

This report seeks approval of the recommended management option and funding package for the Colchester Northern Gateway Sports/Leisure scheme, together with agreement to the approach set out to procure professional services and contractors for delivery

#### 1. Decisions Required

To note the recommendations made in Part B of this report being:

- 1. To note the recommendation in Part B of this agenda that an external operator is procured for the management of the leisure scheme and external areas.
- 2. To note that the selection process of an external operator be subject to a soft market testing exercise which will be undertaken alongside work reviewing the viability of a Borough Council operating model to be reported back to Cabinet in due course.
- 3. To note the recommendation in Part B of this agenda that the capital funding package including the financial implications for the Council, and to note that external grant applications will be progressed as appropriate.
- 4. To note the recommendation in Part B of this agenda that the procurement approach as set out in the report and to note that the selection of the building contractor and terms agreed for individual site disposals will be brought back to Cabinet/RIF for approval
- 5. To note current progress of the scheme as set out in section 5 of this Part A report.

#### 2. Reasons for Decisions

1. To ensure that a suitable management operator can be appointed at the earliest opportunity in order to engage them in the development of the scheme.

- 2. To continue to review the market demand from among external operators whilst progress on the scheme development continues and to enable further work on a Borough Council option to be twin tracked.
- 3. To ensure that the financial costs to the council of delivering the scheme over the programme period are clear and accounted for and that risk is spread across a range of funding sources.
- 4. Subject to approval of the above recommendations, to ensure that the maximum value and highest possible design are derived from the procurement method with the Council maintaining control over the process in order to meet the scheme delivery target of 2019.
- 5. To receive an update on progress on amendments to the design, to financial modelling and to stakeholder engagement.

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. Because of the sensitive and commercial nature of some of the information, the financial and commercial details are contained within Part B of this report.

## 3. Alternative Options

3.1 Cabinet approved the scheme in principle in March 2016 but requested a further report on the financial implications for the Council of delivering the scheme, and to explore different management models. The aim is to achieve an affordable proposal, with least overall cost to the Council, and securing a sound and viable operation from early years. This is detailed in Part B of this report.

# 4. Supporting Information

- 4.1 The background to this project has been set out in previous RIF and Cabinet reports. The broad Vision for the Northern Gateway area is to create:
  - 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
  - A place for enterprise and employment opportunities

The key messages for the Northern Gateway developed in the Communications Plan aim to create an attractive, high quality and popular single leisure destination that will:

- Provide leisure opportunities for all
- Boost participation in leisure activities, particularly those previously not engaged in activity
- Deliver a complementary offer to the town centre
- Offer regular, easy access to the town centre through a range of travel options
- Promote healthy, active lifestyles

- Support an ethos of sustainability, upholding the 'Greener Colchester' message
- Generate revenue and build an asset for the borough
- Enable job creation and the development of skills and learning, exploiting the advantages of the proposed ultra-fast broadband connection planned for 2017
- 4.2 The project, the partnerships that are evolving and the ambition to support the national and local well-being agenda sit well with recent strategic documents published by the Department for Culture, Media and Sport and by Sport England, as well as a good match with Active Essex priorities for the development of physical activity and sport:
  - *Increase Participation*: Provide a comprehensive universal offer for physical activity and sport in Greater Essex and promote active lifestyles.
  - *Improve Health and Wellbeing*: Change behaviours to reduce inactivity and use physical activity and sport to improve physical and mental health and wellbeing.
  - Develop Individuals and the Workforce: Inspire and enable people to change their lives, achieve their ambitions and meet customer needs through ongoing skills development.
  - *Strengthen Localities and Networks*: Expand and strengthen the network of delivery partners and support collaborative and locality working.
- 4.3 The CNG sports project focuses on three related themes and these are reflected in the desired outputs for the project:
  - PARTICIPATION an essential pre requisite is to provide increased and enhanced opportunity for all people to participate. The current user survey identifies anticipated increases in membership of local clubs and several are interested in expanding their activities to involve people with disabilities. The design of spaces will encourage outdoor activity and create environments to support mental health. With an ageing population and a focus nationally, including through Sport England, around health targets such as weight management, this remains a core ambition for the project.
  - PERFORMANCE improving the facilities and extending the range will allow clubs to compete at higher levels and leagues and to introduce regional events. This will help raise the profile of Colchester and assist the Northern Gateway to function as a sports destination.
  - HEALTHY ACTIVITY the aim is to promote good health and a 'wellness' lifestyle, providing a range of sports and informal recreation activities, organised through clubs or as families and individuals. NHS providers are interested in running programmes from the centre as well as support groups such as the U3A and existing sports clubs expressing a wish to work with people with disabilities.

