

# FOOTBALL FOUNDATION HUBS CAPITAL INVESTMENT PROGRAMME

Programme Workshops

28 June & 07 July 2022







Welcome team!





# WORKSHOP AGENDA

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*Background*

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**Background**

**1**



# BACKGROUND

- **The Football Foundation** is the Premier League, The FA and the Government's charity.
- We exist to **improve grassroots football facilities**.
- The Foundation has invested more than **£710m** of the Partners' funding over the past 20 years in to more than **17,000 projects**.
- The Government has confirmed additional funding of over **£200m** to football facilities 2022-25
- Our new investment plan strongly aligns the investment from all Funding Partners towards **Uniting The Movement**, delivering a new multi-sport approach and a unified focus on tackling inequalities.



# TACKLING INEQUALITIES

## Priority groups

Investment will focus on: Women & Girls, Disabilities, Diverse Ethnic Communities and Lower Socio-Economic Groups. All projects will engage with these groups with at least 75% providing sustained outcomes.

## Equal access for girls

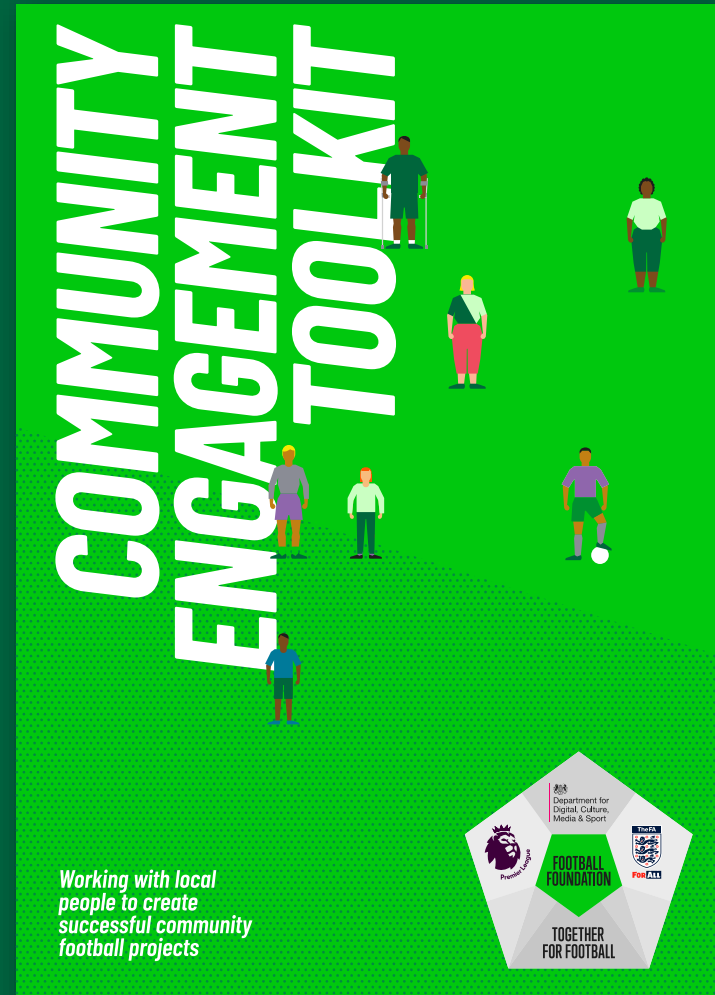
Investment will ensure that every girl has the same opportunity as every boy to play football both at their school and local club.

## Targeted investment

Investment will be priorities into communities that are most in need and where the greatest outcomes will be achieved.

## Community engagement

Community engagement is fully embedded within our processes. Ensuring local groups are involved in project development, helping to tackle inequalities locally and inform the range of sports and activities at facilities.





# HUBS PROGRAMME – ‘PARKLIFE’ ORIGINS

- **Originally an FA-led response** to a rapidly deteriorating public sector owned/managed infrastructure. Since 2010 Local Authority budgets have reduced by 50%+ (especially major towns and cities)
- Hard truth is that public sector is unable to continue to subsidise football to the same level leading to poorer quality stock and higher prices
- **FA Chairman’s Commission** – facilities drive, but also recognition that Parklife Project could front wider development ambitions and links to pro-clubs
- **One part of strategic objective to rapidly increase number of AGPs** alongside single pitch projects delivered by the Football Foundation
- Secondary objective to **create a new revenue reinvestment model for grassroots football pitches** to aid long term sustainability





## WHAT IS A HUB?

*A typical Hub has at least two full-size floodlit  
3G FTP with parking, café and changing.*



## WHAT IS A HUB?

The overall facility mix for each Hub will be site specific and in response to local need, but could include:

- **Grass pitches** – including rugby, cricket etc
- **Small-sided 3G FTP**
- **PlayZones** – supporting other sports
- **Indoor meeting space** – for delivering education and supporting wider community activities
- **Other sports provision** - rugby, cricket, hockey
- **Physical activity facilities** – walking and cycling, health and fitness, outdoor play
- **Other community services** – health and social care e.g. co-location with a GP Surgery



*Our investments are football-led but we want other sports and activities to benefit from our facilities.*



**What have we learnt?**

**2**





***“In 2019, the Sheffield and Liverpool Football Foundation Hubs generated £16.2m in socio-economic value for local communities through football provision.”***

*The FA – Social and Economic Value of Grassroots Football in England, March 2021*



