



To: Executive Councillor for Communities:
Councillor Richard Johnson

Report by: Urban Growth Project Manager

Relevant scrutiny committee: Community Services Scrutiny Committee 6/10/2016

Wards affected: All wards

S106 PRIORITY-SETTING PROCESS (COMMUNITIES)

Key Decision

1. EXECUTIVE SUMMARY

- 1.1 This is the second of two reports on this agenda on arrangements for prioritising the use of generic S106 contributions. It focuses on the S106 contribution types in this portfolio (community facilities, indoor sports and outdoor sports). The approach to these three types differs from those covered in the first report because:
- a. the strategic review of community provision is on-going - it would be premature to prioritise S106 funding for further community facilities projects until the outcomes of that review are known.
 - b. outdoor and indoor sports facilities are recognised as 'city-wide resources' and would benefit from a consistent, city-wide approach;
 - c. future priorities for improving sports provision are already set out in new sports strategies - why consult again to seek other proposals?

2. RECOMMENDATIONS

That the Executive Councillor for Communities:

- 2.1 defers the next round of inviting S106 proposals and carrying out priority-setting for community facilities projects until after the completion of the strategic review of community provision;
- 2.2 discontinues devolved decision-making for the outdoor sports S106 contribution type and, instead, combines all unallocated contributions for this type into a city-wide outdoor sports S106 fund;
- 2.3 focuses priority-setting in March 2017 over the use of outdoor and indoor sports S106 funding on project proposals which are ready to be considered and already identified as priorities in the Playing Pitches and Indoor Sports strategies. This would be without seeking further S106 proposals/grant applications for sports facilities in autumn 2016;

- 2.4 uses the same selection criteria for S106 priority-setting as agreed by the Executive Councillor for Streets and Open Spaces (Appendix B).

3. BACKGROUND

3.1 The changing context in which S106 funding operates has been explained in the first S106 report on this agenda (especially in its Section 3 and Appendix A). In particular, it has been emphasised that generic S106 funding is tapering off and running down and the availability of S106 funding is not spread evenly. As that report was focussed on S106 contribution types in the Streets and Open Spaces portfolio, here are similar details for the Communities portfolio.

- 3.2 Examples of projects which could be funded from the S106 contribution types¹ overseen by this Executive Councillor include:
- Community facilities: new/improved community centres or cafés (not-for-profit), meeting rooms, kitchen/toilet/storage upgrades;
 - Outdoor sports: tennis courts, cricket nets, basketball and multi-use games areas, outdoor gyms, sports pitches, pitch drainage, improved changing facilities & sports pavilions;
 - Indoor sports: indoor gym facilities, inclusive fitness equipment, starting blocks for swimming pools.

Table 1: Current calculation of S106 funding availability (£k) by area^{2,3}

<i>Rounded down to the nearest £10k</i>	Fund	North Area	East Area	South Area	West/ Central
Community facilities ⁴	Devolved	£90k	£150k	£60k	£30k
	Strategic	£50k	£90k	£80k	<£5k
Outdoor sports	Devolved	£70k	£230k	£90k	£10k
	Strategic	£0k	£110	£210k	<£5k
Indoor sports	City-wide	£190k	£190k	£80k	<£10k

- See Appendix A (paragraph A5) of the S106 priority-setting (Streets and Open Spaces) report on this agenda.
- The S106 funding analysis is from August 2016. When updated, breakdowns of funding available for particular contribution types and areas/wards may change following further checks to ensure all appropriate project is taken into account.
- The funding availability figures for contributions in the strategic and city-wide funds give a breakdown of which areas the funding comes from. Decisions over the use of these funds are made by the Executive Councillor for Communities.
- The significant variations in the availability of S106 funding between areas and wards reflect differences in the amount/scale of development and the S106 projects funded. Five wards currently have less than £5,000 of devolved community facilities S106 funds available: Arbury, West Chesterton, Abbey, Castle and Newnham.

