

**Committee: Planning**

**Agenda Item**

**Date: 29th July 2015**

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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 by developers to the Council under planning obligations. A table is appended to this report. The last report to the Committee on this subject was 25<sup>th</sup> June 2014.

### **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 obligation. 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

## 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 appendix to this report contains a table which 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, 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 Council following confirmation of the general area of spending. This confirmation is required because the District Council as signatory retains responsibility for ensuring that the money is spent as per the obligation.
9. Since the last report, the Council has collected about £2.731million in contributions from developers. The following table summarises these contributions (all numbers are rounded)

<i>Contribution type</i>	<i>Amount</i>	<i>% of total</i>
Education / school transport	£1.849m	67.70
Affordable housing	£0.615m	22.52
Community / sport	£0.158m	5.79
Transport / highways	£0.059m	2.16
Landscaping / maintenance	£0.050m	1.83
<b>Total</b>	<b>£2.731m</b>	<b>100.00</b>

10. In March of this year, the previous Government issued new online Planning Practice Guidance which states that contributions for affordable housing should not be sought from developments of 10 units or less. There are over 20 existing obligations relating to small scale developments (<10units) where affordable housing contributions are required, but where the development has not yet been implemented. The effect of the guidance is that the Council will not now be able to collect these contributions, which would have totalled about £1.57million assuming all the developments were implemented. As a rough guide, this money would have funded the construction of about 12 affordable houses.

11. The Council has taken part in a survey by the Local Government Association on the impact of the new guidance thresholds. The LGA is currently analysing the responses that it received, and will shortly be publishing a report alongside a press release.

## Risk Analysis

12.

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 agreements, including meetings 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.