# CASE STUDY— SHEFFIELD

- One of England's most deprived cities
- **84,763 registered members** and 904,647 football visits to-date.
- **31% female usage** — home to women and girls clubs (including Sheffield United Ladies and Sheffield FC Ladies), Wildcats and women's beginner football festivals
- **Diverse programmes** — walking football and Man v Fat, PCSO sessions, Strong Minds mental health group, OAP lunch club, Tiny Toes, Holiday Activities & Food (HAF) scheme
- **Growth across all six partner clubs** since locating to the hubs (up to 87 teams)
- **Education** — 152 students on post-16 courses delivered by Sheffield Utd Community Foundation, Sheffield FC and Football Industry College
- **43% female gym membership** and 'DAWS' disability project.
- **Zero match postponements** during the first season (down from 146 that affected the partner clubs in the previous season)
- **£6.7m per annum economic and social benefit** — Government investment payback within six months (July 2019 FA study)





# THE NUMBERS

## Operational

### 13 Hubs

<b>Sheffield</b> (2016 - 17)	<b>3</b>
<b>Liverpool</b> (2018)	<b>4</b>
<b>Rectory Park</b> (2018)	<b>1</b>
<b>Sunderland</b> (2019 - 20)	<b>3</b>
<b>Stoneham Lane</b> (2019)	<b>1</b>
<b>Gunnorsbury Park</b> (2020)	<b>1</b>
Full-size AGPs	<b>35</b>
Small-sided AGPs	<b>–</b>
Grass pitches	<b>24</b>
Health and fitness clubs	<b>5</b>

## Under construction

### 6 Hubs

<b>Parsloes Park</b> , LBBD	<b>1</b>
<b>Bodington</b> , Leeds	<b>1</b>
<b>Wigan</b>	<b>2</b>
<b>Newcastle</b>	<b>2</b>
Full-size AGPs	<b>14</b>
Small-sided AGPs	<b>2</b>
Grass pitches	<b>30</b>
Health and fitness clubs	<b>3</b>

## Development pipeline

### 6 Hubs

<b>Sheffield</b>	<b>1</b>
<b>Leeds</b>	<b>3</b>
<b>Derby</b>	<b>1</b>
<b>Wanstead Flats</b>	<b>1</b>
Full-size AGPs	<b>15</b>
Small-sided AGPs	<b>9</b>
Grass pitches	<b>20</b>
Health and fitness clubs	<b>1</b>



## RESULTS

*To-date, the 13 operational sites have welcomed **3,041,190 football visits** from 281,923 unique visitors, with 2,599 people passing through the doors of each Hub in a typical week.*



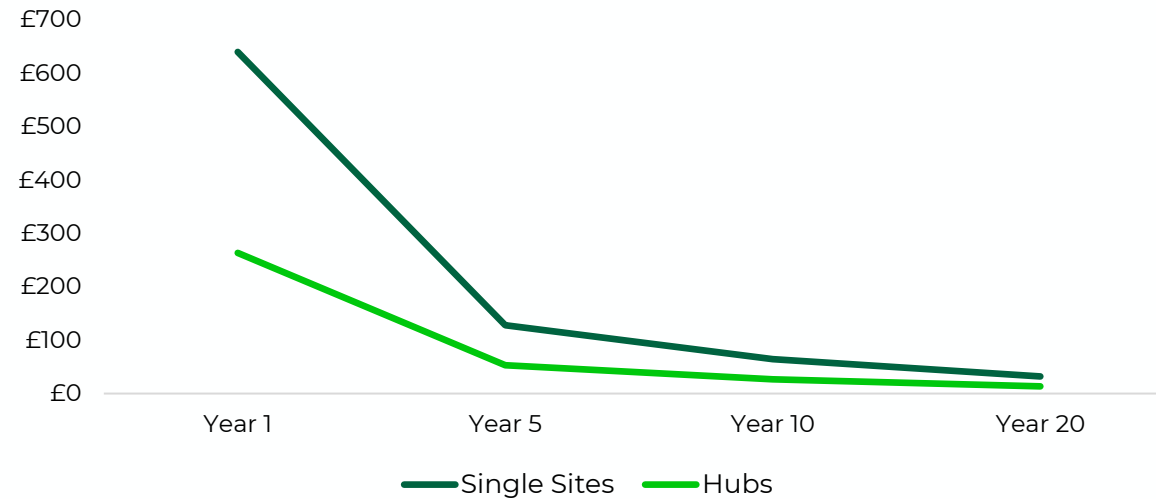
# HUBS RETURN ON INVESTMENT IN COMPARISON TO SINGLE PITCH PROJECTS

Hubs often require significant capital investment compared to 'single pitch' projects – often because the sites which are most suitable for a Hub tend to be undeveloped with no existing infrastructure/ancillaries. This initial outlay is re-paid by the higher usage Hub sites attract.

## What drives Hub usage?

- **Community availability**
- **Diverse programme** – recreational football, central venue match play
- **Quality of ancillary facilities** – changing, social
- **Motivated (football) operator**

**Grant Cost Per Unique User Per AGP**



	Total unique users per AGP in Year 1	Cost per user			
		Year 1	Year 5	Year 10	Year 20
<b>Single Pitch</b>	878	£640	£128	£64	£32
<b>Hub</b>	5,487	£263	£53	£26	£13



