

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 13th July 2015

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PORTFOLIO: Community and Leisure – Councillor Carter

PART I
KEY DECISION

LEISURE STRATEGY – ARBOUR PARK COMMUNITY SPORTS FACILITY

1 Purpose of Report

- 1.1 This report updates members on progress made towards the delivery of the Arbour Park Community Sports Facility (CSF) a key project within the Council's wider leisure strategy capital development programme. It summarises the latest concept proposals, clarifies sources of funding and suggests how this can be achieved to maximise commercial viability.

2 Recommendation(s)/Proposed Action

The Cabinet is requested to resolve:

1. That the phased approach as set out in sections 4f and 5.7 of this report be agreed as the preferred capital scheme working in partnership with the Slough Regeneration Partnership (SRP) for the development of the CSF.
2. That a follow up report be presented to Cabinet that will provide options and timescales to deliver Phase 2.
3. That the Basic Need allocation agreed by Cabinet in March 2015 for the St Joseph's School improvements be increased up to £2 million.
4. That the following works commence immediately and these works be funded through the Basic Need budget as detailed in section 5.8 if income is not received from the Education Funding Agency as expected:
 - a. refurbishment of the Orchard Community Centre to relocate the Creative Academy, and
 - b. creation of a new grass pitch for St Joseph's to comply with Class Consent conditions.
5. That the Strategic Director, Customer & Community Services be authorised to implement the next steps as set out in this report as a matter of urgency to meet key deadlines for the whole site development.
6. That a 'short life' task and finish group is established with the specific aim of delivering reduced costs through improved design and a better understanding of buildability. This group will include Councillors, SRP representatives as well as SBC officers.

7. That the development of the CSF be recommended for approval by Full Council on 21st July 2015

3. The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan

3a Slough Joint Wellbeing Strategy Priorities

All the actions within the Leisure Strategy will contribute towards achieving the overarching vision of the Slough Joint Wellbeing Strategy and will make significant contributions specifically to the health, wellbeing and safer Slough themes.

- **Health and Wellbeing.** Cabinet in July 2014 approved a strategy for leisure, with the overarching aim to "enhance the health and wellbeing of Slough residents by ensuring leisure activity is adopted as a habit for life for all – more people, more active, more often". The causal link between physical activity and overall health indicators is clear, particularly for obesity and heart disease, which are high priorities for Slough.
- **Safer Slough.** The opportunity to participate in shared leisure activities makes a positive contribution to community cohesion and interaction for all members of the varied and diverse community in Slough.
- **Regeneration and environment.** Leisure facilities contribute to the quality of the environment of the town. They provide opportunities to regenerate specific sites and local communities.

Cross-Cutting themes:

Good leisure facilities can improve the image of the town, making Slough a destination for sport and physical activity for local residents who will take a pride in the promotion of their use.

The leisure strategy and improved leisure facilities contribute towards addressing key priorities as set out in the JSNA including childhood obesity, positive activities for young people and cardio vascular disease.

3b Five Year Plan Outcomes

- Slough will be the premier location in the south east for businesses of all sizes to locate, start, grow, and stay – good quality, accessible leisure facilities are attractive to employers to ensure a healthy workforce which is imperative for a businesses success.
- There will more homes in the borough, with quality improving across all tenures to support our ambition for Slough – the future development of leisure facilities on chosen sites in the town will compliment planned housing developments and assist the organisational aim of maximising the value of assets.
- Slough will be one of the safest places in the Thames Valley – leisure activity can be used as a diversionary activity for young people who could be at risk of anti-social behaviour.
- More people will take responsibility and manage their own health, care and support needs – accessible leisure opportunities in the right location will enhance the health and wellbeing of all individuals living in Slough.
- Children and young people in Slough will be healthy, resilient and have positive life chances – improved leisure facilities will provide children and young people with wider opportunities for participation in sport and physical activity which results in greater physical and mental wellbeing. The proximity of the CSF to two

secondary schools will maximise use and allow the Council to realise corporate aims.

- The Council's income and the value of its assets will be maximised through capital development and improvements to its leisure facilities.

