

Report to: EXECUTIVE CABINET

Date: 24 March 2021

Executive Member: Councillor Gerald Cooney - Executive Member (Housing, Planning and Employment)

Reporting Officer: Jayne Traverse – Director of Growth

Subject: INFRASTRUCTURE FUNDING STATEMENT 2019-2020

Report Summary: Infrastructure funding statements must set out:

- a report relating to the previous financial year on the Community Infrastructure Levy;
- a report relating to the previous financial year on section 106 planning obligations;
- a report on the infrastructure projects or types of infrastructure that the authority intends to fund wholly or partly by the levy (excluding the neighbourhood portion).

Tameside Council does not operate a Community Infrastructure Levy charging schedule and, instead, utilises section 106 to secure planning obligations to fund infrastructure projects. Therefore, only a Section 106 report is required, which provides information for the period 1 April 2019 through to 31 March 2020. Information about collection, allocation, and spend of section 106 money is already published in reports on a quarterly basis to Strategic Capital and Planning Monitoring Panel.

Recommendations: That Executive Cabinet approve the publication of the Infrastructure Funding Statement on the Council's website.

Corporate Plan: Section 106 receipts and expenditure support the delivery of the Council's corporate plan.

Policy Implications: In line with Unitary Development Plan policies and framework.

Financial Implications: This report provides a summary of section 106 financial contributions received by the council in 2019/20.

(Authorised by the statutory Section 151 Officer & Chief Finance Officer) The report includes details of the Council's internal process and monitoring arrangements for these contributions during the reporting year.

The Council held a retained section 106 contributions balance of £695,905 at 31 March 2020. In addition, the Council also held a developer contributions balance of £70,188 at this date (table 5 refers).

These balances are reported in the Council's 2019/20 Statement Of Accounts and have been carried forward to the 2020/21 financial year.

The Strategic Planning and Capital Monitoring Panel of the Council receives monitoring details relating to Section 106 Agreements and Developer Contributions during the financial year.

It is essential that contributions received are only expended within the terms of the contribution agreements, the details of which are reported to Members at the aforementioned panel.

**Legal Implications:
(Authorised by the
Borough Solicitor)**

The Community Infrastructure Levy (Amendment) (England) (No.2) Regulations 2019/1103 vary the Community Infrastructure Levy Regulations 2010/948 to include a requirement in Regulation 121A for a local planning authority to publish, no later than 31 December in each calendar year, an infrastructure funding statement. This must comprise a report about planning obligations, in relation to the reported year. An authority must publish its first annual infrastructure funding statement by 31 December 2020 on its website, although it is not clear why this has not been achieved it is assumed to be the effect of the pandemic.

The matters to be included in an annual infrastructure funding statement are set out in new Schedule 2 of the 2010 Regulations.

The publication of information regarding spend on highway infrastructure secured through Agreements made under section 278 of the Highways Act 1980 is optional.

Strategic Planning and Capital Monitoring Panel receives information quarterly about Section 106 Agreements and Developer Contributions. This forms part of a high-level overview, by Members of the Panel, of the Council's growth capital programme, to ensure delivery of the Council's priorities and good value for the Council.

The purpose of the requirement to publish an annual IFS is to give policy makers and communities better insight into how developer contributions are supporting new development and local infrastructure, improving monitoring practices and increasing transparency and accountability.

Risk Management:

Reputational risks if not published due to being a statutory requirement as set out in the Community Infrastructure Levy (CIL) Regulations (amended 2019).

Access to Information:

As contained in this report and appendices and to be published on the Council's website as required.

Background Information:

The background papers relating to this report can be inspected by contacting Martyn Leigh (Development Manager) on:



