



Business Case

Workington Sports Village

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1 Introduction

1.1 Introducing the Business Case

Allerdale Borough Council in conjunction with Workington AFC (Reds) and Workington Town RLFC are seeking investment to develop a Sports Village in Allerdale and deliver improved community facilities. The Sports Village will provide a sporting hub, tackling inactivity and obesity, as well as protecting the future of the two sporting clubs within the region.

The Council is seeking £5.4 million of capital funding from the UK Government as part of Workington's Town Deal to fund the next stage of development of the project and design development over two years (2022 / 23 and 2023 / 24), and thereafter progress the project to its delivery. This will include progressing the scheme from the RIBA Stage 1 / 2 option developed for the clubs by Manning Elliott (an architect), securing required statutory consents and undertaking procurement of a contractor.

The proposed scheme has been in development since 2018. For scheme development to continue, this business case has been written to set out the case for investment, assess the benefits it will create, and identify how to bring these to fruition. This document updates, and supersedes, the strategic outline business case for the project completed on behalf of Allerdale Borough Council in 2018.

The preferred option set out in this business case is the first stage in a longer-term proposed programme, which will include further investment in additional capacity, community facilities and wider mixed-use redevelopment at the site, subject to additional funding being secured through public and private sources.

1.2 Description of the Sports Village Project

The Sports Village project aims to build on existing and proposed sports and leisure facilities close to Workington Town Centre. It is expected to create a high-quality inclusive and accessible venue for both community and clubs that will be sustainable in the long term.

At the heart of the development is the proposed redevelopment of the existing football ground at Borough Park to create a new shared stadium for Workington AFC (Reds) and Workington Town RLFC (collectively, the stadium partners). This would replace the outdated and deteriorating facilities at both Borough Park and the nearby rugby ground at Derwent Park which do not meet modern standards and are costly to maintain for the clubs.

The provision of the Sports Village will support the aspirations of the town's two premier sporting clubs and providing a sound foundation for the clubs to meet their aspirations to progress up the football pyramid for Workington AFC (Reds) and provide a Super League presence in West Cumbria if Workington Town RLFC were to be promoted. The updated facility will provide the clubs with an opportunity to explore a wider range of commercial opportunities.

It is recognised that wider demand for high quality playing pitches in Workington will not be met solely through the core stadium pitch alone, so it is proposed that the stadium partners provide further investment in a community pitch on the Lonsdale Park site. This being located close to the modern Workington Leisure Centre, as well as the well-established cricket and bowls clubs.

The combination of new and existing sporting provision will provide a hub for sporting excellence they will serve both Allerdale and West Cumbria.

1.3 What is the Town Investment Delivering?

Workington is the principal civic, commercial civic, commercial, retail and leisure centre in West Cumbria and Workington RLFC (Town) and Workington AFC (Reds) are the areas most prominent sports clubs with a rich heritage and integral to the cultural fabric of the town. The clubs are disadvantaged by the poor quality of their existing facilities and have been significantly impacted by the restrictions imposed on sporting activities resulting from COVID-19.

The proposed Sports Village and the redevelopment of the Borough Park / Lonsdale Park site provides an opportunity for the clubs to work collaboratively in new modern facilities to facilitate participation in sport at all levels and abilities in the town and wider area and expand on the clubs existing community outreach programmes and contribute to improving the health of the community. Future success for the sporting clubs, particularly if Workington RLFC (Town) achieve their aspirations of providing a Super League presence in West Cumbria will increase the profile of the town at a regional and national level and is an opportunity to attract new visitors to the town.

The first phase of the Sports Village redevelopment would be to the existing but dated Borough Park which is located at the gateway to the town and the redevelopment of this site bought forward by matched funding will contribute to an enhanced sense of place and civic pride. The Sports Village is seen as an important next step in the wider redevelopment of the Lower Derwent Valley and will build on existing investment undertaken by the Allerdale Borough Council and via Allerdale Investment Partnership in the form of Workington Leisure Centre and a new hotel development. The Council has acquired land adjacent to Borough Park to facilitate this wider regeneration.

The proposed development, in conjunction with schemes set out in the Town Investment Plan, will meet the aspiration of the Allerdale Local Plan to improve access and connections, especially pedestrian and cycling, within the Lower Derwent Valley itself and to the town centre and provide access to formal and informal recreational use in an attractive riverside location adding to the quality of offer of the town. The increased activity the Sports Village will stimulate in the Lower Derwent Valley, combined with enhanced routes to the town centre, will generate additional linked trips and increased activity in the town centre helping to support retail and other leisure uses.

1.4 Borough Park / Lonsdale Park Site

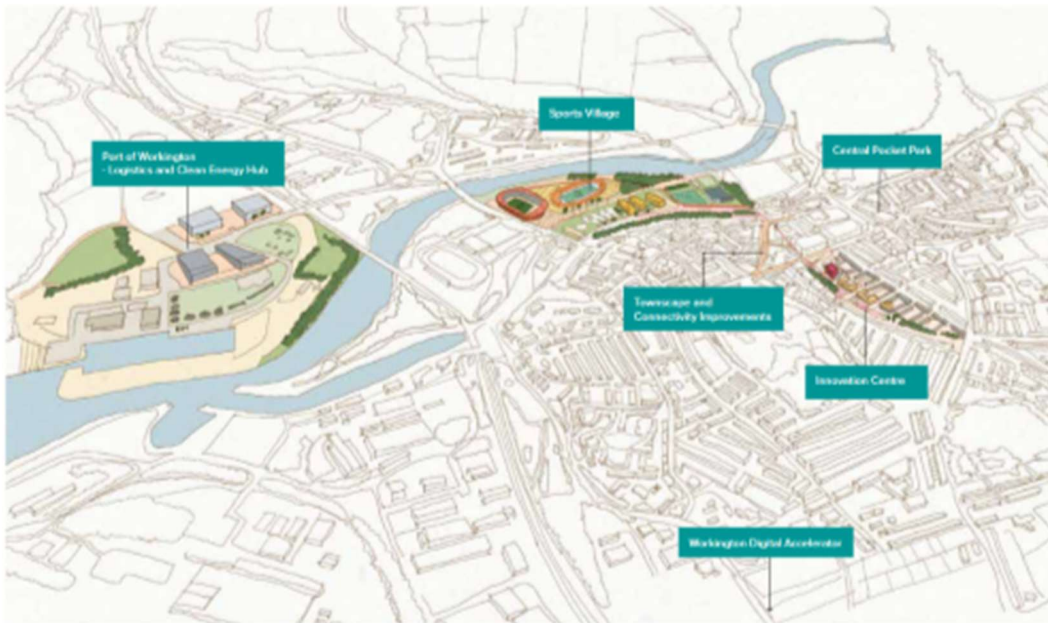
A site assessment was completed based on agreed criteria and weighting, identifying Borough Park and the adjacent land at Lonsdale Park as the preferred site for the development of a new shared stadium for Workington.

The preferred site scored highly in relation to the regeneration value, particularly in relation to the potential for the development to contribute to the wider regeneration of this part of the Lower Derwent Valley. The proximity of the site to Workington town centre was also considered to be a particular benefit both in term of the attractiveness of the site to potential users and the potential to support existing town centre uses.

Vehicular access to the site is relatively straightforward, in comparison to Derwent Park, for example, where the existing access is highly constrained, and the site is easily accessible via public transport.

Figure 1.1 shows the proposed location for the Sports Village, as the preferred option located on land at Borough Park / Lonsdale Park. The site is conveniently located for connectivity with existing transport facilities such as Workington Railway Station.

Figure 1.1: Proposed Location for the Sports Village in Aerial Masterplan



Source: Workington Town Investment Plan, 2021

Figure 1.2 shows another view of the proposed location for the Sports village, as the preferred option located on land at Borough Park (7) / Lonsdale Park (8).

More detail on the options selection process to agree the preferred option is set out in section 3.

Figure 1.2: Proposed Location for Town Centre Development Sites



Source: Workington Town Investment Plan, 2021

1.5 The Business Case Process

The UK Government's 'Green Book' provides guidance and a framework to make the case for funding, taking investment proposals through option development and assessment as they move through three stages of business cases to hone the best scheme or intervention that will deliver local and Government policy objectives and deliver social value.

Each business case consists of five 'cases' – Strategic, Economic, Commercial, Financial and Management. This framework has been used to develop this business case.

1.6 Document Structure

The sections of this business case, their purpose and summary content are as follows:

- **Section 2 & 3** begins with the Strategic Case; it sets out the justification for making the intervention. The justification for the Sports Village project is based on the need to address challenges and the benefits likely to result from the intervention in question. It also sets the Case for Change, by setting out objectives and critical success factors, the current situation, and the Sports Village's scope.
- **Section 4** is the Economic Case, which demonstrates the value for money of the intervention. It documents the range of options that have been considered in response to the need identified in the strategic case and provides evidence of the impact of these options to the local Allerdale and West Cumbria economy.
- **Section 5** is the scheme's Financial Case. Its purpose is to demonstrate that the project is financially viable and affordable. As the only funding being sought from the Town Deal in this business is a single grant as capital investment, and all revenue funding will be provided by the stadium partners, this case sets out the limited financial request outlined previously in the Town Investment Plan.
- **Section 6** summarises the Commercial Case, setting out the commercial viability of the preferred option, setting out the procurement strategy being applied and the terms of the contracts between relevant parties. As Allerdale Borough Council will not be responsible for procurement of the delivery of the Sports Village project, this section covers the proposed terms by which funding from the Council will be provided and sets out the responsibilities among the partners for the delivery of this project.
- **Section 7** concludes the business case with the Management Case, including how the project and the asset being produced will be managed. As Allerdale Borough Council will not be responsible for managing either the project nor the Sports Village, this case sets out how the stadium partners propose to manage the delivery and operation of the Sports Village.

1.7 COVID-19 Consideration

As this scheme has been developed during the COVID-19 pandemic, Allerdale Borough Council has sought to be cognisant of the impacts that this may have on the options and delivery models under consideration in this Business Case.

At the time of writing (February 2022), most sports and leisure facilities, (including several council facilities within Allerdale) have reopened albeit with some different protocols in place. It might be expected that some social distancing measures that previously governed sport and leisure may be reintroduced from time to time as the presence of the virus is increasing. Most of the sanitising / cleaning regimes and the prevalence of contactless interactions are likely to remain important factors for developments such as the Sports Village.

Outdoor activities are also less impacted by the public health concerns and risk of transmission. Both stadium partners were required to implement social distancing measures, bought in to limit the spread of coronavirus with a significant effect on revenues and fixtures. With the main

income streams being match day revenue at Borough Park and Derwent Park respectively, the value chain has been significantly affected. Several strategies were adopted to engage fans, and limit disruption.

On balance, once a 'new normal' is established (anticipated within 2 – 3 years) it is anticipated that activity levels and engagement in organised sport will return to previous levels, with the residual impact of COVID-19 affecting how visitors engage with the Sports Village experience rather than overall number long-term.

There are some additional risks created by the COVID-19 situation, including the commercial environment for an appetite of sports and entertainment organisations who are prospective partners for the development. These issues are proposed to be closely monitored by the Project Board, and alternative strategies developed where necessary. Given the associated development timeframe, it is expected that a 'new normal' will be established by the time the facilities are operational in Workington.

1.8 SMART Objectives

The Allerdale Borough Council and the stadium partners have set out a list of SMART objectives for the Sports Village project. These have been derived through a series of workshops and based on the Town Investment Plan.

Figure 1.3: SMART Objectives – Sports Village Project

Objective	Metrics
Improved perception in Workington	% Through resident survey.
Increased tourists and visitation.	% Of tourists and visitors associated with Workington venues and events.
Increased participation in sport.	% Of additional participation per annum.

Source: Towns Fund Project Confirmation, 2022

Based on the discussions with the Council, and the stadium partners we have adapted the SMART Objectives and key aspects of the Sports Village project to produce the Sport's Village scheme aims outlined in Section 2.3.

2 The Strategic Context

This section sets out the 'strategic context' for the Sports Village project. It identifies the current structure, context and geography of the chosen site and the clubs, and sets out the key priorities, strategies and plans for the Sports Village project and the local, regional, and national government organisations it operates within.

2.1 Strategic Policy Context

A public investment in the Sports Village scheme requires Allerdale Borough Council and the stadium partners to demonstrate that doing so helps to meet public objectives and is consistent with wider public policy. Alignment with the UK's national, regional, and local authorities' policies and strategies – strategic fit – is set out here.

2.1.1 Local Policy Alignment

The project aligns with the following local strategies:

- **Allerdale Borough Council – Local Plan (Part 2)** – Provides a strategic vision and framework for future sustainable development within Allerdale and policies contained are used to determine planning applications. By 2029, the Local Plan sets out the goal that Workington has retained and enhanced its role as West Cumbria's principal leisure and cultural centre. Reference is made within the plan to the Lower Derwent Valley's potential to provide a complementary role to the town centre focusing on its sporting and cultural heritage and building on existing leisure and retail uses.
- **Allerdale Borough Council – Council Strategy (2020 to 2030)** – Pulls together a strategy that focus on priorities and objectives that will make Allerdale a place where communities can thrive. Focus on the strategy is on giving people a reason to visit to visit the town through events, cultural and sporting activities. Beyond this, create town plans that enable towns to adapt to the changing nature of the high street.
- **Allerdale Borough Council Leisure Strategy (2015 - 2019)** – The strategy is intended to provide direction for sport and leisure development in Allerdale through direct influence within its own projects and leisure facilities but also through the Council's work as an enabler, to develop and enhance provision across all areas, supporting independent enterprises, community groups and Town and Parish Councils.
- **Workington Town Centre Supplementary Planning Document (2021)** – Considers the changing role and nature of the town centre, accelerated by the pandemic and to support the adopted local plan. It highlights the need to introduce new uses in the town centre to ensure that the retail, leisure, evening economy and cultural offer remains a critical mass at the core of the town centre.
- **Local Football Facility Plan (Allerdale)** – Defines long-term ambition to transform the landscape of grassroots football across England. It is understood through the plan that investment is required with 3G football turf-pitches; improved grass pitches; changing room pavilions / clubhouses; and small side facilities.
- **Playing Pitch and Outdoor Sports Strategy (2021)** – Provides a clear strategic framework for the maintenance and improvement of existing playing pitches and accompanying ancillary facilities up to 2030.
- **Workington Town Investment Plan (2020)** – Sets out a long-term strategy for change to drive sustainable and inclusive long-term economic growth in the town up to 2030, including recovery from the pandemic. This is an agreement in principle between Central Government, Allerdale Borough Council and the Workington Town Board.