4 **Other Implications**

(a) Financial

- I. Within the current Medium Term Financial Strategy (MTFS) capital programme funding of £813K has been allocated for the preliminary works towards the development of the Arbour Park programme. There is currently no other budget for this scheme in the capital programme. A breakdown of the project costs, including information on the estimated net revenue operating costs are included in appendix 1. The costs provided in this report are based on high level indicative cost plan information provided by the SRP. These costs are inclusive of SRP consultancy, legal fees and internal Council costs.
- II. The impact of approving the expenditure on this scheme will be a compensatory loss in investment returns. Average returns have been in excess of 1%. On a proposed scheme of £8m, there would be a loss of circa £80-160k of revenue investment income, unless this can be funded by capital receipts which are over and above that assumed within the capital strategy 2015-20.
- III. There are also ongoing, indicative revenue costs of this scheme of approximately £80k.
- IV. Anticipated income from the EFA has been earmarked for improvement works to St Joseph's Catholic High School. This was agreed by Cabinet on 9th March 2015 and it was also agreed that any shortfall in funding, up to £1m, would be funded from Basic Need income to complete the work required for St Joseph's. Current costings indicate that it may be necessary to increase the contribution from Basic Need up to £2m for these works.
- V. Refurbishment works to the Orchard Community Centre will be funded through income from the EFA. Formal confirmation of funding is not anticipated until mid-July, however due to the urgency for this work to commence it is recommended that Basic Need income be used to commission the works until the EFA income is received.
- VI. By approving this scheme there will be a revenue cost to the Council which will need to be funded through a growth bid going forward, or a review of the operating costs / further income opportunities to ensure that the scheme is affordable within the Council's revenue budget at a time of declining financial resources.

(b) Risk Management

Risk	Mitigating action	Opportunities
Legal – Onerous conditions contained in funding agreements with the Department	Legal advice on obligations	

for Education for the Free School developments on Arbour Vale and Castleview		
Property – The CSF could place additional revenue pressure on the Council at a time when it is seeking to reduce corporate property costs	Undertake robust business planning to identify capital and revenue implications along with potential guaranteed income streams	The new facility will contribute to more people being physically active a, which is a key priority for the Council.
Planning – Planning conditions not met Significant changes to the design may require a new planning application	Project manager to ensure compliance Early discussion with Planners. Ensure changes do not trigger new application.	
Human Rights	None	
Health and Safety	Fully addressed for new facilities as they are developed	
Employment Issues	None	
Equalities Issues – the new facilities fail to meet the needs of all	A broad community programme is available to all	Improved access to quality facilities will contribute to increasing levels of activity by Slough residents
Community Support – Objections to development plans	Communications strategy in place	
Communications – The proposed developments receive adverse publicity	Reactive, joint approach from all partners including the school(s)	Previous consultation has confirmed positive views on improved sports facilities at Arbour Vale
Community Safety	None	
Financial – The agreement with the EFA does not proceed (i.e. funding for St Joseph’s works)	The Council will fund the scheme.	
Financial (capital) – Costs become inflated and the schemes are unaffordable	Present cost effective option and identify contingency	Look at other funding opportunities. Use SRP as a delivery mechanism. This reduces the procurement period and associated construction inflation.
Financial (revenue) – CSF operates at a significant loss	Identify the operating model that places the least additional pressure on revenue budgets	Transfer responsibility for the management of the CSF onto a third party to alleviate risk . Develop sponsorship strategy.

Timetable for delivery – Key deadlines are not met	Project management in place and slippage reported early	
Cost overruns	The building contract will be let on the basis of fixed costs	Opportunities for value management if required.
Project Capacity – Adequate resources are not in place	Allocate sufficient resources to the management of the programme	Utilise SRP to augment in-house expertise and ensure the project is delivered on time.

(c) Human Rights Act and Other Legal Implications

There are no Human Rights implications in regard to this report.

(d) Equalities Impact Assessment

A full EIA will be completed for the proposed capital scheme once the scope has been agreed.

(e) Workforce

The delivery of the leisure capital programme will require specialist roles including dedicated project management and these will be built into the capital costs of each programme going forward.

