REPORT TITLE: WINCHESTER CITY FOOTBALL CLUB ARTIFICIAL TURF PITCH

13 DECEMBER 20223

REPORT OF CABINET MEMBER: Leader and Cabinet Member for Asset

Management - Councillor Martin Tod

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WARD(S): ST BARTHOLOMEW

PURPOSE

The Council, as landlord, has been working in partnership with Winchester City Football Club (WCFC) in order to secure funding to install a 3G artificial turf pitch on the site that the club currently occupies at North Walls.

To date £200,000 of CIL funding has been allocated to the project (CAB3360 refers) and the Football Foundation (FF) has agreed in principle to provide a substantial grant towards the expected cost of circa £1.4m, with the decision likely in January 2024.

This report sets out the health and wellbeing, sport and community benefits and outcomes associated with the new development, as well as costs for the new facility. It also seeks approval for an increase to the budget including a further £100,000 of CIL funding to enable the project to proceed.

This forms the final business case for the new pitch and seeks approval, subject to a successful outcome of the funding bid, for budget and expenditure to enable officers to accept the preferred tender and commence works.

RECOMMENDATIONS:

Subject to successful funding applications to the Football Foundation, Cabinet approves:

1. An additional allocation of £100,000 of District CIL receipts to the project, bringing the total funding from District CIL to £300,000;

- 2. The countersigning by the council of a further funding bid to the Football Foundation, in partnership with Winchester City Football Club, for associated stadium improvements at the site;
- 3. An additional budget and expenditure of £461,000 (funded by the additional CIL, increased grant from the Football Foundation and contribution from WCFC), bringing the total approved budget and expenditure to £1.466m for the installation of a new 3G artificial turf pitch and associated improvements at Winchester City Football Club;
- 4. Delegated authority to the Strategic Director Services to appoint the relevant contractors and to negotiate and agree contractual heads of terms with the contract appointment; and
- 5. Delegated 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 works at Winchester City Football Club.

Cabinet notes:

- 6. That the Corporate Head of Asset management will agree the terms of a new lease with Winchester City Football Club under his delegated authority;
- 7. That responsibility for operating, maintaining, repairing and replacing the pitch (including index-linked annual contributions to a pitch replacement fund) would lie with the council, but that the facility and these responsibilities would be passed to Winchester City Football Club along with all income, via the new lease;
- 8. That if for any reason Winchester City Football Club was unable to meet those responsibilities, the lease would be forfeited and responsibility would revert to the council; and
- 9. That the project will not proceed unless the grant application to the Football Foundation secures all necessary funding required to deliver the project in full.

IMPLICATIONS:

1 COUNCIL PLAN OUTCOME

- 1.1 Living Well
- 1.2 Sports facilities such as this enable our residents to live healthy and fulfilled lives offering them the right mix of facilities for all ages and abilities that are accessible and offer a wide range of activities. The facilities are currently used for adult football and U23, U18's and U16's teams involving over 300 boys.
- 1.3 This project would deliver on aims and commitments such as reduced health inequalities, a wide range of physical and cultural activities for all ages and abilities and supporting communities to extend the range of sports and cultural facilities across the district.
- 1.4 There would be opportunities to host inter-school tournaments and skills workshops for under 16s (youth leagues, coaching programmes, affordable open sessions), older adults (walking and veterans' football), as well as disability football.
- 1.5 Through the involvement of Winchester City Flyers FC, the project would offer new opportunities for female coaches and players, enabling the growth and development of the game. The facility will be made available for local community use, schools, external partner clubs and holiday clubs for organised sessions and private hire.

2 FINANCIAL IMPLICATIONS

Capital implications

- 2.1 The Football Foundation (FF) undertook a tender process for the supply and installation of the artificial pitch (subject to funding approval) through its framework. This framework has a pricing structure that results in a Guaranteed Maximum Price (GMP) by working through three stages:
 - a) GMP1 is the price based on initial tender submission.
 - b) GMP1.5 is the revised price, taking account of any pre-application planning discussion and amendments to the project specification.
 - c) GMP2 is the final price, taking account of the financial implications of any changes resulting from planning conditions or other factors.
- 2.2 A capital budget of £1,005,000 was approved by Council at its meeting on 23 February 2023, based on the tender and initial cost projections (GMP1). Work has continued with the preferred supplier to develop a full planning application, which has resulted in a revised price of £1,445,215 (GMP1.5). A breakdown is given below, and section 11.8 provides detail on the reasons for the increase and the increased benefit achieved as a result.

