

National & Regional Sports Facilities Strategy

BRIEFING PACK

Scottish Executive

sportscotland

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SECTION 1

INTRODUCTION

1 INTRODUCTION

- 1.1 The Scottish Executive in partnership with **sportscotland** have recognised that significant investment is required in Scotland's national and regional sports facilities. The existing stock is limited in its function, delivery and suitability to provide Scotland with the necessary provision to develop future successful sporting generations supporting the pathways from participation to excellence. Scotland's future athletes need the best quality facilities in which to train and perform. To deliver the key objectives of Sport 21 investment into facility development is required now and the National and Regional Sports Facilities Strategy is ready to deliver an exciting and ambitious programme that can begin to provide Scotland's future sporting infrastructure.
- 1.2 **sportscotland** wishes to work with partners to develop a network of multi-sports facilities across Scotland with the aim of addressing the major facility needs for priority sports through the provision of a network of quality facilities for training and, where appropriate, competition. In addition, the future location of **sportscotland's** headquarters (HQ) is also being investigated following the property review of all Non Departmental Public Bodies (NDPB's) set by the Scottish Executive. Proposals therefore for the re-location of the HQ also need to be considered. There is a potential opportunity that a new HQ could be co-located with a major sports facility development.
- 1.3 This briefing pack intends to provide a level of information that will assist potential partners to put together projects to deliver a regional network of facilities and apply for public funding to assist with their development. The pack sets out information relating to the following:
- background to the facility strategy
 - overview of facility requirements
 - **sportscotland's** HQ
 - proposed facilities including outline specifications and indicative costs
 - an indication of the level of support available from central funding sources and potential funding options
 - procurement process and timescales
 - assessment criteria
 - model business plans.
- 1.4 It is envisaged that this pack will assist partners in submitting Stage One proposals for national and regional facilities. **sportscotland** has appointed PMP as consultants to provide specialist input and guidance. Throughout the process **sportscotland** and its consultants will work closely with local authorities, governing bodies of sport and others to provide support, guidance and additional information, where this is required.

Summary of procurement process

- 1.5 The procurement process for the allocation of central funds will comprise two stages to allow wide participation and to avoid potential partners being involved in an expensive bidding process. Details of the stages and proposed timescales are provided in Section 6.

Aims and Objectives

- 1.6 The aim of the strategy is to develop a network of multi-sports facilities across Scotland. The strategy will address major facility needs for priority sports by providing a network of quality facility for training and, where appropriate competition. The facilities will serve the geographic areas covered by the Area Institutes of Sport (AIS); therefore the main facilities requirements of Central, East of Scotland, Grampian, Highland, Tayside & Fife and West of Scotland will be addressed. The main focus will be on the provision of:
- regional indoor training facilities for athletics, football and rugby
 - indoor sports arena with a 200 metre athletics track and facilities for other sports
 - two municipal stadia.
- 1.7 The upgrading/provision of new national facilities for some key sports will also be considered. This will include addressing the needs of swimming, curling and cycling. In addition, facilities for indoor hall sports should be considered where they fit into national or regional strategic plans.
- 1.8 The re-location of **sportscotland's** HQ will also be considered. The options for a stand-alone HQ or to co-locate it with one of the major sports facilities are to be fully investigated.
- 1.9 In developing proposals applicants should take account of the Scottish Executive's policy on architecture, which aims to promote a culture of quality in the procurement of publicly funded buildings that embraces good design as a means to achieving value for money and sustainable development.
- 1.10 Imaginative design can encourage participation and can enhance and stimulate the performance of our athletes. Well designed buildings can work more efficiently in terms of layout; can minimise energy consumption; can make use of renewable, low energy or local materials; and can reduce maintenance and operational costs. Also, good, attractive buildings can play a key role in urban regeneration and new facilities should represent attractive additions to the townscapes in which they are set

Disclaimer

- 1.11 Whilst the information in the Briefing Pack has been prepared in good faith, it does not purport to be comprehensive or to have been independently verified. Neither **sportscotland**, nor any of its advisors, accepts any liability or responsibility for the adequacy, accuracy or completeness of the Briefing Pack, nor will they make any representation or warranty, express or implied, with respect to such information or to the information on which the Briefing Pack is based; nor with respect to any written or oral information made or to be made available to any interested recipient or its professional advisors. Any liability other than that due to statements made fraudulently therefore is hereby expressly disclaimed.

- 1.12 Each party to whom the Briefing Pack is made available should make its own independent assessment of the information provided after making such investigation and taking such professional advice as it deems necessary to determine its interest in the project.
- 1.13 The Briefing Pack is not intended to provide the basis of any investment decision and should not be considered as a recommendation by **sportscotland** or any of its advisors to any recipient of the Briefing Pack.
- 1.14 Nothing in the Briefing Pack or in any other written or oral information provided to any partners should be relied on as a promise or representation as to the future.
- 1.15 **sportscotland** reserves the right, without prior notice, to change the procedure for the application process and to terminate discussions and the delivery of information at any time before the signing of any agreement relating to the Project.

SECTION 2

BACKGROUND TO THE STRATEGY

2 BACKGROUND TO THE STRATEGY

2.1 The development of a strategy and an opportunity to deliver a National and Regional Sports Facility network has been led by the following key drivers:

- **sportscotland** Property Review and Facilities Study (2002)
- the Scottish Executive's funding commitment to facility development
- Sport 21 – The National Strategy for Sport.

Property Review and Facilities Study 2002

2.2 This study undertaken by PMP was centred around three key aims:

- to develop a property strategy for **sportscotland** involving location, ownership and management issues related to its headquarters
- to carry out a review of **sportscotland** National Centres and consider options for future ownership and management
- to develop a facilities strategy for the provision of indoor and outdoor facilities that will be the focus for the development of selected sports.

2.3 Whilst each element of the study was considered separately, in some cases one or more elements were combined in order to investigate and arrive at the best solution. An approach was adopted that included extensive consultation, supply and demand analysis and an options appraisal for each of the key strands of the study. The key outcomes from the report pertinent to the delivery of a new network of facilities are as follows:

sportscotland HQ Relocation

2.4 The results of the relocation analysis set against the Scottish Executive's criteria for relocation suggests that moving away from the existing HQ at Caledonia House in Edinburgh is the most economically effective solution for **sportscotland**. Ideally the HQ should be located within the central belt region, to meet the essential criteria as set down by the Scottish Executive. It was identified that this is best achieved through the opportunity for the HQ to be relocated alongside or within a new or redeveloped national sports facility. Stand-alone HQ options will also be given equal consideration where they can meet the Executive's criteria and offer a viable solution for **sportscotland**.

2.5 **sportscotland** sees the benefits of a co-location approach to be:

- build cost savings due to design economies, one set of prelims & contingencies, reduced fees and savings from a larger build contract
- savings on travel time and expense through meeting athletes / facility managers on site rather than having to travel to see them
- improved staff morale and greater attractiveness to potential employees through working in a 'sports village', and having the opportunity to mix with international athletes

- reduced staff loss from relocation process – indications from staff are that more would be prepared to move to this type of sports village concept, and therefore a 50% reduction in staff loss may be achievable
- improved economic benefits to the chosen area – greater job creation through the new facilities, rather than simply displacing a majority of staff from one HQ to another – the new jobs would primarily be linked to the facilities, rather than the HQ, but the presence of the HQ may offer the opportunity of accessing additional funding such as Scottish Enterprise grant aid.

