

CORPORATE GRANT SCHEMES
Facility Grants / Release of S106 Contributions

REPORT OF: HEAD OF CORPORATE RESOURCES

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Wards Affected: Haywards Heath Bentswood, Haywards Heath & Ashenground, High Weald

Key Decision: No

Purpose of the report

The purpose of this report is to

1. Present four requests for the release of S106 Contributions for consideration by the Cabinet Grants Panel and provide clarification regarding the terms of the St Francis Sports and Social Club Stage 1 grant.

Summary

2. A summary of the applications to be considered and the recommendations from the Grants Assessment Group on the level of financial assistance to be awarded to each organisation are detailed as follows:

Release of S106 contributions

Organisation	Purpose for which award is sought	Total Project Cost	Award Suggested
Scaynes Hill Millennium Village Centre	Air ventilation system	2,500	2,000
Ashenground Community Centre	Installation of LED Lighting	5,814	5,814
Sussex Clubs for Young People	Barn Cottage Pavilion Refurbishment	171,160	171,160
Mid Sussex District Scout Council	New Barn Cottage Community Centre	517,000	100,000
TOTAL		696,474	278,974

Recommendations

3. ***Members of the Panel are requested to consider and decide upon the recommendations:***
 - a) ***for each of the above applications, summaries of which are attached in Appendix A;***
 - b) ***to withdraw the existing grant with the St Francis Social and Sports Club CIC and terminate the existing grant agreement, and enter into a new agreement with the trustees of the St Francis Sports and***

Social Club to provide a Facility Grant of £405,374 for Stage 1 - swimming pool changing rooms and associated drainage, services and professional fees

c) to provide authority for the Council to enter into a Grant Agreement with Lewes District Council for an award of £200,000 toward the St Francis Sports and Social Club Stage 1 project costs

d) to allow an extension of time for the delivery of St Francis Sports and Social Club Stage 1 to 'delivery of the Project must commence by 1 December 2021 and be completed by October 2023'

Background

4. Applications for the Release of S106 contributions are assessed against a set of standard criteria, as detailed in the General Guidelines for Voluntary and Community Groups, to ensure a consistent approach.

Assessment Process

5. Applications are assessed against four key criteria – Council priorities, evidence of need, finances, impact and benefits. The maximum possible score for excellent applications which fully meet all the criteria is 12.
6. Information is shared with representatives of the Grants Assessment Group and with the relevant Town and Parish Councils.
7. All organisations have met the necessary criteria, i.e. are fully constituted voluntary and not for profit organisations and have provided relevant information to support their application.

St Francis

8. On 14 February 2017, the Cabinet Grants Panel agreed to award the St Francis Social and Sports Club Community Interest Company (CIC) a grant of £1,120,000 toward the construction of a new community hall and sports changing facilities. A revised scheme was agreed on 16 April 2019 but the CIC was unable to raise the match funding required so on 19 October 2020 the Cabinet Grants Panel approved a two stage approach to provide the swimming pool changing rooms within one year (Stage 1) and the community hall (Stage 2) at a later date.
9. The recommendation agreed on 19 October 2020 did not make it clear that the original grant offer was to the St Francis Social and Sports Club CIC but the Stage 1 award would be made to the St Francis Sports and Social Club who are progressing the project as the freehold owners of the site.
10. Members are therefore requested to withdraw the existing grant with the St Francis Social and Sports Club CIC and to terminate the existing grant agreement, and enter into a new agreement with the trustees of the St Francis Sports and Social Club to provide a Facility Grant of £405,374 toward the cost of the swimming pool changing rooms and associated drainage, services and professional fees (Stage 1).

11. The Stage 1 grant to the Club is made up of £205,374 in Formal Sports106 contributions and £200,000 in CIL funds provided by Lewes District Council. Members are also asked to provide authority for the Council to enter into a Grant Agreement with Lewes District Council in order to draw down the CIL funds.
12. Due to the delay in issuing a grant agreement, Members are also asked to consider an extension of time to the dates previously agreed by the Cabinet Grants Panel on 15 March 2021 as follows:
 - *delivery of the Project must commence by 1 December 2021 and be completed by October 2023*
13. To safeguard these funds the grant agreement will include clauses relating to restrictions on the Title in the event of any future disposition of the site and a requirement to nominate a Council representative onto the Executive Committee of the St Francis Sports and Social Club.
14. To ensure due diligence, the St Francis Sports and Social Club submitted their management accounts for scrutiny and the Head Of Corporate Resources Comments are as follows:

Unaudited accounts have been submitted for the period ending 30th September 2020 which show a surplus of £76,989.

Total income was £590,576; mainly generated from Bar sales (£275,665), Pool (£166,740), Fruit machine profit (£47,679), Gov Grants (£25,000), Car park (£23,664), Room hire (£17,668), Subscriptions (£14,473), VAT - non bar (£9,282), Donations (£4,043), Other income (£2,429), Football (£2,000), Bowls (£1,000) and Net club sections surplus (£933).

Total expenditure was £513,587; consisting of Supplies and Services (£216,348), Staff related (£193,475), Capital financing (£27,732) and Premises (£76,032).

Balances held at the end of the period showed Net assets of £685,398: comprising of Tangible assets £1,540,000, Investments £145,401, Debtors £157,878, Stock £11,228, Cash in bank £23,818, Creditors (£64,321) and Creditors after more than 1 year (£1,128,606).

Financial Implications

15. Release of S106 contributions are funded through the use of S106 contributions which the Council holds for the enhancement of capacity for sport, community buildings and other purposes as a result of residential development.

Risk Management Implications

16. The main associated risks that may impact upon the successful implementation of the decisions arising from this report would be the inability of the funded organisations to deliver projects for which the Release of s106 has been agreed.
17. A Contract is signed at the application stage by organisations seeking funding that details the terms and conditions under which the Release of S106 Contributions is given. In respect of the Release of S106

Contributions, the Council may also impose additional safeguards prior to payment. Funds are not released before evidence of project expenditure has been submitted.

18. It is considered that these measures mitigate the main risks from materialising and indicate a low-risk to the successful outcomes arising from this report.

Equality and customer service implications

19. As part of the assessment process all of the organisations applying for funding from the Council have complied with the required conditions of funding and have the requisite policies and procedures in place including any other relevant legislation.

Legal Implications

20. The Council is not obliged to provide grant funding, but by virtue of section 1 of the Localism Act 2011, it is able to do anything which it considers is likely to achieve the promotion of the economic, social or environmental wellbeing of its area. This includes the incurring of expenditure, giving financial assistance to any person (or organisation) and entering into arrangements or agreements with any person.
21. In accordance with the Council's Constitution, the Cabinet Grants Panel is authorized to deal with the allocation of Section 106 monies.

Background Papers

- Applications and associated documentation for the Release of S106 Contributions are held in the Community Services, Policy and Performance Section.