Table 1. Project costs

	Initial costs	Revised costs	
	GMP1	GMP1.5	
Build Costs	£	£	
Below Ground Works	461,741	533,953	
Above Ground Works	418,730	711,214	
Design Fees	10,000	32,355	
Central Office Overheads	66,785	97,685	
Profit	47,863	70,008	
Total	1,005,119	1,445,215	

- 2.3 Approval of an increased budget of £1.466m is requested, to allow for any unexpected increase in costs. Approval is also sought for expenditure against this budget to enable the tender sum to be accepted and to enter into contract and commence installation.
- 2.4 It is proposed that the capital costs are funded from the following sources, subject to the successful application for FF grants:

Table 2. Project funding sources

	£000	%	status
District CIL	300	21%	Part approved
Football Foundation 3G Pitch Fund	1,000	68%	Applied for
Football Foundation Stadium Fund	150	10%	Application pending
Winchester City Football Club (including deduction of VAT @ 20%)	16	1%	Confirmed
Total build cost	1,466		

2.5 The council's stated position has also been that only a limited amount of funding would be made available for this project so, if the FF is unable to provide sufficient grant funding to enable delivery of the project, the project would not be able to proceed.

Revenue implications

2.6 WCC has already met the £11k cost of pre–planning works, which were a requirement of the FF if they are to consider an application for funding in January 2024. Approval for the £11k spend was given via a Significant Officer

- Decision on 25 October 2021 and was met from within existing revenue budgets.
- 2.7 The proposed long-term lease for the facility to WCFC would see the club take responsibility for all revenue, with the income generated by the facility to remain with the club and be used to meet the annual maintenance costs and allow for the creation of a sinking fund to replace the pitch surface in the longer term. It would also include conditions related to the delivery of sporting outcomes committed by the club as part of the grant application to the FF.
- 2.8 WCFC has produced financial projections that show an annual surplus of £25,000 pa after allowing for maintenance and an annual contribution to the sinking fund. If the surface is well maintained it will have a life of 10-12 years and would cost (in today's prices) circa £230,000 +VAT to replace, so the sinking fund contribution will be index linked.
- 2.9 There would be no revenue implication for the council, unless WCFC had to step away at some point. The business plan has been reviewed by FF and Hants FA, who judge it to be sound. It indicates that, in the event of the facility being handed back to the council, there would be sufficient income generated to cover all costs, including contributions to the replacement fund. In the unlikely event that WCFC were to go into administration, the responsibility for maintaining and replacing the pitch would fall to the council and it is not guaranteed that monies in the replacement fund would automatically transfer to the council.
- 2.10 WCFC would be responsible for meeting all financial and social performance indicators that are conditions of the FF grant award and this will be included as a condition within the terms of the new lease (see section 3).
- 2.11 Advice was sought from the council's external VAT advisors to ensure that no VAT implications arise from the proposed arrangements.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The build project has been procured by the FF on behalf of the council using its framework which includes multiple suppliers for artificial grass football pitches. This framework is compliant with the Public Contract Regulations 2015 (PCR2015). It covers design, manufacture, supply, and installation and includes contract administration, cost management, health and safety compliance and independent testing to FIFA standards. The council's procurement team has been consulted on the proposed arrangements and use of the framework is permissible in accordance with the council's Contract Procedure Rules and PCR2015.
- 3.2 There would be a Framework Alliance Contract whereby the FF is the client and the council is the additional client. The council would be required to sign a joining agreement to enable the council to award the contract to an artificial grass pitch supplier. This will need to be tested against the FF grant funding agreement and the Joint Contracts Tribunal (JCT) contract.

