

<b>Report To:</b>	<b>STRATEGIC PLANNING AND CAPITAL MONITORING PANEL</b>
<b>Date:</b>	11 July 2016
<b>Reporting Officer:</b>	Damien Bourke, Assistant Executive Director (Development, Growth and Investment)
<b>Subject:</b>	<b>SMARTLY POOLED SECTION 106 AGREEMENTS AND DEVELOPER CONTRIBUTIONS</b>
<b>Report Summary:</b>	The report summarises the current position with regard to receipts received from section 106 Agreements and Developer Contributions.
<b>Recommendations:</b>	To note the contents of the report.
<b>Links to Community Strategy:</b>	Successfully implementing schemes funded through s106 agreements assists in supporting Community Strategy priorities concerning supportive communities, safe environment, 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.
<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>	It was agreed at the meeting of the 14 March 2016 that a review be undertaken of the S106 agreements and any other such planning income/infrastructure monies intended to lessen the burden upon existing environment/services to ensure that the Council is both maximising income and use of such monies. It is important that this is undertaken and any investment case made to maximise income.
<b>Governance Arrangements:</b>	Section 106 obligations requested are done so following the policy framework set out to support this approach contained within the Councils adopted Unitary Development Plan.
<b>Risk Management:</b>	<p>Developers will be entitled to claw back any contributions if they are not spent within the agreed timescales as per the agreements.</p> <p>Contributions may not be received on time or at all without adequate monitoring. Any specific conditions included with S106 agreements must also be considered in the use of these resources to reduce developer challenges.</p> <p>The continued implementation of the approach outlined beyond April 2015 is guided by professional judgement and as such is open to challenge. Keeping abreast of relevant legal cases and modifying the Councils approach accordingly will assist in</p>

minimising risk.

**Background Papers:**

Any further information can be obtained from the report author  
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## 1. INTRODUCTION

- 1.1 This report summarises the position at the period 31 March 2016 with regard to receipts for Section 106 agreements and developer contributions and makes comments for each service area. This is followed by a section on new agreements concluded and pending.
- 1.2 Additionally the report provides an update in relation to the internal audit of the processes of collection, management and monitoring of the developer obligations system.

## 2. S106 UPDATE

- 2.1 The summary position statement at 31 March 2016 for s106 agreements and developer contributions is as follows:

### Smart Pooling Section 106 agreements:

Section 106		Community Services	Engineering Services	Services for Children & Young People	Other	Total
		£000	£000	£000	£000	£000
S106 - Applied - Budget Transferred to Service	Balance Transferred Previous Years (2006/07 - 2014/15)	795	1,632	1,250	16	3,693
	Applied Periods 1 - 3					0
	Applied Periods 4 - 7					0
	Applied Periods 8 - 10					0
	Applied Periods 10 - Outturn					0
	<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 2014/15	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 2014/15	(43)	(10)	(124)	0	(177)
	Received Periods 1 - 3					0
	Received Periods 4 - 7		(13)			(13)
	Received Periods 8 - 10					0
	Received Periods 10 - Outturn					0
	Transferred to Service Area					0
	<b>Total</b>	<b>(43)</b>	<b>(23)</b>	<b>(124)</b>	<b>0</b>	<b>(190)</b>
S106 - Not yet reached trigger point		<b>(593)</b>	<b>(370)</b>	<b>(721)</b>	<b>(22)</b>	<b>(1,706)</b>

**Developer Contributions (based on SPD prior to CIL changes):**

Developer Contributions	Green Space Contribution	Community Education Contribution	Integrated Transport Contribution	Totals (inc other)
	£000	£000	£000	£000
Brought Forward from 2014/15	(206)	(311)	(11)	<b>(528)</b>
Received Periods 1 - 3	(2)	(2)	(1)	<b>(5)</b>
Received Periods 4 - 7	(43)	(34)	(1)	<b>(81)</b>
Received Periods 8 - 10	(15)	(15)	(1)	<b>(32)</b>
Received Periods 10 - Outturn	0	0	0	<b>0</b>
Transferred to Service Area	65	302	0	<b>371</b>
Approved at previous SCP for release at year end	15	1	0	<b>14</b>
<b>Total</b>	<b>(186)</b>	<b>(61)</b>	<b>(14)</b>	<b>(261)</b>

**Overall position**

- 2.3 The current position for s106 agreements is £190,000 as at 31 March 2016 with developer contributions standing at £261,000.

**Services for Children and Young People**

- The balance of unallocated s106 funds stands at £124,000 on 31 March 2016
- Developer contributions stands at £14,000 on 31 March 2016

**Community Services (Operations and greenspace)**

- The balance of unallocated s106 funds stands at £43,000 on 31 March 2016
- Developer contributions stands at £186,000 on 31 March 2016

**Engineering Services**

- The balance of unallocated s106 funds stands at £23,000 on 31 March 2016
- Developer contributions stands at £14,000 on 31 March 2016

**New Section 106 Agreements**

- 2.4 A section 106 agreement is in the course of being drafted for an application at Newton Business Park, Hyde reference 16/00054/OUT. The outline planning application is for the demolition of all existing on site structures and the principle of redevelopment of the site for residential dwellings with an indicative Master plan showing up to 64 dwellings of a mix of 2, 3 and 4 bed properties.
- 2.5 A section 106 agreement has been made for an application at Britannia Mill Manchester Road Mossley, reference 15/01061/OUT. This application will be considered at Speakers Panel on 22 June 2016. The outline planning application is for the demolition of the building and erection of approximately 750sqm retail floor space and approximately 62 apartments subject to reserved matters being approved and provides commuted sums to mitigate against impact the proposal may have on off-site Open Space and Education provision. The sums are £631.85 per property for Open Space. There will also be £867.20 per 2 bed property and £1,211.35 per 3 bed property. There will also be a sum of £7,000 for the development to upgrade dropped kerbs and tactile paving in the vicinity of the site

- 2.6 A section 106 agreement is being drafted for an application at The Oddfellows Arms, Alderley Street, Ashton reference 16/00234/FUL. This full application is for the conversion of the building into 3 dwellings and is subject to a commuted sum to mitigate against impact the proposal may have on off-site Open Space of £5,960 towards improvements to the play area at Cedar Park to the east of the site.

**Requests to draw down funding**

- 2.7 No requests have been made to drawdown funds from outstanding Developer Contributions or Section 106 monies.

**3. MONITORING AND AUDIT**

- 3.0 As previously reported to SCP, procedures to effectively manage the post April 2015 Section106 agreement smart pooling system has been the subject of an internal audit. A draft audit report has now been finalised and a closure meeting between Planning and Audit is due to take place. Feedback on the outcome of the audit report will therefore be provided at the next SCP.

**4. RECOMMENDATION**

- 4.1 As set out in the front of the report.

