

# HEDGE END, WEST END AND BOTLEY LOCAL AREA COMMITTEE

Monday, 28 September 2020

## FORWARD FUNDING WOODHOUSE LANE SPORTS FACILITIES PROJECT

### Report of the Project Manager and Local Area Manager for Hedge End, West End and Botley

---

#### Recommendation(s)

It is recommended that this Committee approve:

- (1) the allocation of the Boorley Gardens Sports Pitch Contribution of £534,434 towards the Woodhouse Lane Sports Facilities Project; and
  - (2) ask Cabinet to support the forward funding of the Woodhouse Lane sports facilities project as detailed in this report, to enable delivery of the project in line with the delivery programme for Deer Park School and in line with the Council's infrastructure first approach.
- 

#### Summary

This report requests approval from this Committee to front fund the Woodhouse Lane Sports Facilities Project in advance of full receipt of the allocated developers contributions to the (index linked) value of £3,208,548.43 to enable delivery of the project within the agreed timelines and the release of phase 1 of the development for housing.

#### Statutory Powers

**Section 1 of the Localism Act 2011 i.e. the Local Authority's general power of competence, including power to act for the benefit of its area or persons resident or present in its area**

#### Strategic Implications

1. This decision facilitates the delivery of the community sports facilities on the land west of Woodhouse Lane. Completion of these facilities will enable the release of land for phase 1 of the land west of Woodhouse Lane/Uplands Farm housing development (Ref: O/18/83634), as well as enabling the existing local community in Hedge End, West End and Botley (HEWEB) to benefit from access to the range of sports facilities and public open space being provided at the earliest possible opportunity, in line with the Council's infrastructure first

approach. The project specifically addresses the following Corporate Plan objectives:

- A Healthy Community (including Tackling Deprivation)
- A Green Borough (including addressing Climate Change)
- The Local Plan policy relating to this site.

In addition, the project aligns with the deliverables of the Council’s playing pitch strategy (PPS), 2017, and Local Facilities Football Plan 2020, for formal football provision in the HEWEB local area to meet existing and future demand.

## Introduction

2. Subject to planning approval, the Woodhouse Lane Sports Facilities Project will consist of the delivery of a new full size 3<sup>rd</sup> Generation (3G) Football Turf Pitch, changing rooms and a multi-use activity hall on the Deer Park School site, known as the ‘Additional Sports Facilities’, and 3 natural turf sports pitches and public open space on the adjacent ‘Community Sports Land’. Reserved matters planning applications will be submitted to the January 2021 HEWEB Local Area Committee for determination. From the feasibility and concept design work undertaken to date, the total project budget is currently estimated to be £2,760,000.
3. The project will be funded via the developers’ contributions, the details of which are provided below:

<b>Developers Contribution</b>	<b>Amount</b>	<b>Triggers</b>	<b>Allocated</b>
Community Infrastructure Contribution	£1,166,735	Upon commencement of the construction phase of the project	HEWEB LAC 3 March 2020
Public Open Space (District Parks/Playing Fields Contribution)	£1,507,379	34% upon commencement of residential development (expected Nov 2021)  33% upon 200 <sup>th</sup> occupation (expected Jan 2024) 33% upon 300 <sup>th</sup> occupation (expected July 2025)	HEWEB LAC 3 March 2020
Boorley Gardens Sports Pitch	£534,434	34% prior to 1 <sup>st</sup> occupation (expected Sept 2021)	Allocation requested at HEWEB LAC

Contribution		33% 100 <sup>th</sup> occupation (Expected Sept 2022)  33% 200 <sup>th</sup> occupation (Expected Sept 2023)	28 Sept 2020
--------------	--	--	--------------

4. If planning approval is granted, the programme for delivery of the facilities is to commence construction in June 2021, with completion of the facilities by September 2022 (inclusive of a 12month grass pitch maintenance period). The access haul road enabling the delivery of these facilities is the same haul road used for the construction of the Deer Park School playing fields and runs through phase 1 of the Uplands Farm housing development. This must be cleared before phase 1 can be marketed for development and therefore the construction works have been programmed immediately after completion of the school. The consecutive nature of the work packages will also minimise the disruption of the works to the school and ensure best value is achieved.
5. In order to deliver the project within the proposed timelines, forward funding will be required, as not all developers' contributions funding the project will have been received prior to delivery of the project. Also, in order to progress through Gateway 2 with Hampshire County Council's delivery of the 'Additional Sports Facilities' work package, the joint Project Board requires confirmation of the Council's ability to forward fund their contribution to enable the project to proceed.

