

TRAFFORD COUNCIL

Report to: Executive Committee
Date: 21st October 2024
Report for: Decision
Report of: Executive Member for Culture, Leisure, and Strategic Partnerships and Executive Member for Economy and Regeneration

Report Title

Old Trafford Sports Barn Community Asset Transfer

Summary

The report seeks approval for the Community Asset Transfer of Old Trafford Sports Barn.

Recommendation(s)

It is recommended that the Executive.

- I. Approve the proposed disposal of the Old Trafford Sports Barn (OTSB) to the Special Purpose Vehicle (SPV) as a Community Asset Transfer (CAT) by way of two leases, one of the areas shaded red including a hatched blue on the plan and one of the area shaded green on the plan (Appendix 1) subject to:
- II. Approve the full business plan (Part 2) for the future operation of OTSB by SPV
- III. Approve the completion of an agreement between the Council, Trafford Leisure Community Interest Company Limited ("Trafford Leisure") and SPV of the transition arrangements detailed in this report ("the Transition Agreement")
- IV. Delegate authority to the Corporate Director of Place, in consultation with the Corporate Director of Finance and Systems and the Corporate Director for Governance and Community Strategy to approve minor amendments to the full business plan (Part 2) for the future operation of OTSB by SPV
- V. Delegate authority to the Corporate Director of Place, in consultation with the Director of Finance and Systems and the Director of Legal and Governance to agree the final head of terms of the proposed leases to completion including any other documents necessary to implement the decision of the Executive.
- VI. Delegate authority to the Corporate Director of Place in consultation with the Director of Legal and Governance and the Director of Finance and

	Systems to enter into a funding agreement offered to the project and the terms and conditions associated with receiving a funding offer from Sport England and the Football Foundation.
VII.	Delegate authority to the Corporate Director of Place to submit planning permission for building works at Old Trafford Sports Barn subject to external funding secured.
VIII.	Notes the provision of Early Years childcare provider at OTSB for minimum of 5 yrs. subject to an alternative site being sourced by either Trafford Council, SPV or the Early Years operator on site.
IX.	Notes Transfer of Undertakings of Pension and Employment rights (TUPE) may apply.
X.	Notes Seymour Park is registered as an Asset of Community Value (ACV) and that the disposal of OTSB will be subject to the requirements for an ACV.

Contact person for access to background papers and further information:

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Background Papers: None

CORPORATE PRIORITIES AND GOVERNANCE CONSIDERATIONS	
The Best Start for our Children and Young People	As part of the process the existing Early Years provision has been offered security of tenure. The SPV is also considering its offer for Children and Young People as part of its business plan.
Healthy and Independent Lives for Everyone	Supports Trafford Moving, the boroughs sport, physical activity and leisure strategy and the Walking, Wheeling, and Cycling strategy, the boroughs Active Travel strategy. The proposed Community Asset Transfer is aligned to the Councils Estate Strategy 2023-33.
A Thriving Economy and Homes for All	N/A
Address the Climate Crisis	See ‘Sustainability Implications’
Culture, Sport and Heritage for Everyone	Supports Trafford Moving, the boroughs sport, physical activity and leisure strategy and the Walking, Wheeling, and Cycling strategy, the boroughs Active Travel strategy. The proposed Community Asset Transfer is aligned to the Councils Estate Strategy 2023-33.
Relationship to GM Policy or Strategy Framework	The decision relates to the GM Moving strategy in terms of the aim to increase physical activity levels, Pivot to Wellbeing regarding leisure outcomes and GM Gear Change in relation to Active Travel.

