Release of S106 funds for Playing Fields (Winklebury and Sherborne St John)
Cllr Simon Bound, Portfolio Holder for Communities and Community Safety

<table>
<thead>
<tr>
<th>Report to</th>
<th>Portfolio Holder for Communities and Community Safety</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ward(s):</td>
<td>Winklebury; Sherborne St John</td>
</tr>
<tr>
<td>Key Decision:</td>
<td>No</td>
</tr>
<tr>
<td>Appendix 1:</td>
<td>Winklebury Stadium - Options appraisal</td>
</tr>
</tbody>
</table>
| Papers relied on:          | Cabinet report March 2018 ‘Transfer of Winklebury Football Stadium Facilities to Hampshire Football Association under a long lease’  
Playing Pitch Strategy 2015-2025  

Foreword - Cllr Simon Bound
Delivering improvements to sport and recreation facilities is one of my Portfolio aims and this report highlights two schemes which will contribute to this aim. Releasing funds towards the provision of the new artificial grass pitch at the Winklebury Stadium will help to secure significant investment from the Football Foundation and Hants FA. The pitch will greatly enhance access to football activity by Winklebury residents and other communities within its catchment. Improvements to the drainage of the football pitches at Chute Recreation Ground in Sherborne St John will enable the parish to maintain quality pitches for local participation. I am therefore pleased to confirm release of these funds.

Recommendations

1. To note the progress made on the arrangements to transfer Winklebury Stadium to Hampshire FA and on the project to provide an artificial grass pitch

2. To approve a contribution from the council towards the Winklebury Stadium artificial pitch project

3. To release up to £50,000 from S106 funds collected for Playing Fields from development in Winklebury (BDB 13/00747/FUL - £1,811) and from Sherborne St John BDB (BDB 75761 - up to £48,189) to support implementation of the Winklebury Stadium artificial pitch project

4. To approve release of £3,235 from S106 funds collected for Playing Fields from development from Sherborne St John (BDB 75761) for improvements to Chute Recreation Ground
Background, corporate objectives and priorities

In March 2018 Cabinet approved the transfer of the Winklebury Stadium facilities to Hampshire FA. Since that time officers have worked with HFA to develop the legal documentation and management arrangements. The Agreement for Lease, Lease and Management Agreement have been approved under delegated authority in accordance with the Cabinet decision and the Agreement for Lease may be exchanged once it is confirmed the funding to deliver the artificial pitch is in place. The procurement of the pitch is being led by Hampshire FA. The purpose of this report is to approve a contribution from the council towards the provision of the artificial pitch and to release S106 playing fields funds for this purpose, which, subject to confirmation of a grant award from the Football Foundation and a contribution from Hants FA, will enable the scheme to progress.

Approval is also sought to release S106 funds for improvements to the football pitches at Chute Recreation Ground in Sherborne St John ward.

These projects accord with council plan priority (2016-2020):

Improving residents’ quality of life – by delivering improvements to sports facilities

Glossary of terms

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>BTCFC</td>
<td>Basingstoke Town Community Football Club</td>
</tr>
<tr>
<td>HFA</td>
<td>Hampshire Football Association</td>
</tr>
</tbody>
</table>

Main considerations

1 Executive Summary

1.1 There has been significant progress on the Winklebury Stadium project since Cabinet’s decision in March 2018. The legal documentation between the council and HFA has been drafted and HFA has instigated the procurement relating to the artificial pitch and associated improvements. The proposed budget for the project comprised a grant from the Football Foundation and a contribution from HFA, which (at the time of the March report), HFA were confident would meet the project costs. However following the receipts of construction tenders, the Football Foundation and HFA have requested assistance from the council to meet the cost of the project.

1.2 The council remains committed to ensuring that this project can be delivered since it promises a range of benefits to the community of Winklebury and the wider catchment of the facility, as well as to the football community, HFA, BTCFC and the council. Officers have therefore considered the options for supporting the scheme and the respective implications, and now seek approval for the recommended way forward, which is to make a financial contribution to the project and to release unallocated Section 106 playing fields contributions from developments in Winklebury and Sherborne St John for this purpose.
1.3 Release of S106 funding is also sought for improvements to the football pitches at Chute Recreation Ground in Sherborne St John.

