

Report sponsor: Deputy Chief Executive
(Communities and Place)
Report author: Physical Activity & Sport
Strategic Manager

Derby Football Hub

Purpose

- 1.1 To provide an update on the development of a proposed Derby Football Hub in partnership with the Football Foundation and to seek agreement to progress with the proposals and seek the necessary financial and contractual approvals to deliver the scheme.

Recommendation(s)

- 2.1 To approve progressing with the Football Hub project at the Racecourse to deliver high quality facilities to support meeting the significant demand in local football in Derby and associated sports and social activity.
- 2.2 To approve the addition of £11.902m onto the capital programme in 2023/24, and the funding as per paragraph 7.1 of the report, subject to formal notification of the Football Foundation grant.
- 2.3 To approve the granting a lease to National Football Trust for a period of 25 years on a full repairing and insuring basis.
- 2.4 To approve, delegating authority to the Deputy Chief Executive for Communities and Place, in consultation with the Cabinet Member for Streetpride, Leisure and Public Spaces and the section 151 Officer, to enter all the necessary arrangements for the project. This will include a collaboration agreement and grant agreement with the National Football Trust (NFT), in which the Council will agree to work in partnership with the NFT and lease the facilities to the NFT on the terms set out in the report. This will also specifically include the need to enter all leases, licences, contracts and agreements, necessary to deliver the Football Hub project.
- 2.5 To approve delegating authority to the Deputy Chief Executive for Communities and Place, in consultation with the Cabinet Member for Streetpride, Leisure and Public Spaces and the section 151 Officer to agree the final designs of the facility.

Reasons

- 3.1 To proceed with the proposed Football Hub will help to improve and shape the choices that Derby has for the provision of modern state-of-the-art facilities to help deliver against our ambitions.

- 3.2 The Football Hub is considered a key part of delivering this vision and the individual elements of the Council Plan, including:

Reduced inequalities, with healthier and wealthier residents with:

- Improved facilities with more people being more active, leading healthier lives.
- More residents, both adults and children, participating in physical activity.
- More children and adults in Derby being a healthy weight.

Enhancing our green and blue spaces by:

- Increasing the extent and quality of managed habitats and land managed for biodiversity.
- More people reporting that they are satisfied with their local area, including local parks, green and blue spaces specifically.

- 3.3 To deliver against the outcomes of Move More Derby, the physical activity and sport strategy for Derby, of:
- Improving physical and mental health and wellbeing and reducing physical inactivity.
 - Improve aspirations, particularly amongst our young people, and strengthen communities by involving our residents in defining their own priorities for physical activity, as well as making decisions, planning, and implementing approaches.
 - Creating a sense of belonging within our communities.
- 3.4 To deliver against the strategic shortfall in full-sized Artificial Grass Pitch's (AGP's) as identified in Derby's Playing Pitch Strategy, with an insufficient supply of full-sized AGP's of 4 in 2018 and a future projected shortfall in 2028 of 6.
- 3.5 It is important that decisions are made in preparation for construction timelines and for entering into a contract with the approved building contractor. Once constructed, the AGP pitches and associated ancillary facilities will offer a high-quality experience, and the Hub Operator will be key to the sustainability of the development.

Supporting information

Introduction and Background

- 4.1 Derby's Playing Pitch strategic supply/demand assessment in 2018 identified an insufficient supply of full-sized AGP's of 4 with a future projected shortfall of 6 by 2028. Coupled with this shortfall, the number of teams across all age groups and genders is increasing year on year.
- 4.2 The impact of this shortfall and increasing demand for pitches for play is resulting in an over-demand and putting further strain and wear on the existing grass pitch stock. The overuse is negatively impacting on the quality of the pitches that become more susceptible to cancellation due to the condition, particularly when affected by weather.
- 4.3 The Football Association, Premier League, and Sport England, through their delivery partner, The Football Foundation, launched a national funding scheme called Parklife in 2016, which provides capital investment at sports sites of strategic importance.

