
Report Title: Award of Contract to Build Newbury Sports Hub.

Committee considering report:	Executive
Date of Committee:	16 December 2021
Portfolio Member:	Councillor Howard Woollaston
Date Head of Service agreed report: <i>(for Corporate Board)</i>	November 16 2021
Date Portfolio Member agreed report:	November 16 2021
Report Author:	Paul Martindill
Forward Plan Ref:	EX4149

1 Purpose of the Report

- 1.1 To award the call off contract for development management services to Alliance Leisure for the construction of Newbury Sports Hub and thereby achieve the delivery of the number one priority in the Playing Pitch Strategy (PPS).
- 1.2 To update the Executive on the conclusion of negotiations on the Agreement for Lease relating to the Sports Hub. .
- 1.3 To show the new 26 week delivery programme based on a successful planning determination in December 2021 and commencement of works in January 2022.

2 Recommendation(s)

- 2.1 The Executive resolves to:
 - (a) award the contract for the provision of development management services (which includes construction) to Alliance Leisure Management Services.
 - (b) delegate authority to the Service Lead Legal & Democratic Services to finalise the terms of the agreement and to make any necessary drafting or other amendments as permitted under the framework agreement which are necessary to reach final agreement, but do not materially affect the intent and substance of the agreement.
- 2.2 To approve the allocation of £3.351M to complete the development of Newbury Sports Hub and thereby achieve the delivery of the number one priority in the Playing Pitch Strategy (PPS).
- 2.3 To agree that any additional costs arising in relation to planning conditions be approved as per Council's Constitution which may require further Executive approval if over

£250k. Otherwise the Executive Director of Resources in consultation with the Portfolio Member for Finance and Economic Development can approve.

- 2.4 In light of the increased capital cost for the Artificial Turf Pitch (ATP) and to approve the increase of the annual Sinking Fund allocation from £25,000 to £35,000 per annum, in order to ensure sufficient funds are available to replace the pitch surface at the end of its projected 10 year lifecycle.

3 Implications and Impact Assessment

Implication	Commentary
Financial:	<p>The provisional budget agreed for this project in April 2021 was £1.6M construction costs with 10% contingency. An additional £1.62M is required to fund the development through the Capital Programme.</p> <p>The April 2021 report recognised the estimate had been formulated prior to the completion of all appropriate site surveys, the resolution of surface water and drainage issues and conditions associated with achieving planning approval.</p> <p>Alliance Leisure Services (ALS) were appointed to develop the scheme and act as agent for WBDC in the development of preconstruction work and submission of the planning application.</p> <p>ALS have reported that a range of factors have increased costs and reported that the delivery of the Sports Hub can be achieved with cost certainty of £3.351M. A summary of details underpinning the reasons for the cost increase is detailed in Section 8.</p> <p>Delay in this project is likely to further increase the capital cost of the project due to exceptional inflationary costs</p>
Human Resource:	<p>The management of the Sports Hub is included within the scope of the new leisure management contract which is scheduled to commence in January 2023.</p> <p>A variation to the existing contract will enable the current leisure operator, Legacy Leisure to manage the facilities until the commencement of the new contract. Thereafter if a new leisure operator is appointed, TUPE will apply to staff employed at this site.</p>

<p>Legal:</p>	<p>In accordance with the approved procurement strategy this is a direct award under the UK Leisure framework by Denbighshire County Council. The framework is a single supplier framework awarded to Alliance Leisure Services Ltd (ALS).</p> <p>The Council will enter into development management agreement (DMA) which will allow ALS to enter into various contracts relating to specialist quantity surveyor and project management services with provider(s), together with a construction contract with the building contractor. ALS will receive a management fee and project and development costs from the Council.</p> <p>The development manager ultimate role is to deliver the scheme on time and in accordance with the projects costs plan however it should be noted that this is not an absolute obligation on ALS, so there is a risk of costs increase which will be paid by the Council.</p> <p>The Council will not enter into the DMA until Planning is granted, or where the DMA is conditional upon the Council achieving Planning and securing the site.</p> <p>The finalisation of the DMA is pending negotiations.</p>
<p>Risk Management:</p>	<p>A risk register is detailed in Appendix A of this report.</p> <p>Whilst cost certainty has been established this could be subject to further amendment determined by planning conditions. Planning determination is scheduled for 13 December 2021 and associated planning conditions will not be known until this date.</p> <p>Sport England are a statutory consultee in relation to playing fields. Correspondence provided on 12 November 2021 advised that Sport England has not raised a planning objection.</p> <p>The management of this site by an established leisure operator will ensure facilities are managed effectively and sustainably.</p>
<p>Property:</p>	<p>A rental value for the site has previously been agreed and was reported as a Part II to Executive Committee in April 2021 and this remains unchanged.</p>

