 on a play area for young children; and £49,135 on an outdoor gym behind the Stadium.
- 4.18. In addition to this, the Facilities Management team have identified £675,000 of capital works that are required in the short term. This is separate from the capital requirement for the demolition of the artillery wall between the car parks, which is currently estimated at £500,000. This brings the total capital investment required to £1,175,000. As the Artillery wall requires capital investment, some management actions are in place and it has been fenced off (fencing provided by the Council at its cost). None of the works required include refurbishment of the buildings or bringing the facilities up to a better standard and are simply essential capital works. They would not have the benefit of increasing the revenue potential of the Stadium site.
- 4.19. Recently, there have been problems with the water systems, which has resulted in shower facilities being unavailable for the clubs that use them. The Facilities Management team have investigated and developed a solution, and costs are estimated at c.£50,000. A separate proposal to the Trust has been made with regards to this.

4.20. WSCT Financial Position

- 4.21. The Trust's primary source of income comes from:
- a) Pay and display parking
 - b) Leased parking income from Hammersmith Hospital
 - c) Lease income from utilities (UKPN)
 - d) One off events

- 4.22. In 2017/18 the Trust received a windfall income stream from the placing of the Kensington Aldridge Academy (KAA) on the Wormwood Scrubs (on the site known as the Redgra) following the Grenfell fire.
- 4.23. This produced an additional income of £216,930 in 2017/18 and is forecasted to produce an income of £93,000 in 2018/19 – although this may increase if the school remains on site for longer.
- 4.24. In addition, there was a windfall back payment from UKPN for lease charges of £100,000.
- 4.25. The primary expenditure of the Trust is on:
- Maintenance of the Scrubs (through the Quadrant contract)
 - A contribution to the operation of the Stadium
 - Governance and other costs
- 4.26. A summary of this is provided below:

Activity	Outturn 2015/16	Outturn 2016/17	Budget 2017/18	Outturn 2017/18	Variance
Pay and Display Parking Meters	(303,538)	(287,012)	(287,225)	(259,674)	27,551
Hammersmith Hospital Car Park Licence	(294,070)	(316,505)	(322,896)	(324,619)	(1,723)
Other income from activities for generating funds	(80,964)	(95,873)	(90,112)	(488,002)	(397,890)
Total Income and endowments	(678,572)	(699,390)	(700,234)	(1,072,295)	(372,062)
Grounds Maintenance	684,032	686,568	699,473	706,909	7,435
Contribution to Linford Christie Stadium	32,405	32,344	32,312	32,330	18
Other Expenditure	21,335	19,694	25,637	35,093	9,456
Total Expenditure	737,772	738,606	757,423	774,332	16,909
Net (income)/expenditure	59,199	40,139	57,189	(297,964)	(355,153)

- 4.27. As the table shows, the original budget was for a loss, however the additional income has produced a surplus which will be added to the Trust's unrestricted reserves. The reserves position is therefore improved from £217,279 to £515,243 at 31 March 2018.
- 4.28. This puts the Trust in a more secure position than previous years, where the ongoing losses would have put the Trust in a position of having exhausted its reserves within five years. However, this assumes that the Council chooses to continue to subsidise the activities of the Trust and Linford Christie Stadium and as a result the Trust doesn't recognise the real costs of operating the Scrubs and the Stadium as a whole.
- 4.29. A consolidated financial position for both the Trust and the costs currently accounted for by the Council for the last two financial years shows the following.

Income	2016/17	2017/18
Fees and Charges	168,104	123,480
Trust contribution to the Stadium	31,500	31,500
Car Parks	604,000	584,293
Other Income Films, UKPN	95,000	271,072
Other Income KAA	-	216,930
Consolidated Income	898,604	1,227,275
Expenditure		
Running Costs	262,164	257,974
Council Overheads	56,649	41,000
Wormwood Scrubs Grounds Maintenance	686,568	706,909
Other Costs	19,694	35,093
Contribution to the Stadium	31,500	31,500
Consolidated Expenditure	1,056,575	1,072,476
Net Excluding Capital Expenditure and Depreciation	(157,971)	154,799
Depreciation	139,845	144,995

Consolidated Annual Surplus/(Loss) (Excluding Capital Expenditure)	(297,815)	9,804
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5. Summary of the Financial Position and Reasons for Exploring Options