National Facilities

- 2.6 A number of existing facilities that have served Scotland's national training and competition needs for many years are in need of major refurbishment or redevelopment. These include Kelvin Hall in Glasgow, Meadowbank and the Royal Commonwealth Pool (RCP) in Edinburgh. The options for national facility development may include the refurbishment and/or re-development of these existing facilities in addition to new build across a number of regions.
- 2.7 A menu of facility needs has been identified as requirements for a number of sports across the country. These facilities include:
- multi-sport indoor training facilities (including athletics, football and other sports)
 - indoor athletics/competition events facility
 - two outdoor municipal stadia
 - indoor national/regional sports/competition halls (12 and 9 court sport halls)
 - 50m competition and training pool
 - curling academy
 - velodrome for national/regional development.
- 2.8 It is recognised that these facilities will require support facilities such as outdoor pitches, strength and conditioning facilities, sport science support facilities, health and fitness and in some cases residential accommodation. The identified facilities have specific site location requirements, however a key aim of the strategy is to deliver a regional network.
- 2.9 Each of the elements will have site or region specific requirements and levels of funding support will vary from region to region. This will be dependent upon the enabling development opportunities, the level of interest in the proposals from potential partners and the economic advantages that will be delivered in each of the locations. Applicants should be minded that opportunities for combined facilities on a single site should be explored.
- 2.10 **sportscotland** wishes to encourage a partnership approach to facility delivery and usage, which may incorporate Scottish Governing Bodies (SGBs) of sport, key public sector partners and the private sector to realise the vision for the long term benefit of Scottish sport. **sportscotland** will facilitate a partnering approach to the procurement of well designed facilities to ensure the best value for money for **sportscotland** and the Scottish Executive funding.

- 2.11 **sportscotland** has adopted a procurement route that can deliver real benefits to all of Scotland's sporting community. The key to the success of this strategy is seen as the ability of **sportscotland** to maximise the partnership potential amongst interested parties. If this can be achieved, it is believed that the legacy will be a future infrastructure to underpin excellence for subsequent generations of Scottish sportsmen and sportswomen.
- 2.12 The full Executive Summary of the PMP Report is available via the **sportscotland** website www.sportscotland.org.uk.

Scottish Executive and Sport 21

- 2.13 The Scottish Executive has identified £28.8m of funding, which includes £16 million previously set aside for the Euro 2008 Bid, for the development of regional and national sports facilities. The Ministerial announcement in March 2003 identified priorities for investment in a network of regional indoor training facilities, the provision of a new or re-developed national indoor athletics arena and two municipal stadia. The Scottish Executive has emphasised that it cannot deliver this plan on its own and will be dependent on local authorities, **sportscotland** and others working in partnership.
- 2.14 The Scottish Executive believes that well designed, modern, accessible and affordable facilities are essential for the development of sport in Scotland from grass roots participation to high performance. Sport 21 is recognised as the driving force in the development of sport in Scotland and it will guide the policies and actions of the Scottish Executive over the next four years. 'Sport 21: Shaping Scotland's Future' provides the framework for the delivery of sport at local, regional and national levels and for meeting the wider objectives of the Scottish Executive such as the health of the nation, education, social inclusion and economic development.
- 2.15 The Sport 21 (2003-2007) strategy is founded on three key visions, which are the cornerstones of the development of sport in Scotland. These are:
- a country where sport is more widely available to all
 - a country where sporting talent is recognised and nurtured
 - a country achieving and sustaining world class performances in sport.
- 2.16 The quantity, quality and accessibility of facilities remain crucial and thus facilities are central to this strategy. It is recognised that accessibility, particularly location, needs to feature strongly in future development.

Scotland's Major Events Strategy 2003-2015

- 2.17 The Major Events Strategy has been developed to see Scotland's place confirmed by 2015 as one of the world's foremost events destinations. EventScotland has been established to lead this strategy. Its mission is to deliver a viable portfolio of major events to attract visitors to Scotland, to enhance Scotland's international profile, to strengthen Scotland's sporting and cultural infrastructure and maximise the economic, social and environmental benefits to all parts of the country. The development of well designed national and regional sports facilities in some key sports will provide the foundations for attracting major events to Scotland.

SECTION 3

FACILITY REQUIREMENTS

3 FACILITY REQUIREMENTS

- 3.1 A network of multi-sport facilities is required throughout Scotland. Outlined below are the core requirements and indicative costs for each facility. Sketch designs and outline specifications on which these costs have been based can be found in Appendix 2. These drawings are illustrative only and have been prepared in order to assist the briefing process in terms of facility content, size and broad costings. These are not detailed design drawings and they do not absolve any applicants/designers from their responsibility to ensure that any facility is compliant with the latest statutory, governing body and sporting standards/requirements. The costings are based on stand-alone new build facilities but it is recognised that economies of scale will be achieved by locating a number of facilities on one site. In some cases, the refurbishment of existing facilities may be more cost effective than new build. The costs provided are excluding fees and VAT.
- 3.2 Whilst the focus and priority of the strategy is on the delivery of facilities for a number of identified key sports, facilities for other sports can be included where they also meet wider national, regional, or local strategic needs.
- 3.3 The concept for the delivery of facilities is to provide a network of regional centres that broadly reflect the six AIS regions. The provision of support facilities, particularly for strength and conditioning, is essential for the development of elite athletes.
- 3.4 The network of facilities should, in their broadest aims, be developed to meet national, regional and local sporting needs. It is expected that some proposals will address this broader concept by developing a mix of facilities that can deliver across a wider sporting agenda. Broad range, large scale, projects will have the potential to generate economies of scale, provide better value for money and deliver programmes across the three Sport 21 visions from participation through to high performance.

Regional indoor training facilities

Indicative Cost - £11m

- 3.5 One of the main aims of the strategy is to ensure that each geographic area covered by an AIS will have access to core facilities where these do not exist at present, are not currently under development or are substandard. The facilities should be versatile to accommodate the training needs of a range of sports in one setting but also maximise community usage.
- 3.6 The core elements of indoor facility include:
- an indoor synthetic grass surface for football (full size where possible 105 x 68) and other suitable sports
 - a training area for athletics including a 135 metre by 6 lane straight and areas for throwing and jumping
 - fitness, conditioning and other support facilities.

- 3.7 The indoor facilities should be supplemented with outdoor facilities such as:
- training pitches – both natural and synthetic grass should be considered where they do not already exist
 - specialist training areas
 - athletics track - where one does not exist and can be justified.

3.8 Optional elements that could be provided at a regional training facility:

- national/regional standard sports hall where this can be justified
- facilities for other priority sports where they fit into strategic national or regional plans.

National indoor sports arena

Indicative Cost - £17m

3.9 The existing indoor athletics facility at the Kelvin Hall International Sports Arena, Glasgow, is in need of major refurbishment or replacement as it does not meet modern day standards for competition and training. There is a requirement for a new national indoor arena for athletics and other sporting or non-sporting events. The new facility should be as flexible as possible in terms of providing a venue for training and competitions, however its primary focus will be on athletics. Facility specifications should include:

- a 200 metre by 6 lane indoor track with hydraulic bends, 60 metre by 6 lane sprint straight and field event areas for indoor competitions
- seating for approximately 5,000 spectators
- competition facilities for court sports (in centre of track)
- warm up facilities
- training facilities
- support facilities.

3.10 A new facility should be located to be easily accessible to a significant proportion of Scotland's population. This will facilitate access for athletes for training purposes and provide a viable market catchment for spectator events. It should, ideally, be linked to the motorway network and have the potential for good public transport links, including an airport. It should be located in an area that has supporting infrastructure including hotel accommodation and other facilities for visitors in an environment that is conducive to attracting major events.

3.11 Applicants should also take account of recommended locational and support network requirements for this scale of facility. Business in Sport and Leisure (BISL) provides guidelines on Arena and Stadium development. It identifies the following key requirements to help to deliver a sustainable solution.

- within 15 miles of a major city centre
- good road and rail access
- ideally located on the edge of urban area adjacent to transport links capable of handling huge volumes of people/ vehicles over a short period
- 1 car parking space per 10-15 seats
- adequate coach parking facilities
- ability to attract and fund significant sporting events
- located in and around centres of population.

