



SHEFFIELD CITY COUNCIL

Cabinet

Report of: Executive Director, Place

Report to: Cabinet

Date: November 12 2014

Subject: City Council partnership with the Football Association

Summary:

This report seeks Cabinet approval for the City Council to enter into a partnership with the Football Association (FA) which will lead to a long term relationship to oversee the planning and investment of around £9.6m in the city's football facilities.

The FA has recognised that grassroots football facilities in England are under severe pressure from local authority budget cuts. In October, the FA launched a national initiative to invest in grassroots facilities and they have agreed that Sheffield should be the first city in which they deliver their programme.

Football is the city's major participation sport with over 800 teams, of which over 500 are junior/youth teams. The benefits to Sheffield include new and affordable facilities – artificial pitches, improved grass pitches and changing; increased participation levels and improved health; major capital investment from national sources and a potential long term saving to the Council as more play is concentrated on fewer pitches. Therefore whilst the FA's national initiative is recognition of the budget pressures faced by most local authorities, the potential opportunities and benefits are substantial for Sheffield.

The FA is proposing to set up a local charitable trust to oversee their investment programme. The trust will take an operating interest in the new facilities and resulting income will be reinvested in the city's football facilities in accordance with the plan agreed between the Council and the FA.

In the long term, the partnership offers an opportunity to turn football in the city away from a potential downward spiral of declining quality and falling participation towards an upward spiral of better pitches, more people playing and new income to reinvest in facilities.

Phase 1 of the investment programme will focus on creating a number of 'hub' sites across the city. These will include state-of-the art 3G artificial pitches, plus high quality grass pitches with associated changing facilities. The longer term aim is to secure further funding for a second phase of investment in grass pitches across the city.

The partnership has the support of Sport England.

Reasons for Recommendations:

Football is a major participation sport in the city – with over 800 teams, of which over 500 are junior/youth teams. Like every other major city, Sheffield's pitches and changing facilities are under severe pressure from government budget cuts. The proposed partnership with the FA offers the opportunity for major investment in facilities and the chance to turnaround the long term prospects for the game. This will boost participation and therefore improve health and reinforce the important social role that football plays across all communities in the city.

The report recommends that the first two hub sites be located at Thorncliffe Recreation Ground and at Graves Leisure Centre given that both offer major opportunities for synergy with the impending indoor sports developments at each - in terms of usage levels, construction and operational economies of scale and partnership.

Recommendations:

Cabinet is recommended to:-

1. Approve the principle of a partnership agreement between the City Council and the Football Association and to delegate to the Executive Director of Place in consultation with the Director of Legal and Governance the authority to enter into an agreement with the Football Association for the purposes of delivering the outcomes set out in this report;
2. Approve the strategy for hub sites set out in this report and in particular the development of the first two hubs at Thorncliffe Recreation Ground and Graves Leisure Centre;
3. Delegate to the Executive Director of Resources to confirm the funding of a £1.173m contribution from the City Council towards the Phase 1 programme of £9.6m set out in this report. In particular, to seek confirmation of match funding for the two hubs at Thorncliffe and Graves. The SCC funding will be provided from a mix of capital

programme funding which optimises the Council's Capital and Revenue Budget strategy. This may include borrowing repaid from the anticipated future revenue savings;

4. Delegate to the Executive Director of Place in Consultation with the Director of Legal and Governance and the Director of Finance authority to enter into agreements for external funding into the Council for the purpose of meeting the costs at Thorncliffe and Graves Leisure Centre and to approve the terms of such funding agreements;
5. Delegate to the Executive Director of Place in Consultation with the Director of Legal and Governance and the Director of Finance authority to take such other steps as he may deem appropriate to achieve the outcomes in this report in relation to the partnership with the FA and specifically the delivery of the Thorncliffe and Graves Leisure Centre projects;
6. To authorise the Director of Capital and Major projects to advertise the disposal of public open space.
7. To authorise the Director of Capital and Major Projects in consultation with the Executive Director for Place:
 - a. to agree terms with the FA or its football trust for the disposal of the hubs once completed and;
 - b. to instruct the Director of Legal and Governance to prepare and complete all the necessary legal documentation to implement the transaction in accordance with the agreed terms except in relation to any public open space where valid objections have been received to the disposal in which case the matter shall be referred back to Cabinet.
8. To note that a capital approval submission has been submitted in the Month 5 Budget Monitoring report for the necessary authority to undertake and procure the proposed works at Thorncliffe Recreation Ground and Graves Leisure Centre, in accordance with Council procedures.

