

## **CABINET**

<b>DATE</b>	1/12/2021
<b>REPORT OF</b>	Councillor Callum Procter, Portfolio Holder for Economic Development, Housing and Tourism
<b>RESPONSIBLE OFFICER</b>	Sharon Wroot Executive Director Environment, Economy and Resources
<b>SUBJECT</b>	Playing Pitch Provision
<b>STATUS</b>	OPEN with a CLOSED appendix - Paragraph 3, Part I, Schedule 12A of the Local Government Act 1972.
<b>FORWARD PLAN REF NO.</b>	CB 12/21/08

### **CONTRIBUTION TO OUR AIMS**

The provision of high quality, efficient and effective sport, recreation, and leisure services in North East Lincolnshire directly supports the Council's aims, Stronger Economy and Stronger Community. These are key to ensure residents and visitors to the Borough experience sustainable communities, whilst enjoying the health and wellbeing benefits high quality sport, leisure and recreation services offer.

The Council has developed an Outcomes Framework which sets out five (5) high level outcomes that the Council and its partners aspire to deliver to ensure prosperity and wellbeing for residents of North East Lincolnshire. The investment proposal will contribute towards achieving four of these outcomes i.e., all people in North East Lincolnshire will:

- fulfil their potential through skills and learning;
- benefit from sustainable communities;
- enjoy good health and wellbeing; and
- help to grow our strong economy.

### **EXECUTIVE SUMMARY**

This report seeks approval regarding the Cleve Fields site to; phase the proposed works, and deliver the recommended necessary works identified, and proceed with all necessary specialist construction procurement activity for the Cleve Fields site. This is to deliver the first (centrally located) improvement in pitch provision as outlined in the Playing Pitch Strategy (PPS).

### **RECOMMENDATIONS**

It is recommended that Cabinet:

1. authorises the Executive Director of Environment, Economy and Resources in consultation with both the Leader of the Council and the Portfolio Holder for Economic Development, Housing and Tourism to ensure that all necessary

actions are carried out to phase the delivery of the proposed scheme, to commence with phase 1 works at Clee Fields, and only progress works at the KGV Stadium Site subject to the development of an acceptable business case and the identification of available necessary funds.

2. authorises the Executive Director of Environment, Economy and Resources in consultation with both the Leader of the Council and the Portfolio Holder for Economic Development, Housing and Tourism to commence, conduct and award contracts following appropriate procurement exercises for the development of the Clee Fields site in readiness for implementation of the anticipated scheme of works and to carry out all actions arising or ancillary to such exercise and ultimate implementation; and
3. authorises the Assistant Director Law, Governance and Assets (Monitoring Officer) to complete all requisite legal documentation in relation to the matters outlined in the above recommendation.

## **REASONS FOR DECISION**

This decision is required both to progress the Clee Fields on a phased basis and proceed with procurement processes. This will also provide assurance regarding progress on the project to government agencies (including Homes England and Sport England), requiring evidence of reprovisioning of pitches which are currently being built upon by the Council's housing delivery programme.

### **1. BACKGROUND AND ISSUES**

- 1.1 Cabinet adopted North East Lincolnshire's PPS in 2018. The delivery of this important strategic investment at the Clee Fields site is the first phase of the Council's obligation to fulfil its PPS action plan commitments.
- 1.2 The target date for delivery of the Clee Fields scheme is December 2022 (See Appendix 3 - Project Plan).
- 1.3 This report is the second Cabinet approval sought for the project. With its first decision in November 2020 Cabinet (report and decision attached as background papers) gave approval to proceed with the Clee Fields project and all necessary activities required to achieve full detailed planning approval.
- 1.4 Currently there is a mix of approaches to management of facilities across the Clee Fields and KGV sites, with long term leases for various elements of the site to 3 different organisations. The current composition of facilities across the two sites can be seen in Appendix 2 - Project Phasing Proposals.
- 1.5 The capital allocation shown in Appendix 1 was approved for completion of the works to achieve the original proposal. This consisted of Council Capital funding and anticipated Football Foundation external grant funding for two (2) 3G pitches of approximately £1,000,000 (as yet unsecured). The previous Cabinet report of November 2020 confirmed that work should not be delayed if the external grant funding is not realised.

