

Report to: Communities Committee, 7th June 2023

Report of: Corporate Director – Operations, Homes and Communities

Subject: PROVISION OF A NEW ARTIFICIAL GRASS PITCH AT PERDISWELL

1. Recommendation

That the Committee:

- 1.1 Approve the business case for an Artificial Grass Pitch (AGP) at Perdiswell Leisure Centre;**
- 1.2 Approve the release of the 'in principle' capital allocation of £200k previously approved at Council on 5th June 2022, which represents the Council's financial contribution to the AGP project;**
- 1.3 Note the requirements outlined in section 5.2 of this report relating to the disposal of public open space and approves the undertaking of a statutory public consultation having regard to Section 123 of the Local Government Act 1972 (as amended);**
- 1.4 Note the previously approved Council Motion relating to Perdiswell and that a further report will be presented to Council at its July meeting seeking approval for use of land at Perdiswell as set out within this report;**
- 1.5 Subject to recommendations 1.3 & 1.4 being approved, delegate authority to the Corporate Director of Operations, Homes & Communities in consultation with the Chair & Vice-Chair of this Committee to submit a planning application for the AGP facility;**
- 1.6 Subject to the grant of a satisfactory planning permission and confirmation of the successful award from the Football Foundation grants panel, delegate authority to the Corporate Director of Finance & Resources and the Corporate Director of Planning & Governance in consultation with the Chair and Vice-Chair of Communities Committee to:
 - (a) finalise the operating arrangements and user pricing structure and enter into the requisite lease and other legal agreements with Freedom Leisure to operate the AGP facility on the Council's behalf;**
 - (b) enter into the requisite legal agreements with the Football Foundation to secure their grant funding;**
 - (c) award the construction contract under the Football Foundation framework up to the value of £800k.****

2. Background

- 2.1 At its July 2018 meeting, the Income Generation Sub-Committee considered a report into a number of potential sports developments including tennis provision, hockey and football, particularly in respect of five-a-side football pitches and pitches suitable for all-weather use. The Committee agreed to provide £25,000 to fund a feasibility study into the potential development of a Futsal facility and an Artificial Grass Pitch (AGP).
- 2.2 A range of assessments were undertaken, and reports prepared for Committee in winter 2019/20 which were deferred due to focus on other developments. At the same time, the Football Foundation published its priorities for football development in Worcester and included an identified need for additional small-sided playing pitches and artificial grass pitch provision. The [Worcester City Local Football Foundation Plan](#) was approved by this Committee in January 2020.
- 2.3 The assessments included a proposed business case for each facility. As the financial information which supported these proposals was out of date it was necessary to undertake revisions in the light of cost increases that have been experienced on other capital works because of the Covid-19 Pandemic and supply chain issues.
- 2.4 At its November 2021 meeting, the Income Generation Sub-Committee agreed to commission the necessary revised costings and receive a report on whether the schemes remained financially viable.
- 2.5 This report concluded that both the AGP and Futsal schemes remained financially viable, with the AGP project dependent upon receipt of a grant from the Football Foundation. Such a grant would condition that surplus income derived from the facility would need to be ring-fenced for its future maintenance and re-provision.
- 2.6 This updated appraisal report was presented to Income Generation Sub-Committee in March 2022 following which it was considered appropriate for the AGP project to be overseen by Communities Committee who are constitutionally responsible for the provision of leisure and sports facility by the Council.
- 2.7 In June 2022, this Committee approved the progression of a business case and detailed design for an AGP at Perdiswell and recommended to Council an 'in principle' capital allocation of £200k that was required to unlock specialist support from the Football Foundation to facilitate the development of a business case and detailed design.
- 2.8 The Committee also noted that the Council would be required to pay costs of up to £10k should the Football Foundation or the Council decide the project is no longer viable as part of the application process. At its July 2022 meeting, Council duly agreed an 'in principle' capital allocation of £200k.
- 2.9 Local Football Foundation Plans (LFFP) feed into the National Football Facility Strategy. The purpose of this strategy is to target significantly increased investment from the national funding partners into increased and improved facilities for the grassroots game. Projects listed within the LFFP may benefit from funding from the Football Foundation.

