

Spitalgate Heath – high level HOTs

These are the high-level HOTs which provide the principles for the S106 agreement.

The applicants are content for sufficient flexibility within the agreement so that the decision on how the public funds received through the S106 (via the tariff and overage) can be left to SKDC – provided that those funds are invested into projects related to Spitalgate Heath

Item	Tariff/ (fixed)	Overage (contingent) based on reviews ¹ Split (BE:SKDC/S106) 51:49	Other contribution	Further detail/comment
Relief Road	£19,500,000	£10,000,000 max		Pure payments – fixed and potential for contingent sums based on reviews.
Affordable Housing		£11,000,000 ²	10% minimum provision (370units) – on site	10% on site provision as a fixed minimum. To be split 60% Affordable Rented and 40% other affordable tenures. Definitions to reflect the revised NPPF. No provision of affordable within first 500 ³ units. The 10% (total 370units) to be spread across the remaining 3200 units.
Education		£24,300,000	Serviced sites.	Fully serviced sites for Primary and Secondary/Through School to be provided, to meet LCC reasonable requirements to be transferred to LCC at agreed triggers. Contingent sums payable to LCC towards additional provision – including costs of delivery on the school sites.
Open Space	£2,000,000			On site provision of 35ha to an agreed specification. Permanent management and maintenance arrangements of the open space and sustainable urban drainage features to be put in place to an agreed

¹ Principles of overage arrangement and review mechanism – To be a simple, robust, transparent approach, with regard to values and costs, and based upon Buckminster adopting the role of 'Master Developer'. Likely to be based upon reviews at approximately every 600units, an 'easy in and easy out' provision with flexibility for an extended 'review window' and ability to provide releases to not constrain delivery. There may also be a pre-commencement review, and an early stage review at 500units. Starting point for cost base to be as per GVA figures.

Any costs (including S106 contributions or infrastructure costs) that are reduced as a result of any form of public subsidy (eg HiF, Affordable Housing Fund, or Council provision of additional funding etc) - therefore leading to provision of overage - shall not be subject to the 51:49 split and shall see any additional value equivalent to the level of public subsidy protected and recycled for the use elsewhere by the public sector (eg recycling of HiF money, into increased affordable housing provision). All other overage arrangements are subject to the 51:49 split in favour of BE.

² Provisions to enable the Council to specify on-site delivery equivalent to any overaged amount for affordable housing and which could be supplemented through the provision of additional sums by the Council or other public funding, or receipt of financial contribution. Subject to footnote 4.

³ No on-site provision within first 500units based on Cash Flow

				<p>high level specification (to be adopted by SKDC but could be handed to another body) - £2m accounted for in tariff towards management/maintenance in future.</p> <p>Buckminster to be responsible for maintenance and management prior to adoption/handover to SKDC.</p>
Community Centre	£2,100,000			On-site provision of fully serviced site meeting SKDC reasonable requirements to be transferred to SKDC at agreed trigger and with £2.1m included in tariff for delivery.
Local Centre				Delivery strategy for bringing the local centre forward – now to be dealt with by condition (removed from S106).
Health	£1,600,000			Fully serviced site meeting SKDC reasonable requirements to be transferred to SKDC or their nominee at agreed trigger. Tariff contribution to cover delivery costs
Outdoor sports	£300,000			Part of tariff – Formerly a separate contribution.
Transport	£2,235,000			<p>Part of tariff – Formerly a separate contribution.</p> <p>Provision of obligations to require the development to deliver against and monitored against the travel plan measures as required by LCC to include travel plan bond in case modal shift targets not met - Table 7.1 Travel Plan Measures and Contributions Summary – with the exception of the bus-subsidy which is covered by the tariff.</p>
Fire Hydrants	£50,000			To be part of tariff. To be provided to LCC Fire & Rescue for provision within areas falling outside of the residential elements of the development – the residential elements to be expected to provide sufficient facilities as per conditions.
Employment/training				Initiatives to be provided and secured within the S106
Public access			£20,000	<p>Contribution towards creation of a walkway from Dysart Park to the River Witham at Paper Mill Farm conditional on SKDC receiving grant funding for the same. Provisions to allow SKDC access to undertake works if funding achieved.</p> <p>If SKDC do not receive funding, applicant to deliver the walkway in lieu of making a contribution.</p>

TOTAL	£27,785,000. The minimum to be paid assuming all houses are built	£45,300,000	£20,000	Total financial “contributions” of <u>£27,805,000 (tariff & other + £45,300,000 (contingent) = £73,105,000⁴</u>
Monitoring				Relevant provisions and obligations in relation to monitoring, including reasonable costs towards monitoring required and administration of the tariff. Costs and cap to be discussed and agreed as part of the development of the S106.
Viability Review Mechanism				Relevant provisions for the review mechanism – to look at values and costs, with overage provisions to reflect footnote 1. Councils reasonable costs in undertaking the review (including any professional fees incurred) to be met by the applicants.

⁴ In the event of a surplus in excess of the total contributions (£73,105,000), such surplus will be directed towards additional Affordable Housing up until a policy compliant level of affordable housing (equivalent to 30% or 1110units) is achieved. Once a policy compliant level is achieved, any surplus would be retained by Buckminster provided that all other payments under the tariff and contingent sums have been paid.