



London Borough of Enfield

Title:	3G football pitch – Southbury leisure centre
Report to:	Perry Scott Executive Director of Environment & Communities
Date of Report briefing:	TBC
Directors:	Perry Scott, Executive Director for Environment and Communities
Report Authors:	Tim Harrison
Ward(s) affected:	Southbury
Key Decision Number	
Implementation date, if not called in:	
Classification:	

Purpose of Report

1. The purpose of this report is to approve an increase to the capital programme of £636k for the installation of a replacement 3G artificial sports pitch, the refurbishment of pitch floodlights and redecoration of pitch changing rooms at Southbury Leisure Centre. The project will be funded by a £436k capital grant from the Football foundation and £200k from a specific revenue sinking fund reserve relating to the pitch which is paid into on an annual basis by the operator of Southbury Leisure Centre. There is no requirement for any direct funding from the Council towards the project.
2. Note, a previous DAR on 4 July 2024, confirmed acceptance of the capital grant offer from the Football Foundation of £436k, representing 69% of the overall cost of the refurbishment works.

Recommendations

It is recommended that the Executive Director:

- I. Approves an increase to the capital programme of £636k for the installation of a new 3G pitch at Southbury leisure centre, to be funded from £436k football foundation capital grant and £200k from specific revenue sinking fund reserve. (There is no requirement for direct Council funding for this project)
- II. Provides approval to spend for the new capital project budget of £636k, with an expected completion date of 31 October 2024.
- III. Notes that separate approval to accept £436k football foundation grant funding has been obtained through DAR (appendix 1).
- IV. Notes that a preferred contractor has already been selected using the Football Association (FA) framework tender process.

Background and Options

3. The artificial grass pitch, which forms part of the facilities at Southbury Leisure Centre, has worn out and needs replacement. The floodlights which are over 20 years old need replacing, and the changing rooms for the pitch are also in need of refurbishment. The project is expected to cost £636,138 in total.
4. In March 2024 a funding bid was submitted by the Council to the Football Foundation (the organisation which distributes the grants) for the refurbishment of the third-generation artificial grass pitch at Southbury Leisure Centre.
5. The Council has been successful in securing £436,138 of external grant funding from the Football Foundation (attached DAR 4 July 2024). The remaining £200,000 capital budget is proposed to be funded from the Council's specific ringfenced sinking fund (that has accumulated via annual leisure centre operator contributions).
6. The other option is to not accept the grant funding and either fund the planned works entirely from Council resources or to do nothing at all.

Preferred Option and reasons for Preferred Option

7. Not accept the offer of funding and not proceed with the refurbishment of the artificial grass pitch, replacement of floodlights and improvements to the changing rooms. This option has been discounted because the pitch is nearing the end of its life meaning that without refurbishment it would be at risk of closure in the near future.

Relevance to Council Plans and Strategies

Council Plan

8. The health of residents is a key aspect of the Council Plan.

Safe, healthy and confident communities

9. By improving the quality of this facility, more residents will be encouraged to take part in football, meaning they will become more physically active and as a result have improved levels of physical and mental health.

Fairness for All

10. Whilst there would be a charge for use, the facility will have lower cost slots for partner groups especially those linked to women & girls and disability football to ensure growth in their participation.

Strong Communities

11. The facility would bring the community together to lead healthier lifestyles and encourage integration by residents.

Financial Implications

Completed by Shirley Haider – Senior Finance Manager (11 Sep 24)

capital budget implications.

12. The report seeks approval to spend £636k capital budget for replacement of 3G football pitch and floodlights and refurbishment of changing rooms at Southbury leisure centre.
13. Key outputs from the investment include the design, manufacture, and installation of a 97m x 61m Community 3G Artificial Grass Pitch (AGP) including perimeter fencing, LED floodlights, goal storage, spectator areas, sports and maintenance equipment, infill retention mitigation, user & maintenance access to the facility and refurbished changing rooms.
14. The works contract for football pitch and floodlights will be awarded via the Football Association (FA) framework contract procedures and will be overseen by the FA's own project managers. The Council will have a direct contractual relationship with the works contractor and will receive invoices from them directly. The spend will be recorded within the Council's accounting records and will result in enhancements to the Council's own asset.
15. Changing room refurbishment works will be undertaken under the existing works contract for leisure centre improvements at Southbury leisure centre.

16. The works are expected to complete by 31 October (subject to approval of capital budget).

17. An estimated breakdown of capital budget is provided below

	2024/25
	£000
Site preparation and below ground works including removal of existing pitch, excavations, drainage, foundations and hardstanding areas	199
Above ground works including new pitch shock pad and surface, floodlights, fencing and sports equipment	400
Changing room refurbishment	37
Contingency (nil)	0
capital budget	636
Football Foundation capital grant	436
Revenue reserve (sinking fund)	200
capital funding	636

financial risks

18. The risk of unforeseen spend arising is assessed as low. The works contractor has undertaken full ground surveys and completed site inspection prior to submitting tender and bears responsibility for any unforeseen spend (contract price held for 6 months). This is a fixed price contract and there is no separate contingency within the project budget.