Financial Considerations	Disposal is at a peppercorn lease at undervalue, but this is less than the £2m threshold set out below. The CAT aims to provide long term financial sustainability for the OTSB from the business plan set out in Part 2 of this report. This in turn will remove the existing reliance on Council revenue budget support.
Legal Implications:	<p>Consideration will need to be given to the interest proposed to be transferred to SPV and to the nature and extent of the rights, liabilities and obligations being passed on to SPV and those which will be retained by the Council.</p> <p>Consideration will be required as to safeguarding the Councils position in the event that the SPV is unable or unwilling to continue to manage OTSB as a community facility.</p> <p>The Council may authorise a disposal at undervalue in breach of its requirement under s123 Local Government Act 1972 to obtain best value where the undervalue is less than £2m and provides a social, economic, or environmental benefit to the local community.</p>
Equality/Diversity Implications	An Equality Impact Assessment (EIA) has been attached as Appendix 3. The redevelopment proposals will improve accessibility.
Sustainability Implications	The SPV, as part of their business plan and facility improvements will seek to make the building more sustainable, it is suggested this is done in alignment with the Councils strategies around sustainability. Trafford Council has a target for Trafford to become carbon neutral by 2038. The Council leads the way in promoting decarbonisation activity across the borough. The Council will work with UA92 and PCS-OT to explore decarbonisation opportunities and will strongly encourage them to integrate these into the business plan.
Resource Implications e.g. Staffing / ICT / Assets	<p>The SPV will need to provide staffing, ICT, and infrastructure for OTSB if they complete a CAT of the site.</p> <p>Transfer of undertakings of pension and employment rights (TUPE) may apply. Trafford Councils Human Resources will support Trafford Leisure to ensure the appropriate processes are in place and staff (7 headcount/ 2.5 FTE) and trade unions are fully engaged.</p> <p>Trafford Council would need to dedicate some resource to support and manage the CAT in terms of project management, Finance, Legal and Estates.</p>

	<p>There will also be an ongoing resource requirement from Trafford Council in terms of managing the agreement, reviewing the health and wellbeing outcomes, and trading and performance reviews.</p>
Risk Management Implications	<p>Effective management of risks is an essential part of good governance and as such Trafford Council have a Risk Management Strategy. The principle of proactively managing risk will be part of this proposed CAT.</p> <p>A comprehensive risk log has been developed. Risks will be reviewed regularly as part of the transition arrangements with Trafford Leisure and embedded within the governance framework for this proposal.</p> <p>There is recent experience and learning from the CAT for George H Carnell leisure centre to help mitigate risk and provide greater cost certainty.</p>
Health & Wellbeing Implications	<p>OTSB is in the Old Trafford ward, investment into OTSB will provide a local facility mix that encourages physical activity and improves health and wellbeing, including the mental wellbeing of Trafford residents, contributing to the reduction in health inequalities. This will be achieved by providing community facilities and tailored programmes of engagement that target inequalities in Trafford and create opportunities to reduce levels of inactivity.</p> <p>OTSB is in the Old Trafford ward.</p> <p>When compared to the rest of Trafford it is among the least active wards in the borough.</p> <p>The “do nothing” option will lead to the decline and ultimate closure of OTSB. Reducing the leisure asset base would limit the delivery of key strategic health and wellbeing outcomes.</p>
Health and Safety Implications	<p>Health & Safety will continue to be a priority. The “do nothing” option will lead to deteriorating assets, and this will naturally require more resource to manage and therefore escalate reactive maintenance costs.</p>
Socioeconomic duty Implications	<p>Through consultation an engagement with residents and through the FMG Stage One report a thorough consideration of the Socioeconomic challenges in Old Trafford has been developed. These considerations have informed the FMG Stage Two Report and the SPV Business Case</p>

1.0 Background

- 1.1. Enabling residents to move more, every day is the aim of Trafford Moving, the borough's physical activity strategy. One of the key outcomes of this strategy is reducing the number of 'inactive' people in Trafford. Based on the latest Active Lives Survey (2022) 23% of residents in Trafford are inactive, which means these individuals engage in less than 30 mins of activity per week, in some cases doing no physical activity at all; inactive residents are more likely to suffer from health inequalities. Research indicates that inactivity is more prevalent in certain population groups, and amongst communities, as is the case in Old Trafford. Research also indicates that access to local space and places to be active is a key determinant in tackling inactivity.
- 1.2. In 2021, as part of the Leisure Investment Strategy, the Council undertook a detailed review of its Leisure facilities which included the adoption of Sport England's Strategic Outcomes Planning Model (SOPM) The SOPM provided an in-depth analysis of the needs and gaps in provision across the leisure estate, aligned to the key priorities of the Council and the objectives of Trafford Moving, the boroughs Sport and Physical Activity Strategy.
- 1.3. In December 2021, the Executive granted approval to explore the CAT of OTSB through an expression of interest process. The decision built on an initial feasibility study conducted in 2018 and the successful CAT of Stretford Public Hall and George H Carnall centre.