There is a commitment across the Council to remove barriers and address participation in sport through the provision of additional pitch and playing surface facilities. The strategy for Workington suggests giving people a reason to visit the town through events, cultural and sporting activities that would be held at the Sports Village.

How is the Sports Village aligned to Local Policy?

The Sports Village scheme aligns with several strategic goals in local policies.

- It supports the Local Plan (Part 2) in helping the Lower Derwent Valley provide a complementary role to the town centre.
- The Sports Village aligns with the Physical Activity Strategy by providing a greater number of activities than are currently available for residents to participate in, volunteer at and coach. Improved facilities will help drive greater participation in existing programmes and events.
- The goals of both The Local Football Facility Plan and Playing Pitch and Outdoor Sports Strategy are both closely aligned with the Sports Village - Workington has no future spare capacity for pitches and has a shortfall for pitch types addressed through the Sports Village and Moorclose facilities improvements.
- The Town Investment and the Sports Village look to address a lack of diversity of activities other than retail in the Town Centre. There is currently an inadequate leisure offer despite there being a strong sporting culture, the quality of sports grounds consistently being criticised.
- It aligns with the ABC Council Strategy and Town Centre Supplementary Planning Document by supporting local community development with several offerings – both in sports participation and attending events. In the same way The Sports Village supports the town centre by adding to reasons to visit day in day out as well as when events are on.

2.1.2 Regional Policy Alignment

The project aligns with the following regional strategies:

- **Cumbria Tourism Strategy (2020 – 2025)** – Sets out high-level ambitions in line with Economic strategies and plans of local authority partners; Visit England's Strategic Framework; and the Government's Tourism Sector Deal.
- **Cumbria Local Cycling and Walking Infrastructure Plan (2020)** – Enables a long-term approach to developing local cycling and walking networks.
- **Cumbria Recovery Strategy (2020)** – Plans developed to address the consequences of the pandemic and support an inclusive, thriving, and strong Cumbria. The priorities include seeking funding support for infrastructure that can unlock economic growth, and employment.
- **Cumbria's Local Industrial Strategy (2019)** – Provides a strategic framework for business-led partnerships between the private and public sector, with focus on increasing prosperity and improving productivity. An objective exists to improve the cultural and leisure offer to increase attractiveness of places captured in the plan.
- **Cumbria Joint Health and Wellbeing Strategy (2019- 2029)** – Sets out priorities to improve the overall health and wellbeing of the people of Cumbria and reduce health inequalities. The plans suggest a community centred approach around improving diet and

tackling obesity; reducing social isolation; promoting physical activity; and reducing the prevalence of smoking.

- **Cumbria County Council Plan (2018 – 2022)** – The Council plan has been established to focus on ensuring people in Cumbria are healthy and safe; places in Cumbria are connected and thriving; and the economy in Cumbria is growing and benefits everyone. The plan supports leisure infrastructure being in place and communities having access to facilities.

There is a commitment across the region to invest in key community infrastructure and tackling inequalities across the county. The Health and Wellbeing Strategy for the region prioritises improving diet and tackling obesity; reducing social isolation; promoting physical activity; and reducing the relevance of smoking which presents much of the case for investment in the Sports Village and community facilities.

How is the Sports Village aligned to Regional Policy?

The Sports Village scheme aligns with several strategic goals in regional strategies.

- Cumbria Tourism Strategy suggests using venues to promote Cumbria's unrivalled reputation for Culture, Heritage and Events. Events at the Sports Village, both sporting music and other kind, can help contribute to this and enhance Cumbria's reputation.
- The Sports Village aligns with the cycling and walking plan by improving access and connections from the development to the Town Centre.
- The Sports Village will support both Cumbria's Recovery Strategy and Local Industrial Strategy as it will help unlock the growth and employment identified in the former while improving the leisure and cultural offer identified as requiring improvement in the latter
- Community at the Sports Village will help support the Cumbria Joint Health and Wellbeing Strategy by promoting physical activity, reducing isolation, and encouraging healthy habits. The same activities will support the Cumbria County Council Plan as well as the Cumbrian economy.

2.1.3 National Policy Alignment

The project aligns with the following national strategies:

- **Department for Culture, Media, and Sport (Sporting Future, 2015)** – a new strategy for an active nation – which sets out a broad strategy for encouraging more engagement in sport across the country, as well as measures to enhance people's experience of viewing live sport by upgrading visitor facilities and ensuring accessibility.
- **Sport England, Uniting the Movement (2021)** – this sets out the change need to the sport ecosystem so that people receive the opportunities they need now and in the future. More than anything, it seeks to tackle the inequalities seen for a long time in sport and physical activity. Providing opportunities to people and communities that have traditionally been left behind and helping to remove the barriers to activity.
- **Department for Levelling Up, Towns Fund Prospectus / Levelling Up White Paper** – the fund looks set to address growth constraints. The fund outlines that without a strong economy, leisure facilities, which bring people together and contribute to the quality of life,

having been closed in recent times. It is crucial to grow the economy of towns to bring back these facilities and drive improvements in living standards.

2.2 The Sports Village in its Social, Economic and Environmental Context

The Sports Village site is in a deprived part of the Country. Allerdale Borough Council has a part to play along with support from the clubs addressing socio-economic inequalities in West Cumbria, and the Sports Village scheme can play a role in economic growth, tourism, promoting footfall, sport sector and environmental improvement.

How is the Sports Village aligned to National Policy?

The Sports Village scheme aligns with several strategic goals in national strategies.

- A Sports Village for Workington and community facilities provides a focus on sports development, increases opportunities for communities of Allerdale to engage in sport and physical activity. This supports the DCMS, and Sport England strategies outlined above.
- It will improve the visitor experience for live sport and contribute to the town's economy by attracting more people to more events that Borough Park and Derwent Park do in their current state.
- The subsequent contribution to restoring a sense of community in Workington; local pride and belonging; and empowering the local community through sport is very much in line with the detail of the Towns Fund prospectus / Levelling Up White Paper.

2.2.1 The Sports Village Socio-Economic Context

The Sports Village is proposed to sit in the heart of West Cumbria in a predominately rural region of Workington, located between other coastal towns including Whitehaven and Maryport. The town is the largest settlement in West Cumbria.

The town is the principal service centre of West Cumbria and Workington draws on a significant rural hinterland population, with 129,000 people within 30-minutes by road. (ONS Sub-National Population, 2018) The town's employment base, reflecting its role as the primary retail, civic, commercial and leisure hub for West Cumbria is concentrated in retail trade, public administration, education, social work, activities, food and drink and health activities (collectively accounting for over 40% of total employment). The town also plays an important role in key strategic sectors of the West Cumbria economy, such as the nuclear and advanced manufacturing sectors.

Workington features a distinctive and strongly felt local identity and sport has played a central role in the town's culture. The town has well-supported football and rugby league teams. Work undertaken for the Town Investment Plan highlighted the importance the local community placed on quality sporting and leisure facilities, and a perception these were underprovided in Workington.

2.2.2 Summary of Deprivation in the area surrounding Sports Village

Overall, Allerdale's ranking in the Indices of Multiple Deprivation is 115 out of 326 local authorities. (EIMD, 2021) However, this figure masks significant differences at a more local level with some considerable areas of deprivation. Average household income in Allerdale is below

the county and national averages, and there are significant variations in average income levels across wards which range from £14,288 to £43,640.

An estimated 13.8% of households have an annual income of less than £10,000. 13.9% of children in Allerdale are living in poverty, but once again the figures across the district vary considerably with two wards having levels of child poverty above 25%, the highest being 30.7%. Qualification levels for the district are broadly in line with regional and national averages. (Nomis) However, there are again distinct variations across the district, two wards having about a third of the working age population with no qualifications.

2.2.3 Role of the Sports Village in addressing Health Challenges

Allerdale has a higher proportion of both men (44.8%) and women (52.1%) than the national average who do not manage any physical activity per week. Only 31% of adults manage one half an hour session per week and only 16.6% achieve the recommended 5 x 30 minutes each week. (Allerdale Borough Council, Leisure Strategy – 2019)

Inactivity is identified as one of five key behaviours, along with smoking, an unhealthy diet, excessive alcohol, and a lack of social interactions, that cause the five major disease including cancer and heart disease that cause 75% of all deaths and disability. (Cumbria Joint Health and Wellbeing Plan, 2019 – 2029) The Sports Village project will enable Allerdale to address not only inactivity but also smoking, alcoholism and diet, while providing additional positive interactions that can also continue to improve the health and wellbeing of residents. The Council has committed to working with the stadium partners to make sure the population ages well, is helped with physical activity interventions for people experiencing mental illness, and obesity issues and behaviours are changed with smoking cessation programmes.

The Sports Village will be a focal point for health and wellbeing for the county, serving as hub to enable the positive messages of healthy living to reach a greater proportion of the local population, including groups typically less likely to undertake exercise, such as men over the age of 40. (Workington Sports Village, Outline Business Case, 2018)

Increasing access to health and wellbeing facilities can deliver long-term benefits to Allerdale, and meet the objectives set out in the Leisure Strategy to increase sustained participation and reaching the guidelines of 5 x 30 minutes per week; ensuring that local events are maximised, and legacy programmes are developed for large scale sporting events; and an increased range of activities are on offer to all demographics and groups. (Allerdale Borough Council – Local Plan, Part 2)

In encouraging healthier and more active lifestyles and discouraging smoking, excessive alcoholism and poor diets, the Sports Village can increase the quality of life for residents, reduce the number of health problems across the county and reduce the burden on the NHS.

2.2.4 Role of the Sports Village in addressing Tourism Challenges

The Sports Village, as home to Workington AFC (Reds) and Workington Town RLFC will be used throughout the year to host c.70 home league games, in addition to cup games, friendly matches and programming such as community festivals thinking in parallel to the Bournemouth 7's (Mott MacDonald, Feasibility Study 2021) Each home game has the potential to attract up to 3,900 fans, including many away fans who will generally be visitors to the region.

These festivals and events often attract 5,000 – 10,000 visitors, additional to this visitor numbers would also be expected to increase as the clubs become more successful in their respective sports. With this it would bring with them additional spend in local hotels, restaurants, and bars, which will deliver a quantifiable economic benefit outlined in Section 4.

This type of programming is envisaged to be held outside of the League Season and attract visitors to the area during the less busy times of the autumn and winter seasons (Cumbria Tourism Strategy, 2020 – 2025) The community use element of the Sports Village that will be operational throughout the year will also host leagues and tournaments during these months.

In addition to contributing to the extension of West Cumbria's summer tourist season, the proposed site for the Sports Village is located near transport infrastructure including regular bus services and the Workington Railway Station (both within walking distance). The site has almost direct access to the A596 one of the main arterial roads of Allerdale. (Cumbria Local Cycling and Walking Infrastructure Plan, 2020)

2.2.5 Role of the Sports Village in addressing the Sporting Needs

Workington AFC (Reds) and Workington Town RLFC are key community and leisure assets for the town. The clubs deliver economic, spending and reputation and brand benefits to the town. For the two to succeed (including remaining economically buoyant and thus generating job opportunities for its residents), who must continually improve what it has to offer – to attract and retain people.

A centre of sporting excellence, a Sports Village as its catalyst and two professional sports clubs embedded within the community on a sound financial footing adds significantly to that offer and is a key part of Workington's continued economic and social regeneration. (Workington Town Investment Plan, 2020) The project will have both tangible and intangible socio-economic impacts. There are several tangible benefits to the local economy derived from having a new Sports Village in the town if the professional clubs are successful (which the Sports Village should facilitate and support).

Without the Sports Village, both clubs will remain at their existing grounds and in turn lose income without the ground sharing arrangement. Facilitating Workington AFC (Reds) and Workington Town (RLFC) to survive and thrive will secure the future of the two clubs in Workington and enable them to play an even greater role in attracting people to and retaining them in Allerdale.

Currently the clubs, deliver a wide range of community participation and development programmes in Workington which they fund themselves. In addition to securing the future of the clubs in Workington, a new Sports Village and business model (through new and increased revenues) will help to secure the continuation of these programmes and provide additional facilities to enhance their delivery. (Playing Pitch and Outdoor Sports Strategy, 2021)

Remaining at Borough Park and Derwent Park in its current state would put these programmes at jeopardy. There are current pitch shortfalls to deliver new community projects which would be resolved with the Sports Village project. The Playing Pitch Strategy, 2021 determined that there is current spare capacity on mini 7 v 7 and mini 5 v 5 pitch types with all remaining pitches showing evidence of overplay. In Allerdale 26 pitches across 12 sites are overplay by a combined total of 19 match equivalent sessions per week. There is clear demand from community rugby league and rugby union clubs to access provision for contact elements of 3G and community pitches for contact elements for training, if not for match play, particularly with some areas of Allerdale which do not accommodate any 3G provision.

The stadium partners share the ambition of increasing women and girl's participation in rugby and football by 20% through the Sports Village project. This target is expected to be achieved through a number of holiday camps, school visits, community engagement and programme activities. These increases would have a positive impact on childhood and adult obesity.

2.2.6 Role of the Sports Village in addressing Wider Regeneration and Growth

The Sports Village is designed to act as a catalyst for further regeneration and inward investment in the Lower Derwent Valley region of Workington.