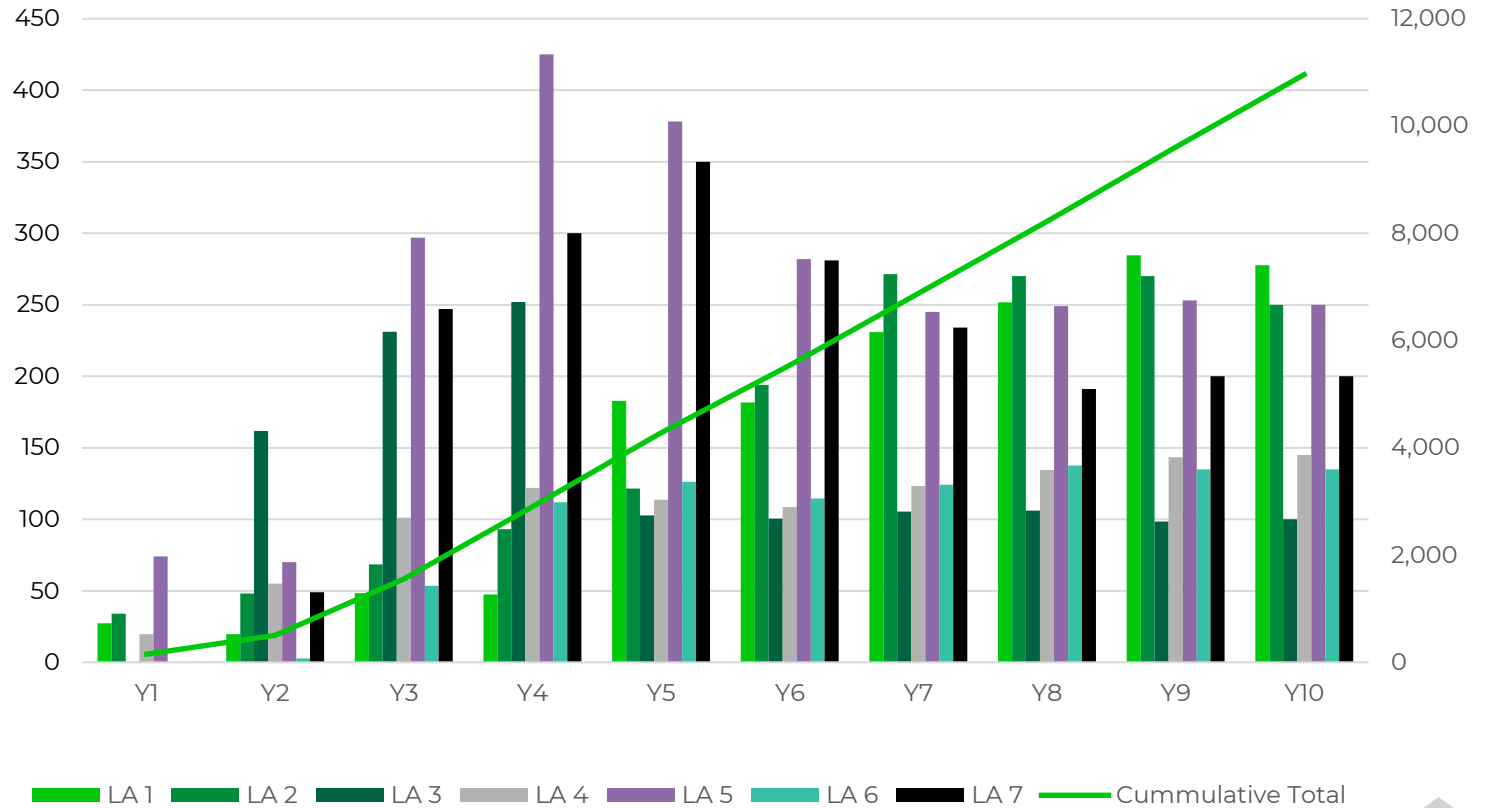
# REINVESTMENT POTENTIAL

The underlying business model provides an opportunity for long term revenue to support grassroots football in your area

The graph shows the expected surplus for seven existing Hub areas over the next 10 years – after set-aside of sinking fund, equipment replacement costs etc.

**Total re-investment is forecast to exceed £11m over the next 10 years.**

### 10-year reinvestment forecast – existing LA areas





# GET THE FUNDAMENTALS RIGHT FROM THE START

- **Engage the community** – understand the programming needs that help tackle inequalities and deliver against the affiliated football demand locally to build the business plan bottom up.
- **The programme doesn't support the repayment of capital borrowing from revenues** so financial planning is key
- Resourcing the project team is key
  - **Senior Responsible Officer**
  - **Project Manager**
  - **Specialists – e.g. planning**

Engage the community to understand programming needs that help tackle inequalities

Appointing an internal project manager to coordinate the project

Get early internal sign off on the SPV governance arrangements

Involve specialist colleagues early e.g. property, planning, legal, procurement, tax, etc

Identifying multi-sport and opportunities for co-location of local services

Financial planning for expected level of partnership funding

Ensuring community engagement is ongoing and remains central to the approach

Continued senior level sponsorship to drive the project forwards

**Investment priorities**

**3**



# A TARGETED APPROACH

- Began with **LFFP demand** with areas with demand for 3+ 3G pitches
- **Consultation with County FAs and FF Delivery Team** filtered the list to areas where we believe Hubs have the potential to be successful
- **Reviewed the list through a 'levelling up lens'** to target areas that have the greatest potential to deliver against the Foundation's measurement framework
- **Latent demand to support a Hub** – junior club and league landscape, population density
- **47 Local Authorities identified**

Upper 40% Priority		Lower 60% Priority
Barnsley	Redbridge	Arun
Basildon	Rotherham	Barnet
Birmingham	Rushmoor	Basingstoke & Deane
Blackburn & Darwin	Sandwell	Bath & NE Somerset
Bradford	Sefton	Brentwood
Calderdale	Stevenage	Buckinghamshire
Doncaster	Stockton	Bury
Dudley	Stoke-on-Trent	Carlisle
Havering	Thanet	Central Bedfordshire
Ipswich	Thurrock	Fareham
Kirklees	Wakefield	Merton
Manchester	Walsall	Milton Keynes
Medway	Wirral	Rochford
Preston	Wolverhampton	South Cambridgeshire
		Uttlesford
		Wealden
		West Berkshire

# TACKLING INEQUALITIES

There are four main groups facing the greatest inequalities which we want to prioritise:

- **Lower socio-economic groups**
- **Women and girls**
- **Disabled people and people with long-term health conditions**
- **Ethnically diverse communities**



As well providing excellent training and match play facilities for clubs and leagues we want a balanced programme of use that supports the Foundation's objective of tackling inequalities through our investment.