	<p>New facilities will be constructed for this development including a 3G Artificial Turf Pitch delivered to world class standard with associated sports lighting and fencing.</p> <p>Additionally the development includes a new pavilion, fully accessible new spectator stand and equipment storage areas.</p> <p>The site will be developed to achieve the Step 4 Football Association Ground Grading Standard – a higher grading than Faraday Stadium. The new facilities include; a Pavilion with 4 team changing rooms, medical room, officials changing areas, kitchen with servery, board room, social area and separate public toilets for spectators. The building will be designed to comply with the criteria for BREEAM (Building Research Establishments Environmental Assessment Method) excellent for energy performance.</p> <p>Externals include new car park with 52 spaces, including 2 disabled bays and bike rack for 20 cycles.</p> <p>A new drainage system will be installed on the site</p> <p>A 10% gain in bio-diversity will be achieved on the site through doubling the size of hedgerows, planting of trees, creation of wildflower meadow and creation of a bee bank.</p>			
Policy:	<p>The project will be delivered in accordance the National Planning Policy Framework. Specifically it addresses the number one priority in the Playing Pitch Strategy and will reduce the deficit in provision of Artificial Turf Pitches in West Berkshire.</p>			
	Positive	Neutral	Negative	Commentary
Equalities Impact:				

<p>A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?</p>		X		<p>Future demand and supply analysis shows a significant deficit for all pitch typologies across West Berkshire. The provision of the ATP will assist in meeting latent demand and facilitate growth for participation in women's football and rugby.</p>
<p>B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?</p>		X		<p>The new pavilion and grounds will be fully accessible.</p>
<p>Environmental Impact:</p>	X			<p>The proposals will increase bio-diversity on the site through a range of measures including; planting trees, doubling the width of existing hedgerows, creating a wildflower meadow and bee bank.</p> <p>The Pavilion will be subject to BREEAM (Building Research Establishments Environmental Assessment Method) and has been designed to achieve an overall rating of Very Good with the energy performance element compliant with the criteria for Excellent. Many of the building parts and materials will be sourced from local suppliers.</p>
<p>Health Impact:</p>	X			<p>The Sports Hub will provide over 80 hours of pitch time per week (in contrast to the capacity of a grass pitch with 3-6 hours per week) and will therefore significantly enhance resident's opportunities for participation in sport and regular exercise.</p>
<p>ICT Impact:</p>		X		<p>None</p>

Digital Services Impact:		X		None.
Council Strategy Priorities:	X			This is a key piece of local infrastructure and delivers against the Council Strategy, Health and Wellbeing Strategy, Leisure Strategy and the number one priority in the Playing Pitch Strategy.
Core Business:	X			The project will improve the overall sport and leisure offer and builds community relations with key partners.
Data Impact:		X		None.
Consultation and Engagement:	<p>Cllr Woollaston – Executive Member with responsibility for Internal Governance, Culture and Leisure</p> <p>Matthew Pearce - Service Director Communities and Wellbeing,</p> <p>Andy Sharp - Executive Director - People,</p> <p>Shiraz Sheikh, - Service Lead – Legal and Demographic Services</p> <p>Shannon Coleman-Slaughter – Chief Financial Accountant</p> <p>Jonathan Martin – Deputy Finance Manager</p> <p>Jim Sweeting – Sport and Leisure Manager,</p>			

4 Executive Summary

- 4.1 This report summarises and concludes the cost certainty work for the proposed development of the Newbury Sports Hub, to be located at Newbury Rugby Club. However it should be noted that costs could change based on planning conditions and other factors listed in the risk register.
- 4.2 Alliance Leisure Services Ltd were initially appointed for limited works (design and costs and planning services) through the UK Leisure Framework procured by Denbighshire County Council. The UK Leisure Framework allows for the Council to enter into development management agreement with Alliance Leisure. Since the value of the

works being procured exceed £2.5m, under the Constitution Executive decision is required to proceed with the award.

4.3 The costs have been completed by Alliance Leisure Services and their selected development team. The estimated total project cost is £3,315M (excluding VAT), including a WBC held contingency of £96,683. The layout and encompassing facilities will create a new ground that meet the FA Step 4 ground grading standards.

