

LILLESHALL NATIONAL SPORTS CENTRE, Nr NEWPORT, SHROPSHIRE**Responsible Officer** Alan Penton and Samantha Hine

e-mail: sam.hine@shropshire-cc.gov.uk

Tel: (01743)
252591Fax (01743)
252277**Summary**

Lilleshall National Sports Centre opened in 1951. The management responsibilities are currently vested in Sport England (SE). Operational management at the site is contracted out to Leisure Connection Ltd until end March 2009.

Lilleshall is situated in Shropshire. The site straddles two local planning authorities - Bridgnorth and Telford & Wrekin - though the greater part and, in particular, the main developed area of the site lies within the Bridgnorth boundary. The rates are collected by Bridgnorth District Council.

The Centre is set in a former country estate and extends to some 135 acres. Older buildings within the site are listed as of historical significance (most Grade 2, one or two are Grade 2*). There is also a formal garden with listed monumental architecture and terrace. The sports facilities and accommodation are relatively modern though the bedrooms, in some cases, are in need of refurbishment.

Recommendations

- A. That Cabinet note the activity taking place in relation to future management of Lilleshall and the potential for the County Council to take a more leading role.

- B. That a report be returned to Cabinet upon the outcome of the work detailed at paragraph 8 to enable decisions to be made on the extent of the Council's future involvement in a Lilleshall Trust.

REPORT

Sport England (SE)

1. During 2002 - 2004 SE carried out a review of its functions resulting in a decision to rationalise the National Sports Centres with closures, declassifications and disposals agreed for each site. (*Appendix 3 provides brief information on the other National Sports Centres.*)
2. The last decade has seen significant changes in the sporting landscape including increasing empowerment of the National Governing Bodies of Sport (NGBs) as service purchasers and strategic leads for their respective sports, and rising public expectations. SE has changed its approach to reflect these factors and has shifted towards partnerships and alliances rather than direct provision. SE has reduced its involvement with performance sport and is focusing on health and well-being through increased participation in sport and physical activity.
3. The future of Lilleshall as a National Centre has been reviewed against this background. While usage and income levels have remained steady, the facilities are tired and some major sports have moved to new facilities elsewhere. The new management contract introduced in 2000 has seen the operating costs escalate to over £3m per annum.
4. There has been a lack of strategic vision and leadership in relation to Lilleshall over the last fifteen years. Various reviews have either not been focused or implemented and Lilleshall has been allowed to drift with only limited investment.

Lilleshall Sporting Futures

5. Lilleshall Sporting Futures (LSF) is a group of significant users of Lilleshall National Sports Centre comprising British Gymnastics, Grand National Archery Society, English Table Tennis Association, British Weightlifters' Association, Lilleshall Sports Injury Rehab and Shropshire County Council supported by other major users such as the Home Office Physical Education Branch and the English Institute of Sport.
6. LSF's vision is to build on Lilleshall's success delivered over the last 50 years and develop the Centre to move forward through 2012 and beyond. The plan is to form **a stakeholder trust** to manage and operate the Centre after the present management contract expires in 2009.

Recent Developments

7. On 5 March 2007 LSF met with Derek Mapp, Chairman of Sport England, to outline their proposals for Lilleshall. This key meeting resulted in a positive outcome, giving the 'green light' for LSF to further develop their proposal for a viable operating model to take over and manage the Centre. SE agreed to

provide initial investment into the site and to 'buy back' some usage of the Centre for regional work.

8. Derek Mapp assured LSF that SE will not close Lilleshall, if the operating model is robust, with a sound business case.

The next stage will comprise the following areas of work:

- Agree an appropriate Corporate Structure
- Prepare an Investment Strategy
- Prepare a Business Plan

It is anticipated that a range of structural options will be considered. LSF have requested SE to engage consultants to undertake this work on their behalf.

9. LSF have approached the British Olympic Association for support and are seeking to appoint a Project Management Team to co-ordinate this work. A firm fee proposal will be submitted to SE when the scoping exercise is complete and the resources required to carry out the work have been identified. This may require a level of partnership funding. In addition LSF require that SE carry out a Condition Survey based on current use as this will underpin the Investment Strategy. *A timetable for activity is shown at Appendix 2.*
10. A number of major companies are currently assisting with the preparation of the Business Plan and the scoping exercise including, Astra Zeneca, Atos Origin Consulting and Wolseley. Contact has been through the BOA and fits with their aspirations to utilise Lilleshall as a major training centre for the 2012 Olympic and Paralympic Games. There is potential for this portfolio of companies to grow and draw in external funding.

