

Consideration of proposals for the development of a new community stadium for Workington

The Reason for the Decision

To consider the outline business case for the development of a new community stadium in Workington and agree further work required in relation to the delivery of this project.

Summary of options considered

This report outlines the options considered in relation to the alternative sites considered for the development of a shared stadium, the options for funding the proposed development, options for the procurement of a main contractor for the construction of the project and options for the future management of the proposed stadium.

Recommendations

It is **recommended** that:

1. Members agree to proceed with proposals to develop a new community stadium for Workington on the site of Borough Park/Lonsdale Park, Workington subject to:
 - Subsequent approval of the full business case including the financial business case, operating arrangements and funding arrangements:
 - The grant of planning permission.
 2. The approval of heads of terms with Workington Town and Workington Reds in relation to the commercial terms for the use of the stadium be delegated to the Corporate Director.
 3. The approval of heads of terms with the NHS and Sellafield Ltd in relation to the rental of office space within the development be delegated to the Head of Place Development.
 4. Members agree to the extension of the appointment of the design team and other related appointments required to develop
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the design to the end of RIBA Stage 3.

5. That members agree to the appointment of consultants to undertake intrusive grounds investigation works and radon assessment to inform future design development work.
6. A total spend of £373,955 is approved from the Strategic Priorities budget made up as follows:
 - £228,603 for Design fees and related appointments
 - £101,602 for Ground investigation works
 - £26,000 for planning fees.
 - £17,750 design and planning of 3G pitch

Financial / Resource Implications

The full revenue and capital implications will be set out in a future report which considers the full business case for the proposed development.

Approval is sought for the following revenue expenditure to support further design development work to the end of RIBA stage 3 to and submission of a planning application.

Total amount requested is £373,955 from the Strategic Priorities budget.

Design fees and related appointments to end of RIBA Stage 3 - £177,913 Design team, £44,691 additional design and associated work, £6,000 project management, totalling £228,603.

Intrusive Ground Investigation £97,065 and Radon Assessment - £4,537, totalling £101,602

Planning application fee - £26,000 (approximate pending confirmation of design)

Design and Planning fees for 3G pitch - £17,750

Legal / Governance Implications

The Council has the power to support the development of a community stadium under section 145 Local Government Act 1972 (entertainment power), section 144 (power to encourage visitors) and the incidental power in section 111, along with the general power of

competence in the Localism Act 2011 to do anything an individual could do. The Council must also exercise its powers properly taking into account all relevant considerations, including having regard to the funding available to the Council and the impact on residents and taxpayers of the cost of the development and the short and long term returns.

It is proposed to establish a new Stadium Company to be responsible for the future management and operation of the stadium development. Further details will be brought back to Executive in due course.

It is necessary to agree 'heads of terms' with key tenants including Workington Town, Workington Reds, the NHS and Sellafield Limited.

It will be necessary to follow a robust and legally compliant procurement process for the procurement of a main contractor.

Community Safety Implications

To be taken into account in the detailed design work for the proposed stadium development.

Health and Safety and Risk Management Implications

In relation to the design work the appointed Architect is undertaking the role of Principal designer under the CDM Regulations.

A risk assessment will be prepared to support the future consideration of the full business case including the financial business case, operating arrangements and funding arrangements.

Equality Duty considered / Impact Assessment completed

Yes

Wards Affected

Workington, St Michaels

The contribution this decision would make to the Council's priorities

Tackling Inequality – creation of additional employment opportunities

Strengthening our economy – creation of additional employment opportunities, support additional economic activity and attract new visitors to Allerdale.

Enhancing our towns – regeneration of a key site, stimulate increased footfall and activity that will support town centre business.

Improving health and wellbeing – provision of

first class healthcare facilities and encourage increased participation in sport and recreation.
Creating a sustainable business – delivery of improved services to the community and create potential new income streams for the Council.

