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| Report of | Head of Commercial Services | Author | Fiona Duhamel ☎ 282252 Lois Bowser ☎ 282573 |
| Title | Colchester Northern Gateway (North) Sports Hub development proposal | | |
| Wards affected | Mile End, Highwoods, Fordham and Stour | | |

This report seeks approval of the proposed development to create a new leisure and community sports hub on land north of the A12 at the Northern Gateway together with an enabling development on part of the Mill Road site.

1. Decisions Required

- i. To approve the recommended proposal including layouts and concept building designs, to create a community sport and leisure hub at Northern Gateway North which will provide a new high quality home for Colchester Rugby club, dedicated cycling facilities including a learn to ride offer, two 3G artificial pitches and a central sports building suitable for use by a range of clubs and individuals.
- ii. To note there is a confidential decision required on Part B of this Agenda to approve the full business case for the proposed development including the capital and revenue assumptions and financial implications for the Council's budget and Medium Term Financial Forecast.
- iii. To agree in principle that the capital proceeds from the disposal of part of the Mill Road site for residential development can be used as enabling funding for the scheme and agree that further work in reducing the risks associated with this funding mechanism will be reported back to Cabinet at a later date.
- iv. To note the potential capital contributions to the scheme from a range of funders including Sport England and sports governing bodies and to agree that the required funding applications be pursued.
- v. To note the recommendation in the Confidential Part B of this agenda that the Council should make provision to support any interim borrowing of capital required during the development of the scheme.
- vi. To note the emerging management options for the site detailed in the confidential Part B Agenda and endorse further examination of the most appropriate model with a

view to bringing the details of the preferred option(s), together with agreed heads of terms for key users of the site, back to Cabinet for approval.

2. Reasons for Decisions

- i. To ensure the development of the Northern Gateway as a key sports/leisure destination within a quality parkland setting will be designed and built in an economical and sustainable manner.
- ii. To ensure that the scheme proceeds in accordance with good planning principles and with the benefit of planning approval as an essential milestone in the project.
- iii. To ensure that a robust business case supports the delivery of the proposed scheme including financial sustainability, funding mechanisms and operational business planning before progressing to the detailed design stage.
- iv. To ensure that all risks and financial implications from capital recycling and interim borrowing are fully assessed and monitored in accordance with the Council's financial management arrangements.
- v. To ensure that the full capital funding required for the scheme is secured from a range of external funders.
- vi. To ensure that the scheme is managed effectively and in a sustainable way whilst retaining Council control in order to ensure the scheme meets the requirements of the Council's Sports Strategies.
- vii. To provide jobs and economic growth to a key growth location within the Borough.

This decision is brought to Cabinet for approval because of the level of financial commitment and its strategic significance for the economic growth for the Borough.

