

Cheshunt FC - Statement as to why the Council is not prepared to sign a sec 106 agreement.

Kevin Clark – Head of Property Broxbourne Council

Whilst Heads of Terms were provisionally agreed between Kevin Clark and Dean Williamson in 2018, no formal agreement about the terms for the disposal of the land has been reached with either this Council as the long leaseholder nor with Hertfordshire County Council as the freeholder, although an offer of £3 million to be shared between the councils was made some time ago.

The Leadership of the Council and its Cabinet changed in 2019. Uncertainties surrounding the future financial position of the Council, exacerbated by the pandemic, and the potential for local government reorganisation has resulted in a different view being taken about the disposal of assets. Several land transactions agreed by the previous Cabinet are no longer supported.

The Council as head lessee considers that it will be able to achieve a much better return from the site at some future date. Based on the offer to date, Broxbourne Council would only benefit from a 50% share of £3m which for a development of the scale envisaged is not considered to be sufficiently beneficial or significant in relation to the Council's finances to make it attractive for the Council to enter into a sale or a long lease agreement at this time.

In addition, whether Broxbourne will be affected by local government reform has yet to be determined. Any such reorganisation will impact on the way in which funds from the disposal of assets are distributed. A reorganisation in which the county council (the freehold owner of the football club) was abolished increases the likelihood that funds from a disposal would be available for use in the local area rather than in some other part of Hertfordshire. The Council therefore intends to hold the asset until there is more certainty.

Additionally, even if the Council were minded to dispose of the land, on the basis of the terms in the draft section 106 agreement the Council as landowner does not consider the returns to it as head lessee are sufficiently attractive to encourage it to sign up to such an agreement.