2.0 Strategic Alignment

2.1 Corporate Plan

The CAT of OTSB will deliver much needed, improved facilities that will support the Councils corporate priorities, namely: -

- Healthy and independent lives for everyone
- Culture, sport and heritage for everyone
- Address the climate crisis

OTSB will be ideally placed to support the reduction of health inequalities and improve community health and wellbeing. The Councils' corporate objectives acknowledge the contribution that sport and leisure offer beyond merely fitness. Strategically directed services and facilities can have a significant impact on physical and mental wellbeing alongside improving educational attainment and reducing health inequalities.

Post pandemic, there is greater public awareness of the value of physical activity and the role in improving health and wellbeing. This is underpinned by a change in policy at a national and regional level with a clear shift from delivering fitness to wellness and provision of local community hubs. Equally, there is a growing recognition from health and social care commissioners in the potential for local leisure facilities to reduce health inequalities and improve health and wellbeing outcomes. The CAT of OTSB will enable the sustainability of a valued community asset, alongside supporting early years and service outcomes aligned to the strategic outcomes of the Council.

2.2 Trafford Moving

Trafford Moving is the boroughs strategic approach to sport and physical activity. Following extensive consultation, the strategy was approved by Executive in April 2023. Trafford Moving adopts a placed based approach to collaborating with local communities and partners including health and social care. Its overall aim is to support those who are inactive to become more active and move more every day. The Trafford Moving Partnership, working with health and local stakeholders, is developing seven community plans in localities across the borough to reduce health inequalities, including Old Trafford and neighbouring Gorse Hill, and Stretford. The Leisure Investment programme and the CAT of OTSB will support the outcomes of Trafford Moving through the provision of fit for purpose, sustainable local facilities that will support the improvement of community health and wellbeing.

3.0 Old Trafford Sports Barn

- 3.1 Old Trafford Sports Barn was constructed in 1980's, and it was later extended in 2006. The site consists of a sports hall, a small sided all-weather pitch, two multi-use games areas and a linked full size grassed pitch. The building accommodates Early Years provision and has a flexible space, which was previously utilised by the Council's library services. There are small changing rooms within the building as well as toilet facilities, small office spaces, and a mezzanine floor which accommodates a kitchen and two flexible rooms. There is a full-size grass football pitch within Seymour Park linked to OTSB as well. The centre is currently managed by Trafford Leisure on behalf of the Council.
- 3.2 OTSB building was extended through the Barclays Spaces for Sport Project. The project also gained a range of support from key stakeholders including the Council, Football Foundation, Groundwork, and Manchester United. The aims of the project were to increase participation in sport and physical activity, particularly among inactive sections of the local community. A core objective was to use the programme of activities as a catalyst for wider community engagement, including targeting local disaffected young people in positive activities, personal development, and training opportunities. More recently, Greater Manchester Police (GMP) used sections of the building to deliver staff training.
- 3.3 The original aims and objectives of OTSB have not been fully realised. This in part is due to a lack of engagement with local communities in the programme of activities on offer which has impacted negatively on income raised by Trafford Leisure. The level of extent of investment required to support the building has also been constrained by the pressure on the Council's budget and opportunities to attract external funding reduced accordingly.
- 3.4 Trafford Leisure's overall finances are supported by the Council; the 2024/25 approved revenue budget includes a deficit of £0.765m of planned support. OTSB over recent years has operated at a loss with Trafford Leisure costs outweighing income for the site. This is, hence, included in the Council's budget support requirement.
- 3.5 A Community Asset Transfer provides a detailed process to assess the interest and capacity of community stakeholders in taking on the running of a local asset. The

aim is to ensure the long-term sustainability of the building and that community ownership can better support the changing needs of local communities.

- 3.6 The Council has completed a range of community asset transfers which have provided opportunities for local stakeholders to reinvigorate and create vibrant and commercially viable buildings such as George H. Carnell and Stretford Public Hall. These community run buildings are now valued local assets and programmes significantly contribute to the Council's corporate priorities by improving health and wellbeing, reducing health inequalities, and supporting people out of poverty.
- 3.7 The Council fully recognises the role that community stakeholders play as essential partners in delivering place-based services that address local needs, through provision of facilities as well as the delivery of activities and support services.
- 3.8 In December 2021, the Executive granted approval to explore the CAT of OTSB through an expression of interest process. The Community Asset Transfer of OTSB is fully aligned with the Council's Estates strategy 2023-33.