Municipal stadia

Indicative Cost - £12.5m

3.12 The development of municipal stadia is primarily to provide for the competition needs of athletics and rugby, though flexibility within their development could provide a venue for other sports and events. The minimum specification should include:

- 400m by 8 lane athletics track, 10 lane sprint straight and warm up area
- main grass rugby pitch, 100m by 70m with minimum of 10m touchdown areas and 5m safety margins
- approximately 5,000 spectator seating with option to increase to c10,000 if future demand requires
- support facilities such as strength and conditioning, fitness suite, meeting rooms and the like
- club shop and office space
- outdoor training pitches and specialist training areas adjacent to the stadium or in close proximity.

3.13 The locational requirements for the stadia are primarily dictated by rugby. The primary focus of the stadia are to meet Scottish Rugby Union requirements for the development of the game providing quality facilities for both development squads and a chance to secure Scottish professional clubs as anchor tenants.

3.14 However the guidelines set out by BISL for stadia development in terms of location should also provide guidance for potential partners.

3.15 Scottish Athletics has stated its preference is for one stadium in Edinburgh and one in Glasgow. The professional rugby teams in Edinburgh and Glasgow require a home venue and have stated their willingness to share a stadium with athletics.

50m competition swimming pool

**Indicative Cost - £2,100 per m²
(new build)**

3.16 The Royal Commonwealth Pool, Edinburgh is in need of replacement or major refurbishment to bring it up to modern standards for competition and training. A new/upgraded facility will help to complete the facility infrastructure to meet the future needs of Scottish Swimming. The outline specification of the facility should include and will comprise:

- 50m x 8 lane national competition swimming pool
- international diving facility (tank should be fully flexible to be used as warm up facility for 50m pool, learner pool and other water activities)
- spectator seating.

3.17 Consideration needs to be given to both refurbishment of existing facilities and an option of new build.

Other Facilities

3.18 Additional facilities have been identified to meet the requirements of other priority sports, in particular, curling, cycling and a number of court sports. Facility requirements include:

- **National Curling Academy** **Indicative Cost - £3m**
comprising a six-sheet curling rink with year round access to ice
- **Indoor velodrome** **Indicative Cost -£8m**
with approximately 500 seats, ideally this facility should be linked to facilities for other cycling disciplines
- **National (12 court)/regional (9 court) sports halls** **Indicative Cost - £3m and £2m respectively**

Residential Accommodation

3.19 Access to residential accommodation will be required, from time to time, by SGBs for national and regional squads, including junior groups. Applicants should consider how they could access residential accommodation of an appropriate standard that is safe and secure, with particular reference to the protection of children. Details on the amount and nature of residential accommodation will require further discussions with the relevant SGBs and their area associations.

sportscotland HQ

3.20 In addition to the sports facility requirements, there are opportunities to investigate the relocation of **sportscotland's** HQ as a stand alone facility or alongside with a major sports facility in the central belt area. Further details in relation to the requirements for the headquarters building are provided in Section 4.

Facilities – summary of requirements by sport

- 3.20 Table 3.1 provides a summary of requirements by sport for the identified network of national and regional facilities. This table also highlights those SGBs that have expressed an interest in locating their office accommodation/base either with **sportscotland** headquarters or at a new major sports facility.

Table 3.1 Requirements for proposed facilities by Sport

	Municipal Stadia	Indoor Competition Arena	Regional Indoor facility	National/ Regional Sports Hall	50m competition swimming and diving pool	Indoor Velodrome	National Curling Centre	Interest of SGB in House of Sport concept
Athletics	✓	✓	✓					Possibly
Football	✓	✓	✓					×
Rugby	✓		✓					✓ (At stadia for Edinburgh RFC)
Swimming					✓			×
Cycling						✓		Possibly
Curling							✓	Possibly
Badminton		✓		✓		?		×
Judo		✓		✓		?		×
Basketball		✓		✓		?		✓
Volleyball		✓		✓		?		✓
Hockey		✓	?	✓				×
Cricket				✓				×

Key:

- ✓ Venue would be suitable for this sport
- ? Venue could be suitable for this sport, depending on the final facility specification
- x Unlikely that the venue would be suitable for this sport

SECTION 4

SPORTSCOTLAND HEADQUARTERS REQUIREMENTS

4 SPORTSCOTLAND HEADQUARTERS REQUIREMENTS

- 4.1 Following the instigation of Scottish Executive policy with regard to the location of NDPB and the subsequent Property Review and Facilities Study carried out by PMP, **sportscotland** is looking to implement the recommendations of the review in terms of possible relocation outwith Edinburgh. This however does not preclude the refurbishment of the existing facility or a solution that is co-located with national sport facilities within Edinburgh.
- 4.2 The review investigated a number of different scenarios for the future location of **sportscotland**'s HQ. **sportscotland** is beginning to adopt new ways of working based on more flexible working arrangements, which will include both office based staff and also a number of remote workers. The new working practices will require any new or adapted HQ building to help this working environment.
- 4.3 Generally the central HQ office will become smaller providing permanent desks for core on-site staff with a hot desking type system for remote workers. There will also be a need for a number of satellite locations offering 'touchdown' spaces and the capability for remote working. Proposed satellite offices include national centres, Institute of Sport and Area Institutes, existing facilities and other key partner organisations such as local authorities.
- 4.4 A 'House of Sport' concept has also been developed, which involves housing a number of SGBs in the same building(s) as **sportscotland**. Opportunity to co-locate office facilities with a sports facilities development needs to be explored in detail as does the stand alone option. The 'House of Sport' option is an additional cost, and therefore the decision around whether to provide a House of Sport will be viewed in terms of the non-financial and un-quantified savings.
- 4.5 Eight potential areas for the location of **sportscotland**'s HQ were identified in the Property Review following an in depth examination and investigation. Locations were based on their ability to meet the Scottish Executive's objectives and criteria on the location and re-location of all NDPB's. The areas are defined as follows:
- Glasgow
 - Edinburgh
 - West Lothian
 - Falkirk
 - Fife
 - Clackmannanshire
 - North Lanarkshire
 - Stirling.

- 4.6 For information purposes, to help applicants in the costing of their proposition, **sportscotland** currently spends £230,000 on running costs in its current location and it is assumed that the size requirements for a new HQ will be in the region of 2,100 m² (22,600 sq.ft.). Some of the accommodation contained within this overall area could be shared with others if the HQ was co-located with a major sports facility or other office accommodation. The 'House of Sport' option will increase the overall area noted above. The outline specification and brief for a new HQ can be found in Appendix 3.
- 4.7 Applicants should consider a range of options to deliver new offices. This should include linking facilities together to develop opportunities to include offices within wider proposals.
- 4.8 There is a current assumption that the disposal of the existing office building will provide a level of capital to support a new HQ facility. The availability of any funds realised by the sale of Caledonia House for investing a new HQ or sports facilities will be subject to approval by the Scottish Executive. Bidding for the HQ proposition could also open up other funding opportunities such as Scottish Enterprise and regeneration grants.

SECTION 5

OUTLINE FUNDING OPTIONS

5 OUTLINE FUNDING OPTIONS

Introduction

- 5.1 This section outlines the potential funding sources available to applicants, including both central government and **sportscotland** support as well as wider enabling development and private sector investment opportunities.
- 5.2 It is considered that some of the funding sources will be more relevant to particular types of facility development, however, applicants are encouraged to consider the application which best fits their particular development scenario. As outlined below, central funding will not provide all of the capital funding required, and therefore applicants need to ensure that their efforts are focused on achieving affordable and deliverable solutions which maximise external funding opportunities.
- 5.3 The narrative in this section, supported by case studies in Appendix 4, provide opportunities which applicants may wish to consider and further detail on these will be provided as part of the discussions among **sportscotland**, their appointed consultants and the applicants. In considering any of the options, applicants, particularly local authorities, should be mindful of their wider statutory duties and the financial and legal constraints within which they operate.

