

<b>Report to:</b>	<b>STRATEGIC PLANNING AND CAPITAL MONITORING PANEL</b>
<b>Date:</b>	9 October 2017
<b>Reporting Officer:</b>	Robin Monk - Director (Place)
<b>Subject:</b>	<b>SECTION 106 AGREEMENTS AND DEVELOPER CONTRIBUTIONS</b>
<b>Report summary:</b>	<p>The report summarises the current position with regard to receipts received from section 106 (s106) Agreements and Developer Contributions, new s106 Agreements made and any requests to draw down funding.</p> <p>The report also provides a summary of the final audit report relating to Planning Obligations which has identified a number of actions which need to be taken including provision of additional resources to assist with effective monitoring of Section 106 Agreements and Developer Contributions.</p>
<b>Recommendations:</b>	To note the contents of this report.
<b>Links to community strategy:</b>	Successfully implementing schemes funded through s106 Agreements support a number of Community Strategy priorities including supportive communities, a safe environment, a prosperous society, learning community and attractive borough.
<b>Policy implications:</b>	Works completed through obligations contribute to mitigating the impact of developments in three policy areas contained within the Councils adopted Unitary Development Plan, namely policy H5 Open Space Provision, H6 Education and Community Facilities and T13 Transport Investment.
<b>Financial implications:</b> <b>(Authorised by Section 151 Officer)</b>	It is important that regular monitoring is undertaken to ensure that monies are paid to the Council when due; as per the individual S106 agreements. The S106 contributions and Developer Contributions must be spent within the agreed timescales and on the purposes specified within the individual agreements. A summary position of the S106 contributions and developer contributions is included in the report.
<b>Legal implications:</b> <b>(Authorised By The Borough Solicitor)</b>	None arising directly from the report, but Agreements must comply with the requirements of section 106 of the Town and Country Planning Act 1990 and the Community Infrastructure Levy Regulations.
<b>Governance arrangements:</b> <b>(If applicable, the intended governance arrangements e.g. key decision, executive decision)</b>	Section 106 obligations are a mechanism set out in the Town and Country Planning Act (as amended) to secure payment or the delivery of outcomes fundamental to mitigate the impact of development in an acceptable manner.
<b>Risk Management:</b>	<p>Developers will be entitled to claw back any contributions if they are not spent within timescales as per the agreements made.</p> <p>Contributions may not be received on time or at all without adequate monitoring. Any specific conditions included with</p>

agreements must also be considered to minimise the risk of developer challenges.

In accordance with Audit recommendations additional resources are being secured which will include specific requirements to monitor and track Section 106 payments and expenditure.

**Access to information:**

The background papers can be obtained from the author of the report, Paul Moore by



Telephone: 0161 342 3108



e-mail: [paul.moore@tameside.gov.uk](mailto:paul.moore@tameside.gov.uk)

## 1. INTRODUCTION

- 1.1 This report summarises the year-end financial position at 31 August 2017 with regard to receipts for Section 106 (s106) Agreements and Developer Contributions and makes comments for each service area. This is followed by a section on new agreements made and requests to draw down funding. However it should be noted that although terms have been agreed no new agreements have been formally entered in to since the previous report to the Panel.
- 1.2 In addition the report clarifies specific actions to address the draft recommendations of the draft Audit report from 2016.

## 2. AGREEMENTS UPDATE

- 2.1 The summary position statement at 31 August 2017 for s106 Agreements and Developer Contributions is as follows:

### Section 106 Agreement Funds:

Section 106		Community Services	Engineering Services	Services for Children & Young People	Other	Total
		£000	£000	£000	£000	£000
S106 - Applied - Budget Transferred to Service Area	Balance Transferred Previous Years (2006/07 - 2015/16)	795	1,632	1,250	16	3,693
	<b>Total</b>	<b>795</b>	<b>1,632</b>	<b>1,250</b>	<b>16</b>	<b>3,693</b>
S106 - Schemes devised not yet signed off	Brought Forward from 2015/16	0	0	0	0	0
	Received Periods 1 - 3					0
	Received Periods 4 - 7					0
	Received Periods 8 - 10					0
	Received Periods 10 - Outturn					0
	Transferred to Service Area					0
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
S106 - Not yet earmarked	Brought Forward from 2015/16	(43)	(23)	(123)	0	(189)
	Received Periods 1 - 3	(14)	(8)	(17)		(39)
	Received Periods 4 - 7	(79)		(44)		(123)
	Received Periods 8 - 10	(97)		(57)		(154)
	Received Periods 10 - Outturn					0
	Transferred to	22				22