(f) Property

An outline business case has been developed that identifies initial costs, capital funding sources and revenue streams. In considering how best to deliver the CSF, commercial sustainability has presented the most significant challenge. At this stage, the business case has identified significant capital and revenue costs to build and operate the full CSF.

Phase 1 would involve enhancing the St Joseph's 4-court sports hall and building the 3G pitch and car park. Phase 2 would involve building the main stand. To achieve this, the plans for the St Joseph's 4-court sports hall would be adapted to be FA Grade C compliant. This would require some internal amendments and a ground floor extension to the current planning approved building. To provide the required spectator capacity and number of covered seats (as set out in 5.7 below) a new terrace will be required on the east side of the pitch, this may result in an oversupply of seats when the main stand is built. Discussions with the Planning Team suggest that these changes would not require a resubmission of the planning application.

This flexible approach would reduce risk and provide further opportunity to develop the design, layout and specification for the main stand. This would also ensure that a flagship regional sports facility is introduced that matches the council's aspirations and is commercially viable. Due to the scope of the planning consent, opportunities exist to identify complementary commercial activities that would generate incomes streams and increase overall usage. This could be achieved within timescales that do not compromise the manifesto commitments or the objective of getting more people, more active more often.

(g) Carbon Emissions and Energy Costs

All new buildings on the Arbour Park development site including the school buildings will be built to be energy efficient but will increase CO2 overall. A proposed planning condition requires a BREEAM standard of 'very good' to be achieved and for a percentage of energy to come from low or zero carbon sources.

5. Supporting Information

5.1 Cabinet agreed in March 2015 that the Council's five year leisure strategy action plan be adopted and implemented. Within the plan it detailed the Council's leisure capital programme going forward including the proposed CSF on the Arbour Park site. The delivery of the CSF is a key Manifesto pledge, fulfilling the commitment to get Slough Town Football Club a new ground back in Slough.

5.2 Cabinet instructed officers to undertake preliminary works to develop concept proposals and options for the CSF. Working in partnership with the Slough Regeneration Partnership (SRP) and Morgan Sindall (MSIL) this work has now been completed and is detailed below.

Background

5.3 The Arbour Park project that has evolved over several years as a way to maximise the vacant site created by the relocation of Arbour Vale Special School. The Arbour Park development comprises 4 separate schemes which are interdependent and includes:

- The new Lynch Hill Free School,
- Internal remodelling to St Joseph's Secondary School,
- A 4 court sports hall and MUGA for St Joseph's, and
- A new community sports facility (CSF).

5.4 Planning Committee agreed the planning applications for the new free school and CSF in February 2015. Planning permission will be granted when the associated Section 106 planning obligations are signed and any changes to the proposed sports facilities are submitted and considered.

5.5 The CSF will serve an area of the borough with high inactivity levels and low levels of participation in sport and physical activity as measured by the Active People Survey. UK Active / Public Health England data estimates that the cost of inactivity for Slough is in the region of £25 million per annum and is now the cause of 1 in 6 premature deaths nationally. The new facility will have the potential to offer a programme of activity attracting local people of all ages to become more active, more often.

5.6 A report to Cabinet on 14th April 2014 approved delegation of powers to conclude an agreement with the DfE on the land near Castlevale and land at Arbour Vale. A further report to Cabinet dated 15th September 2014 approved the agreement of Heads of Terms for both the Castlevale and former Arbour Vale sites. A final report on 9th March 2015 agreed the terms for lease and both leases will be provided once a letter confirming funding is received from the Minister. These reports included approval to proceed with the agreed works for St Joseph's; works required to enable the playing fields alterations that allow the CSF to proceed.

Community Sports Facility

5.7 The proposed CSF aims to develop a community focused project with the following facilities:

- A community football facility which meets both FA Grade C (upgradable to A if required) and FIFA 2 Star pitch criteria and standards
- A flexible use 3G artificial pitch provision which can be used for both football and rugby activities and competition
- Spectator capacity of up to 1,950 with a minimum of 250 covered.
- Flood lights with appropriate Lux levels
- Changing facilities for home and away teams
- Changing facilities for officials
- First aid and physiotherapy facilities
- Spectator wash rooms
- A hospitality area with Director facilities
- Ticket office
- Turnstiles
- Car parking (102 dedicated spaces plus shared use of the adjacent Free School's car park)