4.0 OTSB – Community Asset Transfer

- 4.1 Before seeking expressions of interest for the CAT, a Citizen Space Survey was conducted which generated 99 responses from residents. The responses were used to help inform the CAT process. The survey was underpinned by community engagement sessions and engagement with ward councilors.
- 4.2 The responses highlighted the following key areas...
 - The top four things that would encourage residents to use OTSB are Fitness Classes, Sports Sessions, Café, and Creative Sessions
 - 82% of respondents said costs was important to them, ideally users want to pay between £1-£5 per class.
 - Most respondents stated that they do not know what on offer at OTSB, indicating that marketing is an issue.
 - Respondents to the survey also wanted to see a more visibility of the program of use and see the facilities used more by the community, with an emphasis on Children and Young People and Older Residents
- 4.3 A condition survey was completed in October 2022 on the building which identified a requirement for essential statutory compliance works to be undertaken. As a result, £60k was ring fenced within the approved Leisure Investment Capital Programme and these works have been completed.
- 4.4 In total, three expressions of Interest (EOI) were received when the CAT process became live, of which only one organisation submitted a business case by the deadline. Following a detailed review and full engagement with the applicant, the business case was rejected. The business case at that stage lacked evidence of capacity to support a robust operating model and the level of income and investment needed to secure sustainability of the asset. The CAT therefore was unable to progress at this point.

4.5 Given the unsuccessful outcome of the initial CAT, Sport England supported the Council in considering the four options set out below.

- Repeat the CAT process, to attract more bids.
- Continue as is and task Trafford Leisure with the continued operation of the whole asset.
- Consider transferring the asset to a broader partnership.
- Develop a plan for closure and disposal.

4.6 Given the clear level of local need and continued stakeholder interest in the potential of the asset, the Council drew on Sport England's recent experiences with authorities across the region and UK in delivering place-based working.

4.7 Other authorities have benefitted from successful CATs to a broader partnership rather than a single local applicant. This was achieved through the creation of a Special Purpose Vehicle (SPV). The benefit of a SPV is that it draws equally on the collective strengths of local partners who are best placed to ensure the sustainability of the asset.

4.8 Considering the potential of OTSB to deliver both strategic and local objectives, Sport England agreed to fund an independent needs assessment and options appraisal to explore local appetite and capacity for the approach.

4.9 In October 2023 FMG consultancy Ltd were appointed by Sport England to engage stakeholders and conduct the needs assessment and prepare the options appraisal.

5.0 OTSB: Needs Assessment and Options Appraisal – Phases 1 & 2.

5.1 Phase 1 conducted a Needs Assessment, where FMG engaged a wide range of services and local community stakeholders to gain insight on local views of OTSB and assess the robustness of current relationships.

5.2 This process enabled FMG to define the scope of community need in the area, identify organisations and community groups that could be the beneficiary of the asset, and those that have the capacity and capability to deliver a sustainable operating model and business plan. In addition to the current provider Trafford Leisure, two key local stakeholders were identified namely UA92 and Positive Community Spaces – Old Trafford (PCS-OT).

5.3 UA92 was established in 2017 with a local campus in Old Trafford and offers "broad courses designed to enhance life skills as well as employability. Courses have a focus on personal and character development, and the skills needed for the workplace. UA92 was co-founded by Lancaster University and members of the Class of '92, which are a group of local retired pro footballers who were part of the Manchester United FC winning FA Youth Cup team in 1992.

5.4 Positive Community Spaces - Old Trafford was founded by members of TuFC a well-established organisation rooted in the community and other local community leaders. The community benefit society was formed in response to the OTSB CAT opportunity

with an aim to develop spaces in Old Trafford and surrounding areas and enable activities that will benefit the community such as maintain and improve the physical, social, and environmental assets, provide employment and training opportunities, encourage sport and leisure and recreational activities, and enhance the health of wellbeing of local people.