Central funding resources

- 5.4 The Ministerial statement released in March 2003 allocated £28.8m of Scottish Executive funding to the delivery of new national facilities, specifically including a network of regional indoor facilities, a national indoor arena and two municipal stadia. In addition to this funding, **sportscotland** is committing a further £21m towards the delivery of the key facilities outlined in Sections 3 and 4.
- 5.5 Therefore, a central resource in the region of £50m is available as partnership funding. In order to meet the specific aims outlined in the March 2003 statement, the following notional allocations of these monies have been made:
- regional indoor training facilities £19m
 - two municipal stadia £8m
 - national indoor sports arena £8m
 - other national & regional facilities £15m.
- 5.6 It is anticipated that no more than 30-40% of the total cost of any project will be met from central resources. The remaining 60-70% will need to be sourced by the applicants. However, applicants are expected to leverage as much funding as possible and **sportscotland** anticipate that some of the facilities to be provided in more populated areas could be financially 'free-standing' and not require any significant investment from central funding resources.
- 5.7 As previously mentioned, there is also the opportunity for relocation of **sportscotland**'s HQ, and if this were to happen, then a capital receipt could be generated from sale of Caledonia House. Any receipt from the sale of the existing HQ could be ring-fenced towards future HQ provision subject to the agreement of the Scottish Executive.

- 5.8 Should applicants wish to include the HQ as part of their proposals, the receipt generated from the sale of Caledonia House could be available to help fund any replacement office buildings. Should an applicant be able to provide the HQ for less than the receipt, then any surplus funding could be diverted into the central resource for provision of sports facilities.
- 5.9 The level of central funding is hugely significant in delivery of future national facilities, and therefore **sportscotland** have a duty of care to ensure that the monies are spent prudently and on sustainable propositions. **sportscotland** reserve the right to refuse any or all applications if they do not meet the evaluation criteria set out in Section 7 or they are not considered sustainable, deliverable or affordable in the long-term.

Sources of capital funding

- 5.10 In addition to central funding sources, there are a number of other options available for the funding of any proposed facility development. It is anticipated that these alternative sources will provide at least 60-70% of the overall capital requirement. These options include:
- local authority programme/capital receipts
 - local authority borrowing
 - Universities/colleges
 - regeneration/development funding
 - Section 75 agreements and other enabling developments
 - sponsorship opportunities
 - Public Private Partnerships (PPPs)
 - other partnerships.

Local authority capital funding

- 5.11 Local authority capital programmes are the traditional method to provide leisure facilities. However, it is clear that with the pressure on existing programmes, applicants may need to consider whether small amounts of existing capital resources can be used as 'seed funding' to help encourage other forms of investment.
- 5.12 In addition, demonstration of how local needs are to be met will be an essential component of any package that includes using local authority monies – **sportscotland** is especially mindful of the issues surrounding local v national needs and the accountability local authorities have to their communities.

Local authority borrowing

- 5.13 Proposed changes to the capital finance regulations affecting local authorities may offer a new route of raising capital finance through borrowing. The 'Prudential Code' will allow local authorities greater freedom in managing their finances and may allow additional capital expenditure to be funded.

- 5.14 The objectives of the Code are to provide a framework for local authority capital finance that will ensure for all individual local authorities:
- capital expenditure plans are affordable
 - all external borrowing and other long-term liabilities are within prudent and sustainable levels
 - Treasury Management decisions are taken in accordance with professional good practice.
- 5.15 The Code provides a framework for internal control and self-management of capital finance and includes a set of Prudential Indicators. Any allowable borrowing would need to be within the boundaries set by the Prudential Indicators, however, the exact details of the practical implications on local authorities are not yet finalised. Further technical information is available from **sportscotland's** advisors or the Scottish Executive.
- 5.16 It is considered that, should an applicant wish to include monies gained under the new Prudential Code, early discussions should be held with **sportscotland's** advisors and the Scottish Executive to ensure that the assumptions being made are reasonable and calculations have been made that take into account the impact on the whole local authority.

Regeneration/Enterprise funding

- 5.17 It is anticipated that some applicants, because of their economic or regional situation, may be able to access specific regeneration or redevelopment funding sources.
- 5.18 Scottish Enterprise has been included in national discussions about the procurement process, and it is anticipated that applicants will work with their regional Enterprise bodies to ensure access to alternative funding sources is maximised. For example, the economic benefits of bidding for the **sportscotland** HQ may offer additional grant funding opportunities not open to stand-alone sports facilities. The leisure agenda, when linked to health and social inclusion, is a stronger platform for developing grant-funding bids. This is particularly so in areas of higher deprivation that can be linked to quantifiable improvements in health, mental health, well-being and employment.
- 5.19 Further information on regional development funding is not included in this pack due to the specific regional circumstances applicable to different types of funding. However, applicants are encouraged to work with their local enterprise company, **sportscotland** and their consultants if additional support is required.

Local Authority land & commercial development opportunities

- 5.20 A second source of enabling development could be the use of land owned by local authorities/other bidding partners. For example, utilising a large piece of land to develop both a specific sports facility, but also other commercial development, may allow capital surpluses generated from the commercial development to be used to support the sports facilities. Alternatively, the sale of land owned by the applicants may generate additional capital receipts.
- 5.21 In developing or selling land, local authorities need to consider the wider requirements of the Council and need to ensure that best use is made of capital receipts.

5.22 Commercial development opportunities include:

- traditional Section 75 agreements
- hotel accommodation – particularly if linked to major facilities requiring some form of residential opportunity. For example, linked to the indoor arena facilities
- residential developments – consideration of residential developments is an obvious source of capital income, however, there are strict guidelines around uses of land for residential development and applicants need to be mindful of the planning parameters in suggesting such opportunities
- commercial units – retail warehousing, office space, shopping complexes, restaurants/entertainments venues or other commercial developments are again methods of generating either ongoing rental streams or capital receipts.

5.23 In considering any form of commercial development, applicants must ensure planning considerations and local plans are adhered to in formulating the proposals. Any proposals for the disposal of playing fields would have to satisfy the criteria set out in NPPG 11.

5.24 Other forms of commercial development may include contracted provider agreements with major national suppliers. For example, the catering provision for some of the competition facilities could be outsourced to specific food & beverage suppliers in return for specific revenue streams or profit share agreements.

Sponsorship opportunities

5.25 In addition to monies generated through applicants' own resources, grant funding and enabling development, there may be opportunities for sponsorship income to be used to support either the capital or revenue aspects of the facilities.

5.26 For example, naming rights may be of interest to major national or international companies in respect of the indoor arena or rugby/athletics stadia. There are numerous examples of 'named' sports stadia in the UK and Europe and this may provide either a significant capital receipt or a guaranteed income stream over, say, a ten-year period.

5.27 In addition to headline sponsorship, lower level advertising income, particularly around the football-related facilities, may offer reasonable income generating opportunities. Applicants are encouraged to consider these opportunities in formulating their affordability models for both capital and revenue aspects of the schemes.

