

Business Plan King George's Playing Fields

1. Forward – Vision Statement

The proposed development in King George's Playing Fields is a key project under the Council's Leisure Strategy 2018-28. The Strategy sets out the strategic priority areas that the Council will focus on to improve its leisure facilities. These improvements in turn support the health and wellbeing of the local community.

Never has there been a more important time to use sport and physical activity to create a fitter and healthier population when nationally we are tackling growing levels of obesity, diabetes, mental health problems and other conditions associated with a growing culture of inactivity.

The challenge facing Brentwood is clear – the Council needs to reduce its expenditure, it has several aging facilities, the borough age profile is changing and providing opportunities to increase participation levels in sport and physical activity are key to supporting the Council's health and wellbeing priorities.

The proposed development looks at the creation of a park hub within King George's Playing Fields with a new fully accessible building offering additional inclusive play opportunities and an improved outside play offer.

The planned improvements which include a new pavilion and outdoor play will provide a wider variety and more accessible activities for all the family to enjoy.

2. Executive Summary

King George's Playing Fields is a key park in the borough. The current pavilion was built in 1970s and in 2017 the paddling pools were removed for health and safety reasons. The current pavilion building and the toilet and changing facilities are not fully accessible, there is a small café within the pavilion and there is no indoor play provision in the park if the weather is poor.

The park hub development supports all six priorities of the Leisure Strategy – improved built facilities with the new pavilion building; improvements to open spaces with the new splash pad facility and adventure play; improvements to the play areas; improvement to sports facility with new accessible changing facilities and a new Tag Active facility and Golf Club lounge; supports the Borough's Health and Wellbeing priorities by promoting new health initiatives within the park; and will provide new operational management of the facilities to ensure its financial viability and long term sustainability.

It is proposed that the improvements will include a new fully accessible pavilion. The paddling pools will be replaced by a more inclusive and accessible splash pad and there would be provision for more outdoor adventure play together with a three-year planned improvement of the existing play areas in the park.

These improvements ensure that facilities will be fully inclusive and accessible for users. The pavilion building will provide high quality/flexible space and fully inclusive changing and toilet facilities. The new outdoor adventure play and play area

improvements will provide new existing and high quality and accessible facilities which will contribute to the health and wellbeing of all residents.

3. Introduction

The purpose of this business plan is to set out how the new exciting development proposals for King George's Playing Fields (KGPF) will be implemented.

Significant work has already been carried out by the Council in consultation with residents, elected members and partners to ensure that what is proposed will meet the current and future needs of the local community.

Alliance Leisure Services (ALS) were appointed by the Council in March 2018 to develop a sustainable business plan with the Council for the improvements to KGPF. The plan considered the Council's strategic priorities, current and future leisure needs, the design and facility mix, identify income generation opportunities and preferred operational management arrangements. The initial plan identified a number of delivery options that would need further consideration.

Subsequently, these delivery options set out in Appendix **6**, **7** and **8** has been examined and the preferred options are presented in the business plan which best support the desired outcomes and objectives of the Council's overarching Leisure Strategy.

4. Background

The Council's Leisure Strategy sets out the strategic priorities which will ensure the improvement of the Borough's leisure facilities and future viability of leisure services and facilities which will support the health and wellbeing of the borough's residents. Members agreed that improvement to the existing facilities in KGPF were a priority and as such was identified as the first key project as part of the delivery of the Leisure Strategy. Appendix **1** sets out the full background to this project.

5. Why are we doing this?

The project set out to deliver a number of outcomes as set out in Leisure Strategy. It recognises that improvement to facilities can be the catalyst to improve public health, enhance inclusion and accessibility and provide future financial viability that will enable the continuation of high-quality leisure facilities.

The Council identified the preferred facility mix, considering the future demand for outdoor sports provision, commercial leisure opportunities, the current catering offer and the wider open spaces of KGPF. The current and potential future management arrangements have also been considered.

There are a number of expected outcomes that the new facilities will provide. The Council will be able to measure participation levels of individuals through the TAG

Active facility which will target older children and adults and provides an activity that families can undertake together.

The indoor play will also provide another activity for younger children to participate in especially when the weather is poor, and they are unable to use the outside play facilities.

The new pavilion facilities will provide a new 'changing places' toilet facility with specialist equipment and a sensory room that will provide a range of fully inclusive facilities for those with either additional sensory or physical needs. The Council is also looking at providing another Changing Places facility close to the refurbished play area to support the 'outdoor' play offer.

There will be improved changing and toilet facilities for public and sports club use, together with an improved food and drink offer and party room hire.

There will be an improved, fully accessible multi-use space for the golf club and the public to utilize within the building.

The proposed new outdoor adventure play will include sky nets and a new splash pad facility to replace the old paddling pools.

Initial consultation took place with the key stakeholders of the site to inform the council of their own priorities and requirements. Public consultation took place in the Summer of 2018 at the Council's Strawberry Fair and Family Fun Days. Two further public consultation events took place on 14 and 23 March 2019 which provided feedback on the initial designs and concepts. These have been fed back to the ALS. Consultation has also taken place with specialist organisations in respect of the fully inclusive and accessible play offer within the park.

6. How will vision be delivered through the recommended options.

The Council looked at various options in regard to the location of the pavilion building and how it supports the various activities within the park. Four options were considered looking at identifying the advantages and disadvantages of each of those options, which are set out in Appendix 6. It is proposed that **Option 4** is taken forward as the preferred option as it will deliver all the outcomes and objectives that the Council desires and is within the budget allocation. The development will require planning permission and a planning application will need to be submitted for the preferred option (likely to be July/August for consideration by the October/November Planning Committee).

The planning application has been informed through consultation with key stakeholders, public consultation and input from Officers, elected Members and the Leisure Development Partner to achieve the desired outcomes that the Council would like to achieve and ensure the future sustainability of the building.