- 5.1. The Stadium site is considered to be in a poor state of repair and no longer fit for purpose, and major work is required to bring the facilities to the necessary standard and create a sustainable income stream. The Council has been providing regular financial and other support to the Trust pursuant to its objectives, but its own financial position means that this cannot continue.
- 5.2. The Trust's income is inadequate to maintain the Stadium and the rest of the Trust's land, let alone pay for any renovation of the Stadium and facilities. Neither the Trust, nor the Council itself, has sufficient unallocated resources to undertake the additional necessary remedial work. The Trust would have to raise additional income through commercial activity or through fundraising in order to fund these works.
- 5.3. The income reserves currently available to the Trust will not bridge the Trust's income gap much longer, and if the Council decides to charge the actual cost of maintaining the Stadium will be exhausted within the next five years. The reserves are wholly inadequate to fund the necessary capital investments in, or serious improvements to, the Stadium site, leaving aside the need – as part of prudent management – to maintain sufficient reserves in the Trust.
- 5.4. There is therefore a risk to the future financial viability of the Trust as a whole, but the Stadium site in particular. The Trust has the option to raise the funds needed to fund repairs or make improvements however in reality it does not have the capability to achieve this. The Council does not have the unallocated budget to complete the work. Any income generation (e.g. large-scale events on the Scrubs) may generate some funds that can contribute to the Trust's reserves, but they can't be guaranteed over the long term. In addition, they would only maintain the current situation with the Stadium site and would not provide for improvement to the Stadium site that may create a sustainable income.
- 5.5. The Council is committed to finding ways for the Trust to achieve a sustainable financial position.
- 5.6. However, the Council does have an overall obligation, as a trustee, to promote the Scrubs for exercise and recreation by the inhabitants of the metropolis; and the need to promote for the public benefit the advantages of exercise, healthy recreation and community development.
- 5.7. There is an opportunity to harness the considerable potential which the Scrubs has to meet these needs, through improved facilities at the Scrubs themselves and at Linford Christie Stadium. However, the current financial position and facilities on site prevents the Council or the Trust from doing so.

- 5.8. Before any decisions are made the Council proposes to consult the public and stakeholders on the options being considered, before making any proposals to the Trust.

6. Proposals and Options for the Stadium Site

- 6.1. The Council presented a report to the WSCTC in July 2017 outlining the above information and recommending that options be explored for the site.

- 6.2. The Council proposed to the Committee that the following objectives should be considered for any changes to the site.

- a) Continue to provide an athletics track and field, accessible to the public
- b) Continue to provide facilities for Thames Valley Harriers
- c) Continue to provide access to facilities for existing user groups, and be mindful of key users of the Scrubs
- d) Provide new changing facilities for teams using the Scrubs sports pitches
- e) Provide additional opportunities for community use and engagement
- f) Not disturb the operation of Hammersmith Hospital and the Pony Club
- g) Leave the Trust in a sustainable financial position for the long term
- h) Have the potential to generate income for the in the Long Term, so that any changes are financially sustainable
- i) Enable the furthering of the Trust's objectives

- 6.3. These objectives were developed by officers and refined with the Trust Committee to reflect the known requirements at the time, ahead of options appraisal and public consultation. As part of the public consultation residents and stakeholders will be asked what the objectives should be for any changes to the site.

6.4. Options

- 6.5. The Committee agreed that the Council should explore at least four options at this stage

- Option 1 – Do Nothing
- Option 2 – Enhance the current facilities (either through partnership or directly)
- Option 3 – Redevelop the site – Council Led
- Option 4 – Redevelop the site - Football Club Led

- 6.6. In addition, the Committee asked the Council to explore how Imperial College London could be potentially be involved in any options. This has been considered below as part of the detailed study of option 3.

- 6.7. It was acknowledged that options 3 and 4 would potentially require other uses in order to make any proposals financially viable.

6.8. **Stage 1 Options Appraisal**

- 6.9. As part of the options appraisal officers reviewed the current facilities, their users and usage and confirmed the land title. Stakeholder consultation meetings were held with user groups and potential users to understand their needs and demands of the site. This included all the current users plus QPR football club and Imperial College's sports section.
- 6.10. High level design and financial assessments were carried out to establish an initial baseline of what is practically feasible and what might offer the most benefits.
- 6.11. The options assumed that improvements are made to the sports pitches on the Scrubs along with the Stadium site.
- 6.12. At this stage, the options appraisal has not focused on who would be responsible for funding and developing the works for options 3 and 4, and so these two options are combined.
- 6.13. For any of these options to proceed they would need to meet the requirements of the Wormwood Scrubs Act, and the Trust would require the consent of the Ministry of Defence and the Charities Commission.

