

Report to: STRATEGIC PLANNING AND CAPITAL MONITORING PANEL

Date: 9 July 2018

Reporting Officer: David Moore – Director of Growth

Subject: SECTION 106 AGREEMENTS AND DEVELOPER CONTRIBUTIONS

Report summary: The report summarises the current position with regard to receipts received from section 106 contributions (necessary to secure appropriate development), identifies the residual developer contributions available and any requests to draw down funding.

The report provides an update to the previous SCP report on 12 March 2018.

Recommendations:

1. To note the contents of this report.
2. To receive a future report setting out how contributions secured through planning agreements could align and support priorities established in the capital programme.

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) Agreements must comply with the requirements of section 106 of the Town and Country Planning Act 1990 and the Community Infrastructure Levy Regulations. It is important that any monies paid under the legislation is used efficiently and effectively to mitigate the impact of planning as intended and that the Council doesn't find itself in a position where it is required to refund the developer as not used.

Risk Management: Developers will be entitled to claw back any contributions if they are not spent within timescales as per the agreements made.

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.

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, Martyn Leigh by



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1. INTRODUCTION

- 1.1 This report summarises the financial position at 31 May 2018 with regard to receipts for Section 106 Agreements secured under the Town and Country Planning Act, and Developer Contributions which is specified expenditure for other than the nature of the and makes comments for each service area. This is followed by a section on new agreements made and requests to draw down funding.
- 1.2 Under current legislation financial contributions secured through planning (Section 106) agreements have to be specific, necessary and relevant to the development proposed. This means that financial contributions have to be spent on identified projects/locations specified at the time a decision is made on the application.

2. AGREEMENTS UPDATE

- 2.1 The summary position statement at 31 May 2018 for s106 Agreements and Developer Contributions is as follows:

Table 2.1 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 - 2017/18)	817	1,632	1,250	16	3,715
	Total	817	1,632	1,250	16	3,715
S106 - Not yet earmarked	Brought Forward from 2017/18	(279)	(174)	(598)	(1)	(1,052)
	Received Periods 1 - 3	(47)		(54)		(101)
	Received Periods 4 - 6					0
	Received Periods 7 - 9					0
	Received Periods 10 - 12					0
	Transferred to Service Area					0
	Total	(326)	(174)	(652)	(1)	(1,153)

S106 - Not yet reached trigger point	(352)	(114)	(510)	(52)	(1,028)
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2.2 The current position for s106 Agreements is £1,153,000 in credit as at 31 May 2018.

Services for Children and Young People

- The balance of unallocated s106 funds stands at £652,000

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

- The balance of unallocated s106 funds stands at £326,000.

2.4 **Engineering Services**

- The balance of unallocated s106 funds stands at £114,000.

3. DEVELOPER CONTRIBUTIONS (SECURED PRIOR TO INFRASTRUCTURE LEVY REGULATIONS)

3.1 This element relates to more historic receipts where the precise location for spending has not been determined. This was acceptable at the time and perhaps this provides an element of flexibility to sit alongside the capital programme.

Developer Contributions	Green Space Contribution	Community Education Contribution	Integrated Transport Contribution	4% Administration Charge	Totals
	£000	£000	£000	£000	£000
Brought Forward from 2017/18	(145)	(68)	(14)	(1)	(228)
Received Periods 1 - 3	0	0	0	0	0
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	112	0	0	0	112
Total	(32)	(68)	(14)	(1)	(116)

3.2 The current position for Developer Contributions as at 31 May 2018 was £228,000 in credit, less approved allocations of £112,000 leaving a balance of £116,000.

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

- The balance of available contributions stands at £68,000.

- 3.4 **Community Services (Operations and greenspace)**
- The balance of available contributions stands at £32,000.
- 3.5 **Integrated Transport**
- The balance of available contributions stands at £14,000.

4. NEW SECTION 106 AGREEMENTS

4.1 This identifies new agreements that have been negotiated and identifies where the contributions should be spent.

4.2 **17/00774/FUL – Land on the south west side of and including 10-12 Slateacre Road, Hyde.**

Planning permission was granted on 4 June 2018 following the completion of a Section 106 agreement for the demolition of 10 and 12 Slateacre Road and the construction of 10 semi-detached houses with associated access and infrastructure. The Section 106 agreement requires:

- £12,867.16 to be used as a Green Space Contribution to upgrade the path across Hacking Knife Meadow, Werneth Low.

17/00216/FUL - Moss Tavern, 99-101 Ashton Road, Droylsden.

Planning permission was granted on 3 May 2018 for the demolition of the existing public house and the redevelopment of the site to provide a three-storey mixed-use development, including 17 residential units and 1 ground floor retail unit, with associated car and cycle parking facilities. The Section 106 agreement requires:

- £12,443.89 to be used as a Green Space Contribution for the purposes of carrying out footpath repairs at Lees Park, Droylsden.

17/00794/FUL – 2-32 Wordsworth Road, Denton,.

Planning permission was granted on 14 March 2018 for a residential development comprising 16no. 3-bed houses. The Section 106 agreement requires:

- £18,101.61 to be used as an Education Facilities Contribution in respect of or towards the cost of an extension and related educational infrastructure to Denton Community College.
- £19,293.97 to be used as a Green Space Contribution in respect of or towards the cost of the following projects:

- Hulmes and Hardy Wood, Lower Haughton Dale:
 - o Path improvements;
 - o Pond restoration of Hulmes pond – partial excavation and resealing with clay; and,
 - o Replacement of the post and rail fence from Meadow Lane to Arden Bridge.
- Haughton Dale:
 - o Pond restoration in the Golt; and,
 - o Path improvements in Apethorn Wood and in Gibraltar Wood

4.3 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

- 4.4 No new requests to draw down funding have been made since the previous report to the Panel.

5. RECOMMENDATION

- 5.1 To note the contents of this report and agree to receive a further report setting out how contributions secured through planning agreements could align and support priorities established in the capital programme.