- 4.4 The Derby Football Hub project will redevelop the Racecourse Playing Fields site into a thriving state-of-the-art football facility and community asset to support the growth of football and active lives for the Derwent community. The project scope will:
- Develop 3 new AGP's and refurbish the existing pitch to total 4.
 - Redevelop the existing building to include: a café, flexible spaces for the delivery of education and community programmes; and strength & conditioning space.
 - Increase and improve the on-site car parking capacity and access.
 - Develop and transform the wider site into an improved accessible community space, including replacement of the play equipment and outdoor gym; creation of a circular path, enhanced ecological and biodiversity features.
- 4.5 In 2021 the Football Foundation approved the creation of the National Football Trust (NFT) whose objects are for the benefit of the public generally to promote community participation in healthy recreation by providing facilities for the playing of association football and other sports.
- 4.6 Under the Football Hub programme, the Football Foundation's preferred operating approach is that Football Hub sites are leased to the NFT via a 25-year full repairing lease from Councils working with the Football Foundation to deliver the scheme. In doing so the NFT is responsible for procuring the services of a leisure operator to manage the facilities on its behalf.
- 4.7 In late 2021, the NFT became the legal owner of Leisure United (LU) – the incumbent charity operator of 10 existing Parklife hubs in Sheffield, Liverpool, and Sunderland. The NFT can choose to award a contract to LU to manage the facilities under Teckal exemption rules i.e., a contracting authority that complies with Regulation 12 of the Public Contract Regulations 2015, or the NFT will have to carry out a tender procedure under those Regulations to appoint an operator. The NFT is seeking to appoint LU as the operator of the new facilities at The Racecourse due to LU's track record and experience and it offers the most cost-effective and financially sustainable solution as a fully charitable model. The Council need to be satisfied that LU can carry out its obligations.
- 4.8 The NFT and LU have committed to ringfence all surplus income generated by the new facilities to be re-invested within Derby City – there is no leakage through profit or cross-subsidy with other local authority areas. The NFT will use the surpluses to support the achievement of the objects set out in its articles of association. This includes the promotion of community participation in healthy recreation by providing facilities for the playing of association football and other sports capable of improving health and supporting persons who have need for such facilities. The focus will be on groups in relation to their youth, age, infirmity or disability, financial hardship, poverty or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving their conditions of life. Generally advancing public education, recreation, physical education and with a focus on children and young people.

Public/stakeholder engagement

- 5.1 Strategic partners have been engaged in the project development and represented on the Project Board, including Active Derbyshire, Football Foundation, Derby County Community Trust, Derbyshire County Football Association and Sport England.
- 5.2 The football community have been engaged throughout the development of the project to better understand strategic demand and proposed usage based on the facility mix. Furthermore, the project will work with several 'partner clubs' that will play a key role in developing usage of the site and growing the football game, particularly for under-represented groups.
- 5.3 The Derwent Community has been engaged through a significant programme of community engagement developing a granular understanding of physical activity behaviour in the ward to inform how the proposed project can support more active lives and community cohesion. On-going engagement continues to take place to co-design development for the wider site and potential programmes of activity.

Other options

- 6.1 **Do nothing:** The Council has jointly funded, with the Football Foundation, project development costs to date. This option would result in £0.550m of abortive costs to date, of which £0.230m has been funded by the Council further, there would still be a strategic shortfall in the facilities required to deliver against the Derby City Playing Pitch Strategy.
- 6.2 **Pause the project and redesign, descope and retender:** The project would be further delayed by a minimum of 12 months before construction could start. The grant funders and operator would likely withdraw, meaning the Council would have to budget for the entire future project and build costs.

Financial and value for money issues

- 7.1 The report outlines total costs to upgrade the existing facilities and provide the new facilities at the Racecourse. A breakdown of the costs is below along with the secured funding for the scheme including an external grant from the Football Foundation. All project spend is profiled for financial year 2023/24

Total Project Costs	£11,902,426
Total building and car park construction costs	£7,926,248
AGP development	£3,185,639
Wider site improvements	£779,556
DCC Fee's	£10,984
<i>* £212k Contingency and £313k built into design and build contract.</i>	

Project Funding	
Funding secured / confirmed:	
Football Foundation Grant panel recommendation	-£6,000,000
AGP Replacement Fund	-£150,000
S106	-£624,660
Funding required by DCC:	
Total contribution required via the Future Investment Fund	-£5,127,766

- 7.2 The construction cost and Design and Build Construction Contract provides a fixed price based on the contractor's proposals. Within the contractor proposals the risk register allocates risks to those best placed to manage and mitigate the risks. Any delays to the signing of the necessary contracts and agreements would result in an increased project costs that the Council would be liable for. There is currently no funding earmarked for this risk in the capital programme.
- 7.3 In February 2022 the Stage 2 Cost Plan estimated total project costs to be £10m. The final cost plan value is higher than this due to detailed feasibility works to achieve cost certainty and the market conditions for construction projects and inflationary pressures.
- 7.4 The initial Parklife, and latterly named Football Hub, programme was a programme that was 60% grant funded by the Football Foundation. In late 2022, the Football Foundation introduced a new Performance Measurement Framework (PMF) to assess grant applications. The new PMF was applied to the Derby Football Hub project and resulted in the grant award offer.
- 7.5 The amount of Derby City Council match funding presented to Cabinet in December 2022 as part of the MTFP consultation was £4.595m. The changes to the PMF have resulted in a greater partnership funding value required from the Council, as shown in paragraph 7.1 above.
- 7.6 The funding partners, including the Council, have reviewed and assessed the project cost plan throughout the development stages and value engineered the scheme.
- 7.7 Under the Football Hub programme, the NFT's leisure operator LU have been involved in the design phase of the project to ensure that the venue is operationally efficient utilising the learning and experiences from the Football Hubs that are operational and in development.

