

TRAFFORD COUNCIL

Report to: Planning Development Control Committee
Date: 13 November 2014
Report for: Information
Report of: Head of Planning Services

Report Title

Section 106 and CIL Update - Quarter 2 (2014)

Summary

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

Recommendation

That Planning and Development Control 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 This report provides a summary of S106 and CIL activities over the period 01 April 2014 to 30 September 2014, together with contextual information. It will be supplemented by further updates at regular intervals, dictated by the levels of development activity across the borough.
- 1.2 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. This has resulted in a change in the way that the Council secures money to support the delivery of infrastructure in local communities, replacing much of the role of legal agreements made under Section 106 ('S106') of the Town and Country Planning Act 1990.
- 1.3 Although the primary mechanism for securing contributions to deliver infrastructure to support growth has changed, there remains a large number of existing signed S106 agreements that require on-going monitoring. Going forwards, although the number of new legal agreements required will be reduced, S106s will continue to be used to secure the provision of affordable housing and site-specific requirements, and these new legal agreements will also need monitoring.

2.0 S106 update

2.1 S106 legal agreements are difficult and time-consuming to secure and 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. However case officers are committed to securing positive outcomes for the benefit of Trafford residents, and therefore in the financial year of 2013/14, a total of £1.9m was received in S106 contributions to help deliver infrastructure for communities across Trafford.

2.2 Contributions have been received to deliver a variety of infrastructure, including:

- affordable housing
- highway & active travel
- public transport
- specific green infrastructure (Red Rose Forest)
- spatial green infrastructure (open space / outdoor sports)
- education facilities

2.3 The level of S106 monies received to date and the amounts spent or committed to schemes is summarised in table 1 below. It should be noted that in February 2012, a new Supplementary Planning Document on Planning Obligations was adopted, and this introduced the requirement for contributions to be secured to support the provision of education facilities.

2.4 The table shows that overall contributions of £15.5m have been received to the end of September 2014. Of this, to date £6.9m has been spent, and a further £2.9m is committed to schemes in the Capital Investment Programme.

Table 1: 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	2,621	3,878	10,781
2012/13	358	101	143	534	326	718	2,180
2013/14	407	22	40		1,059	374	1,902
Q1/Q2 2014	66	0	40	0	97	416	619
Total Received*	3,530	123	582	1,758	4,103	5,386	15,482
Amounts Applied							
Less Already used	(2,345)	(22)	(284)	(984)	(2,156)	(1,133)	(6,923)
Less Committed	(501)	(100)	(37)	(108)	(1,726)	(418)	(2,891)
Add Interest spent	73		8	1	27	6	115
Balance Available*	757	1	269	667	248	3,841	5,783

- 2.6 In addition to the amounts received, a potential income of up to £33.8m will become available should developments reach their trigger points. A further £0.2m has also been received in respect of developer contributions paid in advance, but this can only be committed to capital projects once developments commence.
- 2.7 During the period of April–September 2014, a total of 27 new S106 and S111 legal agreements (excluding deed of variations) were completed to enable new planning decisions to be issued in Trafford.
- 2.8 Most planning consents have a 3 year window in which to be implemented, so it is likely that the bulk of existing legal agreements will cease to require monitoring after July 2017, as this is 3 years after the implementation of Trafford's CIL. However, there will continue to be an on-going need to monitor larger developments, as these typically have more complex trigger points which are linked to the various phases of development, which can take several years to deliver.

3.0 Community Infrastructure Levy update

- 3.1 Since the introduction of Trafford's CIL on 07 July 2014, CIL Liability Notices to the value of £430k have been raised on a total of 16 developments. However as CIL monies do not become due until after a development commences, only a single demand notice to the value of £4k has been issued to date, and no monies have been received.
- 3.2 It is expected that the Council will see an increase in the amount of CIL receipts from mid-2015 onwards, as recently approved developments begin on site, with monies becoming meaningful after the end of the next financial year (2015/16).

4.0 Recommendation

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