

<b>SUBJECT:</b>	<b>SECTION 106 AND CIL CONTRIBUTIONS UPDATE</b>
<b>DIRECTORATE:</b>	<b>DIRECTORATE OF COMMUNITIES AND ENVIRONMENT</b>
<b>LEAD OFFICER:</b>	<b>NICOLA COLLINS, HERITAGE AND PLANNING ENFORCEMENT TEAM LEADER</b>

## **1. Purpose of Report**

- 1.1 To provide the annual update on section 106 agreements and Community Infrastructure Levy (CIL) that has been collected, secured and spent in the last 12 months to December 2024

## **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. This is to mitigate the impact of that development and make that development sustainable in planning terms. The contributions 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 the 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. CIL is not collected from apartment developments, student accommodation or affordable housing developments.

## **3. Background**

- 3.1 A report was last brought before this committee in February 2024 outlining the section 106 agreement amounts for the preceding year up to December 2023.
- 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 most 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 2025 objectives and initiatives.

- 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 many of the service areas affected by section 106 contributions are within the Directorate of Communities and Environment.
- 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. S106 and CIL Required from New Planning Applications Jan 2024 to Dec 2024**

- 4.1 Only one Section 106 Agreement was negotiated in 2024, for a contribution of £5,899 towards the NHS from the new development at the site of the former Golden Cross Public House on the High Street. This did not qualify for CIL as it is apartments and therefore exempted development.
- 4.2 The most likely contributor to this reduction in Section 106 Agreements during 2024 is a recent change to planning policy, with the introduction of Biodiversity Net Gain (BNG), which has seen additional developer contributions required to off-set the impact of that development on local biodiversity. This has introduced a significant additional element to any new development requirements and a huge cost to developers, as such fewer major applications have been submitted. It is only major applications that attract Section 106 monies. It is anticipated that the City Council will see a huge change in the format of Section 106 Agreements in future, with the emphasis being on delivering the mandatory biodiversity off-site across a 30-year period. It is anticipated that viability to deliver other financial contributions will be significantly affected. No CIL monies were required in 2024, again on account of the type of development submitted for planning permission, being either apartment development, which is exempt, or non-qualifying development, such as social housing.
- 4.3 Receipt of any commuted sums is dependent on whether the planning permission is implemented on site. If the scheme is not developed, the negotiated section 106 will not become liable for payment and so the sums requested 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 the section 106 falls away.

4.4 The following table illustrates the s106 and CIL contributions **received** during the period from development that has already commenced and met the trigger for payment.

4.5 **S106 and CIL Contributions Received Jan 2023 to Dec 2024**

Site	Affordable Housing	Local Green Infrastructure	Playing Fields	Education	NHS	CIL
Riseholme Road student accommodation (front of YLC)	n/a	n/a	n/a	n/a	£80,575	exempt
Former Wildlife PH Birchwood Avenue	100% on site	£8,293	£3,211	n/a	£10,618	exempt
Derwent Street	n/a	n/a	n/a	n/a	n/a	£2,100
Byron Place	n/a	n/a	n/a	n/a	n/a	£9,732
WGC	n/a	n/a	n/a	n/a	n/a	£117,173
Total	0	£8,293	£3,211	0	£91,193	£129,005

4.6 **S106 spend breakdown during 2024.**

There were no projects that had section 106 monies allocated to them during 2024. However, there is work ongoing to prepare potential schemes for the £31,963.00 in the pot for Local Green Infrastructure and £194,572.00 in the pot for Strategic Playing Fields. Projects must be allocated in the following way:

4.7

Site	Playing Fields	Local Green Infrastructure	Expenditure date	Allocation
Westbrooke Road	£24,824.00	£14,936.00	June 2028	Boultham Park or within 1 mile of site
Wolsey Way	£12,452.00	£8,734.00	March 2030	Spend within Glebe Ward
Romangate	£154,085	On site	March 2030	Spend within locality of site
Former Wildlife PH	£3,211	£8,293	December 2034	Spend within City
Total	£194,572	£31,963		Spend within City

4.8 Appended to this report is the section 106 group's Terms of Reference document that officers adhere to and the following is a link to the supplementary planning document that supports the developer contributions policies within the Central Lincolnshire Local Plan and determines when and what section 106 and CIL can be collected [Supplementary Planning Documents and Guidance Notes | Central Lincolnshire \(n-kesteven.gov.uk\)](#)

4.9 The following link is to the Infrastructure Funding Statement that the City Council must upload to its website by the end of December each year, which outlines developer contribution receipts and expenditure [Community Infrastructure Levy \(CIL\) – City of Lincoln Council](#)

4.10 The next annual report will be presented to this committee in approximately 12 months

## 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?**

**1**

**List of Background Papers:**

**None**

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