- 1.6 The project proceeded with appointment of the Council's partner EQUANS in December 2020 to carry out all elements of the project, (subject to the requisite governance approvals) including design, planning, procurement, and construction processes other than exploration of, and application for external funding options.
- 1.7 The project proceeded with appointment of the Council's partner Lincs Inspire Ltd (LIL) in December 2020 to explore all external funding options (including the Football Foundation funding) and proceed with funding bid application processes subject to Council approval.
- 1.8 The Project Team, including LIL representatives will seek an alternative provider, other than the Council, to manage and operate the site once complete. Under existing contractual arrangements, LIL are to be given first refusal (subject to a mutually beneficial agreement being in place) to operate the site in the first instance. Until or unless LIL choose not to do so, then other options for operators would be explored.
- 1.9 Officers will confirm the opportunity for any external grant funding in support of the scheme outlined in the time available up to construction phase. However, the scheme will not be delayed because of being unable to secure external grant funding as full dependency on grant funding would create consequential risks to the interdependent wider Borough Housing development schemes and Local Plan.
- 1.10 In order to maximise the project's chances of winning funding the Council will need to use prospective funder's Football Foundation's framework to carry out Specialist Construction procurement to meet their funding terms and conditions.
- 1.11 Delivery of the scheme as originally proposed at Feasibility Stage has now been reviewed as part of Detailed Project Development stage. Following site surveys and confirmed planning and site security requirements, detailed costings were undertaken which showed further works were required to deliver the project, and these, together with a wide range of global inflationary factors occurring since initial Cabinet approval, have increased the original Feasibility Stage estimated costs. Officers have therefore assessed the scheme and recommend a phased scheme of works as shown in Appendix 2, and a reallocation of the existing Playing Pitches budget. This means the proposed Phase 1 – Clee Fields, subject to tender, would be delivered within the overall approved Playing Pitches budget allocation.

## **2. PROPOSAL**

2.1 This report seeks approval to:

- phase the delivery of the original scheme;
- commence with phase 1 works only at Clee Fields; and
- only progress to phase 2 works once a satisfactory business case has been developed.

Both Football Foundation and Sports England have confirmed that they do not object to this phased approach, allowing the Council to continue with its football funding application and ongoing housing developments.

- 2.2 Phase 1 (development of the Clee Fields site only) requires a reallocation of the existing Playing Pitches budget to deliver the project which can be seen in Appendix 1. Further work will then need to be undertaken to explore future funding opportunities and develop a business case to deliver the further 2 phases of the project.
- 2.3 This report seeks approval to progress the recommended Phase 1 works investment proposal (set out in Appendix 2) through the procurement stage including contract award, and delegation of the authority to officers to undertake all the necessary technical and detailed work to do so.
- 2.4 The staging and proposed timeline for this procurement activity (See Appendix 3 – Project plan) is:
  - Cabinet Approval to proceed with a phased approach and procurement(s) of works– December 2021
  - Procurement of Works– January to March 2022
  - Planning Decision – March 2022
  - March – August 2022 – Awarding of contracts and contract mobilisation (dependent on timing and outcome of Football Foundation funding bid and whether the project falls back on NELC Capital Funding).
- 2.5 In support of the project, work is ongoing to identify funding opportunities in concert with LIL. This includes all the necessary technical and detailed work in any funding bids by LIL. Currently LIL working with the Football Foundation have identified that the project is eligible (subject to the Foundation Funding's terms and conditions), to apply for funding for the pitches. LIL are still exploring whether other external funding may be available for other elements of the project e.g.: the athletics track in phase 2.
- 2.6 The staging and proposed timeline for funding applications are:
  - Football Foundation Funding Bid Submitted – April 2022
  - Football Foundation Funding Outcome – August 2022

### **3. RISKS AND OPPORTUNITIES**

#### **Project Delivery Risks**

- 3.1 A risk exists of the ground conditions being inappropriate for the recommended investment proposal. Some of the work to assess this has been carried out as part of the ongoing detailed design stage. Drainage issues have already been identified and mitigation is included in the Phasing Proposals in Appendix 2. Should further adverse ground conditions be identified (e.g.: through the archaeological survey), officers will work with technical experts to either mitigate these or design an alternatively suitable layout/position.

- 3.2 Planning approval for these projects is subject to an independent process, and as such there are inherent risks in these types of projects, as they are complex and difficult to deliver and can become controversial to some residents. In mitigation, officers will ensure any development is in line with policy and best practice, and extensive consultation with local stakeholders will be undertaken. Any scheme put forward for planning permission will be balanced between operational need and any local community requirements.

