



Chelmsford City Council Cabinet

8 September 2020

S106 Spending Plan

Report by: Cabinet Member for Sustainable Development

Officer Contact: Stuart Graham, Economic Development and Implementation Services Manager

Email Stuart.graham@chelmsford.gov.uk Telephone 01245 606364

Purpose

To endorse a proposed spending plan for S106 planning contributions currently held by the City Council.

Options

- a) Endorse the S106 Spending Plan as presented
- b) Endorse the S106 Spending Plan with amendments
- c) Not endorse the S106 Spending Plan

Preferred option and reasons

Option (a) Endorse the S106 Spending Plan as presented to enable the City Council to spend the held balances within the timeframes specified by the S106 agreements

Recommendations

That Cabinet recommends the S106 Spending Plan is referred on to Full Council for approval and that the following delegations are approved:

1. The Director of Financial Services, in consultation with the Cabinet Member for Fairer Chelmsford, is authorised to allocate and spend the approved S106 contributions for Affordable Housing as shown in Appendix 1 and detailed in paragraph 3 of this report against the housing projects approved at Council in February 2020 and the Chelmer Waterside scheme.
 2. The Director of Public Places, in consultation with the Cabinet Member for Greener and Safer Chelmsford, is authorised to spend the approved S106 contributions for Open Spaces and Strategic Sports Provision, as detailed in Appendix 2.
 3. The Director of Sustainable Communities, in consultation with the Cabinet Member for Sustainable Development, is authorised to allocate the approved S106 contributions for Public Realm, as shown in Appendix 3 towards the Tindal Square Improvement Scheme and that any future public realm contributions collected are also allocated towards this scheme as detailed in paragraph 5 of this report.
-

1. Background

- 1.1. For a number of years Chelmsford City Council has collected S106 contributions from developments across its administrative area, linked to the Planning Contributions Supplementary Planning document which was adopted in 2008. Although this policy framework has been superseded by the new Local Plan and the adoption of the Community Infrastructure Levy (CIL), a number of S106 contributions are still collected and held by the City Council.
- 1.2. With the advent of the Community Infrastructure Levy, adopted in 2014, the number of new developments that generate direct financial contributions via S106 has reduced significantly. However, the City Council is currently in receipt of funding that needs to be planned for in line with the S106 to which it is linked.
- 1.3. The Government is currently consulting on changes to S106/CIL as part of the wider planning reforms contained within the Planning White Paper published in early August. The Council will be commenting on these as part of its consultation response due to be considered at Chelmsford Policy Board in October. Until any new legislation and transitional arrangements come into force, the existing S106/CIL arrangements prevail.
- 1.4. This report therefore sets out a Spending Plan for 2020 onwards for S106 funding currently held.
- 1.5. In determining the spend of S106 funding the following key principles have been borne in mind:
 - The S106 specifies what the funding can be spent on
 - In many cases, the S106 funding must be spent in specific locations and on specific projects

- Any expenditure in relation to the funding is, in the majority of cases, time limited, and if not spent by that date must be returned to the developer
- 1.6. A separate process is in place to allocate CIL receipts.
- 1.7. Appendix 6 details spend of S106 since the last Spending Plan was reported to Cabinet in April 2017.

2. Summary of current S106 balances

- 2.1. The current balances held by the City Council are summarised in the table below. This is based on information as at April 2020 and the Spending Plan deals with these held balances only.

S106 Purpose	Amount (£)
Affordable Housing	5,685,000
Open Spaces and Strategic Sports Provision	2,309,000
<i>Local open space</i>	<i>121,000</i>
<i>Strategic open space</i>	<i>493,000</i>
<i>Strategic sports and recreation</i>	<i>1,695,000</i>
Public Realm	685,000
Public Art	35,000
Strategic Transport	62,000
<i>Widford Park & Ride</i>	<i>6,000</i>
<i>Chelmer Valley Park & Ride</i>	<i>14,000</i>
<i>Army & Navy</i>	<i>20,000</i>
<i>Chelmsford Railway Station</i>	<i>22,000</i>
Local Highways	63,000
Education	761,000
Healthcare	577,000
Habitat Regulations Mitigation including Essex Wide	36,000
TOTAL	10,213,000

All amounts are rounded to the nearest £000

- 2.2. A proposed S106 Spending Plan is set out below, by each of the purposes identified in the table.
- 2.3. Appended to the report are detailed project allocations where it is necessary for a contribution type, which consider the restrictions of the S106 agreements.
- 2.4. The preparation of the S106 Spending Plan has been facilitated through internal and external engagement. Externally this has included Essex County Council and NHS England.

