

EAST HERTS COUNCIL

EXECUTIVE – 11 SEPTEMBER 2018

REPORT BY THE EXECUTIVE MEMBER FOR HEALTH AND WELLBEING

BISHOP'S STORTFORD NORTH – ALLOCATION OF S106 FUNDING FOR
SPORTS INVESTMENTS

WARD(S) AFFECTED: Bishop's Stortford

Purpose/Summary of Report

- To propose a process for the allocation of S106 funding arising from the Bishop's Stortford North housing development and to consider the use of the framework for future allocation of S106 sports investments across the District as they arise.

RECOMMENDATIONS FOR EXECUTIVE: That:

(A)	the proposed process for allocating s106 payments arising from the Bishop's Stortford North housing development for sports investments be noted;
(B)	authority be delegated to the Deputy Chief Executive and the Executive Member for Health and Wellbeing to agree the final details of the process including the application, evaluation, award, terms and conditions and the agreement, etc; and
(C)	authority be delegated to the Executive Member for Health and Wellbeing to determine funding awards to organisations.

1.0 Background

1.1 This report provides an overview of the Bishop's Stortford North (BSN) S106 funding opportunities for sports investment arising from the housing development, and proposes the criteria and process for clubs and organisations to submit applications to bid for funding support.

Finance - S106 Funding

1.2 There are two S106 funding streams available:

BSN Consortia (ASR 1 to 4) – up to £3M

The council has committed £1M of the £3M s106 funding to The Hertfordshire & Essex High School and Science College. This will be forward-funded due to the latent timescales for receipt of S106 payments, but no further forward funding arrangements will be made.

Countryside Properties (ASR 5) – £446,233

ASR 5 is ring-fenced to one or more of the following:

- Bishop's Stortford Rugby Club
- Bishop's Stortford Sports Trust
- Bishop's Stortford Community Football Club.

The total sum available was £3,466,233, and the uncommitted balance available is £2,466,233 for allocation.

(An additional £1.095M of S106 is committed for the new Hoggate's Park football ground and pavilion and this will be delivered by the developer).

2.0 Report

Demand

2.1 A Sports Investment Strategy (SIS) was undertaken by PLC Ltd

in December 2015. The study included consultation with a range of sport and leisure providers in the vicinity including schools and sports clubs, to understand the extent to which their development plans might address the needs arising from the BSN population growth (estimated at 6,070 people).

- 2.2 This identified proposals totalling a minimum of £22.8M, and maximum possible funding of £9.245M (S106, external funding etc) – leaving a funding gap of at least £13.55M, illustrating the need for a process to allocate funding that will address the key needs of the area.
- 2.3 It should also be noted that the ASR 1-4 funding (£2M balance) will be open for all clubs / organisations to bid for; not just the ones that were identified from the SIS study undertaken in 2015.

S106 Payment Timescales

- 2.4 The following timescales apply:

Consortia (ASRs 1 to 4; x4 developers)

Assuming the first occupation is August 2018 and working on the basis of the consortiums projections (selling 25 units a month); the payments could flow as follows:

Number	Approximate Date	Amount
Prior to occupation	Complete	£50,000 (Due)
500 th dwelling	March 2020	£450,000
1,000 th dwelling	November 2021	£500,000
1,500 dwelling	July 2023	£1M
2,000 th dwelling	March 2025	£1M

Countryside Properties (ASR5; x1 developer)

The first occupation was in June 2018 and on the basis of one property sold per week (the general rule of thumb) the payments could flow as follows:

Number	Approximate Date	Amount
100 th dwelling	September 2019	£200,000
200 th dwelling	March 2021	£150,000
300 th dwelling	February 2022	£96,233

Proposed Criteria for Awarding s106 Funding for Sports Investments

2.5 The SIS identified 15 priority criteria for assessing the proposals from the clubs and organisations – please see **Essential Reference Paper B** which the council agreed at the District Planning Executive Panel on 25 February 2016.

2.6 It is proposed to use these as the basis for assessing the proposals, and for the proposals to also be considered in the context of the needs identified through the following studies that were completed in 2017:

- Playing Pitch Strategy
- Built Facilities Strategy
- Open Spaces Assessment

For example, the Playing Pitch Strategy (2017) identifies:

- The need for a strategic hub solution for Bishops Stortford Community FC - high priority
- Additional pitch and changing capacity needed for Bishop's Stortford Rugby FC – high priority
- A new junior ground and pavilion improvements for Bishop's Stortford Sports Trust (cricket) – high priority

Investments will also align with the Physical Activity Strategy e.g.:

- Active Recreation - investing in leisure facilities, parks and open spaces to provide our residents with a range of affordable leisure opportunities across the district

- Active Sport - provide a facilitation role to local sports clubs and voluntary organisations to support their Health and Well-being offer to the community.

