

Redditch Borough Council
Football task Group Interim Report

Introduction

The Football Task Group was set up by Overview and Scrutiny Committee partly in response to a request from the Executive Committee to look at the demand for future footballing provision in the Borough. The Task Group's key objectives are:

1. To establish the current and future need for community football in Redditch, including existing provision in the Borough, potential alternatives and how provision can be helped and supported;
- 2. To investigate the sustainability of Redditch United FC for the future, with particular focus on the current relationship with the Borough Council and how this has been affected by recent events;**
3. To understand the potential impacts for community football in the Borough if Redditch United FC relocates or if it is unable to do so.

The Group was asked to report back in April 2014. The Task Group has met on 5 occasions so far and has concentrated on the second of its objectives. It is this objective which is the subject of this interim report.

Members of the Task Group are Councillors David Bush (Chair) Andrew Brazier, Andy Fry, Carole Gandy, Pattie Hill and Pat Witherspoon.

Summary of Recommendations

- 1. That the interim report of the Football Task Group be received and noted;**
- 2. That Redditch United Football club be encouraged to discuss with officers how to make the best use of the current football club site;**
- 3. That the second objective of the Task Group, namely “to investigate the sustainability of Redditch United FC for the future, with particular focus on the current relationship with the Borough Council and how this has been affected by recent events” be signed off as having been achieved;**
- 4. That the final report deadline for the remainder of the Task Group’s Objectives be postponed and reviewed at the first meeting of the Overview and Scrutiny Committee in June 2014.**

There are no financial implications for the Council arising directly from this report.

Sustainability of Redditch United Football Club for the Future - Process

In looking at the sustainability of the club, the Task Group re-examined the business case considered by the Executive Committee in November 2013 and evidence presented to the Overview and Scrutiny Committee on 3rd December 2013.

In doing this, the Group met with the following people:

Date of meeting	Witnesses
5 th February 2014	Sue Hanley, Deputy Chief Executive and Executive Director – Leisure, Environment and Community Services; John Godwin – Head of Leisure and Cultural Services Dave Wheeler – Sports Services Manager
10 th February 2014	Chris Swan, Chairman of Redditch United Football Club; David English, Director, Stadium Operation Simon Rowberry, Child Welfare Officer; Julian Workman, Director, Community; Otto Deweizer and Tim Ralphs from Dutch Architects and Design Limited (consultants to Redditch United FC)
5 th March	Ruth Bamford, Head of Planning and Regeneration; Clive Wilson, Senior Water Management Officer, North Worcestershire Water Management
17 th March	Clare Flanagan, Principal Solicitor Paul McLaughlin, Estates Team Leader - North - Property Services

Issues

1. The current position and future options

When the Group met with representatives of the Football Club, we explored which options for the future had been considered by them and why relocation was favoured above others.

The Club currently rents the Valley Stadium from the Council at a reduced rent of £2,000 per year. The rent reduction recognises the valuable contribution the Club makes to supporting community football in the Borough, including a broad spectrum of teams for juniors, women and those with disabilities. The Club is working to develop a “Redditch United” spirit and culture where young people feel part of the bigger club and aspire to play for the first team.

The Council therefore has a relationship with the Club as landlord and also in terms of leisure and health provision.

The Club told us that for the first team, the future is far from secure. Despite impressive efforts by the current Board and particularly by the Chairman, the Club does not have sufficient revenue to enable it to carry on at the current site in the longer term. It is likely that if the Club does not have a firm commitment to a workable relocation plan by May of this year that it will be put up for sale.

First team football does not pay for itself. The Club’s current location and facilities also do not enable it to raise funds through off field activities such as social events. The current arrangement of facilities restricts the community football activities; for example, a lack of appropriate changing facilities means that women’s football is played off site.

The Club has had discussions with Council officers during the last two years to explore options for the future. These were:

- (a) Remaining on the current site and upgrading facilities
- (b) Relocation to a new purpose built facility

The Club confirmed to the Group that they do not have any other options.

2. Remaining at the current site

Facilities at the current site are a full size football pitch currently used for non-league football; terracing on three sides; a 1970s built stand with seating, changing rooms and a function room with a bar. There is also an area of hardcore surfaced car parking.