19. The project will be managed by the FA's own project managers as opposed to the Council. The risk that the work is not in line with the Council's expectations will be managed by a designated responsible Officer to act as client lead.

20. The FA will contribute 69% of the value of each invoice for 3G pitch & floodlights and 100% of the invoices for changing room refurbishment (up to a total value of £436k). This income will be received at the same time as invoice is paid, which minimises the risk of unclaimed grant funding.

21. All spend is capital and will be transferred to the fixed assets register at project completion. The project will result in specific asset enhancements to sports pitch (estimated life 12 years), new floodlights (estimated life 20 years) and changing room refurbishments (estimated life 15 years).

22. The Council has accumulated a specific revenue reserve of £173k (as at 31 March 2024) for these works from annual leisure service provider contributions. A further £27k contribution from GLL is expected for 2024/25. These contributions are held in a specific ringfenced reserve for the two pitches at the south end of Enfield Playing Fields and cannot be used for any other purpose. No other funding options (e.g. s106 contributions) have been explored.

23. This proposal will fully utilise the sinking fund by 31 March 2025. The Council aims to rebuild the fund over the next 10 years through annual GLL contributions. This will enable financial contribution towards replacement of the new pitch when required (estimated 12 years). There is a second artificial sports pitch at this site, which is adjacent to the 3G pitch, it is currently fit for purpose and does not require access to the sinking fund over the medium term.

Value for Money

24. The capital budget will result in a replacement 3G football pitch, new floodlights and refurbished changing rooms at an estimated cost of £636k. 69% of this investment will be funded from external grant funding sources.

25. The main works contract has been awarded using the FA's approved framework (Framework Alliance Contract Supplier Framework for Artificial Grass Pitches dated 6th April 2020 – the "**Framework Agreement**"). Compliance with the Council's own procurement procedures is considered within Procurement Implications section of this report.

Revenue budget implications

Completed by Ermias Habtay 18 Sep 24

26. The refurbished pitch will continue to be managed, operated and maintained by Greenwich Leisure Ltd (GLL) as part of the contract in place for the management, operation and maintenance of the leisure centres in the borough.

27. A refurbished pitch will mean lower ongoing maintenance costs compared to currently along with increased demand for pitch hire and therefore greater levels of income. This will result in ongoing lower maintenance costs (expenditure) and increased income. The Council has a profit share agreement in place with GLL, in relation to the leisure centres, whereby any annual operating surpluses generated are shared between the Council and GLL. This refurbishment will mean a stronger likelihood of an operating surplus being generated and therefore a share of that surplus coming to the Council.

28. The Council has accumulated a specific revenue reserve of £173k (as at 31 March 2024) for these works from annual leisure service provider contributions. A further £27k contribution from GLL is expected for 2024/25.

VAT implications

Completed by Richard Tong 18 Sep 24

29. The report sets out that the Council intends to spend £636k on resurfacing the existing 3G football pitch, upgrading the floodlights and refurbishing the changing rooms at Southbury Leisure Centre (SLC).
30. These works will be funded by a capital grant of £436k from the Football Foundation (FF) and £200k from a ring-fenced sinking fund made up of an annual contribution paid by the operator of the leisure centre each year. Post completion of the pitch refurbishment the payment made will be £27k per annum.
31. Since the FF funding represents a true grant rather than consideration for a taxable supply, this will be treated as outside-the-scope for VAT purposes.
32. Whilst the Council is the freeholder of Southbury Leisure Centre which has not been opted to tax, based on the information available, Greenwich Leisure Ltd (GLL - trading as Better) has been appointed by the Council as its agent / leisure operator to manage the Leisure Centre. Under this Agency Agreement, GLL receives all the income from the Leisure Centre, GLL accounts for the VAT and then passes the income to the Council on a profit-share basis.
33. The Council will engage the contractor to carry out the above works, will receive and pay the invoices from the contractor, and will recover any VAT incurred. The refurbished pitch will continue to be managed, operated and maintained by GLL as part of the contract in place for the management, operation and maintenance of the leisure centres in the borough.
34. As a result, there will be no partial exemption implications to the Council arising from this proposal.

Procurement Implications

Procurement process presented to Procurement Advisory Group on 16 October and approved.

35. The procurement process was managed by MGAC, the Football Foundation's retained pitch refurbishment Project managers. MGAC carried out a Framework tender with Framework Contractor's to design and price up required works to bring the facility back to a high playing standard (to meet FIFA requirements). Clarification questions were raised with framework contractors which submitted bids and adjusted tenders were then submitted. Field Turf were approved as the preferred bidder having received the highest total points during the scoring process.