## **Potential Outputs**

4.4 Work has also been ongoing to gather information on some of the potential outputs from this project. This supports funding applications also. They include information on jobs, homes, and sports participation and are tabled below. They may be subject to change as stakeholder engagement continues and other opportunities arise such as sustainable energy generation or public art initiatives. However, it is clear that the project is able to deliver benefits on a variety of fronts that meet the overall objectives.

Description of target output	Measure
	(Year 5)
New jobs created (including extra care element)	250
New specialist homes	250
New affordable units created (20% private sector and 60% specialist)	195
New private homes	225
Creation of regional cycling hub	1
Number of people benefitting from the Learn-to-Ride / road safety facility	100
Initial number of sports clubs based at facility	10
Number of school children using facility after school	50
Number of new badminton users	100
Number of older people engaging in new physical activity	150
Number of people on health referrals programmes	25
Number of participants with a disability	50
New equestrian route created	1
Acres of land now available for public access	70
Number of all-weather pitches available	2
Number of new sports facilities including indoor cricket centre	1
Number of improved sports facilities (rugby club)	1
Number of special events held sporting and leisure)	25

## 5.0 The Proposal

5.1 The project is to develop approximately 30ha (75 acres) of land to the north of the A12 at Junction 28 for club and community sport and leisure purposes enabling the expansion of the Colchester Rugby Club, and the opportunity to enhance the sports offer within the Borough thereby addressing some of the deficiencies in local provision and helping to meet the objectives of the Council's Sports Strategy. The strategy was described in the previous cabinet report and the project seeks to integrate the objectives of the strategy with the growing needs of local sports stakeholders together with the inclusion of a new regional cycling centre. The latter has been subject to rigorous assessment and benchmarking by consultants, FMG, against other leisure and cycling schemes across the country, as well as advice from British Cycling and other sports experts. This gives added confidence to the assumptions in the financial operating model around user catchment, hire charges and viability.

5.2 The proposal supports wider economic growth objectives for the Northern Gateway Growth Area. It will create a quality sports and leisure centre within parkland setting opening up new areas for public enjoyment. The design of the site layout and sports buildings has undergone several revisions to address user issues and to ensure the most economical design (See Appendix A1 for site layout). The proposed Scheme is summarised in Table 1 below:

#### Table 1 - Key design features as at October 2016

Sports Hall (two storey)	Rugby Pavilion	Outdoor Facilities
Five court sports hall with facilities for range of sports especially indoor league cricket, badminton and table tennis	Two storey pavilion	2 Full Size 3G floodlit artificial grass pitches (AGP)
Cycling Fitness Suite and velo studio	Changing facilities	7 Rugby Grass Pitches for use by rugby union, rugby league and American Football
Multi-Purpose Room	Bar and Function areas	3 Junior Grass Rugby Pitches
External and internal viewing galleries and balcony	Referees' rooms	Cycling Road Floodlit Track (1.6km)
Café and Vending area	Meeting rooms	Cycling Learn to Ride Area
External and internal storage	Full sized Kitchen	BMX Track
Cycle Hire shop	Storage	Archery Area
Bicycle maintenance workshop	Physio and treatment room	Dog Training Area
Children's soft play area	Office	Car Parking for c400 cars
Design has potential to expand to accommodate other sports	Viewing balcony	Informal perimeter path and horse riding route