The Council's Leisure Development Partner ALS works nationally with local authorities and specialist contractors to deliver improved leisure facilities. As part of

a procurement framework they have a number of specialist contractors that they work with to deliver the desired outcomes for the local authority.

To get the Council to cost certainty an Access Agreement has been agreed through the Denbighshire Leisure Framework with Alliance Leisure Services, the Council’s Leisure Development Partner. This will identify all the relevant contractor fees, survey requirements for both the construction, ecology and planning processes together with the fit-out costs for TAG Active, soft play, catering facilities and any professional fees and charges.

Officers, elected Members and representatives from ALS provided an evaluation panel and various specialist contractors presented their concepts to the panel for the main pavilion building, the splash pad and the outdoor adventure play. After the panel evaluated the various concepts the preferred contractors were selected through ALS.

Subject to planning approval officers will sign the Delivery Agreement and Building Contract to formally appoint the contractors for the delivery of the project. The main contractor for the project is proposed to be ISG (Appendix 11) who have set out the methodology to the evaluation panel of how they would deliver the construction and site management during the build phase of the pavilion, but also how they will oversee the other specialist contractors for the splash pad, outdoor play and the play area. This will ensure that the programming of the build works and the project management take into account the continued access for park users while the build phase is in progress. This will require a phasing the build and improvements to the park.



There is a separate procurement exercise for the planned improvements to the park’s play areas delivered over the next 3 years (2019/20 – 2022/23) as part of the delivery of the Council’s Play Area Strategy. This will be done as a single procurement exercise which will identify a preferred supplier to deliver the infant, junior and senior play area. The Council is working closely with inclusive play

providers to ensure that the new play areas provide fully inclusive and challenging play.

Football Hub development

The KGPF project is closely aligned to the strategic improvement plans at the Brentwood Centre site. In particular, the proposed development of a football hub that will provide 5 grass pitches, a full sized Third Generation (3G) Artificial Grass Pitch (AGP) together with new changing facilities. This hub development is supported by the Essex Football Association. The Brentwood Centre site is also identified as a key site as part of the Council's Play Pitch Strategy and Local Football Facilities Plan for Brentwood.

The current changing room provision in the KGPF supports adult and junior football, and Brentwood Rugby Club. Brentwood Rugby Club have indicated that they will be developing their own plans for improvement to the Rugby Club pavilion adjacent to the Ingrave Road entrance to KGPF. If the football hub at the Brentwood Centre site is developed, then adult football can be moved to that site leaving just junior football in KGPF. This will reduce the requirement for changing facilities from 16 to 4. These new changing facilities will be fully accessible.

There is therefore a dependency on the football hub to be developed in tandem with the KGPF project, so that there is no loss of changing provision in Brentwood. It is recommended that a feasibility study be undertaken for the Brentwood Centre site so that the preferred location for the football hub is identified. This will also need to consider any future planned improvements on the site such as the Brentwood Centre building.

Capital Funding

Capital funding for the project is allocated within the Council's Medium-Term Financial Plan and any monies spent on the feasibility study will be considered as part of the Council's match funding when the Council applies to the Football Foundation for match funding to support the development of the project.

Subject to planning approval the following action plan sets out the key milestones for the delivery of the KGPF project.

Key Milestone/Deliverable	Planned date	Latest date	Comment
Planning Submission	July 2019	August 2019	Subject to the outcome of the 3 rd Pre-App meeting with Planning Development
Planning application determination	October 2019	November 2019	Dependent on submission date (12-week statutory consultation)

Cost Certainty Design and Costing through RIBA Stage 4*	July 2019	August 2019	Run in tandem with planning to achieve estimated timescales above
Planning Committee	16 October 2019	13 November 2019	Dependent on submission date (12-week statutory consultation)
Delivery Agreement and Building Contract	November 2019	December 2019	
Build mobilisation (from point of order estimate 6-8 weeks)	December 2019	January 2020	
Commence on site	January 2020	February 2020	

7. Financials

Capital Investment opportunities table

Capital Investment opportunities	Option 1 – Do Nothing	Option 2 – Refurbish existing building	Option 3 – new build on existing footprint	Option 4 - new build on new footprint
Invest to save	No further opportunities	Limited opportunities to invest to save	Maximise potential revenue income through indoor activities, sensory room & multi use space bookings, improved food and drink offer	Maximise potential revenue income through indoor activities, sensory room & multi use space bookings, improved food and drink offer
Reduce maintenance costs	Currently annual maintenance costs are £531,472	Limited opportunities to reduce all maintenance costs on existing building	Optimised energy efficiency throughout new building	Optimised energy efficiency throughout new building
Increase revenue	Current revenue costs is £301,350	£x?	Projected income £86,000	Projected income £86,000
Threats to loss of income	While any planned maintenance works are carried out	Transition arrangements need to be in place to ensure business as usual when improvement works are being undertaken	Transition arrangements need to be in place to ensure business as usual when improvement works are being undertaken	Business as usual can continue while improvement works are undertaken
Timescale of works	N/A	Tbc	Longer than 8 months	8 months build plus any demolition of existing pavilion
Capital costs	Unknown, however the pavilion needs required investment. Stock condition survey would be required to	Refurbishment would involve decant costs, hired portacabin costs for the businesses in the current pavilion and for 16 changing rooms	Refurbishment would involve decant costs, hired portacabin costs for businesses in the current	£7.123m

	determine costs of dilapidations	would incur monthly revenue pressures of around £15,000	pavilion and for the 16 changing rooms would incur monthly revenue pressures of around £15,000	
Return on investment	£0	Limited		
Finance Source	General Fund and Public Works Loan Board for Capital Costs		Public Works Loan Board	Public Works Loan Board