3. Affordable Housing

Current balance: £5,685,000

- 3.1. Appendix 1 shows the affordable housing allocations.
- 3.2. The majority of affordable housing provision is provided on site through the planning process and secured via direct provision in S106 agreements. With some developments, S106 contributions are provided to the Council in lieu of direct provision.
- 3.3. The current affordable housing balances have sufficient flexibility within the S106s to be used for a range of affordable housing projects.
- 3.4. Almost £4.1m of the current balance has been generated by the Runwell Hospital (Luke's Park) development and is proposed to be allocated towards infrastructure at Chelmer Waterside to maximise housing delivery.
- 3.5. A number of Housing Initiative schemes were approved at Council in February 2020 and it is proposed that the remaining S106 contributions, £1.233m, shown in Appendix 1 are wherever possible used as funding against these schemes.
- 3.6. A contribution of £360k is being paid in instalments by Marden Homes in relation to the Channels development, however this is being collected specifically for use towards the Drakes Farm gypsy and traveller site. It has therefore not been included in the appended table of affordable housing allocations.

4. Open Spaces and Strategic Sports Provision

Current balance: £2,309,000

- 4.1. Appendix 2 shows the open spaces and strategic sports allocations.
- 4.2. The allocations take into account the purposes specified in the relevant S106 agreements, which in most cases are prescriptive.
- 4.3. Of the total, £34,423.93 must be transferred to the parish councils under the terms of the S106 and the City Council holds onto these contributions until the parish council has identified a suitable project. The sum is reflected in Appendix 2.
- 4.4. The Spending Plan in Appendix 2 lists a range of 28 projects for improvements and investments across the City's parks, green spaces and strategic sports facilities.
- 4.5. Ongoing revenue costs in relation to the projects set out in the Plan can be met from within existing budgets.

5. Public Realm

Current balance: £685,000

- 5.1. Appendix 3 shows the public realm allocations.
- 5.2. The Plan proposes that where the S106 agreement allows, contributions collected for public realm purposes are allocated to Tindal Square for which a preferred scheme option was agreed by Cabinet in June 2020.

6. Public Art

Current balance: £35,000

- 6.1. Appendix 4 shows the public art allocations.
- 6.2. The majority of the public art sum was collected from the Marconi development and is to be used in connection with the reuse of the water tower within the development site.

7. Strategic Transport and Local Highways

Strategic Transport current balance: £62,000

Local Highways current balance: £63,000

- 7.1. There are some small contributions held for a number of strategic transport projects which will be used as schemes come forward. No projects have yet been identified requiring the use of these contributions.
- 7.2. The local highways balance has been collected for the provision of local transportation schemes to be delivered by Essex County Council and will be transferred to them once appropriate schemes have been identified that link to the purpose set out in the S106 agreements. This follows the previous process agreed between the City Council and Essex County Council.

8. Education

Current balance: £761,000

- 8.1. The current education balance is from a single contribution in relation to the development at Hospital Approach and is due to be passed to Essex County Council to support the delivery of Beaulieu Secondary School which was forward funded by Essex County Council.

9. Healthcare

Current balance: £577,000

- 9.1. Appendix 5 shows the healthcare allocations.
- 9.2. A number of contributions have been collected to support improvements to health care provision. In preparing this Spending Plan, officers have consulted with NHS England regarding the balances held for primary care purposes. NHS England have allocated the amounts according to their priorities in line with the purposes of the S106 agreement.
- 9.3. In 2017, Cabinet approved the allocation of £145k to the refurbishment of Sutherland Lodge GP surgery as a priority identified by NHS England. The money has not yet been requested so CCC still hold it. As the sum has previously been committed to the project it is not shown in the current balance. The refurbishment is still planned to go ahead but the business case has not yet been received. A further £61k is now identified for it, as shown in Appendix 5.