5.3 Table 2 below sets out the high level project plan milestones aiming for completion in summer 2019.

Table 2 - Project Milestones

Milestone	Target Date
Cabinet considers management operator model and	November 2016
financial implications	
Cabinet approves procurement method for sports contractor	Spring 2017
and housing delivery	
Submission of a full planning application for the sports area	Spring 2017
and an outline application on land east of the Northern	
Approach Road/Mill Road	
Core Scheme commences (preparation of playing pitches)	Autumn 2017
Core Scheme building works commence (18 months)	Winter 2017/2018
Sports Scheme completion	Summer 2019
First houses built	Spring 2020
Specialist housing completion	Autumn 2021
Final house completion	Spring 2022

## Planning Considerations

- 5.4 During the summer period ending on 16<sup>th</sup> September the Council's Local Plan Preferred Options document was subject to extensive public consultation. The designation of the Northern Gateway Strategic Economic Area was proposed to be supplemented by zoning of areas for employment, mixed use, residential and sports and leisure. The responses are under consideration including views expressed that the Mill Road site should include generous community space. This is reflected in the Myland and Braiswick Neighbourhood Plan, itself the subject of consultation earlier in the year and a public referendum on 15<sup>th</sup> September. The referendum resulted in a vote of 87% in favour of the Plan. It was approved for referral to Council for adoption by the Local Plan Committee on 7<sup>th</sup> November, to be adopted as part of the statutory plan for the area at a later date. The proposals in the sports and recreation project and enabling development overall conform to this.
- 5.5 Officers propose to hold a consultation on the pre-submission planning application early next year. 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.

## **Infrastructure**

- 5.6 The principal new infrastructure elements planned are:
  - <u>Broadband connection</u> an extension to the ultrafast broad band recently installed in the town centre should be in place by Summer 2017.
  - <u>Sustainable energy source</u> the provision of a groundwater source of sustainable energy is currently the subject of a feasibility study funded by the Government and it is hoped that either the residential/commercial component on the south side of the A12 and/or the sports complex itself will benefit from this for which a grant would be available towards the capital works. This will be clarified next year.
  - <u>Accessibility improvements</u> as referenced above there is a need to enhance non-vehicular and pubic transport access to the new sports scheme. Discussions are underway with the county highway authority and with Highways England over safety improvements at the J28 crossing and to the Severalls Road and Boxted Road bridges. Officers have also commenced discussion on a local bus strategy for the northern gateway area as a whole including improved services and bus stops.

## Management Options

5.7 An overarching community management structure could be put in place having regard to the arrangement at the Community Stadium. The recommended business model (i below) uses an external leisure operator to manage the buildings and external facilities for the scheme itself. However there is an ongoing exercise which is reviewing the viability of a Borough Council operating model to be reported back to Cabinet in due course. The options explored through the Leisure consultants were:

- i. <u>External leisure operator model</u> with charitable status is a model adopted by many authorities and has advantages for example relating to VAT and the ability to raise funds. This is the recommended option and it is proposed to undertake an in-depth Soft Market Testing of this detailed business model to assess how attractive the project is before any formal procurement process commences.
- ii. <u>Management fully in-house</u> the Leisure World model. This is based on the Council's experience of managing leisure operations across the borough over many years. CBC Leisure Services officers reviewed this model, amending certain inputs such as participation to reflect the patronage of and competition from other leisure facilities. Overall this model demonstrated around 270,000 participants in Year 5.

