

EAST HERTS COUNCIL

COUNCIL - 18 JULY 2017

REPORT BY THE EXECUTIVE MEMBER FOR HEALTH AND WELLBEING

LEISURE STRATEGY PART 2: PROPOSAL TO DEVELOP LEISURE AND SPORTS PROVISION IN BISHOP'S STORTFORD

WARD(S) AFFECTED: WARDS WITHIN BISHOP'S STORTFORD

Purpose/Summary of Report

- To outline the proposals for facility developments at Herts and Essex School set within the context of the emerging leisure facility requirements, physical activity strategy, and the Bishop's Stortford North Section 106 Sports Investment Strategy.

<u>RECOMMENDATIONS FOR COUNCIL:</u> That:	
(A)	the views of Overview and Scrutiny Committee and the recommendations of the Executive be noted;
(B)	£1m allocated from Bishop's Stortford North section 106 funds, to be forward funded by the Council until such time as the s106 funds are received by the Council, be approved;
(C)	an interest-bearing loan to the school to complete the funding requirement for the project as presented, be approved subject to due diligence to be carried out by the Chief Finance Officer and Monitoring Officer, in consultation with the Executive Members for Finance and Support Services and Health and Wellbeing; and
(D)	subject to funding approval, delegated authority to make decisions relating to the leisure development projects is provided to a leisure project board. The board will consist of the Executive Members of Health and Wellbeing and Finance and Support Services, the Head of Operations, the

1.0 Background

- 1.1 Bishop's Stortford will see a significant increase in population over the next 10 years. Developments to the north and south of the town will comprise of some 3,500 homes and increase the population of the town by an estimated 10,000 people.
- 1.2 The increase in population will bring with it a range of opportunities and challenges for Bishop's Stortford and surrounding areas. One of these challenges will be to meet the future leisure and sports needs of a growing population.
- 1.3 In December 2015, the Council commissioned a study; the Bishops' Stortford North 106 Sports Investment Strategy (by Plozajski Lynch Consulting Ltd, PLC) to provide an initial framework for the growing population and leisure and sports requirements of Bishop's Stortford North. The strategy was received by the District Planning Executive Panel in February 2016, with recommendations to the Executive and Council to approve the project prioritisation criteria and agree that the strategy form part of the evidence base to inform and support the preparation of the East Herts District Plan and for Development Management purposes. The recommendations were approved by Council in May 2016.
- 1.4 The strategy identified a range of projects which could serve to meet the future leisure and sports needs of Bishop's Stortford. The strategy advised that these could be provided through three possible arrangements:
 1. A single sports hub
 2. A multiple sports hub or
 3. Through the enhancement of existing sites
- 1.5 The report to the District Planning Executive Panel recognised that each option provides both positive and negative considerations. These were summarised as:

1. A single sports hub would involve the creation of a new facility built to high specifications which would have the operational economies of scale and would be able to meet the majority (if not all) of facility needs in one location. However, this would require a large area of land.
 2. A multiple sports hub arrangement would involve meeting all the main facility needs in several locations, including enhancing existing sports facilities as well as providing new sites. This option may be more deliverable on a number of smaller sites that may be more feasible to obtain permission and be located more centrally.
 3. The enhancement of existing sites option would involve enhancing existing or already secured sites. This option has several advantages, namely secured land holdings, established facility management options and in most cases existing clubs, management, coaching and competitive structures, and an active membership, all of which are well placed to accommodate the needs arising from BSN subject to this enhancement.
- 1.6 The report emphasised that the strategy does not seek to determine which of the options presented in are the most appropriate, but sets out a Project Prioritisation Criteria list which the Council approved in May 2016.
- 1.7 A number of projects proposals were identified within the strategy totalling approximately £22.8 million. An overview can be found in **Essential Reference Paper B**.
- 1.8 In addition to the Bishop’s Stortford North 106 Sports Investment Strategy, the Council over the last three years has commissioned a number of studies and worked with partners such as Sport England work to identify future demand and supply of leisure provision across the district and in Bishop’s Stortford. These are summarised in the table 1 below:

Table 1: Leisure provision studies in East Herts

Study	Purpose
Bishop’s Stortford North Section 106 Sports Investment Strategy	Identifies key priorities for a potential £3m investment arising from the Bishop’s Stortford North development.