4.4 The development includes a pavilion with 400 square metres of internal space and contains:

- Four team changing rooms, officials changing room and medical room
- Club/committee meeting room
- Function room/social area
- Kitchen/Servery
- Staff office
- Toilets for visitors and spectators.

4.5 The pavilion will be designed to comply with BREEAM excellent criteria for energy performance.

4.6 The 3 G Artificial Turf Pitch (ATP) will meet World Rugby regulation 22 standards with dimensions of 106m x 70m. The 3G ATP pitch will be marked for both rugby and football

4.7 The ground development includes:

- Fully accessible spectator stand.
- Six sports lighting pillars
- Equipment storage containers and equipment including goals
- Essential maintenance equipment including pitch roller
- 4.5m high fencing around the pitch and double turnstile access for spectators.
- A new car park encompassing 52 spaces including two disabled bays and bike racks.

4.8 The development also includes ground works to meet the planning condition of a 10% increase in bio diversity on the site. This is achieved by:

- Planting of trees.
- Doubling the width of more than 300m of hedgerow on the borders of the site
- Planting wildflower meadows on two banks of the site
- Introducing a bee bank

4.9 The development is scheduled to be completed within 26 weeks with a planned commencement in January 2022, subject to planning and funding approval.

4.10 This project will deliver priority one of the Playing Pitch Strategy,

5 Supporting Information

5.1 In April 2021 Executive Committee agreed a Joint Land Deal following negotiations with Newbury Rugby club which included a confidential Part II report. This delegated

authority to the Service Director of Strategy and Governance in consultation with the Service Director of Communities and Well-Being to enter into agreement for lease and any other agreements that are necessary and in line with agreed Heads of Terms. This work included a 40 year lease agreement and Joint Use Agreement with the rugby club. Agreement for lease has yet to be signed. This is because we have no decision as to the cost and funding in light of the increase (discussed below). However the work on the design and planning aspect of the scheme has continued with the application before the Planning Committee on 13 December 2021.

- 5.2 The April report approved a capital allocation of £1.6M capital with 10% contingency fund and an annual £25k Sinking Fund. The Risk Management section of this report advised that these initial estimates were given prior to the completion of all appropriate site surveys, which have now been completed and have now informed the figures ascertained for cost certainty (see appendix B). It also identified failure to achieve planning permission as a risk.
- 5.3 Project costs have risen due to a requirement to meet planning conditions, ground conditions and due to a 20.1% increase in material costs, alongside other factors. Sport England have also further advised that due to increased inflation, an annual Sinking Fund allocation of £35k per annum is now required to ensure the pitch can be replaced in 10 years.
- 5.4 Sport England is a statutory consultee in relation to developments that impact on playing fields. Sport England has advised that it will be a planning condition that a grass pitch replacement is found for the loss of the grass pitch at Newbury Rugby Club. The Sports Turf Research Institute has subsequently been commissioned to complete feasibility studies at two sites, Manor Park and Calcot Linear Park to determine whether sites are suitable for a new natural turf pitch. These feasibility studies will be completed within six weeks.
- 5.5 The Sports Hub has been designed to create a new ground that can achieve Step 4 in the football ground hierarchy. The development programmes for both the pavilion and the pitch are outlined in Appendices C and D. The full details of compliance for the FA Step 4 Ground Grading is contained in Appendix E.

6 Introduction

- 6.1 The development of the Newbury Sports Hub has been driven by the Playing Pitch Strategy (PPS) which was adopted by the Authority in February 2020. The PPS analysis revealed a deficit in provision of seven full sized 3G Artificial Turf pitches (ATP's). Newbury currently only has one artificial turf pitch at Parkhouse School.
- 6.2 The PPS showed that Newbury and Thatcham have 20 grass pitches rated as poor quality, due in some circumstances to ground conditions but also through operating at capacity and beyond. The new 3G ATP can cater for 38 teams and therefore can alleviate pressure on the demand for grass pitches, enabling these to be improved.
- 6.3 The PPS also showed a large deficit in supply for mini pitches, 7v7 and 5v5. The pitch markings on the new 3G ATP will provide for both 11-a-side football and for mini pitch training and matches.

