



To: Executive Councillor for Community, Arts and Recreation: Councillor Richard Johnson

Report by: Director of Environment

Relevant scrutiny committee: Community Services Scrutiny Committee 15/01/2015

Wards affected: All wards

S106 GRANTS FOR OUTDOOR AND INDOOR SPORTS FACILITIES

Key Decision

1. EXECUTIVE SUMMARY

Since the S106 priority-setting process was agreed last October, local groups have submitted grant applications for developer contributions funding to help them develop their projects. This report sets out the nine bids that have been made for new or improved sports facilities to benefit more than one area of the city (see Appendices B and C). Another 11 applications for more local community facilities and outdoor sports projects are being reported to the relevant area committees in early 2015 (see Appendix D).

2. RECOMMENDATIONS

The Executive Councillor is recommended to:

- 2.1 approve the following S106 grants, subject to more details, project appraisal approval and community use agreement (see section 5)
 - a. Cambridge 99 Rowing Club: upgraded/extended kitchen facilities (£5,000 outdoor sports grant),
 - b. Cambridge Canoe Club: additional boat & equipment store (£10,000 outdoor sports grant),
 - c. Cambridge Rugby Club: new changing rooms (provisional £200,000 outdoor sports grant – see paragraph 5.6),
 - d. King's College School: sports centre – visitor changing rooms (£75,000 indoor sports grant),
 - e. Cambridge Gymnastics Academy: refurbishment of warehouse as a gymnastics facility (£65,000 indoor sports grant),

- f. Netherhall School & 6th Form Centre: supplementary funding for gym facility (£64,000 indoor sports grant);
- 2.2 agree the allocation of £80,000 of community facilities S106 contributions from the strategic fund towards the Clay Farm community centre (paragraph 4.6 refers).

3. BACKGROUND

- 3.1 An overview of developer contributions and the council's approach to S106 priority-setting can be found in the S106 report to the Executive Councillor for City Centre & Public Places (see item 7 of the agenda papers for this meeting).
- 3.2 Following a report to this Committee last October, it was agreed that:
- a. the current (third) S106 priority-setting round will focus on S106 grant-funding opportunities which – in the case of this Executive Councillor's portfolio – will enable local groups to develop their community and outdoor & indoor sports facilities; a fourth round later in 2015 will be open to a wider range of proposals (including those involving council project management and delivery);
 - b. each area committee will continue to decide how devolved S106 funding for community and outdoor sports facilities should be used on local projects benefitting its area, while the Executive Councillor will continue to identify strategic priority projects (benefitting more than one area of Cambridge) relating to those contribution types;
 - c. indoor sports S106 contributions from across the city will be pooled in a city-wide fund (unless stipulated otherwise in particular S106 agreements) and the Executive Councillor will make the priority-setting decisions about how those contributions should be used.
- 3.3 In late November 2014, the Minister of State for Communities and Local Government announced that S106 contributions should not be sought for sites of 10 homes or less (which have a maximum combined gross floor space of 1,000 square metres) and all residential annexes and extensions. New regulations are awaited, and the full implications will need to be assessed. For the time being, it is being assumed that this change is unlikely to impact on S106 contributions already received for developments already commenced, or to impact directly on this S106 priority-setting round. The implications of this announcement do, however, reinforce the message emphasised in the October 2014 report to this Committee – that S106 contributions are set to taper off and run down in future, and it is important to make sure that they are used to greatest effect.

4. UPDATE ON S106 FUNDING AVAILABILITY

4.1 The unallocated S106 funding available to the Executive Councillor for allocating to strategic projects for new or improved community or sports facilities is set out in the 'strategic/city-wide' column of Table 1. Please note that further checks are being made to this analysis and there will be an update at the meeting.

Table 1: S106 funding availability in strategic/city-wide funds

Contribution types	Strategic/ city-wide	...comprising £S106 from the areas			
		North	East	South	West/ Central
Outdoor sports	£750k	£50k	£125k	£425k	£150k
Indoor sports	£450k	£150k	£175k	£50k	£75k
Community facilities	£145k	£25k	£100k	£10k- £15k	£0k- £5k

Figures above £25k rounded down to the nearest £25k.