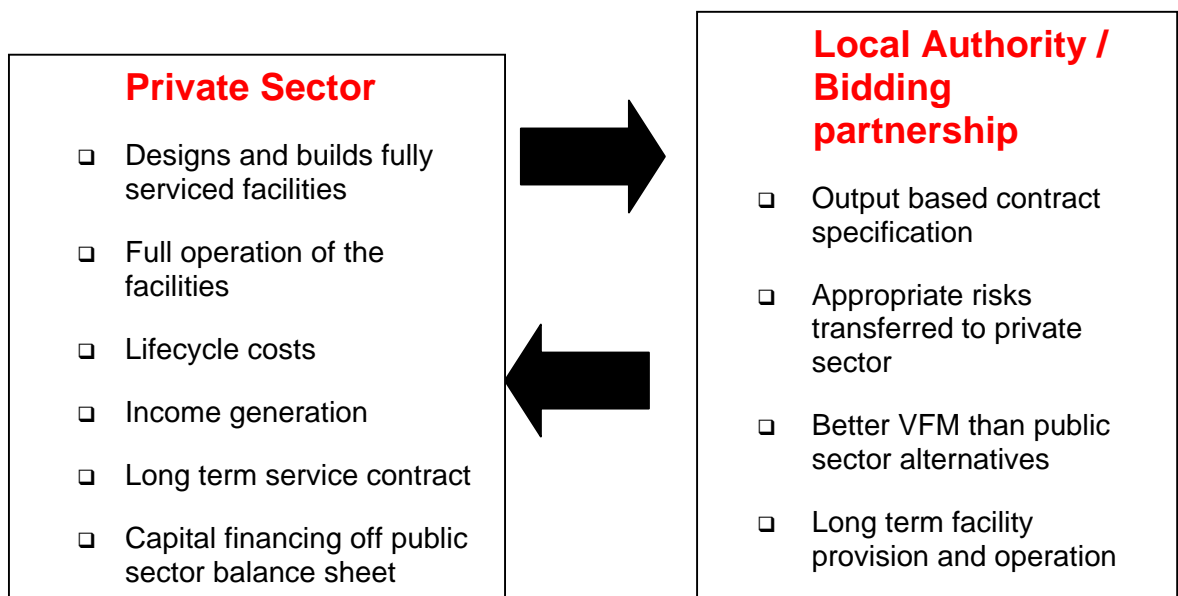
Public Private Partnerships

5.28 Under Public Private Partnership contracts, a local authority may purchase a capital-intensive service from a private sector company or consortium of companies under a long-term (normally 25-30 year) contract with defined outputs. The local authority retains ownership but an operator is committed to significant investment in those facilities. The suitability of a PPP will depend on:

- the amount of capital investment required in the facilities
- the ability of the Council/bidding partnership to make that investment.

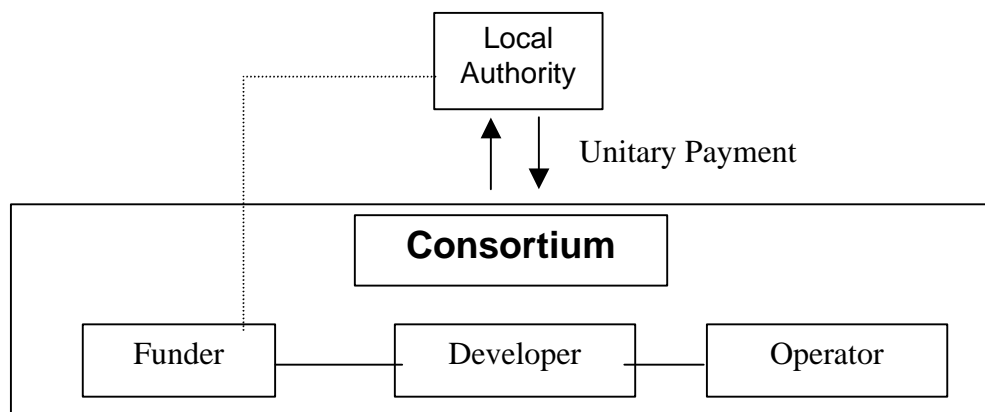
- 5.29 Under the contract, the private sector will design, build, finance and operate new facilities in return for an annual fee (a unitary charge), or where sufficient income is generated from the contract, an agreed contribution back to the local authority/bidding partnership.
- 5.30 The private sector recovers its costs and generates a return on investment through performance related payments (unitary charge) over the contract period and third party income from users of the facilities. Providing that the asset does not appear on the local authority balance sheet and that the unitary charge payments are only made when the service is available and to the required performance standards, then the transaction does not impact on a local authority's own borrowing approvals.
- 5.31 Most leisure PPPs are delivered under the design, build, finance and operate (DBFO) process. A summary is shown in Figure 5.1:

Figure 5.1 DBFO process



- 5.32 A summary of the transaction and relationship between each party to the PFI or PPP Contract is shown below in Figure 5.2:

Figure 5.2



- 5.33 One of the other key issues to be addressed within the PPP procurement process is the rationale or otherwise for including other Council owned sport and leisure facilities within this process.
- 5.34 The following points should be noted when considering this matter:
- the greater the 'critical mass' of facilities (new and existing) packaged together for procurement and management, the more potential there is for the project to attract interest from the private sector
 - there could be genuine merit in benefiting from the economies of scale of a package of sport and leisure facilities, all of which require capital investment - now or in the future
 - there is also merit in identifying projects that cut across a number of disciplines and agendas. For example, those local authorities promoting projects that embrace sport, leisure, regeneration, arts/culture, libraries and health have been particularly successful.
- 5.35 In terms of this procurement process, the key points in considering a PPP are therefore:
- can the PPP process generate the capital required to provide the new facilities?
 - can the bidding partners/local authority afford the unitary charge, after considering the revenue positions discussed later in this Section?
 - can a partnership with the private sector bring management/funding/expertise benefits not available to the local authority/bidding partnership alone?
 - would a wider package of facilities, including other local facilities, allow local needs to be addressed, such as improved management/operational performance or addressing problems such as lack of investment or repair & maintenance issues?

OJEC procedure

- 5.36 If the local authority/bidding partnership is wishing to include some form of public private partnership, a key consideration should be the timescale involved in procuring such a deal. Such deals will normally have to be formally advertised according to European Procurement rules.
- 5.37 Advertisements (notices) placed in the Official Journal of the European Communities (OJEC) are the official means of providing information concerning the progress of a particular procurement process to the European market.

5.38 Notices are public announcements about key stages in the procurement lifecycle. The most common are as follows:

- Prior Information Notices (PINs); sometimes referred to as Request for Information
- notices calling for requests from providers to participate in a procurement; these are also called Contract Notices
- notices announcing the winner of a procurement or Contract Award Notice
- notices announcing the cancellation or termination of a procurement, where an award of contract has not been made.

Other partnerships

5.39 Alongside formal contracted partnerships with the private sector, applicants may wish to consider the opportunities offered by informal partnerships with other local or national organisations. For example, a partnership with local clubs to provide coaching initiatives can be used to help promote local involvement in the facilities and address the local vs national use issues.

5.40 As well as sport-related partnerships, partnerships with non-sporting organisations such as the local NHS Trust or education department may help to improve both the range and frequency of facilities usage and also access to additional funding sources through education/health promotion/social inclusion.

5.41 Part of the evaluation process will include an analysis of both formal and informal partnerships proposed by the applicants, as a key concern for **sportscotland** is the need to ensure facilities meet local as well as national needs.

Sources of revenue support

5.42 Alongside the capital requirements, applicants will need to consider the ongoing revenue costs of providing the facilities. Revenue support is likely to come from a number of sources, however, some of these are likely to be short-term funds only and applicants' proposals will need to outline how potential revenue deficits will be covered in future years.

5.43 The likely revenue funding sources include:

- existing local authority revenue subsidies
- contracted usage payments from SGBs and Club users
- third party income streams.

5.44 A key issue for **sportscotland** is ensuring the long-term sustainability of facilities and evaluating the risk being taken by each of the partners. **sportscotland** will not be responsible for any on-going revenue funding, and therefore applicants will need to demonstrate who is responsible for long-term funding of the facilities if income levels are below or expenditure levels are above those projected.

5.45 **sportscotland** will require applicants to provide a 25-year business plan for the proposed facility developments. This is to ensure that areas such as lifecycle costs

and on-going maintenance are adequate, and also to quantify the likely levels of risk being taken by the applicants.

Existing LA revenue subsidies

- 5.46 Applicants are encouraged to consider whether the new facility provision will allow them to divert existing revenue funding away from other facilities, either through rationalisation of existing facility portfolios or through changes to the management and delivery of existing facilities. For example, packaging of existing facilities into a contract with the new facilities may offer economies of scale and savings through the introduction of alternative management methods, such as a private sector partner.