The Sports Village is seen as an important next step in the wider redevelopment of the area and will build on existing investment undertaken by Allerdale Borough Council and via Allerdale Investment Partnership in the form of Workington Leisure Centre and a new hotel development adjacent to the Council's offices.

The Council has acquired the land adjacent to Borough Park to facilitate this wider regeneration. The development of the Sports Village will open opportunities for the future redevelopment of the existing rugby ground at nearby Derwent Park, which could include development for residential or commercial uses.

The proposed development, in conjunction with schemes set out in the Town Investment Plan, will meet the aspirations of the Allerdale Local Plan and Town Centre Supplementary Planning Document to improve access and connections, especially pedestrian and cycling, within the Lower Derwent Valley and to the town centre and provide access to formal and informal recreation use in an attractive riverside location adding to the quality of offer of the town. (Allerdale Borough Council, Local Plan – Part 2)

The increased activity the Sports Village will stimulate in the Lower Derwent Valley, combined with enhanced routes to the town centre, will generate additional linked trips and increased activity in the town centre helping to support retail and other uses.

The (Workington Town Supplementary Planning Document, 2021) is a response to the changing role and nature of the Workington Town Centre with fears over the closure of many retail shops and the growth of online shopping. The pandemic has led to an acceleration of trends in these consumer habits; with fewer people visiting town centres to shop, high streets increasingly needing to compete on the experiences they offer.

A key component of maintaining the vitality of Workington Town Centre lies in the mix of uses that complement each other and can, where appropriate, replace lost retail offer. The Sports Village can contribute by driving footfall in the Town Centre.

The Local Government Association has acknowledged that leisure developments such as the Sports Village can drive such footfall into town centres and can support the rejuvenation of other co-dependent industries such as hospitality, retail, and public transport. (LGA, Culture Led Regeneration, 2021)

2.2.7 Role of the Sports Village in the Environment

The Sports Village is expected to support the UK Government's ambitions and commitments, including Net Zero and other environmental targets. (UK Government, Build Back Greener, 2020)

The ambition over the long-term for the Sports Village is to be as close to carbon neutral as possible, although this will be addressed at the design stage of the project. It is expected that the stadium partners will develop an Environmental and Sustainability Strategy to address climate change and environmental issues.

The buildings are proposed to comply with the requirements of Part L2A of the Building Regulations. The development is proposed to include a range of suitable low and zero carbon technologies. (Workington Sports Village, Outline Business Case, 2018)

A BREEAM 'Excellent' rating will be targeted, to be a leader amongst Sports Village projects and Community Stadiums in the UK. To satisfy this rating further consideration will need to be

placed on energy consumption and insulation stipulations. A Site Waste Management Plan, in accordance with 2008 regulations, will require best practice and accountability of a contractor.

With regards to the operation of the Sports Village, energy usage is proposed to shut-off dormant spaces when not in use and efficient equipment such as LED lighting is to be used. Energy monitoring will be undertaken. Building services will include a full recycling collection. Recycling resources will also be used, e.g., catering products.

Local sourcing will be prioritised by the stadium partners especially around catering and food to come from marketplaces in the regional and encouraging active travel and public transport with various incentives in place.

2.3 The Sports Village Scheme's Aims

The Sports Village scheme is needed to deliver local, and regional strategies along with achieving the aims of the stadium partners. It will also help deliver many of the UK Government's objectives and address the stadium partners issues and opportunities set out above. The clubs want to grow and develop an engaging Sports Village facility for community and professional usage, and in so doing achieve the following strategic aims:

- Contribute to Levelling Up in the UK: spreading prosperity and access to opportunities to more deprived areas, communities, and people providing access to culture and sport, employment opportunities, spreading the future economic success of the Sports Village and clubs involved as addressing the region's health challenges.
- Enhance the club's commercial opportunities and economic resilience: through investing in the Sports Village facilities, resources, and conditions for the clubs to create the conditions for new and enhanced revenue through community facilities. This is expected to close the gap on non-match days.
- Enhance West Cumbria's tourism reputation: building on and diversifying the tourism and destination offer by adding an additional facilities and programming.
- Address the health challenges and encouraging healthier and more active lifestyles and discouraging smoking, excessive alcoholism, and poor diets. The community facility should address inactivity which is a major cause of death and disability in the region.
- Stimulate town centre footfall and give people a reason to visit the Workington Town Centre and Lower Derwent Valley with festivals, events, cultural activities, sport, and other programming introduced at the Sports Village.

3 Case for Change

Considering the strategic context set out in the previous section, the case for change identifies the reasons to invest in the Sports Village and the drivers for change. The scheme, spending and business needs and objectives for the Sports Village are identified, along with the benefits, risks, constraints, and dependencies for the scheme. A scope for the scheme has been finalised to take forward for further design and procurement.

3.1 Spending Objectives

Allerdale Borough Council and the stadium partners (for the purpose of this Business Case, Workington AFC (Reds) and Workington RLFC (Town)) have worked with its advisors, and in depth with stakeholders, to develop 10 key objectives under four themes, which address the issues, strategic needs and vision for the Sports Village scheme set out in the preceding section. These are:

Deliver sport and community intervention

1. To create a multi-purpose Sports Village that will provide high-quality inclusive and accessible sporting facilities for both community and professional clubs.
2. Attract and retain workforce in Workington through the clubs and their supply chains.
3. Promote Workington as a place to live and help deliver inclusive growth.
4. Provide an improved cultural offer that is more attractive and visible and easier for residents / visitors to access.

Inspire people to participate

5. Provide sporting facilities for Workington residents, including informal recreation and organised sporting activity.
6. To raise awareness and increase visibility of health and wellbeing issues in the county, serving as a hub to enable the positive message of healthy living to reach a greater proportion of the local population.

Support wider regeneration

7. Promote adjacent investment in the Lower Derwent Valley area and the longer-term redevelopment of the existing rugby ground, for commercial or residential uses.
8. Improving access and connections with the Workington town centre.

Ensure excellent environmental sustainability and value for money

9. To ensure the Sports Village is an exemplar of environmental responsibility in both its construction and operation.
10. Provide excellent value for money, opportunities for income generation and reduce on-going maintenance and running costs.

Stakeholder Engagement has been key to decision-making in developing the objectives of the Sports Village scheme through workshops and various surveys. As part of the scheme development, a previous planning application was submitted, and community engagement held at the Workington Leisure Centre. This took place on 4 December 2018 with approximately 140 people attending the consultation event. Feedback forms were available and 35 were returned on the day and a further 11 responses were submitted via the Council's website.

Several stages of consultation also took place through the Towns Fund programme. Residents, business and visitors made initial suggestions for the Sports Village scheme through the My Towns website run by the Government. In September 2020, a larger-scale public consultation took place allowing interested parties to comment on the projects that were being suggested to be forward for inclusion. Over 500 responses were received 75% strongly agreed with the proposal and 12% agreed (87% of respondents supported the Sports Village proposal).

The queries and requests have been incorporated into this Business Case. They have been endorsed by the Board of each of the stadium partners and have guided the critical objectives for the new Sports Village scheme.

The above objectives meet the UK Government's generic drivers for intervention and spend by:

- **Effectiveness** – Improving the quality of sporting facilities in Allerdale to meet UK Government strategic and spending objectives such as Sporting Future and Towards an Active Nation, driving health outcomes and relieving some of the pressure on the NHS.
- **Efficiency** – Providing the conditions for more community involvement in sport and the clubs to improve the delivery of existing and new programmes such as Walking Rugby.
- **Economy** – Spending up front on high-quality and fit-for-purpose facilities to reduce long term maintenance and risk recovery costs at Borough Park and Derwent Park and investing in sport and leisure to promote commercial opportunities in the Lower Derwent Valley, growth of the clubs, and protecting Town Centre footfall.
- **Compliance** – Meeting the Sports Grounds Safety Authority obligations of the clubs to protect spectator safety, and helping to meet national, regional, and local government's (and the stadium partners) environmental and sustainability targets.
- **Replacement** – Replacing Borough Park and Derwent Park facilities with modern, a fit-for-purpose Sports Village solution, addressing the unacceptable infrastructure risk of the two grounds.

3.2 Business Needs, Current and Future

The previous section (3.1) seeks to more broadly describe the opportunities that the Sports Village seeks to harness. There is a significant gap between the existing arrangements for the stadium partners (and wider resident needs) which the clubs and the Council seek to meet through the Sports Village scheme. Understanding the issues and opportunities is key to identifying the outcomes the clubs and Council seek to achieve – and which it believes the Sports Village can deliver.

Issues with current arrangements

- Given the age of the Borough Park and Derwent Park stadiums, ongoing maintenance is in effect leading to a state of 'managed decline', with risk of deterring spectators and visitors with the expectations of modern sports fans not met.
- There is a lack of public access and engagement. The current facilities are not inclusive or accessible, with utilisation of Borough Park and Derwent Park restricted to professional and club usage only.
- Both clubs are facing extreme difficulty running a sustainable operation given the cost of maintenance and running the current facilities.
- The role of the clubs and sport is diminished by the hidden nature of its operations.

Opportunities for the future

- Investment in the Sports Village can help drive the regeneration and growth in the Lower Derwent Valley region – leveraging the proximity to the Workington Town Centre and transport accessibility. Investment can help deliver Levelling Up agenda by seeking ways to spread economic and social benefits of the Sports Village, delivering greater leisure and sport product for residents.
- Investment can also promote linkages to health and wellbeing programmes at the Sports Village, the development will offer solutions to tackle obesity, inactivity, and other key issues.
- Investment in the Sports Village will help deliver on Environmental targets, particular through a focus on environmental resilience and reduced energy usage.
- Investment can bring the public close to sport, inspiring them and generation of the future to participate.
- Investment can also provide for future growth both clubs are expecting to climb their respective league pyramids and will have space for growth in terms of modern facilities, space and potential for additional capacity to satisfy the relevant sport governing bodies.

What outcomes are we seeking to achieve?

Improvements and changes are needed to achieve the stadium partners, Council's and the Government's spending objectives and strategies, address the risks, and deliver the aims for this scheme. Essentially the Sports Village will address the Business-as-Usual risks the clubs are facing, and while doing so seize the opportunity to develop Sports Village facilities to align with future opportunities and challenges.

Addressing risk by retaining Workington AFC (Reds) and Workington Town RLFC in the region as they are at risk of moving out of town due to the current state of their facilities, providing a future proofed stadium. Wider risks also exist of the clubs failing to capitalise on promotion into higher leagues due to the existing arrangements.

Seizing opportunities by ensuring an inclusive and accessible and modernised Sports Village facility in delivered, to help level up and provide additional community sport and leisure facilities for Workington. Thereby meeting Council and Government targets for greater provision of pitches. It will also deliver economic success for the area and focus on a sustainable business model for the clubs involved.

As part of predicted outcomes derived as part of the Town Investment Plan confirmation the full Sports Village scheme is expected to deliver a 10% increase in perceptions of the place by residents / visitors; 25% increase in the number of visitors to arts, cultural and heritage events and venues; and increased participation in sport.

3.3 The Sports Village Main Benefits

The Sports Village is a key development in the context of West Cumbria, and is expected to generate a variety of strategic, economic, social, and other benefits.

- The project will help build perceptions and involvement from the local community, particularly with regards to the supporters of Workington AFC (Reds), Workington Town (RLFC) and the wider communities (if the Sports Village is successful in actively engaging with residents). This is anticipated to result in a 10% increase in perceptions by residents / visitors.
- Increased access and visitation (25%) to arts, cultural and heritage events and venues which is a key priority of the Council and many of its partners. This is an important goal to recognise the importance of these services to physical and mental health wellbeing.
- The Sports Village will enable local and regionally based professional (and potentially elite) sports people to train in fit-for-purpose facilities on their doorstep, rather than having to travel long distances to other facilities. It is expected to significantly increase participation in sport over time.
- Provide a base to host more significant programming such as community events, festivals and tournaments. Allerdale's visitor economy is of regional and national significance and is therefore a key strategic priority for the Council and partners such as the LEP. The project is expected to assist in serving Allerdale's visitor offer.
- The Sports Village will create several opportunities for local people and students to become trained and skilled with specialist areas such as marketing and promotions, venue and event management.
- With the Borough Park / Lonsdale Park site identified for the Sports Village, there are expected future regeneration benefits which will result from the Sports Village being part of the Derwent Valley masterplan. A new hotel, coffee shop and hotel has already built significant confidence in the area.

Initial estimates of the possible economic benefits are provided in Section 4 of this report.

3.4 Case for Investment and Market Failure

The stadium partners can and should use its considerable fundraising powers and other grant / private sector sources to contribute to the Sports Village project's funding requirements. However, it is unlikely the scheme – even one just meeting the 'essential changes need for success' – could be funded without Government contributions.

Similar schemes in other locations such as York, and the Leigh Sports Village required up-front investment by the public sector; the private sector did not show a propensity to take on the risks associated with developing and operating this type of facility but were prepared to take on the latter risk once the facility was built. This suggests strongly that public intervention is required to progress the scheme to the next stage of development, and further harness private sector involvement. Failure to intervene along the lines outlined in this business case would generate a danger that these proposed benefits would be missed and a fundamental gap in the area's cultural infrastructure not filled, at least in the short term.

The rationale for why the public sector should make this investment is strengthened by the presence of market failure in the sports sector with the clubs. This sector generates positive externalities on the local Allerdale economy through town centre footfall, and most importantly through the health context and participation in programmes conducted at the Sports Village. These externalities are not always capturable by the clubs but are of benefit to the wider economy. In the absence of public subsidy in a market where positive externalities are present, a good or service (in this case sports and events) will generally be undersupplied.

Early commitment to invest from Workington AFC (Reds) and Workington Town RLFC has already indirectly addressed market failure to start planning on the Borough Park / Lonsdale Park site. Both grounds have reached a point where they required significant maintenance and are slowly decaying. The commitment is reinforced by Allerdale Borough Council to secure the likely benefits to tackle market failure. This has heightened market confidence – towards developing the Sports Village on the site.