Operating Model & VAT options set out in Appendix 8

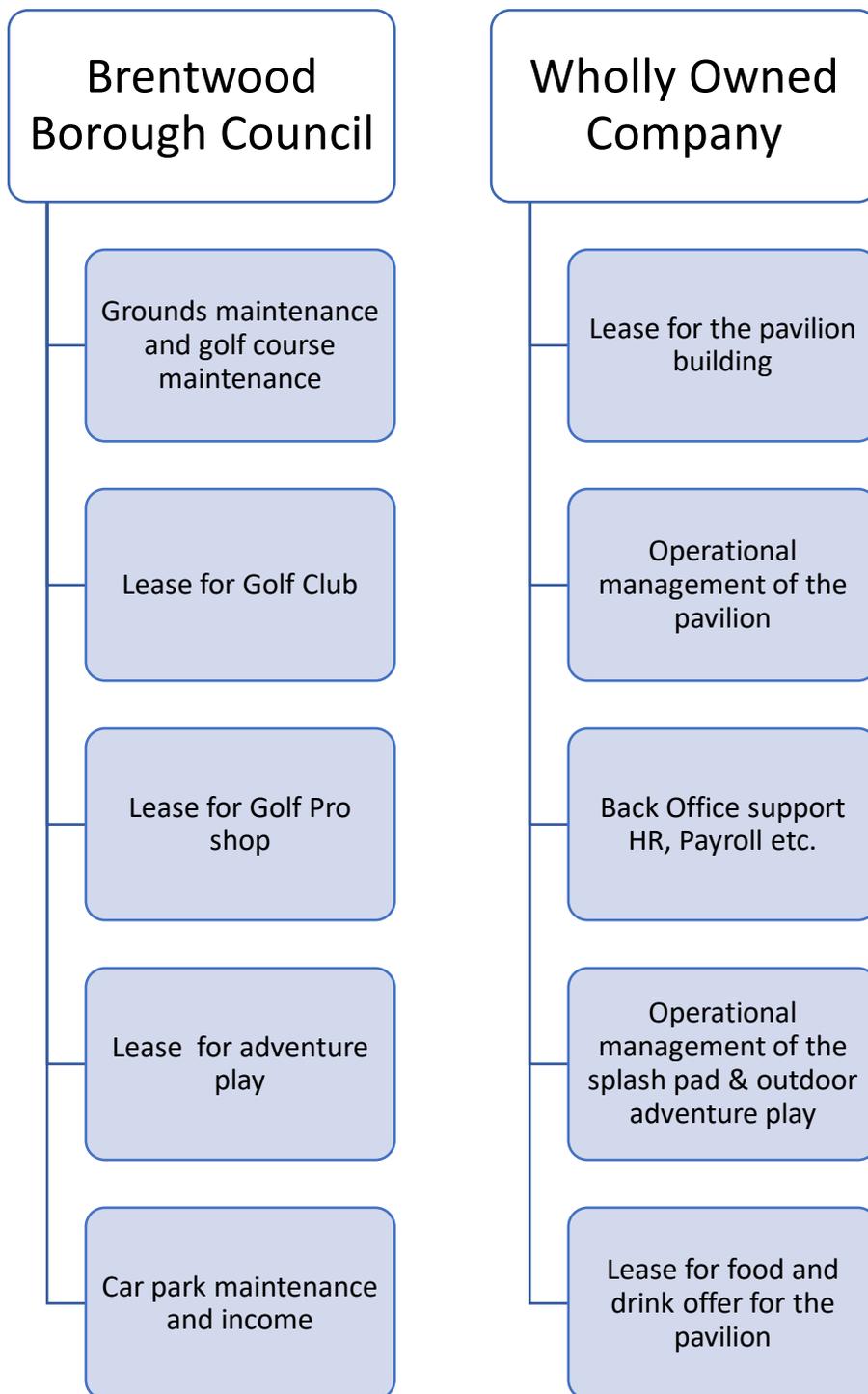
Summary of projected income and expenditure – Brentwood Borough Council

BBC	Income £'000	Expenditure £'000	Comment
Pavilion Build Costs		5,000	Subject to Option 4 being agreed
Soft Play and Tag Active		600	
Café		75	
Outdoor Sky Trail and Nets		545	
Outdoor splash pad		400	Subject to Option 2 being agreed
Professional fees		553	
Total Build costs		7,173	Subject to Option 2 on the splashpad being agreed
Interest Costs on borrowing @2.5%		179	
Minimum Revenue Provision (Principal)		215	
Annual Financing costs		394	
Car park income	116		
Lease income from WOC	364		Subject to Option 2 being agreed
	480		
Annual net income to BBC	86		

Summary of projected income and expenditure to Wholly Owned Company (WOC)

WOC	Income £'000	Expenditure £'000	Comment
Salaries		377	
Utilities		18	
NNDR		10	
Insurance		10	
Repairs and Maintenance		31	
Cleaning		6	
Equipment		9	
Other supplies		7	
Advertising and Marketing		22	
Communication		7	
Other Administration		4	
Cost of Sales		201	
Lease income to BBC		364	If using Option 3 operating model
Central Costs		59	
Profit			
Risk / Contingency		46	
Total Expenditure		1,173	
Soft Play	206		
TAG Active	292		
Multipurpose Room	35		
Splash Pad	84		
SkyTrail/Nets	267		
Catering	419		
Total income	1,303		
Operator Surplus / Deficit	130		

Proposed structure and responsibilities Brentwood Borough Council and Wholly Owned Company or 3rd party operator



It is proposed that a Service Level Agreement is drafted between Brentwood Borough Council and the Wholly Owned Company to set out the various roles and responsibilities for both parties.

Other costs to be determined are the car parking fees and charges, which will need to be agreed by Members as part of the annual fees and charges. This will determine

what the projected income to the Council will be. The car park fees and charges will also need to be aligned with the Council's Car Parking Strategy across the whole Borough.

All existing lease income remains unchanged until the expiration of those leases.

It is proposed that any fees and charges are agreed between Brentwood Borough Council and the Wholly Owned Company before being submitted as part of the annual budget setting process.