- 2.10 The Worcester City LFFP identified priority projects are grouped into 4 Football Association (FA) priorities, namely:
- New 3G football turf pitches
 - Improved natural turf pitches
 - New changing pavilions / clubhouses
 - Improved small-sided facilities (e.g., Futsal/Five-a-side football)
- 2.11 These national priorities are supplemented by the priorities of the Regional FA in respect of each locality. For Worcester City these have been identified as:
- Disability Football
 - Female Football
 - Just Play
 - Small Sided Football.
- 2.12 The highest priority project within the Worcester City LFFP was confirmed as a new 3G AGP at Perdiswell Leisure Centre.
- 2.13 The latest Playing Pitch and Outdoor Sports Strategy (PPOSS) for Worcester (adopted in July 2022) which was produced as an evidence-based document as part of the South Worcestershire Development Plan (SWDP) Review for Worcester, also highlights a short fall of three 3G AGP provision in the city.
- 2.14 Perdiswell Leisure Centre is referred to as the priority site, with two pitch conversions (sand dressed to 3G) at the University and Nunnery Wood Sports Complex also listed, along with reference to a nearby location as a recognised local alternative venue should the Perdiswell project not be approved for development
- 2.15 The Worcester City LFFP links to the latest PPOSS and both documents identify Perdiswell as the highest-ranking priority location in the area for enhancement. This is supported by the existing infrastructure that is already in place such as adjacent changing, shower and toilet provision, car parking and café facilities for spectators.

3. Business case

- 3.1 Projects listed within the LFFP can benefit from funding from the Football Foundation. Discussions with representatives from the Worcestershire Football Association and the Football Foundation during April 2022 confirmed that the Football Foundation had commenced a three-year funding cycle, coinciding with the largest budget they were able to deploy since the organisation was founded in 2000. It was strongly indicated that as a high priority project, it would stand every chance of benefitting from a grant that would cover 75% of the total development costs, likely to be in the region of £800,000.
- 3.2 Over recent months officers have undertaken in depth consultation with local organisations interested in using the new facility to create a draft of the proposed programme of use for the facility, as well as arranging for a number of site surveys to be completed. During this time monthly progress meetings have been held with representatives of the Football Foundation and officers have continued to upload the evidence required as part of the funding application via the Football Foundation on-line portal.

- 3.3 Following a recent competitive tender process five of the six approved contractors registered on the Football Foundation procurement framework submitted bids (exclusive of a contingency budget and VAT).
- 3.4 All tendering suppliers confirmed they would hold their price for 90 days beyond the 18th January 2024 to allow for submission to the Football Foundation Peer Review meeting on 13th October 2023, followed by the Football Foundation grants panel award decision hearing scheduled for 18th January 2024.
- 3.5 One important point of note is that under the terms and conditions of the funding agreement with the Football Foundation any surplus income generated must be re-invested back into the facility to protect its long term sustainability. This also ensures that access is available to all sectors of the local community and will include some free and subsidised group sessions organised by Freedom Leisure’s Healthy Communities team.
- 3.6 The following table provides an approximate high-level construction budget breakdown:

Item	£
New 3G AGP	£780,000.00
Contingencies	£20,000.00
Total	£800,000.00

- 3.7 The financial business case, based on budgetary figures, for providing the new pitch at Perdiswell is as follows:

Item (Capital)	£
Cost of Construction	800,000
Football Foundation Grant	(600,000)
Net Cost (Council contribution)	200,000
Item (Revenue)	£
Cost of borrowing	29,050
Lifecycle Costs	43,389
Maintenance (Sinking Fund)	25,000
Total Costs (per annum)	97,439
Projected Annual Income	(100,000)
Net Surplus	(2,561)

- 3.8 These figures are based on proven demand and existing income achieved for other artificial grass pitches in the city. The proposed hourly rate has been set below the current charges for the artificial grass pitches at St Johns Sports Centre and Nunnery Wood Sports Complex, in order to encourage more extensive usage by junior football clubs based in the local area, all of which have plans to increase the number of existing teams they currently provide.
- 3.9 The projected surplus is in line with expectations of the Football Foundation.
- 3.10 Current booking arrangements undertaken by Freedom Leisure for the existing small-sided artificial pitches (refurbished in October 2021) will be extended to include the new AGP, with an adjustment in the management fee paid to the Council

and agreement for £25k per annum to be set aside by the Council as part of the creation of a sinking fund for the future replacement of the surface due to wear and tear beyond year ten.