1.4 The council has a legal and accounting obligation to allocate funds collected in accordance with the requirements of Section 106 Agreements, and, as part of this process, ward members are consulted on the proposed allocation of the available funding secured from developments in their ward.

1.5 The ward members for Winklebury have been consulted on the use of S106 funds secured for playing fields in the locality of the development at the Three Barrels for the delivery of the artificial pitch.

1.6 The ward member for Sherborne St John has been consulted on the use of funds secured for playing fields in the locality of the development on land north of Marnell Park for the delivery of the artificial pitch in Winklebury and for improving the football pitches at Chute Recreation Ground.

1.7 There has also been discussion between relevant officers and Sherborne St John Parish Council regarding the allocation of the available S106.

2 The Proposal

Winklebury Stadium

2.1 Details of the improvements to Winklebury Stadium were set out in the March Cabinet report. In summary, a three phase approach was outlined:

- Phase 1 – the transfer of the stadium facilities to HFA under the lease, the submission of a planning application for the pitch works by HFA and the submission of a funding application by HFA to the Football Foundation for grant funding for the artificial pitch
- Phase 2 - construction of the artificial pitch
- Phase 3 the relocation of the BTCFC first team from the Camrose to Winklebury, dependent of a number of factors including further improvements to the Stadium facilities to meet ground grading requirements.

2.2 HFA obtained planning consent in July 2018 for the new artificial pitch with associated floodlighting, fencing, and storage areas. Also included in the specification is provision of the hardstanding required for the provision of spectator stands to be installed when BTCFC is in a position to relocate to the site. This future proofing will avoid the risk of damage to the pitch surface and will result in less disruption to the operation of the pitch when the stands are eventually installed. BTCFC will meet the cost of the hardstanding, which is excluded from the total project cost identified in this report. A separate planning application and funding strategy will be required from BTCFC for the installation of the stands and other elements of the ground improvements such as additional turnstiles and enhancements to the changing rooms in due course.
2.3 The consultants appointed by HFA, working to a Football Foundation procurement framework, developed the tender specification for the construction phase. Following receipt of tenders, the budget requirement needed to be reviewed, which led to a request that the council either procure the works to achieve VAT savings, or make a financial contribution.

2.4 Given the importance of the project and the timescales involved, the council agreed to give urgent consideration to the following options:

- Procurement by the council to realise VAT advantages
- Any opportunities for reducing the cost of the project
- Allocating S106 contributions for playing fields provision
- Other potential sources of funding

2.5 The Football Foundation and HFA also considered how they could effectively manage the budget requirement, resulting in some reduction in cost and an increase in the grant requested from the Football Foundation.

Chute Recreation Ground

2.6 Sherborne St John Parish Council has identified the need to improve the drainage for the football pitches at Chute Recreation Ground. There have been occasions when the pitches have been unplayable due to waterlogging which impacts on team fixtures and on the income generated from pitch hire. It is proposed to verti-drain the pitches, the cost of which is £3,235. This can be met from S106 secured for playing fields from development in Sherborne St John.

3 Options Analysis for the Winklebury Stadium project

3.1 An options appraisal was conducted to explore how the council could assist HFA secure the necessary budget for the artificial pitch scheme - this is summarised at Appendix 1.

3.2 The analysis led to the recommendation for the council to make a financial contribution of up to £50,000 and for this to be funded from S106 contributions secured for playing field provision. Based on this indicative recommendation, the Football Foundation has accepted the submission of a revised grant application, which, if approved, would meet the balance of funding required for the project. (The application has been recommended for approval by the Football Foundation’s grants panel at the first stage of grant consideration and will be presented for final decision by the board on 11 December.)

3.3 The options rejected are shown in paragraph 12.

4 Key issues for consideration

4.1 The results of the options appraisal relating to the council’s potential support for the Winklebury Stadium project is discussed in paragraph 3. The issue of allocating the S106 funds is discussed below.
4.2 Options for projects to be funded through Section 106 depend largely on the scope of funds available, the needs of the particular area and any constraints identified in the S106 Agreement. There is little S106 funding available for playing fields arising from development in the Winklebury ward, so it is also proposed to allocate funds secured from development on land north of Marnell Park, in the Sherborne St John ward. The off-site element of the developer contribution from this developer was scoped for enhancing / developing strategic sport and recreation facilities within an appropriate distance of the development.