The Council can obtain funding from the Public Works Loan Board (PWLB). This option of funding offers favourable rates to the Council. The Board's interest rates are determined by HM Treasury in accordance with section 5 of the National Loans Act 1968. The Government has reduced by 20 basis points (0.20%) the interest rates on loans to principal local authorities who provide information as required on their plans for long-term borrowing and associated capital spending (the Certainty Rate). This allows the authority to borrow long-term at a reduced rate compared to the market. Currently rates are averaging at 2.5%.

Another option to the Council is that Alliance Leisure can provide 25-year funding at approximately 5%. This option is a fixed term of 15 years plus 10 years. Alliance Leisure Fund net and build the asset, in turn the Council leases the asset, at the end of term the asset is transferred back to the Council.

The location of the pavilion will also impact on the costs for the project. A site option appraisal was carried out as set out in Appendix 6 and it is recommended that Option 4 is selected as it will achieve all of the desired outcomes and is within the current budget allocation.

8. How will we know if we have been successful – what will be different, how this will be measured, monitoring and review and reporting progress.

The improvements to King George's Playing Fields will support all six priority areas of the Leisure Strategy.

- Priority 1 Built facilities – the new pavilion will provide fit for purpose, fully accessible and an efficient building.
- Priority 2 Open Spaces – the improvements provide improved fully inclusive ancillary facilities such as changing rooms and toilets which support the existing play pitches and the park in general
- Priority 3 Play Areas – The play areas in King George's Playing Fields will be refurbished as part of the improvement plan
- Priority 4 – The Golf Club, Golf Course and football clubs will have improved ancillary facilities as a result of the build.
- Priority 5 – Health and Wellbeing – The new indoor play, TAG Active, improved fully accessible changing facilities will also provide opportunities to promote Health and Wellbeing initiatives such as reducing obesity,

improving physical and Mental Health and wellbeing and increasing participation and activity level.

- **Priority 6 – Management and Oversight** – The preferred operating model will have a Service Level agreement in place with agreed KPIs which will be reported to the relevant Committee, together with feedback from residents and visitors on the new facility. The new building will be more efficient and effective to reduce utility costs and enable accurate usage for tenants, create more income streams that will support the free 'community' offer in the park.

9. Conclusion and Recommendations

That Members agree the recommendations in the business plan and for the drawdown of the £7m allocation of funding to support the delivery of the King George's Playing Fields improvements and that Members agree to the following options of:

- a) Option 4 for the location of the pavilion building
- b) Option 2 for the splash pad
- c) Option 2 for the outdoor adventure play
- d) Option 3 for the operating model

That Members also support the inclusion of a changing places facility that will support the outdoor play activities; and for officers to commence a procurement exercise to appoint a contractor to undertake the football feasibility works to commence the football hub development at the Brentwood Centre site.

9. Appendices

1. Background summary
2. Decision Making Process
3. King George's Playing Fields current income and expenditure
4. King George's Playing Fields – income and expenditure future projections
5. Pavilion site options
6. King George's – Play area improvement plan
7. Splash pad options
8. Operating model options
 - a. BBC Direct management
 - b. 3rd party provider
 - c. Trust/CIC
9. Football feasibility background
10. Site plans for King George's Playing Fields improvements
11. ISG background
12. Risk and Opportunity

Appendix 1. – Background Summary

The Council's Leisure Strategy was agreed at 18 September 2017 Committee. There are six priority areas set out as follows:

Priority 1 – Built Facilities	The Council needs to ensure that its built facilities are fit for purpose and future proof and the Council will need to target funding appropriately. It needs to ensure that its running costs are kept to a minimum through efficient service provision whilst income levels must grow – reducing net cost further still.
Priority 2 – Open Spaces	The Council will ensure that the Leisure Strategy promotes the policies of the Field in Trust guidance. It has also noted the recommendations from the Play Pitch assessments and that any investment from the Council is targeted to enhance its facilities. Before any work is undertaken the Council will need to undertake a feasibility study to ensure that any works will be sustainable in the future.
Priority 3 – Play Areas	The Council has looked at its current provision and how it can be maintained in the future. Currently the Borough has 28 play areas. 11 of those are owned and managed on Council housing estates, 7 of those are managed by Brentwood Borough Council in the parks and 10 of those are owned and managed directly by the Parish Councils
Priority 4 – Sport	The Council will continue to work to make leisure and sport accessible to the whole population. While the Brentwood Leisure Centre acts as sports hub other activities are provided in the community settings such as village halls and local playing fields, reducing the need to travel, increasing accessibility, and subsequently increasing participation levels.
Priority 5 – Health and Wellbeing	The Leisure Strategy will be a key document to deliver the outcomes for the Health and Wellbeing Board priorities of tackling obesity, ageing well and improving Physical and Mental Health and Wellbeing. Health and employment are intimately linked, and long-term unemployment can have a negative effect on health and wellbeing. The Council will support programmes that target a reduction in health inequalities and that will positively impact sections of the population
Priority 6 – Management and Oversight	The Council needs to ensure that there is the right management and governance in place to ensure that the Leisure Strategy can be successfully delivered. Whatever governance model is decided it will need to include Local Authority members and officers and also public/independent members

Alliance Leisure Services Ltd (ALS) was appointed by Brentwood Borough Council (the Council) through the UK Leisure Framework to develop a sustainable business plan for the on-going leisure and community use of KGPF.

The project objective includes options for capital investment at KGPF to meet the future needs of Brentwood residents in terms of sport, leisure, physical activity and open space whilst ensuring the revenues generated from some of the activities enable the council to fund the improvements. Identification of suitable management arrangements will be integral to the delivery of future income streams.

ALS has partnered with Max Associates to undertake consultation, review sports provision and develop the business approach, Saunders Boston Architects - to provide outline plans and costs, and ISG for the design and construction.

This report considers future demand for the outdoor sports provision, commercial leisure opportunities, catering offer and the wider open spaces of KGPF. The current and potential future management arrangements have also been considered.

