

Report to:	STRATEGIC PLANNING AND CAPITAL MONITORING PANEL
Date:	27 November 2017
Reporting Officer:	Robin Monk, Director, Place
Subject:	SECTION 106 AGREEMENTS AND DEVELOPER CONTRIBUTIONS
Report summary:	<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>
Recommendations:	To note the contents of this report.
Links to community strategy:	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.
Policy implications:	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.
Financial implications: (Authorised by Section 151 Officer)	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.
Legal implications: (Authorised By The Borough Solicitor)	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.
Risk Management:	<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 agreements must also be considered to minimise the risk of developer challenges.</p> <p>In accordance with Audit recommendations additional resources are being secured which will include specific requirements to monitor and track Section 106 payments and</p>

expenditure.

Access to information:

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



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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 provides an update on actions flowing from the Audit report which reviewed the council's procedures in respect of S106 legal agreements and Developer Contributions.

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	Balance Transferred Previous Years (2006/07 - 2016/17)	817	1,632	1,250	16	3,715
	Total	817	1,632	1,250	16	3,715
S106 - Schemes devised not yet signed off	Brought Forward from 2016/17	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
	Total	0	0	0	0	0
S106 - Not yet earmarked	Brought Forward from 2016/17	(210)	(31)	(242)	0	(483)
	Received Periods 1 - 3					0
	Received Periods 4 - 7					0
	Received Periods 8 - 10					0
	Received Periods 10					0

- Outturn					
Transferred to Service Area					0
Total	(210)	(31)	(242)	0	(483)
S106 - Not yet reached trigger point	(707)	(386)	(890)	(23)	(2,006)

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 £242,000.

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):

Developer Contributions	Green Space Contribution	Community Education Contribution	Integrated Transport Contribution	4% Administration Charge	Totals
	£000	£000	£000	£000	£000
Brought Forward from 2016/17	(191)	(80)	(23)	0	(294)
Received Periods 1 - 3	(1)	0	0	0	(1)
Received Periods 4 - 7	0	0	0	0	0
Received Periods 8 - 10	0	0	0	0	0
Received Periods 10 - Outturn	0	0	0	0	0
Transferred to Service Area	0	0	0	0	0
Approved at previous SCP for release at year end	117	0	0	0	117
Total	(75)	(80)	(23)	0	(178)

2.5 The current position for Developer Contributions as at 31 August 2017 was £295,000 in credit, less approved allocations of £117,000 leaving a balance of £178,000.

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

- The balance of available contributions stands at £80,000.

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

- The balance of available contributions stands at £75,000.

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 the previous report to panel. However, there are a number of resolutions where planning permission has been granted subject to agreements being entered in to which are currently being processed and finalised. When formally entered in to 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 No new request to draw down funding have been made since the previous report to the Panel.

3. AUDIT REVIEW

- 3.1 Following on from the audit report 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 Previous reports to SCP have provided an update on the work that has been taking place since this audit report was published including the recent appointment of a new officer to undertake a piece of work over the course of the next 12-months to monitor and review historic legal agreements and Development Contributions.
- 3.3 This work has now commenced with the officer having held initial meetings with legal and finance to assist in pulling together information and records from the different service areas to allow a review of those historic S106 agreements in the system to commence.

4. RECOMMENDATION

- 4.1 To note the contents of this report.