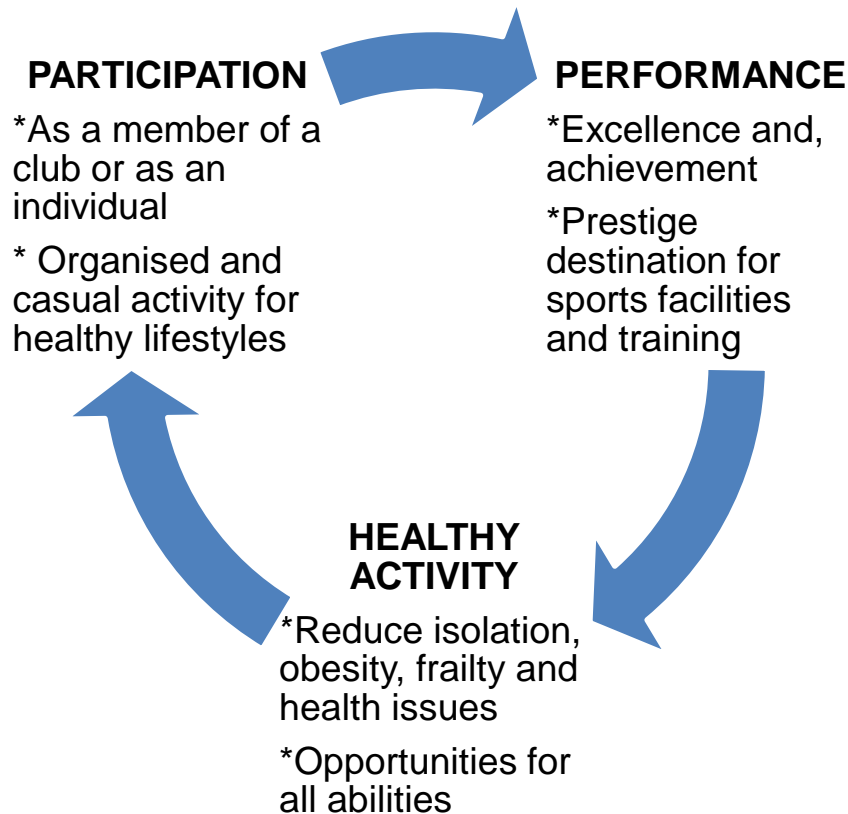
3. Alternative Options

- 3.1 Different options have been explored during the development of the scheme over the past 18 months and it is intended that the layout and building proposals are adaptable should other sports clubs become key participants in the future. The site layout, building design and business case presented here represent the only viable option at this stage.
- 3.2 It is possible that the scheme could be halted and the land could continue to be leased for agriculture with attendant implications for the Borough in meeting the Sports Strategy outputs and for the Rugby Club in not being able to expand and grow its community offer.
- 3.3 Any delay in bringing forward the proposed scheme may impact upon the levels of external funding to be secured as key funders may decide to invest in other opportunities.

4. Supporting Information

- 4.1 The Vision for the Northern Gateway Masterplan in 2012 was developed following consultation with key stakeholders, market research, and an assessment of the feasibility of options for the most appropriate mix of leisure and sports uses within the area. The key elements to create are:
- A new gateway for Colchester
 - A cutting edge destination for sport and leisure
 - A distinctive place defined by memorable buildings and spaces
 - An exemplary approach to sustainability.
- 4.2 The development of the Community Stadium provided the first phase of delivery against the Masterplan. Construction is underway to create a new David Lloyd centre and the advancing proposals by Turnstone to develop a commercial leisure scheme anchored by a regional cinema form the next stage of progress. The sports hub proposals bring forward a new and exciting phase towards the achievement of the Masterplan vision.
- 4.3 The proposals involve the co-ordination of a range of key stakeholders ranging from possible users to potential funders. There has been a considerable amount of interest generated in the project from local sports clubs and (national) governing bodies such that the business case can demonstrate a high degree of confidence in facility usage and rental streams. There is commitment in principle from some users at this stage, reflecting the need for additional sports facilities in the Borough. The business case outlines the key user and financial elements which will contribute to a successful project and which demonstrably serve to increase participation in sport and physical activity. The project thereby is aligned to and meets some of the gaps identified in the Borough's sports and leisure facilities strategy.
- 4.4 The Council has recently set up a strategic Sports Board to co-ordinate the activity and plans of the major sports facilities providers across the borough. This includes the Garrison, University and Colchester Institute and follows a suggestion from Sport England who is concerned to see sports facilities across the borough as a whole improved, and not just those run through the Council. The Sports Board will be taking the strategy forward and co-ordinating the most effective way to upgrade and maintain a good sport and leisure offer.
- 4.5 The Council appointed Leisure Consultants, FMG, and architects, GTA, in June 2015 to assist in project development and feasibility. Subsequently other studies have been commissioned to facilitate in the planning aspects of the proposals (ecology, archaeology, transport, public realm/landscape, sustainable energy generation) and feasibility aspects (architects, valuation). These studies have been reported separately to Members through the RIF Committee on 11 November 2015 and 1 February 2016. The project has also benefitted significantly from the input of Sport England experts in project development, sports facility provision, feasibility and management. In addition, the contribution from local clubs and sports governing bodies has been invaluable in helping to develop feasible proposals and in commenting on the practicalities of building and site layout designs.