It is largely accepted that the facility is needed to address health and wellbeing challenges. Allerdale has a higher proportion of both men (44.8%) and women (52.1%) than the national average who do not manage any physical activity per week. Only 31% of adults manage one half hour session per week and only 16.6% achieve the recommended 5 x 30 minutes each week according to Allerdale Borough Council Leisure Strategy developed in 2019.

Located in the Lower Derwent Valley, the Sports Village will act as a catalyst for further development. The economic benefits enjoyed across Cumbria. If the Town Deal funding as a minimum is not forthcoming, the scheme in its current form (or any other) is not expected to be progressed by the private sector.

3.5 Why is Intervention Required Now?

Both Borough Park and Derwent Park respectively are not fit for modern use and the clubs are conscious they will have to make major investments in the facilities or seek other solutions. This is a catastrophic risk with the possibility that Workington could lose one or both clubs if a shared venue is not achievable. An update would help support the sustainable future for both clubs and allow for a refocus towards community programmes and development. Key risks which need addressing with urgency and commitment are:

- The current Borough Park and Derwent Park facilities are not inclusive and accessible sporting facilities for community usage.
- Limited capacity for growth in current facilities with strict league requirements if clubs are to achieve promotion and move up the hierarchy.
- The stadiums are expensive to maintain and have extremely poor environmental and sustainability standards.

Funding the proposed Sports Village scheme now represents a once-in-a-generation opportunity to create a positive change, enable the clubs to meet respective league requirements for growth and engage the wider community with health and wellbeing.

3.6 Constraints and Dependencies

3.6.1 Constraints

- Enabling development potential severely limited with the land receipts unlikely to be substantial and flood risk of the chosen site.
- Funding availability from the stadium partners and the Council has limited the size, scale, and ambition of the Sports Village development.
- Construction inflation is expected to continue for the next few years as the Sports Village is delivered, leading to more value engineering.

3.6.2 Dependencies

- Both Workington AFC (Reds) and Workington Town RLFC are involved to create a shared facility arrangement, if not this would have significant negative effect on both club's futures including lost income.

- Both clubs have strong core fan bases, although do not often reach capacity, in part due to the respective ground's limited appeal to away supporters. Achieving growth is dependent on reaching higher levels thereby attracting more to the Sports Village.
- The model is dependent on introducing secondary income for the stadium partners whether that be through additional commercial offering or community usage. Currently the clubs offer little community benefit outside of match days and can no longer support the further developments of Workington's two elite teams due to the ground's limitations and grass surface. In addition, lost income from not moving into a shared facility arrangement would have significant negative effect on both clubs' futures.

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4 Economic Case

The economic case demonstrates the value for money of the intervention. It documents a range of options that have been considered in response to the need identified in Section 2 and Section 3 of this business case and provide evidence of the impact of these options on the local economy. Options have been appraised in line with HMT Green Book guidance. All evidence used is referenced and summarised in the annex.

4.1 Introduction

The economic case for the Sports Village project is built around the impacts on the economy of Allerdale, as reflected in impacts on land value from the scheme, jobs and Gross Value Added (GVA) created during the construction and operation of the Sports Village, as well as visitor economy benefits. This section provides evidence of such potential impacts, discussing alternative options considered and provides arguments in favour of the preferred option.

4.2 Approach to the Economic Case

The approach taken to the economic case is based on a combination of quantitative and qualitative analysis designed to accurately reflect the emerging proposal for the Workington Sports Village. The quantitative Value for Money (VfM) assessment focuses on capturing several core benefits, linked directly to the project's strategic case which describes the expected outcomes and impacts of the project.

The quantitative value for money analysis covers two key outcomes, which are:

- Land value uplift effects arising from the more productive use of the site.
- Quantifiable participation benefits arising from the project's role as a community facility.

In addition, there are several wider economic benefits. These are:

- Employment creation from construction and operation of Sports Village.
- Gross Valued Added increase to the economy arising from higher employment.
- Additional spending within the Workington economy because of the Sports Village.
- Additional economic activity associated with the including hospitality space.

The Sports Village is a joint project between the Council and the two sports clubs (Workington AFC and Workington Town RLFC). The first phase of the project being funded by the Town Deal and Council investment, with the clubs taking on the operation of the Sports Village once it is up and running. Matched funding achieved by the stadium partners is committed to developing additional community facilities on the Borough Park / Lonsdale Park site.

As the purpose of the Economic Case for the Towns Fund projects is to assess value for money to the public sector, only the costs incurred by the Council are considered. Equally only the benefits received by the wider community are set against these costs, and direct benefits enjoyed by the clubs (e.g., in the form of commercial revenue) are excluded.

The Feasibility Study produced by Mott MacDonald included an initial assessment of a series of longlisted development options to achieve the stadium partners and the Council's aspirations for the Sports Village project. Based on the analysis for the purpose of the Feasibility Study, the following options were recommended for progression to the Business Case stage.

- Option 1 – Do Nothing option (Business as Usual)
- Option 2 – Do Something (DS) Option (including one addition community Pitch):

- Option 3 – Do Maximum (DM) Option (including Commercial and Hospitality Facilities and two additional community pitches)

This shortlist was subsequently revisited and ratified during the Business Case Process. Under all development scenarios, it is the aspiration that the Borough Park / Lonsdale Park site provides a shared site for the stadium partners.

4.3 Refining the Shortlist

As the options were explored further through the development of the Business Case, cost assessment and further strategic and expert analysis from Mott MacDonald, the following shortlisted options were removed from consideration.

- Option 3 – DM Option (Including Commercial and Hospitality Facilities).

Despite fitting with the strategic needs of the stadium partners and the Council, this option is deemed unaffordable as the amount of funding which would need to be raised by the sports clubs was considered to be unrealistic. However, the Council and its partners are continuing to investigate additional funding opportunities (for example from the Football Foundation) which could allow some of the additional elements associated with the DM Option, relative to the DS Option, to proceed at a later date.

This programmatic approach, which is possible due to the modular nature of the stadium design, is judged to be lower risk than progressing the DM Option as a single project, and therefore this option was not shortlisted.

Considering these refinements, the shortlisted options detailed and evaluated in this section of the Study are therefore:

- Option 1 – DN Option (Do Nothing / Business as Usual).
- Option 2 – DS Option (including one community pitch).

The development options are considered in turn below to establish the strategic context and identified need / demand for the facilities in each case.

4.3.1 Option 1 – Do Nothing / Business as Usual

For this process, the 'Do Nothing / Business as Usual' option provides a baseline for measuring improvement in the Value for Money. The current facilities at Borough Park and Derwent Park are not sustainable as they are without improvement, this position is anticipated to worsen over time as the venues become even less appealing and attracts further reduced usage.

Under the Business-as-Usual option, no investment will be made in extending or enhancing the facilities, and they are assumed to broadly continue 'as are' until such time that they are no longer able to operate. This is not considered to be a realistic option given the lack of accessibility and community usage within the current facilities.

4.3.2 Option 2 – Do Something (including one community pitch)

The Council previously outlined plans to introduce a Sports Village in the Town Investment Plan and reached an in-principal agreement with the stadium partners to facilitate the community and club ambitions to develop facilities at Borough Park / Lonsdale Park to enable them to progress through the league pyramids (subject of course to on-field performance).

Under this proposal the current Borough Park facility would be refurbishment, involving the demolition of the main stand and construction of a new stand in its place. A synthetic pitch has been included in the proposal and it is believed the proposal should foster a higher level of participation at the Borough Park site with associated increase in usage / bookings of the all-

weather pitch. The income generated outside of match days from the synthetic pitch would flow back to the Sports Village Company and be expected to be reinvested into Sports Village facilities. The scheme has been costed £6.50 million, excluding the community pitch to be provided by the stadium partners. The in-principal agreement in place being that £5.4 million of Town Deal Funding will be contributed along with £0.95 million.

Delivering the facilities proposed under Option 2 would have the potential to:

- Create a major sport and leisure facility for Workington and the wider West Cumbria region, meeting an identified market gap (and addressing market failure).
- Deliver a high-profile regeneration project with scope to enhance Allerdale's appeal as a place to live, work and play.
- Enhance Allerdale's reputation across the country and beyond as a centrepiece of plans to support, enhance and promote a vibrant sport and leisure scene and support the Town Centre beyond the pandemic.
- Have potential to create a return for the stadium partners through generating an annual payment and significant fiscal benefits for Allerdale and beyond.
- Deliver improved football and rugby facilities for the clubs and public use.
- Drive a new focus on sport and leisure at the site, providing a new source of recreation for the whole of Workington.
- Fund additional community facilities and benefit including sports, leisure and recreation beyond Borough Park / Lonsdale Park.
- Fund and support enhanced maintenance of the Lower Derwent Valley.

This option does importantly safeguard some sports provision and there is scope for additional investment in other facilities beyond the site to further improve the position.

4.4 Cost Benefit analysis

In order to assess the preferred options a Cost Benefit Analysis was undertaken on the two remain options. As the do-nothing option generates no additional costs or benefits, it was assumed to have a Benefit to Cost ratio of 1 and a Net Present Value of zero. All of the costs and benefits presented below are therefore for the Do Something (DS) option.

4.4.1 Development costs

As outlined further in Figure 5.3 the costs for the DS options are based on being spent in 2022/23, in 2023 / 24 and a further in 2024 / 25. These costs being current day in 2022. The Council will pick up no further costs and it will be the responsibility of the stadium partners to pay for the operational costs as well as phased development costs under the preferred option. As discussed above, the private costs and revenues to the club are not part of this cost benefit analysis and therefore no operational or renewal costs have been included in the economic appraisal.

Allerdale Borough Council's contribution is funded through:

- £5.4 million as a grant from the Department of Levelling Up via the Towns Fund.
- £0.95 million from Council reserves.

In addition to the £6.5m required to fund the redevelopment of the Borough Park site itself the development of the one community sports pitch will require £0.4m. This development will be funded by the Sports Clubs themselves meaning no additional government money will be required for this element of the project. As a result, this £0.4m is not included within the Cost Benefit Analysis set out below.

4.5 Monetised benefits

The first key benefit resulting from the proposed Sports Village is the impact it will have on the area around the site. The development of the new facility will improve the area through attracting new business to the area and through developing better facilities for residents. This benefit can be proxied through the impact it will have on land values.

The Land Value Uplift calculation has been based on the Valuation Office Agency (VOA) land value benchmarks¹. These do not provide specific land values for sports stadiums and therefore office space was the closest benchmark. Office valuation is the highest valuation provided and this was chosen as a sports village is considered a high value project. The closest benchmark town available was Carlisle at £865,000 per hectare in 2019. This was uplifted to 2021 prices (assuming 5% growth per annum), giving a total value of £953,633 per hectare.

This was then applied to the Lonsdale site only. As the Borough Park site already houses a stadium it was assumed that the redevelopment of this site would not generate any additional LVU. Lonsdale Park is 2.39 hectares meaning that it generates a LVU of

In addition, the development of the Sports Village will free up the land at Derwent Park. It is assumed that this would then be free for development for residential purposes, and that this redevelopment could occur without public investment. The VOA provides a value for residential land in Allerdale at per hectare. Uplifted to 2021 prices this is Derwent Park is 3.3 hectares, meaning a total LVU of This generated a total LVU across both sites of

As both sites are currently occupied by existing stadiums, the development of this land could only go ahead if this scheme were to go ahead. Therefore, none of this LVU benefit would occur without the scheme and additionality was set at 100%.

LVU Key assumptions are shown in Figure 4.5 below.

Figure 4.5: LVU Key Assumptions

Assumption	Borough Park	Derwent Park	Lonsdale Park	Source
Area (Hectares)	2.9	3.3	2.4	MM Calculation
Redevelopment space (hectares)	0	3.3	2.4	MM Assumption
Office valuation 2019 (per Hectare)				VOA
Office valuation 2021 (per Hectare)				MM Calculation

¹ Land value estimates for policy appraisal 2019: guidelines for use - GOV.UK (www.gov.uk)

² Whilst an average football pitch only requires 0.9 hectares of space, it is estimated that the entire site would need to be developed to fit the pitch and associated facilities.

Residential Valuation 2019 (per hectare)				VOA
Residential Valuation 2021 (per hectare)				MM Calculation
Additionality	N/A	100%	100%	MM Assumption
Land Value Uplift	£0			MM Calculation

Source: Mott MacDonald, Business Case Analysis

As set out in the Strategic Case, a key driver for the Sports Village is to improve community engagement with sports and thereby improve health. This will be delivered through the provision of the community pitch/s. Scheduling information was provided on the basis of two community pitches (alongside the core stadium pitch) being available for community use³. On this basis it was calculated that average weekly footfall would be around 2,100⁴ adults and children. It is likely that some of this footfall will be repeat users and therefore this number was reduced by 25% to allow for this. On this basis it is assumed that around 1,600 users per week will make use of the facility. It was further assumed that 20% of this footfall would be using the main field within the stadium with the other 80% split across the two community fields. On the basis that only one of these two community fields would be available, this footfall was reduced to 60%, meaning an assumption of 960 users per week.

Guidance provided by the Department for Community, Media and Sport⁵ shows that the economic benefit of engagement with sports was £1,127 per annum in 2015. This is due to improved well-being and health. This was uplifted to 2020 prices using the GDP deflator, giving a price of £1,291 per person. Based on the number of users this would suggest an annual benefit of £1.2m per annum.

It is likely that many of the users of this facility will already be participating in programmes, however the lack of good quality, all year round, facilities within the town means that the ability to engage with sports within the town is limited. The provision of these facilities should encourage additional engagement with sports meaning that some of this benefit will be directly related to the sports village. We have therefore assumed that 25% of the users would not have engaged with sports if the sports village had not gone ahead. This means that the net benefit of sports participation is calculated at £0.3m per annum. Should a second community pitch go ahead then this would increase the footfall back to 1,600 users per week and the benefit would rise to £0.5m per annum. Sports participation key assumptions are shown in Figure 4.6.