Legal Implications

Acceptance of grant completed by Evelyn Ehigie July 24, contract for works completed by Constantine Markides Oct 24

36. The Council has a general power of competence under s.1(1) Localism Act 2011 to do anything that individuals generally may do, provided it is not prohibited by legislation and subject to public law principles. The power above includes the power to enter into design and building contracts under framework agreements. There is no express prohibition, restriction or limitation contained in a statute against use of the power as recommended in this report. The Council, under s.111 Local Government Act 1972, has power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. The recommendations in this report are in accordance with these powers.
37. This Key Decision Report has been prepared to satisfy the Council's decision-making, reporting and transparency processes and, specifically, because the total value of the final JCT 2016 Design and Build contract exceeds £500,000.00.
38. In awarding this call-off contract, the Council must complete the JCT 2016 Design and Build contract in-line with its Constitution and, in particular, the Contract Procedural Rules ("**CPRs**"). The estimated contract value (inclusive of VAT) is below the relevant procurement threshold for works under the Public Contract Regulations 2015 ("**PCRs**"). This means that the PCRs do not apply to this procurement.
39. The use of a framework agreement is a compliant route to award and the Framework Agreement is being used here. The Framework Agreement can be used here as the Council is an approved user and this is a well-established route for completing refurbishment works as this framework agreement has been used by the Football Foundation for refurbishment of many 3G pitches across different locations in the United Kingdom.
40. Any award of call-off contracts under the Framework Agreement must also be carried out in accordance with the procedures set out therein and the Council must, as required under CPR 14.4 of the Council's Constitution and section 3 of the Local Government Act 1999, be satisfied that such contract award(s) represent best value (see paragraph 41 below). The Council is also satisfied that it has met its requirements under the Public Services (Social Value) Act 2012.
41. A tender process was completed, three (3) service providers completed their bids, namely, Lano Sports NV, FieldTurf Tarkett SAS and Support in Sports Pitches UK Limited. FieldTurf Tarkett SAS was selected as it could provide a guaranteed maximum price for the industry-specific quality standard of services and, therefore, this represented a 'best-value' service. As required under the tender offer documentation, the first step of the tender process is for Enfield Council and FieldTurf Tarkett SAS to enter into the JCT 2016 Design and Build Contract (which is the standard form of contract used for these services). The terms of JCT 2016 Design and Build call-off contract have been reviewed and approved by Legal Services on behalf of the Director of Law and Governance.

42. Given that the call-off contract value is above £500,000.00, the call-off contract will be executed as a deed using the Council's common seal and the form of contract has been approved by Legal Services on behalf of the Director of Law and Governance.

43. Contact Procedure Rule (CPR) 7.2 requires that the supplier must be required to provide sufficient security to the Council. The forms of sufficient security to be considered are laid down in CPR 7.3 and include a parent company guarantee or performance bond. The supplier's parent company has entered into a parent company guarantee to guarantee the performance of the works of the supplier and a collateral warranty is being provided by the sub-contractor of the supplier that is completing some of the works.

As the installation and refurbishment works are being funded from the Football Foundation, officers must be mindful to comply with the terms and conditions attached to the funding requirements. Acceptance of the grant requires Enfield Council to sign-up to a number of conditions, which are listed below for reference:

- The Football Association (FA) to be consulted on plans to transfer site to any third party;
- to submit yearly reports on the project plan within 30 days after each anniversary on completion of artificial pitch;
- to ensure compliance with FA goals for football;
- to comply with maintenance recommendations of the pitch installer; to ring fence the annual management payment into an annual Pitch Replacement Fund;
- established Steering Group to meet minimum of 2x annually;
- to ensure 3G pitch and surface meets FIFA Quality Standards; and
- to ensure the pitch is maintained and kept on FA's 3G Pitch Register.

Equalities Implications

44. The refurbished pitch will be available for booking by all groups, as per participation targets by the Football Foundation there will be a particular focus on working with women and girls' teams to support the current growth in women and girls' football.

Environmental and Climate Change Implications

45. The refurbished floodlights will use LED lightbulbs, which are energy efficient reducing carbon emissions and supporting the Council's Climate Emergency pledges.

Public Health Implications

46. Improvements to the artificial grass pitch will result in increased participation in football and a resulting improvement in physical and mental health.

Planning Implications

47. There are no planning implications relating to this refurbishment project.

Property Implications

48. The Council is to enter or permit the FA to enter a restriction on the registered title on the property being developed. This means that the Council cannot transfer, sell, lease licence or otherwise dispose of all or any part of the Facility, without the approval / written consent of the FA.

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Appendices