# SUPPORTING MULTI-SPORT

## Shared-use (within 60:40 grant funding)

Projects should remain football led, however potential projects could;

- provide appropriate sized changing rooms for other sports such as rugby
- provide flexible multi functional spaces for sport and physical activity
- include shock pads on 3G pitches
- PlayZones
- appropriate maintenance machinery
- Health and Fitness

## Dedicated provision (outside 60:40 grant funding)

- Hockey AGP
- BMX track
- Padel courts



Although our investments are football-led, we want other sports and activities to have meaningful benefit from our facilities and hub projects have huge potential for multi-sport outcomes.





# SUSTAINABILITY & RE-INVESTMENT

To achieve our re-investment aims we're looking for local authorities willing to commit to a management arrangement whereby their site is vested into a **Special Purpose Vehicle** football trust.

This model would retain all surplus revenue for local re-investment back into facility priorities identified in your **Local Football Facility Plan** (LFFP) – particularly grass pitches

We'll cover the SPV model in more detail later.



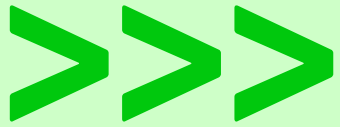
The Hubs Programme aims to create sustainable facilities with multiple artificial grass pitches capable of generating surpluses for local re-investment and less reliant on the public sector.





# Hubs Programme Principles

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At EOI Stage, applicants are required to demonstrate commitment to 7 Programme Principles

**The projects that best demonstrate commitment to the programme principles will proceed to Stage 2 of the application process.**

## 1

### **Evidence of strong relationships**

capable of driving positive change in football participation and achieving wider social outcomes.

- County FA
- Pro Club Community Trust

## 2

### **Willingness to develop a local stakeholder group or consortium to oversee community engagement to ensure the project meets local need**

- Affiliated and recreational football
- Other sports and physical activity
- Local community organisations that can help reach the target audiences

## 3

### **Demonstrating high level political support for the project**

- Leader/ CEO level
- Identified resources to support delivery – senior responsible officer



## 4

**A delivery model that ring-fences all surplus revenue for local reinvestment into grassroots football to:**

- Improve and maintain the quality of grass pitches (good standard)
- Reduce reliance on public subsidy

## 5

**Ability and willingness to vest the completed facility into a Special Purpose Vehicle (SPV) for football:**

- To manage and maintain the facilities on a long-term peppercorn lease
- The National Football Trust has proven to be a successful vehicle to-date.

## 6

**Commitment to raise 40% partnership funding of capital costs**

- To support operational sustainability and maximise reinvestment potential the Programme cannot service any prudential borrowing

## 7

**Willingness to use consultancy/ Frameworks procured by the Foundation**

- To achieve value, speed of delivery and consistency of design across the country
  - **3G Framework** (design and construction)
  - **'Pavilion' Framework** (professional services)

# Special Purpose Vehicle (SPV) Football Trust Model

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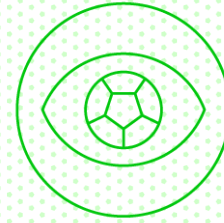
# SPV FOOTBALL TRUST - PRINCIPLES AND BENEFITS



Establish an **appropriate corporate vehicle** for the Hubs programme



Ring-fence investments and stakeholders from operating risk



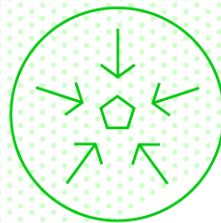
Allows football to have more **responsibility and involvement** in the management of its grassroots facilities



A way of ensuring an **affordable, consistent and high-quality customer experience**