- 3.11 The preferred option is to construct the new 3G AGP to the side of the building in the area of land between the Football Foundation changing accommodation and the six existing grass football pitches. Please refer to **Appendix 1** for an indicative example of the proposed location, subject to final design and approval. For reasons explained in the section below, this is considered to be the optimal location for the new 3G AGP facility. It should be noted that part of this site is within the redline for the previous planning consent for a football stadium; this planning consent was not progressed and expired in 2021.
- 3.12 Environmental consequences of the proposals have been considered throughout and will be subject to the planning application. The proposed 3G AGP would introduce floodlighting and some additional evening noise into to the area between the Leisure Centre and existing Grass Pitches. However, the Light Spill analysis for the proposed lighting scheme shows lighting would be limited to the curtilage of the pitch and the distance from residential properties would mean that noise nuisance would be minimal.
- 3.13 The facility will provide a playing surface of 91m x 55m consisting of an artificial grass surface, infilled with specially selected silica sand and recycled rubber granules. The playing area will be surrounded by galvanised fencing to a height of 4.5m and will be floodlit to ensure maximum usage during the winter months. Please refer to **Appendix 2** for a visual representation of a similar facility located in Berkshire.
- 3.14 Investigations into the site conditions have concluded that it is suitable for a 3G AGP.
- 3.15 In respect of changing room capacity, currently Perdiswell has 8 full size changing rooms funded by a grant from the Football Foundation in 2006, and this is considered adequate and able to cater for any increased demand.
- 3.16 Officers are also investigating improvement work to the side elevation of the leisure centre building which would involve the continuation of the trespa panelling currently covering the front of the building to improve the visual representation.
- 3.17 This work would also include a review of the link between the existing changing rooms and the new AGP, which would help to reduce episodes of ASB which are encountered on occasions.

4. Alternative Options Considered

Do nothing

- 4.1 The do-nothing option was discounted as this is an opportunity for the Council to benefit from substantial grant funding and to continue to invest in the provision of sport and activity at the City Council's flagship leisure centre.

Inhouse Operation and management

- 4.2 This option was discounted due to the practical implications of operating such a facility, with the need for an onsite contact/booking system, staff presence, access to lighting controls, security and first aid being just some of the considerations that make the choice of the onsite leisure operator a suitable and logical choice.

Alternative locations

- 4.3 With regards to the location of the 3G AGP, other alternative options have been considered.
- 4.4 The first was to locate it at the rear of the Leisure Centre. However, a 3G AGP in this location would require the loss of hedgerow, trees and public open space from the old golf course; increasing light and noise pollution into this area. Test pit investigations have shown it would also have required construction in the landfill area, adding to cost and potential environmental concerns.
- 4.5 A further issue with using the land behind the Leisure Centre is that it would remove the future capacity for dedicated Futsal/5-a-side/football facilities. The proposed indoor Futsal Centre also requires a smaller footprint than the AGP and does not require the loss of the hedge or public open space on the old Golf Course and does not introduce lighting or noise into this area.
- 4.6 Using the area at the rear of the Leisure Centre for the provision of the new AGP would also necessitate the need to demolish the two existing small 5-a-side pitches which were refurbished by Freedom Leisure in October 2021, and which would therefore require reimbursement from the Council.
- 4.7 The second option for the introduction of a 3G AGP in the Perdiswell area is to locate it at a nearby location, subject to their validation of the suitability of their site. Meetings with both the Worcestershire Football Association and the Football Foundation have confirmed that they have been in conversation with a local partner about this option and have indicated that should the LFFP/PPOSS preferred option of Perdiswell not proceed then that site would be considered as an alternative. The Council would be prepared to work in partnership with the alternative provider to support their proposal.