The initial proposals looked at the development of a new pavilion building which would provide a 'park hub' for the activities for the whole park. The new pavilion would include fully accessible changing and toilet facilities, new sensory room, provision for Hartswood Golf Club, a Golf Pro Shop, new improved food and drink offer, new indoor play and TAG Active, together with improvements to the current play area and a new wet play offer and new outdoor adventure play.

Appendix 2. Decision making process

Committee and date	Date	Detail	Recommendation
Community Health and Housing Committee	3 July 2017	Leisure Strategy	To Agree to the Council's Leisure Strategy 2018-28 and Action Plan
Policy Projects and Resources Committee	18 September 2017	Leisure Strategy	To agree to the Council's Leisure Strategy 2018-28 and action plan
Policy Projects and Resources Committee	12 March 2018	King George's Playing Fields	Budget and delegated authority was given to the Chief Executive in consultation with Chair of Community Health and Housing and the Leader of the Council to appoint a Leisure Development partner to develop a sustainable business plan for the improvements to King George's Playing Fields
Community Health and Housing Committee	4 December 2018	King George's Playing Fields	To agree the budget requirement and refer to Policy Projects and Resources Committee as part of the Council's budget setting process
Policy Projects and Resources Committee	23 January 2019	King George's Playing Fields	Support the inclusion of £7m for the development of KGPF within the Council's Capital Programme for 2019/20. Expenditure would only occur, subject to the full business plan and operating model details being approved by Policy Projects and Resources Committee.
Policy Projects and Resources Committee	5 February 2019	Budget	Agree the budget for 2019/20
Ordinary Council	27 February 2019	Budget	Ratification on the budget for 2019/20
Leisure Strategy Working Group	12 March 2019	King George's Playing Fields Options	To look at the proposed options for the pavilion building, the wet play offer and the new outdoor adventure play
Public consultation events	14 March 2019 and	King George's	To gather feedback from the proposed designs and concepts of the pavilion building, wet play offer

	23 March 2019	Playing Fields	and the new outdoor adventure play
Policy, Resources and Economic Development	10 July 2019	King George's Playing Fields	To agree the business plan, operating model and the drawdown of monies from the allocated budget.
Planning Committee	TBC – September/October	King George's Playing Fields	To agree the planning submission for the improvements to King George's Playing Fields

Appendix 3. King George's Playing Fields Income and Expenditure (2018/19)

Income	Amount
Football pitch hire	£7,727
Bowls – season tickets and annual lease	£14,229
Rugby Club – pavilion and pitch lease	£400
3 rd Brentwood Scouts- hut lease	£100
Café – annual rent	£25,000
Adventure Golf – annual rent	£25,000
Paddling pools – fees (now removed)	£0
Hartwood Golf Course – green fees	£227,202
Hartwood Golf Club	£685
Car park income – see table below	£1,007
Total income	£301,350
Expenditure	Amount
Pavilion - Repairs and Maintenance	£77,075
Grounds maintenance	£61,800
Bowls - lawn maintenance	£15,000
Football – pitch maintenance	£4,000
Park warden	£26,000
General maintenance	£10,000
Golf course expenditure	£347,597
Total Expenditure	£531,472
Current net income to BBC	£230,122

Current car parking charges

KGPF Car parking fees	Charging Period Monday – Friday 9am – 6pm	
A- Rugby Club – Ingrave Road	Up to 4 hrs in A, B, C, D	Free
B- Main car park	Over 4hrs in A & D	£5.00
C- Overflow car park	Coaches – all day	£15.00
D- Hartwood Road	4 hours free no return for 2 hours	

There are variations to this for sports events during the week. Lawn Bowls players are advised that parking is available free of charge in the unsurfaced overflow car park. Golfers are not charged any parking fees providing a round of golf is being played during the visit.

Appendix 4 – King George's Playing Fields income and expenditure future projections (to BBC)

Existing Income	Amount
Football pitch hire	£7,727
Bowls – season tickets and annual lease	£14,229
Rugby Club – pavilion and pitch lease	£400
3 rd Brentwood Scouts - hut lease	£100
Adventure Golf – annual rent	£25,000
Hartwood Golf Course – green fees	£227,000
Hartwood Golf Club lease	£685
Car park income	£115,000*
Total income	£390,141
New income	Amount Year 1
Lease income from WOC	£364,000
Total combined income	£754,141
Existing Expenditure	Amount
Bowls - lawn maintenance	£25,000
Grounds maintenance	£61,800
Park warden	£26,000
Golf course maintenance	£347,000
Total existing expenditure	£459,800
New Expenditure	
Pavilion Build Costs	£5,000,000
Soft Play and Tag Active	£600,000
Café	£75,000
Outdoor Sky Trail and Nets	£545,000
Outdoor Splashpad	£400,000* reuse system costs
Professional Fees	£553,000
Total Build Costs	£7,173,000
Interest on borrowing @2.5%	£179,325
Minimum Revenue Provision (principal)	£219,626
Annual Financing Costs	£398,951
Total Combined expenditure	£858,751
Net income to BBC	£104,610

*car park income is subject to the Car Parking Strategy being agreed and the agreement of the relevant fees and charges

Appendix 5. Play area improvement plan

These monies are already allocated as part of the Council's capital programme and will be part of a single procurement exercise for the Council's play areas for the next 5 years. The procurement exercise will be undertaken through the sport and leisure framework and it is due to go live in July. It is expected that a contractor will be appointed in September/October 2019. The Council is looking for each tender to come up with their inclusive play area concept for the three phases in KGPF.