- 3.3 Table 1 sets out the current availability of S106 funds from each area, taking account of amounts already allocated to prioritised projects⁵. There are no unallocated S106 contributions relating to these contribution types with expiry dates prior to 2020⁶.
- 3.4 Since the 2015/16 S106 priority-setting round, particular strides have been made in developing audits and strategies for facilities which come under the Communities portfolio.
- a. Strategies for playing pitches and indoor sports were approved following reports to the Development Plan Scrutiny Sub-Committee last June. The key points were summarised in the 'S106 interim approach' report to this Committee later that same month.
 - b. The strategic review of community provision is on-going and has already included community facility audits. The final Community Facility Strategy, including further assessment of possible uses of available S106 funding, is not expected until summer 2017. An overview of the strategic review can be found in Appendix A.
- 3.5 The approach to S106 priority-setting already differentiates between contribution types.
- a. Community facilities and outdoor sports⁷ are among four generic contribution types for which area committees currently have devolved decision-making powers (and for which there are also strategic funds for projects benefitting more than one area).
 - b. However, all S106 contributions for indoor sports (as well as public art and public realm) are already held in separate city-wide funds, as agreed following the report to this Committee in October 2014.
 - c. The 2014/15 round only focussed on proposals for community facilities, outdoor & indoor sports facilities and small-scale public art projects.

5. Please note that (as reported to this Committee last June) four projects that have not yet moved forward have been put on notice that, unless sufficient progress is made by the end of 2016, their S106 funding allocations may be reconsidered. These projects relate to community facility improvements at East Barnwell Community Centre and Milton Road Library and changing facility improvements at Cambridge Rugby Club and for club/community group access to sports facilities at King's College School. It is hoped that all these projects will be able to make the necessary progress but, if this does not happen, S106 contributions may need to be reassigned to unallocated funds, which would increase the availability levels.

6. Some time-limited contributions are allocated to the four projects mentioned in footnote 3, but the expiry dates for these are also after 2020.

7. 'Outdoor sports' incorporates some 'formal open space' contributions, which were collected until superseded by the new category in the council's Planning Obligations Strategy Supplementary Planning Document, 2010.

4. PROPOSED CHANGES

Community facilities

- 4.1 Paragraph 2.1 recommends deferring the next round of inviting S106 proposals and priority-setting for community facilities projects until after the completion of the strategic review of community provision.
- a. Given the limited availability of S106 funding, it becomes even more important for priority-setting decisions to be informed by up-to-date audit findings about the current capacity of local community facilities, as well as demographic information about local needs.
 - b. Whilst the current strategic review of community provision is making good progress, further work is needed to test of some of the suggestions about possible facility improvements that have been made so far by local organisations and groups – not least to check whether proposals are realistic, achievable and ready to be considered.
 - c. Until the outcomes of the Community Facilities Strategy are known next summer, it would be premature to come to a view about the arrangements for priority-setting including:
 - whether to seek fresh suggestions for community facility improvements or base priority-setting on those proposals that are raised as part of the strategic review;
 - whether to combine community facilities contributions currently held in devolved and strategic funds;
 - which community facilities improvement projects to prioritise.
 - d. By the time priority-setting of generic community facilities S106 funds can take place in 2017/18, the position regarding the funding of improvements at East Barnwell Community Centre and Milton Road Library (and the implications for wider funding availability) will have been resolved⁸. Some further agreed, generic contributions which are still awaited, may have also been received by then.

Outdoor sports facilities

- 4.2 Recommendation 2.2 involves combining all unallocated outdoor sports generic S106 contributions that are currently assigned to devolved and strategic funds. This picks up on the theme raised in the first S106 report on this agenda - that S106 funding is being spread unevenly and too thinly. Combining devolved and strategic funds would help to maximise spending power. See Table 2 below.

8. The aim is provide an update on the progress made by the four community & sports facility projects mentioned in footnote 5 in a report to this Committee in March 2017.

Table 2: Current availability of devolved outdoor sports S106 funds

NORTH AREA		EAST AREA	
Arbury	<£10k	Abbey	£80k
East Chesterton	£20k	Coleridge	£40k
King's Hedges	<£10k	Petersfield	£30k
West Chesterton	£20k	Romsey	£70
SOUTH AREA		WEST/CENTRAL	
Cherry Hinton	£0k	Castle	£0k
Queen Edith's	£0k	Market	£10k
Trumpington	£90k	Newnham	£0k

4.3 The key difference with the approach recommended in the first S106 report, however, is that paragraph 2.2 recommends that these combined outdoor sports funds should be held in a city-wide fund, with decisions about these contributions being made by the Executive Councillor for Communities. Table 3 explains why this makes sense.