5.5 Phase 2 – Options Appraisal – In this phase FMG identified four potential delivery models listed below.

- Status Quo: Trafford Leisure - This option would include maintaining the current operating model with Trafford Leisure and programme of use, with no capital investment to enable facility improvements.
- Trafford Leisure Plus – This option would include maintaining the current operating model with Trafford Leisure while investing in the facilities and making significant improvements to the programme of use to increase the relevance and revenues generated, as well as increasing collaboration with local stakeholders, particularly with UA92.
- A partnership between Positive Community Spaces- Old Trafford (PCS-OT) and UA92 – This option considers the strength of the two partners and their combined reach, reputation, and rapport with the community alongside their ability and capacity to sustain a viable programme of use and business plan, and also to better attract external investment.
- UA92 Plus - This option would include UA92 holding the Head Lease and potentially working with Trafford Leisure in delivering an evening/weekend community programme.

5.6 Each model was assessed in detail, against ten criteria as shown in part II of this report.

5.7 The PCS-OT and UA92 partnership, scored the highest assessment across all 10 financial and non-financial criteria. A key strength is their joint capacity to deliver a long-term community led and financially sustainable solution for OTSB. Throughout phases 1 & 2 of the needs assessment and options appraisal the powerful combination of PCS-OT's local community reach and connectivity, coupled with UA92's local record in sustainable business planning for the delivery of sport, skills and training became clearly evident.

5.8 Following the outcome of the stage two report and assessment of the options, FMG were retained by Sport England to support the development of a full business case based on a partnership between PCS-OT and UA92.

6 PCS-OT & UA92 Partnership

6.1 The partnership will use its local presence and strength of understanding of local community needs to engage with residents and develop a community focused programme of activities aimed at increasing activity levels, particularly among the inactive sections of the community. It is anticipated that UA92 will deliver education, training, and curriculum skills-based courses during the daytime, throughout term time within the academic year. Alongside this more structured learning, which will be focused on young people, it proposed a broader community-based programme of

activities to increase activity levels and improve health and wellbeing will be developed during evenings and weekends and non-term time where possible in conjunction with local partners and services, led by PCS-OT.

- 6.2 Early Years provision will continue to be delivered from the centre for the foreseeable future with a 5-year minimum agreement put in place with the current provider of this service.
- 6.4 The partnership has considered the improvements required to the building to meet the needs of the community. As such the partnership with the support of FMG have developed a phased approach to the development and delivery of their business plan and handover of the facility from the current operator and Council to the proposed SPV. This will enable all parties to engage with key funders and National Governing Bodies to support the works identified.

7.0 Business case

- 7.1 An updated summary of the proposed key milestones and capital works to support the phased business plan developed by FMG, alongside UA92 and PCS-OT is provided below, this version is an updated version of the phasing model included in the FMG Stage Two Report.
- 7.2 Aspects of Phase one works have commenced to enable UA92 to start delivery of their courses from October 2024 onwards.

Phase 1 Up to Sept 2024	Phase 2 Sept 24 – Sept 25	Phase 3 Handover – Year 1	Phase 4 Handover Year 2 to 5
Whilst maintaining current activity in building, repairs and compliance work to existing building, enabling UA92 to begin delivering courses under an agreement with Council and Trafford Leisure.	Development of building extension designs, masterplan and access arrangements. Utilisation of external funding secured – capital works to building including replacing sports hall flooring, 3G football pitch, internal lighting and flexibility.	New SPV commences with building handover.	Based on performance of SPV, Major capital works including development of externals and 3G football offer. Internal works and building extension to support health and wellbeing outcomes.

- 7.2 The business case is supported by a phased development plan, which seeks to make better use of the facility through key improvements and refurbishments. It builds on the combined strengths of these partners and the advice of Sport England and considers the key needs identified via community engagement and consultation.
- 7.3 Phase one, primarily covers the initial occupation of UA92 for academic delivery from September 2024. This will be enabled by a license for access to the library space

and sports hall. It is proposed to use part of the planned compliance works to enable the minor facilities works required preoccupation including, Wi-Fi, CCTV and FFE within the library space.

