

Report to Glapthorn Parish Council on 20th June 2019

Recreational Field and Car Park Capital Scheme

1 Purpose of the report

1.1.1 To inform the Council of

- Recent developments regarding planning, funding and other matters
- A potential timetable for the project including the inter-dependencies and critical path
- The budget for the scheme and its financing whilst accepting that any forecasts of costs cannot be firm until such time that tenders are invited and received for the main contracts for construction works
- The risks involved and any mitigation measures needed.

1.1.2 To request the Council to approve the actions needed and expenditure required **now** to progress the scheme with such decisions to be taken in the context of the risks identified in this report and the financing situation.

1.1.3 To suggest to the Council any actions needed to inform the community of the current situation and to seek support, including financial support, to enable timely progression of the project

1.2 Matters including details of cost estimates submitted by potential contractors must remain confidential to ensure the tender process is not compromised. Discussion of such detail will require a resolution to exclude the public and press from the meeting. However it is intended that this report should be available for public inspection and comment. Therefore, only summary cost figures are included. A more detailed financial analysis will be circulated separately to Councillors under confidential cover.

1.3 The Council is reminded that any decision to spend must be fully justified and comply with our Financial Regulations. Particularly, 4.6 which says, "No expenditure shall be authorised in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the council is satisfied that the necessary funds are available and the requisite borrowing approval has been obtained".

2. Recent Developments

2.1 Heads of Terms have now been received from the Vendor of the land; these are considered in the confidential report. It has been agreed that each party will meet its own costs although if the matter does not proceed then the Council has agreed to meet the Vendor's professional costs to the sum of £1000.

2.2 The Diocese has agreed to commission the production of Heads of Terms for the lease giving access to the proposed car park. The Council has confirmed that, upon receipt of the Heads of Terms and acceptance of those terms, the Council will make a payment to the Diocese of circa. £2000 to cover land agent fees and any preliminary legal expenses. This agreement has been discussed by the Council and it was reluctantly accepted that it is necessary to make progress; however the Council has continued to express its concern about the scale of these costs which will eventually total £6000 if the lease is finally agreed.

2.3 A meeting has been held on site with a Surface Water Drainage design consultant as there has been considerable concern that the planning conditions will impose significant and unexpected extra costs. However a possible approach was discussed which would use the ditch to the southern (school) boundary as the attenuation resource to provide 300 cubic metres of water storage to accommodate a 1 in 100 year storm, plus 40% climate change, and control the outflow to the parish water courses to no more than 3 litres / second. If acceptable, along with associated design features, then the costs will not be excessive.

- 2.4 It was suggested by the Surface Water Drainage Team at NCC that a proposal to culvert the ditch would be unacceptable for environmental and practical reasons. This was queried with ENC as the planning permission explicitly includes the culverting. A response from ENC and NCC is awaited. However the meeting referred to above and the emerging proposal suggests that the ditch should not be culverted. This would have some implications for the layout of the site particularly the car park but this should be manageable.
- 2.5 Attempts to secure less costly persons with the requisite expertise to undertake the ecological survey have not been successful.
- 2.6 The National Lottery bid has progressed through stage 1 approval and will go forward for final decision at stage 2 in July. A site visit and subsequent correspondence appear to be most encouraging for a positive outcome.
- 2.7 A second grant has been received from the East Northamptonshire Resource Management Fund with support from our local District and County Councillor, Annabel de Capel Brook. The £4000 grant follows an award of £1500 last year.
- 2.8 Sport England has clarified that the 12 month availability of its grant (of £75,000) commences from the date of the grant award letter which will only be issued once the Council confirms success with its National Lottery grant. This is most welcome as it means the grant will be available through to summer 2020 and thus will not impose the timetable constraint we feared.
- 2.9 Elsewhere on the agenda it is proposed that purchase of the vehicle activated sign be progressed. This is a condition of the planning approval for the scheme and also serves a more general and highly desirable road safety objective for the village.
- 2.10 Also on the agenda is the proposal that alongside all the actions set out in this report, it is important to proceed on the formation of the Charity so that it will be in a position to structure the governance and commence other preparations to take over the running of the car park and playing field in due course. At a recent meeting of the Playing Field Association it was agreed to apply for charitable status on the model proposed by the Council and to take steps to open its own bank account.
- 2.11 The legal and financial regulations regarding tendering have been investigated. The Council is required by statute to advertise the two works contracts i.e. i) playing pitch, and ii) access road and car park, through the Government scheme – “Contracts Finder”. This also means adhering to the process as set out and justifying the award of the works through that tendering process. This adds some complexity to the process but may well generate more competition and better prices. On the other hand the scrutiny of the contract award will be more visible.

