



**REPORT of
DIRECTOR OF CUSTOMERS AND COMMUNITY**

**to
ANNUAL COUNCIL
11 MAY 2017**

**NORTH HEYBRIDGE GARDEN SUBURB – ADMINISTRATION OF SPORTS
FACILITIES**

1. PURPOSE OF THE REPORT

- 1.1 To consider policy direction from Members into the future management and administration of sports facilities included within the new North Heybridge Garden Suburb (NHGS) as part of the Section 106 agreement (S106) with the Council.

2. RECOMMENDATIONS

- (i) That the Director of Customers and Community authorises the appropriate Officers to:
- a) complete the Section 106 Agreement (which is part of the planning application approved by Members at the extraordinary meeting of the Council on 7 December 2016, Minute No. 791 refers) for North Heybridge Garden Suburb setting out clear options allowing for either future management of the sporting facilities via a Local Management Organisation or via the District Council and a preferred partner;
 - b) investigate the proposal to allow the Council to take full ownership of the new sports facilities and then seek a suitable partner for its management and administration at no ongoing operating cost or financial risk to the Council and report back with findings for Members consideration.

OR

- (ii) That the Council confirms its position in that management of all green and blue infrastructure (including the new sporting facilities) within the North Heybridge Garden Suburb is undertaken by a Local Management Organisation and this infrastructure transfers to such an organisation at no future operating cost to the Council and the Section 106 agreement (which is part of the planning application approved by Members at the extraordinary meeting of the Council on 7 December 2016, Minute No. 791 refers) is completed accordingly.

3. SUMMARY OF KEY ISSUES

3.1 Background

3.1.1 At the meeting of the Council on 18 December 2014 Members considered a report on the governance of parks, open spaces and public realm facilities in new developments (Minute No. 690 refers). The recommendations, as set out in the report, were agreed but in each case a modification was included as set out in **bold** below:

- (i) that the Council adopts and manages suitable areas of green space and public realm in new developments providing that the costs and resources required to manage and maintain the facilities over an agreed timescale are secured through the planning process **and that this be at no financial risk to the Council;**
- (ii) that in the Garden Suburbs and other large developments, the Council works in partnership with stakeholders and the community to develop appropriate governance arrangements for the future management of green spaces **and that this be at no financial risk to the Council.**

3.1.2 Within the report on the planning application for the NHGS which went to the extraordinary meeting of the Council on 7 December 2016 (Minute No. 791 refers), an illustrative layout and Design Parameter Plan (the Plan) was provided. The Plan showed a network of green infrastructure, a range of general amenity areas and formal and informal open space including allotments, play areas, playing fields and general landscaping. The following is referred to within the Minutes:

- Delivery of Allotments to serve North Heybridge to the value of £49,560;
- Delivery of sports pitches and pavilion to the value of £1,266,000;
- Open space to be provided in accordance with phasing plan;
- Management of all green and blue infrastructure by Management Company.

3.1.3 From the above it is clear that the intention of the Council was for all green and blue space to be managed and maintained by a Local Management Organisation (LMO). This approach is consistent with the Commercial Estates Group (CEG) S106 for the South Maldon Garden Suburb agreement.

3.1.4 Under the South Maldon Garden Suburb agreement the LMO will also manage the Sports Facilities.

3.1.5 However, the existing Drapers Farm Sports Club (the Club) has indicated interest in taking on responsibility for the new sport facilities included within the scheme on a similar basis to the existing arrangements with the Council (i.e. the Council owns the site and grants a lease to the Club allowing it to operate from the site). It should be noted the existing arrangement at Drapers Farm is not cost neutral to the Council which funds grounds maintenance at a cost of over £20,000 per annum, a proportion of which is used to support the sports activities at the site.

3.1.6 In April 2016 within a report to the Community Services Committee Members agreed to early negotiation with the Club regarding the renewal of their existing lease at

Drapers Farm including seeking clarification on maintenance responsibilities and the creation of a clause that allows the club to expand into new land if it became available in the future (Minute No. 1132 refers). The new NHGS offers a possible solution in meeting the needs of the Club however, the renewal of the lease and inclusion of a clause does not bind the Council to any action in relation to NHGS.

- 3.1.7 The proposal for sports facilities within the NHGS amount to 6.47 hectares (ha). The new facilities are comparable with the existing Drapers Farm complex in as much as the site area is comparable and clubhouse is also provided.

3.2 **Option for Council ownership**

- 3.2.1 Given the clear instructions from Members in 2014 the full management and maintenance costs of the grounds and buildings associated with sporting facilities at NHGS would have to be met by a partner organisation rather than the Council.

- 3.2.2 It is estimated that at the new NHGS site maintenance costs could amount to £50,000 per annum. The overall size and location of the playing fields is set within the design plan and the associated facilities will be in keeping with the scale of the provision. At this time it is not possible to be definitive about the arrangement of the new facilities as community engagement will be required to help shape the final configuration. The indicative maintenance figure above is based upon £25,000 for grounds maintenance and £25,000 for upkeep of the pavilion, parking and other infrastructure.

- 3.2.3 In considering the option for the Council to take on responsibility for the new facilities as opposed to passing the site to an LMO there are a number of considerations to be made.

- 3.2.3.1 Finance: As discussed above at this early stage it is difficult to establish exact costs associated with the provision of the new facilities but the indicative figure of £50,000 per annum for the length of the life of the asset, is a credible starting point. If the Council was to take ownership of the facilities and offer a lease to operate it, detailed work will be necessary by any partner organisation to develop a business case demonstrating that there would be no deficit and financial risk to the Council. However, the timescale for delivery of the sports facilities is estimated to be between six and ten years into the future and it will be extremely difficult for any potential partner to establish any credible business plan given the uncertainty at this time.