Table 3: Reasons for different approaches to use of combined funds

Why a city-wide fund makes sense for outdoor sports S106 contributions	Why devolving some other S106 funds is appropriate
<ul style="list-style-type: none"> The council's Planning Obligations Strategy 2010 recognises outdoor and indoor sports facilities as 'city-wide resources'⁹. 	<ul style="list-style-type: none"> Facilities are more 'local/area-based resources'
<ul style="list-style-type: none"> Construction projects tend to be more expensive (often greater than £100,000). 	<ul style="list-style-type: none"> Can involve lower levels of project spend on improvements
<ul style="list-style-type: none"> The recent Playing Pitches and Indoor Sports strategies have highlighted clearer sets of strategic priorities on which to focus funding. 	<ul style="list-style-type: none"> Related strategies for these other contribution types (e.g., Outdoor Play Investment Strategy) identify a wider range of options for using these funds on local projects

9. The Planning Obligations Strategy 2010 makes clear that "Outdoor and Indoor Sports Facilities are considered to be city-wide resources and expenditure on these facilities will normally be on a city-wide basis" (see first bullet point under paragraph 3.2.15 of the city council's Planning Obligations Strategy 2010).

- 4.4 In addition, this recommendation to combine outdoor sports contributions in a city-wide fund:
- a. is consistent with the approach to indoor sports contributions, which are already held in a city-wide fund (not least because indoor sports facilities are also recognised as a 'city-wide resource');
 - b. would still allow the funding of sports projects across the city, but would enable a joined-up approach to be taken;
 - c. could enable consideration of additional funding for the proposed pavilion project on Jesus Green¹⁰, alongside the funding of other substantial strategic project proposals (not least some in South Area) that have already been identified as priorities in the recent Playing Pitches Strategy. Without putting the combined funds in a city-wide fund, this might be more difficult. For example, Table 1 on the second page of this report shows that substantial, additional outdoor sports contributions would not be available from either the current strategic or devolved funds from West/Central Area.
- 4.5 Paragraph 2.3 recommends focussing priority-setting in March 2017 over the use of outdoor and indoor sports S106 funding on project proposals which are ready to be considered and already identified as priorities in the Playing Pitches and Indoor Sports strategies - without seeking further sports facility S106 proposals in autumn 2016.
- a. Combining devolved and strategic funds for outdoor sports would help to create a city-wide outdoor sports fund of around £720,000. This is alongside the city-wide fund for indoor sports contributions where there are £470,000 of generic S106 contributions available.
 - b. The Playing Pitches and Indoor Sports strategies have already identified priority project proposals which would cost more than is available in these city-wide funds. This has followed considerable engagement with sports groups, facility providers and national governing bodies. It would make sense to focus on these proposals, rather than seeking others not already suggested.
- 4.6 Paragraph 2.4 recommends using the same selection criteria for S106 priority-setting (set out in Appendix B), which the Executive Councillor for Streets and Open Spaces is being asked to agree as part of the first S106 report on this agenda. These updated criteria feature guidance notes specifically aimed at strengthening applications for S106 grant funding, not least for outdoor and indoor sports facilities (see notes under criterion 5, 6 and 7).

10. The Jesus Green pavilion project has already been allocated £125,000 of outdoor sports contributions in the strategic fund, but may need more. Please note that it also has a provisional allocation of £125,000 of community facilities S106 funds from the strategic pot for the provision of community meeting space.

5. IMPLICATIONS

5.1 Please refer to the first S106 report on this agenda, as the implications mentioned there also apply to this report. This section, below, focuses on the implications that are specific to the S106 contribution types within this portfolio.

5.1. **Financial Implications:** This recommendations in this report take account of:

- a. the availability of generic S106 contributions for community and sports facilities (Tables 1 and 2);
- b. the recognition of sports facilities as city-wide resources; and
- c. the development of strategies for Playing Pitches, Indoor Sports and Community Facilities to enable effective use of resources.