3.3 The allocation and spending of CIL funding is conducted in accordance with previous decisions and protocol agreed by Cabinet, as well as the relevant CIL Regulations and Government guidance.

4 WORKFORCE IMPLICATIONS

- 4.1 There are no additional workforce requirements associated with this project. The procurement and installation of the pitch would be managed by the FF through its framework, with Estates providing client resources from within existing staffing.
- 4.2 The Community and Wellbeing team will provide support to WCFC for engagement, communication and liaison with funding bodies, Hampshire FA, local clubs and community stakeholders from within existing staff resources, working with the Communications team where appropriate.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 The artificial pitch will be built on council-owned land and will become a council-owned asset but, following installation of the artificial pitch, ongoing management and maintenance will be the responsibility of WCFC under the terms of a new lease.
- 5.2 The council would enter into an agreement for lease, which would include a new lease with WCFC but would keep control of all collateral warranties / insurance policies rather than pass them onto WCFC. This would allow the council to get remedial work completed under the warranties/ insurance. If these are passed onto WCFC, the council would find it difficult forcing WCFC to act if remedial work is needed during the relevant time period.

6 CONSULTATION AND COMMUNICATION

- 6.1 The Hants FA and Football Foundation Local Football Facility Plan for Winchester (see background documents) indicates that there is a significant shortfall of community accessible artificial grass football pitches in Winchester. This is supported by the council's current Playing Pitch Strategy.
- 6.2 WCFC has researched potential demand via individual discussions and a series of meetings with other local clubs, community groups and schools. WCFC has also gained letters of support from others such as Winchester Youth FC, Winchester Flyers FC, St Swithun's School, Chelsea FC Foundation and Winchester Castle FC, confirming their need for additional match and training facilities and their wish to make regular use of the proposed facilities.
- 6.3 The Leader of the Council and relevant Cabinet members have been consulted on the proposals and the Leader approved the submission of a funding application to the FF at a Cabinet Member Decision Day in December 2022 (DD57).

6.4 A planning application was submitted in July 2023 with reference 23/01704/FUL and has been subject to the statutory consultation period.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 3G artificial turf is suited for football and rugby activities and to generate sports characteristics, the pitch surface is infilled with a stabilising material (silica sand) and a performance material (SBR Styrene-butadiene rubber aka rubber crumb performance infill material). During the development of this proposal, a variety of potential performance infill materials have been considered, but SBR is the preferred performance infill material because it offers a number of beneficial qualities, including no fibre content and the ability to recycle.
- 7.2 During installation, the SBR material used to infill the 3G football turf will accord with a voluntary industry standard that provides minimum requirements above and beyond what is currently required for rubber crumb under European regulation. Sport England and leading sport governing bodies all support this approach.
- 7.3 As SBR is defined as a microplastic, it is vital to minimise infill loss from the 3G pitch and to prevent the transfer of this performance infill material to the environment by players or by maintenance equipment. Several design details are introduced to this proposal to minimise infill loss in accordance with the Football Association and FIFA recommendations, including:
 - a) 0.25m high containment barriers installed around the facility enclosure (built into pitch barriers entirely surrounding the 3G artificial turf pitch surface);
 - b) Footwear cleaning stations;
 - c) Detox units to all gated entrances (steel grates with drainage outlets and waste trays);
 - d) Surrounding asphalt surfacing / paving; and
 - e) Drainage inspection chambers with waste collector to capture any materials entering the drainage system.
- 7.4 Most materials used to construct the proposed 3G pitch can now be re-used, recycled, repurposed, and recovered, including 3G pitch surface for which innovations mean that an aged football turf can be fully recycled back into raw material for the same industry to create new turf or secondary plastic products.
- 7.5 The sports area lighting proposal has been sensitivity designed in accordance with the requirements for an Environmental Zone E2, which is a rural surrounding for example a sparsely inhabited rural areas, village, or relatively dark outer suburban location. The design of modern floodlights is

such that is very little spill light and back light is projected around the 3G artificial turf pitch enclosure.