### **Financial Risk**

- 3.3 If the tendered bids returned to the Council for the works are significantly more than current estimates, and above project budget, then additional sources of funding will be reviewed, and appropriate applications will be considered involving:
- a) A revised approach to the capital financing of the scheme (utilising greater corporate capital finance)
  - b) A revised phasing or scaling down of the scheme within the resources available.
- 3.4 There is a risk that any operator will be unable to generate the predicted level of income to cover running costs. However, the Council intends to transfer this risk to the operator. Therefore, it will be the responsibility of the operator to mitigate the risk through their operational practices. Regular budget monitoring will identify pressures early on and enable the initiation of appropriate interventions.

### **Reputational Risks**

- 3.5 There are significant reputational risks should the Council not deliver on the housing and playing pitch actions outlined in the Local Plan and PPS. Failure to invest in this scheme could result in reduced confidence in the Local Plan and PPS, which could see Government agencies such as Homes England and Sport England withdrawing funding and support, as well as other National Governing Bodies of sport. This could further exacerbate the local Housing demand.
- 3.6 The Council also risks further reputational damage with local partners and stakeholders such as sports clubs, leagues and other community users and partners if the PPS is not delivered. It would significantly affect the aspirations, and health and wellbeing of current and potential participants within sporting activities on Council sites.

### **Asset Risks**

- 3.7 It also presents the Council with the risk of the further deterioration and depreciation of its existing assets. If the investment does not proceed the assets will require additional funding to ensure that the assets can be repaired and maintained. The usage by the public continues to decrease for some sites due to their condition which will push use at other sites towards overuse requiring higher levels of maintenance and repair than planned.

## **OTHER OPTIONS CONSIDERED**

### **Option 1 – Stop – cease the project.**

3.8 This would be to stop the project at this stage and not proceed any further. The Council, in partnership with other stakeholders, have considered the “Stop” option before proceeding with this project. This option limits the Council in achieving its objectives under the Local Plan and PPS and would not allow the Council to unlock other sites for development. Taking this option would mean the risks identified above would become project issues to deal with in project closedown.

### **Option 2 – Other Sites Developed.**

3.9 The existing number of other sites owned by the Council does not meet the current and expected demand in line with projected Housing growth. This is despite the sites identified by the Council as those for potential Housing developments. There has been no consideration of acquiring additional land for playing pitch provision. However, as part of the PPS Action Plan, all Council sites have been assessed by the project team on a case-by-case basis in terms of their condition and necessary investment opportunities.

3.10 The FA and Football Foundation’s Local Football Facilities Plan (as the other major investor/stakeholder), has also concluded that they would prefer to invest in this, the first of the hub sites proposed in the PPS, rather than other sites at this time.

### **Option 3. Continue with the scheme in full**

3.11 Whilst continuing the scheme in full would allow the Council to further enhance its community sports facilities as initially intended, it does not currently represent good value for money. The recently quantified costs of the full scheme would require a level of investment much higher than initially assessed as value for money. To be considered further, a new business case would need to be developed for this option, identifying additional funding, and confirming value for money from a capital investment and a revenue budget perspective, as well as provide evidence of ongoing community and social value.

## **4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS**

4.1 There are both potential positive and negative reputational implications for the Council resulting from the original decision to approve the recommended Investment proposal in November 2020.

4.2 During the Detailed Project Development phase commenced following the November 2020 Cabinet approval to proceed with the project, a communication plan was developed, and a series of consultation exercises have taken place undertaken by LIL in conjunction with EQUANS. These involved stakeholders including: Officers, Members, Sport England, National Governing Bodies of Sport, Site Tenants, Sports Clubs, Football Foundation, Lincolnshire FA, Homes England, and members of the Public, to help refine site designs in readiness for planning and funding application submissions.

4.3 The communications action plan will further be developed and agreed with the Council’s communication service as the project progresses through

procurement and works phases.