4.2 The overall S106 funding availability figures in the 'strategic/city-wide' column of Table 1 are broken down according to the area of the city from which S106 contributions from major developments come. This is important in the context of official regulations. For example, the CIL Regulations 2010 set out three tests which councils have to apply to make sure that a contribution is:

- necessary to make the development acceptable in planning terms;
- directly related to the development; and
- fairly and reasonably related in scale/kind to the development.

Even though most S106 agreements allow the use of S106 contributions anywhere within the city of Cambridge, officers are mindful that it is often easier to justify the use of contributions on projects in the same area or a neighbouring area. This might, for example, constrain the use of S106 contributions in a strategic or city-wide fund from a major development in Cherry Hinton (South), being used on a project in King's Hedges (North).

4.3 **S106 contributions with expiry dates:** Appendix A sets out the current unallocated S106 contributions relating to this portfolio which are due to expire on specific dates between 2015 - 2019 (by when they will need to be contractually committed to projects). All these relate to outdoor sports contributions (or the previous formal open space category). The two most significant cases are £86.8k (expires

July 2017) and £239.6k (expires November 2017), which are spread across the strategic and devolved (East and West/Central) funds.

- 4.4 Whilst these are substantial amounts, by identifying these issues in advance, the council is in a good position to take forward projects that will be able to make use of the contributions on time.
- a. The recommended outdoor sports grant allocations set out in this report amount to £215,000.
 - b. The report to the West/Central Area Committee on 7/1/2015 has recommended a £50,000 outdoor sports grant from devolved funds.
 - c. The reports to the West/Central and East Area Committees on 7 and 8 January have highlighted the need for local proposals for eligible outdoor sports projects to come forward for the fourth S106 priority-setting round later this autumn.
 - d. S106 allocations are regularly reviewed to identify appropriate opportunities for making use of contributions with expiry dates ahead of those which do not face the same constraints.
 - e. There is also the option of swapping contributions between the devolved and strategic funds in order to enable contributions with impending expiry dates to be used on time. This contingency was recognised when the council's approach to devolved decision-making was introduced. If this were to prove necessary, it is envisaged that this would be reported to this Committee for consideration.
- 4.5 **Rouse Ball Pavilion:** The October 2014 report to this Committee highlighted issues relating to the S106 allocations for the Rouse Ball pavilion project on Jesus Green. It had anticipated a need for this January 2015 report to recommend de-allocating S106 contributions for this project, but this is no longer being considered. £250,000 of S106 contributions from strategic funds (half from the outdoor sports category and half from the community facilities contribution type) continue to be allocated to the project.
- a. The way forward for the development of the Rouse Ball pavilion will be explored in the context of wider options for Jesus Green pool (eg, plant room improvements, improving access for people with disabilities, provision for families and young children, sustainability improvements, potential to operate a longer season and opportunity to link to other projects on Jesus Green, such as the Rouse Ball pavilion). Other funding, probably from external sources, would also be needed to realise some of these ambitions.
 - b. An open consultation meeting to consider these options for Jesus Green pool is scheduled for Thursday 22 January 2015

(7.15pm - 9.00pm) in the Refectory Room at Wesley Memorial Church, Christ's Pieces.

- 4.6 **Clay Farm community centre:** A separate report to this Committee last October about the revised budget for the Clay Farm Community Centre (on the Cambridge Southern Fringe major growth site) included an assumption that up to a further £80,000 would be found from S106 contributions.
- a. Given that the decision to agree the budget was made by the Executive Councillor and that the Southern Fringe major growth site is of strategic importance to Cambridge, it would make sense to make that this allocation from the community facilities S106 contributions in the strategic fund. See recommendation 2.2.
 - b. Whilst this £80,000 allocation would reduce the current community facilities S106 contributions in the strategic fund to around £65,000, the first phase of community facilities S106 contributions (around £130,000) from the Bell School development on the Cambridge Southern Fringe has recently been triggered and is expected soon. In line with the 50:50 (devolved:strategic) split of developer contributions from major developments, this will mean that around £65,000 more is set to be added the strategic fund shortly.