Is this a Key Decision Yes

Portfolio Holder Councillor Mark Fryer

Lead Officer Kevin Kerrigan, Head of Place Development
kevin.kerrigan@allderdale.gov.uk
01900 702799

Report Implications (Please delete where applicable).

Community Safety	Y	Employment (external to the Council)	Y
Financial	Y	Employment (internal)	Y
Legal	Y	Partnership	Y
Social Inclusion	Y	Asset Management	Y
Equality Duty	Y	Health and Safety	Y

Background papers: Equality Impact Assessment

1.0 Introduction

- 1.1 As members will recall in early 2018 the Council was approached by Workington Town Rugby League Club and Workington Reds AFC to seek the Council's support in the consideration of proposals to develop a new community stadium for the clubs recognising the age, deteriorating condition of the existing stadia at Borough Park and Derwent Park and the ongoing challenges of maintaining these facilities for both clubs.
- 1.2 The Council has a key role to play in terms of the potential development of a shared stadium being the landlord to both clubs with Workington Town having a long term lease at Derwent Park and Workington Reds have a shorter term lease at Borough Park which ends in April 2025. The development of a new stadium has the potential to make a significant contribution to the delivery of the Council's priorities. In relation to the Council Plan objective of 'Improving Health and Wellbeing' a priority project set out in the Council's Business Plan for 2018/19 is to 'improve the provision of leisure and sporting facilities working with partners to support future development'. The approach from the sporting clubs to consider the development of a new shared stadium is fully aligned with this key Council priority.

- 1.3 From an early stage, informed by research and consideration of similar proposals elsewhere, it was clear that the development of a new stadium simply providing match day facilities for the sporting clubs is unlikely to be financially sustainable or make a significant contribution to the Council's wider priorities. It has therefore been necessary to develop proposals to incorporate related development and alternative uses into the stadium development to ensure the long term viability and financial sustainability of the project.
- 1.4 This report provides a summary of the work undertaken to date to develop the proposals for a new stadium and related development, presents a draft business case for the proposed development and sets out the further work that will be required to deliver the development should members agree to proceed.

2.0 Progress to date

- 2.1 Following the approach to the Council by Workington Town and Workington Reds a Project Board was established to identify a preferred site and explore the key parameters and options for the development of a new stadium. This Project Board included equal representation from the Council, Workington Town and Workington Reds.
- 2.2 It was recognised that additional capacity and specialist support would be required to develop the stadium proposals and a business case for the development. As members are aware the Council's approved budget for 2018/19 included provision for a strategic priorities fund. One of the aims of establishing this fund was to support the development of detailed business cases for investment decisions aligned with the Council's priorities. Utilising funding from this strategic priorities fund consultancy support was procured to provide a project management resource for the project. An officer steering group chaired by the Corporate Director was also established to ensure the project development work was fully coordinated.
- 2.3 Taking into account the need to incorporate related uses into the development at an early stage discussions were initiated with representative of the NHS to explore the possibility of incorporating healthcare facilities into the stadium development. This is a form of development that has been successfully incorporated into the development of community stadiums elsewhere and would make a significant contribution to delivering the Council's priorities in relation to health and well-being.

Rugby League World Cup 2021

- 2.4 At the meeting held on 11 July 2018 the Council agreed to submit a bid to the Rugby League World Cup 2021 to become a match host, team camp and training venue. The success of the bid to host the RLWC in 2021 is not fundamental to the business case for the proposed stadium however, in approving the submission of the bid it was acknowledged that the development of a new community stadium in Workington was likely to be a crucial factor in the potential success of the bid. The bid was therefore

predicated on the development of a new stadium and the legacy it will provide. In approving the submission of the bid members noted the work that had been undertaken in relation to the stadium project up to that point, including the establishment of the project board and appointment of management support, as well as the intention to procure external design support to assist with project development.

- 2.5 The decision as to whether the Council's bid to host the RLWC in 2021 is successful is expected at the end of January 2019 and based on feedback to date from RLWC there are good grounds to be optimistic about the outcome.