6.4 The Newbury and Thatcham area constitutes 42% of West Berkshire residents. With continued growth in the population, alongside the Sandford Housing development that sits adjacent to Newbury Rugby Club, it is important to have viable sports facility provision to meet increasing community demand. The value of participation in sport is significant and its contribution to individual and community quality of life should not be underestimated. Participation in sport delivers:

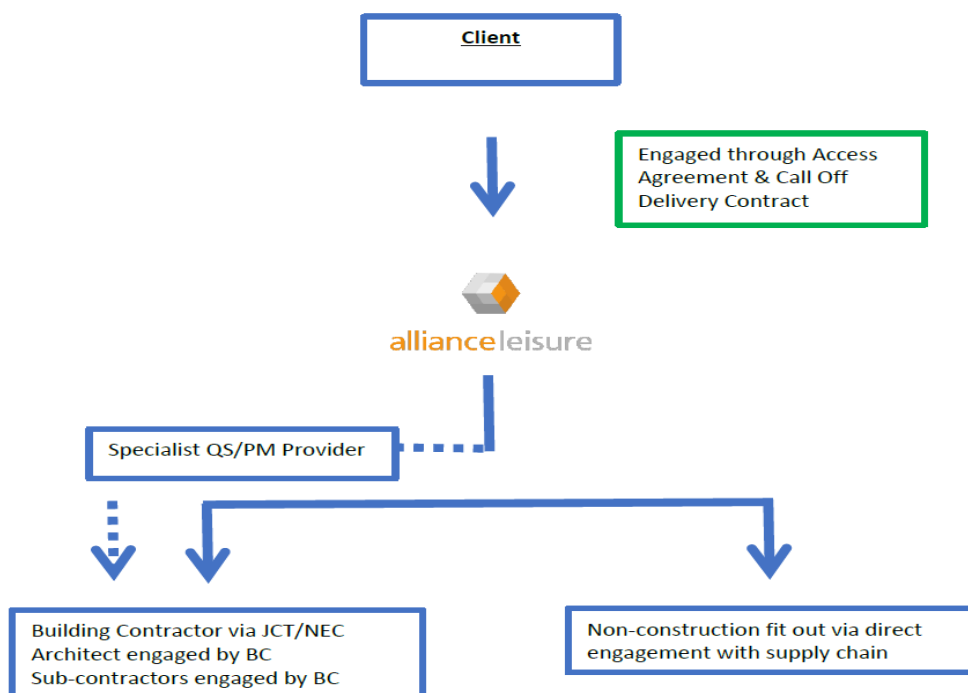
- Health benefits – physical and mental
- Social benefits – addressing social isolation through both team membership for players and for older people who undertake the many volunteering roles required to manage sports clubs.
- Education – learning a new skill. Clubs booking the new 3G ATP will use a significant amount of weekly programming time for coaching children.
- The Sports Hub is well positioned to deliver wider football development programmes including coach education courses, thereby delivering qualifications that can create employment opportunities for those who wish to follow a career as a full-time or part-time sports coach.
- Local identity – the new Sports Hub will help create a sense of place and enhance local identity.

6.5 The location of the 3G ATP at Newbury Rugby Club enables the authority to work in partnership with a well-run sports club and explore new funding opportunities in the future that can benefit both rugby and football.

6.6 The relocation of the facilities at Faraday Stadium is referenced as the number one priority in the PPS and the Newbury Hub development is designed to achieve this objective. The Newbury Sports Hub provides an enhanced replacement for the Faraday Road Stadium. If the Newbury Sports Hub project is not brought forward, an alternative replacement site will need to be found before the LRIE regeneration project can be progressed.

7 Procurement Strategy

7.1 In July 2021 a procurement strategy was approved to use the single supplier UK Leisure Framework procured by Denbighshire County Council. The framework provides a complete design and build solution from inception to delivery (see diagram below).



7.2 In July 2021 Alliance Leisure Services (ALS) were instructed to progress works associated with the planning application and complete pre-construction works to ascertain cost certainty. The planning application was submitted in August 2021. This report now provides cost and associated risks for the project.

7.3 The ALS development team of specialists selected for this project include:

- Phoenix Property Services (Pavilion contractor)
- Surfacing Standards Ltd (Pitch specialists)
- Saunders Boston (Architects)
- Savernake Property Services (project managers)
- OBL (food and beverage equipment suppliers – kitchen and servery)

7.4 The main reasons for the increase in costs are detailed below.

7.5 Market volatility – there has been a significant increase in the cost of building materials (+20%) impacting on the availability of cement, blockwork, brickwork and concrete. The publication - Procurement UK shows the following increases in the past 12 months; - Steel 50%, timber 80%, insulation 15%.