8 PUBLIC SECTOR EQUALITY DUTY

- 8.1 The proposal would increase opportunity for under-represented groups. There would be increased opportunities for women and girls through involvement of Winchester City Flyers. Winchester Youth FC has been in dialogue with Hampshire FA with a view to offer a pan-disability football course as part of its community provision to support the bid. Although women and girls are not the WCFC's specific target group, the club will partner with Winchester City Flyers to double their ladies team participation (100% growth) and a 10% growth in their youth set up, particularly amongst the younger age groups. The club currently has 27 teams and there will be space for approx. three more. Winchester City FC do not have a disability team at the moment but intend to have at least one pan-disability team that can use the facility as a home ground for matches and training.
- 8.2 An equality impact assessment has been completed and is included at appendix 2.
- 9 <u>DATA PROTECTION IMPACT ASSESSMENT</u>
- 9.1 None.
- 10 RISK MANAGEMENT
- 10.1 The primary risk is if the FF is unable to provide sufficient funding to meet the shortfall in project cost. If this is the case, then the project will not go ahead.
- 10.2 All other risks will be mitigated as detailed below and reported in more detail should the funding bid be successful and the project proceeds.

Risk	Mitigation	Opportunities
Financial Exposure		
Cost increases beyond budget	The FF tender process required a Guaranteed Maximum Price so this risk sits with the contractor and there should be no unexpected increases.	
Grant funding becomes unavailable during the term of the development contract which the council will have entered into with	The council will seek to impose safeguards in the contract. If these safeguards are not forthcoming the council	

the contractor; the council becomes liable for all further costs of the construction under the development agreement.

Club ceases to trade

will not be in a position to enter into the development agreement and the project will not proceed.

In the unlikely event WCFC ceased to trade, the Council would become responsible for the maintenance, repair, and replacement in accordance with the grant conditions.

Responsibility for replacing the pitch would also fall to the council and it is not guaranteed that monies in the replacement fund would automatically transfer to the council. Regular inspection of the club's accounts would enable early intervention.

Clawback of grant funding by the Football Federation during 21-year clawback period The council will ensure that use of the pitch / facilities continues in line with any conditions of the grant funding agreement in order to ensure the funding is not clawed back by the Football Federation.

The council will need to ensure that it can comply with the terms of the grant funding agreement this will include ensuring that any tenancy agreement entered into contain terms that will ensure

Options would exist for inhouse management or contracting out.

Insufficient funds are set aside in the sinking fund	compliance and not trigger clawback. Evidence of annual sinking fund contributions will be required, through a lease condition, indexlinked to account for inflation increases.	
Exposure to challenge Challenge from other potential sites for a 3G pitch	Other sites identified in the FF strategy for Winchester could also seek funding to develop a 3G pitch and would have the same option to submit a CIL bid.	
Innovation Latest 3G pitch technology proves unsuitable or troublesome	The FF has extensive experience of 3G pitch provision and is fully confident of its suitability for this site.	3G pitches allow greater usage than grass so increase opportunity to participate.
Reputation Failure to support club	WCFC has been made very aware that the council cannot provide further funding beyond that recommended in this report.	Should funding be secured, and the project proceed, the relationship between club and council should be noticeably strengthened.
Achievement of outcome FF grant is not secured at a level sufficient or on terms suitable to deliver the project.	Project does not proceed.	
The level of protection required by the council is not achieved by the terms of the development agreement or the grant funding agreement.	The council will seek to negotiate adequate protections in the terms and conditions of the development agreement and the grant funding	

WCFC does not deliver the sporting outcomes required by FF	agreement, or the project does not proceed. Legal agreement to include enforceable conditions that oblige the club to deliver promised outcomes.	
Property Facility is not adequately maintained	Warranties held to cover failure of equipment within an unreasonable period. New lease to WCFC will include clear responsibilities for maintenance and repair, with appropriate recourse if the responsibilities aren't adhered to.	WCFC will be invested in the facility which increases sense of pride and ownership.
Insufficient provision for facility replacement	Agreement with WCFC will require them to invest in an index-linked sinking fund for replacement at end-of life.	
Community Support Lack of support from other football clubs and partner organisations	WCFC has done significant work to engage other clubs and secure their support. Facility now proposed to accommodate rugby use so has brought Winchester Rugby Club in as a partner.	Increased opportunity for a wide range of clubs and large numbers of local people. Improved accessibility for under-represented groups creates opportunity for wider participation.
Timescales Failure to meet deadline for FF funding bid	Contribution from FF consultants, WCFC and council officers to meet the funding bid requirements.	

