

Allocation of S106 monies: Application 07/00774/OUTM (Prologis Fradley)

Report of the Cabinet Member for Economic Growth, Environment & Development Services:

Councillor I. Pritchard

Date: 12th June 2018

Agenda Item: 7

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Key Decision? Yes

Local Ward Cllr Wilcox

Members Cllr Rayner

Cllr Stanhope



CABINET

1. Summary

- 1.1 The District Council is in receipt of £122,126.00 through the Section 106 Agreement associated with the planning application 07/00774/OUTM (Prologis Fradley).
- 1.2 Cabinet approval requires that the Community Infrastructure Levy (CIL) Governance and Administration Procedures should be used to enable the allocation of such funds, which has resulted in the allocation being considered by the Strategic Infrastructure Group (SIG) and the Joint Members and Officer Group (JMOG) prior to Cabinet.
- 1.3 Funding applications have been encouraged from Fradley and Streethay Parish Council and from the relevant Clinical Commissioning Group for the provision of and improvement to social, recreation, education, community and health facilities.
- 1.4 Recommendations result in available funding being distributed to support three projects located in Fradley and Streethay Parish Council which will enable the continued and increased use of existing social and community services and also provide for new provision.

2. Recommendations

- 2.1 Cabinet recommend the allocation of Section 106 monies identified and detailed in paragraph 1.1 be distributed as set out in Table 1 below.

Table 1

Project	Allocation
New Build Parish Office/Community Hub	£92,157.00
Fradley Village Heating & CCTV	£14,969.00
Fradley Youth & Community Centre Cladding & Porch	£15,000.00

- 2.2 Cabinet note the recommendation to direct and support future health provision applications through the CIL application process.

3. Background

- 3.1 On the 5th December 2017 Cabinet approved the use of the established CIL Governance and Administration Procedures to enable the allocation of non-site specific Section 106 monies. As such this report articulates recommendations that have been considered and supported by both SIG and JMOG.
- 3.2 Fradley is a settlement comprising two key parts: the original smaller residential area known as Fradley Village and the more recent housing development centred in the former airfield, known as Fradley South. The Local Plan Strategy identifies Fradley as a sustainable settlement that will play a significant role in meeting the districts housing need by providing growth of around 1,250 new dwellings over the plan period (2008-2029). Fradley also remains a major focus for employment through the implementation of existing planning application commitments. Currently Fradley residents' access health care facilities in either Alrewas or Lichfield City.
- 3.2 The District Council is in receipt of £122,126.41 of developer contributions to support the **“provision for new or improvements to existing social recreation education community and health facilities within the District of Lichfield”** secured through Schedule 1 Part 6, 7 and 8 of the Section 106 Agreement associated with the planning application 07/00774/OUTM (Prologis Fradley).
- 3.3 The planning application approval grants permission for industrial and warehouse development (use class B1, B2 B8) with ancillary offices, associated gatehouse, car parking and serving, landscaping, roads and footpaths for land at Easthill Farm, Wood End Lane Fradley. The development is located within an existing employment area adjacent to the settlement of Fradley.
- 3.4 The Section S106 Agreement was secured before the District Council adopted its CIL Charging Schedule (April 2016) and current Regulation 123 List (February 2017).
- 3.5 Following discussions with both Fradley and Streethay Parish Council and Clinical Commissioning Group for the area the District Council encouraged the submission of funding applications for capital projects that would deliver new or improved facilities relating to social, recreation, education, community and health provision.
- 3.6 Four applications were submitted which illustrate a range of benefits relating to the provisions identified with the Agreement. Table 2 below summaries the projects submitted.

Table 2

Applicant	Project Title	Project Summary	Project Costs
Fradley & Streethay Parish Council	New Build Parish Office/Community Hub	To build a parish office with community hub facilities for all age groups. The Parish Council has over the past had to move from one place to another in rented accommodation. The growing population need a village hub located within a permanent parish office including meeting rooms for general community and small business use.	£92,157.00
Fradley Village Hall	Fradley Village Hall Heating and CCTV	Replacement of outdated and inadequate heating and CCTV systems that are no longer sufficient for purpose. Maintaining local facilities to ensure that it is fit for use supports the	£14,969.00

		community and provides a good venue to enable residents to join activities.	
Fradley Youth & Community Centre	FYCC Cladding & Porch	The completion of Fradley Youth & Community Centre to include external cladding and front porch as per the original plans for the centre to carry out its charitable work. Completion will enable the building to fit in with the Village Hall, and no longer look unfinished.	£15,000.00
Westgate Practice	Westgate Practice Restructure	The Westgate Practice and Cloisters Practice have merged as from 1 st December 2017, in a bid to work at scale. The project aims to restructure the building at Greenhill Health Centre to increase clinical capacity of the Practice, to develop and increase minor surgery provision and essentially to ensure appropriate clinical staffing to meet the growing patient size of the Practice.	£390,000.00