5. CONSIDERATION OF OPTIONS FOR GRANT-FUNDING

- 5.1 Applications for S106 grant funding were invited from local groups and organisations between 7 November and 8 December 2014. This was publicised via:
- a. area committee briefings; local councillors making contact with local groups in their wards;
 - b. information on the Council's website;
 - c. news releases and posts on social media; and
 - d. emails to local organisations which have contacted the council in recent months about S106 funding opportunities.
- 5.2 The application process involved completing an initial two-page form. The guidance notes for applicants can be found in the S106 report to the Executive Councillor for City Centre & Public Places (see item 7 of the agenda papers for this meeting) and on the council's Developer Contributions web page (www.cambridge.gov.uk/s106). Prospective applicants were invited to ask themselves five questions before filling in the form, in order to minimise the number of applications not eligible or suitable for S106 grant-funding.
- 5.3 The council has received 20 applications for grant-funding from local groups and organisations for developing/improving their sports and

community facilities (see Appendices B, C and D). The details of the nine strategic grant applications considered by this report can be found on the council's website.

5.4 The following criteria have been taken into account in assessing each application (as mentioned at the foot of the application form):

- a. whether it is eligible for S106 funding;
- b. whether the proposed projects is feasible;
- c. whether it is ready to be considered;
- d. whether it is consistent with council policy (eg, the Sports and Physical Activity Strategy and/or the Anti-Poverty Strategy).

5.5 Based on this assessment approach, Appendix B sets out the six grant applications that are recommended for sports facilities S106 funding (comprising £215,000 outdoor sports funding and £204,000 indoor sports funding) - see recommendation 2.1. Meanwhile, Appendix C explains why three other applications for S106 sports contributions are not eligible for S106 funding.

5.6 Attention is drawn, in particular to Cambridge Rugby Football Club's application for new changing rooms for, so that the club's facilities can be made available for community use (see B3 in Appendix B). The recommended provisional £200,000 allocation of outdoor sports S106 contributions from the strategic fund is conditional upon the rugby club being able to provide satisfactory assurances by October 2015 that it will be able to enter into a contract by October 2017 for construction of the changing facilities. This is fundamentally important given the outdoor sports S106 contributions with expiry dates highlighted in Appendix A. If the rugby club is unable to provide such assurances by October 2015, there would then be a recommendation to the Executive Councillor to rescind the provisional allocation, to enable other projects to be taken forward instead.

6. IMPLICATIONS

6.1. **Financial implications:** Funding constraints have been highlighted in paragraph 3.3 and in section 4 of this report as well as in Appendix A. For S106 grant-funded projects, the grant recipients will be responsible for the running/maintenance costs of their projects.

6.2 Whilst unallocated S106 funding for community and sports facilities (set out in Table 1) is available to the Executive Councillor, and important considerations about S106 expiry dates are set out in paragraphs 4.3 and 4.4, not all the available S106 contributions in the strategic funds (set out in Table 1) need to be allocated in the current S106 priority-setting round. For example, it is estimated that around

45% of all (strategic and devolved) unallocated sports and community facilities S106 contributions have been received within the last two years.

- 6.3 **Equal opportunities implications:** The Equality Impact Assessment on S106 priority-setting, reported to this Committee last October, highlighted the risk that allocating S106 contributions in the third round to grant-funded projects could reduce the funding available for projects in the fourth round. This might particularly affect parts of the city with lower income levels, which might be more dependent on facility improvements being project managed or delivered by the council – ideas for which will be invited in the fourth round in 2015. If the Executive Councillors agrees recommendations 2.1, this would leave over £525k of outdoor sports contributions and around £250k of indoor sports S106 contributions in the strategic fund for future use.
- 6.4 **Staffing implications:** Whilst grant-funded projects are less time-consuming to process than council-delivered projects, the light-touch approach to officer assessments of resources has been mindful of competing workload pressures for Community, Arts & Recreation staff.
- 6.5 **Environmental implications:** This will be considered as part of the project appraisals for specific S106 prioritised projects, as appropriate.
- 6.6 **Procurement:** Not applicable, as the project proposals under consideration are for grant-funding to local organisations, which will put in place their own arrangements for project delivery.
- 6.7. **Consultation and communication:** This has been addressed in paragraph 5.1.
- 6.8 **Community Safety:** This will be considered as part of the project appraisals for specific S106 prioritised projects, as appropriate.

