



**REPORT of
DIRECTOR OF SERVICE DELIVERY**

**To
STRATEGY AND RESOURCES COMMITTEE
21 SEPTEMBER 2023**

DELIVERY OF SECTION 106 CAPITAL PROJECTS 2024 - 25

1. PURPOSE OF THE REPORT

- 1.1 To update Members on the current position with Section 106 (S106) contributions and to seek approval to recruit a new fixed term resource to deliver the Council's S106 programme of works.

2. RECOMMENDATIONS

- (i) That the list of Section 106 contributions and potential youth projects, the 'Programme of Works' (as of June 2023) as set out in Table 1 within the report be noted;
- (ii) That a Project Manager post be recruited (fixed term) to deliver the Section 106 Programme of Works, funded from capital reserves utilising an identified surplus;
- (iii) That subject to (i) and (ii) above that project progress be reported to the Strategy and Resources Committee a quarterly basis.

3. SUMMARY OF KEY ISSUES

- 3.1 The Council receives S106 contributions as part of the Planning Approval process for large applications.
- 3.2 These contributions are financial in nature and as part of the agreement between the Council and the developer set out what the contributions will be used for.
- 3.3 This report only covers S106 financial obligations that are due to Maldon District Council. Monies due to Essex County Council (ECC) or the National Health Service (NHS) are not included.
- 3.4 Table 1 below sets out the S106 financial contributions held by the Council and potential projects to be delivered subject to community engagement.

3.5 Table 1:

Location	2023 / 24 Budget	2024 / 25 Budget	Potential project (subject to community engagement)
Riverside Park	£140,000.00		Youth facility e.g. Refurbished / new skate park / BMX track
	£45,000.00		Youth facility e.g. Refurbished / new skate park / BMX track
Maldon Promenade Park	£100,000.00		Sensory play
	£96,000.00		Sensory play
	£45,000.00	£350,000.00	Youth facility e.g. Refurbished / new skate park / BMX track
		£150,000.00	Youth facility e.g. Refurbished / new skate park / BMX track
West Maldon Community Centre		£50,000.00	Youth facility e.g. Refurbished / new skate park / BMX track
		£34,000.00	To be confirmed 2024 / 25
	£436,000.00	£584,000.00	
GRAND TOTAL			£1,020,000.00

3.6 Resource implications

- 3.6.1 The Council recognises that these projects are of vital importance to the local community and therefore monitors the position of these financial contributions to ensure that the projects can be delivered in a timely and effective way.
- 3.6.2 The service planning and monitoring process recently undertaken by Officers has demonstrated that these projects are at risk of not being delivered. The reason for this potential risk is no additional resources were identified to deliver the work at that time the allocations were made. Existing staff are already fully engaged on delivery of the Council's own Corporate Capital Programme and Repair and Renewal Programme of Works and have no spare capacity.
- 3.6.3 The Council has been proactive in reviewing options to secure additional resources to deliver the S106 Capital Programme. Given the scale of the capital funding, (circa £1 million), the community engagement and procurement work that would need to be carried out to deliver these projects, it is considered that this is an 18 month Programme of Work.

3.7 Funding Option

- 3.7.1 The Council has recently received confirmation from the South Essex Parking Partnership (SEPP) that it will receive £137,000 from SEPP for 2023 / 24 to deliver capital projects within its car parks.
- 3.7.2 The Council had already identified the capital sum to deliver these projects from existing budgets, as a result of the SEPP funding the Council now has a surplus within its capital budget of £137,000.
- 3.7.3 It is therefore proposed that this surplus capital funding of £137,000 be used to fund a new fixed term Project Manager position to deliver the 106 Programme of Work. The total cost of the post (including on costs) for 18 months would be £128,115 subject to Job Evaluation process.

- 3.7.4 The Project Manager would be responsible for developing and delivering the Council's S106 programme of works. Including the specification and tender process, budget management, monitoring on site delivery and project evaluation.
- 3.7.5 While the priority deliverable for the Project Manager would be the S106 Programme of Work, the Project Manager would also support delivery of the Council's existing Capital Programme where possible.
- 3.7.6 The Chartered Institute of Public Finance and Accountancy (CIPFA) guidance confirms that capital funding can be used to fund staff costs incurred as a result of staff spending time on capital projects and this can be capitalised provided that the time can be linked to bringing a specific asset into a working condition or substantially enhancing the life of an existing asset. Detailed timesheets will need to be kept so that time spent on specific projects can be identified.
- 3.7.7 As the proposed Project Manager post would deliver projects for the benefit of the community the Council will explore options for match funding to enhance the length of term and scope of the role.

4. CONCLUSION

- 4.1 The Council has an ambitious programme of S106 funded projects it wishes to deliver to support its Corporate Priorities. The Council has identified that these projects are at risk of not being delivered due to Officers being fully engaged on delivery of the Council's Corporate Capital Programme and Repairs & Renewal Programme of Works.
- 4.2 The proposal as set out in this report will fund a new Project Manager resource to deliver the Council's S106 Programme of Works to the value of circa £1million at no direct additional cost to the Council above that already set out in the Medium Term Financial Strategy. Funding the post identified is possible through the utilisation of the funding returned to the Council from SEPP.
- 4.3 In future Officers will review the way S106 projects are delivered and consideration of 'turnkey' delivery of projects will be investigated. The Council no longer has the technical skills or capacity in house to oversee the delivery of large scale works.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2023 - 2027

5.1 Supporting our communities

- 5.1.1 Delivery of S106 funded projects will support the corporate priority of 'Supporting our Communities' as set out in the Corporate Plan by delivering projects that directly benefit the local community.

6. IMPLICATIONS

- (i) **Impact on Customers** – Positive impact via the delivery of S106 funded capital projects for the benefit of the local community.
- (ii) **Impact on Equalities** – An Equality Impact Assessment has been completed and has not indicated any negative impacts. Further Equality Impact Assessments will be completed on a case by case basis.

- (iii) **Impact on Risk** – Reduce potential risk of developer clawback. Any project not completed within the fixed term contract period would need to be reviewed. This could include options for extending the fixed term contract.
- (iv) **Impact on Resources (financial)** – As set out in the report.
- (v) **Impact on Resources (human)** – The report sets out an opportunity for a new fixed term position at the Council. The position would be recruited to in accordance with the Council’s Human Resources policy.

Background Papers: None

Enquiries to: Matt Harwood-White: Head of Assets, Coast and Countryside.