

Report to: **STRATEGIC PLANNING AND CAPITAL MONITORING PANEL**

Date: 26 November 2018

Reporting Officer: David Moore – Interim 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 (s106) Agreements and Developer Contributions, new s106 Agreements made and any requests to draw down funding.

The report provides an update to the previous SCP report in August 2018.

Recommendations: Panel are asked to note the contents of this report.

Members of the Executive Cabinet are asked to approve the s106 payment of a Green Space Contribution of £69,000 to fund enhancements to the facilities at Bennett Street Youth Centre including the provision of a cycle path.

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 set out in section 2.1 of the report.

As at 30 September 2018 there was £0.339m of unallocated funds for Community Services. This report requests approval to drawdown £0.069m which would then reduce the balance to £0.270m for this area.

**Legal implications:
(Authorised By The Borough Solicitor)** S106 Agreements need to comply with the requirements of s106 of the Town and Country Planning Act 1990 and the Community Infrastructure Levy Regulations. These matters are considered in the reports to Speakers Panel on the individual applications.

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



Telephone: 0161 342 3456



e-mail: martyn.leigh@tameside.gov.uk

1. INTRODUCTION

- 1.1 This report summarises the financial position at 30 September 2018 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.

2. AGREEMENTS UPDATE

- 2.1 The summary position statement at 30 September 2018 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 - 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	(13)	13	(37)	(13)	(50)
	Received Periods 7 - 9					0
	Received Periods 10 - 12					0
	Transferred to Service Area					0
	Total	(339)	(161)	(689)	(14)	(1,203)
S106 - Not yet reached trigger point		(443)	(114)	(509)	(13)	(1,079)

2.2 The current position for s106 Agreements is £1,203,000 in credit as at 30 September 2018.

Services for Children and Young People

- The balance of unallocated s106 funds stands at £689,000.

2.3 Community Services (Operations and greenspace)

- The balance of unallocated s106 funds stands at £339,000.

2.4 Engineering Services

- The balance of unallocated s106 funds stands at £161,000.

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 2017/18	(146)	(69)	(15)	1	(229)
Received Periods 1 - 3	0	0	0	0	0
Received Periods 4 - 6	0	(4)	(2)	0	(6)
Received Periods 7 - 9	0	0	0	0	0
Received Periods 10 - 12	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	(34)	(73)	(17)	1	(123)

2.5 Services for Children and Young People.

- The balance of available contributions stands at £73,000.

2.6 Community Services (Operations and greenspace)

- The balance of available contributions stands at £34,000.

2.7 Integrated Transport

- The balance of available contributions stands at £17,000.

New Section 106 Agreements

2.8 Planning permission was granted under application reference 18/00784/FUL for a minor material amendment to a scheme previous approved under application 15/00063/FUL.

- 2.9 The original scheme was for 24no apartments in a three storey block at a site comprising the Former Conservative Club on Vernon Street, Ashton.
- 2.10 The application sought to amend condition no.2 (Approved Plans) of the extant planning permission. The justification for this was to address discrepancies within the approved documents which relate to the siting and landscaping of the site. In addition the proposals sought to revisit the external design and fenestration of the approved block. To clarify the scale, quantum and access would remain unchanged from that of the details previously approved.
- 2.11 The original planning permission included a Section 106 agreement which secured the following contributions:-
- Green Space – £20,632.37 to fund infrastructure improvements to King George's Park, Cedar Park and Smallshaw Fields; and,
 - Highways – £16,482.24 to fund new and improved cycle and pedestrian links between Ashton and Queens Road/Palace Road as part of the Ashton/Stalybridge circular route identified in Tameside Cycling Strategy Options Report.
- 2.12 A deed of variation was required to the legal agreement to carry this requirement over to the new planning permission. This was signed and the decision was issued on 23 August 2018.

Requests to draw down funding

- 2.13 The following requests have been made for draw down funding:-

Section 106

Outline planning permission was given on 1 February 2012 under reference 11/00396/OUT for the re-development of the site at Alma Works, Furnace Street, Hyde, for a residential scheme for up to 100 dwellings. This was followed by a Reserved Matters application (13/00070/REM) which was approved for the outstanding details (appearance, landscaping, layout and scale).

The S106 associated with the outline planning permission required the payment of a Green Space Contribution of £69,000 to fund enhancements to the facilities at Bennett Street Youth Centre including the provision of a cycle path. Half of this was payable prior to the occupation of the second dwelling house and the remaining half was payable prior to the occupation of more than 50% of the dwellings.

50% of the Green Space Contribution was received 23/03/2015 and the balance 30/04/2018.

Lee Holland, Head of Environmental Services, secured Executive Member Support on 10 October 2018 for the construction of a cycle path at Bennett Street Youth Centre as a Capital scheme funded by the (whole) S106 receipt referred to above.

3. RECOMMENDATION

- 3.1 As set out at the front of the report.