## **Procurement**

- 5.8 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, were appointed in mid February. Consultants have just been appointed to prepare a development concept brief for the Axial Way/Mill Road zone. It is a recommendation that officers apply a Framework Agreement to progress through to the next stage and to prepare the planning application in particular. At a later stage there will be a procurement process to appoint a building contractor for the scheme and this will be reported to Cabinet.
- 5.9 In terms of informative studies and research the Council has made several specialist appointments to help develop the project and the planning application. All have been carried out in accordance with the Council's formal procurement procedure. Consultants appointed to review the Master Plan and to prepare the Concept Development Brief for the Axial Road/Mill Road area are the most recent.

# 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 as described in section 4. 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.
- 6.2 The proposal contributes to the Council's objective 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 All key user stakeholders are engaged in the emerging proposals and relocation requirements. Appendix A2 sets out letters of support from the principal partner clubs and organisations. The second users' steering group took place on 15<sup>th</sup> September and holds bi-monthly meetings. A separate meeting was held on 7<sup>th</sup> September with around two dozen cycle user groups from the sports and recreational sectors of cycling. Arranged with British Cycling the workshop discussed a range of issues concerned with design and management of the site for cyclists and it was agreed to hold another session early next year as part of the planning and design process. Officers meet regularly with individual principal sports users and/or governing bodies, with Sport England and with Schools PE teachers group. Officers attend the Community Council meetings to share understanding of the plans and to invite comment. Liaison with Colchester Institute, disability sports and health providers, the NHS and the Council's public health coordinator will ensure alignment of provision when the scheme is running.
- 7.2 The Borough Council-led Sports Board ensures strategic engagement of key organisations on a regular basis. Active Colchester has considered the project also and is helping organisations supporting people with disabilities to become directly involved in programme delivery once the scheme is built.

## Participation

7.3 Officers are currently working with existing sports clubs and organisations to identify existing and predicted levels of participation. It is clear that there is vast sports participation throughout the borough and much will impact on potential use of the new

sports centre. Cricket, Table Tennis and Badminton are extremely keen to find both quality training and match play facilities. Indeed it has been cited by both table tennis and badminton that increased membership is often hampered by the availability of suitable facilities at reasonable prices; it is intended that there will be sessions in the sports hall in the evening and during the day prioritised for use by these sports. This will encompass several clubs' plans to expand to accommodate potentially wheelchair cricket, basketball and rugby. Officers are exploring how the sports facilities (and programmes) can best accommodate a range of needs for participation with various groups and organisations working with people with disabilities.

## 8. Publicity Considerations

8.1 The Colchester Northern Gateway seeks to create a new sports/leisure led development in the Borough and this investment in economic growth has a number of positive key messages. The creation of a leisure destination with quality sports facilities, sustainable design and energy generation, ultra-fast broadband, exciting recreational and community activities, and employment opportunities can be promoted locally and to a wider audience. The Master Plan and Public Realm strategy for the Northern Gateway provide attractive images for the Council's communications team to illustrate the key messages. The publicity and implementation of key infrastructure will make the whole area increasingly attractive to potential investors, visitors and local people alike. Letters of support have been received from the key sports bodies (Appendix A2). The Council's Communications team has contacts with key sports users and at the Steering Group on 15th September agreed a general protocol around press and media communication.

#### 9. Financial implications

- 9.1 The detailed financial implications and the business plan are addressed in the confidential Part B. The key financial elements are:
  - The capital cost of the scheme
  - External funding opportunities from Government, sports-related organisations etc
  - Cash flow management over the build period
  - The operational net revenue and business plan and proposed future management by an external operator

#### 9.2 Mill Road Residential Developments

The option to utilise land release receipts was considered by Cabinet at the March meeting and members asked officers to consider widening the approach across a broader area and sectors in order that dependence on the private housing market sector was reduced. Soft market testing with interviews with national housebuilders, and their follow up requests, and detailed advice from Lambert Smith Hampton (LSH), has proved that the Mill Road site is of considerable interest. LSH assessed the potential value of part of the Mill Road site for a range of housing numbers and JV arrangements based on preferences expressed by the house builders. All demonstrate a good return and the potential income from this source is reflected in the capital funding strategy described in Part B (section 9).

