

REPORT TITLE: KGV NEW BUILD PAVILION – REQUEST FOR ADDITIONAL BUDGET

CABINET - 14 SEPTEMBER 2022

WINCHESTER TOWN FORUM – 15 SEPTEMBER 2022

REPORT OF CABINET MEMBER: Cllr Paula Ferguson, Deputy Leader and Cabinet member for Community & Housing

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WARD(S): ALL

PURPOSE

The provision of a new pavilion at the KGV recreation ground has been considered for some years and we have reached an important milestone in terms of seeing the scheme come to fruition. The new pavilion, adjacent to the new Winchester Sport & Leisure Park and the University of Winchester Bar End Sports Stadium, looks to create a hub of high-quality sports and community facilities. That will benefit communities across the city and district.

The proposed pavilion would replace two out-dated, underused and inaccessible pavilions with a single larger, accessible, modern facility designed with sustainability and carbon saving measures. The pavilion also looks to support the development of 'grass roots' football, with a particular accent on women's, girls' and youth football. The facility would be further enhanced by the inclusion of a club room that can be used independently for community and social events and activities.

The purpose of this report is to request an additional capital expenditure of £1m following procurement of the main contract associated with delivery of the proposed new build KGV Pavilion. This additional expenditure relates to recent significant increases in the cost of construction projects – in terms of materials and resources.

RECOMMENDATIONS:

That Cabinet recommends to Council:

1. To approve an additional capital budget of £1m funded from CIL (Town Forum £200k, District £800k CAB 3360 refers) to enable the proposed new build KGV Pavilion, bringing the total budget for this project to £3.3m.

That Cabinet:

2. Approves expenditure of up to £3.3m under Financial Procedural Rule 7.4 subject to Council approval of the revised budget.
3. Delegates authority to undertake value engineering with all bidders to ensure the new build KGV Pavilion is built within the revised £3.3m budget, but if necessary delegate authority to the Strategic Director: Services to undertake a new procurement exercise to obtain bids by contractors for the new build KGV Pavilion.
4. Delegates authority to the Strategic Director - Services to appoint the relevant contractors and to negotiate and agree contractual heads of terms with the contract appointment.
5. Delegates authority to the Service Lead: Legal to prepare and enter into all relevant agreements, negotiate the contractual agreements and see them to completion to enable the proposed new build KGV Pavilion.

That Winchester Town Forum:

6. Approves an additional £200,000 Town CIL funding, bringing the total funding from Town CIL to £450,000.

IMPLICATIONS:

1 COUNCIL PLAN OUTCOME

1.1 Tackling the Climate Emergency and Creating a Greener District

1.2 By providing a more energy efficient, local accessible community facility, this new scheme aligns to the following climate emergency priorities:

- a) Winchester City Council to be carbon neutral by 2024
- b) The Winchester district to be carbon neutral by 2030
- c) An increase in the proportion of journeys taken by walking, cycling and public transport

1.3 Details of the environmental measures that will be incorporated into the design specification of the new building are set out in section 7 of this report. This includes both energy reduction and energy generation approaches. In addition to these 10% of the tender evaluation criteria will be allocated to environmental matters.

1.4 Living Well

1.5 There are four key health and wellbeing outcomes this project will directly contribute towards providing:

- a) A key aim and objective for the new KGV Pavilion is to deliver reduced health inequalities; by providing increased access to playing pitches.
- b) Access to a wide range of physical and cultural activities for all ages and abilities, leading to further development of and participation in women's and girls' football, youth football and cricket, and increasing use by local clubs.
- c) Increased use of the KGV park with attractive public facilities and green spaces including areas for relaxation and play, reconfigured pitches and an enhanced more accessible environment.
- d) The development of the new KGV Pavilion and potential community uses, focuses on well-being activities that will provide opportunities to support mental well-being and physical health. The enhancement of the new KGV and future activities at the Pavilion provide a valued community space which will support the development of cohesive communities.

2 FINANCIAL IMPLICATIONS

- 2.1 A budget of £2.3m to enable works to take place was approved as part of the Capital Strategy in February 2021, based on initial estimates of the cost of the works provided by consultants. To date, £160k has been spent on: feasibility studies; site investigations; the development of a planning application; and detailed design work. It should be noted that should the council decide not to proceed, these costs will become abortive and be written back to revenue.
- 2.2 A grant of £450,000 was awarded from the Football Foundation towards the cost of these works and was formally awarded in June 2022.
- 2.3 The tender for the construction of the new KGV Pavilion was published on the Central Government's Contracts Finder website, which opens the opportunity to the full market. There is a great deal of interest from Contractors for the construction of the new Pavilion with eight tenders being returned, the range of tenders received were all competitively within a close range of each other, The tender returns are currently being evaluated based on the published evaluation model, along with financial checks.
- 2.4 The revised budget is formed of:
- a) Construction, including contingency, £3.1m
 - b) Professional and statutory fees £175k

