

Key Decision Required:	Yes	In the Forward Plan:	Yes
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CABINET

16 JULY 2021

REPORT OF THE PORTFOLIO HOLDER FOR LEISURE AND TOURISM

A.3 CLACTON LEISURE CENTRE ARTIFICIAL GRASS PITCH

(Report prepared by Mike Carran, Kieran Charles & Richard Hall)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

For Cabinet to approve a refurbishment of the artificial grass pitch at Clacton Leisure, funded through an external grant award from the Football Foundation and a budget allocated to this project from Essex County Council, through the land swap agreement for a section of Vista Road Playing Field.

EXECUTIVE SUMMARY

- Cabinet adopted the Council's Back to Business recovery plan at its meeting on 13 November 2020, where it was acknowledged the Council was '*working with the Football Foundation (FF) and Essex Football Association to secure match funding for three new artificial grass pitches by 2022*'. Further to that, on 19 February 2021 in its Back to Business Delivery Plan, Cabinet noted the Council would '*work with the Football Foundation and Essex Football Association to secure match funding for a new 3G pitch at Clacton Leisure Centre to be complete in summer 2021*.'
- Following a successful partnership arrangement with the Football Foundation and Essex FA, including a comprehensive design study and consultation with local sports clubs, subject to acceptance of the grant terms, the Council has provisionally been awarded match funding towards a full refurbishment.
- The current sand filled artificial grass pitch at Clacton Leisure Centre is nearing the end of its lifespan and is in need of replacement. The pitch is well used, generating in the region of £40K per annum and used by around 43 teams/hirers per week in high season (prior to Covid-19 restrictions).
- It is proposed to refurbish the facility, which is currently a 'sand filled' style to a 3G pitch. The scope of this project will include a full refurbishment including a new 100m X 64m surface (full sized football pitch), fencing and floodlights. It would give rise to a considerable benefit to the wider community through the provision of an enhanced playing facility and the continued opportunity for usage throughout the year.
- The total project costs will be £668,751. This will be funded through a successful bid to the Football Foundation (FF) for £343,751 and £325,000 allocated to this project from Essex County Council (ECC) through an agreement for an area of land at Vista Road Playing Field (covered within the background to this report). No further funding is required for this project. The risk of costs increasing are minimal, as the project has already been subject to a procurement process due to the criteria set out by the FF.
- Essentially a 3G pitch is synthetic surface made from artificial grass, supported by rubber granules and is suitable for football. The Football Foundation have a target

to roll out 1000 new 3G pitches in England over the next 10 years and have commissioned strategies in local authority areas across the country.

- A planning application for the conversion from sand based artificial grass to 3G was approved in October 2020, which was a pre-requisite of the FF funding application. As 3G surfaces are not suitable for hockey, it has been agreed with Sport England (as a statutory consultee) and England Hockey that the Council will adopt Brightlingsea Sports Centre/Colne College as a home for the sport. Subsequent to this, the Council has also been working with local hockey clubs to explore options for the use of Dovercourt Bay Lifestyles as an alternative site.
- As required as a stipulation of Football Foundation Funding, the project has already been subject to a full tender process and following evaluation, Limonta Smith JV Ltd are considered to have provided offer the most competitive bid.
- By accepting the Football Foundation Grant, the Council is committed to maintaining an artificial pitch at the site for a period of 21 years, which is a requirement within the associated funding agreement.
- The funding agreement specifies that a sinking fund is set up to achieve this requirement. This has been taken into account as part of the business plan, which indicates that sufficient net income will be generated to ensure the financial viability of the project, which includes the required contribution to the sinking fund.

RECOMMENDATION(S)

It is recommended that Cabinet:

a). Approves the refurbishment of the Artificial Grass Pitch at Clacton Leisure Centre with a total capital cost of £668,751 and delegates project delivery to the Assistant Director, Economic Growth & Leisure.

b). Accepts the funding offer from the Football Foundation to the value of £343,751 towards the total project costs.

c). Allocates the funding balance of £325,000 towards this project, from the agreement with Essex County Council for the land swap arrangement for a section of Vista Road Playing Field.

d) Subject to a) to c) above, includes the project within the 2021/22 General Fund Capital Programme.

e). That the Assistant Director, Economic Growth and Leisure, in consultation with the Assistant Director, Governance, is delegated to agree the terms and conditions of the funding agreement with the Football Foundation, set out in Appendix.