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1. INTRODUCTION

- 1.1 Councils are required to publish Infrastructure Funding Statements annually on their websites setting out the years' income and expenditure relating to the Community Infrastructure Levy (CIL) and section 106 (S106) agreements. This is a requirement of the Community Infrastructure Levy (CIL) Regulations (amended 2019).
- 1.2 Tameside Council does not operate a CIL charging schedule and, therefore, this Infrastructure Funding Statement is provided only in respect of income and expenditure in relation to Section 106 agreements.
- 1.3 Section 106 of the Town and Country Planning Act 1990 provides a legal mechanism to secure planning obligations to mitigate the impacts of a development proposal. These are legally binding and are entered into by a person with an interest in the land and the local planning authority. These agreements are commonly referred to as 's106 agreements' as well as 'developer contributions' when considered alongside highway contributions.
- 1.4 Planning obligations assist in mitigating the impact of otherwise unacceptable development by making it acceptable in planning terms. They may only constitute a reason for granting planning permission if they meet the relevant statutory tests set out in Regulation 122 of the Community Infrastructure Levy regulations 2010 (as amended) which require the obligation to be:
 - necessary to make the development acceptable in planning terms;
 - directly related to the development; and,
 - fairly and reasonably related in scale and kind to the development.
- 1.5 Planning obligations are only be used where it is not possible to address unacceptable impacts through the imposition of planning conditions that can be attached to planning permissions. Furthermore, they should be compliant with the requirements of relevant policies contained within the Council's Unitary Development Plan (2004), unless material planning considerations indicate otherwise.
- 1.6 For example, new residential developments often place additional pressure on existing social, physical and economic infrastructure in the surrounding area, and planning obligations can be used to mitigate these so that additional or improved local infrastructure can be secured.
- 1.7 This report provides a summary of financial contributions secured by the Council through section 106 agreements from new developments for off-site infrastructure works and affordable housing provision. The report includes:
 - The Council's internal process relating to section 106 contributions;
 - The section 106 contributions paid to the Council in the 2019/20 monitoring period; and,
 - Projects delivered in the Borough via section 106 agreements in the 2019/20 monitoring period.
- 1.8 The Council will provide an annual report providing updates to the content of this report.

2. THE PROCESS FOR SECURING OFF-SITE FINANCIAL CONTRIBUTIONS VIA SECTION 106 AGREEMENTS

- 2.1 Where it is determined to be either inappropriate or unachievable to secure on-site infrastructure and/or affordable housing the Council will request financial contributions from developers to meet these needs off-site through a section 106 agreement.

- 2.2 The Council does not currently have an adopted Supplementary Planning Document for infrastructure contributions for residential development. However, these are secured through the assessment of the applications against relevant policies in the Unitary Development Plan (2004) which provides a policy framework to secure contributions for Affordable Housing (Policy H4), Open Space Provision (Policy H5), and Education and Community Facilities (Policy H6).
- 2.3 For non-residential developments financial contributions can be secured through the requirements of other policies within the Unitary Development Plan and supporting Supplementary Planning Documents including:
- Policy E3 – Established Employment Areas - (Supported by the Employment Land Supplementary Planning Document).
- 2.4 The Council's online developer contributions calculator currently provides details of financial contributions for Green Space, Education and Highway related infrastructure. The calculator can be accessed [here](#).
- 2.5 Where planning applications are approved subject to the developer first entering into a Section 106 agreement the decision notice cannot be released until the Section 106 agreement is signed by all parties. On a case-by-case basis Planning Officers will consider the appropriate trigger points for when any financial contributions required are due and these will be documented in the Section 106 agreement. Once the planning permission is granted the Section 106 agreement is registered as a land charge. The obligations bind the land obligating any future owners until the terms are met, unless otherwise stated within the Agreement. For example, where appropriate an agreement might state that covenants and planning obligations are not binding on owners and occupiers of individual dwellings
- 2.6 Once trigger points having been reached invoices can be raised for payment from the developer unless these are paid in advance. Payments are received by the Finance Directorate of the Council and records updated. In addition, a report is produced on a quarterly basis as part of the Growth Directorate update report to the Strategic Planning and Capital Monitoring Panel, which confirms the following:
- Details of new Section 106 agreements entered into;
 - Details of 'Developer Contributions' (secured prior to 2015);
 - Details of receipts of Section 106 monies;
 - Draw down requests from relevant Service areas for spending following Executive Member approval.
- 2.7 These reports are published and available to view on the Council's website [here](#).

3. SECTION 106 CONTRIBUTIONS DURING THE REPORTING PERIOD 1 APRIL 2019 TO 31 MARCH 2020

- 3.1 **Table 1** below identifies the amount of money to be provided under any planning obligations which were entered into during the reported year (i.e. 1 April 2019 to 31 March 2020). It also confirms, in relation to affordable housing, the total number of units which will be provided on site (i.e. non-monetary obligations). Full details for each of the obligations entered into during this monitoring period are found at **Annex 1** of this Statement.

Table 1

Application Number	Address	Public Open Space (£)	Highways (£)	Affordable Housing (£)	Education (£)	Other Contributions (£)	Financial	TOTAL (£)
17/00012/OUT	Land at Grosvenor Street, Stalybridge.	11,177	Up to 11,692**	0 (2 units to be provided on site)	0	0		22,869
18/00487/OUT	Golden Shred Works, Williamson Lane, Droylsden.	207,334***	400,000	0 (17 units to be provided on site)	298,894***	8,850 (to fund public transport provision between Droylsden and Manchester for each household for 3 months.		915,078
18/01102/FUL	Former Moss Tavern, 99-101 Ashton Road, Droylsden.	16,835	0	0	0	0		16,835
18/00818/FUL	Former Globe Works, Brook Street, Hyde.	17,154	31,258	0	48,937	0		97,349
19/00558/REM	Former Hartshead High School, Greenhurst Road, Ashton.	174,997	0	0 (30 units to be provided on site)	0	0		174,997
TOTAL (£)		427,497	442,950	0	347,831	8,850		1,227,128

** Total contribution yet to be confirmed (through the submission of a Reserved Matters application).

*** Contribution total confirmed by finalised housing mix approved under subsequent Reserved Matters application 20/00105/REM approved 24 September 2020.