Background Papers:

The FA Chairman's England Commission Report 2 – October 2014

Category of Report: OPEN

Statutory and Council Policy Checklist

Financial Implications
YES Cleared by: Paul Schofield
Legal Implications
YES Cleared by: David Hollis
Equality of Opportunity Implications
YES
Tackling Health Inequalities Implications
YES
Human rights Implications
NO:
Environmental and Sustainability implications
YES
Economic impact
YES
Community safety implications
NO
Human resources implications
NO
Property implications
YES
Area(s) affected
All
Relevant Cabinet Portfolio Leader
Cllr Isobel Bowler

Relevant Scrutiny Committee if decision called in
Economic and Environmental Wellbeing Scrutiny and Policy Development Committee
Is the item a matter which is reserved for approval by the City Council?
NO
Press release
YES

CITY COUNCIL PARTNERSHIP WITH THE FOOTBALL ASSOCIATION

1.0 SUMMARY

- 1.1 This report seeks Cabinet approval for the City Council to enter a partnership with the Football Association (FA) which will lead to a long term relationship to oversee the planning and investment of around £9.6m in the city's football facilities.
- 1.2 The FA has recognised that grassroots football facilities in England are under severe pressure from local authority budget cuts. In October, the FA launched a national initiative to invest in grassroots facilities and they have agreed that Sheffield should be the first city in which they deliver their programme.
- 1.3 Football is the city's major participation sport with over 800 teams, of which over 500 are junior/youth teams. The benefits to Sheffield include new and affordable facilities – artificial pitches, improved grass pitches and changing; increased participation levels and improved health; major capital investment from national sources and a potential long term saving to the Council as more play is concentrated on fewer pitches. Therefore whilst the FA's national initiative is recognition of the budget pressures faced by most local authorities, the potential opportunities and benefits are substantial for Sheffield.
- 1.4 The FA is proposing to set up a local charitable trust to oversee their investment programme. The trust will take an operating interest in the new facilities and resulting income will be reinvested in the city's football facilities in accordance with the plan agreed between the Council and the FA.
- 1.5 In the long term, the partnership offers an opportunity to turn football in the city away from a potential downward spiral of declining quality and falling participation towards an upward spiral of better pitches, more people playing and new income to reinvest in facilities.
- 1.6 Phase 1 of the investment programme will focus on creating a number of 'hub' sites across the city. These will include state-of-the art 3G artificial pitches, plus high quality grass pitches with associated changing facilities. The longer term aim is to secure further funding for a second phase of investment in grass pitches across the city.
- 1.7 The partnership has the support of Sport England.

2.0 WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE

- 2.1 Potential capital spending of around £9.6m into community football facilities will be the city's biggest-ever single investment in outdoor sports facilities. The impact on participation levels, health and the social/community benefits of football will be significant.

2.2 The Council's investment as part of this programme will trigger significant leverage of external funding and the resulting partnership with the FA aims to create a network of sustainable, high quality facilities for the long term.

2.3 In addition, the £9.6m programme will have significant economic impact in terms of both the development phase of new facilities (e.g. construction jobs and supply chain opportunities) and additional sustained employment in the future management and operation of the facilities.

3.0 **OUTCOME AND SUSTAINABILITY**

3.1 The outcome of the proposed partnership and investment programme is more people playing football – boys, girls and adults – on first class facilities across the city. The programme also aims to increase the long term sustainability of facilities to ensure high quality and affordable pitches for the future.

3.2 The investment programme will make a major contribution to the City Council's strategic goals of making Sheffield a great place to live and improving the city's health.