Identification of the preferred site

- 2.6 A key priority for the project board was to identify a preferred site for the proposed community stadium. An outline of the site options considered and the selection process is set out in the draft business case. The site selection process was guided by an agreement with the clubs that a new stadium with a capacity of 8000 was the preferred option taking into account the future ambitions of both clubs. The preferred site agreed by the Project Board was the site of the existing football ground at Borough Park subject to the acquisition of the adjacent land at the former Lonsdale Park. Key benefits of the Borough Park site as the preferred location for the shared development are the potential to contribute to the wider regeneration of the Lower Derwent Valley, the proximity to Workington town centre, the sustainable location of the site in relation to existing public transport services and good vehicular access to the highway network.

Acquisition of land at Lonsdale Park.

- 2.7 Lonsdale Park is the site of the former greyhound stadium adjacent to the existing football ground at Borough Park. The site selection process identified that Borough Park offered a number of locational advantages for a new stadium but was unlikely to be of sufficient size to accommodate the stadium and the related development proposed without the acquisition of the adjacent land.
- 2.8 The acquisition of the land at Lonsdale Park provides greater flexibility in relation to development options for the new stadium and related development. However, the land was nevertheless important in terms of the wider regeneration of the Lower Derwent Valley taking into account the following:
- the Council's existing land ownership in this area;
 - emerging planning policy being developed as part of the Allerdale Local Plan (Part 2);
 - the potential to contribute to support opportunities for leisure and recreation, enhanced pedestrian and cycle links and proposals that support enhanced biodiversity.

- 2.9 There was therefore considered to be a strategic case for the acquisition of this site even if proposals for the development of a new stadium at this site were not to proceed.
- 2.10 Progress has already been made in the regeneration of this area in terms of the development of the new Workington Leisure and the grant of planning permission for hotel and restaurant development on land at Church Street, Workington.
- 2.11 The Council's approved budget for 2018/19 includes provision for a strategic acquisitions fund that enables the Council to acquire land in accordance with the approved Disposals and Acquisitions Policy for Land and Property and which contributes to the delivery of the Council's objectives.
- 2.12 Following negotiations with agents acting for the owners of Lonsdale Park and receipt of an independent valuation a purchase price was agreed and for the reasons outlined above the acquisition was considered to accord with the provisions of the Council's Disposals and Acquisitions Policy. The Chief Executive therefore approved the acquisition of this land as being within the scope of the authority's scheme of delegation as set out in the Council's Constitution. The purchase cost of the land was £210,000 with related costs of £13,370.

Appointment of Design Team and Design Development Work

- 2.13 To inform the development of a robust case for a new community stadium it was considered necessary to commission an external architect and design team to undertake initial design work. This is because the Council does not have the necessary 'in-house' skills or capacity to undertake this work. As highlighted above, the establishment of a strategic priorities fund within the approved Council budget for 2018/19 was aimed specifically at enabling the Council to commission the work required for the development of detailed business cases for this type of project to inform the investment decisions required.
- 2.14 In relation to the procurement of a design team it was considered appropriate to utilise the Scape Framework. Scape is a local government owned and controlled company which specialises in the provision of single tender frameworks. The framework is fully OJEU compliant and is considered to provide good value. The Council has already signed an Access Agreement with Scape, therefore it was possible to use any of their framework agreements without further process.
- 2.15 The Scape Built Environment Consultancy Services (BECS) framework provides access to a comprehensive suite of design and construction consultancy services. Scape have appointed Perfect Circle JV Ltd (Perfect Circle) to deliver the BECS framework. Perfect Circle is a joint venture between Pick Everard, Gleeds and Aecom who, in combination with supply chain partners, provide a range of core design consultancy services through the framework.