Open Space and Sports Facility Assessment (due to be completed in June 2017)	This is a district wide study which identifies current and future supply and demand for indoor leisure, playing fields and open space.
Facility Planning Model (FPM)	The FPM is a detailed analysis of provision for sports halls and swimming pools within East Herts and adjoining districts. This work is undertaken by Sport England
Leisure Facilities Strategy	This work identifies a proposed mix of facilities to be provided by EHC based on an Outline Business Case.
Physical Activity Survey	900 person survey of people across East Herts which identifies attitudes towards physical activity and potential barriers

1.9 The Council now has available to it very detailed information about the demand and supply for a range of facilities. These studies and assessments will allow the Council to determine the appropriate level of sport and leisure provision to be made for the future to meet the needs of its community.

2.0 Report

2.1 The Facility Planning Model (FPM) indicates a short fall in access to sports halls for the wider community. There are a number of sports halls across the District however these are not available for public use. Sports halls are mainly provided by schools with the exception of Wodson Park in Ware. In Bishop's Stortford, Birchwood High School is the only School that actively makes their facilities available to the public for casual users. As a consequence this facility is in very high demand.

2.2 The Council has no sports halls within the two leisure centres it owns. As mentioned in previous report of the leisure strategy (part 1), there is an oversupply of sports halls in District though access is restricted. The demand for access is wide spread and therefore it would not be sustainable to directly provide/invest in a sports hall within the Council owned facilities i.e. at Grange Paddocks to address this specific issue. In addition, a sports hall at Grange Paddocks would increase the footprint of the building in the greenbelt. It is however recognised that access to sport halls is

poor in the Bishop's Stortford area and therefore a partnership arrangement for a sports hall may address this access issue.

3.0 Overview of Proposal

- 3.1 Two organisations identified within the Bishop's Stortford North 106 Sports Investment Strategy, seeking new facilities were Herts and Essex High School and Bishop's Stortford Judo Club. Herts and Essex School hopes to provide a dual use facility including a sports hall, 6 netball/tennis courts and a hockey pitch at Beldams Lane. The Judo Club is seeking a dedicated Dojo as it has outgrown a number of previous facilities. The Council's leisure team brokered several meetings to bring these two organisations together to explore a possible partnership arrangement on the school's site.
- 3.2 In addition, discussions have taken place with Bishop's Stortford Hockey Club and a number of local netball clubs who would be keen to be part of a hub site proposal.
- 3.3 The proposal from Herts and Essex School is to develop a Sports Hub catering for a number of sports which could support the development of leisure and sports provision in Bishop's Stortford. As mentioned previously the development of such a hub site could provide economies of scale in terms of operational overheads whilst providing a broad offer for local people.
- 3.4 The School's Business Plan to the Council is attached in **Essential Reference Paper C** for funding consideration. In the context of the wider leisure facilities work within the District it was recommended by the Head of Operations that the proposal be brought to Overview and Scrutiny for consideration ahead of the Executive meeting and Council decision in June and July of 2017 respectively.
- 3.5 The proposal includes provision for casual use which is a key problem in terms of access to sports halls across Bishop's Stortford.
- 3.6 Herts and Essex High School is a girl's school. Participation by women and girls in sport is traditional low and is a Sport England priority. Providing such a facility with a strong programme of activities within a girls' school will provide a greater opportunity to

engage women and girls in sports provision outside of the curriculum and potentially reduce post 16 drop off in sport for this cohort in the Bishop's Stortford area. Given that the proposals link well with Sport England priorities there are good prospects for partnership funding from Sport England.

3.7 The proposal is to place the following sports facilities onto the School's land at the Beldam's lane site:

3.7.1 A Sports Hall Complex, containing:

- 3.7.1.1 A large (4 badminton court) Sports Hall.
- 3.7.1.2 A permanent matted Dojo which is sufficient to host regional competitions.
- 3.7.1.3 Three sets (three pairs) of changing rooms and associated toilet and shower facilities.
- 3.7.1.4 A club/social room adjacent to a balcony, with a catering kitchen and a bar area (upstairs).
- 3.7.1.5 A reception area and refreshment area with viewing panels into the Sports Hall (downstairs).
- 3.7.1.6 A theory classroom.
- 3.7.1.7 Staff rooms, staff changing facilities, office space and storage areas.

3.7.2 A 2G sand filled full size hockey pitch with floodlights and viewing area. This can also be used by football clubs.

