

**LEE VALLEY ICE CENTRE REDEVELOPMENT
– EXTERNAL FUNDING**

Presented by the Corporate Director

EXECUTIVE SUMMARY

This report seeks Members approval for the Authority to enter into a 10 year funding agreement with the London Borough of Waltham Forest to support the funding package for the new Twin Pad Ice Centre.

The Authority have obtained the relevant consents to continue with the project and this proposed funding agreement has been designed to support the Authority's cash flow during the early years for the venue's operation whilst delivering a host of community benefits.

The requirements from the London Borough of Waltham Forest have been fed into the business plan and programme for the new venue and the costs associated with it have been fully assessed.

The Authority has the appropriate officer structure in place to service the agreement and has the required arrangements in place via the Leisure Service Contractor to ensure the effective delivery of the obligations set out.

RECOMMENDATION

Members Approve: (1) entering into a funding agreement with the London Borough of Waltham Forest as set out in paragraph 5 of this report.

BACKGROUND

- 1 On 29 April 2021 Members at the full Authority meeting approved the recommendations within papers A/4300/21 and A/4301/21 which was to:
 - borrow up to £30million to fund the Ice Centre redevelopment, subject to consent from the Secretary of State (SOS);
 - to not progress a temporary ice rink during the build phase;
 - the business continuity and support initiatives for coaches and clubs;
 - entering into a heads of terms (HOT) with the Canal & River Trust; and
 - subject to SOS consent being granted for the borrowing, entering into an

agreement under seal with the preferred Bidder to build the new venue.

SOS consent was applied for on 30 April and on 18 June we received written confirmation that as long as we complied with the provisions of the Local Government Act 2003, which our Section 151 Officer has confirmed we are, then the Authority can progress with its application to borrow.

- 2 External funding has been an area that officers have throughout the project sought to obtain. This has been challenging throughout and further discussions with Sport England (SE) and the London Marathon Trust (LMT) have not resulted in any offer of funding. The current criteria set out for SE support does not fit with the project and LMT are in a different place given COVID-19 and its impact on mass participation events and its income generating ability. Officers will continue discussions with SE and LMT but it is unlikely any financial support will be available from these funding partners.

LONDON BOROUGH OF WALTHAM FOREST

- 3 Discussions with the London Borough of Waltham Forest (LBWF) have progressed well and at their Cabinet meeting on 4 April 2021 the cabinet gave approval for a 10 year agreement to support the funding of the Ice Centre redevelopment project. The package is broken down as follows:

- LBWF to provide £1million support over the first five years of operation, £200,000 pa;
- the Authority to supply community benefits through the pre-agreed programme with the long term operator of the venue and within existing team structures of the Authority:
 - targeted 'free' sessions for under-represented groups, 4 hours per week at off peak;
 - targeted Crime Prevention Programme and mental health and wellbeing programme;
 - Biodiversity education programme;
 - employment/apprenticeship scheme; and
 - community tickets for events.

The obligations to deliver the community benefits as set out have been fed into the business planning work for the venue and the impact from a value perspective of the proposal is fully considered.

- 4 The funding agreement is for a 10 year period, and will commence at the opening of the new Lee Valley Ice Centre (November 2022). The community benefits will be delivered for 10 years plus the required number of days to finish on 31 March. So for clarity, the provision will start in November 2022 and will finish on 31 March 2033, but the Authority will receive the funding over the first five years of the operation.

THE AGREEMENT

- 5 Under the funding agreement, the Authority may only use the £1million grant for the purpose of providing the new Lee Valley Ice Centre. LBWF has a right to require the Authority to refund any instalments already paid by LBWF that have been proven, to the reasonable satisfaction of LBWF, not to have been used for the purpose of providing the new Ice Centre.

Along with providing the community benefits set out above, the Authority is required to provide LBWF with information including overall participant numbers, post code data and outcomes at six monthly intervals and senior representatives of each party will meet at least once in every six months to discuss delivery of the community benefits.

