

**Agenda Item No:** 10  
**Report To:** Cabinet  
**Date:** 12<sup>th</sup> September 2019  
**Report Title:** Section 106 Annual Monitoring Report 2018/19  
**Report Author:** Sharon Dimsdale Section 106 Monitoring Officer  
Roland Mills – Strategic Applications Team Leader

**Portfolio Holder:** Cllr Shorter  
**Portfolio Holder for:** Planning & Development



**Summary:** The primary purpose of the report is to show transparently how contributions are being collected and applied in a proper way and that the monitoring of section 106 contributions remains robust. This report will reinforce the point that section 106 is an important resource stream and also that officers are prepared for any legislative changes. The report includes details of new contributions negotiated; an accounts update, funds received from existing agreements, and update on projects being funded by section 106 funding.

**Key Decision:** NO

**Affected Wards:** None directly

**Recommendations:** **The Cabinet be asked to endorse the report, so it can be made available online to provide information to the public and provide a transparent record of s106 activity over the last financial year.**

**Policy Overview:** The delivery of high quality development as part of well-balanced communities supported by a range of community and other infrastructure is a key part of the Council's policy ambition. These are set out in the draft local plan, the Adopted Development Plan policy and the Council's Corporate Plan.

**Financial Implications:** As the Borough grows so does the need for more and improved community infrastructure. Section 106 (S106) funding to support this growth is vital. It is important to have a robust S106 monitoring system ensuring the availability of capital from S106 agreements and that those contributions are collected and spent effectively for their intended purpose.

**Risk Assessment** Not applicable – this is a monitoring report

**Equalities Impact Assessment**

Spending of S106 contributions is in line with adopted development plan policy and local priorities. Decisions on expenditure involve working closely with many departments, local parishes and other organisations. Many contributions arise from site policies and development brief requirements that have been directly influenced by the wider community through design workshops and similar events.

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## Report Title: Section 106 Annual Monitoring Report 2018/19

### Purpose of the Report

1. This report updates Members on the financial contributions negotiated and secured in the financial year 2018/19 and the use and management of financial resources. The report provides details of new S106 agreements signed in the financial year and identifies the progress that has been made since the last report. There is a breakdown of payments received in this financial year, what the contributions are to be used for, and contributions currently held on account. The report also includes examples of projects delivered by the Council in the financial year and new projects that are under way or soon to commence.

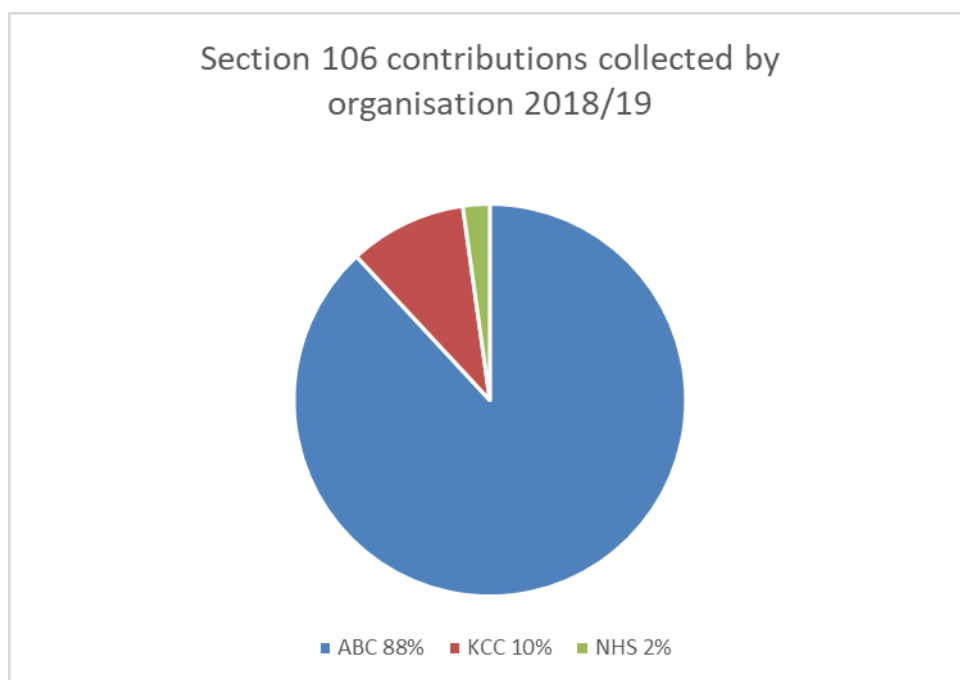
### Section 106 Agreements negotiated 2018-19