3.7.3 6 x netball courts with floodlights. These can also be used as tennis courts.

3.7.4 Sufficient parking for the whole hub

3.8 The projected increase in club membership as a result of the development for each club are:

3.8.1 Bishop's Stortford Hockey: 981 members in 2021 from 589 in 2016/17

3.8.2 Bishop's Stortford Judokwai: 205 members in 2021 from 125 in 2016/17

3.8.3 Saffron Hawes and Crosskeys Netball Club: 135 in 2021 from 100 in 2016/17

3.9 It is anticipated that the sports hub will provide approximately 30% of the hours available to the local sports clubs and 47% of the hours available to the general community, totally 77% of community use.

3.10 The funding request from the School to the Council is £2,750,000. A summary of these costs are provided below:

Beldams Lane Funding Request to EHDC	Build cost incl. Fees
Sports Hall	
EFA funded Sports Hall, changing and support facilities	0
Additional field changing rooms and public facilities	651,000
Dojo facility including enhanced public facilities	995,000
Tennis/ netball	220,000
All weather Pitch	442,500
Other facilities	
Site clearance	0
Car Parking / coach drop off Essential	110,000
Car parking overflow	110,000
footpaths /boundary treatments	220,000
Total funding request	2,748,500

3.11 The proposal is for a 20yr agreement (with scope for longer) with the development of a management committee which will include EHDC members and representatives of the other lead partner organisations. It is anticipated to be a Local Governing Body.

3.12 Discussions have taken place with the School to explore a potential annual financial return on the Council's investment

through a portion of the surplus income generated at the site, a figure of approximately £8000 was discussed. This is based on 20% of the school's surplus being ring fenced for strategic developments and a 50:50 arrangement on the remaining income surplus. This income could support other health and well-being projects such as social prescribing. This income stream will be the only financial return on this investment should the Council decide to fund the community access aspect of the project.

4.0 Key Considerations

4.1 A key consideration for the Council is funding.

4.2 Given that these proposals were explored within the Bishop's Stortford North Section 106 Sports Investment Strategy, section 106 could be used as a potential source of funding. However there are two key issues:

4.2.1.1 This project would absorb a very large portion of the S106 funding available (£3m) to the Bishop's Stortford North area, leaving little room for other developments.

4.2.1.2 The release of BSN Section 106 funding is unlikely to be available for some years as it is linked to the house building construction programme. The first phase of funding prior to the occupation of any dwelling is likely to be in the region of £50,000 followed by £450,000 prior to the occupation of the 500th dwelling which could be 2020 at the earliest. The development of this sports hub cannot realistically be aligned with the house building programme. There is also no certainty as to when the developers will meet the trigger points for payment. As with all major developments, there remains a risk that the developers may seek to re-negotiate the 106 payments or reduce the number of dwellings developed. Indicative timelines suggest the £3m allocation could be received in phases by 2025.

4.3 In order to assist financially it could be possible for the Council to provide interim funding which could be reimbursed to the Council when the Section 106 funding becomes available.

- 4.4 Assisting such projects financially needs to be managed carefully to ensure the council achieves outcomes for local communities while mitigating potential risks.
- 4.5 The Council would need to consider its principles for providing financial assistance including:
 - 4.5.1 Securing a robust long term partnership agreement that is linked to an agreed community use and health and well-being annual service plan
 - 4.5.2 Ensuring no ongoing maintenance, operating costs or building or programme liabilities to the Council
 - 4.5.3 Consideration for a financial claw back system for under performance of community and health and well-being programmes/outcomes.
 - 4.5.4 East Herts representation on a management board /committee
 - 4.5.5 East Herts are involved in the annual review of service plan outcomes part of the planning process to forecast ongoing plans
 - 4.5.6 General public access for casual use
 - 4.5.7 Long term agreement to ensure public benefit from EHC contribution
 - 4.5.8 Partner funding streams secured
 - 4.5.9 Planning permission achieved
 - 4.5.10 Funding provided based on evidence of actual cost requirements and an agreeable payment schedule.
 - 4.5.11 A separate legal agreement in respect of forward funding
- 4.6 As the proposal does not provide the Council a significant financial return on investment, the Council would need to consider the implications of loss of interest through capital financing or

repayment via prudential borrowing. As an indication the loss of interest for £1m is £23k annually and the repayment on borrowing plus interest over 20yrs is approximately £77k annually. Should funding be approved the final investment mix will be proposed by the Head of Strategic Finance and Property in conjunction with the Executive member for finance and support services.