Rounded revised cost forecast: £3.3m

- 2.4 Initial tenders received were higher than anticipated, due to increased global demand in the construction sector, combined with the multiple and complex impacts of the pandemic and logistic issues, which have resulted in unprecedented shortages, delays and ultimately, increased prices of materials and labour across the economy. Within the UK, complications resulting from Brexit have exacerbated this situation, affecting various aspects of trade and labour availability. The repercussions of these various factors are acutely impacting the UK construction sector and their costs.
- 2.5 The approved budget is based on previously estimated cost of construction for the new KGV Pavilion had been estimated to be £2.3m including professional fees and demolition of existing buildings.

2.6 The **current** approved source of funding is as follows:

Table 1. Project funding sources

| KGV Pavilion funding sources | £000 | % contribution | status |
|-------------------------------------|--------------|----------------|----------|
| Town Forum Sports Open Space fund | 228 | 10.2% | Approved |
| Town CIL | 250 | 10.8% | Approved |
| District CIL | 450 | 19.5% | Approved |
| Football Foundation grant | 450 | 19.5% | Agreed |
| Capital receipts | 922 | 40% | Approved |
| Total build cost | 2,300 | | |

2.7 As set out above, if the project is to proceed, an additional £1m of funding is required. With council finances subject to the current inflationary pressures, it is proposed to increase provision from CIL funding rather than from unrestricted reserves, capital receipts or borrowing. CAB3360 elsewhere on this agenda sets out the current CIL funding available and recommends that an additional sum of £800,000 to support this project be funded from “district CIL”. It is also recommended that the remaining £200,000 be met from the “Town CIL” funds (15% of CIL generated from city development is retained by the Town Account with the remainder going towards “district CIL” funding).

2.8 The proposed funding of the **requested revised** budget is as follows:

Table 2. Revised Project funding sources

| KGV Pavilion funding sources | £000 | % contribution | status |
|-------------------------------------|--------------|----------------|-------------|
| Town Forum Sports Open Space fund | 228 | 7% | Approved |
| Town CIL | 450 | 14% | Applied for |
| District CIL | 1250 | 38% | Applied for |
| Football Foundation grant | 450 | 14% | Agreed |
| Capital receipts | 922 | 27% | Approved |
| Total build cost | 3,300 | | |

2.9 Winchester City Council has enquired with the Football Foundation to seek additional funding to support the increase in construction costs of the project. They advise that the majority of the schemes they are currently supporting are exceeding initial budget forecasts, and they are unable to provide any further funding at this stage. Winchester City Council will continue to seek additional funding wherever possible.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 To ensure best value a competitive procurement process for a design and build JCT contract has been undertaken in accordance with the council's Contract Procedure Rules which was undertaken through an open tender process. The Procurement team will continue to provide advice on this matter and ensure that the process is undertaken in accordance with the city council's Contract Procedure Rules and the Public Contract Regulations 2015.
- 3.2 It is intended to use a standard design and build JCT form of contract which will be managed in accordance with the council's contract management framework.

4 WORKFORCE IMPLICATIONS

- 4.1 There are no additional workforce requirements associated with the pavilion development. Estates will provide client resources from within existing staffing and the Natural Environment & Recreation team will provide support for engagement, communication and liaison with funding bodies, local clubs and community stakeholders from within existing staff resources, working with the Communications team where appropriate.
- 4.2 Following completion of the new pavilion, ongoing management and maintenance will be resourced from existing staffing with these three teams.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 The new KGV Pavilion will be built on council owned land and will become a council owned asset with the council responsible for its ongoing maintenance. The proposed pavilion is to replace two existing council owned pavilions on the site and which will be demolished due to fact they have reach the end of their life, approval for which was given as part of the planning permission.

6 CONSULTATION AND COMMUNICATION

- 6.1 Public consultation has been carried out by the council's Natural Environment & Recreation team about the use of KGV Playing Fields. The first was in 2018 and the most recent between February and March 2021. The aim of the consultation was to seek feedback on the council's proposals for improvement relation to:
- a) Site entrance
 - b) Wider site
 - c) Play area
 - d) Skatepark
 - e) Pavilion

- 6.2 The following insights and comments were received via a consultation with local people on the proposals for an upgrade to the KGV Pavilion:
- a) 54% of respondents currently used the existing pavilions, with a further 23% that would use the new facility;
 - b) “Will be a great boost to all the players, parents and supporters who use KGV regularly”;
 - c) “Should be accessible to all park users for toilets and drinking water”;
 - d) “A well designated and well equipped pavilion would enhance KGV and the investment would also signify serious ongoing support for youth and specifically girls football”;
 - e) “The pavilion should be designed to merge into the environment using sensitive colour schemes.”
 - f) “Would like to hire for kids football parties”;

