



# Walsall Council

Item No.

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*Development Control  
Committee*

9<sup>th</sup> October, 2007

## REPORT OF THE HEAD OF PLANNING AND BUILDING CONTROL

### **Section 106 Quarterly Update Report 2006/07**

#### **1. PURPOSE OF REPORT**

- i) To advise Members of the first quarter out turn information relating to completed Planning Obligations (section 106 agreements) that have been negotiated with planning permissions that were granted between 1<sup>st</sup> April and 30<sup>th</sup> June 2007
- ii) To show a break down of the number of affordable houses negotiated and the level of contributions collected and due to be collected subject to the commencement of developments related to education, open space, health and other requirements.

#### **2. RECOMMENDATIONS**

- i) That the Committee notes the report.

#### **3. FINANCIAL IMPLICATIONS**

The briefing of members as to the outcome of individual Planning Obligations together with the total sums collected within the year will help inform and assure members of the accounting probity and monitoring that is being followed by officers.

#### **4. POLICY IMPLICATIONS**

Within Council policy. All planning applications relate to local and national planning policy.

#### **5. LEGAL IMPLICATIONS**

Planning Obligations are primarily negotiated as part of the determination of planning applications in accordance with Government Circular 5/2005, policy GP3

of Walsall Unitary Development Plan and adopted Supplementary Planning Documents.

6. **EQUAL OPPORTUNITY IMPLICATIONS**

None arising from the report.

7. **ENVIRONMENTAL IMPACT**

The impacts of planning decisions on the environment are considered as part of the consideration of the planning applications in accordance with local and national planning policies.

8. **WARD(S) AFFECTED**

All.

9. **CONSULTEES**

Officers in Legal Services, Housing Services and Education Walsall have been consulted in the preparation of this report.

10. **CONTACT OFFICER**

David Elsworthy - Extension: 2409

11. **BACKGROUND PAPERS**

All published.

David Elsworthy, Head of Planning and Building Control

1. This is the first of a series of reports that will be reported to members of this Committee on a quarterly basis and subsequently made available to all members for information. It provides a summary of all Planning Obligations (Section 106 Agreements) that have been secured as part of the determination of planning applications in accordance with adopted policy of the Council. These details are set out in the attached Appendix and Members will note that the information has been broken down into the various types of contributions.
2. Section 106 of the Town & Country Planning Act 1990 enables developers to give unilateral undertakings, or local authorities to reach agreements with developers, for certain works to be carried out in association with a development. Circular 5/2005 states that Planning Obligations should be necessary to make the proposed development acceptable in planning terms; are relevant to planning and directly related in scale and kind to the proposed development. They must also be reasonable in all other respects.
3. The Council is required to comply with national planning policy in the form of guidance notes and Government Circulars together with policy GP3 of the Unitary Development Plan (UDP). The Government views planning obligations as useful instruments where they are necessary to a proposed development to overcome obstacles that would otherwise result in the refusal of planning permission. They must not be used to effectively buy planning permissions.
4. The Council currently collects contributions for education, affordable housing, open space and health care. This follows Supplementary Planning Documents (SPD) being adopted for the Affordable Housing in May 2005 Open Space in April 2006, Health Care in January 2007 and Education in March 2007 respectively.
5. Planning officers negotiate with applicants (and their agents) of planning applications submitted for residential development of 10 or more dwellings in consultation with Education Walsall for financial contributions where there is a lack of primary and secondary places in school catchments areas. Negotiations for affordable housing are triggered for developments of 25 or more dwellings in consultation with Housing Services and the health contributions are required for developments of 30 or more dwellings as set out in the UDP.
6. The planning application is reported to the Development Control Committee and the details of the proposed agreement are included in the report. At this stage this normally includes the heads of terms of what is required together with details of any reasons such as abnormal costs that the developer claims should be taken into account in reducing the requirements. Assuming the Committee resolves to approve the application then officers instruct Legal Services to complete the Planning Obligation prior to planning permission being issued. Therefore the collection of the contribution depends on whether the planning permission is granted and then on whether the applicant actually implements the planning permission.
7. The details of the amount to be paid (and when) or the action required is set out in the Planning Obligation. The developer pays the councils costs for solicitor and planning staff time together with a set payment to help pay the cost of monitoring the development / agreement. Once received the funds are coded to the relevant financial code and all contributions are paid into (held on) the balance sheet code of

the Regeneration directorate. The Senior Accountant then liaises with the relevant service area and the funding is transferred to the service area concerned and expenditure is monitored by that service's accountant.

8. A total of 9 Planning Obligations were completed in the first quarter totalling £1,529,578.18 in contributions plus the requirement to provide 70 affordable dwellings. Of these a payment totalling £26,677 has been received and forwarded to Education. A full breakdown of agreements, requirements and contributions received are set out in the attached appendix.
9. This compares favourably when compared with the out turn position for the whole of 2006/07 when 28 Planning Obligations were completed totalling £1,231,163 in contributions plus the requirement to provide 46 affordable dwellings. Of these 8 payments was received totalling £235,303 which has been forwarded to the appropriate service areas. These total £222,700 for education; £2,603 for open space and £10,000 for other requirements (in this case relating to trees). Members will note that the total contributions received in 2006-7 were relatively small and that the majority of those received related to education. This is due to the fact that the Supplementary Planning Documents which set out the requirements for collecting contributions are relatively new and that not many developments approved in the last financial year were commenced in the same period. It is anticipated that both the total number of Planning Obligations and the associated contributions required and triggered for payment will increase over time as new developments are approved and work commences on those already approved.