10. Habitat Regulations Mitigation including Essex Wide

Current balance: £36,000

- 10.1. Chelmsford City Council (CCC) is one of twelve partner local authorities who are working together, along with Natural England, to implement the Essex Coast Recreational disturbance Avoidance and Mitigation Strategy (RAMS).
- 10.2. The RAMS seeks to avoid and mitigate recreational disturbance on European designated sites along the Essex Coast, from an increasing residential population arising from new housebuilding throughout the County.
- 10.3. It enables a housebuilder to make a monetary 'developer contribution' towards the delivery of strategic mitigation measures to help address recreational pressures that would otherwise occur. CCC has been collecting developer contributions on all new qualifying residential developments since November 2018.
- 10.4. The RAMS includes a table of avoidance and mitigation measures and projects that will be funded through the developer contributions. This includes a Project Delivery Officer and Rangers, providing education and information, installing signage and interpretation boards, new habitat creation and project monitoring.

11. Conclusion

- 11.1. The Spending Plan sets out the proposed spend of the £10.2m currently held by the City Council within the Infrastructure Fund. It allocates funding to a range of projects that will be delivered by the City Council and partner organisations.
- 11.2. The Spending Plan has been prepared having regard to the purposes set out in the S106 agreements and matching these to City Council and partner organisation priorities.

List of appendices (all sums rounded to nearest £000):

Appendix 1 – Affordable Housing

Appendix 2 – Open Spaces and Strategic Sports Provision

Appendix 3 – Public Realm

Appendix 4 – Public Art

Appendix 5 – Healthcare

Appendix 6 - S106 project spending 2017 - 2020

Background papers:

Planning Contributions SPD, 2008

Relevant S106 agreements

Corporate Implications

Legal/Constitutional: The spend of the S106 contributions needs to accord with the defined purpose set out in the S106 agreement and regard has been had to this in preparing the Spending Plan.

Financial: The S106 contributions are in the majority of cases time limited and if not spent by a specified date must be returned to the developer. If this occurs the opportunity to improve facilities and infrastructure will be lost.

Potential impact on climate change and the environment: The RAMS S106 contributions and the associated projects are linked to improvements to the natural environment which will have a positive impact on climate change and the environment.

Contribution toward achieving a net zero carbon position by 2030: Investment in cycling, walking and public transport projects contributes to sustainable transport measures and an alternative mode of transport to the car.

Personnel: None

Risk Management: None

Equality and Diversity: None

Health and Safety: None

Digital: None

Other: None

Consultees:

CCC Directors; Essex County Council; NHS England

Relevant Policies and Strategies:

LDF 2001-2021; Planning Contributions Supplementary Planning Document

Appendix 1: Affordable Housing

PROJECT	AMOUNT (£)
Purchase of land, either for or in support of housing development targeting the delivery of affordable housing.	522,000
Refurbishment, extension or development of existing emergency housing provision.	107,000
Infrastructure at Chelmer Waterside to maximise housing delivery (to potentially include the new access road and bridge, land decontamination and gas main diversions).	4,092,000
Development of Council led affordable and emergency housing provision. The Council are developing schemes at various sites on land owned by this Council.	604,000
TOTAL	5,325,000

Appendix 2: Open Spaces and Strategic Sports Provision

	PROJECT	WARD	AMOUNT (£)
1	Andrews Park pathway and access improvements to pavilion/ tennis courts	Patching Hall	4,000
2	Avon Road equipped play	St Andrews	59,000
3	Baddow Hall Park equipped play	Great Baddow East	1,000
4	Beaulieu Park improvements to existing pitches	Chelmer Village and Beaulieu Park	4,000
5	Beaulieu Park new sports facility	Chelmer Village and Beaulieu Park	585,000
6	Central Park skateboard area surfacing	Moulsham and Central	300
7	Central Park/Bell Meadow footpath/cycleway surfacing improvements	Moulsham and Central	1,000
8	Chancellor Park pitch improvements	Chelmer Village and Beaulieu Park	2,000
9	Chelmer Park sports facility improvements	Galleywood	2,000
10	Chelmer Valley nature reserve	The Lawns and Patching Hall	2,000
11	Churchill Rise equipped play	Springfield North	1,000
12	Compass Gardens drainage improvements	Chetwood and Collingwood	1,000
13	Compass Gardens equipped play	Chetwood and Collingwood	300
14	Compass Gardens overflow car park	Chetwood and Collingwood	1,000
15	Coronation Park coaching	Trinity	1,000
16	Coronation Park equipped play	Trinity	4,000
17	Coronation Park landscaping	Trinity	2,000
18	Fifth Avenue equipped play	Patching Hall	9,000