**Charitable status** - transparent, limited liability, tax efficient (e.g. rate relief), public perception



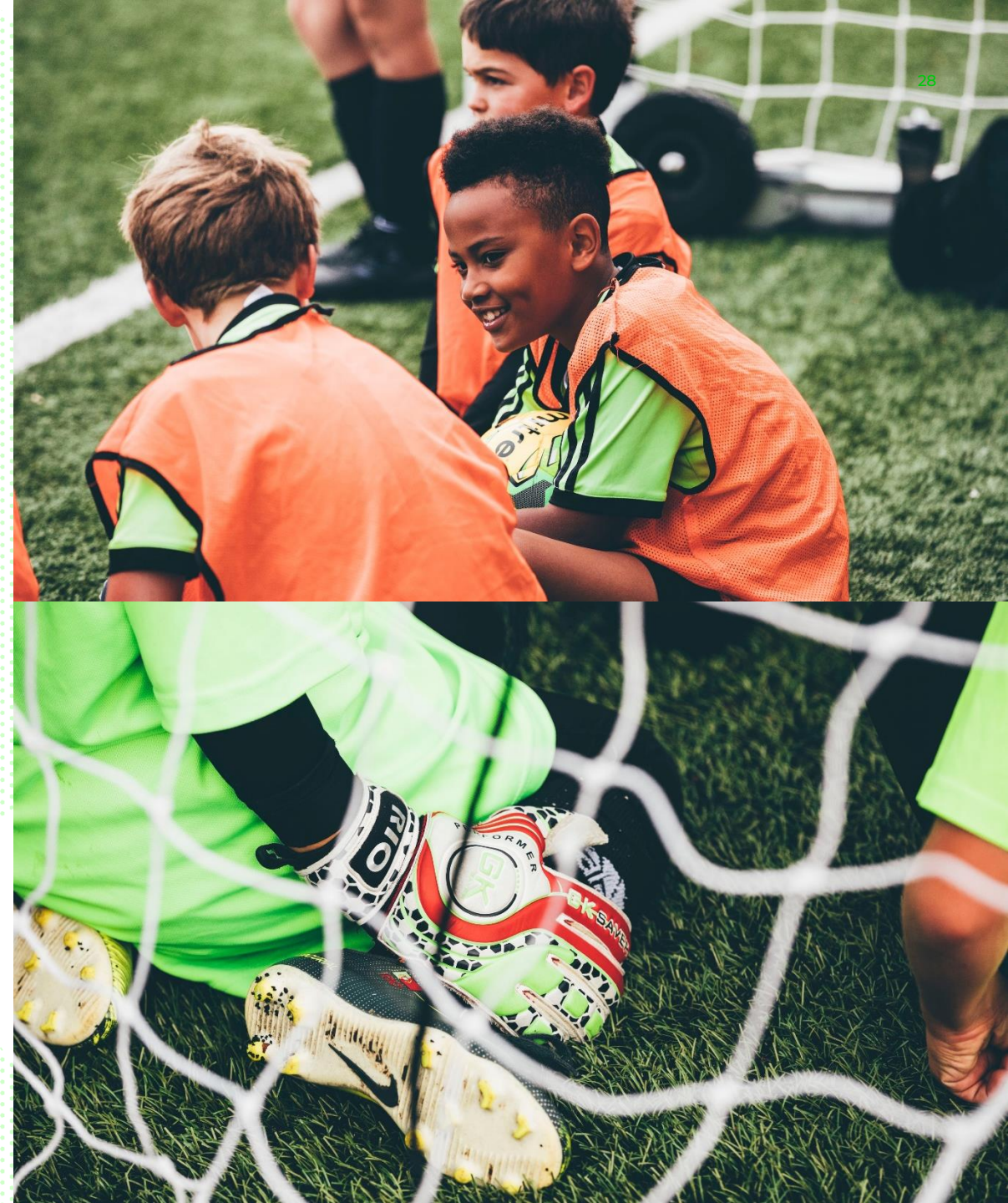
Mitigate the level of **irrecoverable VAT** to the Football Trust



Aim to **avoid passing on input tax (VAT) charge** to end users

# ROLE OF THE SPV FOOTBALL TRUST

- **Vehicle to hold property** through lease arrangements – ring fenced from operating risk
- **Contracting Authority** - appoint and manage the operator
- **Monitor and evaluate** the success of the operations
- **Invest its own funds** (operating surplus) back into the local authority area they were made
- **Manage lifecycle funds** for the replacement of the artificial pitches
- **Vehicle for other funding investment** (e.g. local S106) that further the Trust's charitable aims





# SPV FOOTBALL TRUST / OPERATOR MODEL

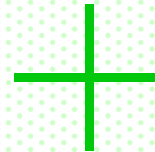


## Local Football Trusts

Individual charities were established in each local area.

### Main issues / learnings:

- **Resource intensive for all parties**
  - I. establishment cost
  - II. on-going cost
- **Operationally inefficient**
- **Trustees didn't have the time / expertise** to properly manage or support the operator



## Operator

An operator was procured for each local area.

### Main issues / learnings:

- **Limited knowledge of football operations** in the core leisure market
- **Little market appetite** - limited cash flow and limited profit (risk and reward balance)
- **A high cost of bidding** for each individual opportunity
- **Offered no economies of scale**
- Operator wasn't involved in the facility development process
- The leisure market had **little interest in specialist football sites** and football operators need a profit

# HUBS & COVID-19

- The Sheffield, Liverpool and Sunderland Hubs were operated under separate contracts by the same private operator
- In each instance the operator had sub-contracted the day to day operations to a Charity – Leisure United
- 20<sup>th</sup> March 2020 – closure of leisure facilities:
  - Leisure United flagged it had limited reserves and would need financial help to survive
  - The principle operator stated that it was in financial distress itself and could not assist Leisure United
- COVID-19 resulted in the exit of the principle operator
- Leisure United took-over full responsibilities as an emergency measure to protect jobs and maintain services
- Procurement rules meant that the direct arrangements with Leisure United could only be temporary
- A long term solution was needed to safeguard the investments and before any new investment into the near pipeline of Hubs
- It was clear that the operator market was in severe distress and an open procurement was not going to be viable

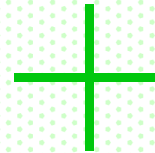


# SPV FOOTBALL TRUST / OPERATOR MODEL



## The National Football Trust

- Established in 2021
- **Offers a simplified structure** and **economies of scale**
- Maintains the same **commitment to local re-investment**
- Maintains the **same level of local involvement** (via Local Advisory Groups)
- **Direct oversight by The FA, Premier League and Sport England** as Trustees
- The NFT has the ability to either:
  - i. Procure an operator for each opportunity
  - ii. Engage Leisure United (Teckal exemption)