- 2.16 Discussions with Perfect Circle identified a design team including Gleeds providing Project Management and Quantity Surveying services, Aecom providing structural and civil engineering and mechanical and electrical engineering services and Holmes Miller as Architect and Principal Designer. In relation to the provision of architectural and design services Holmes Miller have significant experience in stadium design including the York Community Stadium. This is currently under construction and will provide a shared stadium for use by the City's football and rugby league clubs as well as a range of related development.
- 2.17 Whilst recognising that further appointments would be required as project development work was progressed the design team was initially appointed to progress design work to RIBA Stage 2 Concept Design. In accordance with the Council's approved scheme of delegation the decision to appoint the design team was confirmed by the Corporate Director on 26 July 2018.
- 2.18 The design brief was for a stadium with a permanent capacity of 8,000 with a mixture of seated and standing areas. Consideration should be given to the potential of providing additional temporary capacity should this be necessary in the event that the Council's bid to host the RLWC in 2021 is successful. The stadium should include provision for hospitality and conferencing space. The brief also included for the provision of additional space for NHS related uses as well as for the provision of a full size 3G pitch adjacent to the stadium which is considered essential to deliver the ambitions of the Council, and the sporting clubs, in relation to increasing community use and participation.
- 2.19 A series of initial meetings were held between the representatives of Workington Town, Workington Reds and the NHS so that the design team could better understand their aspirations and requirements for the stadium development. With work in relation to the concept design progressing well it was necessary to make further appointments beyond that of the core design team to appoint sub-consultants and commission a series of site surveys and supporting studies to support design development work. In relation to the consideration of the most appropriate procurement route the Scape BECS Framework includes a process for these appointments to be made as a variation to the existing contract with Perfect Circle. To ensure value for money the additional commissions are undertaken by the core design team based on an agreed scope of works and agreed hourly rates or alternatively by additional appointments made following a tender process. A range of additional appointments was confirmed following a decision made by the Corporate Director on 9 October 2018 in accordance with the Council's approved scheme of delegation.
- 2.20 With further progress having been made in relation to the concept design and presented to the Project Board and with discussions with the NHS as well as with potential funders continuing to progress well it was considered that it would be beneficial to extend the appointment of the design team beyond RIBA Stage 2. This would assist in providing greater cost certainty in terms of

the likely costs of the proposed development and provide further confidence to prospective tenants that their requirements can be met by the development.

- 2.21 Extending the appointment of the design team into the Development Design Stage (RIBA Stage 3) would enable the design to be developed to such a stage that a planning application could be submitted. The submission of a planning application will provide greater certainty for the sporting clubs and other potential tenants and funders and provide assistance in negotiations to secure their commitment to the scheme and the potential income streams this will attract. The submission of a planning application would also help to support the Council's bid to host the Rugby League World Cup in 2021. As noted above although the success of the RLWC bid is not critical to the business case for the proposed stadium the opportunity for the development of a new stadium is an important component of the bid to host the RLWC. To facilitate the submission of a planning application it was also considered appropriate to appoint a planning consultant to advise and support the design team. These contract variations were to extent the appointment of the design team and appoint additional consultants were approved by the Corporate Director on 25 October 2018 in accordance with the Council's approved scheme of delegation.
- 2.22 The combined value of the appointments made in the key decisions outlined above date, and funded from the approved strategic priorities budget is as follows:

Appointment to RIBA Stage 2	£157,887.50
Appointment of sub-consultants	£105,422.61
Extension of design team appointment	£85,862.50
Appointment of Planning consultant	£39,750.00
TOTAL	£388,922.61

- 2.23 As noted in the delegated decision confirmed by the Corporate Director on 25 October 2019 it had initially been intended to submit a planning application in December 2018. However, at the start of November, discussions commenced with Sellafield Ltd who expressed an interest in becoming a partner to the development through leasing substantial office space for up to 300 staff. This has the potential to make a significant contribution to the long term financial viability of the project and therefore the design team were instructed to consider options for incorporating this into the stadium design. This has required a complete redesign of the East stand of the stadium design to create 2,800 sq. m. of office space over 3 floors.
- 2.24 The additional work required, both in terms of design development and the supporting studies required for the planning application, mean that it has been necessary to delay the submission of a planning application until January 2018. There have also been additional costs associated with the change in scope to the scheme in the form of design fees as well as additional requirements to support the planning application. In total these costs amount

to £44,691. In addition a planning application fee of approximately £26,000 will be required depending on final confirmation of the design.