7.4 Phase two would see the draw down of capital funding secured to enable capital works to take place. Works would be aligned to business case projections and increased footfall including replacing the sports hall flooring, resurfacing the current 3G football pitch, and uplifts to the internal lighting, accessibility, and flexibility of internal spaces. Works would be project managed by Trafford Council, ahead of the CAT.

7.5 Phase three marks the handover of the operations and facilities from the existing operator to the new. The focus in this phase is to drive up revenue from the maximisation of the spaces available at the centre, some of which are currently not being used, and ensures there is a sustainable operation in place.

7.6 Phase four focuses on the wider buildings and the proposed delivery of major works to enable the building to function better, create a better sense of arrival and incorporate key requirements highlighted by the community such as café.

8.0 Funding

8.1 As part of Phase 1 £60,000 was committed within the current Capital Programme to complete the necessary compliance works and to ensure the asset is in a suitable condition to be transferred.

8.2 Part II of this report details the financial approach to securing the long-term sustainability of this asset.

9.0 Leases

9.1 The proposed 25-year leases are shown in Appendix 1.

9.2 The red line boundary includes a hatched blue area which is to be retained in the lease as a car park for the use of visitors to Old Trafford Sports Barn and to Seymour Park. The SPV will be responsible for repairing obligations of the car park, but it will remain available for public use.

9.3 The green line boundary is the football pitch.

10.0 Best Value Considerations

10.1 To agree the proposed CAT, the Executive needs to agree to the disposal of OTSB at under value and a lease of 25 years is classed as a disposal.

10.2 The leases will be at a peppercorn rent and so the disposal will be at less than best value. However, this has been confirmed as less than the £2m statutory threshold and the facility will provide a social benefit to its local community.

11.0 Other Options

- 11.1 Do nothing – Doing nothing means ultimate closure of Old Trafford Sports Barn as usage continues to decline due to the poor condition of the existing facilities. During the decline, the Council will incur increasing annual revenue costs to support Trafford Leisure CIC as a going concern over several years and will still need to undertake significant further essential health and safety capital works during the same period. Strategic outcomes will not be delivered, and this option would directly impact on the Council’s ability to directly address health inequalities and climate crisis.
- 11.2 Continue to undertake short term ongoing maintenance works with associated costs required to ensure the asset can remain open - However, this would not drive key outcomes such as health and wellbeing or provide a revenue opportunity but would provide some maintenance cover for a zero-to-five-year lifespan. This has the same financial pressures as the ‘Do Nothing’ option and would lead to ultimate closure as capital and revenue costs escalate.
- 11.3 Should there be a scenario were the SPV is unable to continue or meet the obligations of the lease and the asset returns to the Council there is scope to consider the other options developed by FMG in the Stage Two report.

12.0 Consultation

- A citizen space survey was conducted in September 2022, with 99 responses a summary of the key findings is included in this report.
- In addition to this 2 community Engagement events were held between January - April 2023
- A further process of engagement was undertaken by FMG to inform the recommendations of the Stage One Report
- Additional community engagement session has been held in August 2024 and October 2024, as well as engagement with ward councillors.

13.0 Reasons for Recommendation

Leisure Assets help support the health and wellbeing of the community helping people to live longer, remain independent and in better health. In turn, reducing the growing burden upon the health and social care system.

Trafford had a declining leisure asset, the Council is currently supporting Trafford Leisure losses from its approved revenue budget, £0.765 in 2024/25. This is not sustainable over the medium term.

With the facilities in decline the strategic importance of this to the Councils aims and corporate priorities is paramount.

14.0 Key Decision: Yes

If Key Decision, has 28-day notice been published? Yes

15.0 Confidential or Exempt Information

15.1 By virtue of Paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by The Local Government (Access to Information) (Variation) Order, the following information has been excluded from this report and included in a Part 2 report:

Information relating to the financial or business affairs of any particular person (including the authority holding that information)

OR

- 15.1 Confidential information has been excluded from this report and included in a Part 2 report.
- 15.2 In all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Finance Officer Clearance *PC*
Legal Officer Clearance *ZH*

[CORPORATE] DIRECTOR'S SIGNATURE... 
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To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.

- Appendix 1 – Red & Blue Line Boundary**
- Appendix 2 – FMG Stage 1 – Strategic Needs Assessment**
- Appendix 3 – Equality Impact Assessment**