

## Response to Old River Lane, Bishops Stortford FoI

This paper has been written in response to a Freedom of Information request (FoI) received 28/2/23. We have 20 working days to respond, so this response needs to be completed by 28/3/23.

### FoI Request

The text of the FoI is:

*Good evening, would you kindly supply details of the £9.6m grants and loans to East Herts District Council please under FOI? Specifically the terms and conditions and whether the grant is repayable if they are not met and the same information and duration/interest (if any) related to the loan. Would you also advise whether, within the context of the overall ORL project, either the grant or loan could be repurposed such as for the retention of the existing Arts/Community Centre (an Asset of Community Value) that is the URC/Water Lane Hall given that current EHC proposals do not deliver the 'iconic' provision set out on your website as below:*

### **Funding**

*The LEP has committed £9.6m Growth Deal funding towards this project, comprising a £6m grant and £3.6m interest-free loan to East Herts District Council.*

### **Impact**

*LEP funds will be used to support the Northgate End portion of the Old River Lane project – a key phase that will allow the council to commence work on the site to build new homes and ground-floor workspaces.*

*This phase will deliver:*

- *186 high quality homes*
- *A small number of high quality retailers*
- *An iconic arts and entertainment centre*
- *A multi-storey car park*
- *A new public square*
- *Green spaces and improved links to Castle Gardens, which is also benefitting from a £2.36m Heritage Lottery Fund rejuvenation.*

*"The Old River Lane project will bring vibrant new public amenities to Bishop's Stortford town centre to benefit the local community, attract new visitors, and help the historic and strategically located market town live up to its full potential." - Adam Wood, Head of Infrastructure & Regeneration*

### LEP Response to FoI

Please see responses in turn below:

#### **Point 1. Supply details of the £9.6m grants and loans to East Herts District Council**

Under a funding agreement dated 2nd November 2018 between Hertfordshire County Council (HCC), acting as Accountable Body for Herts LEP and East Herts District Council (EHDC), the project was awarded £9.6m made up of £6m grant and £3.62m loan. The loan is repayable on or before 31 March 2025.

The grant and loan was offered to support activity in the Northgate End portion of the Old River Lane regeneration project. In return for the funding EHDC are required to deliver a number of outputs which are detailed in **appendix 1**.

The scheme was broken down into four individual projects split over three phases:

1. No 1 The Causeway – Phase 1
2. Northgate End Development – Phase 2
3. Rhodes relocation – Phase 3
4. Old River Lane Redevelopment – Phase 3

Eligible Expenditure for LEP Funding:

- Land Acquisition - Northgate End
- Land acquisition - ORL
- Externals/ Off-Site Works
- Residential block and ground floor managed work space (phase 1)
- Professional Fees - Northgate End
- Residential block and ground floor managed work space (phase 2)
- Professional Fees - Northgate End

The table in **appendix 1** below sets out the relevant milestones and payments according to the funding agreement.

Since the award there have been a number of delays to the project. As a consequence Project Changes Requests were received from EHDC, as follows:

- 21 May 2019 – planning application for the scheme was subject to Judicial Review which caused delays to the project, so funding was re-profiled into the next financial year
- 29 April 2020 – a further Judicial Review resulted in the need to re-profile funding into the next financial year
- 31 July 2020– funding and outputs were re-profiled into later years. The overall amount and outputs remained the same. The schedules were amended as shown in **appendix 2**
- 6 July 2021 – EHDC advised the LEP of the revised proposals for the Arts Centre however the scope of which the funding was awarded for and the LEP Board noted the amendment in the overall EHDC plans.

**Point 2. Specifically the terms and conditions and the same information and duration/interest (if any) related to the loan.**

An example of a standard grant agreement can be viewed at the Herts LEP website in the [Applicant Pack](#). The loan is to be repaid by 31 March 2025 and is interest-free.

**Point 3. Whether the grant is repayable if they are not met**

HCC as the LEP's Accountable Body reserve the right request repayment of funding if a number of the terms and conditions of the contract are not met. The LEP has no current requirement for EHDC to repay the loan.

**Point 4. Whether, within the context of the overall ORL project, either the grant or loan could be repurposed**

The grant and loan funding awarded is not available for re-purpose.