Figure 4.6: Sports Participation Key Assumptions

Assumption	Value Chosen
Footfall per week	960

³ Though with limited access to the main field inside the stadium.

⁴ Actual estimated value was 2,079

⁵ [Quantifying and valuing the wellbeing impacts of sport and culture.pdf \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

Repeat footfall	25%
Value of Sport – 2014	£1,127
GDP Deflator	14.5%
Value of Sport – 2020	£1,291
Additionality	25%

Source: Mott MacDonald, Business Case Analysis

4.6 Wider economic benefits of the Development

In addition, the Sports Village will generate additional economic activity both during the construction and operational phases.

During the construction phase it is estimated that there will be around 23 FTE construction jobs generated on the site per year across the two years the site is being developed. It is estimated that 34%⁶ of these jobs will go to people living outside of Workington and a further 50% of these jobs would have been created anyway. This means that a total of 8.6 direct FTE jobs will be created per annum in Workington during the construction phase. Allowing for an additional 2.9 FTE jobs created in the supply chain, the construction of the stadium is estimated to generate 10.5 FTE jobs during the construction period. This will in turn generate Gross Value Added (GVA) to the Workington economy of £0.1m over the construction period.

The operational phase will generate more long-term employment. It is estimated that the operation of the site will require around 53 FTE staff. This will include both full time members of staff running the facility and temporary/part time staff during matches. Again, assuming 34% of these jobs will be taken by people outside of Workington and 50% would have occurred anyway this gives a net direct job creation in Workington of 20 FTE jobs. Allowing for a further 5.7 FTE jobs created within the supply chain, this means that the sports village will generate an additional 25.7 FTE jobs within Workington over the longer term. In addition, this will generate GVA of £1.2m per annum.

This is only the jobs associated with the operation of the Sports Village itself. It is likely that the improved professional sports facilities will also attract additional visitors into the town, leading to additional spend in the town's restaurants, bars, and shops. Current average attendance at Workington AFC is 557 and Workington RLFC is 1028.

Studies suggest that the new stadium could lead to an increase in attendance of up to 13% (under the best-case scenario). This could lead to up to 205 additional visits to the town per match. At around 20 matches per year, this could generate up to 4,117 additional visits to the town.

Given that both teams play in regional leagues, it can be assumed that all these visitors will make day trips only and will not incur overnight expenses. The average day trip visitor in the UK spent £37.39 in 2018⁷, equivalent to £40.47 in 2021. Therefore, this could potentially generate around an additional £166,000 of spending in the local economy per annum. This could generate around 4 - 5 additional jobs in the Workington economy.

⁶ This is based on travel to work analysis for the Allerdale Region.

⁷ TA_408_435.pdf (tourismalliance.com)

In line with government guidance, the measures of employment and GVA have not been included within the cost benefit analysis undertaken. This is because they are local impacts rather than national impacts. Any benefits they generate for the local economy are likely to simply displace activity in other local economies resulting in no net gain to the UK economy.

4.7 Value for Money Assessment

To assess the value for money of the above costs and benefits, a Cost Benefit Analysis (CBA) model was created. This was based on a 30-year evaluation window and a discount rate of 3.5%. In addition, the Sports Village was assumed to have a useful life of 50 years meaning a residual value was included. This was calculated using straight line depreciation meaning the £6.50m investment was estimated to have a residual value of £2.6m in 2051. Benefits in the first year of operations were also reduced to reflect the planned September start date.

Based on this the following results are illustrated in Figure 4.7 below.

Figure 4.7: Cost Benefits Analysis Model (£m)

Preferred Option	
Present Value of Benefits (£k)	8.21
Present Value of Costs (£k)	5.30
Net Present Value (£k)	2.91
Benefit to cost ratio	1.5
Other benefits	10.5 FTE Jobs during construction and 25.7 during operations plus up to 5 in the wider economy
Value for Money Category	Medium

Source: Mott MacDonald, Business Case Analysis

As can be seen, the BCR is 1.5. This generates an overall BCR value for money assessment of medium. This shows that the benefit in terms of both the impact it will have on land value as well as the impact it will have on public health outweighs the cost to the council. For every £1 that is invested, society will gain a return of £1.50.

This result is considered to be robust to an increase in costs. When optimism bias of 24% was included, the BCR dropped to 1.2, still generating medium value for money. A switching value was found when the LVU benefit was also reduced by 10% and the additionality of the sports benefit also reduced to only 17.5%. This generated a BCR of 1. This is considered to be an unlikely worst case, suggesting that the project does present value for money.

It should be noted that this result is on the basis of only one additional community pitch being developed. The longer-term Sports Village programme targets the development of two such pitches, however external funding for the second pitch has not been confirmed, meaning that it is not included in the core assessment of the BCR. Should a second pitch be developed then this would increase the level of sports participation. As it is expected to be funded by non-government sources, it would not raise the costs. This would result in the BCR rising to 2.2 with

a NPV of £5.3m. Funding is being sought for this second pitch at present as part of the longer-term Sports Village investment programme described in the DM Option above.

In addition, the programme of works assessed above does not represent the maximum that could be achieved on site (the do-maximum option). Whilst this option was rejected due to funding issues, the potential to develop this option remains in the longer term. Undertaking the current works have the potential to leverage further investment by de-risking these elements of the project. Should these investments be realised, the benefit of the sports village will be even higher. The exact impact of this on the BCR and NPV will depend on the nature of the investments and the associated timings and therefore it is not possible to provide a forecast of the potential impact.

This means that the project has the potential to generate high value for money, though more work will be needed to confirm this funding to guarantee this assessment.

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5 Financial Case

The purpose of the financial case is to demonstrate that a project is financially viable and affordable. As the only funding being sought from the Towns Fund and Allerdale Borough Council is a combined grant for capital investment, and all revenue funding will be provided by the stadium partners, this case sets out the limited financial request from the public sector only.

5.1 Overview of the Financial Case

The financial implications of the Workington Sports Village project to Allerdale Borough Council are limited. The total financial contribution being sought from the Council is a single, one-time grant of £6.40 million (including £5.4 million of Town Deal funding). Any additional and unforeseen capital costs are to be met by the stadium partners and associated bodies, all of which are in the private sector.

This is expected to cover the initial capital outlay of the preferred option at this stage, with further phased works to be progressed by the stadium partners. The Order of Cost Estimate using the Royal Institution of Chartered Surveyors – New Measurement Rules. This is based on the current day with inflation excluded beyond Q1 2022. The above figure includes a client contingency of £400,000 which represents approximately 6.15% of the Sports Village project. The contingency will cover overruns or delays to the project that incur additional cost.

To mitigate against the case of cost increasing it will be important for the stadium partners to progress to appointment of a contractor as soon as possible. A two-stage tender has worked elsewhere, not only for working up design, but carrying out a value engineering exercise as required. This also has the advantage of fostering collaborative working as the contractor and the Sports Village Company work together from an earlier stage.

The financial case sets out the first phase costs of the project and the mechanism by which these costs will be met. Workington AFC (Reds) have access to £150,000 of funding through the Football Stadium Improvement Fund that will be captured as part of this first phase.

The Football Association have demonstrated early commitment to the Sports Village by allocated a Development Officer to Workington AFC (Reds) to provide support over an 18-month period. They will provide specific club related support along with focusing on the development of the Sports Village project.

All subsequent phases of proposed investment programme are expected to be solely met by the stadium partners with support from the Allerdale Investment Partnership (a private developer) to source various corporate and public sector grants.

5.2 Financial Resources and Budgets

Figure 5.1: Proposed capital funding package (Phased Approach)

Proposed Capital Funding Package	
Capital expenditure	£6.50 million
Total	£6.50 million
Public sector	£6.35 million

Town Deal Funding	£5.40 million
Football Stadium Improvement Fund	£0.15 million
Allerdale Borough Council	£1.00 million
Total	£6.55 million

Source: Mott MacDonald, Sports Village Cost Summary

No public funding is being sought towards the cost of running the Sports Village. To ensure that it will operate without any public subsidy, Allerdale Borough Council is recommending the stadium partners underwrite any operating losses for the first ten years of operation. Underwriting in the case of the Sports Village project will see a payment from the clubs to the Sports Village Company (the developer, refer section 6). This will ensure the Council is not exposed to any operational subsidy and gaps between Sports Village revenue and expenditure are de-risked.

5.3 Project Costs

The total cost for this phase of this project is £6.50 million. The stadium partners will be responsible for covering any costs above this. The breakdown of the total project cost is shown in Table 5.2 below.

Figure 5.2: Cost breakdown

Element	Cost, £
Demolition / Alteration	
External Envelope	
Bowl / Terracing	
Main Roof	
Vertical Circulation	
Playing Surface	
Accommodation	
External works	
East / North / South Stand – Standing only with no accommodation	-
Sub-Total	
Main Contractor's on Costs	

Sub-Total
Design / Construction Contingency
Total Construction Costs
Professional Team Fees
Artificial Pitch – Procured Direct
Client Contingency – Fixed Allowance
Order of Costs – Current Day (Rounded)

Source: Mott MacDonald, Sports Village Cost Summary

This cost estimate excludes VAT.

The VAT treatment of the project will be dependent on its commercial structure and other factors and has not been assessed by Allerdale Borough Council or its advisors in developing this business case. Should there be any VAT liability, Allerdale Borough Council will expect that this cost is met by the stadium partners and will not provide additional support (whether through grant or other means) to meet this liability in whole or in part.

5.4 Budget Arrangements and Business Planning

5.4.1 Budget Arrangements

Public funding for this project is proposed to come from the Town Deal Fund (£5.4 million), and a (£1.00 million) budget allocation from Allerdale Borough Council.

5.4.2 Delivery Timescales

The proposed construction period for the Sports Village project is 18 months, beginning in September 2023 with the commencement of demolition works and Sports Village facilities expected to be open to the public and for community use from November 2024.

Any subsequent or phased activity beyond the initial construction is not part of the funding request. This means that much of the capital investment will be required prior to commencing in September 2023, with an additional 30 – 40% expected to be required across the construction to November 2024. All operating revenue will be provided by the stadium partners, meaning none of the funding being sought from the Towns Fund or Allerdale Borough Council is to be used to operate or maintain the Sports Village.

5.4.3 Funding Profile

The Town Deal and Allerdale Borough Council funding is to be allocated over a three-year period. The anticipated split of funding across each financial year (including the Football Stadium Improvement Fund contribution) is set out in Figure 5.3 below.

Figure 5.3: Sports Village project Funding Profile

Funding Profile	2022 / 23	2023 / 24	2024 / 25

Source: Mott MacDonald, Sports Village Cost Summary

5.4.4 Match Funding by Partners

The match funding contribution to this project of £0.15 million can be secured by Workington AFC (Reds).

Further match funding is being sought to enable the longer-term Sports Village investment programme outlined in the DM Option in section 4 to proceed. This has not been secured at the time of writing this business case.

5.5 Risk Allowance

The entirety of the public funding for this project will be allocated for use as capital investment to the stadium partners to enable the construction of the Sports Village. Once the Sports Village is built the stadium partners will have full responsibility for revenue funding.

The stadium partners will be solely responsible for meeting any additional cost that arises during the project either capital or revenue. All potential risks associated with this project are the responsibility of the stadium partners and no risk shall be the responsibility of Allerdale Borough Council. A fixed contingency budget of £400,000 has been allocated for the construction phase of the project. This was estimated based on comparable capital works at a similar stage of development.

5.6 Closing the Funding Gap Strategy

The delivery of the Sports Village project to meet the aspirations set out in the Town Investment Plan is entirely dependent on the ability to close the funding gap of the subsequent phases including community pitch. The principal tools in delivering this will be corporate and grant funding with the Football Foundation as a potential future source.

The structuring of the Sports Village Company to allow for registration as a Community Interest Company will enable the Company to be eligible for grant funding and other financial support that to this point have been available to them.

While the Sports Village project is to an extent reliant on external market forces, this is expected to be controlled through the imminent appointment of directors to the Sports Village Company Board and production of a detailed business plan.

For the purpose of this Business Case, it should be noted that a funding gap of £1.5 - £2.0 million was closed through similarly targeted corporate and grant funding routes on the Keepmoat Stadium (Doncaster), Colchester Community Stadium, and York Community Stadium developments as recent examples.

6 Commercial Case

The purpose of the Commercial Case is to set out the commercial viability of the preferred option and present the procurement strategy being applied and the terms of contracts between relevant parties.

As Allerdale Borough Council will not be responsible for the delivery of the Sports Village, this section covers the proposed terms by which funding from the Town Deal and Allerdale Borough Council will be provided to the stadium partners and sets out the responsibilities among the partners for delivery of this project.

6.1 Service Requirements and Output

The stadium partners have been using local architect Manning Elliott to progress the plans and designs for the Sports Village project. Sports Village costs have been produced by Mott MacDonald as part of this Business Case. The work of Manning Elliott is to a RIBA 1 / 2 level of detail.

It is anticipated that while delivering the project the following services will be procured by the stadium partners:

- Sport & Leisure Architect.
- Project Manager.
- Structural Engineer.
- Building Contractor.
- Mechanical & Electrical Services Engineer.
- Quantity Surveyor / Cost Consultant.
- Construction Design Management (CDM).

Advisors to the project have prepared a feasibility study, enhanced commercial baseline assessment, concept design and cost plan (initially to RIBA 2) the stadium partners along with their chosen advisors will then develop to RIBA 4 once Town Deal and Allerdale Borough Council funding is available. £806,000 of Town Deal funding is proposed to be spent on design / development by the stadium partners in 2022 / 23.

This is expected to unlock the stadium partners matched funding and will enable the project to move towards the procurement of a contractor.