#### 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. This will include children, older people, people with disabilities, and people who have health or recuperation needs who would benefit from increased physical activity and related well-being programmes, as well as high performing athletes and sports people. The scheme and future programme development are designed to address all these needs.
- 10.2 The design of the sport and recreational facilities will comply fully with health and safety Standards and the design of the landscaping, outdoor spaces and routes, and buildings will ensure that community safety implications are fully addressed. The Equality Impact Assessment may be found by clicking on the link below or by following the pathway www.colchester.gov.uk /Your Council/How the Council Works/Equality and Diversity/ Equality Impact Assessments/Commercial Services

http://www.colchester.gov.uk/CHttpHandler.ashx?id=22585&p=0

#### 11. Risk Management Implications

- 11.1 The main risks associated with the project are around the need to raise capital funding and securing enabling development, adjustments to the costs when the scheme is built together with the ability to secure a management operator along the assumptions made in the Business Plan. :
- 11.2 Risks are managed in the CNG programme risk register for the project which will be reported back to Cabinet prior to commencement. Key risk areas to the project are identified in the confidential Part B of this report.

#### 12. Summary and Conclusion

The scheme and cost plan are, subject to approval of this report, essentially fixed and ready to move forward to a planning submission. The recommendation, based upon the evidence from the business plans, is that the Council pursues the proposed funding strategy, proceeds to secure an external operator for the operational management of the sports facility and that procurement of professional services proceeds. An overarching community management structure could be put in place having regard to the set up at the Community Stadium. Procurement of a building contractor will be brought to a future cabinet meeting with a view to a start-on-site in early autumn 2017.

#### Background papers

Master Plan for Colchester Northern Gateway– updated from original Allies and Morrison 2012 version by Gillespies and endorsed by Local Plan committee 15<sup>th</sup> August 2016

Public Realm Strategy in draft form prepared by Gillespies October 2016

Borough Leisure Facilities and Playing Pitch Strategy 2015

RIF Committee report 11 November 2015

RIF Committee report 1 February 2016

Cabinet Report 16 March 2016

Part A Appendices

- Appendix A1 illustrates the <u>Site Layout and sports hall designs</u>.
- Appendix A2 sets out Letters of Support from key sports organisations

## Appendix A1: Site Layout and Sports Hall designs as at October 2016



# Sports hall over-looking sports pitches and cycle track to the south -east.



## Sports Hall Internal Layout



# Café Area on groundfloor of Sports Hall overlooking cyle track and playing pitches







# **Colchester Rugby Football Club**

Mill Road, Colchester, CO4 5 JF www.colchesterrugby.co.uk

President: Brian Borges Chairman: Karl O'Brien Honorary Secretary: Maggie Whiteman

Ms Fiona Duhamel Colchester Borough Council Rowan House Sheepen Road Colchester CO3 3WG

17th August 2016

Dear Ms Duhamel,

# Re: Colchester Northern Gateway Sports Development Project

Colchester Rugby Football Club, working alongside the Rugby Football Union, are looking forward to developing their partnership with Colchester Borough Council in realising agreed arrangements in the furtherance of this project.

We are proud to be part of a very successful community club and are keen to work hard in increasing its legacy to the town of Colchester.

Yours sincerely,

Maggie Whiteman

Hon Sec CRFC



Coldnesser & East Essex Badminton Federation

To whom it may concern,

Colchester & East Essex Badminton Federation is delighted to offer support and co-operation with the Colchester Northern Gateway project in efforts to establish a new venue for our sport.

We take many calls from members of the public wishing to play badminton on a casual basis who are unable to find free court time at Colchester Leisure World. We also have a great deal of latent demand from adults and young people wishing to participate but our clubs are currently constrained by availability of courts.

