

PART 2 – CONFIDENTIAL FACTS AND ADVICE

MD2526

Title: Crystal Palace National Sports Centre concept design development

Information may have to be disclosed in the event of a request under the Freedom of Information Act 2000. In the event of a request for confidential facts and advice, please consult the Information Governance team for advice.

This information is not suitable for publication until the stated date because:

The advice contains commercially sensitive information that would distort genuine competition for the future tendering process for both a new operator for the centre and for the procurement of a contractor for the capital works should the project progress. This would prejudice the commercial interests of the GLA and is not in the public interest.

Date at which Part 2 will cease to be sensitive or when this information should be reviewed with a view to publication: **01.10.2020**

Legal adviser recommendation on the grounds for not publishing information at this time:

In the event of any request for access to the information contained in this document under section 1 of the Freedom of Information Act 2000 (“the Act”), it is considered that access may be denied on the basis that the disclosure of such information would prejudice the commercial interests of the Authority, as its release could have an adverse impact on the Authority’s ability to secure best value through those procurements, which it may undertake in relation to the Crystal Palace National Sports Centre estate. To this end, the exemption from release of the information set out in part 2 of this report is covered by section 43 of the Act.

Section 1 of the Act creates the general right of access, which provides that any person making a request for information to a public authority is entitled:

- to be informed in writing by the public authority whether it holds information of the description specified in the request; and
- if that be the case, to have that information communicated to him/her.

Part II of the Act contains a number of exemptions from disclosure for certain classes of information. In particular, section 43 of the Act provides that information is exempt information, if its disclosure under the Act would, or would be likely to, prejudice the commercial interests of any person (including the public authority holding it). In the instant case, the information in part 2 of this MD comprises the projected costs of various modernisation and redevelopment options.

It should be noted that the section 43 exemption is a qualified exemption and, accordingly, its valid use is subject to a public interest assessment.

Public Interest Assessment:

On balance it is considered that the public interest is best served, if the information not be disclosed at this point. As noted above, disclosure by the Authority could have a detrimental effect on:

- the Authority's procurements of services and supplies; and
- the Authority's bargaining position vis-à-vis bidders.

As a result, the effective delivery of the chosen option might be prejudiced, which in turn might precipitate an increase in the burden on public resources.

For these reasons, it is considered that the information in this part 2 is exempt from publication in reliance upon the exclusions contained in section 43(2) (commercial interests) of the Freedom of Information Act and because the public interest in withholding the information outweighs the public interest in releasing it.

Legal Adviser - I make the above recommendations that this information is not suitable for publication at this time.

Name: John Benson

Date: 11 October, 2019

Once this form is fully authorised, it should be circulated with Part 1.

Decision and/or advice:

- 1.1. Cost modelling undertaken as part of the current work has indicated that the cost of solely modernising the centre to current standards could be as much as £36.5m. To deliver some of the more transformative impacts that are being set out in the options, the capital cost is likely to be £46.5m.
- 1.2. The most significant redevelopment option is expected to generate a revenue surplus for the GLA which would help offset the costs of financing the required capital investment. The total Net Present Value (NPV) plus revenue costs of the preferred redevelopment option at circa £40m over 25 years would be significantly less than those of the 'do minimum' baseline option at £50m, confirming the affordability and Value For Money (VFM) of the redevelopment project.
- 1.3. Any capital expenditure would be profiled over up to a 5-year period, commencing 2020-21, contingent on phasing and continuous operation considerations. To progress the work beyond feasibility stage, a budget to support consultant fees, including procurement advice is now required.
- 1.4. The main hall is a Grade II* listed property. If it was proposed to mothball the centre, Historic England would require capital works similar to what would be required in a 'do minimum' scenario: where the facility continues to be maintained in an operational state, with capital investment made to undertake necessary works to the structures that are already largely identified or assumed, subject to more detailed survey work. The building would need to be maintained to be weathertight and secure, with historic building features, including building fabric, maintained and protected. The expenditure associated with this would be significant and deliver no social, health or community benefit.
- 1.5. The facilities are deteriorating and are in significant need of investment, in part due to the underspend of required maintenance across decades. Maintenance costs are likely to increase as many areas of the building are reaching end of life status. The recent closure of the Lodge building has implications for the water storage tanks for the whole centre. Beyond this, areas such as the

swimming pool viewing corridor need urgent structural attention and the drainage system for the pools needs significant work or replacement.

- 1.6. It is recognised that external funding sources will need to be pursued. Approaches have been made to the Heritage Lottery Fund, Sport England and other National Governing Bodies (NGBs). These avenues and others, including approaches to the Department for Culture, Media and Sport (DCMS) will need to be progressed further in due course. It is expected that the operator procurement will deliver some level of capital investment, however given the difficult funding climate, the GLA will likely need to fund the majority of any capital expenditure.