4.0 **CONSULTATION**

4.1 The proposals for Thorncliffe reflect key elements of a longstanding masterplan for the site that was jointly developed by the City Council and Ecclesfield Parish Council in 2011. The proposals for Thorncliffe which are set out in this report have been shared with Ecclesfield Parish Council and they are supportive in terms of the new pitches and changing facilities.

4.2 Consultation on both the Graves Leisure Centre and Thorncliffe sites will be two-fold. Initial public consultation will take place in November/December - subject to approval of the recommendations in this report. This will be matched by statutory consultation as part the planning application process.

5.0 **PROPOSALS**

5.1 The FA Chairman's England Commission Report 2 – launched in October this year - set out a number of objectives for grassroots football in England. These include:-

- reduce football's reliance on local authority subsidies as council budgets continue to be cut;
- build significantly more high quality 3G artificial pitches – England has 600 whilst Germany has almost 4000;
- build a sustainable model to make these changes happen.

5.2 To deliver its ambitions the FA believes a new investment and management model for grassroots facilities is needed. Their proposed approach entails building a number of football hubs centred on new, high quality artificial pitches,

which in the first instance will be built in England's major cities. Investment in the hubs and in some cases their future operation will be managed by a new local charitable football trust, whose membership will include the local authority, the County FA, local football leagues and local professional football clubs, amongst others. In the long term, the trust will look to invest in and potentially manage grass pitches across a city.

- 5.3 The FA's ambition is to work with up to 30 of England's largest cities or unitary local authorities, accounting for 30% of the football playing population in England. Targeting these cities first – possibly by a tender or negotiation process – the FA aims to prioritise 'areas suffering the greatest public subsidy constraint whilst benefitting from the greatest catchment areas'.
- 5.4 Sheffield has been chosen by the FA as the frontrunner to test the new national approach and has secured advanced funding from the FA as a result.
- 5.5 The Commission report goes on to say that the scale of funding required to deliver this radical new approach across all cities is well beyond the current resources of the FA. The latest working assumptions for funding are that completing Phase 1 across all thirty cities will cost £230 million in capital spent over five years – nearly £50 million a year.
- 5.6 However, the Commission report goes on to confirm that football's contribution to funding Phase 1 of the Sheffield project has been committed by The FA and its Football Foundation partners. Current estimates of national contributions to Phase 1 in Sheffield indicate potential investment of £5.8m. The balance of funding will be from a combination of a City Council contribution of £1.17m together with additional funding from a range of other city and national partners – details to be confirmed as the hub sites are rolled out.
- 5.7 The proposal in Sheffield is to invest in up to 6 hub sites across the city. The football trust would oversee the FA investment in each of these sites and seek an income return from each. Income would then be used by the trust to reinvest in local football facilities in the city as part of the wider plan to be agreed with the City Council.
- 5.8 Whilst the detailed options analysis on all the potential hubs is yet to be completed, in principle agreement has been reached with the FA for investment in the first two proposed hubs at Thorncliffe Recreation Ground and Graves Leisure Centre. Both sites offer major opportunities for synergy with the impending indoor developments at each and significant partnership opportunities with Sport England, the National Centre for Sport and Exercise Medicine, the indoor leisure contractor and, in the case of Thorncliffe, with Ecclesfield Parish Council.
- 5.9 The Thorncliffe proposal includes provision of a 3G artificial pitch, with up to 3 adult grass pitches and a new changing pavilion. The development will dovetail with the swimming pool and fitness centre being developed on the site, offering the opportunity of creating a significant 'sports park' in the north of the city. The football trust will seek a 25 year lease from the Council on part of the site for the

pitches and pavilion and thereafter take responsibility for all future costs and management of these facilities. The operational role may be tendered by the FA to ensure best return to the trust and to maximise the income available for reinvestment in local facilities. The other sports facilities on the site including tennis and bowls and the social club will be unaffected by the FA's proposals and options for their management are subject to further discussion between the Council and local interested groups. General public access to the open space will be retained. The outdoor development will achieve economies of scale by sharing some of the new infrastructure being constructed for the indoor facilities.