7.6 BREEAM – had added a minimum of £140,000 additional cost to the scheme as a result of using local suppliers. This increased the cost of sanitary supplies by £59,000 compared to other suppliers where ALS could achieve discounts.

7.7 Site investigation pitch area - the soil conditions are poor. In order to reduce the risk of pitch subsidence, compacting the ground with a specialised heavy roller is required across the entire pitch site, increasing cost by £200,000.

- 7.8 Site investigation pavilion area – the initial estimate was based on a strip foundation but following soil investigation it is evident that a piled foundation is required and this has increased costs by £135,000. Piling provides zero risk of subsidence.
- 7.9 Drainage – a new pump station is being installed by Thames Water for Newbury Rugby Club – a new drainage system is required to ensure compatibility with this system.
- 7.10 Bio diversity planning condition – an increase of 10% in bio diversity has been required at the site due to the replacement of a natural turf pitch with an artificial grass pitch. This has been addressed through new tree planting, wildflower meadows, doubling the width of 300m of hedgerow and the creation of a bee bank.
- 7.11 Increase in size of Pavilion – size increased by 30% to create a four changing room pavilion in place of two. This increased costs by £300,000. The benefits are that it enables back to back hourly programming for the ATP. This will contribute to income generation potential. It also ensures that women’s teams and men’s teams can change in separate changing rooms and provides additional safeguarding benefits for schools who visit with mixed gender teams, enabling boys and girls in the same teams to change in separate changing rooms. The change to a Step 4 facility also meant that 2 external access toilets needed to be added to the original design.
- 7.12 The initial preliminary estimates were based on a 12 week construction programme from January to March but the additional works identified and the completion of full design has increased the construction programme to 26 weeks. Increase of £49,000
- 7.13 The change from a Step 6 to a Step 4 facility also added costs in respect of the Stand provision, turnstile, fencing and maintenance requirements. The impact of these costs is outlined in Appendix J

8 Value for Money

- 8.1 In addition to the social and health benefits outlined in 6.4, to demonstrate that the Sports Hub costs represent value for money, an independent cost study for the Pavilion has been undertaken by Varsity Consulting Ltd, a RICS chartered quantity surveying practice with extensive experience of leisure projects. The report is attached in Appendix H
- 8.2 The report highlights why Sports Hubs are relatively expensive to build (2.7) and that the current market for construction projects is very high (2.8) due to material shortages and the rush of post Covid work with material costs being between 50% and 100% higher than they were in Q4 2020. Section 3.1 of the Varsity Consulting report concludes that the project represents good value for money, especially in the current construction market.
- 8.3 It is not feasible to undertake direct comparisons of this development with similar facilities. Multiple unique factors such as site constraints, ground conditions and the timing of this development makes comparisons impractical.
- 8.4 In October 2019 ALS completed the development of a 3G ATP at Queens Park in Chesterfield for £619,000. This illustrates the significant cost increases that have occurred since then

9 Environmental Benefits.

9.1 The Grounds

9.2 An increase of 10% in bio diversity at the site will be delivered. This has been addressed through new tree planting, wildflower meadows, doubling the width of 300m of hedgerow and the creation of a bee bank.

9.3 The photo attached in Appendix G shows the extent of the bio diversity improvements.

- Green lines - additional hedge row planting
- Yellow space - tree canopy
- Blue space - species rich wildflower meadow with 12-16 trees.

9.4 Pavilion

9.5 This has been designed to comply with the BREEAM criteria for energy performance. The site and available location for the pavilion was constrained leading to very few options for the pavilion layout and design. The building orientation was not suitable for a photovoltaic installation.

9.6 The pavilion and associate car parking area includes the following features to minimise environmental impact.

- 4 electrical vehicle charging points
- Low energy lighting
- Fully electrical kitchen arrangement
- High efficiency dryers – no paper towels
- Notice Boards – for green messages encouraging access by walking, bike and public transport
- Bikes – 20 spaces for bikes

9.7 Pitch

- The AGP has environmental benefits - requiring less maintenance than grass, no watering or use of chemicals.

10 Proposals

10.1 Award the contract for the provision of development management services (which includes construction) to Alliance Leisure Services Ltd.