3. Projected Timetable

3.1 Timetable

The **Appendix** shows the main tasks and possible timescales. This programme plan makes no provision for slippage. It shows the need for action now to agree Heads of Terms for land purchase and the license agreement. It also shows the significant amount of work needed to commission consultancy work to address the planning conditions and to submit these to the Local Planning Authority. At the same time (over the summer) design issues must be finalised and tender invitations prepared. The programme suggests that work will not start on site before 1st October. This is probably the very latest date desirable for ground works and soil

moving before winter conditions set in. It must be remembered that grant availability from Sport England assumes draw-down within one year of issue of the grant award letter. CFF funding (to be used for land purchase) must be drawn down by January 2020.

3.2 Key Dependencies and Critical Path

The basic flow of actions (simplified) is

June 20 th	PC agrees funding; PC agrees Heads of Terms for land and access; PC commissions work to produce reports to satisfy planning conditions
July 10 th	Submit reports for ENC approval to sign off planning conditions (the LPA has up to 8 weeks to do this but this will need to be expedited and a period of just 4 weeks is assumed i.e. by 10 th August)
July 12 th	Work will need to commence on preparing tender documentation incorporating scheme design issues from consultancy reports (eg Surface Water Drainage and playing field specification).
July 16 th	National Lottery decides on grant award
July 18 th	PC decides on overall financial viability; land purchased and lease agreed.
August 16 th	Complete tender documents and invite tenders
Sept 4 th	Closing date for tenders with award on 11 th September
October 1 st	Construction works start.

If any of these dates are missed then it could impact on the deliverability of the project. Hence this report proposes that the decision to proceed is taken at this Council meeting. However, before resolving as such, the Council will need to be fully aware of the financial context and the risks involved when committing spending.

4. Budget for Scheme

The figures below are deliberately presented in four stages as each represents a separate decision point for the Council namely;

- Column 1** 2018/19 expenditure already incurred (and financed)
- Column 2** 2019/20 expenditure at issue in this report (June)
- Column 3** 2019/20 if National Lottery grant awarded then Council to decide to purchase land (July)
- Column 4** 2019/20 with the benefit of tender prices, Council to decide whether to award construction contracts (September)

TABLE 1

Expenditure projected	2018/19	2019/20	2019/20	2019/20	TOTAL
	Agreed and spent	For decision	Land purch' etc	Works costs	
Costs up to & including planning application	3398				3398
Fees to Diocese re lease		2000	4000		6000
HoT fees to land vendor		1000	-1000		0
Biodiversity study		1000			1000
Drainage design		2000			2000
Pitch assessment & specification		2000	2000		4000
Council's legal fees			2000		2000
Land Purchase			90000		90000
Road and Car park, Playing Field and associated works costs				147000	147000
TOTAL	3398	8000	97000	147000	255,398

It must be emphasised that the table above shows the **possible** costs of the overall scheme (Phase 1 only – excluding playground and changing rooms). Some of the larger items are estimates and the true cost will only emerge once tenders are received and works completed. Variances will emerge and the budget will need frequent updating.

A decision to spend at each of these stages must be fully justified and comply with our Financial Regulations.