Background

11. Genesis Consulting was engaged by LSF in January 2006 to review Lilleshall with the specific purpose of examining the case for a new stakeholder trust to manage the centre. This also included an examination of the potential future use and development of the site. The summary findings are as follows:
 - Strategic management is currently too remote from the site
 - Sport England do not have a clear vision of the role of national centres in elite sport
 - There is no specific vision for Lilleshall's future
 - Though Lilleshall's name has a strong brand value it has not been exploited effectively and the title 'National Sports Centre' is outdated and inaccurate
 - The present contract is poor and not cost effective
 - There has been a complete lack of co-ordination on the site between users
 - The image of Lilleshall is one of a 'faded jewel' which needs significant investment

12. Prior to this work a report by Savills in December 2005, looked at various potential commercial uses of the site including sale realisation and marketing and development issues. The main uses considered were:
- Existing - status quo
 - Residential Institutional Use 'C2' (e.g. Retreats/study centres, School/College, Training/Conference Centre, Educational/Activity Centre, Care Village, Healthcare, Other)
 - Hotel/Conference Centre
 - Wedding Venue Operators
 - Residential
 - Office
13. Work to date has focused on two main options for the site:
- Complete disposal with the net proceeds being reinvested to support the development or operation of new facilities elsewhere
 - Retention for sport perhaps through the transfer of the site to a stakeholder body
14. Disposal of the site would obviously present a loss of provision and carry significant compensation costs to a number of the current users. There would also be significant disruption and with 2012 this would not represent the best value for sport.
15. Work on the stakeholder trust has included an examination of the principal legal and structural issues, and an assessment of the long-term business prospects for the site. A number of issues require further investigation including:
- Strategic demand - including long-term commitment by core users and drawing in new business
 - Finance and business planning - including investment and elimination of the current revenue liability
 - Governance and risk - the current stakeholders (LSF) lack the capacity to manage and develop the site without support from regional partners and greater involvement of the County Council
 - The issue of long-term maintenance of the buildings. This could be considerable given their extent, age and listing. Conversely, this is also part of the appeal of the Centre which the stakeholders wish to preserve and improve.

Current usage information is shown at Appendix 1.

Economic Impact

16. Lilleshall is a significant national and regional asset and its performance as a business unit is sound. Closure would result in the loss of nearly 300 jobs and over £4.5M into the local economy. It would severely affect delivery of physical activity participation targets in the County. Public and community

use is a key factor, but in addition the loss of national level facilities would be even greater given the need to develop athletes for 2012.

Lilleshall and 2012

17. Lilleshall will play a major role in the provision of high quality training facilities for elite athletes leading up to, and beyond, the 2012 Olympic and Paralympic Games. It is nationally recognised for the quality of service provision and is a training centre for eight Olympic and Paralympic sports, including three who are permanently based there. Over thirty National Governing Bodies of Sport regularly use the Centre with more than 35,000 residential training days per year. It is a British Olympic Association Accredited Centre for archery and gymnastics and has been proposed as a 2012 training camp venue. It is at the heart of Shropshire's 2012 business planning.
18. Developing Lilleshall as a Shropshire brand will help to draw in visitors to the area, linking with Much Wenlock and other major venues such as Ironbridge. The STW (Shropshire Telford and Wrekin) 2012 Group have contracted Experian Consultancy to investigate over a 4 month period an in-depth feasibility study with the specific aim of undertaking a detailed investigation into the economic feasibility and desirability of developing ideas and projects. This is being evaluated under three key themes:
 - Sporting events (inc pre-Games preparation and training camps)
What are the benefits to attracting a greater range of high level sporting athletes and events to our sub region (possibly working with others in the region)?
 - Olympic related tourism
How can we maximise our unique selling point of Much Wenlock as the birthplace of the modern Olympics and invest wisely in both the local and broader sub regional infrastructure required to cater for the interest which will undoubtedly arise?
 - Improved health through increased access to cultural opportunities
How can we add value to the diverse range of cultural events, festivals and activities which already take place within our sub region?
19. The interim report has already highlighted under the sporting theme the top three areas to focus on are:
 - Attract a training camp to Lilleshall and use that country as a theme to run a series of cultural events
 - Prioritise the use of Lilleshall for UK athletes by partnering national governing bodies
 - Use Lilleshall in partnership with Birmingham and their ability to attract training camps

20. Lilleshall is a key member of a group of facilities across STW which is starting to work collaboratively to attract business / training camps / sports events.
21. To date the STW 2012 group have (since first meeting in January '07) submitted details, including hotels, to be included in the British Olympic Association guide to 2012 training camps.
22. The groups details are being passed to business / sporting contacts in Russia with a view to attracting national teams to train here.
23. This is all prior to 2012 feasibility study conclusions but it is recognised that Lilleshall is considered **the jewel in the crown** of these facilities having the experience of working with National and International Sports Governing Bodies and hosting elite sport at an international level. Lilleshall has unique experience, contacts and facilities without which the STW group becomes much less viable and less likely to attract big events.

Lilleshall and the Council

24. Lilleshall Sporting Futures is currently supported by the Council's Head of Sport and Recreation.
25. There are benefits to the Council taking a more leading role in the future of Lilleshall which need to be considered. These include:
 - capitalising on Lilleshall's pre-eminence as the No 1 rated dry-side sports centre in the country, adding to our own reputation as an excellent authority.
 - diversifying the customer base at the Centre and working with the Association for Physical Education (afPE) to promote Lilleshall as a national physical education centre of excellence for conferences and events.
 - Lilleshall is the foremost residential sports training centre in the UK. A number of sports including gymnastics and football are considering promoting education and learning for young people alongside the development of their sporting abilities. Lilleshall offers the potential, building on previous experience through the FA National School, to develop educational programmes and opportunities for local schools and talented pupils.

