

Cabinet Report



Listening Learning Leading

Report of Head of Finance – Simon Hewings

Author: Janette Hinton-Smith

Telephone: 07917 088369

Textphone:

E-mail: janette.hinton-smith@southoxon.gov.uk

Wards affected: Didcot (North East), Wallingford and Cholsey (Brightwell cum Sotwell)

Cabinet member responsible: Cllr Pieter-Paul Barker (Finance and Property Assets)

Tel: 01844 212438

E-mail: Pieter-Paul.Barker@southoxon.gov.uk

To: CABINET

Date: 28 September 2023

Section 106 (S106) Request – South Oxfordshire District Council Leisure Facilities - Didcot Wave Gym Equipment

Recommendations

Cabinet:

That Cabinet recommends to Council to create a budget for £103,000 in the approved capital programme for the Didcot Wave gym equipment project, to be funded by the S106 contributions set out in this report.

Council:

- (a) To create a budget for £103,000 in the approved capital programme for the Didcot Wave gym equipment project, to be funded by the S106 contributions set out in this report.
- (b) To delegate authority to the Head of Finance to add the Vale of White Horse District Council S106 contribution of £17,000 to the budget created for this project and award the full sum of £120,000 in S106 funding.

Purpose of Report

1. To consider a request from South Oxfordshire District Council, Leisure Facilities team to release funds of £103,139.77 from two S106 contributions towards new gym equipment at Didcot Wave pool and gym.
2. Didcot Wave Newlands Avenue, Didcot, Oxon, OX11 8NX is a South Oxfordshire District Council (SODC) owned facility. This is not a joint use centre and is the sole responsibility of SODC. This project is part of the Deed of Variation GLL support package agreement to replace/upgrade the gym equipment on site.
3. The figures and relevant dates for the amount requested of **£103,139.77** are set out in the summary table below. In accordance with the Constitution of South Oxfordshire District Council and Vale of White Horse District Council – 2 June 2023 Financial procedure rules (para 75 (c) (Appendix Two)) for agreements of greater than £100,000 budgets, where section 106 or CIL agreements have not provided clear and unambiguous details on how the receipts are raised, must be approved by Council.

Agreement Ref.	Contribution towards: (extracts from S106 agreement)	Amount in Agreement	Contributions Received (incl indexation)	Amount requested	Previously Allocated	Projected Balance
17S19	Health and Fitness Contribution Leisure Centre on site (Didcot NE) - but if option not exercised by 31/12/22 then off site facility serving the site	£62,260.09	£71,826.99 received on 15.01.19, spend within 10 years	£71,826.99	£0	£0
17S29	Health and Fitness contribution towards improvements to health and fitness facilities including increasing the number of health and fitness stations at Abbey Leisure Centre or an alternative leisure facility within catchment for the development	£26,253.09	£31,312.78 received on 08.04.21, spend within 10 years	£31,312.78	£0	£0

4. The overall project cost will be £133,129.99 and £16,536.73 will be from Vale of White Horse District Council S106 contribution 16V93 and the shortfall of £13,453.49 will be met from the SODC leisure capital works budget X155.

Corporate Objectives

5. Building healthy communities, working in partnership and working in an open and inclusive way.

Background

6. Replacement of cardio and resistance gym equipment at Didcot Wave as part of the leisure management contractual agreement.

Except for three new pieces of cardio equipment which were purchased in 2019 the cardio and resistance equipment at Didcot Wave has now exceeded its life expectancy of between eight to ten years. The current equipment is becoming more expensive for our leisure management contractor to repair due to its age and it is becoming increasingly hard to source replacement parts as the current equipment is no longer produced.

The replacement of the gym equipment is a contractual obligation as part of the leisure management contract with our management provider Greenwich Leisure Limited. The leisure management contract states that a new facility would be built in Didcot during the life of the contract (contract clause 39.12). As the new Didcot leisure facility is still under review and has not been built the purchase of new equipment for Didcot Wave was not budgeted into the capital programme as part of the contract.

The Leisure strategy specifically identifies the need to protect and improve the leisure centres within the district.

Several new private gyms have opened in Didcot in recent years due to the large housing developments in the area such as Great Western Park, Willowbrook Park, Hadden Grove and Dida Gardens. These are in direct competition with Didcot Wave, and in order to compete we need to show that we are committed to improving the leisure provision at Didcot Wave.

By replacing all the original equipment with the latest models available, it shows we are committed to providing the most up to date/on trend equipment with the latest technology, demonstrating our commitment to improve the facility and enhance users workout experience.

Several of the new pieces of cardio equipment are now self-powered, this will contribute to the achievement of the South Oxfordshire District Council Corporate Plan 2020-2024 targets to do everything we can to help tackle the Climate Emergency; to reduce carbon emissions becoming carbon neutral by 2030 and deliver a Climate Emergency Programme.