6.14. **Option 1 – Do Nothing**

- 6.15. Doing nothing is a revenue losing option, with no realistic prospect of enhancing revenue generation for the facilities on site.
- 6.16. To keep the facilities functioning, the Trust will need to expend its reserves, raise charitable donations or income, or the Council will need to subsidise further, including capital works.
- 6.17. Doing nothing either continues the status quo of poor quality facilities, or results in the Stadium closing and the Trust experiencing financial difficulties.

6.18. **Option 2 – Enhance the current facilities (either through partnership or directly)**

- 6.19. The site could be refurbished with improved and enhanced facilities provided on site and on the Scrubs. This would include:

- New 12 team changing rooms and clubhouse
- New training centre for football and all-weather pitches
- Upgrade of astro turf pitches
- New athletics stand
- Resurfacing of track
- New 11 a side pitch and spectator facilities
- Upgrades to car park
- Improvements to access

- 6.20. These improvement options were developed following consultation with the existing users of the facilities, the parks and leisure team and based on current schools' usage of the site. Imperial College were also consulted to identify if their requirements could be accommodated. All dimensions of sports pitches used in developing options following Sport England guidelines and for football, FA advice.
- 6.21. By improving the facilities, this creates an opportunity to increase revenue generation through both increasing the number of available weeks and sessions of the facilities from the current state (e.g. through all-weather facilities) and enabling higher charges to users of the facilities.
- 6.22. An initial assessment suggests that this could generate an additional £200,000 in fee income. This additional income is generated by doubling the number of bookings and from increasing charges to users. Prices for five a side pitches are lower than local competitors and to newer facilities, so higher quality facilities could justify higher charges.
- 6.23. A summary of a consolidated cost and income is shown below, which assumes that the maximum use of the facilities can be achieved, and which assumes costs are as in an 'average' year. The tariffs increase would impact on other parts of the Council as it would involve increased charges to local schools.

Income	£
Existing Car Parking and other Income	700,000
Current Sports Fee Income (Max Usage)	200,000
Additional Sports Fee Income	200,000
Total	1,100,000
Expenditure	
Running Costs	300,000
Ground Maintenance	700,000
Other WSCT Costs	30,000
Total	1,030,000
Net Surplus	70,000

- 6.24. This shows that the site has the potential to generate a small surplus on its operations. However, this does not include any capital charges, including the costs of borrowing.

6.25. An initial costs assessment has highlighted the following potential capital costs for this option:

Indicative Capital Costs	£
Remove Artillery Wall	500,000
New 12 Team Changing Rooms	1,750,000
New all-weather facilities	1,500,000
Upgrade astro turf pitches	1,500,000
New Spectator facilities	250,000
Resurface Athletics Track	500,000
New Grass football pitch	250,000
Car Park upgrade	250,000
Access improvements	500,000
Total	7,000,000

6.26. There are funding opportunities from the Football Foundation and given the interest of the local sports clubs who have commented in the consultation that they would also help a crowdfunding campaign the capital costs could be funded in the following way:

- 50% Sports England Parklife Football Hub funding
- 10% Crowdfunding
- 40% LBHF mainstream borrowing

6.27. This would produce a capital funding requirement of £2.8m from LBHF if the Council takes a role in funding it. If this was funded from borrowing, then it would incur additional costs of c.£220,000 in interest and capital repayments, before MRP is considered.

6.28. This option would therefore require ongoing subsidy from the Council.

6.29. As a variant within this option, the Trust and the Council could consider partnership arrangements with the private sector – however, as even with Council funding and low cost of capital this option does not produce a surplus, it is highly unlikely the private sector would be willing to risk the capital investment.

Option 3 and 4 – Redevelopment of the Site – Council or Football Club Led

6.30. A high-level masterplan options appraisal has identified that it is physically and practically possible redevelop the site and provide the following uses:

- A performance venue of c.45,000 seats which could accommodate football and other sports
- A new athletics track, stand and other facilities
- Additional facilities that would meet the needs of Imperial College, the Thames Valley Harriers, Chiswick Hockey Club, Kensington Dragons and additional users such as through the creation of a skate park and outdoor play facilities
- Create improvements to the Scrubs itself including improved leisure facilities which would also have revenue generating potential.