Agenda Item 7.4

19	Hylands volunteer scheme	Writtle	4,000
20	John Shennan playing field table tennis	Moulsham Lodge	2,000
21	Lionmede Park recreational improvements	Trinity	2,000
22	Melbourne Park outdoor sports facilities	St Andrews	2,000
23	Noakes Park environmental improvements	Great Baddow East	3,000
24	Oaklands Park multi-sport	Moulsham and Central	200
25	Strategic Sports Provision - Runwell Sports and Social Club	Rettendon and Runwell	1,579,000
26	Saltcoats Park/Compass Gardens sports facility improvements	Chetwood and Collingwood	1,000
27	Springfield Hall Park pitch improvements	The Lawns	1,000
28	Tower Gardens sports pitch improvements	St Andrews and Marconi	300
To be transferred to the following parish councils:			
	Parish council control - Boreham		2,000
	Parish council control - East Hanningfield		1,000
	Parish council control - Great Baddow		1,000
	Parish council control - Great Leighs		6,000
	Parish council control - Great Waltham		300
	Parish council control - Pleshey		2,000
	Parish council control - Rettendon		7,000
	Parish council control - Runwell		1,000
	Parish council control - Sandon		2,000
	Parish council control - Springfield		8,000
	Parish council control - Stock		1,000
	Parish council control - SWF		3,000
	TOTAL		2,309,000

Appendix 3: Public Realm

PROJECT	AMOUNT (£)
Tindal Square	680,000
West End (no project currently identified)	5,000
TOTAL	685,000

Appendix 4: Public Art

PROJECT	AMOUNT (£)
Re-use of Marconi water tower	34,000
No project identified	1,000
TOTAL	35,000

Appendix 5: Healthcare

PROJECT	AMOUNT (£)
Increased capacity for the Chelmer Partnership - Melbourne Surgery, Humber Road Surgery and Tennyson House Surgery.	28,000
Increased capacity for the Little Waltham Surgery.	68,400
Sutherland Lodge Surgery refurbishment.	61,000
Chelmer Village Surgery refurbishment to increase capacity and available services.	81,000
Beaulieu Park Health Centre and improvements to increase capacity at Chelmer Village Surgery and North Chelmsford Health Centre (Sainsburys, White Hart Lane).	322,000
No project identified.	16,000
TOTAL	577,000

Appendix 6: S106 Spend by Purpose 2017-2020

	2017/18 (£)	2018/19 (£)	2019/20 (£)	Total
Affordable Housing:				
Modular Units Scheme	780,000			780,000
Local/Strategic Open Space and Sports:				
Central Park Footpath	7,000	83,000		90,000
Marconi Pond		6,000		6,000
Bell Meadow Bridge		91,000	43,000	134,000
Sky Blue Pasture Play Equipment			19,000	19,000
Central Park Signs			3,000	3,000
Avon Road Allotments	2,000	9,000		11,000
Chelmer Park Artificial Pitch	220,000			220,000
Play Equipment Nelson Grove	96,000			96,000
Play Equipment Central Park		133,000		133,000
Play Equipment Andrews Park			65,000	65,000
Play Equipment Copperfield			100,000	100,000
Outdoor Gym Chelmer Park	30,000			30,000
Outdoor Gym Compass Gardens	32,000			32,000
Outdoor Gym Central Park		33,000		33,000
Oaklands Museum HLF Park Improvements		8,000	20,000	28,000
Hylands Pleasure Garden Pond			23,000	23,000
Beaulieu Park School (Indoor Sports Facility)		338,000	973,000	1,311,000
Riverside Ice and Leisure Development		339,000		339,000
Public Realm and Public Art:				
Half Moon Square	130,000	8,000		138,000
Wayfinding Phase 1	4,000			4,000
Bell Meadow	320,000	97,000		417,000
Public Art Mill Yard		29,000	37,000	66,000
Public Art Bond Street (design)			4,000	4,000
Public Art Channels (design)			6,000	6,000
Mill Yard, Chelmsford Rail Station		897,000	-229,000	668,000
S106 Stonebridge Lighting (design)			1,000	1,000
S106 River Can Pathway Lighting (design)			2,000	2,000
RAMS:				
Habitat Regulations Mitigation			3,000	3,000
Strategic Transport:				
Beaulieu Park Station S106	376,000	863,000	930,000	2,169,000
TOTAL SPEND ACROSS ALL PURPOSES	1,997,000	2,934,000	2,000,000	6,931,000