## Leisure United as Operator

- E-2-E charitable model that **keeps all funding within football**
- **Covid-19 response / due diligence:** no evidence of a credible alternative that provided the required certainty and stability
- **More efficient facility development process**
- Clear advantages for a single operator business – economies of scale, standardisation and efficiencies etc.
- Single national brand to drive participation, revenue and awareness

A recent Leisure United case study can be found here



# The National Football Trust as the SPV

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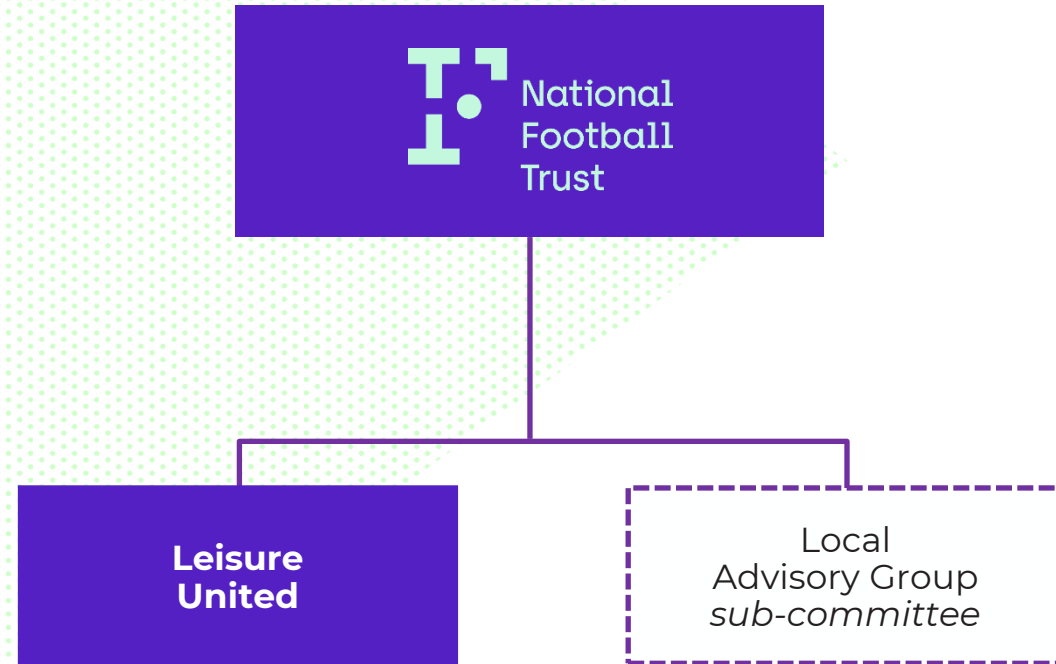
# NATIONAL FOOTBALL TRUST – COMPANY STRUCTURE

The National Football Trust (NFT) and Leisure United (LU) are both Registered Charities and Companies Limited by Guarantee.

1. LU is wholly owned and controlled by the NFT
2. LU is devoted to only managing facilities controlled by the NFT
3. No private participation
4. Commitment to re-invest 100% of all surplus income

## NFT membership:

- The Premier League (1)
- The FA (1)
- Sport England (1)
- Leisure United (1)
- Local Authority Associated Person (1)
- Independent Trustees (2-4)
- Co-opted Trustees (up to 3)

