

TRAFFORD COUNCIL

Report to: Planning and Development Management Committee
Date: 9 May 2019
Report for: Information
Report of: Head of Planning and Development

Report Title

Section 106 and CIL Update: 1 November 2018 – 31 March 2019

Summary

This report is to inform Planning and Development Management Committee about the latest set of monitoring data for S106 agreements and CIL notices.

Recommendation

That Planning and Development Management Committee note the contents of this report.

Contact person for access to background papers and further information:

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1.0 Introduction

- 1.1 The Community Infrastructure Levy (CIL) was created under the terms of the Planning Act 2008, and established a new system for collecting developer contributions, charged on a pounds (£) per square metre basis, to fund essential infrastructure. Trafford's Community Infrastructure Levy (CIL) was implemented on 07 July 2014.
- 1.2 Although the mechanism for securing contributions to deliver infrastructure to support growth has changed, there remain a number of existing signed Section 106 agreements (S106) that require on-going monitoring. Going forward, although the number of new legal agreements will be reduced, S106s will continue to be used to secure site-specific mitigation and the provision of affordable housing.
- 1.3 This report details S106 and CIL activities over the period 01 November 2018 to 31 March 2019, together with contextual and historic information.

2.0 S106 update

- 2.1 S106 legal agreements involve lengthy negotiations between planning case officers and developers, often involving complex viability issues or land transfers, on top of the more usual planning considerations such as heritage, highways or amenity issues. Contributions have historically been secured to deliver a variety of infrastructure, including:
- affordable housing
 - highways and active travel
 - public transport
 - specific green infrastructure (Red Rose Forest)
 - spatial green infrastructure (open space / outdoor sports)
 - education facilities
- 2.2 The amount of S106 contributions received to date and the amounts spent or committed to schemes is summarised in Table 1 below. The financial year end figures for 2018/19 are based on the draft outturn position for 2018/19 and are a provisional position that may be subject to changes.
- 2.3 Overall contributions of around £30,945m have been received to date. Of this, £19,307m has been spent, and circa £9,428m is committed to Capital schemes. Work is ongoing to commit the remainder to appropriate infrastructure projects in line with the requirements of the associated legal agreements.
- 2.4 A 'Trafford Affordable Housing Fund' was established at the Council's Executive Committee on the 17th September 2018. The Trafford Affordable Housing Fund is a grant funded through S106 affordable housing commuted sum monies to address Trafford's affordable housing needs whilst ensuring that funds are spent in accordance with the terms of each S106 Agreement. Table 1 identifies a total of £1.798m that has been committed towards affordable housing capital schemes and which forms the Trafford Affordable Housing Fund.

Table 1: S106 contributions received and committed to spend

	Open Space/ Outdoor Sports £000	Education £000	Red Rose Forest £000	Affordable Housing £000	Highways £000	Public Transport £000	Total £000
Amounts Received							
Pre 2012	2,699	0	359	1,224	2,622	3,878	10,781
2012/13	358	101	143	534	326	718	2,180
2013/14	406	24	40	0	1,059	374	1,903
2014/15	212	63	95	0	1,695	1,000	3,065
2015/16	197	231	271	284	130	413	1,527
2016/17	872	68	72	0	87	181	1,281
2017/18	48	0	9	756	34	3,666	4,512
2018/19			60	289		5,347	5,696
Total Received	4,793	487	1,048	3,088	5,953	15,577	30,945
Amounts Applied / Committed							
Applied	(3,458)	(482)	(391)	(984)	(4,910)	(9,083)	(19,307)
Committed contributions	(634)	(0)	(132)	(1,798)	(797)	(6,068)	(9,428)
Balance Available	777	5	533	307	278	431	2,332

- 2.5 It should be noted that prior to February 2012, there was no requirement for contributions to be secured to support the provision of education facilities, this was introduced with the adoption of a new Supplementary Planning Document on Planning Obligations at the time (SPD1).
- 2.6 SPD1 was further revised and adopted in July 2014 to support the introduction of CIL. SPD1 (2014). It provides greater clarity for when the use of S106 legal agreements will be appropriate to mitigate the negative impacts of development, as there should be no circumstances where a developer is paying CIL and S106 for the same infrastructure in relation to the same development
- 2.7 In addition to the figures set out in Table 1, there are a number of outstanding S106 agreements where trigger points have not yet been met or where a phased payment is not yet due; as of September 2018 (the reporting period) these amount to £16.588m. However, £3.757m of this amount is earmarked for the delivery of the Metrolink expansion. Caution is advised when considering these figures as there is no guarantee that developments which have planning permission will definitely come forward. However, these developments are continually monitored to make sure that as trigger points are met, appropriate action is taken to ensure that the provisions of the S106 are met.

3.0 Community Infrastructure Levy update

- 3.1 Between the introduction of Trafford's CIL on 07 July 2014 and 31 March 2019, CIL Liability Notices to the value of £4.6m have been raised for around 123 developments. CIL monies only become due after a development commences, so predictions about future income should be mindful of the fact that some planning consents never go on to be implemented.

- 3.2 Actual CIL monies received to date total £3.101m (£0.907m of which was received between 1 April 2018 and 31 March 2019). A breakdown of what these receipts can be applied to is shown in Table 2 below.

Table 2: CIL monies received

	Total Monies Received	Admin Portion 5%	Local Infrastructure Portion 15%	Strategic Infrastructure Portion 80%
07-Jul-14 to 31-Mar-15	£5,060.00	£253.00	£759.00	£4,048.00
01-Apr-15 to 31-Mar-16	£297,568.23	£14,878.41	£43,570.76	£239,119.06
01-Apr-16 to 31-Mar-16	£822,950.77	£41,147.54	£123,332.46	£658,470.78
01-Apr-17 to 31-Mar-18	£1,068,425.22	£53,421.26	£159,524.80 ¹	£854,740.18
01-Apr-18 to 31 Mar 19 ²	£907,146.59	£45,357.33	£136,071.99	£725,717.27
Total	£3,101,150.81	£155,057.54	£463,259.01	£2,482,095.29

- 3.3 To date, none of the strategic or local infrastructure portions of the received CIL funds have been spent by the Council. However, as was agreed by the Council's Executive on the 1 December 2014, the strategic infrastructure portion will, in the first instance, be used towards funding the third party contribution of the Trafford Park Metrolink extension.

4.0 Recommendation

- 4.1 That the Planning and Development Management Committee note the contents of this report.

¹ Excluding £738.98 which in accordance with the CIL Regulations 2010 (as amended) has been transferred to Partington Parish Council for spending following receipt of £4,926.55 from a development located within the Parish Council area.

² Please note that the financial year end figures for 2018/19 currently represent a provisional position that may be subject to change during the course of the financial year.