5. Next steps

- 5.1 As outlined in sections 2 and 3, there are clearly a number of interdependencies in this project and so this report seeks delegated authority, in consultation with Chair and Vice-Chair of the Committee, to progress the project workstreams in parallel. In summary the steps to successful completion of the new AGP facility are:
- (a) Approval to allocate the specified site for this purpose;
 - (b) Award of the Football Foundation grant;
 - (c) Grant of satisfactory planning permission;
 - (d) Award of the construction contract at satisfactory price;
 - (e) Agreement of fine detail of operating and pricing arrangements;
 - (f) Legal agreements with Freedom Leisure and the Football Foundation.

- 5.2 If any of these workstreams present issues or risks which are outside of the parameters approved by Committee then the matter will be referred back to Members for further consideration.
- 5.3 While timescales may change as the project progresses, at this stage it is expected that the AGP facility would be available for use in October 2024.

6. Implications

6.1 Financial and Budgetary Implications

The projected costs and income streams are summarised in the report. The construction cost estimates were revised in March of this year and the tender prices were in line with these estimates. Should actual costs exceed these estimates, this will be reported to committee in line with normal reporting arrangements.

PWLB rates continue to vary but have remained under the peak of 5.9% in October 2022. Therefore the estimates in the report remain reasonable. Rates are expected to fall during the later part of 2024 but any actual costs will be reported at the date that the loan is taken out, if approved. Capital receipts will be used as an alternative to minimise borrowing costs in line with normal treasury management practice. The projections estimate that there will be sufficient income from the facility to cover the ongoing maintenance and financing costs at current rates.

If the proposal does not go forward the Council will be expected to contribute up to £10,000 towards the Football Foundation's costs. A Leisure Developments Reserve was previously created to support such opportunities. It has a current balance of £11,400 as of 31st March 2023, of which £10,000 has been set aside for this purpose.

6.2 Legal and Governance Implications

The proposal for a new AGP at Perdiswell would require it to be sited on land currently designated as public open space.

Subject to the local policies in a local development plan if land is held as public open space it cannot be disposed of unless the process under section 123 of the Local Government Act 1972 (as amended) is used.

'A principal council may not dispose of any land consisting or forming part of an open space unless before disposing of the land they cause notice of their intention to do so, specifying the land in question, to be advertised in two consecutive weeks in a newspaper circulating in the area in which the land is situated, and consider any objections to the proposed disposal which may be made to them'.

Furthermore, Perdiswell was subject to a Council Motion (approved in 2016) which stated that: *'The freehold of Perdiswell is owned by this Council and is established public open space. In the interests of local democracy this Council believes Perdiswell should remain so and not be sold, leased, transferred or given away for any other purpose than its current designated status. Should any proposal to sell, lease, transfer or give away land at Perdiswell come forward Full Council should determine any such proposal rather than Officer delegation or Cabinet'.*

Planning permission would also be required for an AGP facility at this location and both the Council, and the Local Football Foundation will work with the Local Planning Authority in respect of an application should all necessary approvals by Committees and Council be granted. The process of determining the planning application is an entirely separate legal function for the Council and will therefore be managed independently of the AGP project team and no further comments on the prospects of this planning application can be made in this Committee report.

Should the Council be successful in its application for Grant funding from the Football Foundation, it will be necessary to enter into a legal funding agreement which is likely to put restrictions on the use of the AGP facility and length of time it must be maintained as a facility to Football Foundation standards. Further Committee decision(s) may be required to accept the funding if any conditions associated with the funding throw up significant risks or obligations which are outside of the parameters contemplated in this report.

6.3 Risk Implications

As per the information outlined in section 3 of this report a preferred supplier has now been identified and they have submitted a guaranteed maximum price, which is within the existing budget identified for this project. A process of value engineering will now be undertaken through the design stage to assess whether further savings can be made to the original tender, with a final fixed price determined once any planning conditions have been discharged.