	Service Area					
	<b>Total</b>	<b>(210)</b>	<b>(31)</b>	<b>(241)</b>	<b>0</b>	<b>(483)</b>
<b>S106 - Not yet reached trigger point</b>		<b>(694)</b>	<b>(386)</b>	<b>(854)</b>	<b>(23)</b>	<b>(1,957)</b>

2.2 The current position for s106 Agreements is £483,000 in credit as at 31 August 2017.

**Services for Children and Young People**

- The balance of unallocated s106 funds stands at £241,000.

2.3 **Community Services (Operations and greenspace)**

- The balance of unallocated s106 funds stands at £210,000.

2.4 **Engineering Services**

- The balance of unallocated s106 funds stands at £31,000.

**Developer Contributions (Secured prior to Infrastructure Levy Regulations):**

<b>Developer Contributions</b>	<b>Green Space Contribution</b>	<b>Community Education Contribution</b>	<b>Integrated Transport Contribution</b>	<b>Totals (inc. Other)</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Brought Forward from 2015/16	(201)	(61)	(14)	(276)
Received Periods 1 - 3	0	0	0	0
Received Periods 4 - 7	0	0	0	0
Received Periods 8 - 10	(16)	(18)	(8)	(44)
Received Periods 10 - Outturn	(2)	(2)	(1)	(5)
Transferred to Service Area	29	0	0	31
Approved at previous SCP for release at year end	117	0	0	117
<b>Total</b>	<b>(74)</b>	<b>(81)</b>	<b>(23)</b>	<b>(178)</b>

2.5 The current position for Developer Contributions as at 31 August 2017 was £294,000 in credit, less approved allocations of £148,000 leaving a balance of £178,000.

2.6 **Services for Children and Young People.**

- The balance of available contributions stands at £81,000.

2.7 **Community Services (Operations and greenspace)**

- The balance of available contributions stands at £74,000.

2.8 **Integrated Transport**

- The balance of available contributions stands at £23,000.

### **New Section 106 Agreements**

- 2.9 No new section 106 Legal Agreements have been formally entered in to since 20 February 2017 requiring monetary contributions. However, there are a number of resolutions where planning permission has been granted subject to agreements being entered in to. When formally entered into and active these agreements will be reported to a future meeting of the Strategic Planning and Capital Monitoring Panel.

### **Requests to draw down funding**

- 2.10 A number of requests to draw down funding have been made since the previous report to the Panel.
- (i) £40,000 for Oxford Park Play Area: this play area has been in need of significant investment for some time now. This £40,000 will be used for a new multiplay unit with slide to replace the existing one and improvements to the wetpour safety surfacing. The development of the former Mono pumps site has commenced and the investment is part of a contribution secured through the Section 106 agreement associated with the site which we are confident will be triggered and paid before the end of the year.
  - (ii) £17,000 for Sam Redfern Green and Werneth Low: This £17,000 has been made as a contribution from the development at King Edward Court and Sam Redfern and Werneth Low are close to this site. New equipment will be introduced to Sam Redfern Green such as a small junior swing and the remainder will be put towards improvements to the Riding Track repairs opposite the Hare and Hounds, at Werneth Low.
  - (iii) £30,000 towards Greenspace Improvements: This request is to draw £30,000 is from Developer Contributions. Developer Contributions have been provided from sites across Tameside and are not linked to specific sites. Part of the funding will be used towards the Riding Track and Footpath repairs opposite the Hare and Hounds at Werneth Low (estimated at £24,000) and the rest will be used for other improvements required to Greenspace across the Borough.

## **3. AUDIT REVIEW**

- 3.1 In 2016, a review was undertaken of Planning Obligations within the Development Management service. The final report was published in April 2017 and the key issues were reported to a previous meeting of the Panel.
- 3.2 In overall terms, the audit focused on both S106 legal Agreements and the historic Developer Contributions which were collected up until 2015 when the Community Infrastructure Levy Regulations 2010 changed the rules regarding financial contributions through the planning system.
- 3.3 The report recognised that management have responded positively to strengthen controls including additional temporary resource for improved monitoring and recording. Additionally the financial contributions calculator for inflation and changes to the way finance record and account for payments.

## **4. RECOMMENDATION**

- 4.1 To note the contents of this report.