### **Financial Implications**

6. The Council will incur interest payments on the money borrowed to forward fund the project during the periods where project expenditure exceeds that of the income received from the allocated developers' contributions detailed in paragraph 3 above. A financial forecast showing the projects' projected cashflow and the borrowing costs that will be incurred is detailed in Appendix 1.
7. Based on the project delivery timelines and the projected receipt of developers' contributions, the cash flow forecast estimates that the cost of borrowing for the duration of the project will be £5,008. This cost will be met by the project and financed from Developer's Contributions. Because the project budget could fluctuate as the project develops and due to the associated risks detailed below, a sum of £10,000 will be included as a contingency sum to adequately mitigate any associated risk and ensure that all interest costs are borne by the project, rather than requiring any committee reserves.
8. Should HEWEB LAC approve the recommendations of this report, a recommendation will be reported to the next Cabinet meeting to ask for formal approval, given the financial implications and risks, due to the sums of money being forward funded.

## **Risk Assessment**

9. Should the housing programmes be delayed, this will cause a delay in the milestones being achieved which trigger the receipt of developers' contributions. This would therefore result in additional costs due to an extended period of borrowing. However, because developers' contributions are index linked to the Retail Price Index (RPIx), the increase in the amount of developers' contributions received as a result of later receipt is forecast to comfortably exceed the additional costs incurred as a result of an extended period of borrowing. Therefore, the project should remain at zero cost to the Council. Despite this, an increased contingency sum of £10,000 has been allocated within the project budget to meet any costs of borrowing and mitigate this risk.
10. The risk to the Council would manifest if the housing developments did not progress and the allocated contributions were therefore never received. Both developments have received planning permission (O/18/83634 & RM/17/81628) and are key components of the Council's housing delivery targets. It is more likely that the build out of the developments may be slower than originally anticipated. In this eventuality, the cashflow position would be reviewed and other developers' contributions would have to be allocated.
11. The implications of the Covid-19 pandemic and Brexit on the economy are yet to be fully understood. Whilst unlikely, there remains a possibility that a large recession could cause RPIx to become a negative which means the indexation received could become a negative figure. This would result in the contributions received being less than the S106 figures for which the budget is set. This risk is considered to be very low and will be managed by periodic checks of the RPIx rate throughout that project to enable adjustment of the project budget accordingly.

## **Equality and Diversity Implications**

12. The Equality Act is not relevant to the decision in this report because it is a report dealing with internal or procedural matters only.

Therefore it is considered that for this decision the Equality Duty does not need to be addressed and an Equality Impact Assessment (EqIA) has not been carried out. However the project has considered equality and addressed this in the following ways:

- Pitch configurations and line markings to meet FA guidelines for different age groups to ensure the pitches meet a wide range of user ages and requirements, so facilities are available for all.
- Sufficient capacity to providing separate changing space if junior and senior teams or male and female teams are using the same site.
- Community and Commercial hire charge rates to tackle social deprivation.

- The Community Use Agreement with the school will have Equality and Anti-discrimination clauses to ensure equality of opportunity to use the facilities and compliance with the Equalities Act 2010.

## **Climate Change and Environmental Implications**

13. The request for front funding in this report does not affect climate change or environmental implications. However the impact of the project on climate change and the environment has been considered and addressed in the following ways:
- The community sports pitches and public open space will be delivered on existing arable land and will look to achieve a biodiversity net gain through landscaping and a variety of planting to encourage carbon offset and habitat creation.
  - LED floodlighting will be used on the 3G Football Turf Pitch to minimise energy consumption.
  - Drainage strategies will be designed to ensure they do not exceed greenfield run-off rates.
  - Cycle and Footways constructed through the community sports land will encourage sustainable travel.

## **Conclusion**

14. This report requests that this Committee allocates the Boorley Gardens sports pitch contribution of £534,434 to the Woodhouse Lane sports facilities project and approves the front funding of the Woodhouse Lane sports facilities project. This will enable delivery of the projects in line with the delivery programme for Deer Park School and in line with the Council's infrastructure first approach. The cost of borrowing to forward fund the project is forecast to cost £5,008 in interest payments, which will be met by the project budget in the form of a £10,000 contingency sum.

JULIA BIRT, HARRY LEE  
LOCAL AREA MANAGER, PROJECT MANAGER

Date:	25 August 2020
Contact Officer:	Julia Birt, Harry Lee
Tel No:	02380688437, 02380688469
e-mail:	julia.birt@eastleigh.gov.uk, harry.lee@eastleigh.gov.uk
Appendices Attached:	1

**LOCAL GOVERNMENT ACT 1972 - SECTION 100D**

The following is a list of documents which disclose facts or matters on which this report or an important part of it is based and have been relied upon to a material extent in the preparation of this report. This list does not include any published works or documents which would disclose exempt or confidential information.

Appendix 1 – Cashflow Forecast