Year	Area of Improvement	Budget
2019-20	Phase 1 – Toddler Play area	£150,000
2020-21	Phase 2 Junior Play area and outdoor gym	£200,000
2021-22	Phase 3 – Senior Play area	£500-£600
Total		£950,000

APPENDIX 6 – Pavilion site appraisal				
Option No.	Option 1	Option 2	Option 3	Option 4
Description	Do nothing	Refurbish existing pavilion	Partial build on existing building	New build on car park
Delivery on time	NA	Unknown as transitional arrangements need to be considered for existing services	No – Longer build time due to set up of transitional arrangements	Yes
Increased income generation	No	No	Yes	Yes
Cost	£- current annual R & M costs	££ - Not fully identified	££££ - will exceed agreed allocated budget	£££ - will be within agreed allocated budget
Delivers the strategic expected outcomes	No	No	Yes	Yes
Indoor Play Option	No	No	Yes	Yes
Multi Use room	No	No	Yes	Yes
Toilet Provision	Same	Refurbished and upgraded	Added Provision	Added Provision

Appendix B

Lift	No	No	Yes	Yes
Changing facilities	Yes, limited accessible change. Poor condition.	Yes, limited accessible change. Upgraded to modern fixtures & fixings.	New build will have up to date changing facilities that meet the regulations and accessible change.	New build will have up to date changing facilities that meet the regulations and accessible.
Changing Places	No	No	Yes	Yes
Access	Individual entry too many areas leading to poor security. Level access to parts of the building. With no level thresholds.	Without extensive changes this is similar to Option 1. Level access to parts of the building. Level thresholds will be included in the refurbishment.	The new facility will have level thresholds, a lift and ambulant disabled access. The Scheme still has to deal with a 0.6 – 0.7 meter drop right at its entrance.	The new facility will have level thresholds, a lift and ambulant disabled access, being fully DDA compliant
Visibility	Poor visibility of entrance	Poor visibility of entrance	Good visibility of the entrance.	Excellent visibility of the entrance and excellent relationship with parking
Customer Focus	Poor	Limited	Excellent	Excellent
Alteration to access road	No	No	No	Yes
Vandalism	Likelihood high, with low roof and rails around the building. As Current building shows.	Likelihood high, with low roof and rails around the building. Additional Measures to be included to prevent this.	Height of new roof restricts access generally. The sloping site creates areas likely to attract greater vandalism. Anti-Vandalism Measures will be put into place. A new lighting strategy will also act as a deterrent.	Height of new roof restricts access. Anti-Vandalism Measures will be put into place. A new lighting strategy will also act as a deterrent.
Potential Revenue	£	££	££££	££££

Appendix B

Disruption during construction	None	A phased approach will minimize disruption however there will be loss of services.	During construction there will be significant disruption.	Modified access from car parks however otherwise none.
Continuity of use of existing facilities	Yes	Limited and transitional arrangement will need to be in place during any refurbishment	Limited and transitional arrangements will need to be in place during any refurbishment during construction	Yes
Relationship to all park facilities	As Existing	As existing but better condition	As existing location but in a modern building	Most central
Level Access without ramp	No	No	No	Yes

Appendix 7. Splash Pad Options

The splash pad was identified from the public consultation as one of the top activities that would encourage more visits to the park. It is proposed that the splash pad will be located within the fenced area on the old footprint of the paddling pools which was removed in 2018. Ustigate has been appointed as contractor. They are based in Dartford, Kent and will provide a full turnkey solution for the design, build, service and maintenance. Staff training will be included, and spare parts are readily available. There is an office and field-based team to provide on-going care and support. There are two options regarding the type of system for water usage that could be used for the splash pad.

Option 1 - A flow through system with a grey water facility which would enable Brentwood Borough Council to feed aquatic play and to irrigate the golf course with the same water. It will require a holding tank of 10m³ to feed the features and two 60,000L above ground (for easy access) grey water tanks and a plant room. This would also require a 230m trench to the golf course holding tank which is at the rear of the bowls greens. This system will run directly of the mains then there is a limit to the number of features that could be installed. This would include 22 features and 9 interactive products linked to pod sprays. This could accommodate up to 60 people based on the number of play items. Build costs are estimated at £300k.

Option 2 - A recirculation system which will enable BBC to treat and recycle the water for the aquatic play. Water will still be needed for sanitising the tank at commissioning, backwashes and some will be lost to evaporation (1L per participant). It will require less direct resource from the mains water which means that more features can be added to the splash pad. The splash pad will require a PWTAG compliant two tank system (clean and dirty tank) and plant room. This system can provide 38 features including 12 interactive products linked to pod sprays and could accommodate up to 130 people at each session. It is more staff intensive due to the requirement for several water quality checks per day but is better for large high flow schemes. Build costs are estimated at £400k.

The table below sets out the estimated costs and income for the splash pad activity

Splash Pad calculations			
Assumptions			
Daily Operation Hours	6		
No of weeks of operation (season)	26		
Total Days Operation Use	182		
Price based per hour	£2.50		
Option 1		Option 2	
Users (based on play features)	60	Users (based on play features)	130
Total users per day	360	Total users per day	780
Total users per season	65,520	Total users per season	141,960
Income		Income	
Maximum seasonal income	£163,800	Maximum seasonal income	£354,900
Expenditure		Expenditure	
Estimated build costs	£300,000	Estimated build costs	£400,000
Approximate annual running costs	£31,263.60	Approximate annual running cost	£15,797.12
Annual staff costs (6 hours per day) @£10ph	£10,920	Annual staff costs (6 hours per day) @£10ph	£10,920
Total running costs	£42,183.60	Total running costs	£26,717.12
Annual capital and interest payments	£22,500	Annual capital and interest payments	£30,000
Total annual costs	£64,684	Total annual costs	£56,717
Net annual income	£99,116	Net annual income	£298,183
Seasons required to make back investment	3	Seasons required to make back investment	1.3

There is also an opportunity for associated secondary spend with the splash pad with the selling of swim nappies, water play toys, swimming costumes and towels from the main pavilion.

Appendix 8 – Operating Model Options

Background

There is a £7million budget in the Council's Capital programme for the development of a new Pavilion at KGPF. The MTFP assumes the £7million will be externally borrowed, therefore the MTFP has the interest of this borrowing and MRP (principal repayments) built into the base budget for 19/20 onwards. The Council will therefore build the new pavilion.