f). That following a procurement process, Cabinet agrees for the contract to be awarded to Limonta Smith JV Ltd, for the installation of a new 3G artificial grass pitch at Clacton Leisure Centre.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

This strategy will support a number of priorities in the Corporate Plan as set below:

- Modern, high quality buildings and facilities for customers and staff
- Working with Sport England and Active Essex - for physical activity and wellbeing
- Joined up public services for the benefit of our residents and businesses

Further to that, the following opportunities listed in the plan will be impacted upon by the strategy:

- Installing a modern LED floodlight system to replace the existing and ageing set up, will support the Council's objective to be Carbon Neutral by 2030.
- This project will also support the priority to 'use assets to support priorities' by improving the Council's Leisure Stock to encourage more local people to become active.

Back to Business (2021)

The Council's Back to Business Plan seeks to support the district's recovery from the Covid-19 pandemic.

The Plan seeks to target action that will secure improvements to the environment and the quality of life, and to provide support for the district's residents, businesses and the wider economy in order to support Tendring's recovery from the challenges of the pandemic.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The capital cost of this project is £668,751, which will be fully funded as follows:

- £343,751 from the Football Foundation
- £325,000 from Essex County Council, as part of the agreement for land at Vista Road Playing Fields.

The project has already been subject to a full tender process, as required as a stipulation of Football Foundation Funding. The cost of the project, should therefore not exceed the costs set out above. The Football Foundation allocation is the maximum the Council will receive and if the project costs are less than anticipated, their allocation will be reduced accordingly.

The project costs are inclusive of a 5% contingency plus VAT.

Fees relating to the legal restriction as set out in the next section will be applicable for up to £2,000. It is intended to fund this from Clacton Leisure Centre revenue budgets.

Breakdown of Project Costs

Works	Cost (£)
Contract/Site Preliminaries/Preparation	123,103
Pitch Foundation, Base & Surface	222,053
Perimeter Fencing	56,840
Sports Equipment and Site Furniture	19,591
Floodlighting	62,036
Reinstatement/ /Maintenance Equipment/ Infill Retention Mitigation	48,095
Contractors Other Items	80,798
Sub Total	612,516
Pre-construction Conditions	20,000
Contingency plus VAT	36,235
Total	668,751

Revenue Implications

The average surplus over the 5 years previous to financial year 19/20, on the current All Weather Pitch has been £40K per annum. However, it is recognised that the pitch is at the end of its life and without investment bookings will no longer be able to continue due to the pitch being unsafe to use.

In preparation for the grant funding bid, consultancy firm Castele provided cost and income projections for the pitch over the next 5 years, which are summarised below:

Initial investment by TDC - £0

Surpluses:

Year 1 - £6,659

Year 2 - £68

Year 3 - £869

Year 4 - £192

Year 5 £2,535

Total surplus over 5 years - £10,322

The surpluses above are after assuming a £25K per annum sinking fund, which will allow for resurfacing of the pitch after 10 years. With other service contracts the total fixed costs of the pitch are £33K per annum, these costs will have to be covered by TDC if revenue drops below this minimum.

It is projected that income will rise by approximately £7k per annum over the first five years of the project, compared with the baseline position. A detailed breakdown of cost/income is provided in Appendix C.

The funding agreement also specifies that any surplus over and above that required to meet the net running costs and contributing to the sinking fund would need to be reinvested in football related activities. This is only a limited risk as such expenditure already forms part of the leisure services budgets which would therefore be available to 'discharge' this requirement.

Although included within the risk table below, it is worth highlighting the financial risk if the estimated surpluses above are not achieved. Such risks are increased given the long term commitment required as part of the football foundation grant conditions and factors such as demand could change over this time span. If the required surplus is not generated to set money aside in a sinking fund, then any shortfall would need to be met via the Council's long term financial forecast which may require savings to be made elsewhere within the overall budget.

