



REPORT OF: DIRECTOR OF GROWTH & DEVELOPMENT
TO: PLANNING AND HIGHWAYS COMMITTEE
ON: 15th OCTOBER 2020
ORIGINATING SECTION: PLANNING (DEVELOPMENT MANAGEMENT SERVICE)
WARDS AFFECTED: ALL
COUNCILLORS: ALL

TITLE OF REPORT:

INFRASTRUCTURE FUNDING STATEMENT 2019/20 AND UPDATE TO S106 PROCESS

1. PURPOSE OF THE REPORT

- 1.1 To present Members with an update on the recently published Infrastructure Funding Statement for 2019/20, for Blackburn With Darwen Borough Council, and also how the Council will begin to add a monitoring fee to any s106 agreement associated with planning applications received from 1st October 2020.

2. BACKGROUND

- 2.1 The Community Infrastructure Levy (Amendment)(England)(No.2) Regulations 2019 now requires authorities (from December 2020) to prepare an Infrastructure Funding Statement (IFS) to set out their annual income and expenditure relating to section 106 agreements.
- 2.2 [Blackburn with Darwen's 2019-20 IFS](#) provides a summary of financial contributions the Council has secured through section 106 agreements from new developments for off-site infrastructure works and affordable housing, in addition to highway works completed as part of new developments through section 278 agreements within the 2019-20 monitoring period. It also includes information on the infrastructure works funded through s106 contributions.
- 2.3 In summary, the report provides:
- an overview of s106 and s278 agreements;
 - the Council's internal process relating to s106 contributions;
 - information on the introduction of monitoring fees;
 - the s106 contributions paid to the Council in the 2019/20 monitoring period;
 - s106 contributions and s278 works estimated for future years; and

- projects delivered in the Borough via s106 and s278 agreements in the 2019/20 monitoring period.
- 2.4 The information included in the report is updated annually and published on the Council's website. This will ensure the most up to date information on the amount of developer contributions received from new developments, in addition to information on where these monies have been spent is readily available to members of the public and other interested parties.
- 2.5 The report does not include information on the infrastructure delivered on site as part of new developments in the borough.

3. RATIONALE

The Process for Off-Site Financial Contributions:

- 3.1 Where it is determined that on-site infrastructure and/or affordable housing required by policy is not appropriate, the Council will request from developers a financial contribution to meet these needs outside of the development site through a S106 obligation.
- 3.2 The financial contribution requirement for off-site green infrastructure provision is set via the Green Infrastructure & Ecological Networks Supplementary Planning Document (SPD), and the Affordable Housing Developers Guide sets out the tariff for off-site affordable housing contributions. Both documents can be accessed on the Council's planning website at www.blackburn.gov.uk/Pages/Planning-policies.aspx
- 3.3. Contributions towards required highway works are agreed on a case by case basis, evidenced through the assessment of the impact of the development on the local highway network and what mitigation works are required. Other contributions can relate to Education i.e. contributions towards expanding any existing or school, or towards the provision of a new school, and these are agreed on a case by case basis.
- 3.4. The process is summarised in a flowchart that can be found on page 6 of the annual report document.
- 3.5. The report summarises the total contributions received in 2019/20 and the total spent in the same period. This shows at March 2019, a net S106 total of £932,769 was available to fund public open space, highways, education and affordable housing projects in the borough. During 2019/20, £1,181,701 was received in contributions with £1,046,391 spent within the same period. This consists of £575,888 funding the delivery of new highway infrastructure, £75,000 on the delivery of new affordable housing in the borough, and £385,503 spent on improving existing or creating new open spaces.

- 3.6 In summary therefore, as at 31st March 2020, there is a net total of £1,068,079 in S106 contributions available to spend on affordable housing, public open space and highway projects in the borough.

S106 Monies Received as at 31st March 2019 (net)

Infrastructure type	S106 monies available (£)
Public open space	263,723
Affordable housing	349,158
Highways	269,888
Education	50,000
TOTAL	932,769

S106 Contributions Received in 2019/20

Infrastructure type	S106 contributions received (£)
Public open space	461,151
Affordable housing	158,550
Highways	562,000
TOTAL	1,181,701

S106 Contributions Spent in 2019/20

Infrastructure type	S106 contributions spent (£)
Public open space	385,503
Highways	575,888
Affordable Housing	75,000
Education	10,000
TOTAL	1,046,391

Total S106 (net) Amount Available to Spend as at March 2020 (£)

Net total as of March 2019	932,769
s106 income received 2019/20	1,181,701
Total	2,114,470
Minus monies spent 2019/20	-1,046,391
TOTAL	1,068,079

- 3.7 The report goes further by reporting on where the contribution monies have been received in the 2019/20 monitoring period (page 9). The following table summarises this:

	Development site	S106 contributions received (£)
Public open space	Planning app Ref: 10/09/0629 Tewkesbury Street, Blackburn	33,600
	Planning app Ref: 10/12/0714 Victoria Mill, Station Road, Chapeltown	2,300
	Planning app Ref: 10/16/0077 Old Blackburnians, Lammack Road, Blackburn	263,219
	Planning app Ref: 10/17/1425 Former Waterfield Mill, Balmoral Road, Darwen	37,962
	Planning app Ref: 10/05/1118 Palm Street, Blackburn	10,800
	Planning app Ref: 10/19/0520 School Lane, Guide	63,270
	Planning app Ref: 10/18/1048 Tower View, Darwen	20,000
	Planning app Ref: 10/19/0677 Land at Tower Road, Blackburn	30,000
TOTAL	461,151	

