

SECTION 106 ANNUAL REPORT

1st April 2018 – 31st March 2019



1. Purpose of Report

- 1.1 The purpose of this report is to provide an update on financial contributions and obligations made in respect of and requested by the Council via Section 106 agreements in the financial year dating from the 1st April 2018 to the 31st March 2019.
- 1.2 The report will focus on the following areas:
- Sums held in reserves and expenditure as at 31st March 2019;
 - Contributions received in the last financial year (2018/19);
 - Sums committed to future projects.

2. Background

- 2.1 Section 106 (S106) Agreements are private legal agreements between Local Authorities and developers made pursuant to that section of the Town and Country Planning Act 1990 as modified by s.12(1) of the Planning and Compensation Act 1991. They are private agreements made between local authorities and developers and can be attached to a planning permission to make acceptable development which would otherwise be unacceptable in planning terms. The land itself, rather than the person or organisation that develops the land, is bound by a Section 106 Agreement.
- 2.2 In the financial year dating from the 1st April 2018 to the 31st March 2019 the District Council issued 13 invoices totalling **£1,947,912.53**. A schedule of invoices raised and monies received is outlined at Appendix 1.
- 2.3 As reported in the Council's s.106 Year End Report 1 April 2017 – 31 March 2018 there were 3 invoices which remained unpaid.

Developer	Site	Contribution Type	Invoice Amount
Barncroft Homes	Old Coach Road, Tansley	Affordable Housing	£61,575.00
Blueline Homes	Land at Highfield House, Hulland Ward	Affordable Housing	£73,293.75
Mr Granger	War Meadow Farm, Yeldersley	Affordable Housing	£62,197.00

- 2.4 At the Governance and Resources Committee 17 January 2019 approval was given for the outstanding s.106 debt owed to the District Council by Barncroft Homes Limited in the sum of £59,438.32 was written off and the decision not to pursue the respective property owners is endorsed. (Minute 298/18)

Developer	Site	Contribution Type	Invoice Amount
Barncroft Homes	Old Coach Road, Tansley	Affordable Housing	£61,575.00

- 2.5 In the case below, a single invoice has been raised for the total monies due and full payment has been received which satisfies the agreement in full.

Developer	Site	Contribution Type	Invoice Amount	Amount Outstanding
Blueline Homes	Land at Highfield House, Hulland Ward	Affordable Housing	£73,293.75	Nil

- 2.6 At the time of writing, there is one s.106 agreements where the financial contributions are technically due but are yet to be fully discharged. The details of which are outlined below:

Developer	Site	Contribution Type	Invoice Amount
Mr Granger	War Meadow Farm, Yeldersley	Affordable Housing	£62,197.00

The s.106 agreement for this development required payment within a fixed timescale from the date of grant of planning permission. However, the development scheme has not yet progressed to implementation and therefore, no new residential unit has been created. Whilst it is anticipated that the scheme will progress to full implementation, the s.106 agreement will be subject to an application to modify the original terms in order to require payment of the financial contribution upon completion of the development.

- 2.7 With the exception of the case outlined above, all monies due have been received and there are no other s.106 agreements where payments are due yet remain outstanding.
- 2.8 Once an invoice is issued the recipient has 14 days to make payment. If no payment is received within this time a reminder is sent. The recipient then has a further 14 days to make payment before a Final Notice demanding immediate payment is issued.

3. Sums Held in Reserve

- 3.1 The opening balance at 1st April 2018 was **£2,053,301.76**.
- 3.2 The closing balance at 31st March 2019 was **£3,501,052.45**

4. Contributions Received

- 4.1 In the period 1st April 2018 to the 31st March 2019 financial contributions were received totalling **£1,998,898.69**. These contributions relate to historic s.106 agreements which have concluded in (see Appendix 1 for full details):

Contribution Type	Amount Received
Affordable Housing	£1,933,116.08
Parks and Open Spaces	£36,159.01
Healthcare	£29,623.60
Education (none due at this time)	£0
Highways (none due at this time)	£0
	£1,998,898.69

5. Expenditure

- 5.1 From 1st April 2018 to the 31st March 2019 expenditure on capital schemes from s.106 reserves totalled £413,000.00;

Site	Expenditure Type	Amount
Matlock	Affordable Housing	£120,000.00
Brailsford, Luke Lane Phase 2	Affordable Housing	£68,000
Matlock, Bentley Bridge	Affordable Housing	£225,000
		£413,000.00

- 5.2 From 1st April 2018 to the 31st March 2019 revenue expenditure from s.106 reserves totalled £108,524.40;

	Amount
NOW (New Opportunities Wirksworth) for use improving facilities at Fanny Shaw's Playing Fields	£3984.40
Parks and Open Spaces (maintenance costs drawn down in accordance with agreements)	£104,540.00
	£108,524.40

- 5.3 Additionally, healthcare contributions totalling **£29,623.60** were transferred to South Derbyshire Clinical Commissioning Group (CCG) for the CCG to utilise against capital projects which serve the Derbyshire Dales.
- 5.4 Total expenditure for the financial year 1st April 2018 to the 31st March 2019 was therefore **£551,148.00**.

6. Sums Committed to Future Projects

Financial Year	Expenditure Type	Committed in Capital Programme
2019/20	Affordable Housing	£427,500.00
2019/20	Parks and Open Spaces	£4,033.30
		£431,533.30

- 6.1 The contributions held in reserves form an important part of the Councils capital financing. Capital investment is financed through a mixture of different funding sources. Some conditions restrict the use of S106 contributions however where appropriate they are used to finance capital investment. The Council maintains reserve balances to provide sufficient funds to respond to emerging investment requirements and opportunities. These balances allow the Council to minimise the use of external borrowing and associated additional costs.

In addition to the amounts currently allocated in the Capital Programme, the District Council is committed to an ambitious plan for affordable housing provision for the period 2019 – 2023 and further s.106 funds will be allocated to support this in due course as schemes are developed further.

- 6.2 The closing balance at 31st March 2019 was **£3,501,052.45** with unallocated, non-committed sums in reserve totalling **£3,069,519.15**
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