2. Between 1 April 2018 and 31 March 2019, 9 planning permissions have been issued that have been subject to a S106 agreement. The total projected financial contributions arising from these agreements are £1.6m.
3. The following points should be noted: if a planning permission is not implemented, associated S106 benefits will not be paid. Also there is often a period of time between the issue of the planning permission and the payment of contributions, as the timing of payments will be linked to the phasing of the development and when the need for the facility arises. Hence payments received in a specific year will often be from contribution by agreement one or more years ago.

### 2018/19 Financial Overview

Overview	18/19	17/18	Average from 2014-2019
Number of Agreements signed	9	22	18
Value of Agreements signed	£1.6 m	£10.22m	£28.22m
Section 106 money spent	£1.33m	£5.57m	£3.46m
Payments received	£0.66m	£4.84m	£2.71m
End of year balance	£7.11m	£7.78m	£7.05

4. The above table highlights the financial breakdown in the S106 accounts for 2018/19 with a comparison of the year before.
5. The pie chart below breaks down S106 contributions collected in 2018/19 by organisation, a full breakdown is included as Appendix B.



### **End of year balance (breakdown)**

6. The general S106 account is used to hold all S106 contributions that are collected through legal agreements (excluding the SPG6 fund). This includes contributions towards open space, community halls and play areas.
7. SPG6 main fund contributions are used to pay back the forward funded work for the J10 Interim improvement scheme completed several years ago. When a SPG6 contribution is received, 80% of the figure will go into this pot and will be paid back to the developer until the Council has paid back the entire sum.

### **CIL & the future of Section 106**

8. Following the Government's review of developer contributions and the Community Infrastructure Levy (CIL), new regulations will come into force on the 1<sup>st</sup> September 2019. It is proposed to keep the Community Infrastructure Levy, with some technical changes being made to the regulations. More significant changes are proposed in relation to S106, which will allow more flexibility for the use of S106. This includes the removal of pooling restrictions, so that more than five S106 agreements can be pooled together for a single piece of infrastructure. The changes will also allow S106 contributions and CIL to be spent on the same infrastructure. Additional reporting arrangements

for S106 and CIL are set out in the regulations, with an Infrastructure Funding Statement to be produced annually, the first of which is required to be published by the 31 December 2020, covering the next reporting year (2019/2020).

The viability and infrastructure evidence which underpins the justification for a CIL Charging Schedule is currently being updated. Once this has been completed a decision will be taken on the future implementation of CIL in Ashford Borough and its relationship with S106 developer contributions.

## **Risk Assessment**

9. Failure to monitor S106 agreements in an efficient and timely manner would lead to the possibility of S106 contributions being missed and infrastructure not being constructed at the correct time. Another problem that may arise if S106 agreements were not monitored is that any payments collected or sent in by the developers may not be spent within the allotted time limit. This could lead to a scenario where the Council would be forced to pay back the contribution to the developers and the local community would receive no benefit.

## **Consultation**

10. The S106 working group which meets quarterly was created to monitor the collection and spending of S106 contributions. The S106 working group comprises of officers from planning, cultural, finance, legal and property. An audit form process is used to make sure the required steps are completed and specific approval given before the money is transferred.

## **Conclusion**

11. It is vitally important that the council continues to monitor the collecting and spending of S106 contributions to ensure that the necessary community, transport and other infrastructure is constructed and maintained to support the borough's growth. The process of monitoring and spending S106 contributions is always being adapted and improved to make sure that any problems or challenges that arise can be dealt with quickly and efficiently.