6.31. The capital cost of this option is higher than the other options – and is estimated at £159,000,000 for a simple construction and the external facilities. This could be funded either directly by the Council or through a partnership with an external stadium operator, e.g. a football club (option four identified above) or a combination of the two.

6.32. Sub leases to tenants could be granted for its use – such as sports clubs, entertainment operators – and generate a revenue stream to cover the costs of capital and create an additional surplus.

6.33. This option creates the following potential benefits:

- 1) Significant enhancement of the sporting facilities on site and on the Scrubs
- 2) Long term funding security and a revenue funding stream
- 3) Long term improvements to the Scrubs for the benefit of wider population
- 4) A funder or operator may construct all facilities, removing the need for Council funding.

6.34. Option 3 Detailed Study

6.35. The first stage demonstrated that option 3 – large scale intervention – could bring about significant improvement to the site, benefits to the community and the Trust whilst also being financial sustainable. However, before confirming whether this option was suitable for public consultation and to confirm that it is an option that has a realistic proposition of being delivered, further work was instructed ahead of a public consultation.

6.36. In order to fully test the larger scale intervention more detailed work has been carried out. The Council appointed Populous architects to develop different masterplan options for the site, which could then be costed and evaluated.

6.37. This stage of the assessment has reviewed:

- a) Deliverability – Practical and physical challenges and how to overcome them
- b) Economic Scheme viability
- c) Economic opportunity and benefits

6.38. This stage has also produced:

- a) Financial capital investment development model cashflow
- b) Financial operating income and expenditure model (based on a typical year) including leasing/ownership sensitivities
- c) Capital funding options
- d) Stakeholder workshops
- e) Market testing

6.39. As part of this process the Council has spoken to a number of stakeholders, including the current occupiers and users of the site, local professional football clubs, and venue operators in order to understand both market demand for this type of proposal and the community needs.

6.40. Consultation with event operators have identified that there is demand for a performance and conference space either incorporated into a stadium or as a stand-alone entertainment venue. This has been considered as part of the feasibility.

6.41. These consultations have identified the following potential demands for the site:

Community/University Demands

- Imperial College – multipurpose athletics, training and biomedical facility
- Thames Valley Harriers – ongoing clubhouse and athletics facilities
- Kensington Park Dragons – a main pitch, stand and facilities capable of meeting FA level 5 requirements
- Ongoing provision of five a side and 11 a side football pitches, grass and all weather, hockey, cricket and baseball facilities
- Facilities on the Scrubs for changing and refreshments

Operator Demands

- A multi-use entertainment venue with a capacity of 20,000 to 45,000 for a range of functions (e.g. concerts, trade shows, exhibitions, theatre)
- Capacity for football and other sports provision within a range of 35,000 to 45,000 that can be co-located with an entertainment venue
- Flexible conference facilities for up to 2,000 people within a separate facility
- A separate performance box of between 6-8,000

6.42. Populous has therefore produced a high-level masterplan vision that can accommodate all of these demands, but is flexible so that changes are possible if a final option is brought forward. This has allowed for a realistic design option to be tested ahead of a public consultation.

6.43. The site can be configured in more or less complex ways, with for example the option for the main venue to have a roof that can be raised or lowered depending on the circumstances.

6.44. This goes further than the option tested in the first phase described at 5.30 above, but provides a wide range of facilities that meet the community's needs, while providing economic opportunity for the Borough and revenue for the Trust and the Council.

6.45. The different community and operator demands have been tested and there are four primary design options which could be included within a public consultation, which are summarised in the section below and paragraph 5.52.

6.46. **Options for Delivering and Funding the Options**

6.47. There are three main options for how any scheme could be operated

- 1) All facilities are managed by a single operator;
- 2) Facilities are split between a sports operator and an entertainment operator
- 3) The facilities are sub-divided into three areas and managed under three separate contracts:
 - A) Schools and community;
 - B) University and clubs;
 - C) Professional Operators

6.48. Options Tested in Financial Model

6.49. In order to test the affordability of any schemes the designs provided by Populous have been:

- 1) Tested by cost consultants
- 2) Reviewed by facilities management operators to give an indication of costs
- 3) Uses revenue estimates from market information
- 4) Tested against potential capital funding models identified above

6.50. The model has tested the following scenarios

- 1) The optimum scheme including all facilities, and with the most expensive construction option and 45,000 seats (including a roof that can be lowered or raised)
- 2) The optimum scheme with 42,000 seats and a traditional roof and pitch arrangement
- 3) As B but with a smaller venue of 35,000 seats
- 4) No entertainment venues and only a traditional stadium of up to 35,000 seats funded by the occupier