Once the Council is notified of the decision of the National Lottery then the funding position (based on the above spending forecast) would be (Table 2 over-page);

TABLE 2

Receipts Projected	2018/19 Agreed and spent	2019/20 For decision	2019/20 For land purch' etc	2019/20 For Works costs	TOTAL
PFA fund raising	1869	500		1500	3869
PC contribution fore 2017/18	250				250
PC contribution 2018/192	2000				2000
PC cfwd 18/19 to 19/20	-2221	2221			
PC contrib 2019/20 for decision		1279			1279
ENMRF Grant	1500	4000			5500
PWLB loan			60000		60000
CFF from ENC			50000		50000
Sport England				75000	75000
National Lottery				50000	50000
To be found through tendering / volunteer efforts / local fund raising / additional grants					7500
	3398	8000	110000	125000	255398

If the expenditure forecast is correct then this would imply that even with a National Lottery Grant of £50,000 there may still be a shortfall. If tender prices are higher than anticipated then the shortfall will increase. Obviously every effort will be made to come in under the forecast spending figures.

Column 2 in Table 1 (Spending of £8000 for decision) is shown to be matched by receipts / budget of £8000 in Column 2 of Table 2. However it must be noted that this figure includes some additional call on the Parish Council's own budget beyond what was approved for this year.

5. Risks

The risks involved in the scheme can be identified as:

- should the lottery bid not be successful, or the scheme not progress for some other reason, then the £8000 expended, if agreed, will be abortive (in addition to the spending of £3398 already incurred in 2018/19),
- that the overall financial viability of the scheme depends upon receipt of National Lottery grant, competitive prices for construction costs at tender and / or additional grant assistance from new sources, none of which can be guaranteed at this stage.
- The project is very large relative to the resources of the Council and the Council does not have the spending resources if there were to be any significant escalation of costs. The expenditure projections have minimal contingency allowance.

- The timetable for the project depends upon others not least the timely production of consultants reports to address the planning conditions and especially the quick response from the Local Planning Authority in accepting the proposals.
- The work load between now and inviting tenders is very onerous. The Council is not employing a project manager or quantity surveyor. So, for example, the Council will have to produce

Planning Condition 3

Prior to commencement of development, full details of the Playing Field design, surfacing specification and proposed construction methods (for approval).....

Planning Condition 13

Prior to commencementfull details .. to demonstrate compliance with NCC High ways Parking Standards

Design details showing access road meets NCC requirements where it joins the highway

Scheme Specifications and tender invitations

Of sufficient detail and quality to ensure both a competitive and, from the Council's perspective, safe tender invitation and contract conditions.

Good governance requires that the Council acknowledges these risks and takes whatever remedial actions are appropriate to address these risks., The Council also needs to set down clearly its reasons for pursuing this scheme in the context of the risks involved. The Council may wish to consider the following statement and decide whether it accurately addresses the risks and explains how the Council intends to mitigate its risks:

The Council notes that it accepts the risks identified as necessary to progress this scheme in accordance with the Parish Referendum of 2018 and will address these risks by only incrementally committing resources as and when the costs and financing positions become clearer. The Council intends to mitigate the risks by dividing the project approval into three distinct phases

1) June 20th – commitment only to spend the amount necessary to address planning conditions

2) July 18th – Council to decide whether to progress to land purchase in the knowledge of the funding situation, the Heads of Terms for the land and access and the consultants reports on whether planning conditions can be resolved in a timely and cost effective manner.

3) September 11th Council to consider tenders and decide whether to proceed in the light of a revised and a better informed budget and financing appraisal.

A considerable amount of technical work is needed over the coming months and the Council does not have the in-house expertise in these matters. The Council may wish to consider whether it needs to appoint a project manager to oversee these works and the construction phase. Such costs have not been budgeted for.

5. Further Public Involvement

The Council may wish to consider whether it is timely to provide up to date information on the progress of the scheme, the risk analysis and the funding situation. This could be done in partnership with the Playing Fields Association especially as discussions with the community on further fund raising initiatives would be timely.

6. Recommendations

It is recommended that

1. Discussions continue on the Heads of Terms as set out in the confidential report.
2. The spend of £8000 be agreed as set out above including an additional £1300 from the Parish Council budget for 2019/20.
3. The Council authorises commissioning of Consultancy work to address planning conditions.
4. The risk statement in paragraph 4 above be adopted.
5. A decision be taken on how further consultations and communications might be taken forward.
6. The Council considers whether to appoint a project manager.

13/06/19