These fit with the Council's Core Values, Aims and Priorities as shown in the Corporate Plan.

One Council

26. The potential for a county-wide Leisure Trust is being considered within the business case for One Council. It is proposed that a stakeholder trust would take over Lilleshall from April 2009. Working with Lilleshall Sporting Futures, Lilleshall would be the flagship of a new Leisure Trust.

27. There is an opportunity for the Council, as key partners within a stakeholder Trust, to be directly involved in the strategic and operational management of Lilleshall as the leading 'Quest' accredited dry side Sports Centre in the UK. (Quest is the industry bench mark for leisure facilities)

Potential Investment Opportunities

28. The setting up of a stakeholder trust for Lilleshall could present an opportunity to develop a modern, vibrant centre for elite and community sport. Such a scenario may be appealing to Sport England and the Regional Sports Board who may be encouraged to provide some investment. Advantage West Midlands may also be interested in the wider benefits of Lilleshall to the regions economy.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Genesis Report May 2006 "Strategic Review for the Lilleshall Management Stakeholders Group" - Confidential

Human Rights Act Appraisal: There are no implications arising from this report.

Environmental Appraisal: Environmental implications will be considered within the Business Plan and the conditions survey.

Risk Management Appraisal: A full risk management appraisal will be undertaken as part of the business planning work.

Community / Consultations Appraisal: Consultation with key stakeholders takes place through LSF.

Cabinet Member

Anne Hartley (CYP including Sport & Recreation) and John Hurst-Knight (Economic Development)

Local Member

Stuart West

Appendices

Appendix 1 – Current Use

Appendix 2 – Key Dates

Appendix 3 – Other National Sports Centres

Appendix 1 Current Use

- i. As a National Centre Lilleshall's primary use has been as a training and development base for NGBs.
- ii. 30 NGBs regularly use the Centre accommodating 35,000 residential training days per year.
- iii. Significant community use with over 80 local clubs and 250,000 community visits annually.
- iv. Lilleshall is a training centre for 8 Olympic and Paralympic sports, including 3 who are permanently based at the centre.
- v. In the last year Lilleshall athletes have won 22 Gold, 29 Silver, and 28 Bronze medals.
- vi. The Centre has been proposed as 2012 training camp and is a British Olympic Association (BOA) accredited centre for archery and gymnastics.
- vii. The cost of re-locating sports away from Lilleshall would be significantly greater (approximately £10M for gymnastics alone) than re-investing in the current site to 2012 and beyond.
- viii. 12 organisations operate out of Lilleshall employing nearly 300 people and circulating c£4.5M into the local economy.
- ix. The Home Office Physical Training HQ and FA Coaching and Medical Education Departments are based at Lilleshall with long term agreements on levels of use and subsidy.
- x. The English Institute of Sport (EIS) and Lilleshall Sports Injury Rehab are also based on site.

Appendix 2**Key dates**

July 2007	Fee proposal submitted to Sport England
July 2007	CMT and Cabinet Report based on findings of Business Plan
September 2007	Draft Business Plan submitted to Sport England
July – Dec 2007	Consultation with FA, Home Office, Regional Sports Board, AWM etc
December 2007	Corporate Governance Structure established
April 2009	New Trust takes over strategic and operational management from Sport England

Appendix 3 Other National Sports Centres

Historically there have been 5 National Sports Centres, of which Lilleshall is one. Of the other four only Plas y Brenin will still be operated as a National Sports Centre beyond 2009 when the current centre contracts finish, due to its unique location in Snowdonia. Crystal Palace and Holme Pierrepont will revert to local authority control in 2009 and Bisham Abbey is likely to be retained by Sport England as a centre for community sport due to the significant investment into community facilities in the last few years.

Plas y Brenin.

Currently owned by Sports Council Trust Company under similar agreement as Lilleshall.

The Centre is operated by a stakeholder trust – the Mountain Training Trust, with subsidy from Sport England until 2009. It is envisaged that the proposed Lilleshall model may be along similar lines. However, it is likely that Sport England subsidy may be removed or reduced after 2009.

Crystal Palace.

Currently operated by Greenwich Leisure Trust.

Will transfer from Sport England to the new London Development Agency in 2009 and will be developed as a major facility for the 2012 Games.

Holme Pierrepont.

Currently operated under lease agreement from Nottingham CC until 2009 after which it will revert back to local authority control without any further support from Sport England. It will then become a community sports centre with a focus on watersports.

Bisham Abbey.

Operated under similar agreement as Lilleshall until 2009. It is likely that Leisure Connection may continue to manage this Centre on behalf of Sport England as a community focused centre beyond this date with emphasis on tennis and hockey.