

Maldon District Council

SECOND INFRASTRUCTURE FUNDING STATEMENT (IFS)

1 April 2020 – 31 March 2021

November 2021

1. Introduction

- 1.1. Government guidance requires charging authorities, like Maldon District Council to produce an Infrastructure Funding Statement (IFS) on an annual basis and not later than 31st December each year. This is Maldon District Council's second IFS. It sets out the reporting year's income and expenditure relating to the developer funding raised from section 106 (S106) agreements.
- 1.2 The IFS reporting year runs from 1 April 2020 to 31 March 2021.
- 1.3 Community Infrastructure Levy (CIL) and S106 are collectively known as "planning obligations" or "developer contributions". At the present time, the Council does not have an adopted CIL. **This statement therefore only relates to S106 income.**
- 1.4 The income from developer contributions is used to help fund the infrastructure needed alongside new development and this helps to maximise the benefits and opportunities from growth in the District. Infrastructure will include the delivery of affordable homes and other community facilities such as play parks, open space and youth facilities. The district also negotiates in conjunction with the NHS to achieve contributions for health infrastructure improvements.
- 1.5 Essex County Council are responsible for collecting developer funding for some important elements of the District's infrastructure such as:
 - Early learning and primary schools
 - Secondary schools
 - Highway improvements
 - Transport planning
 - Improvements to cycling and walking routes – shared with Maldon District Council
- 1.6 The above set out at 1.5 will be addressed by the Essex County Council Infrastructure Funding Statement 2020-2021.

Impact of Covid-19 pandemic during the year 2020-21

- 1.7 Work was interrupted on some development sites due to worker furloughs. Any hold ups in construction were followed by some increases in production which have brought deliveries back to normal within the year. Some monitoring visits were prevented in Spring/Summer 2020 due to developer's own site restrictions and artificial delays occurred in trigger identifications which were partly resolved in September/October 2020 during site visits.
- 1.8 Although homes were being completed, many sales staff were also furloughed for a proportion of the year and this disrupted the activity of selling. This, in turn, delayed achievement of trigger points where those triggers were tied to "occupation" of new homes.
- 1.9 Some developer back-office staff were also furloughed or in some cases made redundant. In some cases, the loss of previous points of contact resulted in some disruption to the request for payment process.

- 1.10 In respects of proactive 106 expenditure, human resources of both Maldon District Council and the NHS were drawn into other Covid related projects. This has required careful monitoring to ensure that programmed works could be reprioritised as Covid restrictions ease.

2. Section 106 Income

- 2.1 The existing s106 agreement income is being collected with a view to delivering the Maldon District Infrastructure Delivery Plan, which accompanies the 2017 approved Maldon District Local Development Plan (LDP). The LDP can be found: www.maldon.gov.uk/ldp. This sets out the importance which the Council attaches to its programme of infrastructure delivery to ensure that new development meets the needs of new residents and mitigates the impact new development can cause on existing services.
- 2.2 Table 1 shows the funds received into Maldon District Council during the reporting year.

Table 1

Date	S106 Type	Application Ref	Amount (£)
27/07/20	Affordable Housing Contribution ¹	14/01227/OUT	24,923.36
15/10/20	Health	14/00845/OUT	26,636.87
31/3/21	Health	14/01016/OUT	20,251.47
31/3/21	Ecology	14/01016/OUT	49,808.45
TOTAL			121,620.15

- 2.3 At the beginning of the reporting year the Council held developer funding as set out in Table 2.

Contribution Purpose	Balance held (£)	Amount in (£)	Total 31st March 21 (£)	£ Spent 2020-21	£ Balance held 31/3/2021
Affordable Housing	406,425.36	24,923.36	431,348.72	0.00	431,348.72
Health	398,923.42	46,888.34	455,811.76	0.00	455,811.76
Open Space (incl. allotments)	88,121.03	0	88,121.03	0.00	88,121.03
Ecology	0	£49,808.45	£49,808.45	0.00	49,808.45
Youth facilities	295,546.43	0	295,546.43	0.00	295,546.43
TOTALS	1,189,016.24	121,620.15	1,320,636.39	0.00	1,320,636.39

- 2.4 The s106 agreement income is being collected with a view to meeting the requirements of the [Infrastructure Delivery Plan](#) adopted to accompany the approved Maldon District LDP.