## **Portfolio Holder's Views**

- 12.

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## Appendix A - Section 106 Agreements signed 2018/19

Date Signed	Application	Description	Organisation	Obligation Detail	Financial Contribution (£)	Restriction
02/05/2018	17/00258/AS	Land rear of Rose Cottage Farm, Biddenden	ABC	Children's and young people's play space	£68,750.00	Cycle path/trail at Gordon Jones Playing Field
			KCC	Primary Education	£136,284.00	John Mayne Primary School
			KCC	Footpath & Cycleway	£10,000.00	Footpath AT10
			KCC	Secondary Education	£96,751.80	Phase 2 Highworth School
			KCC	Library Services	£2,160.71	additional bookstock
30/05/2018	16/01387/AS	Oakover Nurseries, Westwell	ABC	Monitoring Fee only		
19/07/2018	17/00952/AS	Land East of Hope House, High Halden	ABC	Natural Green Space	£21,252.00	Upgrade pond at Hopes Grove
			KCC	Secondary Education	£115,220.00	Expand dining hall at Norton Knatchbull
			ABC	Outdoor sports	£53,620.00	MUGA at Hopes Grove
			ABC	Strategic Parks	£5,404.00	Signage at Conningbrook Lakes
			KCC	Library Services	£1,344.56	additional bookstock
			ABC	Allotments	£9,072.00	within High Halden
			ABC	Children's and young people's play space	£36,736.00	Multi Play unit at Hopes Grove
21/08/2018	17/01511/AS	Godinton House, Godinton Road, Ashford	ABC	Natural Green Space	£21,252.00	Watercress Fields Riverside project
			ABC	Allotments	£9,072.00	towards Repton & Westress allotments
			ABC	Outdoor sports	£53,620.00	Changing facilities at Courtside
			ABC	Strategic Parks	£5,404.00	Seats & benches at Victoria Park
			KCC	Library Services	£1,344.56	additional bookstock
			ABC	Children's and young people's play space	£36,736.00	Toddler play equipment at Victoria Park

14/09/2018	17/01357/AS	Trafalgar House, Elwick Road, Ashford	KCC	Library Services	£717.58	additional bookstock
06/11/2018	17/00796/AS	Beechwood Kennels, Cranbrook Road, Biddenden	ABC	Restriction on occupancy	NA	
16/11/2018	18/00584/AS	site of former Klondyke works, Newtown	KCC	Highways	£62,980.00	The signalisation of the Crowbridge Road bridge including the junction with Gladstone Road
			KCC	Adult Social Care	£4,376.58	Fairlawns Respite Care Centre
			KCC	Community Learning	£3,204.00	Gateway
			KCC	Library Services	£4,465.48	additional bookstock
			KCC	Youth	£2,595.48	additioonal equipment at Ashford North Youth Centre
			ABC	Cultural Facilities	£31,108.48	Public art on or off site
07/02/2019	18/01249/AS	Little Pottery Farm, Brook	ABC	Monitoring Fee only		
22/02/2019	15/01282/AS	Land opposite 1-8 Elwick Road, Ashford	KCC	Adult Social Care	9,412.00	Changing Place facility
			KCC	Adult Education	6,890.00	IT equipment Gateway
			ABC	Outdoor sports	279,272.00	Provision of changing room at Swan Centre
			ABC	Strategic Parks	28,146.00	Upgrading landscaping around fountain at Victoria Park
			KCC	Youth & Community Learning	5,378.00	Expansion of Ashford North Youth Centre
			KCC	Public realm	24,000.00	vicinity of Beaver Road/Victoria Way
			KCC	Library Services	41,786.00	Reconfiguration of Ashford Gateway
			NHS	Health Care Contribution	103,500.00	Primary Care facility within Ashford Urban hub
			ABC	Allotments	47,252.00	South East Ashford allotments
			ABC	Children's and young people's play space	191,334.00	Play equipment for junior and toddler ages at Victoria Park
			ABC	Natural Green Space	110,688.00	Improvements to signs at Victoria Park
				Total financial contributions	£1,641,129.23	