## **5. FINANCIAL CONSIDERATIONS**

### **Capital Cost of the Recommended Investment Proposal**

- 5.1 The Capital cost of the recommended option is set out in Appendix 1.
- 5.2 The Capital costs have been estimated as accurately as possible by the Council's regeneration partner EQUANS using their specialist architectural and surveying team. Detailed confirmed costs will only become available during the next phase of the project through tender submissions and any bills of quantities. Equally the availability and securing of grant funding will only be determined during the next phase (subject to Cabinet approval of any funding award offer).
- 5.3 The headline capital costs table as shown in Appendix 1, does not include the project management fee of EQUANS who have been commissioned to deliver the project. The project is managed under the PAYG agreement for the Regeneration partnership, EQUANS fee relates to the agreed fees from the Architectural Consultancy agreement, for the involvement of their Technical Design Team. The fee to be held as a fixed lump sum, shown as paragraph 6 in Appendix 1. If there is a material change to the scope of the works or the project cost increase greater than 10% EQUANS and Council Officers will discuss the impact and agree any necessary change request in line with their partnership agreement.
- 5.4 Normally the prospective funders, The Football Foundation, require a £25k sinking fund for each 3G pitch they grant fund (£50k in total for this project). However, for our recommended investment proposal, Football Foundation have agreed that they will accept instead a written commitment in letter form. This letter will be required from a senior officer of the Council to The Football Foundation, confirming the Council's commitment to ensure that the grant funded 3G FTP pitches are maintained to the FIFA Quality Concept for Football Turf or the International Match Standard (IMS), or superseding standard, and kept on The FA 3G Pitch Register from completion of the project throughout the duration of the grant conditions clawback period of 21 years.
- 5.5 This would require a capital commitment to replace the shock pad and carpet as it wears out during this clawback period to enable this. Currently, (as confirmed with the Football Foundation in September 2021), a shock pad lasts typically 20 years and costs £50k, and a carpet costs £250k and wears out typically after 10 years, so long as the recommended warranty maintenance regime is adhered to. So, following completion of the project and installation of pitches in 2022-2023, future capital commitment costs would be:
  - 2032/33 - £500k to replace the carpet on both pitches (£250k each)
  - 2042/33 - £500k to replace the carpet on both pitches and £50k to replace the shock pad.

## **6. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS**

- 6.1 The recommended investment proposal is likely to have some limited environmental implications, which are being evaluated and mitigated throughout the ongoing detailed design survey and assessment activity. Site specific surveys, including but not limited to; groundworks, trees and hedges, traffic, sustainable travel planning, and parking are being developed as necessary for the detailed planning application.
- 6.2 Delivery of this proposal will contribute towards securing the delivery of energy efficient quality homes, with reduced heating costs making it more manageable for those on low incomes, to heat their home. Furthermore, the associated housing sites will set a precedent by using sustainable drainage methods to ease pressure on our drainage network.
- 6.3 This site is currently used as a sports, recreation, and leisure facility. It is centrally located within the borough, off a main road through Grimsby and Cleethorpes (A46). The site is well served with bus and cycle routes, ensuring it is well situated to serve as a sustainable community accessible sports hub.

## **7. CONSULTATION WITH SCRUTINY**

- 7.1 Officers will be taking a report to the Tourism and Visitor Economy Scrutiny Panel seeking comment on the recommendations as set out in this report, on 18<sup>th</sup> November 2021.

## **8. FINANCIAL IMPLICATIONS**

- 8.1 The proposed increase in budget for the Clee Fields site can be managed within the existing overall Playing Pitches budget within the Council's approved Capital Investment Programme, though this will leave less resources to invest in other sites.
- 8.2 As outlined above, any investment in future phases of works on playing pitches will be subject to approval of a separate business case.

## **9. LEGAL IMPLICATIONS**

- 9.1 The anticipated procurement exercise will be conducted so as to comply with the Council's policy and legal obligations, specifically in compliance with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015 and supported by relevant officers.
- 9.2 The delegations sought are consistent with an exercise of this nature.
- 9.3 Officers should note that an award constitutes a further decision and will be subject to completion of an Officer Decision Record and be subject to call in. Award and implementation timelines should accommodate this.



## **10. HUMAN RESOURCES IMPLICATIONS**

10.1 There are no direct HR implications contained within this report

## **11. WARD IMPLICATIONS**

11.1 Ward implications for the scheme are captured within the previous Cabinet report included in the Background Papers for this report.

## **12. BACKGROUND PAPERS**

1. Cabinet Report and Decision Notice from November 2020

## **13. CONTACT OFFICER(S)**

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**COUNCILLOR CALLUM PROCTER**

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