- 4.4 The outline business case reported to RIF in November 2015 was developed around three related themes which continue to guide the project as illustrated below:



5.0 The Proposal

- 5.1 To develop approximately 100 acres of agricultural land to the north of the A12 at Cuckoo Farm for community sport and leisure purposes enabling the relocation of the Rugby club to facilitate its growth and expansion and to provide the opportunity to expand the wider sports offer within the Borough to meet the objectives of the Council's Sports Strategy.
- 5.2 The scheme will create a top quality sports and leisure destination that meets the recognized gap in local provision. The proposed Core Scheme would use about three quarters of the site (See Appendix 1) and will include the following:

| Sports Hub Building | Rugby Pavilion | Outdoor Facilities |
|----------------------------------|---------------------|-------------------------------------|
| 4 Court Sports Hall | Two storey pavilion | 2 Full Size 3G AGP's |
| 30 Station Cycling Fitness Suite | Changing facilities | Cycling Road Floodlit Track (1.6km) |
| Velo Studio and Fitness Studio | Bar and Restaurant | Cycling Learn to Ride Area |
| Multi-Purpose Room | Meeting rooms | American Football |
| Café and Vending area | Kitchen | Archery Area |
| | | Dog Training Area |
| | | 7 Full Size Rugby Grass |

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|--|--|------------------------------|
| | | Pitches |
| | | 3 Junior Grass Rugby Pitches |
| | | BMX Track (Phase 2) |
| | | Car Parking for 350 cars |

The project will provide for the semi-professional, higher performing athlete as well as those aspiring to improve, beginners or recreational participants from the local community, local clubs and match leagues. Although some of the commercial elements of the earlier scheme were felt to be attractors, without a critical mass and compatibility of a range of attractions there was a higher risk attached. It was difficult to provide a financially sustainable scheme because of the high capital outlay and depreciation cost. The current Core Scheme has also undergone affordability checks with a simplified design which provides scope to extend and to increase activities on site as the destination becomes more popular.

5.2 In summary the proposed Core Scheme delivers:

- Relocated rugby club with which it has been agreed to create ten new pitches including two which are 3G artificial surfaced together with a new club building (Appendix 3). The 3G pitches would be available for club and community use. The rugby pavilion would include a 200 seater function room designed for adaptability and a viewing gallery looking over the pitches, most of which would be located on the southern side of Salary Brook.
- A multi sports building with a four court sports hall, cycling and club fitness gym and flexible meeting space for clubs, health providers and wellbeing sessions (Appendix 2). The sports hall would be designed to accommodate a range of indoors sports and some for which an interest has already been expressed include rugby for people with disabilities, archery, indoor cricket subject to continuing negotiation with the Essex County Cricket Board, table tennis and badminton club and league matches. Several local clubs have expressed an interest in locating their base within the sports hall complex. There would also be external storage facilities usable by cyclists, running groups etc or for equipment to hire, including tricycles and bicycles for those learning to ride or wishing to try a racing model on the cycle track. A centrally positioned café sits within the main sports building.
- A 1.6km Closed Road racing circuit, together with a BMX track and Learn-to-Ride area overlooked by the cafe in the main sports hall supported by local clubs and British Cycling with bespoke indoor cycling-focused health and fitness facilities in a 'Cyclogym'.
- A landscaped route to cater for walking, equestrian and casual cycling users, linking to the highway and National Cycling Route 1, Severalls Lane and to the Boxted Road. This will allow casual and free access across the site and provide public benefit from the parkland setting. The proposed 'Village Green' on the Mill

Road Site supported by Myland Parish Council will provide additional informal recreational facilities to link with the proposed 'boulevard' westwards to the Community Stadium that is an essential component of the masterplan and public realm strategy.

- Archery in a landscaped and multipurpose space located close to the sports hall which the club would intend to access for indoor practice and nearby car parking to help facilitate the growing number of archers with disabilities.
- Relocation of the dog training area from the Mill Road ground.
- Accommodation of American Football on a grass pitch as currently with scope for training indoors or on one of the 3G pitches
- Car parking for around 350 vehicles on an appropriate surface to reduce visual impact. Discussions are underway with Essex County Highways in respect of use of the Park and Ride site by sports hub users at appropriate times.
- Land set aside that could be used for a variety of activities at a later date but which in the meantime would be used for passive recreation and outdoor amenity space.
- Following early discussions with some health providers it is hoped that sports hall and facilities will provide a base for well-being activities in the widest sense, for example U3A, and complement some of the more sport focused elements of the site and multisport building.
- The Cavaliers Cricket Club is based at Mill Road along with occasional use by a second club. It is proposed to relocate this to a new pitch to be prepared by the council at the Mile End recreation ground.

