

TELFORD & WREKIN COUNCIL

CABINET- 12th OCTOBER 2010

WREKIN SLC: FIVE A SIDE COMMUNITY FACILITY AT NEW BUCKS HEAD STADIUM

JOINT REPORT OF THE HEAD OF LEISURE & CUSTOMER SERVICES AND THE HEAD OF HOUSING & REGENERATION.

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

- 1.1 To develop new five-a-side football facilities for school and community use located at the New Bucks Head Stadium to be run and managed by AFC Telford United, and to link the same to the Wrekin Sports & Learning Community and wider BTISLC programme.

2. RECOMMENDATIONS

- 2.1.1 That Cabinet provide delegated authority to the Head of Property and Design to award all associated contracts for the development of a five a side football facility as part of the Wrekin SLC, if within the budget as identified in para 5.2;
- 2.1.2 That Cabinet delegate authority to the Head of Property and Design to negotiate and agree terms for a lease in accordance with section 5, and if appropriate, an agreement to lease the site required for development of the five-a-side facilities to AFC Telford United Ltd. This recommendation is dependent on the community use agreement outlined in 2.1.3 being secured;
- 2.1.3 That the Head of Leisure & Customer Services be granted delegated authority, following consultation with the Cabinet Member for Active Lifestyles, to negotiate and agree any additional legal documentation to enable this facility development and to secure school and community use and benefits following negotiation with AFC Telford United;
- 2.1.4 That the Head of Governance be delegated authority to execute all legal agreements and take all steps necessary to give effect to the proposals outlined in this report.

3. SUMMARY IMPACT ASSESSMENT

IMPACT ASSESSMENT AT A GLANCE	
COMMUNITY IMPACT¹	Do these proposals contribute to specific Priority Plan objective(s)?
	Yes <i>Active Lifestyles: a) Actively encourage people to do more, enjoy more and feel better b) Creating a sustainable physical environment to support active lifestyles Also supports Children & Young People Priority Plan and cross cutting strategic priority for developing sports and learning communities across the borough.</i>
	Are there any measures that will be used to show the proposals are making a difference?
	Yes <i>Increased participation in football Improved attainment in school</i>
	Will the proposals impact on specific groups of people?
	Yes <i>Improved leisure facilities for schools and local community. Groups to be targeted include: a) Women and girls b) Lower socio economic groups/ low income families c) Black and Ethnic Minorities d) People with Disabilities e) People Not in Employment Education or Training (NEETs)</i>
TARGET COMPLETION/DELIVERY DATE	<i>Tender Process - Dec 2010/March 2011 Planning & Building Regs - Dec 2010/Mar 2011 Construction Period - April/Sept 2011 Completion - Sept 2011</i>
FINANCIAL (VALUE FOR MONEY) IMPACT	Yes <i>Total costs of £420k are assumed and potential funding sources have been identified to meet this cost. If, once tenders have been received, actual costs are any higher than this estimate a further report will be brought to Cabinet to seek additional approval to spend with associated funding proposals.</i>
LEGAL IMPACT	Yes <i>The lease of the constructed facilities will incorporate terms regarding standards, quality, and community use. It is proposed that the lease be granted at a peppercorn rent. It is therefore necessary for the Council to rely upon its powers under Section 123 of the Local Government Act 1972 and the associated General Disposal Consent 2003 in order to make this transfer at an undervalue. Please see full Legal Comment for details.</i>
OTHER RISKS & OPPORTUNITIES¹	Yes Risks <i>Planning approval for five-a-side at football stadium</i>

		<p><i>although early discussions with planning have indicated no real concerns at this stage.</i></p> <p><i>Identified funding streams may not cover full cost of the development but this will not be known until tenders have been returned. Any shortfall will be brought to Cabinet for consideration prior to any build commencing.</i></p> <p><i>Possible financial impact on existing Council owned artificial pitches</i></p> <p>Opportunities <i>Provision of new leisure facilities that will benefit the schools and local community</i></p> <p><i>Increased participation in sport and leisure leading to positive impact on health and education</i></p> <p><i>Enable schools and the community to maximise access and links with the borough's football club</i></p> <p><i>Address existing road layout and access issues between TCAT and the football club</i></p> <p><i>Remove an unsightly and un neighbourly use</i> <i>Link to the regeneration of Wellington BTI</i> <i>Positive economic impact on local area as a leisure destination</i></p>
<p>IMPACT ON SPECIFIC WARDS?</p>	<p>Yes</p>	<p><i>Only purpose built five-a-side centre in the borough. Also improved and increased facilities and opportunities for local people, schools and organisations within wards neighbouring the football club and within Wrekin Sports & Learning Community, namely College, Arleston, Ercall and Haygate.</i></p>

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

Background

- 4.1 On 11th May, Cabinet approved the transfer of the Haybridge Road garage to AFC Telford United for 150 years at a peppercorn rent to enable the development of a five-a-side centre. Cabinet also approved the sale of the house at 150 Haybridge Road as the Council's capital contribution towards the scheme. The granting of this lease and the sale of the house were conditional on Sport England funding which is no longer an option. Cabinet agreed that if this funding failed to

materialise, then alternative proposals to develop a five-a-side centre on the garage site would have to be considered.

- 4.2 The Council has been working with AFC Telford to explore alternative options to funding the facility and maximising the opportunity. Currently, there is no purpose built five-a-side facility in the borough and the Council has identified the benefits of making closer linkages between schools, sport and the community as is evidenced through the BTISLC programme. Ercall Wood Technology College and other secondary schools have also identified football as a key sport and expressed a desire to enhance their football offer as part of the BSF visioning process.