Regards,

Simon Gilhooly On behalf of Colchester & East Essex Badminton Federation

13/10/2016

To whom this may concern,

Please take this letter as our vote of support for the CNG sports project.

Should this exciting prospect go ahead it would potentially allow us (as well as many other sporting ventures) the chance to once again expand our intake; our waiting list is backup to over 1000 children despite doubling our facilities. Our future involvement in the project would give many more children in the area the opportunity to participate in gymnastics, encouraging the incorporation of activity and exercise into their daily lifestyle.

nastics

COLCHESTER SCHOOL OF

This would also mean the possibility to further our results - I have no doubt you have either seen or heard of the untold success of Max Whitlock, double gold Olympian of South Essex Gymnastics Club since his club moved to a similar facility.

We are proud to say we have already achieved places in national finals with the limited space and equipment we have now - with what is being proposed to we have no doubt our results would continue to climb and our achievements could be boundless.

Most importantly, the CNG project would encourage community spirit and inspire locals to adapt an active lifestyle and try new things - something as a sporting club we are a huge advocate for.

So far, we have been included in the general planning prospect of the build which we are very grateful that we have been given the chance to provide input, meaning we can provide the best possible service.

Please do not hesitate to contact me should you want to speak further.

**Yours Sincerely** 

Andrea Cook Centre Manager Colchester School of Gymnastics

#### Andrew Kennedy Fri 21/10/2016 21:38

Lois,

Thanks for your email.

Colchester and East Essex Cricket Club (CEECC) is not part of the Mill Road Sports Club Alliance, however as you know we do currently use the Mill Road cricket ground.

I know the provision of significantly improved facilities at Mile End Playing Fields will replace the lost facilities at Mill Road. However having played at Mile End this year the playing facilities do need significant investment to ensure they are appropriate for senior club cricket. The cricket pitches are of a very poor quality and need significant expert intervention and funding to bring them up to a standard that is safe and suitable for men's club cricket. Additionally the catering facilities need some improvement. Provided this significant funding and improvement is guaranteed at Mile End, CEECC has no objections to the Northern Gateway and Mill Road proposal and are happy to support CBC in this project.

Cheers

Andrew Kennedy – Colchester and East Essex Cricket Club

#### **RE: Colchester Northern Gateway Project**

Dear Fiona

I am writing to confirm Badminton England's support of the above project.

Increasing participation is a key strategic aim of ours as an organisation and we are always looking for new opportunities to grow our sport. This is only possible through effective partnership working at a local level and hence why we are so supportive of projects such as these.

It is clear that the project will increase provision for our sport and opportunities to take part. Working with you in partnership with Essex County Badminton Association we are keen to ensure these opportunities and maximised and delivered.

Colchester is also identified as a priority one area for the development of additional court capacity within our current Facilities Strategy (2012 – 2016). Selection is based on statistical analysis of sports hall availability, population, market segmentation and empirical evidence from regions. Priority One areas are those where Badminton England is already working, and which therefore have the greater potential for growth.

I would be happy to discuss this support with additional partners if required and look forward to supporting the ongoing development of this project moving forward.

Yours Sincerely Lee Ward Regional Manager – South Badminton England leeward@badmintonengland.co.uk 07725 413876

cc. Simon Gilhooly (Essex County Badminton Association Chair)

#### Thu 10/11/2016 13:18 Colchester and District Archery Club <colarcheryclub@gmail.com>

Dear Lois

I am writing on behalf of Colchester and District Archery Club to confirm that we support the building of a new, purpose built, sports complex to allow many sports to take part in one place.

At this point, the plans in their current form to not appear to be suitable for all the sports currently at the Mill Road ground, including archery. However we are continuing working with the council in order to achieve an appropriate ground that allows the Club to continue in its current form and allow for growth in the future.

Regards Anna

Secretary of Colchester and District Archery Club