Risk

Key Risks	Action Proposed to Manage the risk	Link to Corporate Risk Register
Operational - project runs overtime, budget or is of poor quality	<i>The works will be reported through the Council's project board and ensure information regarding key risks are received on a timely basis. The key features of the new proposed 3G Pitch will be outlined to provide the best quality of works is undertaken.</i>	2 - Failure to deliver key projects
Project Cost Increase	<i>The project has already been subject to a procurement exercise, so the costs are already understood. A number of surveys have been undertaken to mitigate against unknown costs.</i>	2 - Failure to deliver key projects
The Football Foundation initiate the clawback clause within the 21 years specified	<i>This will only be in extreme cases where the Council does not comply with the terms and conditions, or decides to use the land identified for another purpose</i>	1 - Financial
Reputational - failure to manage operational risks leads to negative publicity of the Council	<i>As per operational risks, the project board will manage with input from the communications manager where appropriate. Keeping up to date on where the project is currently and through communications manager engaging with the public will support the community involvement.</i>	3 - Reputational
<i>Discharge any FF pre-commencement award conditions - As advised by Limonta Smith + the £20k nett allowance Network Rail advised us of for their fee's for the BAPA + Limonta Smith's OHP</i>	<i>To proceed to satisfy the Planning Authority and discharge all pre-commencement planning conditions. Allowing Limonta Smith to liaise with Network Rail regarding the BAPA, signing the drafted limited letter of Intent. If the project wasn't to proceed the funds from the land swap agreement would over the £20K discharge cost.</i>	1 – Financial
<i>Revenue drops below minimum level to cover fixed costs - £33K. TDC would have to make up the shortfall.</i>	<i>Regular income forecasting to identify risk through quarterly budget monitoring processes. Pick up any shortfall through 10 year</i>	1 - Financial

LEGAL

The proposals are within the Council's powers. The Request for allocation of budget will be in accordance with the Budget and Policy Framework, as set out in Part 5 of the Council's Constitution.

Tenders were provided to six approved suppliers on the 27th November via the e-Tendering portal. All six tenders returned their tender by the date and time. A full tender report has since been received with a preferred AGP supplier based on a cost of £612,516.21 (exclusive of 5% contingency and VAT).

Full Planning Permission was granted for this project in October 2020. As part of the planning permission, a condition was included to ensure that the displacement of hockey is accommodated elsewhere in the District. A strategy for this has been agreed with Sport England and England Hockey which will see the refurbishment of a sand-based pitch at Brightlingsea. Discussions are also taking place with local hockey clubs about the use of Dovercourt Bay Lifestyles.

The grant award includes a 21 year clawback, if at any time the Council does not meet the essential criteria set out in the terms and conditions. The definition of "clawback period" means that the Foundation will have up to 21 years in which to clawback this grant, running from the date of acceptance of the Grant. During the "clawback period" of 21 years the Council would be unable to, e.g. transfer, sell, lease, licence or otherwise dispose of any part of the "facility" i.e. equipment, buildings or land without the prior written consent of the Foundation's Chief Executive, and the Council would have to comply with certain conditions if consent were given: there is no guarantee consent would be given. The clawback is part of the standard terms and conditions for the Football Foundation, as set out by their funding backers, including Sport England.

In relation to the clawback period, the Football Foundation require the Council to agree a restriction on the artificial pitch facility, once complete. The Football Foundation require the Council to pay the fees for registration of this restriction which are quoted at £1,000.00 + Vat, with disbursements. No work can be started on the "project site" until the restriction is in place. For clarity the following condition will be included in the terms and conditions in relation to this restriction:

'No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction is to be registered without a written consent signed by The Football Foundation (Registered Company Number: 03876305) of 10 Eastbourne Terrace, London W2 6LG or their conveyancer.'

The Football Foundation confirm that they would not oppose improvements/re-configuration of facilities and this restriction is in relation to disposal, as the passage above suggests. However, it must be noted that the Football Foundation will not accept additional wording "not to be unreasonably withheld" to the restriction. The implications of this is that it gives the Football Foundation a greater degree of control over the use of the land in question. The restriction may have some impact on the value of the land subject to the restriction.

It should be noted that although this does not cover the entire site, the restriction would include the new artificial pitch, together with the ancillary facilities that service/support the pitch, including the appropriate changing rooms, spectator toilets, car park, access road (to the adjoining highway) grass pitches etc as illustrated on the Freehold Title Plan

EX816875 edged gold and coloured purple. In the event of a decision being made to dispose of the artificial pitch and ancillary facilities prior to the end of the 21 years, it is not clear how much of the grant will need to be repaid and by when. It will be at the Football Foundation's discretion to dictate how much of the grant would need to be repaid and when, depending on the circumstances at the time. The Council will need to consider what provisions need to be considered and put into place if the grant is ever to be repaid to the Football Foundation.