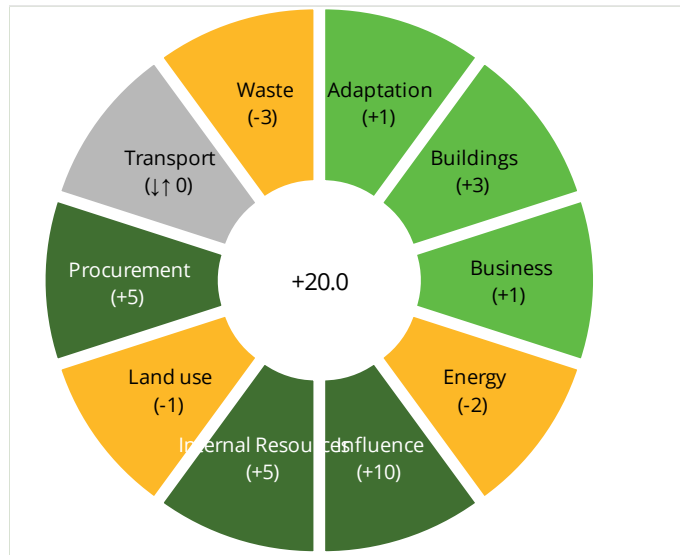
- 7.8 The report confirms that the business plan forecasts an average annual operating surplus of £0.027m. This surplus would be reinvested to support grassroots football development, clubs and facilities within Derby City.
- 7.9 It is anticipated that the lease with the NFT will ease the revenue burden on the Council, through the surplus income reinvestment model, by prioritising the maintenance and improvement of poor-quality grass football pitches on the Racecourse site and main football hub sites.

Legal implications

- 8.1 The Council has power under s19 of the Local Government (Miscellaneous Provisions) Act 1976 to provide recreational facilities and give loans or grants to voluntary organisations in connection therewith.
- 8.2 The granting of a lease for a term of more than seven years is deemed to be a disposal and therefore is subject to s123 of the Local Government Act 1972, which requires that any such disposal is for best consideration unless the consent of the Secretary of State is obtained.
- 8.3 There is a General Disposal Consent issued by the Secretary of State in 2003 that provides that a disposal can be at less than best consideration provided that the difference between the price for which it is disposed, and best consideration is less than £2M and:
- a) the local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in respect of the whole or any part of its area, or of all or any person's resident or present in its area;
 - i) the promotion or improvement of economic well-being;
 - ii) the promotion or improvement of social well-being;
 - iii) the promotion or improvement of environmental well-being;
- 8.4 It is considered that the overall benefits achieved secure best value for the Council.
- 8.5 The Council will have no interest in the companies leasing or operating the facilities so, any control of the use of the facilities will have to be by way of the lease and effective partnership working.

Climate implications

- 9.1 The Climate Change impact assessment tool with its generated infographic on how proposals show that there are areas where the proposals can and will be beneficial on the climate particularly in relation to improvements to existing facilities.



9.2 The Racecourse is the main hub for football in the city and attracts a lot of visitors on a weekly basis from across and out of the city. The impact on the climate by the proposals provide the opportunity to upgrade the existing facilities so that these are more efficient however, the proposals are seeking to add the current facilities available on site and will see increased construction and usage.

9.3 The proposals are to increase the size of the existing development including expanding the number of full-size, floodlit, Artificial Grass Pitches from 1 to 4. The development will see the installation of better more energy efficient floodlights, replacing what is already on site converting to LED.

An assessment has taken place on the existing building and a suite of improvements will be delivered to improve the energy efficiency of the building.

9.4 In addition to the main construction elements, the project will develop the wider Racecourse site to improve the Biodiversity Net Gain and ecological features including planting and the maintenance regime for the site.

Socio-Economic implications

10.1 Tackling physical inactivity will have a direct impact on tackling health inequalities, including diabetes, falls, healthy years of life, reducing loneliness and isolation, improving physical and mental wellbeing.