SGB / Club use

- 5.47 As outlined, a key driver behind the need for facilities is to accommodate essential time for elite and developmental use. Therefore, it is anticipated that SGBs and major clubs will be key usage partners, through contracted usage over a period of months or years. In return for priority usage, it is anticipated that the SGBs/clubs will pay an ongoing revenue stream, which will help to support the costs of running the facilities.
- 5.48 Applicants will be expected to undertake individual discussions with prospective partners, however, **sportscotland** and their appointed consultants will provide support as necessary in terms of brokering partnerships.

Third party income

- 5.49 Outside of the contracted elite and developmental usage, facilities will be available for use by the local community, schools and local clubs. The outline business plans (Appendix 5) assume that the facilities will be accessible and used by the public and applicants will be expected to demonstrate how local needs, as well as regional and national, can be met.
- 5.50 Applicants may wish to consider linking facilities together to provide more commercially viable propositions and adding ancillary facilities to the core requirements listed. For example, adding health and fitness facilities or commercial 5-a-side pitches to some of the models may help to provide additional revenue surpluses to support the core facility needs.

Indicative revenue business plans

- 5.51 In order to further facilitate the procurement process, draft operational business plans have been drawn up for each of the required facilities.
- 5.52 The business plans are indicative only, and are intended to provide potential partners with a broad guide to the possible operational income and expenditure levels and to highlight key issues likely to affect each facility. This will allow potential partners to gain an understanding of the likely ongoing surpluses or subsidies relevant to each facility and thereby support any parallel consideration of funding options.
- 5.53 The outline business plans are provided in Appendix 5. Business planning models will be available as part of the ongoing support to applicants from the **sportscotland** team during Stage One.
- 5.54 In each case, a breakdown of anticipated levels of annual income and expenditure for a mature year of operation is provided, together with a basic analysis of the sensitivities involved with these levels.

5.55 In preparing these business plans, a number of specific operational assumptions have been made. In broad terms, these assumptions are based around the following issues:

- *Range of facilities*
 - the business plans assume that each of the facilities incorporate only those aspects described in Section 3. There are obvious opportunities to combine more than one of these facilities into a single-site operation, however for clarity the business plans treat each separate facility as a standalone operation.
- *Capital and Lifecycle costs*
 - the business plans assume that the capital costs of construction of each of the facilities will be as detailed in Section 3
 - lifecycle costs have been apportioned to each of the business plans. These costs have been calculated as an annual budget of 1.67% of the total capital costs and are assumed to cover major repair and maintenance liabilities through the term of the project.
- *Facility size*
 - the business plans assume that the floor areas of each the facilities will be as shown on the plans provided in Appendix 2.
- *Prices*
 - the business plans assume certain pricing levels for the various facilities and the activities undertaken within them. This assumption incorporates differential pricing between peak and off-peak times and between elite (i.e.SGB) and non-elite use of the facilities.
- *Levels of usage*
 - the business plans assume certain levels of usage of the various facilities. These levels of usage have been considered as a percentage of overall capacity and again reflect differential levels of usage by elite and non-elite users. Where possible, the levels of potential usage commitment indicated by various SGBs have been incorporated.

- *Staffing structures, levels and pay rates*
 - staff-related costs represent the largest proportion of operational expenditure in each of the facilities. Accordingly, the business plans incorporate detailed analysis of the likely staffing requirements in each aspect of each facility.
 - as described above, the business plans treat each separate facility as a standalone operation. As a result, each business plan incorporates the costs of senior management staff. It is anticipated that, where combinations of facilities are created, obvious opportunities for economies of scale will arise.
- *National Non-Domestic Rates*
 - in all cases, the business plans do not incorporate costs for National Non-Domestic Rates. This is due to the differentials between areas and between operational models, such as trust versus private sector opportunities.

5.56 For each of the business plans provided in Appendix 5, further details are provided on the key assumptions made and the key factors affecting income and expenditure levels.

5.57 In summary, the draft operational business plans indicate that the operating positions of the various facilities could be as follows:

Table 5.1 Outline business plan summaries

FACILITY	OPERATIONAL SURPLUS / (DEFICIT) £000's
Sports Hall	(72)
Athletics/Rugby Stadium	(326)
Indoor Sports Arena	403
Regional Indoor Facility	(245)
Indoor Velodrome	(174)
Curling Centre	(65)

Management Options

- 5.58 There are a number of options available to applicants for the subsequent management of any proposed facility development programmes. These options include:
- In-house Management by a local authority
 - Private Management Contractor (Voluntary Competitive Tendering or PPP)
 - Non Profit Distributing Organisations (NPDOs) or Trusts.
- 5.59 **sportscotland** is not recommending any particular type of management structure, and part of the bid evaluation will include an analysis of the applicants' management proposals to ensure a 'best-fit' with the facility developments proposed. This section simply outlines some of the options for consideration, and the key points of each option.

In-house Management

- 5.60 Traditionally in-house management structures provide a local authority with the greatest control over its facilities with the greatest flexibility to implement changes in moving forward. However, there are some drawbacks to in-house management, including traditionally a lack of capital investment in facilities and flexibility to make swift business decisions to maximise the commercial benefits of the service.
- 5.61 In terms of the new facilities required, many of them will need to be flexible in terms of the type and frequency of usage. For example, the expertise to manage infrequent, yet labour intensive, sporting and non-sporting events in a stadia or arena is not normally a skill found in the public sector. These ranges of specialist operational skills are not often directly available in public sector organisations.
- 5.62 In addition to the ongoing management issues, it is difficult for in-house management teams to raise significant capital finance and therefore the burden is likely to fall on the local authority/applicant partnership or central funds from **sportscotland** and the Scottish Executive.

Private Management Contractor (Voluntary Competitive Tendering VCT or PPP)

- 5.63 Public Private Partnerships were discussed earlier in this section, however, a key component of a PPP is the inclusion of specialist private sector management in the DBFO consortium.
- 5.64 VCT enables the local authority to offer a management contract to a private sector operator with a small amount of capital investment, normally over 5-15 years depending upon the capital to be invested.
- 5.65 The private sector operator is selected through a competitive tendering process on the basis of the best value for money bid received by the authority.

- 5.66 The key benefits of using a private sector operator are:
- experienced management with national expertise
 - economies of scale available to a multi-site national operator
 - access to national best practice
 - access to national branding/marketing resources, aimed at improving usage and generating income.
 - potential to reduce the overall cost to the authority.

- 5.67 The traditional opposition to private management contractors has been based on their lack of local interest, their profit-led motive, the perceived lack of community involvement and the uncertainty around transferring staff from the in-house team.

Trust/NPDO

- 5.68 A number of local authorities have recently transferred Leisure Facilities to a NPDO or are in the process of transferring facilities. Some key features of a NPDO are summarised below:
- it is a 'not for profit' organisation – this means that profits cannot be distributed to shareholders but must be reinvested in the facilities or company. The organisation can however make surpluses as long as they are reinvested in the facility.
 - they are usually charitable. If an NPDO is not charitable then they may not be able to claim business rate (NNDR) relief.
 - transferring the management of facilities to a NPDO is usually a long term relationship (25 years plus)
 - there are typically three types of NPDO, a company limited by guarantee, an Industrial and Provident Society, or an unincorporated association. Usually the NPDO will be a non-controlled company, (ie it will be independent from the Council) which means that there are certain constraints on relationships the Council may enter into with the NPDO.
- 5.69 NPDO's or Trusts have the benefit of savings on corporation tax, VAT and business rates (NNDR). They also provide the opportunity for local authorities/bidding partnerships to use private sector investment without impacting on a local authority's own resources under the capital finance regulations.
- 5.70 The disadvantage of NPDOs is that they normally have very limited access to finance from banks and other institutions to undertake large capital works as they normally have limited equity, limited experience in the development of large projects and usually operate with small surpluses which are not sufficient to act as collateral for raising finance. In addition, the recent Lands Tribunal cases regarding NNDR relief have helped to reduce NNDR on leisure facilities by up to 50%. Should further NNDR reductions be made, then one of the unique selling points of trusts will have been removed – namely, the savings on NNDR compared to other types of management structure.