4.3 The table below summarises the source of S106 funds proposed to be released for the Winklebury Stadium project:

<table>
<thead>
<tr>
<th>Sources of Section 106 Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>S106 Ref BDB</strong></td>
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<tr>
<td>-------------------</td>
</tr>
</tbody>
</table>
| 13/00747 /FUL     | Three Barrels, Winklebury Centre, RG23 8BU | January 2014 | To be used in the locality of the site | £1,811 | Within 10 years of receipt (by Feb 2024) 

**Purpose of developer contributions as set out in the S106 Agreement:**
As a contribution towards the cost of providing, running and maintaining playing fields.

<table>
<thead>
<tr>
<th><strong>S106 Ref BDB</strong></th>
<th><strong>Developer &amp; Site</strong></th>
<th><strong>Date of Agreement</strong></th>
<th><strong>Area of Benefit in S106 Agreement</strong></th>
<th><strong>Available S106</strong></th>
<th><strong>Spend by date</strong></th>
</tr>
</thead>
</table>
| 75761             | David Wilson Homes - Land north of Marnell Park | May 2013 | Offsite in the locality of the development site | £93,580 of which £48,189 is sought | Within 5 years of receipt (by May 2020) 

**Purpose of developer contributions as set out in the S106 Agreement:**
As a contribution towards the cost of providing, running and maintaining playing fields.

4.4 The Winklebury Stadium facilities are within the acceptable distance threshold (20 minutes' drive time) to be within the locality of both development sites. The combined allocation of up to £50,000 from these S106 contributions are therefore in accordance with the S106 Agreements, and will assist HFA to bring the scheme within budget.

4.5 These contributions towards the artificial pitch are consistent with the council’s Playing Pitch Strategy 2015-2025, which set out the approach for football provision. The strategy included:

Support provision of a minimum of 3 new artificial grass pitches for community use with football as the priority sport, in the main population areas of Basingstoke Town, Tadley and Whitchurch/Overton by 2025.

4.6 This was to be achieved by supporting the Vyne and Testbourne schools to provide a pitch on the school sites by allocating S106 contributions and to ‘support HFA to secure funding to provide an AGP with community use at Winklebury Football Complex by 2020’. This has been facilitated by the
transfer of the stadium site to HFA under a long lease at no property premium cost to HFA, providing the security of tenure required for grant applications and investment by HFA.

4.7 Releasing up to £48,189 from the development on land north of Marnell Park leaves £45,391 available for other priority schemes in the locality. From this sum it is proposed to release funds for the Chute Recreation Ground Playing Fields, which are within Sherborne St John ward.

<table>
<thead>
<tr>
<th>S106 Ref BDB</th>
<th>Developer &amp; Site</th>
<th>Date of Agreement</th>
<th>Area of Benefit in S106 Agreement</th>
<th>Available S106</th>
<th>Spend by date</th>
</tr>
</thead>
<tbody>
<tr>
<td>75761</td>
<td>David Wilson Homes - Land north of Marnell Park</td>
<td>May 2013</td>
<td>Offsite in the locality of the development site</td>
<td>£45,391* of which £3,235 is sought</td>
<td>Within 5 years of receipt (by May 2020)</td>
</tr>
</tbody>
</table>

*balance of available S106 funds remaining if £48,189 is approved to spend at Winklebury Stadium as outlined above

4.8 If £3,235 is approved for Chute Recreation Ground, this would leave £42,156 available for other schemes. This sum could be pooled with a further contribution of £111,664 due from the second phase of development, yet to be added to the capital programme. This would be allocated to further improvements for sport, which will be identified in the forthcoming refresh of the Leisure and Recreation Needs Assessment and through consultation with local ward councillors.

Corporate implications

5 Legal Implications

5.1 The council and representatives from HFA have concluded the drafting of documentation required to transfer the lease of the existing Winklebury Stadium facilities from the council to HFA. Formal exchange of the Agreement for Lease may be arranged once the funding is confirmed.

5.2 If the proposal to provide a contribution of up to £50,000 is approved there will be no need for any changes to the current legal documentation between the parties.

5.3 The S106 contributions for both projects will be spent for the purpose they were collected as set out in the S106 Agreements BDB 13/00747/FUL and BDB 75761. Agreements for the use of the S106 will be required.