¹ Monies negotiated as the affordable housing contribution are paid in-lieu of on-site provision. These are used to fund project preparation and land purchase to facilitate affordable housing schemes elsewhere in the District. This is in addition to the affordable housing set out in Paragraph 2.5.

Affordable Homes

- 2.5 The Council's LDP policy encourages developers to build between 25% and 40% of the development as affordable homes in the District. The actual percentage will depend on the specific location in the district and the viability of the scheme in financial terms. The Council encourages the affordable homes to be delivered on the individual development sites wherever possible, where they can be dedicated to households that need them. In some circumstances this may not be possible and then an agreed financially equivalent sum of money may be paid as a contribution (or Commuted Sum), which the council puts towards building other affordable housing schemes elsewhere within the district. This important aspect of on-site provision represents a significant contribution to the number of new homes provided to meet the affordable housing need of the District.
- 2.6 What is meant by an "Affordable Home" is defined in the LDP and in the Annex 2 of the [National Planning Policy Framework](#)².
- 2.7 In the IFS year 2019/2020, the Council delivered new affordable homes as set out in Table 3.

Table 3.

Development Site	Housing Association/RP	Developer	Number of Affordable Homes for rent	Number of shared ownership	Total
Theedhams Farm Southminster (Blackwater Reach)	CHP	Barratt David Wilson	13	8	21
Limebrook Way Maldon (Handley Gardens)	Peabody	Taylor Wimpey	58	-	58
Broad Street Green, Heybridge	Estuary	Persimmon	15	4	19
Southminster Road, Burnham on Crouch (Grangewood Park)	CHP	Persimmon	10	17	27
Totham Road, Wickham Bishops (Land East of Malone Cottages)	CHP	Moody Homes	4	1	5
Maldon Road, Burnham on Crouch	Estuary	Barratt David Wilson	16	4	20
TOTALS			116	34	150

- 2.8 This represented approx. 35% per cent of the total number of new homes completed

² Since the introduction of the Government's First Homes Scheme in May 2021, the term may also include homes that are made available on the free market with a government subsidy for the first owners of new homes.

and provided approximately **£25,200,000** worth³ of new homes to the identified Registered Providers who will manage and maintain them for current and future residents in affordable housing need.

3 Section 106 Expenditure / Outgoings

3.1 There was no expenditure by the Council for 2020/2021.

4 S106 and future spending priorities

4.1 The Council's Infrastructure Delivery Plan (IDP) works alongside the Maldon LDP.

Both were rigorously tested at Examination in Public and approved in 2017. An update of the IDP and its supporting evidence will be prepared in conjunction with the review of the LDP. This IFS therefore maintains the Council's commitment to the IDP 2017 for the purposes of continuity, as referred in Paragraph 2.4.

5 Governance

5.1 The Council's Infrastructure Implementation Group has maintained a review of the

Council's s106 income gathering and expenditure on projects. At the present time none of the delivery timeframes set out in individual agreements for spending the s106 contributions are becoming a cause for concern. The Council has continued to make progress with its partners and its internal projects team in preparing the necessary plans for scheme management.

5.2 In 2021, the Mid and South Essex NHS Clinical Commissioning Group (CCG) appointed a Planning Officer who will now support Councils and vice-versa with the delivery of health related projects that have benefited from s106 contributions. Although no monies were drawn down in the reporting year, the collaboration between the council and CCG has been significantly improved, with meetings now taking place more frequently with the view to introduce a routinely joint-reviewed monitoring schedule for schemes in the Maldon District. It is hoped this will ensure that Covid related delays in NHS spending plans can be resolved promptly during 2021-2022. The CCG are also providing MDC with an agreed project management package, to ensure the drawdown of s106 monies held by the Council happens in a timely fashion.

5.3 Although the Council's own projects which are seeking to invest s106 contributions have been delayed during 2020/2021, some preparatory work including feasibility and public consultation has been undertaken. The Council will continue these preparations during 2021/2022 with a view to project expenditure taking place in future years.

5.4 The Council is liaising with Essex County Council on the delivery of its infrastructure (schools expansion, early years, highways, etc.) to establish a better understanding of infrastructure upgrade or delivery timetables. This will not only provide a clearer picture of delivery but will assist in planning for new infrastructure within the LDP review.

³ This figure is based on a sample of homes valued at the point of handover to a Registered Provider in Oct. 2020 with an uplift for inflated build costs.