- 5.71 In response to the current trends towards trust/NPDO-type management, many of the leading private management operators have set-up their own not for profit vehicles to offer an alternative to newly formed trusts. These operator trust models are relatively new to the marketplace, but may offer the opportunity to encourage significant capital investment on the basis of the parent company's track record, which may make them especially attractive as a means of encouraging capital investment, but without the perceived issues around private management.

SECTION 6

PROCUREMENT PROCESS

6 PROCUREMENT PROCESS

- 6.1 Ultimately, the aim of this strategy is to deliver a national network of multi-sport facilities by 2007 that will play a crucial role in the development of sport in Scotland over the next 10, 20, 30 years and significantly contribute to the achievement of the Sport 21 visions. These facilities will serve the geographic areas covered by the AIS, and therefore begin to address the main facility requirements for the Central, East of Scotland, Grampian, Highland, Tayside & Fife and West of Scotland.
- 6.2 A Steering Group has been established to oversee the procurement process, and comprises representatives from the Scottish Executive, **sportscotland** and appointed consultants. **sportscotland** however is the guardian of this process and has overall responsibility for the distribution of funding to a number of partners across the country. **sportscotland** and its advisors will lead on the management and delivery of the application procedures and subsequent procurement process.
- 6.3 A National Facilities Forum has also been established to inform, guide and provide feedback throughout the process. Members of this forum include representatives from local authorities, SGBs, COSLA, VOCAL, Scottish Institute of Sport, universities & colleges of further education, Scottish Enterprise, **sportscotland** and the appointed consultants.

Partners

- 6.4 **sportscotland** wish to secure the involvement of key partners to deliver these facilities. These will crucially include local authorities and others in the public, voluntary and commercial sectors. All prospective partners will need to consider carefully how best they can contribute to the national facilities picture whilst also meeting their own regional and local needs.
- 6.5 The collaboration of these key agencies and partners will be essential if the programme and timetable for delivery of facilities are to be met. Other key partners within the process will include national governing bodies of sport, higher and further education, clubs and commercial organisations. There will be an element of competition between the partners, however this will be managed by **sportscotland** in order to avoid any unnecessary expense.
- 6.6 This Briefing Pack is designed to provide key information to allow partners to put together projects and applications to **sportscotland** for funding facility development. This document is being distributed to the aforementioned potential partners and will also be supported by a Ministerial announcement and a general media release

The process

- 6.7 The application process will run for approximately 15 months and will be split into two main stages. Outlined overleaf are the key stages of the process and an indicative timetable. This plan endeavours to keep the stages of the procurement process to a minimum. **sportscotland** reserves the right to vary this timetable and will notify interested parties if it does so.

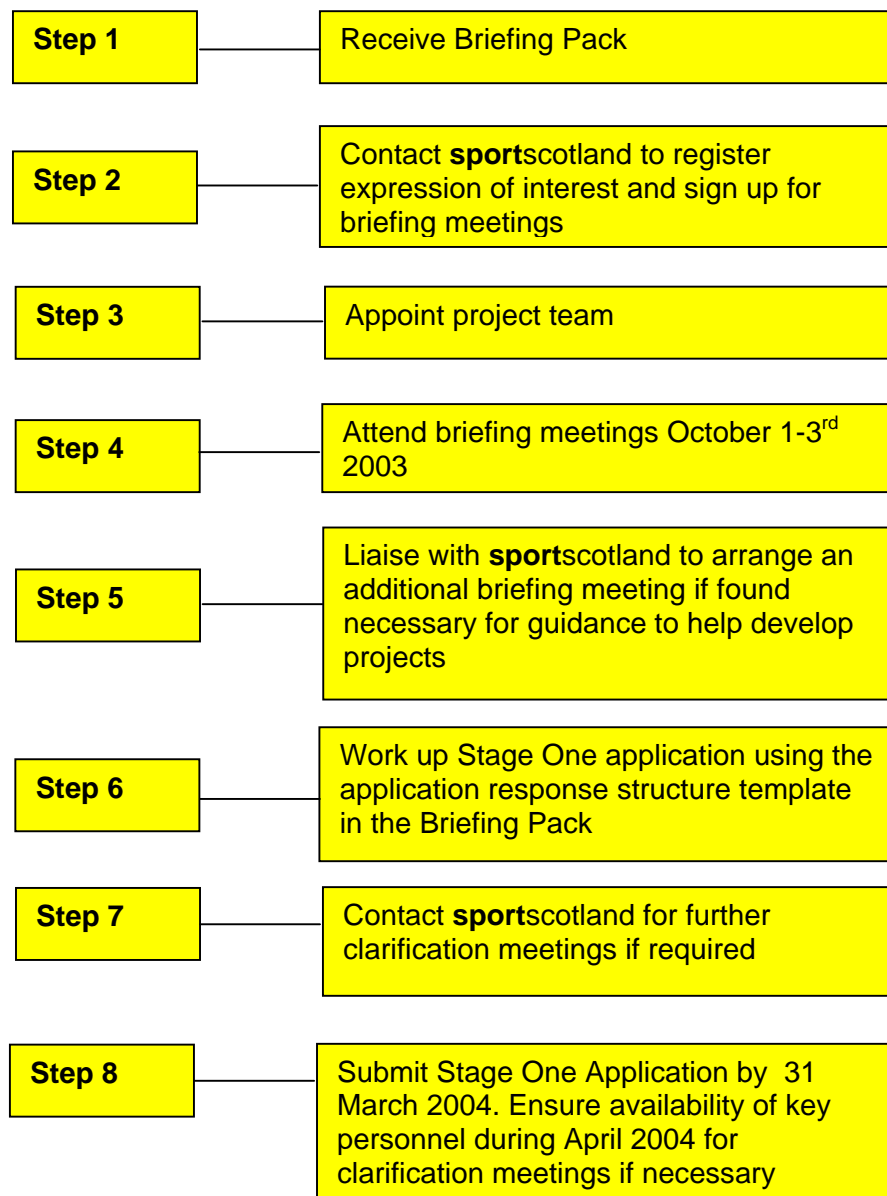
Key Stage	Date
Briefing Pack issued with specific information that will allow potential partners to prepare Stage One applications.	Mid September 2003
Assistance Phase - timeslot for questions and enquiries relating to the procurement pack and Stage One applications. Briefing meetings held in each of the geographic areas.	1,2 & 3 October 2003
Stage One bid - Stage One applications should be prepared and submitted to sportscotland . sportscotland and its appointed consultants will provide support for the preparation of Stage One applications.	Stage One preparation – Mid September 2003 to End March 2004 Submission date – 31 March 2004
Stage One Assessment - Assessment of Stage One applications by sportscotland /Scottish Executive and negotiations with potential partners.	April to June 2004
Selected applicants will be invited to work up Stage Two applications.	30 June 2004
Stage Two Partnering – Preparation and submission of Stage Two applications - timescale will depend on the scale of each project and how far the proposals have been developed at Stage One. Approval of Stage Two applications will be carried out within three months of submission.	July 2004 onwards
The scale of the project and how far the proposals have been developed at Stage Two will determine start on site date. The aim is to complete the Regional Network by March 2007 but completion dates will be determined by the scale and nature of the projects.	Late 2004 – March 2007

Proposals:

- 6.8 Outline proposals should include funding information, economic appraisal and bid specific development details. A template for applications is contained in Appendix 6. All applicants should follow this format.
- 6.9 Once the preferred location for facilities has been identified, detailed negotiations around specific proposals will take place between **sportscotland** and the partners. Prioritisation of components between and within proposals will have regard to the range of factors including the needs of sports and early generation of income streams to underpin running costs.
- 6.10 All applications will be assessed against a set of specific evaluation criteria by **sportscotland**, the Scottish Executive and their advisors. It will be a transparent process that ensures maximum benefit for sport. Information regarding the evaluation criteria can be found in Section 7.