Pre-application planning consultation

- 2.25 To inform the preparation of the planning application a consultation event was held at Workington Leisure Centre on 4 December 2018 between 1pm and 8pm. A leaflet was devised for the event and distributed at the Leisure Centre and by the clubs. The event was promoted in a number of ways which included a press release, social media, a leaflet drop to local properties and with help from the clubs including on the Workington Reds stall for the Workington Christmas festival. The event attracted media attention from the local press, regional TV and radio. At the event details of the project and outline design were on display and the planning consultants and representatives of the design team along with council officers were available to answer questions. The event was well attended and the feedback received was overwhelmingly positive. Add further detail re feedback when available.
- 2.26 Allerdale Councillors were invited to attend the consultation event in advance of the 1pm start advertised to members of the community.
- 2.27 There were further opportunities for interested parties to view the plans and comment on the proposals via the Council's website.

3.0 Outline of Scheme Design

- 3.1 The main components incorporated into the current scheme design include: -
- 8000 capacity stadium with a mix of seating and standing
 - Hybrid grass playing pitch
 - 3G synthetic pitch for community use with related changing rooms
 - Hospitality and conference facilities
 - 2,600m² floorspace for NHS
 - Pharmacy
 - 2,800m² office floorspace
- 3.2 The current design proposals will be available for members to view at the Executive meeting.

4.0 Indicative Construction Costs

- 4.1 Based on the design work undertaken to date the cost consultants have undertaken an elemental breakdown and benchmarking exercise to establish an estimated construction cost for the overall proposed development of £24.8m to £26.8m depending on fit out requirements for NHS and Sellafield office. In broad terms this comprises £1.1m in demolition and site preparation costs, £14.65m for the stadium including all club space requirements, £0.85 for the 3G synthetic pitch and associated changing facilities and £8.2m to £10.2m for the health centre and office development. As design work is developed further a full cost plan will be finalised and refined throughout the

tendering and selection of a main contractor to provide cost certainty for the Council before an appointment is made in the summer. However at this stage a high level figure of £25m does provide a sound basis for developing a detailed business case for the proposed development.

5.0 Outline Business Case

5.1 The outline business case for the development of a community stadium for Workington is included in full at Appendix A. The outline business case is structured as follows:

- Project vision

Sets out the vision for the development of a new community stadium in Workington.

- Strategic business case

Sets out the strategic, spatial, health context for the proposed stadium and the benefits that would result from the development.

- Economic appraisal

Sets out the economic benefits of the proposed development.

- Comparator study

Considers similar stadium developments elsewhere and how these can inform the proposed development.

- Site options

Sets out the alternative site options considered and the reasons for identifying the preferred site

- Planning issues

Outlines the main planning issues to be taken into account in relating to the proposed development.

- High level financial analysis

Provides an outline of the financial analysis undertaken to date in relation to the proposed community stadium including high level operational costs and potential income streams and sets out options for the funding of the development.

- Governance and management

Sets out options for the future management and operation of the proposed development and recommends the establishment of a stadium management company to manage the stadium as a business.

- 5.2 The financial business case for the development is dependent on the income streams that can be achieved from key tenants including the sporting clubs and in particular the NHS and Sellafield Ltd. Whilst detailed ‘in principle’ discussions have taken place there is a need to finalise ‘heads of terms’ with both parties. Discussions have taken place with Workington Town and Workington Reds in relation to the commercial basis on which they would use the stadium and the associated income streams associated from which they will benefit. However, there is still a need to finalise ‘heads of terms’.

