

Reallocation of Section 106 funds

Deputy Leader and Cabinet Member for Economic Growth and Development

Date: 9th March 2023
Agenda Item: N/A
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Key Decision? NO
Local Ward Members



**Cabinet Member
Decision**

1. Executive Summary

- 1.1 To seek approval for the reallocation of Section 106 developer contributions towards a number of projects.

2. Recommendations

- 2.1 To reallocate £4,897.19 of remaining Section 106 funds related to development at Land to the rear of Royal Oak, Uttoxeter Road, Hill Ridware (14/00147/OUTM) to Mavesyn Ridware Parish Councils project 'Mavesyn Ridware Village Hall Play Area Improvements'.
- 2.2 To reallocate £33,216.93 of remaining Section 106 funds related to Land at Easthill Farm, Fradley (07/00147/OUTM) to Fradley and Streethay Parish Councils project 'Fradley BMX Pumptrack'.
- 2.3 To reallocate £4,380 of remaining Section 106 funds related to Land at Easthill Farm, Fradley (07/00147/OUTM) to St Stephens Church for the project 'Upgrading of electrical heating in St Stephens Church, Fradley'.

3. Background

Mavesyn Ridware - Royal Oak, Uttoxeter Road, Hill Ridware (14/00147/OUTM)

- 3.1 The District Council was in receipt of £71,054.19 of developer contributions to support the "*provision of off-site public open space contribution purpose means the improvements to and/or provision of public open spaces within the vicinity of the Development and within the District of Lichfield*" secured through Schedule 3 Part 1 of the Section 106 Agreement associated with the planning application 14/00147/OUTM (Land to the rear of Royal Oak, Uttoxeter Road, Hill Ridware).
- 3.2 This was allocated to Mavesyn Ridware Parish Council in July 2018 towards the Mavesyn Ridware Village Hall Play Area Improvements project. The project was completed and the underspend (£4,897.19) was returned to the Council in November 2020 in line with the terms of the grant agreement.
- 3.3 In September 2022 Mavesyn Ridware Parish Council were contacted by the District Council to ask if they had a suitable project that could be funded by the remaining S106 funds. An application was received titled 'Mavesyn Ridware Village Hall Play Area Improvements'. The improvements would include a table tennis table, an activity board to provide an improved offer to a broader age range and a weed suppressant trench to preserve the life of the playground surface.
- 3.4 Officers have reviewed the application and are content that the project is suitable, fits within the terms of the Section 106 agreement and will be delivered promptly.

- 3.5 The overall cost of the project is estimated to cost around £5,000-7,000.
- 3.6 The Parish Council has confirmed within their application form that match funding from the Parish Council has already been confirmed.

Fradley - Land at Easthill Farm, Fradley (07/00147/OUTM)

- 3.7 The District Council is in receipt of £37,597.00 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*” related to the Section 106 Agreement associated with the planning application 07/00147/OUTM (Land at Easthill Farm, Fradley).
- 3.8 In September 2022 officers contacted relevant stakeholders in the Fradley area to ask if they had a suitable project that could be funded by the remaining S106 funds. Two applications were received and are summarised below in Table 1.

Table 1: Summary of applications

Applicant	Project Title	Project Summary	Project Costs
St Stephen’s Church	Upgrading of electrical heating in St Stephens Church, Fradley.	Replacement of six storage heaters with a more efficient heating system	Total £4,380 Total S106 request £4,380
Fradley and Streethay Parish Council	Fradley BMX Pump Track	To develop a pump track on an area of land at the MUGA area, transforming the space into a community resource which will be free of charge for all to use. The BMX/Pump track will be able to accommodate bikes, skateboards, scooters, and inline skates.	Total: estimated £60-80,000 Match funding: estimated £30-50,000 Total S106 request: £33,157

- 3.9 Officers have reviewed the applications and are content that the proposed projects fit within the terms of the Section 106 Agreement in providing new or improvements to community facilities in the District. St Stephens Church, outside of its use as a place of worship, is used by the wider community in hosting craft groups, welcoming space for nearby care home residents, provides hospitality when needed for village events and is a collection hub for the Lichfield Food Bank as evidenced in the project application. Fradley and Streethay Parish Council application is supported by a resident survey asking what recreation and sports facilities the local community would like.
- 3.10 Fradley and Streethay Parish Council have confirmed within their application that match funding for the Fradley BMX Pump Track project has been confirmed.
- 3.11 It is noted that if both projects that applied are allocated the funds, there is still a small remainder that will be left unallocated. It is therefore recommended by officers that the remaining £59.93 that would remain unallocated is allocated to the Fradley BMX Pump Track project as the estimated project costs are above what has been requested. This would mean that the total amount allocated to the Fradley BMX Pump Track project would be £33,216.93.

Alternative Options	1. To not reallocate the money and risk the Council returning the money to the developer
Consultation	<ol style="list-style-type: none"> 1. Earlier allocations of Section 106 monies related to the two developments have previously been considered by officers of the Strategic Infrastructure Group (SIG) 2. Briefing note taken to Leadership Team on 31st August 2022 to outline that Section 106 funds would be reallocated to minimise risk of developer clawback using delegated authority
Financial Implications	1. The Section 106 Obligations identified within the report are time restrictive, failure to spend the secured monies within a set time period would enable the developer to claw back such funding.
Approved by Section 151 Officer	Yes
Legal Implications	None
Approved by Monitoring Officer	Yes
Contribution to the Delivery of the Strategic Plan	1. Supports the priority of 'Enabling People' through provision of facilities so they can live healthy and active lives.
Equality, Diversity and Human Rights Implications	None.
Crime & Safety Issues	None
Environmental Impact (including Climate Change and Biodiversity).	None
GDPR / Privacy Impact Assessment	1. N/A

	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
A	Unspent monies may need to be returned to the developer.	Yellow	The recommended course of action seeks to actively allocate the outstanding amounts and officers will monitor spend against the relevant timescales.	Green

B			
C			
D			
E			

	Background documents
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	Relevant web links
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