The agreement provides for an escalation process involving increasingly senior officers of each party, and, ultimately, in the case of the Authority, to the Executive Committee (or sub-committee formed for this purpose) in the event of a dispute in relation to the delivery of the community benefits and agreeing a recovery plan for their provision. The payment of future instalments may be withheld where a recovery plan is not agreed or the agreement is not complied with. If payments are withheld for more than two years, or the community benefits are not in compliance with the agreement for any two years, then LBWF has the right to require the repayment of previous instalments having regard to the extent to which the community benefits have been provided by the Authority to that point, and no instalments are repayable in respect of years in which all community benefits were provided.

Under the agreement, the Authority is obliged to acknowledge LBWF's financial support for the new Lee Valley Ice Centre in promotional and publicity material, site hoardings and such other ways as the parties may agree.

ENVIRONMENTAL IMPLICATIONS

- 6 There are no environmental implications arising directly from the recommendations in this report.

FINANCIAL IMPLICATIONS

- 7 The financial implications arising directly from the recommendations in this report are included within the body of the report.

The funding agreement allows for five payments of £200,000 per annum, with the first receipt on signing of the agreement, and subsequent payment annually, commencing April 2022.

The Authority will have a potential liability for repayment of all, or part, of this funding for the 10 year period of the agreement, so will require the support funding to be carried as a "Revenue Grant Received in Advance" on our balance sheet, rather than charged to the General Fund. Once all conditions have been met, it will be "written" back to revenue.

Whilst the General Fund will not be credited with the income until the funding obligations have been met in March 2033, the £200,000 annual funding will assist with our cash flow in the first years of operation.

HUMAN RESOURCE IMPLICATIONS

- 8 There are no human resource implications arising directly from the recommendations in this report.

LEGAL IMPLICATIONS

- 9 The legal implications arising directly from the recommendations in this report are set out in paragraph 5 above.

RISK MANAGEMENT IMPLICATIONS

- 10 Failure to deliver the agreed community support benefits will result in the Authority having to repay part, or all, of the funding.

EQUALITY IMPLICATIONS

- 11 There are no equality implications arising directly from the recommendations in this report.

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PREVIOUS COMMITTEE REPORTS

Executive Committee	E/203/12	Review of the Lee Valley Ice Centre	19 April 2012
Executive Committee	E/404/15	Ice Centre Feasibility Study – Phase 3	21 May 2015
Executive Committee	E/431/15	Ice Centre Feasibility Study – Phase 3 Part 1	17 December 2015
Authority	A/4228/16	Outcome of the Ice Centre Feasibility Exercise and Proposed Next Steps	16 June 2016
Executive Committee	E/502/17	Potential Ice Pad, Cooling System and Barrier repair	25 May 2017
Executive Committee	E/546/18	Lee Valley Ice Centre 2 Staged Twin Pad Option	22 February 2018
Executive Committee	E/571/18	Lee Valley Ice Centre Twin Pad Alternative Approach	26 July 2018
Executive Committee	E/618/19	Lee Valley Ice Centre: Next Stage Detailed Design and Planning Application	25 April 2019
Executive Committee	E/698/20	Lee Valley Ice Centre Redevelopment – Section 106 Agreement	19 November 2020
Executive Committee	E/719/21	Lee Valley Ice Centre Redevelopment	25 March 2021
Authority Meeting	A/4300/21	Lee Valley Ice Redevelopment	29 April 2021
Authority Meeting	A/4301/21	Lee Valley Ice Redevelopment	29 April 2021

LIST OF ABBREVIATIONS

LVIC	Lee Valley Ice Centre
LBE	London Borough of Enfield

LBWF	London Borough of Waltham Forest
SOS	Secretary of State
HOT	Heads of Terms
LSC	Leisure Services Contract
SE	Sport England
LMT	London Marathon Trust

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