6.0 Extension of appointment of design team

- 6.1 The design team are currently appointed to a point that will enable the submission of a planning application in January 2019. To enable design development to continue and for a construction partner to be appointed in line with the project timeline outlined below it will be necessary, via the Scape BECS framework, to extend the design team appointment to develop the design for the stadium to a level of detail beyond that required for the planning application submission. The design team appointment is in line with the RIBA Plan of Work which is the definitive UK model for the building design and construction process and which organises the design and construction process into a number of key stages. The current appointment to planning application stage is part way through RIBA Stage 3 and the remaining stages in the Plan of Work and the estimated fee schedule related to this, based on an overall construction cost of £26m is set out below:

• Stage 3 – Development Design	£177,913
• Stage 4 – Technical Design	£690,035
• Stage 5 – Construction	£805,041
• Stage 6 – Handover and close out	£115,005
• Stage 7 – In Use	N/A

- 6.2 For the avoidance of doubt approval for expenditure beyond that required for RIBA Stage 3 Development Design is not sought at this stage but the estimated costs for stages 4-7 are included for information.
- 6.3 In addition to the extension of the appointment of the core design team a number of other critical appointments have been identified as being necessary. In the first instance, and to inform the design and procurement process additional site surveys will be required in the form of intrusive site investigations to provide detailed information relating to ground conditions. The ground investigation work required has been subject to tender through the Scape BECS framework and the fee required is £97,065 with an additional work relating to a radon assessment amounting to £4,537.
- 6.4 It will also be necessary to extend the appointment of the project management support to support the design process to the end of RIBA Stage 3 which is an

estimated cost of £6,000. Further appointments required in the future include the extension of the appointment of the landscape architect to develop the proposed landscape design to a level of detail beyond that required for the planning application and the provision of project management resource for the construction project however approval for these additional elements is not required at this stage and the necessary approvals will be sought when required.

7.0 Project Timeline

7.1 A project plan for the detailed design and construction of the proposed community stadium has been developed to demonstrate that the new stadium can be delivered in time to host the Rugby League World Cup in November 2021. Key future milestones for the delivery of this project are:

- Submission of planning application – January 2019
- Appointment of construction partner – September 2019
- Construction work commences - November 2019
- Construction work completed – May 2021

8.0 Procurement of main contractor

8.1 Working with Gleeds the project team have considered possible procurement routes for the appointment of the main contractor for the construction of the new stadium

8.2 The Council has positive experience of using frameworks for construction projects having used the Scape framework for the construction of the new leisure centre in Workington. The Council is also utilising the Scape framework for the construction of the proposed business units at Reedlands Road.

8.3 In terms of the aspiration to complete construction of the stadium the use of an OJEU compliant framework offers significant advantages in relation to the timescale for the appointment of a main contractor. As the nominated contractors will already have been subject to a rigorous pre-qualification process relating to both price and quality. Assurance is provided that competitive best value rates can be achieved without the Council having to undertake a time and resource intensive selection and tender process that meetings with OJEU procurement rules.

8.4 Although the Council has successfully used the Scape Construct framework in the past, there are a number of other potentially suitable construction frameworks. These include the North West Construction Hub, Procure North West and Pagaboo (an NHS framework).

8.5 It is considered that the use of a pre-procured framework would be the most appropriate procurement route for the appointment of the main contractor for this project. Detailed analysis of the benefits of each of the frameworks identified above is ongoing against the criteria of suitability of contractors on

the framework (including relevant experience), appropriateness of price/quality balance and relevance of social value (e.g. the use of local sub-contractors). Following this analysis the project team will make a recommendation to Executive as to the preferred procurement route.

- 8.6 Subject to the Executive approval it is envisaged that a single stage design and build tender package will be sought with a dialogue process with contractors helping to minimise risk and maximise value for money before making a final appointment.