5.3 It is proposed to bring forward land from the Mill Road site and surrounding Northern Gateway for enabling development and to recycle the capital proceeds from these schemes towards the capital costs of the sports facility, subject to further works to reduce risks associated with this enabling mechanism. Residential proposals will include affordable housing and will consider some self-build. An area of land within the existing rugby club area will become public open space as identified in the Myland Neighbourhood Plan.

5.4 It is proposed that the core scheme will be fully financially sustainable which is likely to be attractive to external operators. Further work on management models will be carried out and a recommendation brought back to Members at a later date.

5.5 Borough Playing Pitch and Sports Facilities Strategy

In 2013–14, the Council commissioned KKP Consulting to prepare an indoor sports facilities strategy and an outdoor playing pitch strategy. The Council endorsed the strategies in July 2015. The scope of the indoor sports facilities study included sports halls of at least 3 badminton court size, swimming pools, indoor bowls, and health and

fitness (gyms) as well as the less traditional sports of cycling, water sports and squash. The aim was to assess the current supply and demand for each facility type, the quantity and quality, and the opportunities for new or rationalised provision. The Playing Pitch Strategy (PPS) applies the Sport England Guidance in a supply and demand assessment of playing pitch facilities. The scope includes football, rugby union, rugby league, cricket, hockey, tennis, outdoor bowls and athletics.

5.6. The early stages in the development of the project sought to integrate:

- the Sports Strategies
- consultation with other strategic sports providers about their future plans – the University, Garrison and Colchester Institute
- consultation with local sports stakeholders who expressed their interest in the scheme and who expressed preference for different kinds of provision
- the requests of the existing users to replace or to access improved facilities or over a wider time span
- FMG consultants' examination of other major leisure developments across the country including specialist cycling venues
- The outcome is the scheme presented in this report which complements other provision and meets clearly identified gaps in his market.

5.7 It is important to bear in mind that the opportunity to secure Sport England capital funding rests in part on how the project relates to and delivers the Borough strategies, in association with other partners such as The Garrison, University and Colchester Institute. The newly created Borough Sports Board will help to achieve this co-ordination and across the Borough there is a need to upgrade some of the quality and quantity of provision at local club level; this project endeavours to meet some of this need.

5.8 Milestones

The project plan aims for construction to commence in Spring 2018 with completion during 2019. The projected milestones are:

| Milestone | Target Date |
|-----------------------------------------------------------------------------------------------------------------|--------------------|
| Cabinet considers detailed business case | March 2016 |
| Submission of a planning application for both sites to include residential on Mill Road | Summer/Autumn 2016 |
| Further report to Cabinet on management models and risk assessment of delivery of Mill Road Housing Development | Summer/Autumn 2016 |
| First capital receipt from enabling land | 2017/18 |
| Core Scheme commences | Spring 2018 |

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| Core Scheme completion | Summer 2019 |
|------------------------|-------------|

5.10 Management Options

The FMG study looked at management options for the site as a whole and for the multi-sports centre and these are outlined in the confidential section of this report. A soft marketing exercise is currently underway to determine the appetite for this scheme from private sector operators and their views on management models.

It is recommended that a further paper detailing management options is brought back to Cabinet at a later meeting to include agreed Heads of Terms with key users of the site.

5.11 Procurement

The council has made several appointments of specialists to help develop the project and the planning application. All have been carried out in accordance with the Council's formal procurement procedure. Public realm consultants, Gillespies, are the most recent and were appointed in mid February. At a later stage there will be a procurement process to appoint a build contractor for the scheme. This will be procurement by way of an open tender process.

6. **Strategic Plan References**

6.1 The wider context for the CNG North project is national policy and guidance relating to sport, health, physical activity and participation.