6.51. In Options A, B and C it is assumed that development costs are funded through a long-term income funding arrangement with an institutional investor. In this scenario LBHF would grant a lease to the investor, who would grant a 50-year lease back to LBHF. The investor would provide all of the funds for the land acquisition and the construction. On completion, the Council would be required to make lease payments (rent) back to the investor. The Council would cover the costs of these lease payments through the events that happen on site. It

can protect itself by entering into sub-leases with operators and tenants who would guarantee to make set payments. Any income generated above the lease payments would be surplus for the Council to control. It is unlikely the Trust would be able to enter into such arrangements directly or at least on less favourable terms than to the Council – the Trust has limited financial standing, whereas the Council has a strong covenant against which funders can rely.

- 6.52. In Option D it's assumed that the stadium venue is simply disposed of to the main tenant (i.e. a football club) who fund its construction and that no entertainment venues are included. The Council or Trust would need to fund all other facilities, i.e. the replacement of existing running track and other facilities, potentially from funds realised from the disposal.
- 6.53. The exempt appendix of this report sets out the economic appraisal for these options, but a high-level summary is provided below.

	Option A	Option B	Option C	Option D
Capital Costs	425,650,621	351,227,530	316,983,815	70,396,681
Yr 1 Operating Costs	7,605,576	7,605,576	7,605,576	7,605,576
Yr 1 Finance Costs	16,045,050	13,272,217	11,996,375	2,809,107
Total Operating Costs	23,650,626	20,877,793	19,601,951	10,414,683
Yr 1 Income	27,312,106	22,312,106	20,312,106	9,343,247
Yr 1 Surplus	3,661,480	1,434,313	710,155	-1,071,436
Yr 10 Cumulative Surplus	41,399,447	16,217,424	8,029,549	-12,114,452

7. Consultation

- 7.1. This report recommends that the Trust completes a joint public consultation with the Council over a 12-week period on the options available for Linford Christie Stadium.
- 7.2. The results of this consultation will be considered by the Council as part of the decision-making process on the future of Linford Christie.
- 7.3. The Trust will also consider the results of the consultation and the Trust Manager will provide a report for the Trust.
- 7.4. The consultation is not a statutory consultation, but it is good practice for the Council to consult the public when it is considering making a decision. The Charities Commission also expects charities to consult.
- 7.5. The Council's Cabinet will receive a report in February proposing that a joint consultation be carried out on the options available for the site.

- 7.6. The options are set out below.
- 7.7. The consultation period is proposed to last for 8 weeks and the key options that would be consulted on are:
- 1) Maintain the Status Quo/Do nothing
 - 2) Discontinue the current uses
 - 3) Complete a minor intervention to refurbish the site – with either a) the Trust or b) the Council leading and raising funds for this
 - 4) Complete a major intervention, including additional facilities such as those set out in section 5 of this report - with either a) the Trust or b) the Council leading and raising funds for this
- 7.8. Residents and local stakeholders will be asked for their views on these options and the facilities that could be included in any future proposals, and be invited to present alternative proposals.
- 7.9. The consultation will take place via the Council's online portal and will be promoted through the usual channels, and the Council will also send letters to residents in the local area of the Stadium and Wormwood Scrubs.
- 7.10. When the consultation is finished, the Council will complete its business case process and make firm recommendations for a preferred way forward. This proposal will then be presented to the Trust committee, and on the Council's side to Cabinet (and Full Council where appropriate) for it to consider.
- 7.11. In order for the Council to assess the results of the consultation fully it will require some additional professional advice. It will specifically require legal advice, and planning policy advice. These services will be procured under the Council's Contract Standing Orders.
- 7.12. When the Council has completed its business case process and has a preferred option to recommend to the Trust, the Trust will need independent advice in order to consider these recommendations. This is set out below in the Legal implications section.
- 7.13. The Council is also likely to require further professional advice and so may need to procure advisors for the completion of a business case.

8. Equality Implications

- 8.1. It is not anticipated that proposals in this report will have any direct negative impact on groups with protected characteristics, under the terms of the Equality Act 2010. Any potential adverse impact of pursuing the different options will be assessed as part of the consultation and option development. Consultation will be undertaken ensuring access for groups of people with protected characteristics.

8.2. Once consultation has been completed and a consultation report completed, an EQIA should be completed on any preferred proposals.