Local Highways Spend (transferred to ECC):	2017/18 (£)	2018/19 (£)	2019/20 (£)	Total
Albermarle Link Cycleway			303,000	303,000
Arnhem Road Passenger Transport (PT) Improvements		4,000		4,000
Beehive Lane/Firecrest Junction Improvements		3,000	17,000	20,000
Boreham to City Centre Cycle Route	33,000			33,000
Broomfield Road Zebra Upgrade	22,000			22,000
Chelmer Village Way Toucan	205,000			205,000
Chelmer Valley Way Clearway Order	27,000			27,000
Chelmer Village Retail Park Access	86,000	86,000		172,000
Church Road W Hanningfield Bus Shelter			12,000	12,000
Danbury Village Flags & Poles		2,000		2,000
Danbury Village PT Improvements	18,000			18,000
Ferrers Road Cycleway			13,000	13,000
Ford End Traffic Improvements		4,000		4,000
Galleywood PT Improvements		2,000	20,000	22,000
Great Baddow to City Centre Cycleway			10,000	10,000
Great Leighs Real Time Passenger Information (RTPI)	31,000			31,000
Gt Leighs Bypass Clearway Order	10,000			10,000
Great Waltham to City Centre Cycleway			19,000	19,000
Hylands School Bus Shelter		8,000		8,000
Inchbonnie Road Vicinity PT Improvements		23,000		23,000
Lawn Lane RTPI	16,000			16,000
Maldon Road PT Improvements		3,000		3,000
Manor Farm Shop Bus Shelter	20,000			20,000
Melbourne PT Improvements	12,000			12,000
Mill Lane Traffic Calming	8,000			8,000
New Street to City Centre Cycleway	110,000			110,000
North Ave Pedestrian Crossing Facility		36,000		36,000
Rainsford Road Pedestrian Island Improvements		16,000		16,000
Roxwell Village Parking Restrictions		1,000		1,000
Runwell Road PT Improvements (design)		2,000	5,000	7,000
Sandford Road PT Works			8,000	8,000
Southend Road PT Improvements		2,000		2,000
Springfield Lyons PT Improvements	11,000			11,000
Springfield Road Toucan	391,000			391,000
Travis Perkins PT Works Vos		24,000		24,000
Waterhouse Lane PT Improvements			14,000	14,000
Waterhouse Lane PT Improvements		7,000		7,000
Wood Street Zebra Crossing	9,500	18,000	45,000	72,500
TOTAL	1,009,500	241,000	466,000	1,716,500

Agenda Item 7.4

Education (transferred to ECC):	2017/18 (£)	2018/19 (£)	2019/20 (£)	Total
Beaulieu Park First New Primary School	1,426,000	2,863,000	1,043,000	5,332,000
Beaulieu Park New Secondary School	1,197,000	1,836,000	912,000	3,945,000
Boreham Primary School - new workspaces			68,000	68,000
Broomfield Primary School - expansion (1.5 to 2 fe)			463,000	463,000
Chelmsford College High Needs			369,000	369,000
Early Years & Childcare Chelmsford Charge Outer		8,000		8,000
Early Years & Childcare Chelmsford Charge Urban		39,000	38,000	77,000
Early Years & Childcare Chelmsford North West		159,000		159,000
Early Years & Childcare Chelmsford S106 Urban		23,000		23,000
Early Years & Childcare Beaulieu Primary School		100,000	326,000	426,000
Moulsham High School 8 to 10fe expansion		1,400,000	7,000	1,407,000
Moulsham Infant & Juniors expansion		1,000		1,000
Runwell Hospital (St Luke's) - New Primary 1fe			2,000	2,000
TOTAL	2,623,000	6,429,000	3,228,000	12,280,000