6.2 Proposed Commercial Strategy and Route

The Sports Village Project Board, comprising of Allerdale Borough Council and stadium partners, has agreed a funding and delivery structure for the Sports Village. Allerdale Borough Council is anticipated to provide £0.95 million of capital funding itself alongside £5.4 million coming from the Town Deal Fund. The Council, as accountable body for Town Deal funding, will provide all of this funding to the Sports Village Company, a special purpose vehicle being established by the stadium partners, as grant-in-aid.

Despite the capital contribution, the Council will not be responsible for the management of the project, or the procurement of goods and services (including the construction works). As the Council remains co-sponsor of the project, their interests will be managed through the ongoing Project Board and with support from the Council's Programmes Director. For the purpose of this Business Case, it is important that the Council is not considered to be the delivery partner for the Sports Village project.

This means that the clubs have been jointly responsible for bringing together financial and investment appraisal and will lead on the realisation of intended benefits of the Sports Village project. The proposed commercial model for the Sports Village is anticipated to provide a steady income stream to the stadium partners, importantly this will enable the distribution of funds to maximise the community and health benefits in a deprived area of Workington.

Key considerations in selecting the preferred commercial model:

- Theoretically allowing the Council to have no financial exposure to the Sports Village project beyond the Towns Fund and additional capital contribution.
- Allerdale Borough Council being seen to not be directly financing the Sports Village project or taking on all development and construction risk.
- Potential allowing access for the scheme to additional funding through bodies such as the Football Foundation, Sport England etc. through the stadium partners.

6.2.1 Agreed Risk Allocation and Charging Mechanism

Figure 6.1 outlines the key risks and where these are likely to be most present under the previously considered delivery models. The identification, allocation, and management of risk for this project is to be managed by the stadium partners.

Allerdale Borough Council is most concerned with public funding being misspent or the Sports Village project failing to deliver the intended benefits. To counter this, steps will be taken, including through the conditions set out in further detail below, to closely monitor the use of public funding for this project.

Figure 6.1: High Level Risk Allocation

Risk Area	Example	Allerdale Borough Council	Stadium Partners
Design	Delay / design changes		X
Construction	Cost over-run		X
Funding	Shortfall in grant / financing		X
Viability	Revenue shortfall		X
Operation	Escalation in operation and management costs		X

Source: Mott MacDonald, Feasibility Study 2021

6.3 Procurement Strategy & Contract Management

6.3.1 Contract Packaging

Allerdale Borough Council will not be responsible for the procurement of contracts for this project. The procurement of construction work will be led by the Sports Village Company (refer below), of which it is proposed that a separate delivery arm will oversee the construction of the Sports Village and the previously described community upgrades.

It is anticipated that a project manager will be appointed by the stadium partners to oversee the construction of the stadium and related facilities, to be enforced by the Council as a precedent to funding. This making them directly responsible for the procurement of all contracts required for the Sports Village project. The Council has acquired additional land required at Lonsdale Park for the Sports Village project to proceed, and the Sports Village Company as the Official Custodian will hold the land on behalf of the stadium partners.

Through work completed by the Allerdale Investment Partnership, a Sports Village Company was conceived to build and operate the facilities. The Sports Village Company is proposed to be owned by the clubs, with each having a 50% stake. This structure for which is currently being agreed through governance structures of Workington AFC (Reds) and Workington RLFC (Town).

Established in Spring 2014, Allerdale Investment Partnership (AIP) is an innovative partnership between Allerdale Borough Council and the founders and owners of fund administrator IAG. For the Sports Village project, AIP has ensured that the Council's strategic and community priorities have been met; as well as providing support to the Project Board around governance / management arrangements particularly related to the core stadium.

It is proposed the Sports Village Company creates two subsidiaries, one to construct the facilities (referred to as SV construct) and another to operate the facilities (referred to as SV operation). This will be covered in further detail in the Management Case of this document.

Hence, a separate exercise is not required to secure an operator for the Sports Village project. Soft market testing was completed at feasibility stage when assessing the different options with respect to this, for which the stadium partners have information which suggests strong appetite for this opportunity amongst a limited number of potential operators mainly in the leisure space.

6.3.2 Social Value Framework

There are a number of Allerdale Borough Council documents that demonstrate a commitment to social and environmental wellbeing. The Council's Strategic Commissioning and Procurement Strategy sets out how the Council places social value at the heart of its commissioning and procurement practices including objectives and outcomes as well as measures for evaluating performance against those objectives.

The social value outcomes referenced in the Strategic Case will be secured and delivered on the basis that the Council would require any partner organisation with responsibility for procuring goods and services in the project (e.g. the Sports Village Company) to conduct its procurement in accordance with these principles. It is also included as a condition in any grant funding agreement for the purpose of this Business Case.

6.3.3 Contract Management

Allerdale Borough Council is not responsible for the management of contracts for this project. The stadium partners are proposing to engage a delivery partner and design team using a formal Pre-Contract Services Agreement (PCSA) prior to final contract negotiation upon the completion of open-book procurement through the Find a Tender (FTS) route which replaces the Official Journal of European Union's Tenders Electronic Daily (OJEU / TED).

The adoption of Modern Methods of Construction (MMC) / Design for Manufacture will be essential to the success of the Sports Village project. It will drive the project to achieve the required sustainability outcomes including carbon reductions, including embodied carbon. If managed well, this approach can improve the overall project programme and quality control measures.

6.3.4 Procurement Plan and Timescales

The proposed timescales for procurement are as follows:

- Publish Find a Tender Notice (restricted) – March 2023.
- Shot List Tenderers – April 2023.
- Issue Tender Documents – May 2023.
- Appoint Contractor – June 2023.

6.4 Terms of Allocation of Funding

To ensure that the decision to allocate funding is made based on the full evidence and assurance that the stadium partners (who will receive the funding) will manage the spend on this project currently, outline heads of terms are being drafted.

The terms will be developed further by the Council and serve as the contractual basis by which the funding will be provided and managed. As a co-sponsor and major funder of the project, the Council bears some residual risk as the partner of last resort in the scenario where the stadium partners fail or there are issues with securing the Town Deal funding.

Given this inevitability, the Council is taking an active role in the development with a project board, given confidence that the development will go ahead. This role will diminish once the clubs have full planning permission, procurement has been achieved within budget, all funding is secured, and the clubs remain in acceptable funding standing.

6.4.1 Conditions Precedent to Payment of Funding

- Provision of a satisfactory financial plan including cash flow statement showing budget expenditure (and income) over the life of the project.
- Provision of a copy of independent state aid advice identifying all the potential state aid beneficiaries and setting out the state aid route / exemption to be utilised by each.
- Details of any legal entity that will be responsible for developing and subsequently owning and / or operating the Sports Village.
- Evidence that all other stadium partners and public / private sector funding is in place to take forward the community elements of the project.
- The stadium partners shall promptly repay to the Council any money incorrectly paid to it either as result of administrative error or otherwise.
- Legal and financial advice on any VAT liability arising from the project, and how the stadium partners will meet this liability (which will not be met by Allerdale Borough Council).

6.4.2 Conditions relating to Accounts and Records

- The funding shall be shown in the Sports Village companies accounts as a restricted fund and shall not be included under general grants.
- The stadium partners shall keep, accurate, up-to-date accounts and records of the receipt and expenditure of the funding monies received by them.
- The stadium partners shall keep all invoices, receipts, and accounts and any other relevant documents relating to expenditure of funding for a period of at least six years following receipt of any funding monies to which they relate.
- The stadium partners shall provide the Council with a copy of its annual accounts within six months (or such lesser period as the Council may reasonably require).

- The stadium partners shall comply and facilitate the Council's compliance with all statutory requirements as regards accounts, audit or examination of accounts, annual reports and annual returns applicable to the Sports Village Company and the Council.
- Provision of legal charge or option back to the council or its nominee to protect the funding conditions.

6.4.3 Conditions relating to Monitoring and Reporting of Funding

- The stadium partners shall closely monitor the delivery and success of the Sports Village project throughout the funding period to ensure that the aims and objectives of the Project are being met and that Agreement is being adhered to.
- The stadium partners shall provide the Council with a financial report and an operational report on its use of the funding and delivery of the Sports Village project every quarter and in such formats as the Council may reasonably require.
- Where the stadium partners have obtained funding from a third party for its delivery of part of the Sports Village project, the stadium partners shall include the amount of such funding in its financial reports together with details of what that funding is used for.
- Along with the first quarterly financial report, the stadium partners shall provide the Council with a risk register and insurance review in the format provided by the Council.
- The stadium partners shall on request provide the Council with such further information, explanations and documents as the Council may reasonably require in order for it to establish that the funding has been used properly in accordance with the Agreement.
- The stadium partners shall permit any person authorised by the Council such reasonable access to its employees, agents, premises, facilities and records, for the purpose of discussing, monitoring and evaluating the stadium partners fulfilment of the conditions of the Agreement and shall, if so required, provide appropriate oral or written explanations from them.
- The stadium partners shall provide the Council with a final report on completion of the funding period which shall confirm whether the Project has been successfully and properly completed.

6.4.4 Conditions relating to Acknowledgement and Publicity

- The Sports Village Company shall acknowledge the funding in its annual report and accounts, including the acknowledgement of the Council as the source of funding.
- The stadium partners shall not publish any material referring to the Sports Village Project or the Council without the prior written agreement of the Council.
- The Council may acknowledge the stadium partner's involvement in the Sports Village project as appropriate without prior notice.
- The stadium partners shall comply with all reasonable requests from the Council to facilitate visits, provide reports, statistics, photographs and case studies that will assist the Council in its promotional and fundraising activities relating to the Sports Village.

6.4.5 Conditions relating to Withholding, Suspending and Repayment of Funding

- The Council may at its discretion withhold or suspend payment of the funding and / or require repayment of all or part of the funding if:
 - a) The stadium partners delivery of the project does not start within 12 months of the Commencement Date and the stadium partners have failed the Council with a reasonable explanation for the delay.
 - b) The Council considers that the stadium partners have not made satisfactory progress with the delivery of the Sports Village project.

- c) The stadium partners, in the reasonable opinion of the Council, is delivering the Sports Village project in a negligent manner.
- d) The stadium partners obtain duplicate funding from a third party for the Sports Village project.
- e) The stadium partners obtain funding from a third party which, in the reasonable opinion of the Council, undertakes activities that are likely to bring the reputation of the Sports Village or Council into disrepute.
- f) The stadium partners provide the Council with any materially misleading or inaccurate information.
- g) The stadium partners commit or committed a Prohibited Act.
- h) Any member of the Sports Village Company, employee or volunteer (a) acted dishonestly or negligently at any time and directly or indirectly to the detriment of the Project or (b) taken any actions which, in the reasonable opinion of the Council, bring or are likely to bring the Council's name or reputation into disrepute.
- i) The Sports Village Company ceases to operate for any reason, or it passes a resolution (or any court of competent jurisdiction makes an order) that it be wound up or dissolved (other than for the purpose of a bona fide and solvent reconstruction or amalgamation).
- j) The Sports Village Company becomes insolvent, or it is declared bankrupt, or it is placed into receivership, administration or liquidation, or a petition has been presented for its winding up, or it enters into any arrangement or composition for the benefit of its creditors, or it is unable to pay its debts as they fall due.

6.4.6 Other Conditions throughout the Duration of the Term of Funding

- Terms to ensure that the funding is spent on the relevant purposes and complies with state aid requirements.
- Terms to ensure that the stadium partners do not make any significant change to the Sports Village project without the Council's written agreement.
- Terms to ensure the stadium partners notify the Council of intention to apply for other funding for the Sports Village project.
- Terms to ensure that if there is an excess operating profit that part of the profit is reinvested in the community facilities needed for Workington.
- Terms to ensure the availability of funding will be subject to continuing compliance with the terms of the funding agreement which may incorporate any relevant conditions imposed on the Council.
- Terms to ensure that procurement is conducted in accordance with the requirements of the Council as the accountable body.
- Terms to ensure a local project manager is appointed by the Sports Village Company to oversee delivery, including procurement, budgets, timelines etc.
- The stadium partners shall not use the funding to make any payment to members of the Sports Village Company; purchase buildings or land; or pay for expenditure commitments before the Commencement Date.
- Terms to ensure that any part of the funding remain unspent at the end of the funding period, the stadium partners shall ensure that any unspent monies are returned.
- Terms to ensure the stadium partners shall not publish any material relating to the Sports Village project or Council without the prior written agreement of the Council.
- Terms to ensure that procurement is undertaken in line with the principles set out in Allerdale Borough Council's Strategic Commissioning and Procurement Strategy.

6.5 Subsidy Control Compliance

Implications of the wider Town Deal project for the UK's obligations on subsidy control have been considered at each stage of the Sports Village project. To date, no implications have been raised as part of the Council's own assessment and approval process although a consultation process with lawyers is to come.

The Council will seek counsel on the current arrangements and has confirmed that it is unlikely that any subsidy control issues will arise. Legal advisors are on notice to provide legal advice as the project is refreshed and developed

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7 Management Case

The Management Case sets out how the project and the assets being produced will be managed. As Allerdale Borough Council will not be responsible for managing either the project nor the Sports Village, this case sets out how the stadium partners propose to manage the delivery and operation of the Sports Village for Workington.

7.1 Delivery Structure and Preferred Model

This section of the Management case provides an assessment of the strategic delivery options for the project. For which several strategic delivery options have been investigated.

In terms of the strategic delivery there are three main parties – the Council, Workington Reds FC, and Workington Town RLFC. A developer led approach was ultimately not considered as part of the scheme due to the lack of capital receipts on land in the region, and flood risks of any enabling development as highlighted by the Council.

The three primary developments that are proposed to be delivered separately, are namely:

- The core stadium function of the Sports Village.
- Community sports facilities on the Borough Park / Lonsdale Park site.
- Community development of facilities at Moorclose.

Strategic delivery options generally revolve around which of the organisations is best placed with regards to managing the risks identified, either independently or in a joint venture, to deliver the respective developments. The other significant consideration is which organisation are best placed to be responsible for the key design and construction risk and the funding risks attached to the Sports Village project.

