

SUBJECT:	SECTION 106 CONTRIBUTIONS UPDATE
DIRECTORATE:	COMMUNITIES AND ENVIRONMENT
REPORT AUTHOR:	NICOLA COLLINS, HERITAGE AND PLANNING ENFORCEMENT TEAM LEADER

1. Purpose of Report

- 1.1 To provide to committee the annual update on section 106 agreements and what contributions have been collected and negotiated in the last 12 months to December 2018

2. Executive Summary

- 2.1 Section 106 agreements are routinely drafted, where specific quantifiable need is identified, to require developers to contribute to vital infrastructure in accordance with local plan policies and are usually in the form of a commuted sum, calculated on a pro-rata basis depending on the size of the development.
- 2.2 These contributions are collected by the City Council to enhance current provision or provide new provision of affordable housing (AH), education facilities (ED), health facilities (NHS), local highway improvements (HFI), playing fields (PF) and local green infrastructure (LGI) (including children's play space), where these things are required, but cannot be provided on the site.
- 2.3 A community infrastructure levy is also collected from qualifying development, in addition to section 106, for secondary education provision and the Lincoln eastern bypass

3. Background

- 3.1 A report was brought before this committee in March 2018 outlining the position with section 106 agreement amounts for the year up to December 2017. Members requested clarity on what made up the various pots and this was provided separately a few days after the meeting. I have therefore included the breakdown as requested previously and so the format of this report has been amended slightly to hopefully provide more clarity around the type, amount and development that the contribution is collected from.
- 3.2 The administration of the section 106 process is strictly regulated by the Town and Country Planning Act 1990. The resulting section 106 agreements are retained securely by the City Council and officers ensure that payments are received in accordance with the terms in the agreement. Once the commuted sum is received it is the responsibility of the City Council to utilise the sum in accordance with the terms of the agreement.
- 3.3 In the majority of cases, sums are requested for specific infrastructure because there are three tests that must be satisfied to collect developer contributions; they must be

directly related to the development, fairly and reasonable related in scale and kind and necessary to make the development acceptable in planning terms. This often determines where the contributions are allocated to. Officers do not determine the allocation of these monies. The projects that the contributions go towards have been identified by and/or agreed with portfolio holders in line with relevant Vision 2020 objectives and initiatives. For example, a development on Breedon Drive could have a section 106 agreement outlining sums required for the local primary school, the local medical practice, local highway works (such as junction alterations to the site entrance), Yarborough Leisure Centre for playing field improvements (as the closest playing field facility within the ownership of the City Council) and Nene Road play area improvements (as the closest children's play area within the ownership of the City Council).

- 3.4 The purpose of the commuted sum is to mitigate the impact the new development will have on existing facilities. The allocation of commuted sums is closely monitored on a quarterly basis by the section 106 group. This is a group of officers from the respective directorates who administer the various services the commuted sums are collected for. The group identify what has come in, what has been spent, where it is spent, ensuring that it is spent in the right place (as outlined in the section 106 agreement) and that it is spent before the deadline to return the sum to the developer.
- 3.5 The section 106 group then report to the Remarkable Place Vision Group on a quarterly basis, as the majority of the service areas affected by section 106 contributions are within Simon Walter's directorate, who is the chair of this vision group.
- 3.6 Education and highway contributions go directly to the County Council and health facility contributions go directly to the NHS, so the role of the group in these instances is to ensure the correct administration. Those organisations determine themselves where the commuted sum is required when they respond to the consultation on the planning application, the City Council do not determine where these monies will be allocated, but the County and NHS will need to justify why they are requesting sums and demonstrate an impact on their existing facilities in order to meet the three tests.

4. Main body of report

4.1 The following table illustrates section 106 contributions for the last year up to December 2018:

4.2 Contributions negotiated up to the end of quarter 3 (Dec 2018)

Site	AH	LGI	PF	ED	HFI	NHS	CIL
St Marks 2017/0096/OUT 16 Jan 2018	25% on site	£52,406	£74,712	£0	£240,322 Pedestrian crossing Ropewalk	£0	n/a
Westbrooke Rd phase III 2018/0244/CXN 11 July 2018	7 units on site	£15,023 Boultham Park or Hartsholme CP	£21,417 Birchwood LC	£0	£0	£0	£31,826
Westbrooke Rd phase IV 2018/0458/FUL	6 units on	£13,188 Boultham Park or	£18,802 Birchwood LC	£0	£0	£0	£33,571

17 Aug 2018	site	Hartsholme CP					
Ingleby Cres 2016/1184/FUL 20 Aug 2018	100% on site	£37,218	£61,859 Yarborough LC	£229,322 Carlton Academy or Monks Dyke Primary and Lincoln Castle Academy	£0	£0	n/a
77b South Park 2018/0449/CXN 10 Sept 2018	n/a	£6,114	£10,162	£0	£0	£0	n/a
Queen Elizabeth Rd 2017/1393/RG3 27 Nov 2018	78 units on site	£196,696 Nene Rd play area	£280,419 Yarborough LC	£552,545 4 classrooms at Ermine Primary Academy	£5,000 travel plan monitoring	£188,100 Glebe and Minster medical practices	TBC
Total		£320,645	£467,371	£781,867	£245,322	£188,100	£65,397

4.3 The table illustrates where the developer contributions have been collected for and you will see that some have not been allocated to schemes yet, for example, St Marks, Ingleby and 77b South Park. St Marks is yet to be allocated as it remains outline consent at present and as a result, the amounts are indicative until a reserved matters application is submitted. It is at that stage that officers will negotiate where the amounts will be collected for. There is currently a study being commissioned on outdoor play facilities and this will inform where the most need arises and the intention is to allocate the remaining sums to the nearest location in need to the development site in order to meet the three tests.

4.4 Receipt of commuted sums is dependent on whether the planning permission is actually implemented on site. If the scheme is not developed, the negotiated section 106 will not become liable for payment and so the sums outlined in the table may never be received. There is therefore no guarantee that sums negotiated as part of section 106 agreements during the planning application process will be received. If the planning permission expires then the section 106 falls away.

4.5 The next annual report will be presented to this committee in early 2020

5. Recommendation

5.1 That Members note the contents of the report

Is this a key decision?

Yes/No

Do the exempt information categories apply?

Yes/No

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?

Yes/No

How many appendices does the report contain?

None or insert number

List of Background Papers:

None

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