Proposal

- 4.3 It is proposed to create stronger links between AFC Telford United and the schools within the Wrekin SLC, thereby maximising school and community use of existing and new facilities at the New Bucks Head Stadium and football club.
- 4.4 As part of this proposal, a new four court five-a-side centre will be built at the football club ground. The proposed site is shown in Appendix 1 and will stretch from Haybridge Road across the current garage site and entrance road to AFC Telford through to the parking area for the football ground.
- 4.5 There are a number of funding streams that have been identified to fund this including the sale of the house at 150 Haybridge Road and funding from the BTI SLC programme totalling £420K. In return, the secondary, primary and special needs schools within the Wrekin SLC, plus schools within other SLCs as appropriate, would receive free use of the five-a-side facility within agreed priority use times, access to existing facilities such as the pitch and learning centre and free coaching from AFC Telford coaches and players. See Appendix 2 for the draft proposed principles of community use (please note these are subject to final negotiation with AFC Telford United which is underway).

5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

5.1 Community Impact

- 5.1.1 AFC Telford United and the new five-a-side facility will be part of the Wrekin SLC. The club's facilities, players and coaches will be made available free to schools within this SLC, Council's football development programme and other Council led education and sports initiatives (e.g. I Can 2) during agreed priority use times. Principles of community use can be found at Appendix 3 which will form part of the legal agreements between the council at Telford AFC.

5.2 Financial Impact

- 5.2.1 The total cost of providing this project is £420k. Funding of £120k has been identified from the sale of 150 Haybridge Road towards this project, together with potential funding of £300k from the BTI SLC programme. The likely timescale for the receipt of £120k arising from the sale of 150 Haybridge Road has not yet been confirmed and the £300k from the BTI SLC programme is not likely to be forthcoming immediately, which will result in the requirement for time limited temporary borrowing of around £300k in the short term.
- 5.2.2 AFC Telford would be responsible for the ongoing running of the facility once it is established.

5.3 Legal Impact

- 5.3.1 It is anticipated that an agreement to lease will be negotiated with AFC which will bind both parties to entering into a lease agreement upon practical completion of the five-a-side pitches. Subject to negotiation, the lease agreement will broadly reflect the terms of the draft principles of community use annexed to this report.
- 5.3.2 At practical completion the value of the facility is estimated to be in the region of £275k and therefore a lease at a peppercorn rent will be a transfer at an undervalue.
- 5.3.3 As pointed out in the Cabinet Report of 11th May 2010 the Council has the power under Section 123 of the Local Government Act 1972 to dispose of its land as it sees fit subject to the requirement to obtain best consideration reasonably obtainable. The Council can however rely upon the General Disposal Consent 2003 which permits disposals at an undervalue to promote or improve economic well-being or social well-being. These disposals are limited to those below a £2m threshold. This particular transaction has a potential undervalue of £275k [value of facilities at practical completion] but the law is unclear as to whether undervalues should be calculated per transaction or whether transactions at undervalues to a particular undertaking i.e.in this case, to AFC Telford United Ltd should be considered to be cumulative when calculating whether the £2million threshold has been reached. In this case the cumulative value appears to be below the threshold.
- 5.3.4 Circular 06/03 dealing with disposal of land for less than best consideration states that “in determining whether or not to dispose of land for less than best consideration reasonably obtainable...the authority should ensure that it complies with normal and prudent commercial practices”. The question for Members to take into account when reaching this decision is whether or not they are satisfied that the outputs required from AFC Telford mentioned in Appendix 2 provide

value for money and amount to sufficient justification for the transfer at nil value. (See links to Corporate Priorities below).

5.3.5 Again, as mentioned in the earlier report, details of the required outputs need to be incorporated into the terms of the leases to manage the Council's risk and give the Council a mechanism to bring AFC Telford to account in the event that they fail to deliver the agreed outputs. Members should note however that recovering the property by relying on non delivery or other breach of such terms would be legally difficult but is the best protection that can be secured in the circumstances.

5.4 Opportunities

5.4.1 The link with AFC Telford United and the provision of Telford's only purpose built five-a-side centre will enable schools and the local community to have affordable and accessible high quality sporting facilities and opportunities on their doorstep.

5.4.2 This will lead to increased participation in football and physical activity for which there is substantial evidence to demonstrate the positive impact this has on health, education and reducing anti-social behaviour. Existing programmes and informal links with the football club has already resulted in significant community benefits which will only be improved and increased through this proposal.

5.5 Risks

5.5.1 The proposal is dependant upon planning permission being granted.

5.5.2 The funding from BTI SLC is dependent on successful negotiation with the contractor. There is also a risk that the full capital receipt of £120k associated with the sale of the house will not materialise. In order to mitigate both of these risks the Council will continue to investigate alternative sources of funding.

5.5.3 There is a risk that the new five-a-side facility will impact on current football usage and income generated from the Council owned synthetic turf pitch at Oakengates Leisure Centre.

5.6 Ward Impact.

College Ward	– outline proposals discussed with Cllr DR Chaplin.
Ercall Ward	– outline proposals discussed with Cllr MB Hosken
Haygate Ward	– outline proposals discussed with Cllr RG Chaplin
Arleston Ward	– Cllr AD McClements

6. PREVIOUS MINUTES

Cabinet Minutes – 15th September 2009

Cabinet Minutes – 26th January 2010

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Appendices

Appendix 1 - AFC five-a-side centre site plan

Appendix 2 - Proposed community use principles between Telford & Wrekin
Council and AFC Telford United