Options

7. The S106 contributions have been reserved for the Didcot Leisure Facility. Cllr Maggie Filipova-Rivers has given her agreement to these contributions being diverted to this project. The Infrastructure Development Team Leader advises that on current estimates the use of S106 funds for this project are appropriate and that CIL funds are available for use towards the Didcot Leisure Facility.
8. Under the leisure management contract, and Deed of Variation support package to GLL the Council have a contractual commitment to provide gym equipment.

Climate and ecological impact implications

9. The Climate team support the conscious decision to purchase some self-powered equipment which will reduce the energy consumption of Didcot Wave. Consideration should also be given to the energy efficiency of all equipment purchased, as well as the carbon footprint of the equipment (materials and distance travelled).

Financial Implications

10. The total anticipated cost of the project is approximately £133,129.99. The project is to be funded by £103,139.77 from SODC S106 contributions, £16,536.73 of S106 contributions secured in VWHDC and £13,453.49 from the SODC leisure capital works budget X155.
11. As the funding requested is above £100,000, under the terms of the Constitution of South Oxfordshire District Council and Vale of White Horse District Council – 2 June 2023 Financial procedure rules (para 75 (c) (Appendix Two)) approval is required by full council to create a new budget. It is recommended that Council delegate authority to the Head of Finance to award the funding for expenditure in accordance with the S106 agreement.

Legal Implications

12. The legal team have approved the use of the S106 contributions.
13. This project is part of the Deed of Variation GLL support package agreement to replace/upgrade the gym equipment on site.

Risks

14. This project is only part funded by S106 contributions, totalling £119,676.50 the remaining funds required of £13,453.49 will come from the SODC leisure capital works budget X155.
15. If there is a significant delay with moving this project forward, we risk there being a potential dispute under contract and a risk of a financial dispute against the contract.

Other implications

16. No further impacts or implications identified.

Conclusion

17. The proposed project conforms to the spending parameters of the S106 agreements and is a suitable use of the funds.
18. The project will provide up to date equipment with some self-powered items that will reduce the energy consumption of Didcot Wave. Purchasing the latest models available shows a commitment to improving the facility and enhancing the workout experience. Sustainable recreation facilities to meet the needs of the growing community, now and in the future, promoting a healthy and active lifestyle, which it is hoped will, in turn, reduce healthcare needs.

19. It is therefore recommended that the S106 budget identified be created for the council's leisure facilities team to deliver the project as outlined above.

Background Papers

- None.

Appendix One

Financial contributions

Development: Land to the north east of Didcot

Planning Ref: P15/S2902/O

S106 Ref: 17S19

Date of agreement: 30 June 2017

Obligation: "Health and Fitness Contribution" means the sum of six hundred and twenty two thousand six hundred and nine pounds (£622,609.00).

(Towards Leisure Centre on site - but if option not exercised by 31/12/22 then off site facility serving the site.)

Expiry Date: 15 January 2029

Development: Land to the West of Wallingford (Site B) Wallingford

Planning Ref: P14/S2860/O

S106 Ref: 17S29

Date of agreement: 4 October 2017

Obligation: "Health and Fitness Contribution" means the sum of twenty six thousand two hundred and fifty three pounds and nine pence (£26,253.09) towards improvements to health and fitness facilities including increasing the number of health and fitness stations at Abbey Leisure Centre or an alternative leisure facility within catchment for the development.

Expiry Date: 8 April 2031

Constitution June 2023

Section 106 and community infrastructure levy (CIL) income and related expenditure

Page 223-224 Constitution of South Oxfordshire District Council and Vale of White Horse District Council – 2 June 2023
Financial procedure rules

73. The head of planning shall be responsible for negotiating and gaining the relevant approval for section 106 agreements. Receipt of a section 106 or CIL income does not confer the power to spend. Appropriate budgets must be created in accordance with the financial procedure rules to give heads of service authority to incur expenditure on schemes funded from section 106 or CIL income. Part 2 of this constitution sets out delegations to the heads of service relating to the community infrastructure levy.

74. For section 106 or CIL agreements that provide clear and unambiguous details on how the receipts raised must be used, where that agreement has been approved by the Planning Committee and over which further discretion cannot be applied then the head of finance can approve the creation of the relevant revenue or capital budget.

75. For all other section 106 and CIL agreements where contributions are received by the council a budget for the spending of the receipt must be created as follows:

- (a) For agreements of up to £20,000 budgets can be approved by the head of finance.
- (b) For agreements greater than £20,000 up to £100,000 budgets can be approved by the relevant Cabinet member in consultation with the Cabinet member for finance.
- (c) For agreements of greater than £100,000 budgets must be approved by Council.