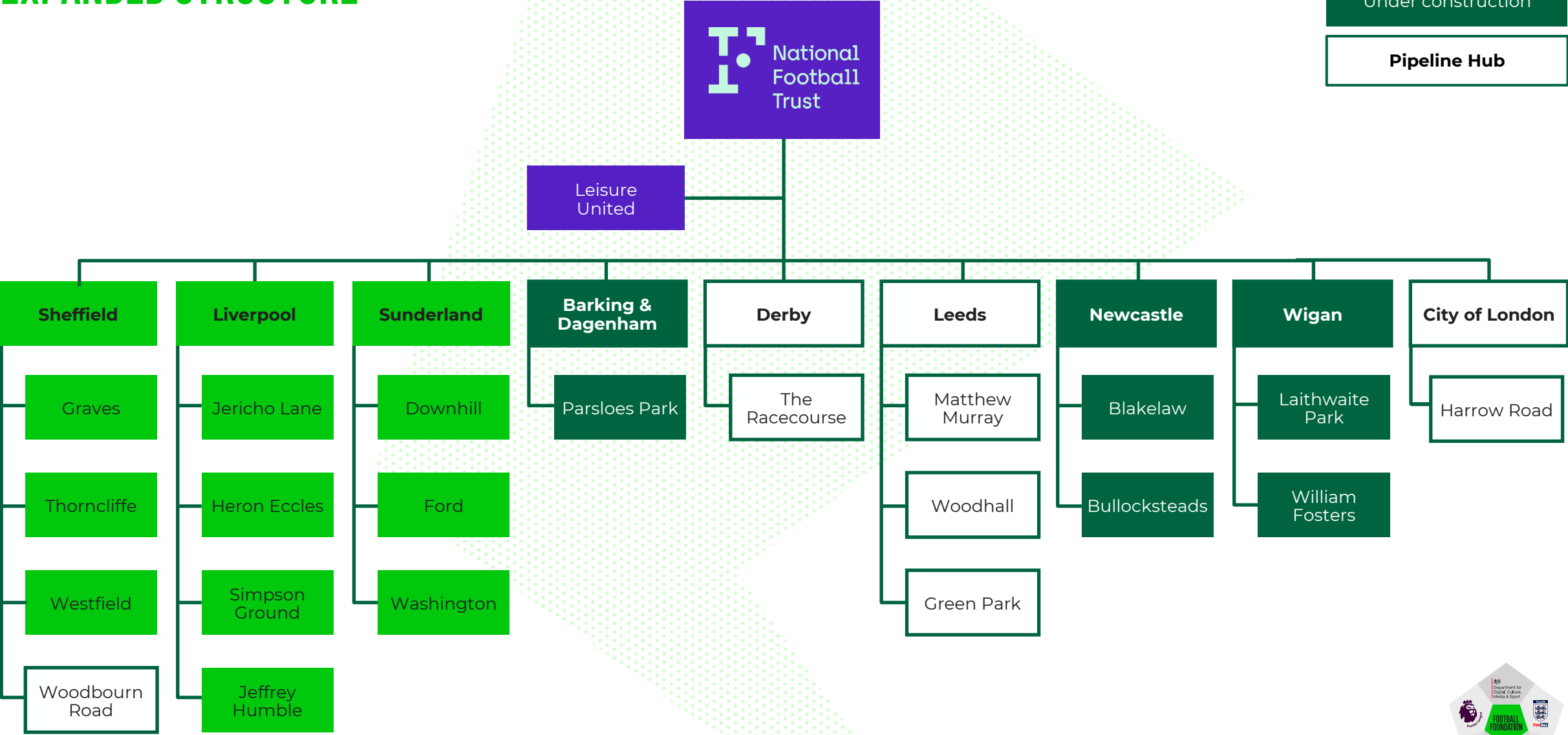


# THE NATIONAL FOOTBALL TRUST — EXPANDED STRUCTURE

Existing Hub

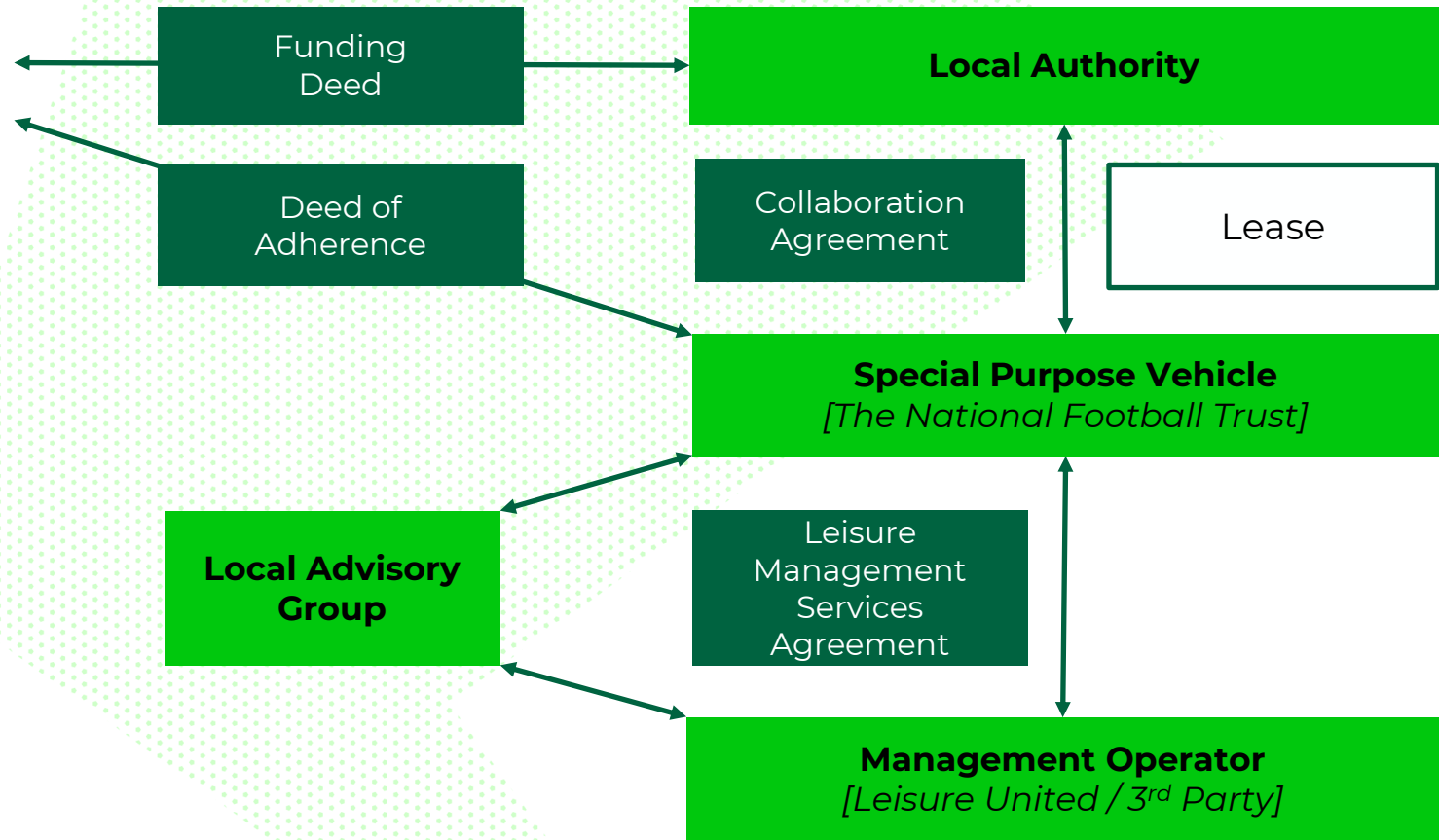
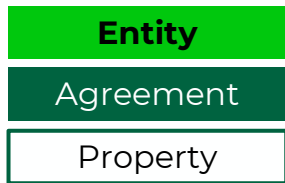
Under construction