The tender will remain open for acceptance for a period of 90 days post the Football Foundation grant panel hearing scheduled for the 18th January 2024. If the project is delayed beyond that date there is a risk of cost increases due to the price of materials. Council Officers have been advised of the need to budget for additional costs of £50-£75k (net of VAT) should there be a risk of such an occurrence.

Council Officers have worked with specialist suppliers and technical advisors to ensure accuracy in the business revenue model forecast, which are either based on established income achieved at similar facilities owned by the Council in Worcester, or from information from the Football Foundation, or from the sports management/consultancy sectors. These have a great deal of uniformity, which gives a high level of confidence in the projections. This equally applies to forecasted operating, maintenance and lifecycle costs for the facility which mitigates any risk of the facility becoming unsustainable or unable to support its own replacement costs.

As this project has a defined scope, the risk of cost escalation in Capital Build estimates has been mitigated by thorough investigation of the prevailing ground conditions, detailed design considerations and working with different specialist suppliers and technical advisors to arrive at robust cost estimates.

The risk in respect of the construction phases of the project have been mitigated by the procurement of independent project and cost management consultants, to manage the Programme and oversee constituent elements, from design and funding application/agreement through to completion.

6.4 Corporate/Policy Implications

The proposals in this report are compliant with, and supportive of, the LFFP and PPOSS in respect of the improvement of 3G AGP provision in the city.

The proposals in this report support Theme 3 of the City Plan – a Healthy and Active City and specifically to increase participation, particularly at grass roots level, address health inequalities by hosting activities such as walking football, promoting mental and physical wellbeing, working collaboratively to develop local partnerships and to make a contribution to the Council’s aim to further strengthen Worcester’s growing national and international reputation as a centre for inclusive sport.

6.5 Equality Implications

As stated in 2.11 the LFFP sets out to support the development of the Worcestershire Football Associations key strategic priorities.

All of the proposals in the FFP are therefore designed to promote equality and inclusivity in sport by ensuring that there is capacity for all genders, abilities, disabilities, ages and backgrounds, regardless of social position or affordability considerations.

The Clubs have all indicated their clear ambition to significantly increase the number of girls teams located at the site.

In depth consultation has taken place with local teams to confirm existing and planned future demand which has facilitated the production of a proposed programme of use for the new facility. One of these conversations has been conducted with the CEO of Worcester City Women FC who are very interested in hosting an emerging talent centre at the site to oversee the future development of girls and women’s football.

Talks have also taken place with the University of Worcester with regards to taking a collaborative approach to future AGP programming in the city and this includes partnership working to support local disability football provision.

6.6 Human Resources Implications

There are no HR implications in respect of this report.

6.7 Health and Safety Implications

There are no Health and Safety Implications in respect of this report.

6.8 Social, Environmental and Economic Implications

The Social benefits of the proposals are indicated by the number of measures supported against Theme 3 of the City Plan and in respect of the equality/inclusivity benefits outlined in section 6.5. More people from different ability ranges will be able to participate in football. This all helps to build strong communities and reduce social isolation.

The ‘turn up and play’ and ‘free of charge’ aspect of the Community facilities, is of particular benefit to casual players or those who do not have access to or the financial or time resources to commit to playing for an FA accredited Football Club.

In this respect the proposals will play an important role in providing easier access to 'football' for those from unprivileged backgrounds via programmes organised, in conjunction with Worcester Community Trust and promoted and delivered by Freedom Leisure's Healthy Communities team.

The proposal will also bring economic benefits to Worcester in terms of a healthier population as well as reducing the need for players and parents to travel outside the city to access alternative training facilities at Malvern, Pershore and Droitwich saving them both time and money. From a carbon footprint perspective it is estimated that this could provide a saving of 48.89 tco2e using the LGA carbon calculator (category of average medium car unknown fuel) In terms of savings it would produce a reduction in mileage of 146,232 miles, and as a comparator would be equivalent to removing around 2% of the Council's carbon footprint (Council carbon footprint is approx. 2000 tonnes)

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Background Papers: None