Project capacity See timescales above	

11 SUPPORTING INFORMATION:

11.1 WCFC is based at the football ground in the northeast corner of North Walls Recreation Ground - a site that is owned by Winchester City Council. The ground is the home venue for WCFC who currently play in the Southern Football League Division One South. WCFC is a committee-run members club and has a history dating back to 1884.

11.2 WCFC currently has:

- a) U23, U18's and U16's teams.
- b) Over 300 boys participating in youth football from U7 to U18 and a development section that covers Year R and Year 1 children who are just starting their journey in organised sport.
- 11.3 WCFC has asked the council to partner with them to install an artificial grass pitch on the site (106x70 community stadia 3G AGP). Much of the usage would be taken up by WCFC and the two youth organisations that are partnering with WCFC in this project (Winchester Flyers FC & Winchester Youth FC). Winchester City Flyers is a partner club with a youth setup with over 300 girls participating in youth football and an adult ladies' section with three teams.
- 11.4 Both clubs struggle to find suitable space to train and play at weekends, with teams frequently having to postpone fixtures due to the weather. A suitable and conveniently located 3G surface would enhance the match day experience. Furthermore, a reliable surface would greatly benefit the teenage groups of both organisations where there is a drop off in participation from the U15 to U18 age groups.
- 11.5 3G artificial turf pitches are a high quality and indispensable part of modern football facilities, creating playing surfaces that replicate a good standard natural turf pitch whilst significantly increasing levels of use (up to twenty-fold in comparison to a natural turf pitch). 3G pitches can be heavily used all year round with no decline in quality. They almost completely negate fixture cancellations during winter months, helping football to be a key part of a regular physical activity habit.
- 11.6 This area is a hub of sporting activity with the North Walls Recreation Ground, WCFC and Winchester Rugby Football Club. The proposal has been upgraded to be suitable for use for rugby, creating considerable potential for dual and combined use of the facilities in the area for the benefit of the individual clubs and the wider community. Winchester Rugby Club has stated

that the proposal will sit alongside plans to enhance its own facilities as it moves forward to another level of its development following promotion of the first XV to the Regional 2 South Central London & South-East Division for the 2023-2024 season.

- £200k of CIL money was secured for this project (CAB3360). The FF has indicated a willingness to approve a grant towards the cost, and authority to submit a funding bid and planning application was given at a Member Decision Day on 5 December 2022 (DD57). The FF grant application was submitted on 13 January 2023.
- 11.8 The Football Foundation (FF) undertook a mini-competition for the preconstruction works which also includes the subsequent supply and installation of the artificial pitch (subject to funding approval) through its pre-tendered framework. The preferred supplier submitted a tender price (GMP1) of £1,005,119 but subsequent changes have seen the cost estimate increase by £440,096 to £1,445,215 (GMP1.5). The primary factors behind the cost increase are:
 - a) Increased cost of the artificial pitch, in large part due to a new FF requirement to provide multi-sport benefit. In this case the pitch specification has been enhanced to allow use for rugby, which is supported by the neighbouring Winchester Rugby Club who would be able to use the pitch for training. This would be of significant benefit during the winter months and complements Winchester Rugby Club's plans to enhance the club's facilities as it moves forward to another level of the Clubs development following promotion of the First XV to the Regional 2 South Central London & South East Division for the 2023-2024 season. The increase also accounts for improved fencing around the pitch and industry cost increases since the original tender submission. Total increase to pitch costs £95,000.
 - b) Enhancements to car parking and associated lighting to meet the demand of increased usage generated by the new pitch. This has been kept to a minimum through the development of a sustainable travel scheme £89,000.
 - c) Additional surveys, assessments and design work to inform the detailed planning application £22,000.
 - d) Improvements to the wider stadium setting, which are not directly related to the artificial pitch but to meet the requirements of step 3 of the National League System to which WCFC has recently been promoted. These costs relate to spectator facilities and are being fully funded by contributions from the FF Stadium Fund and WCFC £178,000.
 - e) Contractor overheads and costs £53,000.