6.3 Further consultation was undertaken by RW Sport consultants on behalf of the city council as part of the grant funding application to the Football Foundation. The consultation was carried out with eight existing user clubs and leagues, to gain their views on the current and proposed facilities, how they use the facilities and what impact this has on their development and the growth of football in the local area. The following two questions and responses highlight the need for improved facilities:

- a) How would you like to access the new pavilion?
 - (i) 87.5 % - use of toilets on match day
 - (ii) 75% - use of changing rooms on match days
- b) What is preventing you accessing the existing pavilion?
 - (i) 75% - toilets are poor quality
 - (ii) 62.5% - changing rooms are of poor quality

At its 23 January 2020 meeting, Winchester Town Forum considered and recommended to support an approach to the provision of the pavilion at King George V recreation ground that explored the level of funding that could be made available from Town Account reserves and/or, Town Forum Community Infrastructure Levy.

6.4 Winchester Town Forum established the King George V (KGV) Informal Group of officers and members to review progress on the project. The Town Forum received a report updating on progress at its 21 January 2021 meeting including details of consultation feedback and seeking approval for the Corporate Head of Assets to submit a planning application for the new

pavilion. A further progress up-date was provided at the Winchester Town Forum meeting on 24 June 2021 when support was given for the submission of the planning application.

7 ENVIRONMENTAL CONSIDERATIONS

7.1 The Design and Access Statement from Stride Treglown that accompanied the permitted planning application, highlights that the design and construction of the new pavilion would “achieve an energy efficient and sustainable building through the use of ‘fabric first’ principles and a renewable energy source”. High performance insulation to the walls, floor and roofs will be specified, along with high performance double glazing for the windows, doors and curtain walling in order to limit heat loss and reduce solar gain. LED lighting is to be provided throughout the building and lighting controls and absence detectors will be considered to help further reduce energy consumption. There is a proposal for the use of photo voltaic panels which will be located on an area of flat roof on the eastern end of the building.

7.2 The planning permission Decision Notice (21/02789/FUL) also requires that:

“No development shall take place until a "BREEAM excellent" design stage certificate for the whole development is submitted to and approved in writing by the Local Planning Authority. The development shall be built in accordance with the approved details.”

8 PUBLIC SECTOR EQUALITY DUTY

8.1 The existing pavilions do not meet the required standards for accessibility and is one of the drivers in the need for replacement. Accessibility forms part of the basic design brief for all new pavilions and the provisions of the Equality Act 2010 will be adhered with and Part M of the Building Regulations.

8.2 The completed redevelopment will provide a positive benefit to all protected groups through improved design of buildings to increase accessibility by design.

8.3 Consultation and engagement have not given rise to representations that there will be adverse effects from the proposed development on protected groups.

8.4 Due regard has been given to the council’s duties as set out above and an EqIA has been completed. The decision to be taken in this report is considered to contribute towards advancing equality of opportunity and is consistent generally with the public sector equalities duty and its objectives.

8.5 The present main user of KGV football pitches is the Hampshire Girls Youth Football League which draws teams from all over the county. Winchester

Flyers has over 25 youth teams and others from the district include Littleton, the Worthies and Compton

- 8.6 70% of users are from Winchester itself (all areas), Littleton, The Worthies, Otterbourne, Kings Worthy Compton, Bishops Waltham and Sutton Scotney. The remaining 30% are from the surrounding areas of Basingstoke, Chandlers Ford, Eastleigh, Southampton, Stockbridge, Andover and Salisbury.

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 There are no data protection impacts associated with the development of the pavilion. However, the management of the booking system for hire of the pavilion and the pitches must meet GDPR standards as this will require personal and financial information about people hiring the facilities.

10 RISK MANAGEMENT

- 10.1 This scheme is in line with the council's current overall and Living Well priority risk appetite of moderate.

| Risk | Mitigation | Opportunities |
|---|--|--|
| <p>Financial Exposure <i>Build costs increasing resulting in more expensive tenders</i></p> <p><i>Risk to funding pledged by community if current project proposal does not proceed</i></p> | <p><i>A risk to both options. A re-design would seek to reduce build costs by adopting a "panel" method of construction and by procuring on a "design and build" basis</i></p> <p><i>Both options set out in the report aim to retain community funding. If a re-design is approved, the Pavilion project will be actively involved through the Project Board.</i></p> | |
| Exposure to challenge | | |
| Innovation | Effective working in partnership with users and stakeholders takes time to development and | Engage with community and stakeholders in the long-term running and development of the |

