



DERBY CITY COUNCIL

**COUNCIL CABINET**  
**21 FEBRUARY 2006**

**ITEM 8b**

Cabinet Member for Planning and Transportation

## **Section 106 Procedure – response from Council Cabinet to report to Planning Control Committee**

### **SUMMARY**

- 1.1 This report provides details on Planning Control Committee's decision relating to the management and implementation of Section 106 arrangements. The report also provides an update on the Council's proposals for further guidance on planning obligations and recent Government proposals for a 'Planning Gain Supplement'.
- 1.2 Subject to any issues raised at the meeting, I support the following recommendation.

### **RECOMMENDATION**

- 2.1 To note the report and the decision of the Planning Control Committee regarding Section 106 planning agreements and to support its recommendation.
- 2.2 To note Planning Control Committee's decision to implement the monitoring and implementation arrangements outlined in the protocol approved on 27 October 2005.



## **Section 106 Procedure – response from Council Cabinet to report of Planning Committee**

### **SUPPORTING INFORMATION**

#### **1.1 Interim Monitoring Arrangements**

At its meeting on 27 October 2005, Planning Control Committee approved a new protocol for monitoring financial contributions from Section 106 Agreements. The report set out the existing S106 process and suggested the new protocol to ensure that all Members were consulted on how S106 money is being spent. This involves a quarterly spreadsheet which sets out what money is available and the parameters within which it can be spent.

- 1.2 The first spreadsheet was sent out to Members in December 2005. The next one is due in March 2006 and this will incorporate some changes suggested by Members in response to the December spreadsheet. The main change is to group the contributions according to Wards so that it is easier to identify the money available in each area. An example of the new format is attached at Appendix 2.

#### **1.3 Providing a Long Term Strategic Framework for Planning Obligations**

The Annual Monitoring Report on the Local Development Framework was approved by Cabinet on 27 November 2005. This proposed a number of changes to the Local Development Scheme including the preparation in 2006 of a Supplementary Planning Document on Planning Obligations. This would provide guidance on the Council's policies and procedures for securing all types of planning obligations.

- 1.4 Some of the matters that the SPD would cover include:

- how we apply Local Plan policies relating to planning obligations
- standard formulae and charges
- protocols for monitoring and implementing obligations
- guidance on the collection and implementation of pooled contributions, for example to support projects in the City Centre
- guidance on priorities for the use of S106 funds where this is not specified in agreements.

1.5 The SPD must be consistent with the policies contained within the City of Derby Local Plan Review. This is to be adopted in February 2006 and will then form part of the Council's budget and policy framework. The CDLP has taken into account wider corporate policies and priorities in its preparation. This should help ensure that the SPD is closely linked to the Council's strategic priorities.

1.6 There will be a need to monitor the application of the Planning Obligations SPD. This will ensure that a strategic overview of the use of S106 benefits is maintained.

#### 1.7 **Planning gain supplement**

The Government has produced a consultation document on the introduction of a Planning Gain Supplement (PGS) as proposed by the Barker Report. Its intention is to tax the increase in land value resulting from planning permission being granted. This would replace, in part, Section 106 Agreements.

1.8 The PGS would cover issues such as education, off site highway works and community facilities which are secured under S106 at the moment. The tax to covers these and other off-site issues would be collected by Central Government and redistributed in the main back to the local area.

1.9 A scaled down version of S106 would remain to secure affordable housing and on-site environmental issues.

1.10 A response to the consultation paper will be prepared and returned by the deadline of 27 February 2006. This will be agreed by the Chief Executive in consultation with the Leader.

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<b>Background papers:</b>	None
<b>List of appendices:</b>	Appendix 1 – Implications Appendix 2 – Interim Monitoring Arrangements - quarterly spreadsheet new format

<b>IMPLICATIONS</b>
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**Financial**

1. S106s will continue to be monitored by the Resources Department in conjunction with Regeneration and Community.

**Legal**

- 2.1 S106 agreements are the responsibility of the Planning Control Committee and Council, not the Council Cabinet as they are non-executive functions of the Council.

Obligations can only be secured that serve a planning purpose.

Monies secured through S106 agreements must be spent within the parameters of that agreement.

**Personnel**

3. Monitoring of S106s and some consultation is already carried out by internal departments, however some additional work will be created by the new procedures.

**Equalities impact**

4. None.

**Corporate objectives and priorities for change**

5. The proposal predominantly comes under the Council's Objective of **healthy, safe and independent communities, a diverse, attractive and healthy environment and a shared commitment to regenerating our communities.**