9.0 Funding applications

- 9.1 The project team have sought to identify potential sources of funding to support the stadium development. The Sport, Art and Leisure Officer is working with specialist consultants (Castele), the Cumbria FA and local clubs to prepare a funding application to the Football Foundation aimed at securing funding for the proposed 3G synthetic pitch for community use.
- 9.2 To comply with the funding requirements of the Football Foundation it will be necessary to appoint their nominated consultants (RFL) to undertake a significant element of the work required for the design and planning for the proposed 3G synthetic pitch. The fee for this work would be approximately £17,750 but should have the potential to attract up to £750k in funding from the Football Foundation. This does mean that, subject to a successful funding application, it should be possible to construct and commission the proposed 3G pitch in advance of the completion of the main stadium and therefore provide an income stream for the project.
- 9.3 RLWC 2021 has a capital grants fund from Sport England to support the development of rugby league as legacy to the event. An expression of interest has been submitted to this fund requesting £1.5m and the stadium project has been identified by RLWC 2021 as a key 'Trailblazer project' which suggests the likelihood of securing financial support is high although it has been made clear that given the high demand and competition for funds any award is unlikely to be for the full amount requested. A decision should be forthcoming early in 2019.
- 9.4 In addition to the funding applications outlined above, the Sport, Art and Leisure Officer is currently exploring opportunities for other, albeit lower value, funding applications that may be available to support the development of the proposed stadium and related facilities and the legacy that this will provide in terms of participation in sport and improved health and well-being.

10.0 Transitional arrangements

- 10.1 The proposed project timeline requires construction work to commence in November 2019 and the demolition of the existing stadium at Borough Park will be required at an early stage of the construction project. This will mean that Workington Reds will require an alternative venue from this date, and

potentially from the start of the 2019/20 season, until the new stadium is complete in time for the start of the 2021/22 season.

- 10.2 An obvious solution would be for Workington Reds to share facilities at Derwent Park with Workington Town in relation to first team fixtures and preliminary discussions have taken place between both clubs to explore this opportunity. It is recognised that the shared use of the Derwent Park may give rise to issue in relation to the suitability of the playing surface and the pressure placed on it by increased use and advice has therefore been sought from the FA to identify what work may be required to the playing surface to facilitate shared use, albeit on a shared basis. It is recognised that in addition to the first team Workington Reds also have commitments to their reserves, Under 18's, Ladies and junior teams. Work in relation to the confirmation of suitable interim arrangements for Workington Reds is ongoing and is supported by the project team, specifically the Sport, Art and Leisure Officer.
- 10.3 It will also be necessary for Workington Reds to secure approval from the relevant governing bodies for any alternative playing arrangements required until the new stadium is available for use.
- 10.4 To support the Council's objectives in relation to increased participation in sport and improving health and well-being it is considered that it would be appropriate to utilise an element of the future SIIF funding to support both Workington Town and Workington Reds in developing their community programmes aimed at increasing participation in sport at all levels. This will be subject to future agreement as to the detail of the scheme and the delegated decision making process previously agreed in relation to the SIIF.
- 10.5 Whilst the Council has no direct relationship with Workington Comets, who are a tenant of Workington Town at Derwent Park, it is acknowledged that the proposals for a shared stadium could have an implications for the Comets if in the future Derwent Park is no longer available as a speedway track, for example in the event of the redevelopment of the site for alternative uses. Initial discussions have taken place with representatives of Workington Comets to understand their future plans and aspirations and what support the Council may be able to provide. This dialogue is ongoing.