5.2. **Staffing implications:** The priority-setting processes will be co-ordinated within existing staffing resources. The recommendations will enable staff to focus on the development and implementation of council strategies. Most S106 priority projects funded from the S106 contribution types within the Communities portfolio tend to be based on grants to community groups and local organisations. Council officers are involved in developing business cases and community use agreements (before grants can be issued) and then monitoring the grant recipients' project delivery progress and compliance with grant agreements.

5.3 **Consultation and communication:** Once the Executive Councillor has considered the recommendations, officers will contact all those community groups and residents who have expressed an interest in the next S106 priority-setting round to set out and explain the approach to community and sports facility contribution types.

5.4 **Equal Opportunities and anti-poverty implications:** All successful S106 grant applicants are required to sign a community use agreement. This confirms that the facilities being improved through an S106-funded project will be made accessible to the public.

6. BACKGROUND PAPERS

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

- “S106 priority-setting (Streets and Open Spaces)” report to Community Services Scrutiny Committee, 6/10/2016;
- “Interim approach to S106 funding (Communities)” report to Community Services Scrutiny Committee, 30/06/2016;
- “Cambridge and South Cambridgeshire Playing Pitch Strategy” report to Development Plan Scrutiny Sub-Committee, 2/6/2016;
- “Cambridge & South Cambs Indoor Sports Facility Strategy” report to Development Plan Scrutiny Sub-Committee, 2/6/2016;
- “Strategic review of Community Provision” report to Community Services Scrutiny Committee, 30/06/2016;
- “S106 priority-setting and devolved decision-making” report to Community Services Scrutiny Committee, 16/10/2014
- Planning Obligations Strategy Supplementary Planning Document, Cambridge City Council, March 2010.

Further information (can be found at the council’s Developer Contributions web page (www.cambridge.gov.uk/s106)).

7. APPENDICES

- A. Strategic review of community provision: overview
- B. Proposed S106 selection criteria for 2016/17

8. INSPECTION OF PAPERS

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

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Strategic review of community provision: overview

1. The council is undertaking a fundamental review of its provision of community facilities and community development work across the city. It owns, or directly manages, eight community centres, with a further three news centres due to open in future as part of growth site development (Clay Farm, Storeys Field, Darwin Green). Community provision is at the heart of delivering the council's Anti-Poverty strategy priorities and delivering targeted services to residents with the greatest needs.
2. There are three key outcomes from the review:
 - stronger communities (e.g., inclusive, connected, resilient, vibrant, good places to live);
 - council resources are targeted to known need;
 - savings – with a focus on reducing net cost by opportunity for further efficiency and generating increased income with the possibility of redirecting resources.
3. The review will produce a community facility strategy, underpinned by an evidence base that will enable a geographic and demographic assessment of community centres so that they can be categorised as either strategically important (core centres), or less strategically important (transitional centres). The strategy will also take into consideration other relevant city council needs assessments and strategies (e.g. Digital Transformation Strategy, Anti-Poverty Strategy) and critically, the County Council's review of Community Hubs).
4. Starting in July 2015, the review has so far completed audits of:
 - community facility provision across the city (107 facilities verified);
 - the city council's community centres; and
 - community development and anti-poverty services being delivered across the city.

There has also been a call for expressions of interest in managing all or part of a city council community centre. All council services have also been asked to identify any requirements for our community facilities in terms of wider corporate strategies (e.g., customer services, digital resilience, office accommodation).
5. Consultation will be undertaken on a draft Community Facility Strategy in January 2017, subject to approval by the Executive Councillor (following consideration by the Community Services Scrutiny Committee). A further report will go to this Committee in June to consider the final strategy.

Proposed S106 selection criteria for 2016/17

The selection criteria will apply to all generic S106 contribution types considered as part of the 2016/17 priority-setting round. They relate both to proposals for projects to be delivered/overseen by the city council as well as to applications for S106 grants to local organisations/community groups¹¹.

To be suitable for S106 funding from the Cambridge City Council, project proposals need to...