In considering the option to remain at the current site, Council officers and Club representatives explored the potential to improve existing facilities. This included

possibly installing a 3G or similar artificial surface pitch on adjacent land (Terry Memorial Playing Field) to maximise the ability for community football of different age groups to be played throughout the season.

Legal advice about restrictions placed on the use of Terry Memorial Playing Field meant that this option was not pursued in detail. The Group heard that the Memorial Field was given to the Town with the intention of it being open to public access. There is a legal query over the status of the gift – whether it was a charitable Trust when gifted – which only the courts could decide. However, the Council should still use the land for statutory purposes and is obliged to follow certain procedures if it decided to change its use. Installing a 3G pitch on the Field might be viewed by some members of the public as closing it off from public access if managed by the Football Club and there is a reputational risk to the Council of pursuing this.

Whilst a detailed financial appraisal of likely expenditure to bring the facilities up to date has not been carried out, the Club stated that there are significant costs involved and ultimately the potential income for the club would not increase. Potential financial support from the FA would also reduce. The current facilities restrict how many community teams can play on the current site and this situation would not improve either.

For these reasons the Club and Council officers explored the potential to relocate, on the basis that the Club is a current tenant of the Borough Council and would seek to relocate to land also owned by the Council.

3. Relocation

Following discussions with Council officers, the Club prepared a business case for relocation to a site at Washford in the Arrow Valley Park. This case was reviewed in a report to the Executive Committee meeting of 26th November, which decided that the Council's assets should not be deployed to support the implementation of the business plan of the football club.

The main features of the relocation proposal are:

- Redditch BC sells the current club site for residential development, providing a capital receipt to the Council;
- The capital is spent on developing a football stadium site, including two floodlit pitches, one of which would be 3G; 8 changing rooms, hospitality facilities and car parking;
- In the event that the capital received from the sale of the land is not sufficient to meet the costs of the new development, FA and other grants would make up the difference in cost;

- The Club would rent the new facility from the Borough Council.

In reviewing the basis for the Executive's decision, the Group looked at the following elements of the proposals:

4. Extent to Which the Council can support the Club

The Council is bound by EU law which prohibits the use of public funds to support a private entity. The Group sought clarification on this point relating to the proposed Council involvement with the relocation of the Club. (The Council's support in terms of a reduced rent for the current site is allowed under Regulations because of the contribution made by the Club towards community football).

The background to this is complicated, but basically a decision to build a new facility for football, intended for rent by a specific body, might risk the Council being in breach of the EU law on State Aid. This aspect was not explored in detail at the time of the report considered by the Executive as the basis for any arrangement between the Council and Club was not entirely clear at that stage.

5. Land Value and impact on the business case – affordable housing requirement, Section 106 and other costs

One of the reasons for the Executive gave for not proceeding with the business case was that the potential capital receipt for the current site quoted by the Club was not matched by the valuation of the site provided for the Council by the District Valuer. This then could expose the Council to substantial financial risk if the proposed relocation went ahead on the basis outlined above.

The Group has explored this aspect in detail. In particular we have looked at the basis on which the valuation and offers were given. The valuation was based on 78 dwellings, with 40% of these being affordable dwellings in accordance with current planning policy.

The Club had received indicative offers from developers, the details of which we cannot make public for commercially sensitive reasons, which were substantially higher than the valuation. These had been used by the Football Club as outline valuations in the business case. The highest of these bids did not include for any of the development to be affordable homes, nor did it include any allowance for S106 contributions.

We are grateful to Paul McLaughlin from Property Services who has been able to clarify the situation for us. He researched the current "market rate" for the site, both with and without the affordable housing requirement. Feedback from the agents he contacted indicated if the site did not have any requirement for affordable homes, it would be likely to attract offers between 30 and 50 % higher than the valuation provided to the Council by the District Valuer. However, further deductions would

have to be made for any abnormal development costs and Section 106 requirements and the actual valuations placed upon the site would depend in part on other factors such as the type of housing to be built.

The income received from a sale of the Council land for development is a key element of the proposals for development of a new football facility. The current planning policy of requiring developments to include affordable housing up to 40% (30% in the emerging local plan) clearly adversely affects the ability of the capital receipt to meet the costs of any proposed new development in the proportion originally planned.

In exploring this aspect of Council policy, on behalf of the Group the Chair asked the Housing Portfolio Holder, Councillor Mark Shurmer, whether the Executive would support reducing the social housing requirement for the current football club site and, if so, to what extent.