- 3.2.3.2 Community Involvement – Through the LMO option local residents would be able to influence the direction and management of the facilities through a Steering Group. If the Council was to take on the responsibility for the site the partner organisation would need to mirror this arrangement. In October 2015 Members were updated upon the Local Development Plan Implementation – South Maldon and North Heybridge Garden Suburbs (Minute No. 460 refers). Within the report details were provided upon progress in establishing the governance structure for each Garden Suburb. It was reported that a Community Liaison Panel comprising Council Members, representatives from Town and Parish Councils and community representatives was in the process of being established for both Garden Suburbs. For the NHGS this work is yet to be taken forward. In addition to the above, the Council will need to undertake a review of all existing sports provision in the area to establish future needs and this will help shape the final sports provision.

3.2.3.3 Risk to the Council: If the sports facilities pass to the Council as owner of the site, the Council would effectively underwrite the facility in financial terms which is anticipated to cost a minimum of £50,000 for the length of the life of the asset. It is vital that a credible partner is identified whom could evidence a sound business plan without relying upon the Council to fund operations. Going forward if the identified partner organisation could not meet the necessary obligations under the lease, responsibility would pass back to this Council and new arrangements would have to be sought. This could result in ongoing costs to the Council, as well as possible temporary loss of provision to the community or degradation of the facility until an alternative arrangement can be made. It could also result in a poorer quality of facility going forward. The LMO is bound by the S106 to deliver certain standards of management and maintenance via the Green Infrastructure Management and Maintenance Plan and other clauses in relation to open space. It is reasonable to assume this Council (through its partner) would also need to meet agreed standards as mentioned above.

3.2.3.4 Impact upon Section 106 Timetable: Discussions with the developer are at an advanced stage. It is clear if the Council was of a mind to explore the option to take ownership of the site the proposal will need thorough investigation. Due to the uncertainty regarding costs it will be necessary to include a clause within the S106 agreement leaving options for the sports facilities to be managed directly by the Council or via an LMO. This matter will be the subject of negotiation with the developer as would require any future LMO appointed by the Developer to include the option to take on the sports facilities at a future date if required. It is not clear if this negotiation would delay or put at risk the overall S106 agreement.

4. CONCLUSION

- 4.1 As early as 2014 the Council considered the governance of parks, open spaces and public realm facilities within the new garden suburbs. The new sporting facilities planned for the North Heybridge Garden Suburb will provide new and existing residents access to new facilities.
- 4.2 In December 2016, the Council agreed that the Management of all green and blue infrastructure should be undertaken by a LMO.
- 4.3 Drapers Farm Sports Club has indicated interest in partnering with the Council to run the new sporting facilities. The Club operating from Drapers Farm is popular with users and has identified a need for additional resources. The capacity within the existing site is limited and conflict exists between the activities being undertaken (cricket and rugby both of which are very popular sporting activities). It is also believed that Drapers Farm Sports Club is in a strong position to offer a management service or become a partner to the LMO in delivering the future sporting facilities (but this is not a guaranteed outcome).
- 4.4 Given the uncertainty into the final configuration of the new sports facilities if the Council wishes Officers to explore the proposal to take ownership of the site it will be necessary to include a clause within the S106 agreement at this time leaving options

for the sports facilities to be managed directly by the Council or via an LMO in the future.

5. IMPACT ON CORPORATE GOALS

- 5.1 This work contributes to Councils corporate goal of ‘Delivering Good Quality Cost Effective and Valued Service’ and Creating opportunities for economic growth and prosperity.

6. IMPLICATIONS

- (i) **Impact on Customers** – The provision of new sporting facilities is an integral part of the new housing development within the North Heybridge Garden Suburb. The Council has been considering the best vehicle to ensure the new facilities are managed appropriately and in a sustainable way.
- (ii) **Impact on Equalities** – No issues identified.
- (iii) **Impact on Risk** – If Members decide to take on the responsibility for the new sports facilities a financial risk will need to be managed to ensure that the Council does not have to fund any operating deficit. More detailed work will also be required on legal issues connected with taking responsibility for the site by the Council. There are concerns regarding a possible delay to the overall S106 agreement for the site. It is hoped through negotiation it will be possible to include an option clause (as detailed within the recommendations to this report) relating to the sports facilities so it allows the progression of the overall S106 agreement to continue.
- (iv) **Impact on Resources (financial)** – If Members decide to opt for the LMO option there will be no financial implications to the Council. However if the Council takes on responsibility for the new facilities it will need to plan for the long term future of the site and find a partner willing to operate the facilities to cover the expected £50,000 per annum operating cost for the life of the asset, at no cost to the Council. It will be difficult to give a clear and certain picture to Members at this time as the development is not likely to come forward for another six to ten years and for this reason if Members decided to explore the proposal of ownership time is required to develop a business case.

The Drapers Farm Sports Club has been successful in operating sports facilities in Heybridge and has given an early expression of interest in operating the new facilities within the NHGS but there is the question of whether the Council should be entering an agreement with one club without seeking possible alternative partners.

- (v) **Impact on Resources (human)** – If Members decide to look into the proposal of the Council running the facility itself through an agreed partner a detailed feasibility study will need to be undertaken, at this time resources have not been allocated to undertake this work.
- (vi) **Impact on the Environment** – None identified.

Background Papers: Report to the Council on 18 December 2014 (Minute No. 690 refers).
Report to the extraordinary Council meeting on 7 December 2016 (Minute No. 791 refers).

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