**Appendix B Section 106 Contributions Collected 2018/19**

<b>Application Number</b>	<b>Description</b>	<b>Organisation</b>	<b>Obligation Detail</b>	<b>Date</b>	<b>Financial Contributions (£)</b>	<b>Restrictions</b>
14/00757/AS	<b>Land at Recreation Ground Road</b>	KCC	Travel Monitoring	15/06/2018	£1,000.00	
	<b>Tenterden</b>	NHS	Healthcare	08/02/2019	£17,002.97	Ivy Court Surgery
		KCC	Secondary school	08/02/2019	£38,144.19	Homewood School
		ABC	Voluntary Services	08/02/2019	£1,943.87	within Tenterden
		ABC	Allotments	08/02/2019	£7,085.62	within Tenterden
		ABC	Outdoor Sports	08/02/2019	£41,879.52	within Tenterden
		ABC	Strategic Parks	08/02/2019	£1,027.85	Tenterden Recreation Ground
		KCC	Adult Care	08/02/2019	£1,696.61	Changing Places Project
		KCC	Community Learning & Youth	08/02/2019	£1,887.75	within Tenterden
		KCC	Cycleway	08/02/2019	£1,273.44	cycling links
		KCC	Library Services	08/02/2019	£4,661.20	Tenterden Library
16/554/AS	<b>Dover Place Car Park</b>	ABC	Public Realm	05/07/2018	£30,000.00	in the vicinity
		KCC	Highways Contribution	05/07/2018	£20,000.00	improvements to bus stop
15/1163/AS	<b>Rear of 59-65 Oxenturn Road</b>	ABC	Childrens Play Equipment	01/05/2018	£3,936.00	within Wye
		ABC	Natural Green Space	01/05/2018	£2,277.00	within Wye
12/00400/AS	<b>Land at Chilmington Green</b>	ABC	Early Community Development	17/05/2018	£62,847.11	for use within development
		ABC	Quality Monitoring	17/05/2018	£80,000.00	
		ABC	Monitoring Fee	17/05/2018	£50,000.00	



16/00267/AS	<b>Cedar House Farm, Challock</b>	ABC	Childrens Play	28/02/2019	£1,626.88	upgrade childrens play park
14/1402/AS	<b>The Designer Outlet</b>	ABC	Town Centre Contributions	08/02/2019	£77,119.00	
16/00795/AS	<b>Land at Smallhythe House</b>		Affordable Housing	06/09/2018	£256,076.22	within the borough
	Tenterden	KCC	Library Services	06/09/2018	£1,981.84	within Tenterden
			Monitoring Fee	06/09/2018	£1,146.52	
16/00981/AS	<b>Travis Perkins</b>	KCC	Library Services	23/11/2018	£1,655.44	additional bookstock
		ABC	Improvements to Victoria Park	23/11/2018	£26,390.51	Victoria Park improvement project
16/00986/AS	<b>Victoria Crescent</b>	ABC	Monitoring Fee	23/04/2018	£300.00	
		ABC	Victoria Park	23/04/2018	£21,245.65	Victoria Park improvement project
		KCC	Library Services	23/04/2018	£1,384.48	additional bookstock
17/1357/AS	<b>Trafalgar House</b>	KCC	Library Services	18/09/2018	£717.58	additional bookstock
15/1195/AS	<b>Elwick Place</b>	ABC	Variable Message Sign	18/02/2019	£10,000.00	in town centre
18/1249/AS	<b>Little Pottery Farm, Brook</b>	ABC	Monitoring Fee	06/02/2019	£1,000.00	
			<b>Total contributions collected</b>		£ 767,307.25	

# SECTION 106 & *the community*



## Introduction

A section 106 (S106) agreement allows a local planning authority to enter into a legally binding agreement with a developer. Within S106 agreements there are planning obligations that enable a council to secure contributions to services, infrastructure and amenities. As the borough continues to grow it is vitally important that community infrastructure grows and improves with it. This report looks at the many projects that S106 payments have contributed towards in the 2018/19 financial year and looks ahead.

These range from small community projects to large infrastructure works. S106 contributions are an important revenue source that helps support sustainable growth and enhances communities within the Ashford Borough.