- 11.9 Section 2.4 of the report details the intended sources of funding to meet the £1.466m cost (allowing for any small additional increases) of the project. This requires an additional £100,000 of District CIL funding, to supplement the increased amount now required of the FF to enable the project to proceed. The proportion of the total project cost being met from CIL would be 21% and has remained relatively consistent with the previous proposal.
- 11.10 A report to Cabinet in September 2022 (CAB3360) agreed the recommendation that 'the Strategic Director with responsibility for CIL in consultation with the Section 151 Officer be authorised to consider inflationary impacts on projects already approved and recommend adjustments to CIL to the Cabinet Member for Place and Local Plan'. In accordance with this recommendation, it was also agreed that, 'if needed, authority could be delegated to the Cabinet Member for Place and Local Plan, to approve supplementary capital estimates and expenditure, via a Decision Day to existing projects for which additional funding is required due to inflation, and which in total should not exceed £500,000 in aggregate'.
- 11.11 This report to Cabinet therefore replaces the requirement for a Decision Day report in setting out to Cabinet the need for an additional £100,000 of CIL funding for the provision of the 3G pitch, although the eventual CIL allocation will be subject to a successful FF application outcome and the approval of planning permission.
- 11.12 The planning application was approved by Planning Committee (ref. 23/01704/FUL) on 15 November 2023.
- 11.13 A decision on whether the FF application is successful will be made at its grant panel meeting in January 2024. The proposed programme for the next stages would be:

a)	FF funding panel outcome	Jan 2024
b)	Award and enter into contract	March 2024
c)	Construction commences	May 2024
d)	Construction completes	Aug/Sep 2024

- 11.14 In order to secure the tender price and to minimise disruption to WCFC's match schedule, the aim would be to commence work as soon as the current league season finishes, allowing much of the work to take place during the summer break. Authority to incur expenditure is sought now to allow time for contracts and other legal agreements to be finalised without risk of entering the pre-election period ahead of May elections, thereby risking a delay in the works. Approval to incur expenditure is subject to the FF awarding a grant of the full amount requested, ensuring the necessary budget is in place.
- 11.15 Once completed, the asset would remain in WCC's ownership. The FF funding agreement would require the artificial pitch to be maintained and renewed during the funding period. The pitch would be leased to WCFC on a new long-term lease and the club would, as part of the lease, be responsible

for the ongoing maintenance of the pitch and for its eventual surface replacement.

12 OTHER OPTIONS CONSIDERED AND REJECTED

12.1 The council could have chosen not to support WCFC to proceed with a joint funding bid, but this would result in a number of missed opportunities. The work of WCFC has created an opportunity to secure a substantial amount of external investment in facilities in the district and this funding would otherwise be directed elsewhere. This project also creates an opportunity to increase participation amongst women and people with disabilities – an opportunity that would be lost had a bid not been pursued.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

- CAB3310 COMMUNITY INFRASTRUCTURE LEVY SPENDING PROGRAMME UPDATE - 15 September 2021
- 2. CAB3360 COMMUNITY INFRASTRUCTURE LEVY COMMUNITY AND WINCHESTER COUNCIL PROJECTS APPROVAL 14 September 2022
- 3. DD57 WINCHESTER CITY FOOTBALL CLUB ARTIFICIAL PITCH 5 December 2022

Other Background Documents:-

Winchester City Council Playing Pitch Strategy & Action Plan

Hants FA and Football Foundation Local Football Facility Plan for Winchester

APPENDICES:

Appendix 1: Site plan

Appendix 2: Equality impact assessment

Appendix 1

Site Address:- Winchester City Football Club - Location plan

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Winchester City Council Estates Division

Scale: 1:1,500 @ A4 Portrait Date:- NOV 2022

Ref:-

Map Ref:- 4830

