

Committee: Planning

Agenda Item

Date: 25th June 2014

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Title: Section 106 obligations: financial contributions held by the District Council

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Item for information

Summary

1. This report, which is for the Committee's information, sets out the current position regarding financial contributions paid to the Council under planning obligations. A table is attached to the report.

Recommendations

2. That the Committee notes this report

Financial Implications

3. None associated with this report. Contributions will have to be repaid if they are either not spent or are not allocated for spending by any pay back deadline written into an agreement. There are no impending pay back deadlines.

Background Papers

4. None

Impact

- 5.

Communication/Consultation	None
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	See table

Workforce/Workplace	Officer time in monitoring Section 106 obligations and preparing this report
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Situation

6. Planning obligations are monitored by officers to ensure compliance by developers. A major part of the monitoring process is ensuring that financial contributions are paid when they are due and (where a “pay back clause” exists) that they are spent before they have to be repaid.
7. The attached table sets out the amounts of money that the District Council currently holds under each obligation. Mostly, financial contributions are due on implementation and have to be paid back ten years later. The table also includes pay back deadlines where relevant.
8. As the County Council is not always a signatory to obligations, the District Council can be responsible for collecting education and transport contributions on the County’s behalf. This money is then passed on to the County. So far, about £615k has been collected and passed on. Details of the money passed on are also shown in the table.
9. A further £700k is due to the Council from developments that have just been implemented. Payments are being pursued with the developer. About £580k of this money is for affordable housing, the rest is split between provisions for education, transport and community facilities.
10. There are about fifty other planning obligations where contributions will be due once development has been implemented.

Risk Analysis

11.

Risk	Likelihood	Impact	Mitigating actions
That contributions are not collected when they are due, or have to be paid back because they have not been spent by the deadline	1. There is a little risk due to active monitoring of planning obligations	3. Some contributions can be sizeable. If they are not paid in the first place (or have to be repaid), there will be a missed opportunity to provide necessary infrastructure	Continue to monitor planning obligations, including liaison with colleagues (District and County Council) when necessary

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.