Funding Rounds

2.7 The phased S106 payment schedule based on dwellings occupied means that funding is estimated to become available from September 2019 through to August 2027, and therefore three funding rounds can be established.

Consortia S106 Funding

Round	ASR	Occupation Trigger	Estimated date of S106 receipt	Funding
1 – Mar 2020	1 - 4	500 th dwelling	Mar 2020	£450,000
2 – Nov 2021	1 - 4	1,000 th dwelling	Nov 2021	£500,000
3 – July 2023	1 - 4	1,500 th dwelling	July 2023	£1M
Repayment of Herts & Essex £1M forward funding	1 - 4	2,000 th dwelling	Mar 2025	£1M

The Herts & Essex School have been forward funded £1M from ASRs 1 – 4. It is proposed to repay this into the council’s capital reserves from the final s106 payment expected in August 2027.

Countryside Properties S106 Funding

Round	ASR	Occupation Trigger	Estimated date of S106 receipt	Funding
1 – Sept 2019	5	100 th dwelling	Sept 2019	£200,000
2 – Mar 2021	5	200 th dwelling	March 2021	£150,000

Round	ASR	Occupation Trigger	Estimated date of S106 receipt	Funding
3 – Feb 2022	5	300 th dwelling	Feb 2022	£96,233

This funding is ring-fenced to one or more of the following: Bishop’s Stortford Rugby Club, Bishop’s Stortford Sports Trust, Bishop’s Stortford Community Football Club.

Process for Awarding Funding

- 2.8 An organisation would make an application to the council for funding by way of an application form which is currently in development – **Essential Reference Paper C.**
- 2.9 The application form will include questions that assess applications against the previously agreed prioritised criteria – **Essential Reference Paper D.**
- 2.10 In February 2016 the District Planning Executive Panel determined that:
- ‘The Steering Group, in conjunction with the Executive Member for Health & Wellbeing, be empowered to consider and make recommendations on future investments to council following consultation with the Sounding Board.’
- 2.11 It is proposed that an evaluation panel be established that would consider the applications. The group previously identified consisted of officer roles that no longer exist in the council structure, and it is therefore proposed that the ‘S106 Officer Meeting Group’ undertake the evaluation, with co-opted officers as necessary to form the following:
- 1 x East Herts Council (EHC) Planning Officer (Chair – as Planning are responsible for the s106 agreements)
 - 1 x EHC Deputy Chief Executive
 - 1 x Chief Executive Officer, Bishop’s Stortford Town Council

1 x EHC Officer in Leisure and Environment
1 x EHC Officer in Health & Wellbeing / Community
Engagement
1 x EHC Officer in Property Services
1 x EHC Finance officer

- 2.12 Once evaluated and scored, the Chair will work with the Executive Member for Health and Wellbeing who it is proposed will have delegated powers to approve the funding.
- 2.13 The evaluation panel should have no financial, legal or personal connection with the projects being considered.
- 2.14 Any funding remaining after a bidding round will carry over to the following round.
- 2.15 A formal legal agreement will exist between the council and the recipient organisation for a minimum period of 3 years. The council may choose a longer period depending on the nature and extent of the funding.
- 2.16 Financial assistance will not be made unless the project is secured in all respects, but particularly in terms of land, capital finance and planning permission. The organisation would need to show that it was financially secure.
- 2.17 There is no certainty as to when the developers will meet the trigger points identified earlier in the report and there remains a risk that the developers may seek to re-negotiate the 106 payments.

Proposed Next Steps

- 2.18 Subject to feedback on the report, the following documents will need to be produced / finalised:
- The application form
 - Guidance / pre-application checklist
 - Evaluation template

- Offer / award letter
- Terms and conditions
- Agreement

2.19 In addition to internal consultation on the above documents, officers will also consult with Sport England, Herts Sports Partnership, Active East Herts Sports Partnership and Bishop's Stortford Town Council.

2.20 It is proposed that officers contact those organisations identified in the SIS to update them on the proposals for S106 allocation and to obtain an informal update on their development plans.

2.21 Other considerations will include marketing and publicity for the funding rounds to ensure that all suitable clubs and organisations in the locality are aware of the opportunities.

3.0 Summary

3.1 The Council is committed to allocating the s106 balance of £2,466,233 to achieve tangible health and wellbeing benefits for the community of Bishop's Stortford. The first tranche of funding anticipated is £200,000 from Countryside Properties around September 2019, and therefore the agreed arrangements for distributing funding should be confirmed prior to this.

4.0 Implications/Consultations

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

Background Papers

None

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