| Risk | Mitigation | Opportunities |
|--|--|---|
| | reach a position of trust and genuine joint working | operation of the pavilion to optimise its contribution to physical and mental well being. |
| <p>Reputation Negative response to new scheme not progressing Damage to relationship with Football Foundation who have invested in bringing the scheme forward Local clubs and users feel unsupported if opportunity to expand and develop is not provided by new facilities</p> | <p>Extensive pre-development concept, design and project preparation has taken place to ensure the scheme is deliverable and supported. Planning permission has been given. Budget allocation has been identified.</p> | |
| Achievement of outcome | | |
| <p>Property Existing dilapidated pavilions fall into further disrepair and attract vandalism. Cost of up-keep and frequency of repair increases.</p> | <p>New facility will replace the existing pavilions. Demolition is part of the construction estimate so will be the first step at commencement of construction</p> | |
| <p>Community Support <i>If the pavilions are not replaced we can no longer support the clubs' use of the facilities resulting in reduced participation in sport</i></p> | <p>The new pavilion will support existing users but also actively seek to encourage wider participation at a time of increased profile for elements of the sport.</p> | |
| <p>Timescales <i>Ongoing delay in delivery of new pavilion could result in vandalism, reputational damage to the Council and frustration among users and local residents.</i></p> | <p><i>Continued programme of engagement and demonstration of commitment to provide new facilities.</i></p> | |

| Risk | Mitigation | Opportunities |
|--|--|----------------------|
| Project capacity <i>The Council is unable to deliver the replacement pavilions within existing resources.</i> | <i>Provision of additional resources to deliver pavilion projects.</i> | |
| Other | | |

11 SUPPORTING INFORMATION:

- 11.1 The project was identified within the council's adopted Playing Pitch Strategy 2018, which states that there "a need to mitigate the loss of playing field land through the improvement and upgrade of ancillary provision at King George V Playing Fields (to the latest FA specifications) which should include both changing facilities and toilets. Additionally, pitch improvements should be made to the site to increase capacity of pitches for match play". The requirement for investment into the facility is also identified within Hampshire FA's Winchester Local Football Facilities Plan. The LFFP highlights that investment is required for the refurbishment of the changing pavilions.
- 11.2 The options for the development of a new pavilion on the KGV playing fields was first considered at Winchester Town Forum in early 2020 as the existing pavilions are no longer fit for purpose.
- 11.3 The existing two pavilions do not provide adequate or accessible changing facilities and do not meet safeguarding standards, and EQIA benefit. They were constructed in the 1960s and are now not fit for purpose and beyond viable improvement. The lack of appropriate facilities restricts the use of the playing fields and this issue has been identified through the public and club consultations concerning the future use of the site and pavilions.

12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 The council could delay the commencement of the construction works until an alternative funding source for the £1m is identified. A delay in the commencement could result in the existing grant funding of £450k from the Football Association being withdrawn if their requirement to complete by 2023 are not met. A significant delay could also result in a new planning application being required to be submitted and potential for further inflationary construction costs.

- 12.2 The council could choose not to proceed with the project. However, the two existing pavilions have reached the end of their lifespan and are beyond economical repair so this would lead to a cessation of facilities for existing players in our community.
- 12.3 Replacing both pavilions like for like was rejected as being more costly than replacement with a single larger facility, with efficiencies also gained in on-going management and maintenance.
- 12.4 The council could decide to value engineer the existing scheme to reduce the extent of works so it fits within the existing approved budget. The potential changes to the building would need to be significant to reduce the budget sufficiently to fit within the approved budget, this would likely require a new planning application and would require an element of redesign work to be undertaken as well as retendering of the works to all contractors. It is not possible to undertake a value engineering negotiation with the current preferred contractor, as the changes would be too significant from the original tendered scheme. There is a risk that the additional time it takes to value engineer and reprocur any savings may be wiped out by inflation.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB 3341: REPORT TITLE: KING GEORGE V (KGV) PAVILION FUNDING 9 MARCH 2022

WTF298: REPORT TITLE: NORTH WALLS AND KING GEORGE V SPORTS PAVILIONS UPDATE REPORT 24 JUNE 2021

WTF295: REPORT TITLE: NORTH WALLS AND KING GEORGE V SPORTS PAVILIONS UPDATE REPORT; 28 JANUARY 2021

WTF278: REPORT TITLE: NORTH WALLS AND KING GEORGE V SPORTS PAVILIONS UPDATE REPORT: 23 JANUARY 2020

Other Background Documents:-

Significant Officers Decision for supplementary budget of construction cost.

[Community consultation at KGV, Feedback in relation to the pavilion 2018](#)

Planning application: 21/02789/FUL | Proposed demolition of two existing pavilions. Replacement with one new build pavilion and associated car parking.

<https://planningapps.winchester.gov.uk/online-applications/applicationDetails.do?keyVal=R1QCRBBP11200&activeTab=summary>

APPENDICES: None.