7. BACKGROUND PAPERS

7.1 These background papers on the S106 devolved decision-making process were used in the preparation of this report:

- “S106 priority-setting and devolved decision-making”, report to Community Services Scrutiny Committee, 16/10/14.
- “Clay Farm community centre”, report to Community Services Scrutiny Committee, 16/10/14.
- Written statement to Parliament by Minister of State for Communities and Local Government (28/11/14):
<https://www.gov.uk/government/speeches/small-scale-developers>

- S106 grant allocations received in autumn 2014 (with personal details redacted) – visit www.cambridge.gov.uk/s106
- “Devolved decision-making to Area Committee”, report to Community Services Scrutiny Committee – 12/01/2012.

7.2 Further information (including details of priority-setting reports to area and scrutiny committees, photos of completed projects and links to web pages about the Community Infrastructure Levy and the Planning Obligations Strategy) can be found at the council’s Developer Contributions web page (www.cambridge.gov.uk/s106). More details will be posted on this web page prior to the Committee meeting about S106 receipts and spending between 2010 - 2014 and S106 contributions with expiry dates once the response to a recent request for information has been completed.

8. APPENDICES

A. Unallocated S106 contributions: expiry dates between 2015-2019

B. Applications for S106 sports facility grants: recommended

C. Applications not recommended for S106 grant funding

D. Grant applications for local community facilities and outdoor sports projects being considered by area committees in early 2015

9. INSPECTION OF PAPERS

To inspect the background papers or if you have a query on the report please contact:

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S106 contributions: expiry date conditions

Most S106 contributions do not have expiry dates attached to them. Most of those that do, and have expiry dates in the short-term, have either already been spent or are due to be used on time towards the projects to which they have been allocated.

The table below focuses on S106 contributions with expiry dates between 2015 - 2019 that have not yet been allocated to projects: The relevant S106 agreements require the council to have allocated these contributions to a project for which a contract or purchase order has been put in place by the expiry date.

Current unallocated Outdoor sports S106 contributions

	Area	Expires	Unallocated	Which fund?
A	East	Jan 2016	£7.1k	50:50 (devolved/strategic)
B	North	Nov 2016	£2.4k	50:50 (devolved/strategic)
C	South	Dec 2016	£19.7k	Strategic
D	North	Feb 2017	£2.3k	50:50 (devolved/strategic)
E	West/Central	May 2017	£61k	Strategic
F	East	July 2017	£86.8k	50:50 (devolved/strategic)
G	West/Central	Nov 2017	£239.6k	Devolved: £111,1k Strategic: £128.5k

A more detailed analysis of S106 availability (in both strategic and devolved funds) and S106 contributions with expiry dates will be published on the Council's website in mid-January 2015.

Applications for S106 sports facility grants: recommended for approval

Grants would be subject to further details from the applicant, a satisfactory project appraisal & a community use agreement. All the applications for these projects envisage completion in 2015 or 2016.

	Application	Bid for	Officer comments	Propose grant of
OUTDOOR SPORTS				
B1	Cambridge 99 Rowing Club: Upgraded & extended kitchen facilities.	£5k	Yes. Sports bodies recognise kitchen facilities to serve sports people as an appropriate use of funding. Over 100 adult rowers & 60 school pupils use the club (the club estimates that 85% are Cambridge residents).	£5k
B2	Cambridge Canoe Club: Additional boat & equipment store	£10k	Yes. The increased boat storage would enable the club to increase community participation events, such as free open days for residents.	£10k
B3	Cambridge Rugby Football Club: New changing rooms for (facilities to be made available for community use)	£200k	Yes, provisionally. This is a potentially good proposal, but the rugby club still needs to develop the details and make applications to relevant sports bodies and carry out other fund-raising for the other £500k or so needed for the project. Officers recommend making a provisional allocation now, in the hope that it will persuade others to contribute funding to the scheme. This provisional £200k allocation is conditional on the Rugby Club being able to provide satisfactory assurances by October 2015 that it will be able to enter into a contract by October 2017 for construction of the changing facilities. See paragraph 5.6 of the main report.	£200k provisional allocation