It should be noted that in addition to the land swap transaction between Essex County Council and the Council, the Council was to grant The Sigma Trust a licence under a joint use agreement for a period of 40 years for the use of access, parking and the artificial grass pitch for the benefit for the benefit of The Sigma Trust in exchange of the use of changing rooms, outdoor playing pitch and space for the benefit of the Council premises. During negotiations The Sigma Trust have expressed that it wishes to have an easement – an interest in land, instead of a licence. The joint use agreement is yet to be finalised.

The Council would need to request the first payment of the Grant within 6 months of the date of the offer letter which is dated 26 April 2021. The terms and conditions need to be agreed by 26 June 2021. As such, it will be necessary for the Council to agree them 'subject to call in', as this falls prior to the call in period for this decision expiring.

If the funding is agreed, the Football Foundation appoint and pay for an independent consultant to undertake the following services on the Council's behalf:

- Administration of the JCT 2016 Design & Build Contract on our behalf
- Attend site to monitor progress and chair regular meetings
- Cost management including Financial Reporting and issue of Payment Certificates
- Health & Safety compliance including acting as your CDM Advisor
- Monitoring of the suppliers performance throughout the project

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

Area or Ward Affected

Clacton Leisure Centre is located in St James Ward, but has the potential to impact on surrounding wards and the wider District.

Health Inequalities

The project will have an opportunity to address key priorities identified within the local Health and Wellbeing strategy. These are:

- Priority 1: Tackling obesity, improving diet and increasing physical activity.
- Priority 2: Improving mental health and wellbeing.

Increasing physical activity levels and establishing a programme of use that addressed the issues identified within the strategy will be vital in ensuring the site supports the priorities and principles of the strategy.

Consultation/Public Engagement

A consultant working on behalf of the Council, funded through the football foundation has undertaken a full consultation with local clubs. This was to establish the future use of the pitch and which clubs would look to use it.

Several local football clubs hire the existing artificial Pitch for individual teams, including over the past two years Holland FC, Banks FC, FC Clacton, Frinton & Walton Youth FC, Pavilion FC, Elmden Rovers Youth FC, Frinton Mavericks FC, Thorpe Athletic, Sokretex Reserves and The Offsiders FC. Football Development East also makes use of the existing facility.

A walking football group and several unaffiliated groups also use the site weekly during the season. Disability 4Sport and Colchester United Football also hire the facility throughout the year. This confirms that the leading interest for the site is from football users, yet the current facilities are not ideal for training due to the type and quality of the surface, nor are they suitable for the clubs to use for any match play activities.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

The purpose of this project is to fund asset improvement works to refurbish an existing sand-based pitch at Clacton Leisure Centre, providing a full-size floodlit 3G Artificial Grass football pitch as the first phase of a broader strategy for the Council's Sports Facilities. The artificial pitch is at the end of its maintenance lifecycle and requires a refurbishment. The scope of the project includes:

- Pitch foundation and base
- Artificial grass surface
- Perimeter fence
- Sports equipment and site furniture
- LED floodlighting
- Hard standing areas
- Maintenance equipment
- Drainage works

The Council's Sports Facilities are a discretionary service but valued community asset, with Clacton Leisure Centre as the most prominent site within the Council's Sports Facilities stock, attracting around 420,000 visits each year.

The aims of the project are:

- To provide a high quality, all-weather 3G floodlit training and playing facility to accommodate the needs of clubs in and around Clacton on Sea and to meet an identified shortfall of pitches in the Tendring District.
- To support the development of targeted programmes (women and girls, inclusive teams) within Clacton and the surrounding areas.

- To reduce the pressure on existing training and playing facilities in the local area for both community groups and the schools.
- To establish a football development group to support football outcomes and review participation amongst target groups.
- Work strategically with other facilities in the locality to maximise the use of all facilities and support club growth and development.

There are currently no full-size 3G pitches within Tendring District, with only recently a sand based hockey pitch at the Tendring Education Centre being resurfaced as a 3G pitch. However, this is not on the FA pitch register and is not marked for football. There are only six sites with artificial grass pitches within 10 miles of the project sites. This is additional to the existing full-sized sand-based pitch, which is planning to be refurbished as part of this project. In relation to the other pitches there are two small pitches, one full-size sand-based pitch and two small sand-based pitches. Neither of the small sand-based pitches is available for community use, both are on school sites, and one of these pitches does not have floodlights. This means that within 10 miles of the site, there is one 3G, one full-size sand-based Pitch and two small based 3G pitches available for community hire. Both of the small 3G pitches are home to local football clubs that have a significant amount of use on the site.