Each of the parties bring expertise and capability in differing areas. Primarily, the Council brings (access to) Town Deal and an additional contribution of funding as well as capability within appropriate procurement models. The clubs bring operational skills, sports knowledge, stadium, and facilities needs. A developer which was eliminated from the assessment would bring development capability, funding and the ability to manage the risk of any enabling development attached to the scheme (which there is none).

With these skills and needs / requirements there is a clear allocation of risk and responsibility that allocates the delivery of the Sports Village project and additional facilities with the clubs. Theoretically the Council could take on the risk of the community scheme elements, but this would not be allocating the risk where it is best placed to be managed.

The delivery options that were assessed are as follows:

- Option 1 – A joint venture between the Council and clubs to deliver the Sports Village project and community facilities funded by the Town Deal and matched funding.
- Option 2 – Sale of the sites, to a developer to deliver all of the Sports Village project and associated community development / facilities.
- Option 3 – The Council passes the whole development to the clubs to deliver.
- Option 4 – The clubs, Council and developer create a joint venture on the sites. This could be a form of Local Asset Backed Vehicle (LABV).

7.1.1 A joint venture between the Council and clubs to deliver the Sports Village project and community facilities funded by the Town Deal and matched funding.

This option would involve obtaining an outline planning consent whole the sites and raising matched funding through the clubs to finance the Sports Village project.

Under this approach, the Sports Village project would be constructed by the Joint Venture, who would work up proposals together and then appoint a Design and Build contractor with a fixed price for construction, thereby transferring the construction risk to a third party.

Either the Council or clubs or the joint SPV could be the sponsor to the building contract.

Figure 7.1: Advantages and disadvantages of a Joint Venture

Advantages	Disadvantages
Control over the Sports Village build form and quality.	Need to procure and fund an outline planning consent to ascertain value.
Certainty on Sports Village funding.	Either the Council or clubs would have a level of construction risk to be partially offset by the design and build contract.
Council ensures the required quality is maintained for the Sports Village.	If Council or joint venture, then potentially procurement legislation applies.
Community seen to maintain ownership of the Sports Village.	
Maintain control of funds.	

Source: Mott MacDonald, Feasibility Study 2021

7.1.2 Sale of the sites, developer to deliver all the Sports Village project and community facilities.

This option is primarily the same as Option 1, except the delivery of the Sports Village project, to an agreed specification, would be vested with the developer as part of the deal.

Figure 7.2: Advantages and disadvantages of a Developer Approach

Advantages	Disadvantages
No financial exposure to the Council (theoretically).	Once the deal is completed the Council will have limited control on the final development.
Transfers all development and construction risk.	Need to procure and fund an outline planning consent to ascertain value.
The Council is not seen to be directly financing the project.	Need to fix requirements early in the process to control quality.

Community seen to maintain ownership of the Sports Village.	Potential non-performance by the developer, or their contractors on the Sports Village.
Maintain control of funds.	Loss of flexibility by the clubs and the Council.
	Potential uncertainty on overall delivery.
	Complicated legal structure to return the Sports Village to Council ownership.
	Purchaser will require a risk premium for taking on the Sports Village.
	Council / clubs would still be required to step in if the developer defaulted.

Source: Mott MacDonald, Feasibility Study 2021

7.1.3 Council passes whole development to the clubs to deliver

This approach is like Option 2 but assumes that the clubs are the developer. Under this option the Council would pass the sites to the clubs who become responsible for obtaining planning permission for the whole development and delivery of both the Sports Village itself and any of the possible enabling development receipts.

Figure 7.3: Advantages and disadvantages of Club Led Model

Advantages	Disadvantages
No financial exposure to the Council (theoretically).	Once the deal is completed the Council will have limited control on the final development.
Transfers all development and construction risk.	Delivery will be difficult to control.
Allerdale Borough Council is not seen to be directly financing the project.	Complicated legal structure if the clubs are to return the Sports Village ownership to the Council.
	Potential that quality of any possible enabling development will be compromised.
	Need to procure and fund an outline planning consent to ascertain value.
	Risk premium from the clubs.
	Need to fix requirements early in the process to control quality.
	Loss of flexibility by the Council.

The clubs have little developer experience increasing risk of non-delivery.
Allerdale Borough Council would still need to step in if the clubs defaulted or failed.
Potential legal issues with Town Deal funding and procurement legislation.

Source: Mott MacDonald, Feasibility Study 2021

7.1.4 The clubs, Council and developer create a joint venture on the sites. This could be a form of Local Asset Backed Vehicle (LABV).

With this option, the Council would form a joint venture for the whole development with a developer who would manage the delivery of both the Sports Village and any potential enabling development. This partnership could be with a:

- A land developer (to retail residential plots).
- A residential developer (to undertake the whole).
- A funding partner looking to raise monies supported by the joint ownership of assets.

The developers would be responsible for delivering the finance for the Sports Village project and share (or take all) the risk in building the Sports Village.

Figure 7.3: Advantages and disadvantages of Joint Venture with developer

Advantages	Disadvantages
Specialist residential / land expertise brought in early.	Not many developers have Sports Village and residential experience – limits the number of likely developers for enabling potential.
The Council have some influence on quality of any potential enabling development and the Sports Village.	Complicated legal structure with clubs' contributions.
Share planning costs / risk.	Element of control lost by the Council and clubs (i.e. shared with other partners).
Development expertise.	Possible cash-flow timing issues: planning consent / land receipts and need to build the Sports Village.
Potential access to additional funding.	Developer will require profit for taking on the risk.

Source: Mott MacDonald, Feasibility Study 2021

7.2 Key Considerations – Strategic Delivery Options

On evaluation of the options, it was concluded that Option 1 would be the preferred strategy, for which the Council has considered their primary objectives for the project and the principles they wish to adopt and follow in the delivery of the process. Fundamentally they wish to let the stadium partners lead the project while providing oversight and advice. This decision is based

on the Council's duty and need to ensure control of cost, quality, and timing of the project and to a certain degree is also influenced by the ability of the clubs to manage these aspects on behalf of the Council. The Council is satisfied they are in a position where the structure and control mechanisms enable them to sufficiently control and influence its investment as co-sponsor.

As well as achieving the objectives, the chosen route will also need to protect against the primary risks affecting the project and the Council objectives.

7.3 Governance Options and Preferred Model

As with all major capital projects involving local authorities, there were a number of different options considered by the stadium partners and Allerdale Borough Council in relation to the management and operating arrangements for the Sports Village project.

An analysis of the different options has been conducted as part of this Business Case using comparable information and an appraisal of general advantages and disadvantages of each from the perspective of the stadium partners and the Council.

The operating options that were assessed are as follows:

- Option 1 – Allerdale Borough Council manages and operates the Sports Village directly.
- Option 2 – Management and operation by one or both of the sports clubs.
- Option 3 – Management and operation by a private sector operator.
- Option 4 – Management and operation by a specially created Stadium Management Company.

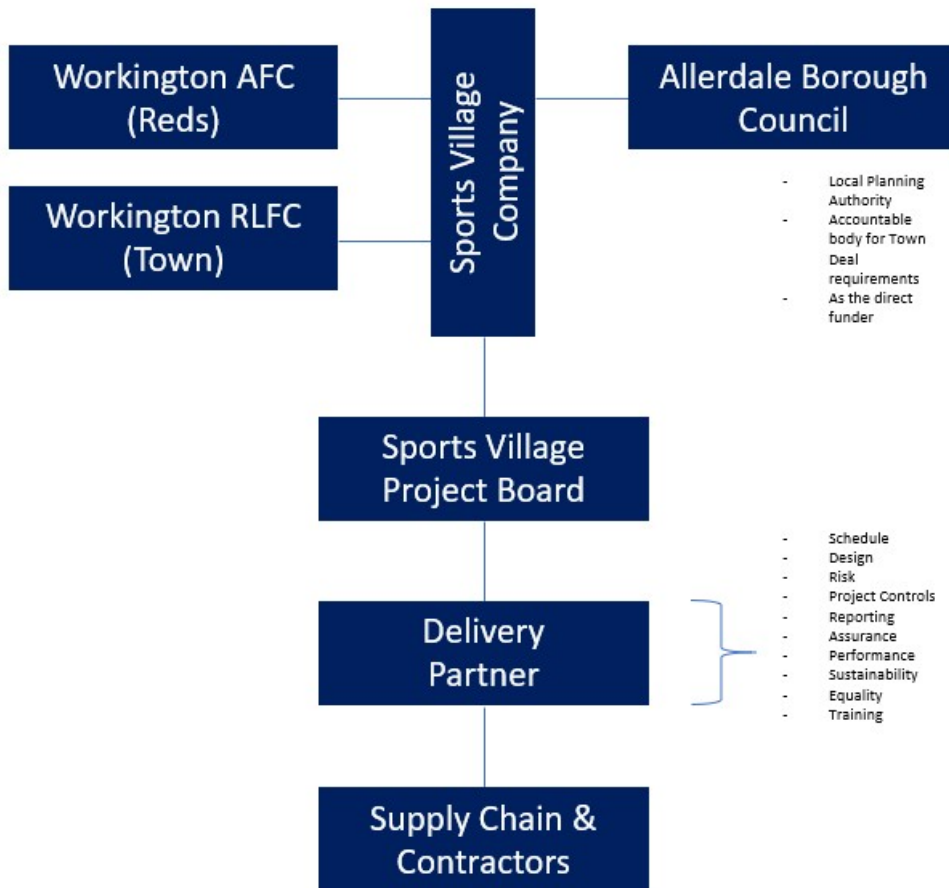
There are a range of advantages and disadvantages from Allerdale Borough Council perspective associated with each model. In addition to the merits of each model, the Council has no appetite for ongoing financial risk or reward but has to consider the control it wants over the venue pricing, programming and promotion. The Council will seek to protect its interests through specific terms in the final versions of management and operation agreements as well as lease documents.

Considerable attention was paid to the management and governance arrangements by both the stadium partners and Council when undertaking a comparator study and engaging in workshops with Mott MacDonald. A strong theme arising from all the examples examined was the failure to carefully consider the implications of the management arrangements could seriously undermine the smooth running and cost effectiveness of the project. The Sports Village must be run like a commercial and competitive business. A simple governance model that enables business efficiency is essential.

Consideration was also given to the risk that faces the professional clubs involved. Evidence shows the smaller the financial burden and overall risks associated with the running of the Sports Village, the greater the chance of the clubs surviving and further developing the facilities. The ownership and management of clubs can change frequently. Where the Council is involved as a landowner and major funder in this scheme, they have the ability to ensure the long-term sustainability of the professional clubs and other key partners. The Sports Village Company being set up as a Community Interest vehicle will enable the stadium partners to raise private capital investment and grants to fund potential subsequent phases for development, which will be dependent on league position etc.

With the support of the Allerdale Investment Partnership (AIP) during the Feasibility Stage of the Sports Village project it was determined that the stadium partners would create a Sports Village Company to operate and construct the facilities. It is proposed that the Sports Village Company creates two subsidiaries, one to construct the facilities (referred to as SV construct) and another to operate the facilities (referred to as SV operation).

The proposed structure for managing the Sports Village scheme is shown below, following which greater detail on the Sports Village Company, and Project Board⁸ is provided.



Source: Mott MacDonald, Feasibility Study 2021

Both subsidiary companies are proposed to have separate roles, responsibilities, and tasks and both will be subject to oversight from the overall Sports Village Company Board. The Sports Village Company would be owned by the clubs each having a 50% share.

The stadium partners and the public sector bodies providing funding are expected to be represented on a Project Board that will meet on a regular basis to review progress. The partners represented on this board will be Workington AFC (Reds), Workington RLFC (Town), The Town Board; and Allerdale Borough Council.

This Project Board is suggested to oversee the delivery of the Sports Village project by receiving regular progress updates from a specially appointed project manager. A particular focus of the progress reports is proposed to be on financial management and the progress of construction.

The board are proposed to hold the subsidiary companies to account, particular the SV Construct which is to construct the stadium in line with preapproved time and budgets. It is

⁸ The Sports Village Project Board currently exists in a 'shadow' form, pending the Sports Village Company being established.

anticipated the board will significantly reduce its role on oversight once the delivery is complete and the SV Operation arm takes over management of the completed Sports Village.

The board is proposed to maintain oversight, with each member representing the interests of their respective bodies, ensuring the intended outcomes of the Sports Village project are being delivered. Allerdale Borough Council will oversee the appointment of independent directors to the Sports Village Company board, it being a necessity that further leisure / stadium expertise is realised. The Allerdale Investment Partnership is currently advising on this board structure which is anticipated to feature two directors from each of the stadium partners and a further two independent directors. The board will be diluted if an operator come into the Sports Village.

The role of the two proposed companies, SV Construct and SV Operation, that are to be directly responsible for the management of the project, in its entirety from inception, construction and operation, are as follows.

7.3.1 SV Construct Subsidiary

SV Construct is proposed to be a single purpose delivery vehicle that will be created to oversee the construction of the Sports Village project. SV Construct will be a subsidiary company, owned by the Sports Village Company (the official organisation that receives and manages the funding and schedule of the project).

SV Construct is expected to be led by a local project manager, a shortlist for which is to be assembled by the stadium partners. SV Construct will be directly responsible for the entire construction of the SV and it will be the duty of this subsidiary company to manage the various contractors employed during the construction period.

It will be the core duty of SV Construct to ensure the construction of the Sports Village project is delivered on time and on budget and regularly provide progress reports to the Project Board.

Once the Sports Village construction is complete, SV Construct will be closed and all duties relating to the Sports Village will pass onto SV Operation, which will be created for this purpose.

7.3.2 SV Operation Subsidiary

SV Operation is proposed to be a single purpose delivery vehicle that will be created to oversee the operation of the Sports Village. SV Operation will be a subsidiary company, owned by the Sports Village Company (the official organisation that receives and manages the funding and schedule of the project).