9. Legal Implications

9.1. Consultation requirements

9.2. Governance and Decision Making

9.3. **Conflicts of Interest** – the Trust (effectively the Council trustee) must take independent legal and valuation advice and be able to demonstrate to the Commission how conflicts of interest have been managed. Representatives of the Council as corporate trustee should not participate in the Council's own decision making in relation to the site. This in effect means that Council officers and Councillors who have a decision-making role at the Council should not participate in the Trust's decision making. To manage this risk thoroughly the Council could consider appointing independent trustees following a recruitment process.

9.4. Future Consents

9.5. Following consultation, if recommendations are made that if implemented would lead to changes to the activities on site or to development, the Trust will need to seek the consent of the Charities Commission, and the Ministry of Defence. The legal position between the Council and the MOD is regulated by a legal agreement entered into in 1980. This divides the Scrubs into a portion to the west which is available for potential military use, with remaining portion, to the east of the scrubs and including the Stadium site, being designated as 'free from military use'.

9.6. Governance and Decision-Making Process of the Trust

9.7. Any decision on the future of the Stadium site will require robust decision-making procedures to avoid the creation of conflicts of interest – created by the role of the Council as Trustee.

9.8. Therefore, for any future decision-making process about the stadium site after the consultation the Council as Trustee will need to:

- a) Ensure that when making any decision on the matter the WSCTC has available to it for consideration a full report from an independent surveyor who will consider if the Charity is receiving fair value.
- b) (Alongside any planning consultation) conduct a full public consultation, the results of which will be carefully considered by the WSCTC.
- c) Ensure that individuals within the Council's executive are allocated so that the same individual does not advise both the WSCTC and the Council in its own capacity, and ensure the members of the executive acting for the WSCTC

- 1) Prepare a report for the WSCTC providing any further relevant details not covered in the surveyor's report above; and
 - 2) Provide the members of the WSCTC with a briefing note as trustees along with copies of the Charity Commission's guidance, 'Conflicts of interest: a guide for charity trustees (CC29)', 'Local authorities as charity trustees', 'It's your decision: charity trustees and decision making (CC27)' and 'Sales leases transfers or mortgages: what trustees need to know about disposing of charity land (CC28);
 - d) Require the WSCTC when it makes any decision to proceed with any option, apply to the Commission for an order authorising this. The WSCTC will need to prepare a detailed statement of reasons, which will set out why, having considered the reports and evidence detailed above it considers that it is in the best interests of the Charity to proceed with any option, in particular if that means it is transferring ownership of land.
- 9.9. The Trust may need to complete further, sperate consultations as part of the decision-making process.

Comments Provided by Gowling WLG (UK) LLP, 28 September 2018
RVB1/SRP1/2658104 to the Council.

10. Financial Implications

Financial context

- 10.1. This report sets out the rationale and high-level options for a public consultation exercise on the options for Linford Christie Stadium. The financial rationale as set out in 3.11- 3.19 sets out the costs borne by the Council in running Linford Christie Stadium and 3.20-3.29 includes the financial position of the Wormwood Scrubs Charitable Trust.
- 10.2. Whilst the Council receives a contribution of £31,500 from the Trust towards running costs of the Stadium, Council expenditure on the Stadium exceeds income generated by c£120,000 (excluding capital charges) per annum. In addition, the Council has committed significant capital sums to the Stadium with significant essential capital work of over £1 million being identified as necessary in the short term. These costs may be revenue costs if the works do not enhance or lengthen the life of the asset.
- 10.3. In line with Council's priority of being ruthlessly financially efficient, the Council needs to consider and challenge this expenditure to ensure that it is value for money and achieves Council priorities in the context of needing to continue to identify and deliver significant savings in the medium term.
- 10.4. The Trust's current financial position does not allow it to meet the full running costs of the Stadium in the medium term without the Council contribution to running costs and its reserves would not be sufficient to fund the essential capital works identified should the Council choose not to invest its own funds in these works.

Consultation costs

- 10.5. The Council will cover the costs of the consultation exercise, and any legal and professional advice needed at this stage, which will be included within the Cabinet report in February

Future costs

- 10.6. Following the consultation exercise, the Council will complete its business case process and make recommendations for a preferred way forward. The financial implications of the preferred option will be fully set out in the business case and reflected in a future decision report.
- 10.7. Implications completed by Emily Hill, Assistant Director, Corporate Finance, 020 8753 3145.

11. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

Appendix 2 – Exempt Information