- 5.10 The proposal for the Graves Leisure Centre site includes two 3G pitches, an adult grass pitch and a new changing pavilion. Again, the development will complement the investment in the site's new indoor facilities and will create a significant 'sports park' for the south of the city to mirror that at Thorncliffe. The management arrangements are likely to be similar to those at Thorncliffe. General public access to the open space will be retained.

6.0 **FINANCIAL IMPLICATIONS**

- 6.1 The estimated capital cost of the Phase 1 development of up to 6 hub sites in the city is estimated to cost around £9.6m. Of this, the City Council is being asked to consider a contribution of £1.173m towards Phase 1 in the form of investment in the pitches and associated facilities at Graves Leisure Centre and Thorncliffe. The FA and Football Foundation have indicated a potential combined contribution of £5.8m to Phase 1. The balance will be sought from city and national partners depending on the final site selection of the hub sites.
- 6.2 It is proposed that the City Council's contribution will be provided from a mix of capital programme funding which optimises the Council's Capital and Revenue Budget strategies. This may include borrowing repaid from the anticipated future revenue savings.
- 6.3 The hubs at Graves and Thorncliffe require a Council contribution of £1.173m. These projects are included in the Month 5 Revenue and Capital Budget Monitoring report. Council funding is conditional on required match funding being secured.
- 6.4 The operating costs and future lifecycle costs relating to the proposed pitches and pavilions at Thorncliffe and Graves will be met in full by the FA's football trust. The income generated by the trust will be used to support reinvestment costs on these sites and others.
- 6.5 The Council's partnership with the FA includes a joint ambition to fund investment in grass pitches across the city. No funding has been identified for this phase by either the FA or the Council and no financial commitment is being asked of each other by either partner at this stage.

7.0 LEGAL IMPLICATIONS

- 7.1 The Local Government (Miscellaneous Provisions) Act 1976 permits the Council to provide such recreational facilities as it thinks fit which includes:
- (a) indoor facilities consisting of sports centres, swimming pools, skating rinks, tennis, squash and badminton courts, bowling centres, dance studios and riding schools; .
 - (b) outdoor facilities consisting of pitches for team games, athletics grounds, swimming pools, tennis courts, cycle tracks, golf courses, bowling greens, riding schools, camp sites and facilities for gliding; .
 - (c) facilities for boating and water ski-ing on inland and coastal waters and for fishing in such waters;
 - (d) premises for the use of clubs or societies having athletic, social or recreational objects;
 - (e) staff, including instructors, in connection with any such facilities or premises as are mentioned in the preceding paragraphs and in connection with any other recreational facilities provided by the authority;
 - (f) such facilities in connection with any other recreational facilities as the authority considers it appropriate to provide including, without prejudice to the generality of the preceding provisions of this paragraph, facilities by way of parking spaces and places at which food, drink and tobacco may be bought from the authority or another person.
- 7.2 The same legislation also allows the Council to contribute by way of grant or loan towards the expenses incurred or to be incurred by any voluntary organisation in providing such recreational facilities. In doing so it must ensure that procurement law and state aid law are complied with.
- 7.3 Procurement of the works to build the hubs must comply with EU and UK procurement law and the Council's own standing orders.

8.0 PROPERTY IMPLICATIONS

- 8.1 The lease to the football trust of the sites will be a disposal of the land. The specific lease terms are still to be negotiated, but it is anticipated that it will be granted at a nil value or a significant undervalue. Under s123 Local Government Act 1972 the Council cannot dispose of property for less than the best price reasonably obtainable, unless it obtains the consent of the Secretary of State. Pursuant to the powers conferred by section 128(1) of the 1972 Act. the Secretary of State has issued the General Disposal Consent (England) 2003. Where the terms of a proposed disposal fall within the scope of this consent there is no requirement to obtain a specific consent for it. This consent permits the disposal of land at an undervalue of up to £2,000,000 where the Council considers that it will help to secure the promotion or improvement of the economic, social or environmental well-being of its area. The benefits of the proposal in economic, social and environmental terms are detailed in this report and the value of both sites is significantly less than the £2,000,000 limit so there will be no requirement to obtain a specific consent from the Secretary of State for the grant of the proposed leases to the football trust.