Section 4f highlights the merits of developing the CSF in two phases, with the emphasis on providing the sports facilities as soon as possible and leaving more time to develop a robust and viable model before embarking on the construction of the main stand as part of Phase 2. The following table demonstrates that this can be achieved without compromising the desired outcomes or range of facilities:

Item	Phase 1	Phase 2
A community football facility which meets both FA and FIFA criteria and standards	√	
A flexible use 3G artificial pitch	√	
Spectator capacity of up to 1,950 with a minimum of 250 covered	√	
Flood lights	√	
Changing facilities - teams	√	
Changing facilities - officials	√	
First aid and physiotherapy facilities	√	
Spectator wash rooms	√	
Hospitality area	Temporary - see below	√
Ticket office	√	
Turnstiles	√	
Car	√	

The proposals for Phase 1 include building an extension onto the 4-court sports hall that will be used temporarily to accommodate the hospitality and Directors' facilities pending completion of the Phase 2 construction.

Timescales

5.8 Appendix 2 details the timetable for the development which takes into consideration the free school timetable and planning conditions. The relocation of the Creative Academy to the Orchard Community Centre is critical to the development scheme in to provide vacant possession of the site to the EFA. This in turn allows the leasing

arrangements to proceed and income to be received for the Castlevale sale and St Joseph's works.

5.9 **Operating costs**

Estimated net operating costs have been based upon the development of a financial model provided by the Football Association (FA). Calculations are based on the pitch having up to 50 hours of use a week.

Income generation includes:

- Hire of pitch
- Room hire
- Catering
- Ticket income (likely to be collected by the football club)

Operational expenditure is based on

- Staffing (2 members of staff on duty as a minimum)
- National Non Domestic Rates
- Building costs - maintenance, replacement and sinking fund
- Pitch and floodlighting – maintenance, replacement and sinking fund
- Insurances
- Other goods and equipment
- Operator overheads

5.10 **Project Management Team**

The Arbour Vale CSF project will be delivered by a multi-disciplinary team of Council officers with specialist advisors from the leisure industry and key stakeholder involvement, including Sport England and the FA. The team involves members from the leisure, asset management, property, legal, finance, communications and planning teams in the Council.

5.11 The timescales for the development of the scheme have been driven by the need to deliver both the Lynch Hill Free School and St Joseph's School sporting improvements alongside the CSF. To ensure ongoing progress with the development scheme it is imperative that the following are actioned:

- Written confirmation from the EFA on agreed income package
- Finalising the specification for Phase 1 of the CSF, confirming design and final costs through the SRP
- Relocation of the Creative Academy and enter into contract for refurbishment works to the Orchard Community Centre
- Procure and deliver a grass pitch for St Joseph's in 2015
- Draft Section 106 agreements.

At the same time, options to deliver Phase 2 will be explored with a view to presenting an update and final costs report to Cabinet.

6 **Comments of Other Committees**

6.1 The CSF is a key Manifesto pledge and the Slough Labour Party Manifesto was adopted as policy by Cabinet in June 2015.

6.2 Cabinet in March 2015 gave approval to proceed with the works required for St Joseph's, which will enable the playing fields alterations that will allow the CSF to proceed.

7 **Conclusion**

7.1 The Council's five year Leisure Strategy details the Council's aspirations for the development and improvement of its leisure facilities. The CSF will have the potential to offer a programme of activity attracting local people of all ages to become more active, more often.

7.2 All costs presented in this report can be viewed as a worst case scenario and the expectation is that project costs will be reduced through value management working with the SRP. This process will include the introduction of a short life, task and finish group with the specific aim of delivering reduced costs through improved design and a better understanding of buildability.

7.2 This report recommends the phased delivery of the CSF. This approach provides sufficient opportunity for the operator to influence the design and specification of the CSF and build an asset that is commercially viable.

8 **Appendices Attached**

1. Financial breakdown of costs
2. Timetable for the development

9 **Background Papers**

- '1' Get Active Slough – Leisure Strategy, 2014 - 2019
- '2' Slough sport and physical activity needs assessment – 2014
- '3' The Football Association's Facilities Support Toolkit