11.0 Finance/Resource Implications

- 11.1 The full revenue and capital implications will be set out in a future report which considers the full business case for the proposed development.
- 11.2 Approval is sought for the following revenue expenditure to support further design development work to the end of RIBA stage 3 to and submission of a planning application.
 - Design fees and related appointments to end of RIBA Stage 3 - £228,603

- Intrusive Ground Investigation and Radon Assessment - £101,602
- Planning application fee - £26,000 (approximate pending confirmation of design)
- Design and planning fees for the 3G pitch - £17,750

11.3 The total requested for approval from the Strategic Priorities budget is £373,955.

12.0 Legal Implications and Risks

12.1 The Council has the power to support the development of a community stadium under section 145 Local Government Act 1972 (entertainment power), section 144 (power to encourage visitors) and the incidental power in section 111, along with the general power of competence in the Localism Act 2011 to do anything an individual could do. The Council must also exercise its powers properly taking into account all relevant considerations, including having regard to the funding available to the Council and the impact on residents and taxpayers of the cost of the development and the short and long term returns.

12.2 It is proposed to establish a new Stadium Company to be responsible for the future management and operation of the stadium development. This approach ensures that the Council retains control of the stadium asset while simultaneously balancing its risk exposure. Establishing a separate company will ensure that the stadium is run as a business enterprise with the ability to react to commercial opportunities and a focus on long-term economic sustainability. Further details will be brought back to Executive in due course.

12.3 It is necessary to agree 'heads of terms' with key tenants including Workington Town, Workington Reds the NHS and Sellafield Limited. Those heads of terms will be negotiated with the benefit of professional advice and will subsequently form the basis of future legally binding contracts between the parties. Further consideration of the legal implications will be considered throughout this process.

12.4 It will be necessary to follow a robust and legally compliant procurement process for the procurement of a main contractor to ensure the Council achieves the expected level of service and value for money. The process must comply with procurement rules and legislation as well as the Council's Contract Procedure Rules and financial regulations. Once appointed, the Council will enter into a contract with the contractor, which will set out all of the legal obligations for each party.

13.0 Recommendations

13.1 It is recommended that:

- 13.2 Members agree to proceed with proposals to develop a new community stadium for Workington on the site of Borough Park/Lonsdale Park, Workington subject to:
- Subsequent approval of the full business case including the financial business case, operating arrangements and funding arrangements:
 - The grant of planning permission.
- 13.3 The approval of heads of terms with Workington Town and Workington Reds in relation to the commercial terms for the use of the stadium be delegated to the Corporate Director.
- 13.4 The approval of heads of terms with the NHS and Sellafield Ltd in relation to the rental of office space within the development be delegated to the Head of Place Development.
- 13.5 Members agree to the extension of the appointment of the design team and other related appointments related to the development of the design to the end of RIBA Stage 3.
- 13.6 That members agree to the appointment of consultants to undertake intrusive grounds investigation works and radon assessment to inform future design development work.
- 13.7 A total of £373,955 is approved from the Strategic Priorities budget made up as follows :-
- £228,603 for Design fees and related appointments
 - £101,602 for Ground investigation works
 - £26,000 for planning fees.
 - £17,750 for design and planning of 3G pitch

14.0 Conclusions

- 14.1 It is considered there is a strong strategic and economic case for the development of a new community stadium in Workington. The proposal would make a significant contribution to the delivery of all of the Council's key priorities but in particular those relating to strengthening our economy, enhancing our towns and improving health and well-being. The proposed development would offer significant benefits for not only Workington but Allerdale and West Cumbria as a whole, provide first class facilities for Workington Town and Workington Town and the opportunity for Allerdale to host international sporting events such as the Rugby League World Cup in 2021. It is anticipated that the stadium will directly support an estimated 400 FTE jobs and indirectly support a further 36. The construction project would support and estimated 345 FTE jobs during the course of the project. If successful the bid to host the RLWC in 2021 is successful this alone could provide a potential benefit to the local economy of up to £7.2m

14.2 Whilst further detailed work is required in relating to confirm and approve the funding and operating arrangements for the proposed stadium, and planning permission has yet to be granted, the work undertaken to date provides a high level of confidence that the proposals are viable and that work to further develop the design and proposed procurement arrangements is therefore appropriate.