- 3.7 Westgate Practice is located at Greenhill Health Centre, Church Street, and Lichfield. The Health Centre is owned by NHS Property Services and rented by the Partners of the Westgate Practice. The application submitted by Westgate Practice relating to the restructure of an existing building to increase clinical capacity through the conversion and improve the existing building. The improvements will be delivered through a phased approach to meet the growth in service demands generated by housing growth. The application does not identify a funding request, instead it provides a total project cost and includes supplementary information which identifies cost estimate breakdowns for each element of the proposed works.
- 3.8 It is difficult to identify which elements of the proposed works relate directly to an increase in health provision capacity and those that are associated with the more general building improvements or further the relationship between both.
- 3.9 Whilst the application identified an increase in service need it does not include evidence to support a direct link between the proposed improvements, housing growth in Fradley and the increase in services demand.
- 3.8 It should however be noted that the need for increased health provision in response to the allocated housing growth in Fradley is identified within the Local Plan Strategy and through its evidence base via the Infrastructure Delivery Plan (see Table 3). The District Councils Regulation 123 List identifies the following in relation to health facilities.

Table 3

Infrastructure to be funded in whole or in part by CIL
Health Facilities CIL funds may be used where evidence is provided that there is no local capacity and expansion of services is required to support growth across the district.

3.9 It is therefore recommended that this application does not receive obligations secured through planning application 07/00774/OUTM and that a submission to address Fradley’s health provision is redirected in the first instance to infrastructure funding available through the CIL strategic allocation.

3.10 The removal of the Westgate Practice Restructure application from the selection process enables all other submissions to be supported in full.

Alternative Options	1. Non-site specific Section 106 monies could be allocated to infrastructure priorities identified by the District Council. Without the input of the Parish Council and other service providers it is very likely that those priorities would not address local infrastructure need.
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Consultation	1. Allocation of Section 106 monies: Application 07/00774/OUTM (Prologis Fradley) has been considered by the Strategic Infrastructure Group (SIG) and the Joint Members Officer Group (JMOG), both groups support the recommendation articulated within Section Two of this report.
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Financial Implications	<p>1. The Section 106 Obligation identified within the report is time restrictive, failure to spend the secured monies within a set time period would enable the developer to claw back such funding. Specifically there is a five years from the date of payment spend requirement identified within (Schedule 2, Para 2). The District Council was in receipt of such monies in January 2017.</p> <p>2. The application process supported by the previously adopted CIL Governance Structure has ensured the meaningful allocation of developer contributions, thus reducing the impact on Council resources.</p>
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Contribution to the Delivery of the Strategic Plan	<p>1. The allocation, investment and subsequent delivery of improved infrastructure will contribute the following outcomes identified within the District Council’s Strategic Plan 2016-20.</p> <ul style="list-style-type: none"> • More people will be active and healthy. • More people will use parks and open spaces.
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Equality, Diversity and Human Rights Implications	1. None
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Crime & Safety Issues	1. None
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	Risk Description	How We Manage It	Severity of Risk (RYG)
A	That the Allocation of funding to a third party will reduce the District Councils ability to ensure timely delivery.	The Officer Working Group (OWG) that is part of the adopted CIL Governance and Administration Procedures will undertake a project monitoring role.	Yellow
B	That the monies are subject to claw back within a 5 year time horizon if projects are not delivered, and/ or money is not allocated.	The Officer Working Group (OWG) that is part of the adopted CIL Governance and Administration Procedures will undertake a project monitoring role.	Yellow

Background documents
[CIL, Governance Structure and Administration Arrangements](#)

Relevant web links

<https://www.lichfielddc.gov.uk/Council/Planning/The-local-plan-and-planning-policy/Planning-obligations/Downloads/Community-Infrastructure-Levy-CIL/CIL-governance-administration-procedures.pdf>