6 Financial implications

6.1 Following a review of Winklebury Stadium project costs, the revised budget requirement for HFA to undertake the works is £826,217 inclusive of estimated irrecoverable VAT. This is proposed to be funded as follows:
<table>
<thead>
<tr>
<th>Funding source</th>
<th>Sum</th>
<th>% of project cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>BDBC S106 contribution</td>
<td>Up to £50,000</td>
<td>6%</td>
</tr>
<tr>
<td>HFA contribution</td>
<td>£200,000</td>
<td>24%</td>
</tr>
<tr>
<td>Football Foundation grant</td>
<td>£576,217</td>
<td>70%</td>
</tr>
</tbody>
</table>

6.2 The funding of up to £50,000 can be met from the relevant S106 contributions which are in the capital programme 2019/20 – 2021/22 in the budget for Sport and Recreation Improvements. This contribution from the council does not change the original agreement in place in terms of the ongoing arrangement between HFA and B&DBC, therefore there is no ongoing financial implication.

6.3 HFA will procure and manage the project; the Football Foundation will have oversight of project delivery, and release its grant funding to HFA in phases.

6.4 The funding of £3,235 for the Chute Recreation Ground football pitch improvements, representing 100% of the cost of works, can be met from the relevant S106 contributions which are in the capital programme 2019/20 – 2021/22 in the budget for Sport and Recreation Improvements; this sum will be brought forward for expenditure in 2018/19. Sherborne St John Parish Council will procure the works and manage the project. There are no ongoing revenue implications for the council arising from this contribution.

7 Risk management

7.1 Risk management relating to unforeseen cost implications, health and safety, contractor management and other project issues is the responsibility of the lead organisation, in this case HFA for the Winklebury project and Sherborne St John Parish Council for Chute Recreation Ground.

7.2 The council’s contribution for the Winklebury project, up to a maximum of £50,000, will be paid to HFA in phases as the project progresses. HFA would be responsible for meeting any costs over the available budget once the project has commenced.

7.3 Risk assessments relating to the allocation of these contributions towards the two projects has been completed in accordance with the council’s risk management process and has identified no significant (Red or Amber) residual risks that cannot be fully minimised by existing or planned controls or additional procedures.

8 Equalities implications

8.1 An Equality Impact Assessment was previously undertaken to consider the impact of proposal to transfer Winklebury Football Stadium to Hampshire Football Association (HFA) under a long lease on the protected characteristics groups and the implications for the Public Sector Equality Duty (Equality Act 2010). This assessment concluded that the proposal would not have a differential impact on any groups and that the continuation of the club and activities related to football is positive for building good relations between different groups.
8.2 This assessment does not change with the proposed contribution towards the scheme and makes the realisation of the positive outcomes more achievable.

8.3 For the Chute Recreation Ground project, consideration of the impact on the protected characteristics groups and of the implications for the Public Sector Equality Duty has concluded that the improvements to the football pitches would be positive for all user groups.

9 Consultation and communication

9.1 There was extensive communication and engagement about the Winklebury Stadium project with the local community leading up to the decision to grant a long lease to HFA for the stadium facilities. The provision of an artificial grass pitch was a fundamental component of project proposals which was widely welcomed. Since then there has been further community engagement at the Winklebury Gala and through the regeneration partnerships. The community has also had opportunities to comment through the planning application process and via the process required to dispose of open space under the lease arrangements.

9.2 The ward members for Winklebury have been consulted on the use of S106 funds secured for playing fields in the locality of the development at the Three Barrels for the delivery of the artificial pitch.

9.3 The ward member for Sherborne St John has been consulted on the use of funds secured for playing fields in the locality of the development on land north of Marnell Park for the delivery of the artificial pitch in Winklebury and for improving the football pitches at Chute Recreation Ground.

9.4 There has also been discussion between relevant officers and Sherborne St John Parish Council regarding the allocation of the available S106.

9.5 Articles on the projects funded through S106 allocations will be included in Basingstoke and Deane Today and on the council’s social media channels. Press releases will also be sent to local media.

10 HR implications

10.1 There are no HR implications arising from the proposed decision since the client responsibilities for managing the projects remain with the lead organisations.