10.2 As well as providing excellent training and match play facilities for clubs and leagues, the Hub will provide a balanced programme of use that supports the Football Foundation's objective of tackling inequalities through investment.

There are four main groups facing the greatest inequalities and partners will prioritise engaging with these groups to 1) develop the project and 2) provide safe, inclusive, and welcoming facilities. These are:

- Culturally diverse communities.
- Disabled people and people with long term health conditions
- Lower socio-economic groups

- Women and girls.
- 10.3 Roughly half of the current Derwent ward is within the 10% most deprived in the country, with a further quarter in the 20% most deprived, both in terms of multiple deprivation and in terms of income deprivation affecting children. There is also a very high proportion of people in lower socio-economic groups living in the area. The development of an accessible and inclusive community hub will support some of the associated challenges.

Other significant implications

Procurement Implications

- 11.1 The procurement strategy for the project is to use two existing Public Contract Regulations 2015 compliant frameworks.
- 11.2 Under the terms of the Football Foundation grant to deliver the Artificial Grass Pitches (AGP's), the Football Foundation's Mandatory AGP Framework is required to be used to procure a supplier to deliver the AGP element of the scheme.
- 11.3 Under the AGP Framework, the Framework Managing Consultant (FMC) Robinson Low Francis (RLF), ran a mini competition with the framework suppliers. Following evaluation and based on the outcome of a final commercial assessment, the recommended supplier is TigerTurf (UK) Limited. The recommendation is also approved by the Football Foundation.
- 11.4 Alliance Leisure are the appointed single delivery partner for the UK Leisure Framework. The framework allows the direct appointment of the delivery partner for scoping, design, refurbishment, construction and the development of sport, play, recreation, and cultural facilities.
- 11.5 In September 2021, the Council appointed Alliance Leisure, under the UK Leisure Framework, as the Football Foundation's preferred route to market to develop the project feasibility for the building and ancillary facilities. For project continuity it is proposed to continue to develop the project with Alliance Leisure.

Equalities Impact

- 12.1 Grassroots football is estimated to contribute to improving the physical and mental well-being of 2.9m children and 8.2m adults. The provision of first-class pitches and pavilion facilities in Derby and beyond over the course of the next thirty years will transform the grassroots football and physical activity offer to the residents of Derby and Derbyshire considerably.
- 12.2 Specific insight-led programmes and opportunities will be developed and delivered specifically targeting priority audiences. Other national Football Hubs put on activities such as care home cinema days with lunch and bingo, community Christmas markets, Young Asian Voice events, disability football access and toddler groups to encourage greater social interaction within the community and this is expected to be replicated here.
- 12.3 The proposal is positive in its impact upon the protected characteristics outlined in

the Equality Act 2010.

- 12.4 The detailed designs for the development will be comply with the Equality Act requirements and Building Regulations, including any good practice such as a changing places facility.
- 12.5 The Derby Equalities Hub have been involved in conducting an equalities impact assessment to address and promote equality initiatives in the design for all communities.

Property and Asset Management

- 13.1 The scheme upgrades the existing Racecourse Pavilion, car park and play / outdoor gym facilities, all of which, except the existing building, are in a poor condition. In addition, the proposed lease arrangements with the National Football Trust removes the Council's ongoing maintenance and utility costs, which will be passed onto the leisure operator.

Human Resources

- 14.1 The proposal is seeking to lease the facility to the NFT and for Leisure United to operate the site on its behalf.
- 14.2 If TUPE applies, employees' employment and their terms and conditions are protected by the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE Regulations).
- 14.3 If TUPE applies, employees will transfer to Leisure United, as the operator of the new facilities at the Racecourse. When TUPE applies, the employment law implications of the TUPE Regulations are that all relevant employees at the Racecourse immediately prior to the transfer will transfer to Leisure United as the operator of the new facilities. Leisure United will inherit all rights, powers, duties, liabilities, and obligations in relation to the transferring employees.
- 14.4 TUPE does not apply to relief workers and DCC will liaise with Leisure United regarding future work opportunities, should this be relevant.

Risk Management and Safeguarding

- 15.1 The main body of the report addresses in detail the risks involved in either not proceeding with the project or trying to descope and retender.

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	John Turner	27 January 2023
Finance	Amanda Fletcher	31 January 2023
Service Director(s)	Claire Davenport	26 January 2023
Report sponsor	Rachel North	30 January 2023
Other(s)	Liz Moore	26 January 2023

Background papers:

List of appendices:

Appendix 1
Appendix 2

Proposed site plan
Coloured elevations