1. be **ELIGIBLE** for **S106** funding

- a. S106 contributions agreed before April 2015 are based on different contribution types (with separate purposes) and include informal open space' and 'provision for children & teenagers'. Here are some examples of the sorts of projects that they can fund:
- 'Informal open space' for the city's parks & open spaces, such as paths/surfacing, signs, lighting, landscaping, drainage, fences/gates, drainage, habitat creation, trees & shrubs, trim trails, BMX tracks, skate parks, benches/picnic tables, litter bins, noticeboards);
 - 'Provision for children and teenagers': play equipment and safety surfacing under that play equipment.
- b. Proposals for these contribution types need to be about providing, improving or better access to a facility within the city of Cambridge.

Public art

- c. The eligibility criteria for S106 funding for public art in Cambridge are slightly different, focussing on original, high quality public art that is:
- designed, produced or facilitated by an artist or craftsperson;
 - engages local communities;
 - is publicly accessible; and
 - has a legacy (there would need to be a permanent record of temporary artwork).

Small-scale, public art grants are for projects (normally, seeking up to £15,000 of public art S106 funding. Applications are expected from local organisations or community groups (not directly by an artist). Public art within schools (which is visible to school users, parents and visitors) comes within the scope of public art S106 funding.

11. Any organisation or community group seeking S106 funding will need to have its own bank account.

To be suitable for S106 funding, project proposals need to...

2. be **AFFORDABLE** within the S106 funding available for the relevant contribution type within that part of the city to which it relates

- a. The availability of S106 funding is running down and is spread unevenly (see www.cambridge.gov.uk/s106 for more details).
- b. If the relevant S106 contribution types are not available in the ward in which the proposed project is located and the project would not benefit nearby developments in neighbouring wards in the same area of the city (where funding may be available), it is not likely to be worthwhile making an application in 2016/17.
- c. Please bear in mind that councillors may not wish to invest all the available contributions available for a particular contribution type in a particular part of the city into a single project.
- d. Grant applicants must also give assurances that they need the S106 funding that they are seeking (i.e., that they do not already have sufficient funding for the project).
- e. Local groups seeking S106 grants should carry out other fund-raising too. Alternative sources of funding are suggested on our Developer Contributions web page

3. demonstrate that it would represent an **EFFECTIVE USE OF RESOURCES** in line with the city council's strategic objectives

Priority will be given to those proposals which can provide evidence to show that the project would:

- a. help to mitigate the impact of development in Cambridge; and
- b. be consistent with council strategy documents, facility audits and related committee reports.

In the 2016/17 priority-setting round, please focus proposals for play area improvements on Type B (local) or Type C (neighbourhood) play spaces, as set out in the Outdoor Play Investment Strategy 2016-21.

4. provide **ADDITIONAL BENEFIT**

- a. S106 funding cannot be used for replacing like-for-like facilities/equipment or repairing/maintaining existing facilities
- b. S106 grants are not available for buying land and property, but could be made available to refurbish/extend facilities once sites have been acquired by other means.

To be suitable for S106 funding, project proposals need to...

5. be **ACCESSIBLE**, in line with the council's grants and equalities policies

- a. Successful grant applicants have to sign community use agreements, which are then monitored. These make clear that grant recipients shall not discriminate against any community group wishing to hire the space (e.g., in relation to race, gender, religion, disability, sexual orientation and/or, age).
- b. Whilst local organisations may set reasonable charges for the hire and use of the S106-funded facilities for use by community groups, S106 funding cannot be used for overtly profit-making purposes.

6. be **REALISTIC, ACHIEVABLE AND READY TO BE CONSIDERED**

- a. Proposals need to be clear about what is proposed, where it would be and how it would be implemented.
- b. Applicants seeking S106 grant funding for a project they would take forward would need to give details of preparations being made to secure planning permission (where necessary) and steps taken to consult the local community about the proposed project.
- c. Grant applicants would also need to provide evidence of their fund-raising efforts and expected timescales for completing fund-raising.
- d. Priority will be given to project proposals which could reasonably be expected to reach the final stages of project delivery within 18 months of the priority-setting decision being made.

7. Be **FINANCIALLY VIABLE, WITH ROBUST MANAGEMENT PLANS**

- a. The council would need to be satisfied that sufficient resources are in place to ensure that the effectively management and running of the new facility in future.
- b. Grants applicants seeking S106 funding would need to demonstrate that they could continue to resource the project in future (Grant agreements feature clauses for returning to the council grants received (in whole or in part) should the project not provide the expected public benefit for its expected lifespan).