

**CABINET – 23RD NOVEMBER 2016****DEVELOPER CONTRIBUTIONS TOWARDS COUNTY COUNCIL
SERVICES****REPORT OF THE CHIEF EXECUTIVE****PART A****Purpose of the Report**

1. The purpose of this report is to update the Cabinet on work undertaken to address the concerns that the County Council's reasonable expectations of receiving developer (also known as Section 106) contributions to meet demands placed on services created by developments across the County are always being met, following the previous report to the Cabinet in June 2016.

Recommendation

2. It is recommended that progress on developer (Section 106) contributions continues to be monitored and a further report be submitted to the Cabinet in 6 months' time.

Reasons for Recommendation

3. It is important that the County Council does what it can to meet the demands on its services in increasingly difficult financial circumstances. Ensuring that developers make appropriate contributions to mitigate the consequences of their developments via Section 106 (developer) contributions is essential if communities are not disadvantaged and the County Council is not put under excessive financial demands which it will not be able to meet.
4. Local planning authorities should do all they can to ensure developments are sustainable and meet the reasonable obligations requested of them.

Timetable for Decisions (including Scrutiny)

5. This is a continuing issue which needs to be monitored.

Policy Framework and Previous Decisions

6. Leicestershire Planning Obligation Policy, adopted in December 2014, sets out how the County Council will approach Section 106 obligations and sets out a protocol between the County Council and the local planning authorities on the working arrangements.

Resource Implications

7. Developer contribution requests are coordinated through the Chief Executive's Department and Highway Authority consultee responses are delegated to the Director of Environment and Transport. The consequences outlined in this report are to be contained within existing budgets.
8. Section 106 contributions fund the County Council's infrastructure costs arising from housing developments. In 2015/16, a total of £7.2million was received by the County Council and in 2016/17 a total of £9million has been included in the approved Medium Term Financial Strategy capital programme for that year.

Circulation under the Local Issues Alert Procedure

None.

Officers to Contact

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PART B

Background

9. On 17th June 2016, the Cabinet resolved:
 - (a) That local planning authorities be reminded of:
 - (i) the County Council's continued support for sustainable coordinated growth across the county and its desire to play its part in delivering a strong economy, quality environment and well supported communities;
 - (ii) the importance of the County Council's role in the planning process both as highway authority and service provider;
 - (iii) the need to support, through section 106 contributions, the delivery of County Council services required as a consequence of proposed developments so as to ensure that proposed developments are sustainable and local communities are not disadvantaged;
 - (iv) the need to collaborate with the County Council where developments are unlikely to meet the County Council's section 106 or highway requirements.
 - (b) That in the interests of greater awareness and transparency, the County Council will:
 - (i) report back to Cabinet on planning decisions that do not reflect the County Council's section 106 requirements;
 - (ii) notify its members of County Council requests for section 106 contributions that fall within their division;
 - (iii) report back to Cabinet on any significant planning decisions which as far as officers are aware that do not reflect the advice of the Highway Authority.

Actions taken since June 2016

10. In respect of resolution (a) set out above, the Leader wrote to District Councils in the terms agreed by the Cabinet reflecting the spirit of openness and joint working of the previous Cabinet report. In respect of resolution (b)(ii), a system is now in place which notifies County Council members of developer contribution requests. County Council members receive a copy of the s106 request submitted to the Local Planning Authority.
11. The extent to which planning decisions have not significantly reflected the County Council's s106 requirements (resolution (b)(i)), and any significant planning decisions which have not reflected the advice of the Highway Authority (resolution (b)(iii)) are detailed below.
12. Since April 2016 the County Council has entered into 24 s106 agreements totalling approximately £60million in value. This includes a number of large scale developments such as:

- the North East of Leicester SUE within Charnwood Borough, a complicated agreement which will need careful monitoring as the development builds out, particularly with regard to the Roundhill Academy;
 - south east Coalville within North West Leicestershire District;
 - Leicester Road, Melton within Melton Borough, to which a significant contribution to the Melton relief road was secured; and
 - Farndon Road, Market Harborough within Harborough District.
13. None of the agreements entered into since April 2016 departed significantly from what the County Council requested. In the same period, the County Council has been consulted on some 80 planning applications in relation to developer contributions and County Council services generally, and some 850 consultations specifically on highway matters. One planning application in the Hinckley and Bosworth Borough was approved (by its Planning Committee on 8th November 2016) against the County Council's recommendation to refuse on highway grounds.
14. Some £4.4million has been received since April 2016 from developers under existing obligations.
15. Issues around viability have not featured significantly since the last report to the Cabinet. There is one current example of a viability claim leading to a potential reduction in County Council requests, but this is currently being challenged and the final outcome is yet to be determined. There are also a number of on-going large scale planning applications around the County but, these are currently the subject of ongoing negotiations regarding developer contributions and are yet to be determined by the local planning authority.
16. Since April 2016, two planning appeals have been upheld where the County Council's section 106 contribution requirements were accepted and two planning appeal decisions where, although the proposals were dismissed, the County Council's section 106 claims were judged to be CIL (Community Infrastructure Levy) compliant.

Equality and Human Rights Implications

17. There are no equality and human rights implications arising from this report.

Background Papers

Report to the Cabinet on 17th June 2016 – Developer Contributions towards County Council Services

<http://politics.leics.gov.uk/documents/s119778/final%20Cabinet%20Report%2020160617%20s106.pdf>