SV Operation will enable the stadium partners to raise private capital investment and grants to fund potential subsequent phases for development, which will be dependent on league position etc.

During the construction period, members of SV Operation are proposed to source naming rights partners and various grants for the Sports Village. If successful in gaining a naming rights partner, the Sports Village is likely to be renamed. The revenues from any sponsorship and grants relating to the facilities will be retained by the overarching Sports Village Management Company.

An initial assessment of the requirement for staff by the clubs has seen the need for a Sports Village (Stadium Manager), Sales staff (Front of House / Shop / Reception), Ground staff (Groundsman / Maintenance); Health and Safety (Stewards / Officers); Bar Staff (Management / Staff); and administration staff to be provided by one of the clubs involved. Initial budgeting to fund these positions will be set out in business plans.

The initial business plans are expected to be conservative from the stadium partners, despite the Sports Village having the potential to be a large exhibition and concert venue for West Cumbria. They are likely to show that food and beverage and event income for the SV Operation will be relatively flat in terms of cash in and payments out by the Sports Village Company, which is likely to increase over time with popularity.

7.3.3 Council Internal Organisation for Project Delivery

Allerdale Borough Council has maintained a robust 'ethics wall' on this project between its landowning (executive) role and local planning authority (regulatory) functions.

There are sound precedents for this clear divide and structure to perform from previous major projects, involving either partnership with developers or planning applications submitted by Properties Services on land owned by the Council.

Delivery of the Sports Village project will involve a working interface between the ABC Project Team and the stadium partners. The relationship will change, depending upon the three stages of the project as outlined in Figure 7.1 below.

Figure 7.1: Relationship between Allerdale Borough Council and the Clubs

Stage	Relationship
1. Pre-construction	Joint Project Board
2. Construction	Allerdale Borough Council as local planning authority / Allerdale Borough Council as accountable for the Town Deal / Allerdale Borough Council as a direct funder / Joint Project Board and monitoring
3. Post-Construction	Sports Village Company ownership and operation / Allerdale Borough Council as accountable for the Town Deal / Allerdale Borough Council as a direct funder / Joint Project Board and monitoring to realise benefits

Source: Mott MacDonald, Feasibility Study 2021

The Sports Village Company operating structure will enable the group to maximise operating revenues, capitalise on grant funding and provide a structure for achieving cost savings, arising from the joint operation of the two clubs and with expert advice. The proposal is for any group operating profits to fund further development phases of the Sport Village project before being attributed to other uses. The income streams will be dictated by the stadium partners individual Business Plans and made in line with initial contributions to the Sports Village Company.

7.3.4 Governance of the Town Deal Board

The Town Deal Board is a vehicle through which the Workington Town Investment Plan has been developed and will oversee the development of the Sports Village project and others once approved by Central Government.

The board includes membership specified by the Government in its Town Deal prospectus, as well as businesses, business and community representative organisations, public sector and other partners committed to improving Workington.

Is key tasks have been to develop and agree an evidence based Town Investment Plan, including concept projects and interventions. Once the Town Investment Plan was approved by Government, a detailed plan of projects and interventions were developed, through to the business cases for each project.

The Town Deal Board once the Business Case is submitted for the Sports Village project will continue to coordinate resources and collaborate with stakeholders. The board will act in an advisory capacity to the Council as the accountable body for the Sports Village and the other regeneration projects that have been identified.

7.4 The Football Association Resource

The Football Association have demonstrated early commitment to the Sports Village by allocated a Development Officer to Workington AFC (Reds) to provide support over an 18-month period. They will provide specific club related support along with focusing on the development of the Sports Village project.

7.5 Operational Analysis

Commercial sustainability is one of the essential success criteria of the Sports Village project. This presents a significant challenge, as the Feasibility Study has shown, that most stadiums of this nature operate with some form of subsidy. There is no budget identified to provide ongoing revenue for the Sport's Village ongoing operation. The stadium partners have a limit on the amount they can pay for its operation, if running costs increase or income generation targets are not reached it will threaten the position of the stadium partners.

There is a relationship with the level of revenue generated and the capital costs of the Sports Village project. In assessing the options of what should be included in the stadium model, serious consideration was given to capital cost, operating costs and income generating potential against the ability to meet project objectives. Some of the facility mix components have the addition benefit of contributing to the wider community offering and strengthen the achievement of another essential criteria of the project.

The stadium partners have high expectations of the new facility and would like to see their revenue positions improve to assist in their sustainability and progression. The first call on any income generation must be the basic operation of the Sports Village core stadium. Once these costs are covered, a profit share mechanism will distribute funds from the Sports Village Company. The operating arrangements will improve for the clubs drastically given they will be moving into a shared facility, and the new facility presenting a significant reduction from the current maintenance costs.

Under the Sport Village Company structure the clubs must see a benefit in additional usage / programming at the facility through an established profit share arrangement.

7.6 Transfer of Land

The Council has already exercised its power to purchase the Lonsdale Park site. In line with public sector funding being realised land ownership will be transferred over to the Sports Village Company. They will be the custodian and hold the land of behalf of the stadium partners.

Conditions will be associated with the transfer including provision of a legal charge or option back to the Council or its nominee to protect funding conditions.

7.7 Use of Specialist Advisors

Mott MacDonald, and other specialist advisors including the Allerdale Investment Partnership are already engaged in providing management, planning, and other advice to the scheme.

Specialist advisors will continue to be used, reporting to the clubs and with ultimate direction from the Sports Village Company. Architectural specialists Manning Elliott have been providing architectural support to the stadium partners but at this stage have not been formally engaged on the Sports Village project. As the accountable body Allerdale Borough Council have suggested that grant conditions will apply relating to the appointment of specialist advisors for the Sports Village project moving forward.

7.8 Delivery

The construction schedule of this project is proposed to run from September 2023 to November 2024 when the Sports Village will be fully operational, though this is dependent on the stadium partners securing the necessary funding support. Figure 7.2 below sets out the latest development programme for the Sports Village project.

Figure 7.2: Sports Village Development Programme

Key Milestone	Description	Indicative Date
Public sector funding confirmed	Funding agreed with Allerdale Borough Council and Town Deal (Central Government, enabling the project to progress)	June 2022
Commission updated design brief alongside masterplan	Fast-track design work for the Sports Village to advance to appointment of a Stage 2 contractor	June 2022
Pre-application public consultation	Undertake public consultation in line with the statutory requirement for the Sports Village project	July 2022
S106 and Planning discussions	Submit formal plans that extend on the previous planning application and limited issues identified during the process	July 2022
Matched funding achieved by the Stadium partners	Matched funding to deliver further community facilities and wider aspiration is to be secured prior to entering contractor procurement.	June 2023
Procurement / Appointment of contractors	Procurement and appointment of contractors for demolition works at Borough Park / Lonsdale Park	June 2023
Commencement of demolition works	Demolition works, the first major step in the construction of the Sports Village project	September 2023

Commencement of construction work on the Sports Village project	Construction of the Sports Village project begins	October 2023
Commencement of installation of pitches and sporting facilities	Installation of pitches and sporting facilities	June 2024
Main Sports Village building opens to the public and community use	Operational phase starts	November 2024

Source: Mott MacDonald, Feasibility Study 2021

7.9 Monitoring and Evaluation Plan

Monitoring of anticipated outcomes and impacts of investment in the Sports Village project is an important exercise for ensuring the project delivers value for money. These are to be set out in the Town Deal Heads of Terms Agreement and are derived from the Workington Town Investment Plan, as follows:

- Improved perception in Workington as a place.
- Increased tourists and visitation associated with Workington venues and events.
- Increased participation in sport.

Once public sector funding is confirmed and necessary approvals, a Benefits Capture Plan and Monitoring and Evaluation Plan will be produced to provide a framework for monitoring performance and evaluating impact of the Sports Village project in line with the benefits articulated in this Business Case.

During the project's operational phase, evaluation will be carried out through regular progress meetings and reports to the project board. The terms on which public funding from the Allerdale Borough Council and Towns Fund will be provided will include robust monitoring conditions, which require regular reporting to ensure that the project is being delivered in-line with the agreement between the Council and the Sports Village Company. Post project evaluation will follow best practice guidelines to ensure outputs and outcomes are measured against the baseline (current position).

In Allerdale the baseline for participation in sport can be measured with by the number of residents engaging in physical activity (3 x 30-minute sessions a week) as referred to in the Leisure Strategy (2019). This currently sits at 13.2% participating compared to 17.2% in the North West and 16.3% in England. Overall perceptions of Workington according to the last Allerdale Borough Council resident's survey in 2016 highlighted that 78% of people were satisfied with Workington as a place to live. At this point only 62% agreed they could access leisure facilities within the area. There is currently no visitor attraction data for either Borough Park or Derwent Park as a sub-section of Workington's events and venues ecosystem, with future evaluations proposed to be undertaken with Cumbria Tourism.

Allerdale Borough Council is currently considering the prospect of partially assuring the benefits of the Sports Village project by getting the stadium partners to sign a long lease that would ensure each organisation's linkage to the Sports Village in the long-term.

7.10 Risk Management Arrangements

A risk management plan is under development with the Project Board. The key risks identified for this stage of the project are:

- The Sports Village Company fails to secure the funding to support its proposed matched funding investment in the project.
- Construction costs – inflation impacts on delivery of scheme within budget.
- Commercial model fails to generate sufficient revenue to sustain facilities.
- One of the clubs goes into administration.
- Delay or failure to secure planning permission.

Depending on the stage of the project in which a risk is identified it is proposed to be managed by the relevant subsidiary of the Sports Village Management Company (SV Construct and SV Operation), under the leadership of a specialist project manager with this being a grant condition enforced by Allerdale Borough Council.

The on-going identification and management of risk will be included in the regular progress reports provided to the Project Board. This will enable them to monitor risk management and provide an additional level of scrutiny to ensure that all relevant risks have been identified and appropriately managed.

A contingency (to be confirmed with financial case) has been included in the budget for the construction of the Sports Village to allow for the continuation of the project, should risks materialise. During the operation of the Sports Village, on-going risk management is proposed to be the responsibility of the SV Operation.

The project risk register is set out in Appendix A.

7.11 Environmental Sustainability

Allerdale Borough Council through its Council Strategy 2020 – 2030 is committed to considering environmental sustainability when developing. Sustainability is at the heart of most of the Council's policies.

The Sports Village project aims to respond to this in addition to Central Government's ambitions and commitments, including Net Zero and with other environmental targets. Over the long-term the ambition for the Sports Village project is to develop as close to carbon neutral as possible, this will be addressed between RIBA Design Stage 2 and 4. The stadium partners will develop an Environment and Sustainability Strategy at this point to address the various climate change and environmental issues.

The facilities are proposed to comply with the requirements of Part L2A of the Building Regulations. A BREEAM 'Excellent' rating will be targeted in the first instance, to be a leader amongst Community Stadiums in the UK.

To further satisfy these ratings consideration will need to be placed on energy consumption and insulation stipulations. A Site Waste Management Plan, in accordance with 2008 regulations, will require best practice and the accountability of a contractor.

To satisfy this rating further consideration will need to be placed on energy consumption and insulation stipulations. A Site Waste Management Plan, in accordance with 2008 regulations, will require best practice and the accountability of a contractor.

With regards to the operation of the Sports Village, energy usage is proposed to shut-off dormant spaces when not in use and efficient equipment such as LED lighting to be used. Energy monitoring will be undertaken. Building services will include a full recycling collection. Recycling resources will also be used, e.g., catering products.

Local sourcing will be prioritised by the stadium partners especially around catering and food to come from marketplaces in the region and encouraging active travel and public transport with various incentives in place.

7.12 Stakeholder Management

A Stakeholder Engagement Plan has been produced by Mott MacDonald, with early engagement having been undertaken with selected sport / local stakeholders, business, and organisations of relevance to gain a better understanding of the facilities and specifications required. As further evidence in the Strategic Case.

A high-level Stakeholder Map has been developed by Allerdale Borough Council and remains relevant as the stadium partners prioritise hard to reach groups. The Sports Village project is intended to be an engagement and partnership-first approach, putting the public at the heart of the development (it is envisaged that further workshops will include the Cumbria County Council, club members and interest residents).

The workshops will shape the planning proposals and RIBA Stage 2 to 4 design work. It will make sure that the community is well represented in the Sports Village project and phased to community facilities, ensuring that the Sports Village project benefits outlined earlier in the Strategic Case of the document are realised.

Moving forward a programme sets out a five-stage engagement and consultation strategy:

- Stage 2 – promotion and consultation around RIBA Stage 2 to 4 design work / emerging concept plans – to be transparent and to retain control of messages.
- Stage 3 – approval of schemes – promotion.
- Stage 4 – pre-application engagement.
- Stage 5 – submission to committee – promotion of the application.

Beyond the submission of full planning, the primary stakeholder management required as part of the project is in cooperation with various stadium partners and nearby residents / businesses.

8 Appendices

Appendix A – Project Risk Register

This section identifies the key risks and critical success factors for the Sports Village project.

At this stage of any large project several significant but manageable risks can be identified. A risk register has been prepared by the Sports Village project board. Each risk has been rated based upon its impact and likelihood. Below sets out the medium – high risk items only.

Risk	Impact	Likelihood	Mitigations
Construction costs inflation impacts on delivery of scheme within budget.	4	2	Contingency provision included within cost estimates. Robust financial / project management mechanisms. Project scope reviewed / value engineered as required. Appointment of experienced project manager for project.
Sports Village Company fails to generate match funding required.	4	2	Ensure appointment of appropriately experienced directors to the Board. Robust business plan required. Phased approach to development proposed.
Commercial model fails to generate sufficient revenue to sustain facilities.	4	2	Ensure appointment of appropriately experienced directors to the Board. Robust business plan required.
One of the clubs goes into administration.	4	2	Sports Village Company structured to ensure ongoing operation of facilities. New tenants to be sought.
Delay or failure to secure planning permission	3	2	Early and ongoing engagement with the local planning authority.