- 6.11 **sportscotland** and its consultants will provide guidance to organisations wishing to bring forward proposals over the coming months to help develop projects that will deliver the desired outcomes. **sportscotland** intends to hold a series of briefing meetings for interested parties in order for applicants to be able to acquire further information in order to determine their interest in the project. The initial six briefing meetings (one per area) have been scheduled for 1, 2 and 3 October 2003. Additional briefing meetings will be organised if found necessary.
- 6.12 Figure 6.1 provides a step-by-step guide for partners and applicants to work through Stage One of the application process.

Figure 6.1 - The application process Stage One - What to do next?



SECTION 7

EVALUATION AND ASSESSMENT CRITERIA

7 EVALUATION AND ASSESSMENT CRITERIA

Introduction

- 7.1 Outline proposals submitted by applicants will be expected to include financial, technical and bid-specific development details. The applications will then be assessed against the evaluation criteria set out in this section.
- 7.2 As outlined in the timetable, clarification meetings will be held with applicants to ensure an accurate evaluation of the application can be made and to enable **sportscotland** and the Scottish Executive to target funding resources appropriately.
- 7.3 Further detail on the evaluation scoring will be provided during the working-up of stage one applications but the following paragraphs provide an overview of the key criteria upon which applications will be assessed.

Evaluation criteria

- 7.4 The evaluation criteria are split into five sections:
- Sporting & Strategic Needs
 - Technical Information
 - Management
 - Financial
 - Legal.
- 7.5 **sportscotland** will develop a weighted scoring matrix to assess each of these headline areas, and applicants will receive further information on the scoring matrix as part of the Stage One discussions.
- 7.6 Applicants should be mindful that they will have to demonstrate that any facility proposals are affordable, deliverable and sustainable over at least a 25-year period.

Sporting & Strategic Needs

- 7.7 This category is intended to evaluate the sports-specific aspects of the application and analyse how the application fits within national, regional and local strategic needs. The key questions to be evaluated are:
- is the application consistent with lottery application criteria?
 - does the application meet the requirements of the core SGBs?
 - does the application demonstrate sports development links and pathways?
 - are national, regional and local sporting strategies taken into account?
 - how does the proposed development fit within local provision and needs?
 - are the projected usage levels and types of use appropriate?
 - how does the application fit within strategic plans for:

- social inclusion
- health improvement
- regeneration and
- educational needs?

7.8 This information will assist **sportscotland** to assess the sporting need for the scheme and wider community benefits and ensure that monies are being spent on a sustainable proposition.

Technical Information

7.9 This category is intended to assess the design, construction and technical aspects of the application. The key questions are:

- is the proposed design suitable for the types and level of usage projected?
- does the design comply with statutory building regulations and meet industry guidelines for these types of facility?
- are the projected capital costs reasonable for this type of facility?
- are the lifecycle maintenance amounts sufficient to sustain the building in good condition for 25+ years?
- does the application demonstrate accessibility to all sections of the community?
- have environmental sustainability considerations been accounted for?

7.10 Information in each of these areas will then allow **sportscotland** to evaluate the practical deliverability and physical sustainability of the proposed project.

Management

7.11 This category is intended to assess the merits of both the application management and also the long-term facilities management. The key questions are:

- does the applicant/application consortium have the necessary skills and expertise to deliver a project of this nature?
- what are the applicants' proposals for long-term management of the facility? Do these proposals provide a cost-effective service, with the relevant levels of expertise, flexibility and structures to respond to a changing business and the changing needs of its customers?
- are there any links to non-sporting partners, such as local Primary Care Trusts or Regeneration Partnerships? If links are proposed, how are these to be practically delivered as part of the project?

7.12 **sportscotland** and the Scottish Executive need to ensure that the applicants of the projects that are supported have the necessary skills and expertise to ensure long-term delivery and management of the facilities and provide the necessary flexibility to respond to changes in the needs of key customers, such as SGBs.

Financial

- 7.13 The key questions around financial evaluation of the applications are:
- what is the proposed funding package? What evidence is there that potential funders are 'signed-up' to the process?
 - is the proposed development affordable to **sportscotland** and the Scottish Executive?
 - what is the risk allocation among partners in the application? Are those partners able to manage the risk?
 - are the proposed revenue plans reasonable? Do the sensitivity analyses suggest that the project is deliverable and fundable without having to ask for additional support from **sportscotland** and the Scottish Executive?
 - who is the 'funder of last resort' if revenue streams are lower than projected? Will the local authority be forced to fund any additional revenue deficits and can they realistically afford this?
 - do the combined capital and revenue proposals provide value for money for **sportscotland**?
 - what is the proposed procurement route? Does the applicant have sufficient funding/structures in place to carry out the procurement exercise successfully?
 - are the financial sums included in the revenue plans sufficient to cover the long-term sustainability of the project, particularly in areas such as maintenance sinking funds (lifecycle costs)?
- 7.14 Applications need to demonstrate an affordable and sustainable project to receive central funding resources.

Planning and Legal

- 7.15 It is not essential to obtain planning consent for projects submitted as Stage One applications although it will be required prior to Stage Two approvals. Given the likely scale and visual impact of the proposed indoor facilities, applicants should indicate what consultations have taken place to identify any planning constraints and how they will be overcome in order to secure the necessary planning consents. Where conditions are likely to be attached to planning consents, applicants should take account of any financial implications in the financial evaluation process.
- 7.16 Applicants should demonstrate that they comply with national and local planning policy. Relevant guidance is provided in the statutory development plan and the following national guidance: NPPG 11 (Sport, Physical Recreation and Open Space), NPPG 17 (Transport and Planning), PAN 41 (Development Plan Departures), PAN 65 (Planning and Open Space) and PAN 68 (Design Statements).
- 7.17 Key questions include:
- will the proposed development receive planning permission and any other required statutory consent?

- what is the likely timescale for securing the necessary consents?
- how does the proposed location fit with regional and local transport plans to promote access to the development?

7.18 A preliminary evaluation of the legal aspects of each application will be carried out to ensure that the proposals fit within existing regulatory frameworks and the procurement processes outlined are legally deliverable.

7.19 In addition, legal input will be sought as part of the contractual process of providing capital funding to applicants.

Summary

7.20 **sportscotland** and the Scottish Executive reserve the right to alter the evaluation criteria and methods if necessary. In this case, applicants will be notified of any changes and advised of the impact on their submissions. However, it is unlikely that any changes will be made to the headline criteria noted in this section. Applicants may therefore wish to use the questions outlined above as a 'checklist' to ensure that their application provides all of the necessary information.

SECTION 8

RESPONSES AND ENQUIRIES

8 RESPONSES AND ENQUIRIES

- 8.1 If your organisation is interested in working in partnership to develop the identified facilities, please respond in writing using the application response structure set out in Appendix 6 by 12 noon on the 31 March 2004 providing three copies plus an electronic copy. All applications are to be submitted to:

Ian McKenzie

Head of Facilities Development

sportscotland

Caledonia House

South Gyle

Edinburgh EH12 9DQ.

Email: ian.mckenzie@sportscotland.org.uk.

Tel: 0131 472 7521

- 8.2 All enquiries should also be made to Ian McKenzie at the above address.
- 8.3 **sportscotland** together with its appointed consultants will evaluate the information supplied by respondents. Respondents may then be asked to provide further information and may be interviewed or asked to make presentations to **sportscotland** and its consultants. It is not intended that respondents in developing their proposals at this stage should incur significant expense.