6.2 The project meets the Council's Strategic Plan in a number of ways:

VIBRANT

- Develop a strong sense of community across the Borough by enabling people and groups to take more ownership and responsibility for their quality of life.
- Create the right environment for people to develop and flourish in all aspects of life both business and pleasure.

PROSPEROUS

- Promote Colchester to attract further inward investment and additional businesses, providing greater and more diverse employment and tourism opportunities.
- Provide opportunities to increase the number of homes available including those that are affordable for local people and to build and refurbish our own Council houses for people in significant need.

THRIVING

- Promotes Colchester's heritage and wide ranging tourism attractions to enhance our reputation as a destination.
- Be clear about the major opportunities to work in partnership with public, private and voluntary sectors to achieve more for Colchester than we could on our own.

- Cultivate Colchester's green spaces and opportunities for health wellbeing and the enjoyment of all.

WELCOMING

- Improves sustainability, cleanliness and health of the place by supporting events that promote fun and wellbeing.
- Make Colchester confident about its own abilities, to compete with the best of the towns in the region to generate a sense of pride.

- 6.3 The proposal contributes to the Council's aim to "Become commercially focused and even more business-like in order to be free of government grant by 2017" by delivering a modest income stream and reducing current maintenance costs for pitches.

7. Consultation

- 7.1 The project has been subject to a consultation process as part of the wider Northern Gateway Master Plan. All key stakeholders are engaged in the emerging proposals and relocation requirements. Officers attend the local parish council meetings to share understanding of the plans and to invite comment. It is intended to hold a stakeholders' meeting after the Cabinet meeting with a view to establishing regular meetings of a stakeholders' steering group, this will include representatives from local schools and colleges.
- 7.2 Officers will hold a wider consultation on the pre-submission planning application and public realm proposals in order to encourage public engagement. This will be followed by the period of statutory consultation when all aspects of the scheme including the transport and access proposals, layout, building design concepts, landscaping and environmental concerns will be subject to public scrutiny.
- 7.3 The Sports Board will ensure strategic engagement of key organisations on a regular basis also.

8. Publicity Considerations

- 8.1 The Colchester Northern Gateway seeks to create a new sports/leisure led destination in the Borough and this economic growth investment has a number of positive key messages. The creation of a leisure destination with quality sports facilities, sustainable design and exciting recreational and community activities can be promoted locally and to a wider audience. The public realm consultants appointed for the wider Northern Gateway growth area will work in conjunction with the Council's communications team and will begin to portray key images that will help mark out the area as a destination; it will become increasingly attractive to potential investors, visitors and local people alike.

9. Financial implications

9.1 The detailed financial implications and the business plan are addressed in the confidential business case. The key financial elements are:

- The capital cost of the scheme.
- The recycling of the proceeds from the proposed enabling development sites including Mill Road into the Sports Hub development cost
- External funding opportunities from Sport England and other sports National Governing bodies
- Short term cash flow management
- The operational net revenue taking into account the running costs, maintenance costs, depreciation and management of the site

10. Equality, Diversity and Human Rights, Community Safety and Health and Safety

10.1 The underlying ambition for the leisure proposals is to encourage participation from a wide a range of people as possible including children, older people, people with disabilities, and people who have health or recuperation needs that would benefit from increased physical activity and related well-being programmes, as well as high performing athletes and sports people. The scheme is designed to address these needs.

The design of the sport and recreational facilities will comply fully with health and safety standards, and in the design of the landscaping, outdoor spaces and routes, and buildings will ensure that community safety implications are fully addressed. The Full Equality Impact Assessment may be found by clicking on the link below:

<http://www.colchester.gov.uk/CHttpHandler.ashx?id=20664&p=0>

11. Risk Management Implications

11.1 The CNG programme as a whole scheme has a risk register. Key risks to the project are identified in the confidential business case attached to this report.

Appendix 1: Proposed Site Layout

Appendix 2: Sports facility concept design

Appendix 3: Rugby club building concept design

Background papers

Master Plan for Colchester Northern Gateway Area – Allies and Morrison 2012

Borough Leisure Facilities and Playing Pitch Strategy 2015

RIF Committee report 11 November 2015

RIF Committee report 1 February 2016