The existing sand-based pitch at Clacton requires refurbishment and has minimal hockey use. The majority of users are football groups who use it for training during the winter months. Clacton Leisure Centre also run several community-based programmes, and Colchester United run a 'KICKS' community football scheme from the site. All of these activities will continue and be enhanced through the new facility. Consultation has taken place with Colchester United, who have confirmed an interest in running the KICKS and other sessions. While many clubs use the grass pitches next to the leisure centre, these face a number of cancellations due to the grass conditions. It is proposed that this development will lead to the school changing rooms being opened back up to the community, supporting grass pitches and 3G players. It will also enable match play on both the 3G and grass pitches to support the identified growth of local leagues, which has been identified as a concern by the playing pitch strategy for Tendring.

The Essex and Suffolk District League currently have 84 teams covering Essex and Suffolk, with a dozen or more playing in the Tendring area. The league has struggled to get all the fixtures in and hold matches in the evening. Having an additional 3G pitch in Clacton will be an excellent bonus for the league, and they have suggested that several clubs are likely to wish to book the Pitch, assuming there is a realistic pricing scheme. This project is considered one of the highest priority out of the number of projects to be considered. Completing this project at the Council's flagship facility would sustain the current income level whilst acting as an attraction for future bookings, increased income and would be a crucial part of the Council's COVID recovery.

Agreement for Vista Road Playing Field

In October 2019, Cabinet agreed the following in relation to the potential disposal of public open space and to approve the principle of various property transactions and contractual arrangements required to facilitate the extension of the sixth form facility at Clacton County High School:

'having considered the objections and comments received, as set out in Appendix D to the Portfolio Holder's report, in respect of the potential disposal of public open space, agrees that the loss of public open space is outweighed by the provision of a new

extended school facility and by the provision of a dedicated sixth form education facility in the District.'

This report also acknowledged that the existing all-weather pitch, parking and various other features at the sites are in need of some investment and refurbishment. A financial allocation was made by Essex County Council at this time, towards match funding improvements to the artificial grass pitch

Playing Pitch Strategy

The Playing Pitch Strategy for Tendring stated that there is both a current and future shortfall of youth 11v11 and 9v9 pitches, further exacerbated when future demand is factored in. It also noted overplaying on a number of sites and a number of the pitches being assessed as standard. The plan recommends the requirement to protect the existing quantity of pitches, which will be managed and increased by creating a new 3G pitch at Clacton Leisure Centre.

The strategy identified a shortfall of three 3G pitches and identified four potential locations. A pitch located at the leisure centre will provide the central location but offer the required community facility. The Pitch is also listed as the highest priority within the Local Football Facilities Plan for Tendring following a recent consultation. There are two projects within the Essex Local Delivery Pilot (Tendering Mental Health Hub and Healthier Independence Longer - HILL) that operate in Clacton and can provide recreational activities to support health and wellbeing on the proposed facilities as part of this project.

Improving the quality of the leisure centre environment will enhance the customer experience at Clacton Leisure Centre. This refurbishment will provide a facility that users would expect from a modern leisure centre and contribute to the Council's COVID recovery. By installing a new 3G pitch, it will protect a much-valued community asset.

The Football Foundation is the United Kingdom 's largest sports charity, channelling funding from the Premier League, The FA and the Government (via Sport England) into transforming the landscape of grassroots sport in England.

The Council has been using one of the nominated FF consultations to prepare architects designs, costings and the required football development plan for the pitch at Clacton. The cost of this will be claimed back through the FF funding bid.

Officers from the Council's Sport and Leisure, Public Realm and Planning services have been working with th e Football Foundation (FF) and Essex FA (EFA) to develop a 3G pitch strategy for Tendring. An independent study was financed and commissioned by the Football Foundation in 2019 which established that there is potentially a need and demand for three new 3G pitches in the District. If the Clacton project is approved by Cabinet, the FF and Essex FA are keen to discuss the potential for future projects, as set out in the Back to Business Delivery Plan.

BACKGROUND PAPERS FOR THE DECISION

None.

APPENDICES

Appendix A – Football Foundation Offer Letter

Appendix B – Football Foundation Funding Terms and Conditions

Appendix C – Revenue Projections

Appendix D – Freehold Title Register and Plan EX816875