	Application	Bid for	Officer comments	Propose grant of
INDOOR SPORTS				
B4	King's College School sports centre: Develop visitor changing rooms and adapt the new sports centre so new (indoor) & existing (outdoor) facilities can be used by local primary schools, people with disabilities (via the Power2Inspire charity) and local community & sports groups	£350k	Yes, at a lower level of funding. The additional benefit of community and sports groups having access to the new and existing sports facilities at King's College School is recognised and merits some grant-funding. City Development Management points out, however, that the new development is expected to be accessible for people with disabilities anyway (in line with building regulations, so it would not be appropriate to grant-fund disability access improvements. The community use agreement would need to cover access to the existing outdoor sports facilities as well as the new indoor ones.	£75k
B5	Refurbish disused warehouse facility into dedicated gym facility for Cambridge Gymnastics Academy on Arbury Road	£65k	Yes. North Cambridge Academy has offered the Gymnastics Academy an empty warehouse	£65k
B6	Supplementary S106 grant to meet rising construction costs for gym facilities at Netherhall School and 6th Form Centre	£64k	Yes. Since S106 funding (plus indexation) from the Bell School development was earmarked for this scheme some years ago, construction costs have increased significantly, making this request for top-up funding necessary.	£64k

Please note that the King's College School sports centre grant application is also being reported to the West/Central Area Committee on 7 January 2015. The recommendation to the Area Committee is to make a £50k allocation of devolved outdoor sports S106 funds (see Appendix D). An update will be given at the 15/1/2015 Scrutiny Committee meeting.

Applications not recommended for S106 grant funding

	Application	Bid for	Officer comments	Propose grant of
OUTDOOR SPORTS				
C1	Cambridge Lawn Tennis Association: Replace wooden-framed office & coaching store	£15k	No. Repairs, maintenance and/or like-for-like replacement are not eligible for S106 funding	None
C2	Cambridge Parnells Gaelic Athletic Association: Site acquisition & building of facilities	£150k	No. Not convinced that the large-scale investment needed to acquire a site can be justified given limited S106 funds available. The applicant could consider hiring facilities to be developed on NW Cambridge development.	None
INDOOR SPORTS				
C3	Acquiring a site for Cambridge Cheer Academy for gymnastics, cheerleading, circus, parkour and fitness classes	£150k	No. Same comments as E2, The applicant may also wish to approach the Cambridge Gymnastics Academy or Netherhall School once their projects have been completed.	

Grant applications being reported to area committees in early 2015

	Applicant	Proposals for local projects	Area
COMMUNITY FACILITIES			
D1	12 th Cambridge Scouts	Refurbish scout hut as community centre	North
D2	Arbury Community Association	Repair Arbury Community Centre roof	North
D3	Cambridge Community Church	C3 centre: disability and community access	East
D4	Cherry Hinton Baptist Church	Family Centre improvements (new application)	South
D5	Chesterton Methodist Church	Redevelop centre with community café	North
D6	Greek Orthodox/United Reform Church	Memorial/Meeting Hall refurbishment for community use	South
D7	Rock Road library	Vending machine for community room refreshments	South
D8	St Augustine's Church	Side extension to church hall	West/Central
D9	St Luke's Church	Improve community room facilities	North
D10	Sturton Street Chapel and Hall	Conversion for use as a community centre	East
OUTDOOR SPORTS			
D11	Cambridgeshire County Council	Relocate and build larger/better East Barnwell MUGA	East

The King's College School grant application (see B4) is also being reported to the West/Central Area Committee, recommending a £50k allocation of devolved outdoor sports S106 funds to the new changing rooms, which could provide access to the school's existing outdoor sports facilities for local schools and community groups.

Reports to Area Committees: West/Central on 7/1/2015; East on 8/1/2015; South on 2/2/2015 and North on 12/2/2015. Each report will assess the local proposals from that area, including eligibility for S106 funding.