- 3.2 The total amount of money to be provided under any planning obligations which were entered into during the reported year is £1,227,128.
- 3.3 **Table 2** below provides a summary of all money received, expended and carried forward to the 2020/21 financial year for section 106 contributions.

Table 2

Service Area	Opening Balance 1 April 2019 £	Received in year 2019/20 £	Expenditure in Year 2019/20 £	Balance at 31 March 2020 £
Community services	(432,425)	(210,982)	74,544	(568,863)
Engineering Services	(36,875)	(16,327)		(53,201)
Planning Services	(1,200)	0		(1,200)
Education Services Primary	(386,756)	(165,009)	272,422	(279,343)
Education Services Secondary	(194,367)	(120,190)	521,259	(206,702)
Total	(1,051,623)	(512,507)	868,225	(695,905)

- 3.4 **Table 3** below provides the supporting analysis by scheme of the contributions received and values expended during the period 1 April 2019 to 31 March 2020:

Table 3

	Received (£)	Expended (£)	Specific projects delivered / committed
Community Services	210,982	74,544	Improvements to play areas at King George V Park and Waterloo Park, Ashton (£5,633 allocated and £0 expended);
Green Space / Open Space			Improvements to play area in Hyde Park (£79,059 allocated and £0 expended); Highway tree planting and shrubbery replacements in Hyde (£12,974 allocated and £0 expended). Bennett Street, Hyde, cycle path (£69,000 allocated and expended) Green space infrastructure improvements (£5,544.13 expended)
Education: Primary	165,009	272,422	Yew Tree Primary School, Dukinfield (£69,480 allocated and £181 expended); Discovery Academy, Hyde (£25,000 allocated and £0 expended);

			Flowerly Field Primary School, Hyde (£108,220 allocated and £0 expended); Aldwyn Primary School, Audenshaw (£189,913 allocated and expended); Waterloo Primary School, Ashton (£5,633 allocated and £0 expended); Holden Clough Primary School, Ashton (£82,328 allocated (from approved £94,148) and £82,328 expended).
Education: Secondary	120,190	521,259	Mossley Hollins High School (£16,883 allocated and expended); Alder Community High School (£38,450 allocated and expended); Denton Community College (£315,478 allocated and expended) Hyde Community College (£150,448 and expended).
Engineering Services	16,326	0	
Highways			
TOTAL	512,507	868,225	

- 3.5 The total amount of money under any planning obligations which was received during the reported year was £512,507.
- 3.6 The total amount of money which was expended by the Council (including transferring it to another person to expend) was £868,225.
- 3.7 The total amount of money received which was allocated but not expended during the period 1 April 2019 to 31 March 2020 for funding infrastructure was £288,129 which is summarised in **table 4** below:

Table 4

	Education – Primary £	Education – Secondary £	Community Services £	Engineering Services £	Planning Services £	Total £
Received in 2019/20	(166,460)	(118,739)	(210,982)	(16,326)	0	(512,507)
Expenditure in 2019/20	105,639	118,739	0	0	0	224,378
Balance at 31 March 2020	(60,821)	0	(210,982)	(16,326)	0	(288,129)

- 3.8 The total amount of money under any planning obligations which was received before 1 April 2019 which has not been allocated by the Council at 31 March 2020, was £407,776.
- 3.9 The total amount of funding (received under any planning obligations) during any year which was retained by the Council at the end of the reported year (31 March 2020) was £695,905 for section 106 contributions and £70,188 for developer contributions (secured from developments prior to the Community Infrastructure Regulations).
- 3.10 Summarised details of the two separate balances retained by the Council at 31 March 2020 are set out in table 5 below:

Table 5

	Developer Contributions £	S106 £
Green Space Contributions	48,869	568,863
Community Contributions Education	2,890	72,641
Integrated Contributions Transport	18,950	53,201
Other	(521)	
Planning		1,200
TOTAL	70,188	695,905

- 3.11 The Council does not currently charge a monitoring fee for Section 106 agreements. As such £0 has been received by the Council in the period 1 April 2019 to 31 March 2020.
- 3.12 In relation to money (received under planning obligations) which was spent by the Council during the reported year (including transferring it to another person to spend), £0 was spent on repaying money borrowed, including any interest, on the items of infrastructure which that money was used to provide.

4. RECOMMENDATIONS

- 4.1 As stated on the report cover.