Pipeline Hub





# NATIONAL FOOTBALL TRUST - GOVERNANCE STRUCTURE



# LOCAL ADVISORY GROUP (NFT SUB-COMMITTEE)

<b>Status</b>	NFT sub-committee
<b>Core membership</b>	Local Authority County FA Pro-Club Foundation(s) Operator [Leisure United]
<b>Surplus</b>	Advises the NFT Board on local reinvestment (LFFP priorities)
<b>Operator (Leisure United)</b>	Contracted by the football SPV (NFT)

## Role:

- **Delegated powers and responsibilities** from the NFT for dealing with local matters e.g. pricing, programming, site development plan
- Manage the relationship with the operator – critical friend
- **Monitor performance** - operational and financial
- **Support relationships** with key users and partners
- **Provide local knowledge and insight**
- **Project initiation** – new opportunities and activities

## Relationship with the NFT:

- Share good practice, knowledge and insight
- Escalate any issues that cannot be resolved locally
- Advise NFT on reinvestment of surplus



# The Four Stage Application Process

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# THE FOUR STAGES

The application process will be broken down as follows:





# 1

## Expression of Interest

Eligible organisations complete and submit an EOI form with supporting evidence (where required) outlining their commitment to the key principles of the fund by 5pm on Friday 29 July 2022.

*Duration:  
2 months (Jun – Jul 22)*

### **What happens next?**

The Foundation and its Advisory Group will assess each EOI against the Foundation's investment priorities and the 7 Programme Principles. Readiness to deliver will also be a key factor.

Successful applicants will be invited to Stage 2.

# 1

## Expression of Interest

The Programme offers the potential to consolidate individual 3G projects into a single/fewer strategic sites – this may not have been considered in your original LFFP.

**Ownership** - you will need to own the freehold or possess ≥25 year lease

**Location** - is it able to meet local known demand and supply factors

**Size** - a typical double pitch Hub will need at least 2.5 hectares of land (25,000m<sup>2</sup>). Each additional full-size AGP will need c.8,500m<sup>2</sup> of land + c.80 parking spaces

**Topography** - a sloping site can add significant costs but isn't always a showstopper

### Before you submit your EOI:

- What information does the Council hold about the site(s) ?
- Any legal restrictions / title issues
- Suitable access arrangements
- Early discussion with planners regarding suitability
- Any known issues:
- Flood risk
- Contaminated land
- Planning history



## 2

### Community engagement & Feasibility

This stage consists of two elements:

**Community engagement** –  
Led by the local authority with support from key stakeholders.

**Initial feasibility** –  
Led by an independent consultant commissioned by the FF

The consultant will bring the two elements together into a summary report.

The Foundation will use this information to assess whether a project can progress to the next application stage based on the outcomes it could deliver.

*Expected Duration:  
3 months (Sep – Dec 22)*

## 2

### Community engagement & Feasibility

#### Community Engagement

We expect the Local Authority to lead the community engagement, bringing together a consortium that can identify local priorities and build on existing knowledge:

- **Who are the priority audiences** that you have identified to engage with?
- **How and why have these been selected**, what informed this decision and what engagement has already taken place and what has this told you?
- **What gaps do you need to fill** though the community engagement?

#### Initial Feasibility

The consultant will help you to identify opportunities, define requirements and develop an initial programme of use. The consultant will produce a report containing:

- **10-year business plan** — to indicate if the project is sustainable and the level of re-investment potential based on its requirements.
- **A site plan** showing the potential AGP, building and parking layout
- **An outline floor plan** that is capital efficient, maximises income potential and minimises running costs.
- **An analysis of operating options** and recommendations.
- **A high level capital estimate** of the preferred option / any variants to inform the required funding envelope.



## 3

### Outline Design

**The Local Authority engages programme consultancy** procured by the Foundation to act as lead consultant who will oversee the design, planning and procurement process of the pavilion works.

**The Foundation will engage the Framework Managing Consultant** for its AGP Framework to lead that aspect of the project.

*Expected Duration:  
4 months (Jan 23 – May 23)*

This stage aligns to RIBA Work Stages 1 & 2 and associated costs will be shared between the Local Authority **(40%)** and Football Foundation **(60%)**.

Further refinement of the business plan driven by ongoing community engagement and programme of use development.

## 4

### Full Application

This stage aligns to RIBA Work Stages 3 – 4, during which the planning application for the project is submitted and the detailed design is completed to provide cost certainty via competitive tender.

Development costs for this stage are again shared on a **60:40** basis

*Expected Duration:  
8 months (Jun 23 – Jan 24)*

Each funding application is submitted when:

- **Cost certainty is reached**
- **Full planning permission secured**
- **Programme of use, site development plan and business and operational plan finalised.**



**Next steps**

**8**

# NEXT STEPS

<i>Review</i>	<i>Consider</i>	<i>Decide</i>	<i>Prepare</i>	<i>Engage</i>	<i>Submit</i>
<i>Review the potential sites that have the potential to become hubs</i>	<i>Who your key project partners could be to help deliver the project</i>	<i>Decide if you wish to submit an Expression of Interest</i>	<i>Access the <u><a href="#">EOI form from our website</a></u></i>	<i>Engage with Football Foundation and your County FA for support and guidance</i>	<i>Submit EOI by 5pm on Friday 29 July</i>





Find out more:  
[footballfoundation.org.uk/hubs-programme](https://footballfoundation.org.uk/hubs-programme)

Get in touch:  
[hubs@footballfoundation.org.uk](mailto:hubs@footballfoundation.org.uk)

*Thanks for joining us*