In 2018/19 the Council opted to apply the sports exemption, this generated approx. £400k of income to the Council as a VAT refund. The option to tax, has resulted in sporting and leisure services provided by the Council to be exempt from VAT, rather than standard rated.

The Council makes exempt supplies and therefore must carry out an annual partial exemption calculation. Within this period the exempt input tax, should not exceed 5% of the total input VAT incurred by a local authority. If the partial exemption limit is exceeded, the local authority must repay all the VAT it has recovered in relation to its exempt supplies during the financial year.

Currently the Council's partial exemption averages around 4%. As the development of KGPF pavilion is to provide sporting and leisure services, the build costs will form part of the partial exemption calculation and the Council is likely to exceed its partial exemption limit by approximately 30%. The result of this is that the Council would be expected to repay £1.6 million to HMRC, a cost the Council cannot afford.

VAT advice

The Council has sought Professional advice from KPMG regarding the following:

- What are the effects of the development of the new pavilion on Brentwood's partial exemption?
- What is the best suitable option for the management of the facility and the impact of the option to tax?

Brentwood applied the sports exemption to sporting activities last year, as such the supplies in connection with sporting activities from the new playing field development will be exempt from VAT. Supplies that are not connected with sport such as sale of food and drink from the club members bar and lounge will be subject to VAT at the standard rate (or zero rated if there are any cold take away food sales). The letting of any specific areas within the new pavilion will be a right over land and this will be an exempt supply unless Brentwood opts to tax the property, in which case it will be subject to VAT at the standard rate. KPMG summarised the VAT treatment of the primary supplies identified below:

Nature of Service	VAT Liability	Application to the Council
Charges to play or take part in a sporting activity	Exempt	This will be exempt as BC has applied the exemption for sporting services following the Ealing VAT case.
Use of changing rooms, showers and hire of sports equipment	Exempt	On the basis that the use is ancillary to taking part in sports activities. As BC has applied the exemption for sporting services following the Ealing VAT case.
Catering, food and drink sales.	Taxable - Standard-rated or zero-rated	Sales of food and drink are taxable at the standard rate. Cold take away food sales are zero-rated.
Hire of sports pitches/facilities	Exempt or standard-rated if opted to tax	Where facilities are booked for a period of 24 hours or more or meet the 'block booking' conditions, the VAT liability of this supply will change to standard-rated if BC opts to tax. Otherwise it will be exempt.
Letting of a room or a specific area for exclusive use.	Exempt or standard-rated if opted to tax	This is a VAT exempt let on the basis of Schedule 9 Group 1 (i.e. right over land), the VAT liability of this supply will change to standard-rated if BC opts to tax.

The VAT incurred by Brentwood on the development of the KGPF and its operation and management will depend on its future use:

- BC operates the KGPF making exempt supplies of sporting services and taxable supplies from the bars;
- BC operates KGPF making exempt supplies of sporting services and lets the bars and shop to a third party;
- BC contracts the operation of KGPF to an unconnected party (i.e. a separate Leisure Trust) to operate, or
- BC contracts the operation of KGPF to a connected party (i.e. a subsidiary company owned by BC) to operate.

Each of these will have a different impact on BC's partial exemption de minimis limit. Under each option:

- Any VAT incurred on expenditure that is exclusively used to make exempt supplies of sporting services will count towards BC's de minimis limit.

- Any VAT incurred on expenditure that is exclusively used to make taxable supplies (e.g. from the bars and golf shops) will not count towards the de minimis limit.
- VAT incurred on overhead costs relating to both taxable and exempt supplies will need to be apportioned. This can be done by using any fair and reasonable method, with income or expected income (taken from a business plan) being a good starting point. The VAT that, under this apportionment, is treated as relating to exempt supplies will count towards BC's de minimis limit.

Making an option to tax may help to reduce the level of exempt input VAT that will count towards the partial exemption de minimis limit. However, as the recipient of BC's services will most likely be unable to recover VAT, the addition of 20% VAT to the price of the services will increase the cost to the recipient.

Based on the advice sought, options have been investigated and financially modelled to ensure the best financial model for the Council.

Options

All options are under the consideration that the Council will opt to tax the land that KGPF Pavilion and surrounded services will be built upon. By opting to tax the land, this will reduce the level of VAT that will count towards BC's partial exemption de minimis limit. Each option reduces this amount differently.

1. Do nothing – Council builds the pavilion and manages the running of the building

Pros:

- Council keeps control of the building.
- Surplus from the Pavilion goes straight into the General Fund

Cons:

- High Staff Costs, staff employed by the Council to run the Pavilion would have the right to enter into the Local Government Pension Fund, current employer contributions are 17.1%.
- Future partial exemption costs, as exempt supplies and costs would count towards the Council's future partial exemption.
- Partial exemption breached costing the council in cash terms as well as accounting an extra 1.6 million

Build Costs	Amount £
Total Build	7,000,000
Partial Exemption Cost	1,600,000
Total Cost to BBC	8,600,000
Total Income of Operations	699,615
Total MRP and Interest	(472,000)
Net Income to BBC (averaged over 5 years)	227,615

2. **Invite bids for operation** – Council builds the pavilion and contracts the operation to an unconnected party.

Pros:

- Would receive Commercial rent (if the unconnected party was not a trust)
- Supply would be subject to VAT at the standard rate. In this case, none of the VAT incurred by BC on the development would count towards its de minimis limit

Cons:

- No current trusts that would be able to manage the KGPF pavilion.
- Other large unconnected parties that are not a trust, may not be interested in running the vicinity due to the return on the pavilion.
- With the BLT site still to be determined there could be more than one Leisure provider in the Borough. Ideally the Council would want one operator running all it's leisure facilities.
- Any surplus after commercial rent would go to the unconnected party.
- May not be able to cover VAT or pass VAT causing a negative impact on bottom line.