10.2 Approve a revised budget of £3.382M to complete the scheme and Sinking Fund of £35,000 per annum. The full cost details of the project is detailed in the Appendices

10.3 To agree that any additional costs arising in relation to planning conditions can be approved by the Service Director for Community and Well Being in consultation with the Executive Director of Resources.

10.4 Subject to planning approval to enter into the next phase of work with ALS through a Development Agreement.

11 Risk Assessments

- 11.1 ALS have produced a full risk assessment relating to the delivery programme and this is contained in Appendix A. The highest risk are scored for unknown planning conditions that will not be known until planning determination. If additional costs incur due to planning conditions this would be managed through a variation order to the construction contract. The cost certainty figures do not include for as yet unknown planning conditions. The continuing impact of the coronavirus and potential disruption also presents risk. Site security risk could be reduced if security personnel were employed to cover out of work hours but this level of mitigation is not considered economical viable.
- 11.2 The long term management of the Newbury Sports Hub will be subject to tender and has been included in the new leisure management contract. This will enable direct comparison of business plans and is the most robust way to determine that the Sports Hub is managed as economically as possible, within the context of West Berkshire's pricing and programming policies.
- 11.3 A Joint Use Agreement has been agreed that provides a mechanism for regular meetings, ongoing development and co-operation between West Berkshire and Newbury Rugby Club with a clear dispute resolution mechanism.
- 11.4 Sport England have advised that both the FA and RFU have raised objections in relation to the proposals. In relation to the size of the proposed 3G ATP, the RFU has requested a larger 3G pitch. Architect's drawings show this is not feasible based on the footprint of space available utilising grass pitch 5.
- 11.5 The F.A. has raised questions relating to the Business Plan and programming balance between rugby and football and would prefer Sunday morning use to be given to football. However Sunday mornings have been a requirement for Newbury Rugby Club in order to support the development. In total football has access to 90% of programme time. The operation of the Sports Hub is included within the overall tender package for the new leisure management contract.

12 Other options considered

- 12.1 The Council can select not to progress any further with the development. However, selecting this option will mean that the significant under-supply of artificial pitches remains and no alternative replacement exists for the Faraday Road Stadium. This will further delay the redevelopment of the London Road Industrial Estate (LRIE).

13 Conclusion

- 13.1 Whilst costs have risen for this scheme the delivery of this project will achieve the following:
- Priority One of the Playing Pitch Strategy
 - World Class 3G ATP
 - A pavilion that complies with the BREEAM excellent criteria for energy performance.

- A new sports ground that achieves the FA Step 4 Ground Grading enabling local teams to progress to higher levels of competition
- A pavilion with social facilities and kitchen.
- A facility that can be programmed for more than 80 hours of public use per week – in comparison to 3-6 hours a week for a grass pitch.
- A playing pitch that provides training opportunities for both rugby and football.
- A pitch with markings for multiple games sizes: 11vs11, 5vs5 and for adult and junior games
- A home match venue for at least two local football teams.
- An increase in on-site bio diversity.
- Improve the long-term sustainability of Newbury Rugby Club.
- A key step in removing a potential Sport England Objection to the development of the London Road Industrial Estate.

13.2 The delivery of this project will provide major new sport and social infrastructure for West Berkshire and contribute to improving the physical and mental health of residents. A plan showing the overall site is contained in Appendix I.

14 Appendices

14.1 Appendix A – Risk Register

14.2 Appendix B – Project Cost

14.3 Appendix C – Programme Delivery Pavilion & Associated Areas

14.4 Appendix D - Programme Delivery 3G Artificial Pitch

14.5 Appendix E – FA Step 4 Ground Grading Guidelines

14.6 Appendix F – Procurement – Alliance Leisure Services delivery model.

14.7 Appendix G - Photograph showing areas of improved biodiversity.

14.8 Appendix H – Varsity Consulting Value for Money Report

14.9 Appendix I – Overall site plan

14.10 Appendix J - Cost increases to deliver Step 4 Ground grading and secure agreement with Newbury Rugby Club

14.11 Appendix K – BREEAM Standard and methodology

Corporate Board's recommendation

*(add text)

Background Papers:

*(add text)

Subject to Call-In:

Yes: No:

- The item is due to be referred to Council for final approval
- Delays in implementation could have serious financial implications for the Council
- Delays in implementation could compromise the Council's position
- Considered or reviewed by Overview and Scrutiny Management Committee or associated Task Groups within preceding six months
- Item is Urgent Key Decision
- Report is to note only

Wards affected: *(add text)

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