

Cambridge City Council

Record of Executive Decision

Section 106 Administration Fee

Decision of: Councillor Katie Thornburrow, Executive Councillor for Planning Policy and Infrastructure

Reference: 22/URGENCY/HSC/10

Date of Decision: 20 July 2022

Published on: 26 July 2022

Decision Type: Non Key

Matter for Decision: Approval of Section 106 Administration Fee

Why the Decision had to be made (and any alternative options): The proposal creates new policy around the use of planning obligations to fund the cost of existing Section 106 Monitoring Officers within the Greater Cambridge Shared Planning service.

To ensure the timely payment of contributions and provision of onsite infrastructure, many local planning authorities seek contributions towards the cost of the monitoring of section 106 agreements.

The Cambridge City Planning Obligations Strategy SPD¹ adopted March 2010 established a monitoring charge based on the following:

Financial contribution clause - £150

Infrastructure provision clause or condition - £300

Areas of Major Change developments - Strategy to be considered on a development-specific basis but likely to include a requirement for funding of development-specific or Area of Major Change -specific, dedicated monitoring officer(s) throughout the period of implementation of development

The Cambridge City Draft Planning Obligations Strategy Supplementary Planning Document dated June 2014 proposed a new approach to the Monitoring charge and which approach was used by the City Council during 2014:

Monitoring charges on financial and non-financial planning obligations - The management and administration charge will be 5% of the total contribution(s) (subject to a maximum charge of £50,000).

Large Scale Development - To be considered on a case by case basis. May be agreed by negotiation, subject to an additional management and administration

¹ <https://www.cambridge.gov.uk/media/2331/planning-obligations-strategy-spd.pdf>

charge. The default position for administration charge will be 5% of total contribution(s)

A High Court Judgement dated 3rd February 2015 determined that on straight forward matters (i.e. one off financial payments), securing a s106 monitoring fee would not meet the tests set out in R122 of the Community Infrastructure Levy Regulations 2010 (amended) and the City Council has not, since then, secured contributions on non-strategic sites for Section 106 monitoring.

Planning guidance now specifically permits local planning authorities securing monitoring fees to cover the associated cost so long as they are proportionate and reasonable and reflect the actual cost of monitoring.

Officers have undertaken a detailed analysis of the time required to administer section 106 agreements and recommend a new set of fees be introduced across Greater Cambridge as follows:

- A fee of £700 for agreements with no payment of contributions, long term monitoring requirement or solicitor enquiries.
- A fee of £2,200 per standard residential development comprising affordable housing, open space and contributions.
- A fee of £500 where the Council is required to confirm compliance of each obligation
- A fee of £250 per each deed of variation or supplemental agreement
- Monitoring fees associated with strategic developments which should continue to be negotiated on a case by case basis.

Around £111,000 can be expected to be received each year to cover the officer costs associated with the administration and monitoring of section 106 agreements (with a further £8,000 for the cost of software) thereby creating a cost neutral position.

Reason for the decision: To ensure the roles of Section 106 Monitoring Officers are cost neutral.

Scrutiny Consideration: The Chair and Spokespersons of the Planning and Transport Scrutiny Committee were consulted prior to the action being authorised.

Report: A section 106 Administration Fee Proposal report can be viewed at the link [Library S106 Monitoring Fee Summary Recommendation Report](#)

Conflict of interest: None

Comments: No specific comments provided