Conclusion

11 Summary and reason for the decision

11.1 Securing the funds to deliver the artificial pitch at Winklebury is fundamental to the transfer of the lease to HFA and to fulfil the expectations of the community. While it was not originally anticipated that the council would need to make a contribution, given the importance of the project to the long term arrangements of the facilities, it is essential that it proceeds in a timely fashion.
11.2 It is therefore considered that a contribution to the scheme is the most pragmatic way forward and that S106 contributions secured for playing field provision should be released for this purpose.

11.3 With this decision, and subject to a decision by the Football Foundation to approve its grant award, the project remains on track, with construction of the artificial pitch being scheduled for completion in summer 2019.

11.4 The decision to release the funds for Chute Recreation Ground is to enable Sherborne St John Parish Council to commission the drainage works needed to improve the football pitches in the current season.

12 The options considered and rejected

12.1 The option of not providing assistance for the project was rejected given the importance of the artificial pitch to the community and the long term transfer of the facilities to HFA.

12.2 The option of the council procuring the works for the Winklebury artificial pitch was rejected due to a range of adverse implications as summarised in Appendix 1.

12.3 The option of not releasing funds for Chute Recreation Ground was rejected since the project meets an identified need to enhance the football pitches.

Date: November 2018
Decision taken by: Portfolio Holder for Communities and Community Safety

<table>
<thead>
<tr>
<th>Lead officer</th>
<th>Head of Borough Development and Implementation</th>
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<tbody>
<tr>
<td>Report author</td>
<td>Marion Short, Community Wellbeing Manager</td>
</tr>
<tr>
<td>Version</td>
<td>Final</td>
</tr>
<tr>
<td>Dated</td>
<td>15/11/18</td>
</tr>
<tr>
<td>Status</td>
<td>Open</td>
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<tr>
<td>Confidentiality</td>
<td>It is considered that information contained within this report and appendices do not contain exempt information under the meaning of Schedule 12A of the Local Government Act 1972, as amended, and therefore can be made public.</td>
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## Summary of Winklebury Stadium options appraisal

This options appraisal summary focuses on the implications for the council relating to the choice to either:

- procure the works; or
- make a financial contribution

<table>
<thead>
<tr>
<th>Option</th>
<th>BDBC procures the works</th>
<th>BDBC makes a contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implications</td>
<td>Pros</td>
<td>Cons</td>
</tr>
<tr>
<td>Procurement</td>
<td>The specification has already been drawn up in accordance with the FF framework</td>
<td>Project would need to be retendered to comply with BDBC procurement rules</td>
</tr>
<tr>
<td>VAT</td>
<td>Provided the FF grant is awarded direct to the council, VAT savings are likely to bring the project within budget</td>
<td>The council may be unable to recover all the VAT it incurs on the works; there remain VAT implications on contributions from third parties; there are risks around the treatment of VAT given HFA’s occupation of the site and its VAT status</td>
</tr>
<tr>
<td>Financial</td>
<td>There is no need to make budget provision for the scheme</td>
<td>There will be financial monitoring requirement to oversee spend to contractors and to claim grant payments</td>
</tr>
<tr>
<td>Legal</td>
<td>-</td>
<td>Would require redrafting of lease documentation – this may take several weeks</td>
</tr>
<tr>
<td>Risk</td>
<td>-</td>
<td>Risks of overspend and delays will fall to the council; Construction warranties will be assigned to the council and will need to be transferred to HFA</td>
</tr>
<tr>
<td>Option</td>
<td>BDBC procures the works</td>
<td>BDBC makes a contribution</td>
</tr>
<tr>
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<td>------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Implications</td>
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<td></td>
</tr>
<tr>
<td>Capacity</td>
<td>Would require officers in service area across the council to pick up project activity – there is limited capacity for this unplanned workload</td>
<td>There would be no impact on officer capacity</td>
</tr>
<tr>
<td>Decision making</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Timeframe</td>
<td>There would be a significant delay for project delivery due to re-tendering and decision making</td>
<td>There is likely to be minimal delay to the project</td>
</tr>
<tr>
<td>Conclusions</td>
<td>If the council were to procure works, the VAT issues remain complex and may not achieve the savings anticipated. Procurement by the council also has a number of significant adverse implications impacting on legal documentation, exposure to risk, officer capacity and project timeframes. There are fewer disadvantages to the council of making a financial contribution and for HFA to procure the works as originally intended. Considering all factors, the officer recommendation is to make a financial contribution to the scheme from S106 funds collected for playing fields provision.</td>
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