## Housing

### *(Affordable & ABC construction)*

The council continues to negotiate robustly on S106 agreements to deliver affordable homes across our borough. Homes secured this way are then built by developers and managed by the Registered Providers (RPs) of social housing who operate in the Ashford borough. The council's housing department plays an active role in enabling S106 homes to come forward, working with a range of internal and external stakeholders (including our legal and planning teams, developers, architects, parish councils, borough councillors and RPs) to ensure delivery.

In 2018-19, 99 affordable housing units (a mixture of affordable rent and shared ownership) were handed over by developers to RPs. In addition to that the council built 46 homes that it added to the stock it owns in its housing revenue account, and also completed on the purchase of 10 on-street properties to add to our stock.





## Victoria Park

Ashford Borough Council has been awarded more than £3 million from the National Lottery Heritage Fund and The National Lottery Community Fund to revitalise Victoria Park.

The funding, thanks to National Lottery players together with S106 funding means the council can deliver its exciting plans to redevelop and restore one of Ashford's oldest and most-loved

green spaces, working with the local community, volunteer groups and the Friends of Victoria Park.

Proposals include a new children's play area, improvements to the river, improved lighting across the park, and a new community hub building with café, and new toilets. The iconic Grade II Listed Hubert Fountain and the surrounding piazza area will also be restored and repaired.



## Tenterden - Homewood School 3G

This project provided a brand new full-size 3G Artificial Turf Pitch for the local community based at Homewood School. The dual-use facility benefited from a S106 contribution for outdoor sports pitches from TENT1 with the support of Tenterden Town Council. The contribution represented 50% of the build costs of the new facility.

The contribution was granted on the understanding that the pitch would be available for hire by the local community at affordable rates. A formal Community Use Agreement has been entered in to between the Council and Homewood School.

The pitch has been a great success and is proving very popular with the local community with a strong level of bookings.



## Hamstreet – Victory Hall Play Park

Officers in the Cultural Projects team worked in partnership with the Victory Hall Playground Committee using S106 funds of £134,000 from the new development on Lancaster Close to design a brand new play area for the village, replacing the old equipment of 20+ years old.

Consultation events were held with residents, the local school and the parish council to plan out and give direction to the design specification. The play area includes equipment for young people

up to 16 years old, has been zoned for different age groups and provides inclusive play experiences for all abilities. The site was completed and opened by the Mayor in October 2018 to a large village attendance. Feedback from residents has been hugely positive and the site is now used on a daily basis with a large footfall of visitors, not just from the village, but also the surrounding villages and Ashford town centre. The Victory Hall Playground Committee is delighted with the outcome of the project and the village will benefit a new site that will last for many years.





## Town Centre Developments

Housing delivery along and adjoining the Victoria Road and Leacon Road 'corridor' is progressing at pace. This will help regenerate the town centre as well as supply much needed homes on brownfield land. Alongside other contributions to mitigate impacts, the completed schemes will make a total of £460,000 S106 contributions towards improvements to Victoria Park located a short walk or cycle away.

The first 74 homes at the Powergen development will be ready for occupation in Autumn 2019. Homes are already occupied on one half of the former Travis Perkins site on George Street with the other, riverside half, nearing completion. The first apartment block comprising 16 homes at Victoria Point (opposite the Curious Brewery) is nearing completion helping to deliver an impressive entrance to the eastern end of Victoria Road.





## Designer Outlet contributions

The S106 agreement sets out a number of obligations. It requires an annual Town Centre Contribution to be made to the Council. The first payment has been received and will assist the comprehensive programme of measures that have been agreed by the Cabinet to help strengthen the role and attractiveness of the town centre. The S106 agreement also requires an agreed specification for a dedicated Visitor Information Unit within the Designer Outlet to

promote attractions within the town centre and within the borough more widely. Officers in Cultural Services are working closely with the centre's management to finalise this specification. Contributions towards route enhancements to Ashford International are also secured by contributions and good progress has been made towards finalising an agreed scheme; first stage works to the underpass have already been implemented.