## Appendix 1

### Milestones

Milestones	Financial Year	Claim Quarter	Target Date	Eligible Expenditure Details	Total Project Cost	LEP Claim Amount
1. Outstanding Statutory Consents Received	2018/19	1	30/05/2018	Outstanding Statutory Consents Received		
2. Planning Permission for Phase 2 Granted	2018/19	2	18/07/2018	Planning Permission for Phase 2 Granted	£332,500	
3. Land Acquisition	2018/19	4	15/02/2018	United Reform Church Hall	£2,510,000	£2,510,000
	2018/19	4	15/02/2019	Lemon Tree site		
	2018/19	4	15/03/2019	HCC site		
	2018/19	4	15/03/2019	BSTC site		
4. Construction completed	2018/19	3	08/10/2018 onwards	Re-routing culvert and surveys - Northgate End	£330,000	£330,000
5. Development fees defrayed	2018/19	3	30/12/2018	Development Management Fees	£85,200	£80,000
6. Professional fees defrayed	2018/19	3	08/10/2018 onwards	Professional Fees - Northgate End	£480,000	£480,000
7. Northgate End Contractor Appointed	2018/19	4	31/01/2019	Northgate End Contractor Appointed		
8. Construction Started	2019/20	2	20/07/2019	Externals/ Off-Site Works	£1,347,000	£1,300,000
9. Northgate End Construction Works Started	2019/20	1	17/07/2019 to 01/07/2020	MSCP Car Park construction	£14,497,000	
10. First Residential Units Commenced and ground floor commercial unit	2019/20	1	17/07/2019 to 01/07/2020	Residential block and ground floor managed work space construction	£4,000,900	£4,000,000
11. Constructed started	2019/20	4	19/11/2019	Offsite highways construction	£705,000	£700,000
12. 2019/20 professional fees defrayed	2019/20	4	08/10/2018 onwards	Professional Fees - Northgate End	£800,000	£220,000
13. Residential Contractor Appointed	2018/19	4	05/03/2019	Residential Contractor Appointed - ORL		
14. Land Acquired	2019/20	2	28/09/2019	Land acquisition - ORL	£14,985,400	
15. Planning Permission for Phase 3 Granted	2020/21	1	28/05/2020	Planning Permission for Phase 3 Granted	£500,000	

16. Construction Works Started	2020/21	3	16/11/2020	Site Prep - ORL	£420,874	
17. Construction completed	2020/21	4	29/03/2021	Externals/ Off-Site Works - ORL	£2,479,190	
18. Core site Residential Units Commenced	2021/22	1	03/05/2020	Residential Build Costs £188 per sq ft - ORL	£29,723,115	
19. Commercial Construction Commenced	2021/22	1	03/05/2020	Commercial Build Costs £121 per sq ft - ORL	£2,499,876	
20. S.106 Contribution confirmed	2021/22	3	31/12/2020	S.106 Contribution est. £10,000 per unit - ORL	£1,860,000	
	2020/21	3	15/11/2020	Demolition - ORL	£916,151	
					<b>£78,472,206</b>	<b>£9,620,000</b>

## Outputs

	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>Total</b>
Houses	370	629	711	2,329				4039
Jobs	10	25	25	40				101
Commercial Floor Space (sqm)		1,001	1,314					2,315
Apprenticeships				12				12
Length of Newly Built Road this period (km)				0.1	0.075			0.85
Length New Cycle Ways This Period					0.13			0.13
Area of Land with reduced likelihood of flooding as a result of the project (sqm)				12,200				12,200
Reduced Flood Risk Homes				17				17
Reduced Flood Risk Commercial				2				2
Number of new homes with new or improved fibre optic provision				3584				3584

## Appendix 2

### Re-profile of expenditure

	Total spend to date	18/19 forecast	19/20 forecast	20/21 forecast	Total
Approved profile		£3,400,000	£6,220,000	£0	£9,620,000
Revised profile		£1,102,808.23	£2,983,836.77	£5,533,355.00	£9,620,000
Variation	£0	-£2,297,191.87	-£3,236,163.23	£5,533,355.00	£0

### Re-profile of match funding

	Total spend to date	18/19 forecast	19/20 forecast	20/25 forecast	Total
Match profile		£337,700	£30,115,300	£38,399,206	£68,852,206
Revised Match		£0	£2,300,320	£66,551,886	£68,852,206
Variation	-£30,280,037	-£337,700	-£27,814,980	£28,152,680	£0

### Re-profile of outputs

Output name		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Total
Houses	Original	370	629	636	700	734	485	485	4,039
	Revised	0	0	350	850	950	950	940	4,040
Jobs	Original	10	25	25	40	0	0	0	100

	Revised	0	0	10	25	25	25	25	110
Commercial Floor Space	Original	0	1,001	1,314	0	0	0	0	2,315
	Revised	0	0	0	0	1,001	1,314	0	2,315
Apprenticeships	Original	0	0	0	12	0	0	0	12
	Revised	0	0	0	0	0	12	0	12
New Road	Original	0	0	0	0.10	0.75	0	0	0.85
	Revised	0	0	0	0	0	0.10	0.75	0.85
Cycleways	Original	0	0	0	0.0	0.13	0	0	0.13
	Revised	0	0	0	0	0	0	0.13	0.13
Reduced risk of flooding (sqm)	Original	0	0	0	12,200	0	0	0	12,200
	Revised	0	0	0	0	0	0	12.200	12,200
Reduced Flood Risk Homes	Original	0	0	0	17	0	0	0	17
	Revised	0	0	0	0	0	0	17	17
Reduced Flood Risk Commercial	Original	0	0	0	2	0	0	0	2
	Revised	0	0	0	0	0	0	2	2
New/Improved Fibre Broadband	Original	0	0	0	3,584	0	0	0	3,584
	Revised	0	0	0	0	1000	1000	1584	3,584