In his response, Councillor Shurmer told the Group that planning officers had advised that planning policy should be adhered to unless there is sound evidence to the contrary.

He pointed out that the percentage of social housing required for residential development on the current football club site would be a planning decision which he should not attempt to influence. Current and emerging local plan policies are set by full Council and a portfolio holder or the Executive Committee cannot unilaterally change these; if the Executive was to decide to dispose of the current site it could not impose a requirement on any sale that ignored the Council's policies.

6. Land value and impact on the business case - highways requirements

This element applies both to the current site and the proposed residential development and the site at Washford.

Current site – access to the site currently is along a single track from Bromsgrove Road. The Highways authority declined our request to meet the Group to discuss policy relating to this site as their advice is usually given in relation to firm applications, but advice has been obtained outside of the meetings.

We understand that for residential developments in excess of 50 units, Highways require a minimum 5m highway, one 2m footpath and one 2m verge. Initial comments from Highways had indicated that a maximum number of 50 houses could be accessed from the existing access from Bromsgrove Road. This would be on the basis that the access road would be 4.8m wide with one 2m footpath and one verge. If a second similar access was achieved elsewhere, then the number of units could be increased. This could add to the costs of a potential development and reduce the market value of the land.

If a 5m wide carriageway was possible from Bromsgrove Road, then up to 100 houses could be accessed from that point.

7. Planning Considerations

The Group checked the planning considerations that apply to the current and Washford sites.

Whilst all policies have a degree of flexibility, planning policy R.1 states that planning proposals that lead to the total or partial loss of primarily open space would not normally be granted unless it could be demonstrated that the need for the development outweighed the value of the land as an open area. There are various criteria in the policy which determine this and any prospective developer would have to argue how their application met the policy.

Looking at support for football in the Borough generally, we noted that planning policy requires one pitch to be built for every 405 dwellings. This might lend weight to the desirability of the new facility. However, any pitch provided can be for other sports, not specifically for football.

8. The new site – considerations

Specific concerns raised during consideration of the proposed new facility at Washford were the restrictive covenant at Arrow Valley Park and the potential for flooding or a new development increasing the risk of flooding.

The Group has explored both these aspects.

Restrictive covenant – legal advice on the covenant which applies to Arrow Valley Park was included with the report to Executive Committee in November. In summary, the advice given was that the covenant applies but there is some doubt as to how enforceable it is. The Council could decide to develop the land, but there are reputational risks associated with this.

Flooding – the Group explored the potential impact of a new development on the potential for flooding at Washford. We have been advised that any application for development within potentially vulnerable areas for flooding require a supporting, fully modelled, flood risk analysis. These replicate existing flood risks and revised flood risks as a result of proposed development and take into account “river” and sewerage assets.

Clive Wilson, Senior Water Management Officer with North Worcestershire Water Management, told the Group that in his view the proposed development would almost certainly result in:

- Some loss of flood plain storage;

- Some loss of sewerage system storage – a compromised Washford balancing area;
- Some encroachment into the existing flood plain areas, and
- Additional attenuation measures to accommodate increased run off from any new buildings, parking and other impervious surfaces.

Costs for the modelling and attenuation works required have not been included in full in the outline business case and could reach £250k.

9. Conclusions

In reviewing the options available to Redditch United Football Club we have been conscious that the Chairman of the Club wishes to have some certainty as to the Club's future. We are therefore keen that this element of our review is completed and the Club can be advised accordingly.

In reviewing the proposals for relocation of the club, we consider there are a number of risks, particularly in financial terms, which are now clearer than they were at the point the decision was made. In particular:

- Restrictions on the land adjacent to the current site which prevented a full business case being prepared for remaining at the current site;
- the potential land value relating to the current site and the impact on this of the planning policy requirement for affordable homes;
- the potential flooding impact of the proposed new facility and associated costs;
- the risk of the Council's involvement contravening EU law on State Aid.

The scale of these risks lead the Group to conclude that it would not be appropriate to pursue this business case for relocation as proposed to the Executive in November 2013.

In investigating the proposals, the Group considers that there may be potential for improving the facilities for football at the Valley Stadium site. For this reason we are recommending that the Club discusses this with Council officers.