4.7 The funding request of £2.7m is significant. The Council will need to consider from the School's Business Plan, its ability to deliver on the agreed community use outcomes. In addition, the school's ability to commission and deliver both the design and construction of such a facility and track record to operate and maintain the dual use facility whilst managing a number of stakeholders. It is however, noted that 3yrs of consultancy support will be provided through the Active East Herts partnership which is a highly reputable organisation within East Herts with a good track record for delivery.

4.8 When considering the School's proposal against the approved prioritisation criteria set out in the Bishop's Stortford North Section 106 Sports Investment strategy the proposal does seek to meet a number of these including:

- 4.8.1 Governance arrangements
- 4.8.2 Readiness to proceed
- 4.8.3 Range of activity offer to meet needs
- 4.8.4 Sustainable running costs
- 4.8.5 External support for the project
- 4.8.6 Partner funding secured
- 4.8.7 Inclusiveness

4.9 Other prioritisation criteria that will need to be taken into account are:

- 4.9.1 The breadth of needs met against the scale of funding requested in terms of section 106 'value for money'
- 4.9.2 Location in relation to Bishop's Stortford North developments
- 4.9.3 Potential for attracting additional partnership funding should the Council provide a contribution towards the total funding request or no funding. It should be noted that anything less than the £2.7m will lead to a reduced facility development. The Dojo offers the school the least amount of curriculum activity

4.10 Irrespective of the potential funding source, the agreed approach to BSN 106 projects proposals where by the steering group in conjunction with the Executive member for health and well-being are empowered to make recommendations to Council on future investment opportunities has been applied where practically possible. As a result of the leadership team restructure the officer leads have changed however these are now covered by similar roles and functions. Some members of the Sounding Board established as part of the BSN 106 strategy were consulted through the work of the School. Should this proposal be agreed and funded from section 106 then consultation with the Sounding board will take place more formally.

5.0 Views of the Overview and Scrutiny Committee and the recommendations of Executive.

5.1 Members of Overview and Scrutiny Committee supported the proposal from Herts and Essex school in the development of leisure and sports provision in Bishop's Stortford. The main areas of concern were of the impact on Beldams Lane and the need to ensure the development of supportive infrastructure.

5.2 The Executive considered the report and views of overview and scrutiny on 27th June 2017. With the total funding request at £2.75m the Executive felt it would be challenging to support the future sports needs of Bishop's Stortford once section 106 funds were received as the £2.75m would absorb almost all the potential funding. The recommendation from the Executive is to in principle support the scheme with an investment mix of forward funding of £1m from the Bishop's Stortford North section 106 and an interest bearing loan for the remainder subject to due diligence to be carried out by the Chief Finance Officer and Monitoring Officer, in consultation with the Portfolio Holders for Finance and Support Services and Health and Wellbeing. Further to the requirements described in para 4.5 the Council will develop a loan agreement with the School. The high level principles of such a loan will consist of the following:

1. The school will be required to pledge an element of its asset as collateral for the loan
2. The loan will include repayment of the principal loan and interest

3. The drawdown of the loan will only be available during an agreed period.
4. The school will repay the principal loan and interest by an agreed date in line with a repayment schedule based on a revised business plan.
5. The Sports Hub/ School will agree to an open-book accounting approach
6. The Council will have Step in Rights to manage and operate the facility should the school underperform and be unable to repay the loan in line with the repayment schedule

6.0 Conclusion

- 6.1 The proposal from Herts and Essex School together with the investment proposals for Grange Paddocks will provide significant improvement to meet the facility and health and well-being needs of Bishop's Stortford. While complementary they are not a comprehensive solution. Further partnership work will be necessary to address existing shortfalls in provision such as all-weather pitches and those which will be created by an expanding population with changing needs.

7.0 Implications/Consultations

- 7.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**

Background Papers

School's Business Plan and associated appendices added as **Essential Reference Paper C**

Contact Member: Councillor Eric Buckmaster – Executive member for Health and Wellbeing
eric.buckmaster@eastherts.gov.uk

Contact Officer: Jess Khanom – Head of Operations
Contact Tel No ext 1693
jess.khanom@eastherts.gov.uk