8.2 The Thorncliffe Recreation Ground and Graves are public open spaces. Section 123 of the 1972 Act imposes additional requirements in relation to the disposal of land that is, or forms part of, an open space. This provides that, before the disposal is made, the Council must advertise its intention to make the disposal for two consecutive weeks in a newspaper circulating in the area in which the land is located and must consider any objections which may be made to the proposed disposal. The consideration of such objections is specifically reserved to Cabinet, so if any objections are received then a further report will be presented to Cabinet to consider those objections.

9.0 **ALTERNATIVE OPTIONS CONSIDERED**

9.1 The City Council and the FA are considering a range of options in relation to the potential investment in the hub sites. These sites will be confirmed in due course. However, there is consensus on the merits of two of the sites being located at Graves Leisure Centre and Thorncliffe. This is based on the following advantages offered by both:-

- strong locations serving significant catchment populations;
- a critical mass of indoor and outdoor facilities on a single site will create synergy in terms of footfall and income;
- economies of scale on construction costs via the potential to synchronise the development of indoor and outdoor facilities;
- opportunities for extensive partnership with Sport England, the National Centre for Sport and Exercise Medicine, the indoor leisure contractor and, in the case of Thorncliffe, with Ecclesfield Parish Council and the operator(s) of the other on site sports facilities;
- the outdoor developments will achieve economies of scale by sharing some of the new infrastructure being constructed for the indoor facilities on each site e.g. access and car parking

10.0 **REASONS FOR RECOMMENDATIONS**

10.1 Football is a major participation sport in the city – with over 800 teams, of which over 500 are junior/youth teams. Like every other major city, Sheffield's pitches and changing facilities are under severe pressure from government budget cuts. The proposed partnership with the FA offers the opportunity for major investment in facilities and the chance to turnaround the long term prospects for the game. This will boost participation and therefore improve health and reinforce the important social role that football plays across all communities in the city.

10.2 The report recommends that the first two hub sites be located at Thorncliffe Recreation Ground and at Graves Leisure Centre given that both offer major opportunities for synergy with the impending indoor sports developments at each - in terms of usage levels, construction and operational economies of scale and partnership.

11.0 RECOMMENDATIONS

Cabinet is recommended to:-

1. Approve the principle of a partnership agreement between the City Council and the Football Association and to delegate to the Executive Director of Place in consultation with the Director of Legal and Governance the authority to enter into an agreement with the Football Association for the purposes of delivering the outcomes set out in this report;
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4. Delegate to the Executive Director of Place in Consultation with the Director of Legal and Governance and the Director of Finance authority to enter into agreements for external funding into the Council for the purpose of meeting the costs at Thorncliffe and Graves Leisure Centre and to approve the terms of such funding agreements;
5. Delegate to the Executive Director of Place in Consultation with the Director of Legal and Governance and the Director of Finance authority to take such other steps as he may deem appropriate to achieve the outcomes in this report in relation to the partnership with the FA and specifically the delivery of the Thorncliffe and Graves Leisure Centre projects;
6. To authorise the Director of Capital and Major projects to advertise the disposal of public open space.
7. To authorise the Director of Capital and Major Projects in consultation with the Executive Director for Place:
 - a. to agree terms with the FA or its football trust for the disposal of the hubs once completed and;
 - b. to instruct the Director of Legal and Governance to prepare and complete all the necessary legal documentation to implement the transaction in accordance with the agreed terms except in relation to any public open space where valid objections have been received to the disposal in which case the matter shall be referred back to Cabinet.
8. To note that a capital approval submission has been submitted in the Month 5 Budget Monitoring report for the necessary authority to undertake and procure the proposed works at Thorncliffe Recreation Ground and Graves Leisure Centre, in accordance with Council procedures.

Paul Billington
Director of Culture and Environment