Build Costs	Amount £
Total Build	7,000,000
Partial Exemption Cost	0
Total	7,000,000
Lease Income	400,000
Total MRP and Interest	(394,000)
Net Income to BBC (after MRP and interest)	6,000
Net Income to Unconnected party	144,975

3. Contract operation to Wholly Owned Company

Pros:

- Would receive a commercial rent from WOC – this would cover the interest and MRP costs as a minimum rent. WOC would lease pavilion from BBC
- Other charges to WOC would include back office support provider by the council at market rate
- Keep control of the building for the interim period pending the development of Brentwood Centre site.
- Any surplus would go to WOC, surpluses made in WOC can be paid to BBC as a dividend.
- Supply would be subject to VAT at the standard rate. In this case, none of the VAT incurred by BC on the development would count towards its de minimis limit
- Staff would be employed by WOC, or WOC would sub lease. Staffing costs would reduce as WOC pension costs would not be as high as the Council's 17.1%
- Council would reduce the lease payment by the amount of car parking income as the Council will retain and manage the car park

Cons:

- Net return to WOC may not meet the minimum requirement it requires for investment currently.
- SAIL would have to look to invest in HR policies and Payroll provider/system – supplying staff would be a new venture for WOC
- Income subject to VAT therefore less income received under WOC model

Build Costs	Amount £
Total Build	7,000,000
Partial Exemption Cost	0
Total	7,000,000
Lease Income	364,000
Service Agreement income	116,000
Total Income to BBC	480,000
Total MRP and Interest	(394,000)
Net Income to BBC (after MRP and interest)	86,000
Average Net Income to WOC	130,000

Appendix 9 – Football Feasibility Background

Members will be aware of the recommendations of the Play Pitch Strategy, the Built Facilities Strategy and the Local Football Facilities Plan for Brentwood, which was agreed at 4 December Community Health and Housing Committee. The recommendations in respect of football looked at the need for additional 3G pitches ideally as part of a football hub, and the Brentwood Centre site was identified as a priority location for the development. It is proposed that a feasibility study is undertaken to explore the potential development of a football hub at the Brentwood Centre site which will support a number of clubs across the Borough including Brentwood Town Football Club who are also located on the site. This will identify preferred location, configuration, surveys required and external funding sources to reduce any budgetary considerations required by the Council.

The Play Pitch Strategy and the Local Football Facilities Plan set out the recommendations that directly relate to football improvements cross the Borough.

The Play Pitch Strategy for Brentwood set out six key recommendations for football:

- a. Protect the current level of football across the Borough, especially The Arena (Brentwood Town Football Club) at the Brentwood Centre site
- b. Seek to increase the number of full sized 3G AGP's (third generation, artificial grass pitches) that are available for community use, through the development of new facilities or improving the access to existing facilities.
- c. Explore potential options for the creation of football hub sites, in order to provide high quality multi-pitch facilities in strategic locations across the borough.
- d. Continue to invest in the grass pitches across the borough, to improve the quality and reduce the amount of cancelled games during periods of poor weather. Prioritise sites that are key for future community use using site-specific actions and prioritization.
- e. Address the football pitch capacity at periods of peak demand by moving mini and youth football to the proposed new 3G AGP provision while working with the leagues and clubs to establish a more flexible kick-off policy and allow teams to play throughout the day on Saturday's and Sunday's.

The feasibility study would include the preferred location of the hub, the configuration and requirement of the 5 grass pitches and the 3G AGP(s) and changing facility requirements. Surveys would need to be undertaken to identify and mitigate the possible environmental, traffic and planning constraints and to identify the budgetary requirements needed to deliver the project.

The requirements of Brentwood Town Football Club also need to be addressed as part of the feasibility study, such as their current location and their security of tenure.

Their lease is due to expire at the end of December 2020. Due to the short time left of their lease they are unlikely to be successful in attracting funding from the Football Foundation as the Foundation require a minimum lease of 10 years.

As part of the feasibility study external funding sources will need to be identified to understand the budgetary requirement that the Council will need to contribute if they were to develop the football hub. Currently there is an allocation of £750k in the 2019/20 and £750£k in the 2020/21 capital programme budget. As this is seen as a strategic development for the Essex Football Association and the Football Foundation it is expected that the Council would be successful in receiving external funding to support the development of the project. The Football Foundation has also indicated that any feasibility costs borne by the Council will be considered as any march funding for the project.

Subject to the feasibility work being agreed then a full business case would need to be developed and submitted to the relevant Council committee for Members consideration.

Subject to Members agreeing to the business case then a planning application will need to be submitted to be considered by the relevant planning committee.

Appendix 11 – Please refer to the 10 July Policy, Resources and Economic Development Committee

<https://brentwood.moderngov.co.uk/documents/s16630/Appendix%20L%20- ISG%20presentation%20for%20Brentwood.pdf>

Appendix 12 - Risks and Opportunities

	HELPFUL	HARMFUL
INTERNAL	<p>Strengths</p> <ul style="list-style-type: none"> • Member support • Allocated provision within capital budget • Strategic development of leisure facilities • Effective use of resources to provide additional income to the Council • Aligned with play area improvement programme 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Lack of improvement to leisure facilities if not agreed • Not delivering key projects of the Leisure Strategy • No planning approval
EXTERNAL	<p>Opportunities</p> <ul style="list-style-type: none"> • Increased income streams • Efficient use of resources – Water, more energy efficient building • Provision of measurable activity • To provide additional cycle provision on site • Parallel procurement to speed up construction time • Provision of fully inclusive facilities which will support residents now and, in the future • Leisure Development Partner (ALS) and principal contractor have proven track record of delivery of leisure facilities nationwide • Cost certainty for the build costs • Opportunities for added social value such as job creation, training and apprenticeships • External funding to support sensory and changing places facility • 	<p>Threats</p> <ul style="list-style-type: none"> • No parallel cost certainty could delay construction commencement • Delays in construction and planned opening (adverse weather conditions, or other unforeseen circumstances during the build and demolition phases)