	Development site	S106 contributions received (£)
Affordable Housing	Planning app. Ref: 10/14/0547 Parsonage Road, Blackburn	80,800
	Planning app. Ref: 10/16/0838 Beechwood Garden Centre, Blackburn	38,250
	Planning app. Ref: 10/18/0396 Billinge End Road, Blackburn	12,500
	Planning app. Ref: 10/19/0677 Land at Tower Road, Blackburn	27,000
	TOTAL	158,550

	Development site	S106 contributions received (£)
Highways	Planning app. Ref: 10/17/0211 Gib Lane Phase C, Blackburn	20,000
	Planning app. Ref: 10/19/0412 Cranberry Lane, Darwen	156,000
	Planning app. Ref: 10/19/0520 School Lane, Guide	36,000
	Planning app. Ref: 10/18/0895 Land at Roe Lee, Blackburn	350,000
	TOTAL	562,000

3.8 Page 11 of the report also summarises the projects which have been delivered off-site by s106 contributions for the period 2019/20 in the borough. These projects are demonstrated in the following table:

	Development site	S106 contributions spent (£)	Project delivered
Highways	Planning app. Ref: 10/16/1132 Land at Gib Lane, Blackburn	36,000	New junction arrangements at Livesey Branch Road/Moorland Drive to access housing site, a raised junction table with resin bonded surface dressing, footway widening and carriageway narrowing at Moorland Drive, new pedestrian refuge adjacent to Old Gates Drive and repositioning of a BT manhole chamber and cabinets.
	Planning app. Ref: 10/19/0412 Land at Cranberry Lane, Danwen	156,000	Contribution towards Ellison Fold Way major transport scheme including compact roundabout at Sough Road / Grimshaw Street, mini roundabout at Pole Lane / Priory Drive, traffic calming (cushions) on Priory Drive and mini roundabout at Priory Drive / Marsh House Lane.
	Planning app. Ref: 10/18/0895 Land at Roe Lee, Blackburn	350,000	Contribution to the North Blackburn major transport scheme including junction and signals upgrade of the Brownhill Roundabout and Pleckgate Road junctions.

	Development site	S106 contributions spent (£)	Project delivered
Public open space	Planning app. Ref: 10/08/0339 Greenfield Farm, Cranberry Lane, Darwen	500	Total of £17,884 received in contributions which were spent on Darwen Market Square improvements
	Planning app. Ref: 10/04/1396 Belgrave Mill, Bolton Rd, Darwen	984	
	Planning app. Ref: 10/06/0985 Former Darwen Health Centre, Union Street, Darwen	800	
	Planning app. Ref: 10/07/1294 Land at end of Granville Road, Darwen	1,200	
	Planning app. Ref: 10/12/0923 Land at Salisbury Road, Darwen	500	
	Planning app. Ref: 10/12/1079 Land fronting Spring Vale Village, Darwen	1,500	
	Planning app. Ref: 10/15/0494 Punch Bowl, Roman Road, Darwen	300	
	Planning app. Ref: 10/15/1418 60 Milking Lane, Lower Darwen	500	
	Planning app. Ref: 10/13/0416 Adj. 37 Gordon Street	500	
	Planning app. Ref: 10/11/0199 Heightside Farm, Bury Fold Lane, Darwen	1,200	
	Planning app. Ref: 10/11/0704 Former Darwen Moorland Art School	6,500	
	Planning app. Ref: 10/10/0077 Land at Halley Road, Darwen	2,400	
	Planning app. Ref: 10/13/0094 Former Cemetery Public House	1,000	
Planning app. Ref: 10/16/0077 Old Blackburnians Memorial Ground, Lammack Road, Blackburn	123,203	Contribution towards Pavilion refurbishment at Woolridge – including 2 new FA approved changing rooms, DDA facilities and 10 upgraded children changing rooms and washroom facilities.	

	Planning app. Ref: 10/10/0077 Land at Halley Road, Darwen	2,400	
	Planning app. Ref: 10/13/0094 Former Cemetery Public House	1,000	
	Planning app. Ref: 10/16/0077 Old Blackburnians Memorial Ground, Lammack Road, Blackburn	123,203	Contribution towards Pavilion refurbishment at Woolridge – including 2 new FA approved changing rooms, DDA facilities and 10 upgraded children changing rooms and washroom facilities.

	Planning app. Ref: 10/16/0077 Old Blackburnians Memorial Ground, Lammack Road, Blackburn	30,277	Lammack Juniors pitch replacement & re-orientation.
	Planning app. Ref: 10/16/0077 Old Blackburnians Memorial Ground, Lammack Road, Blackburn	109,739	Contribution towards Old College playing field replacement – 2 new pitches created with drainage.
	Planning app. Ref: 10/09/0629 Tewkesbury Street, Blackburn plus various historic reserves	41,900	Green Lane Multi-Use Games Area (MUGA).
	Planning app. Ref: 10/11/0704 Former Darwen Moorland Art School	7,500	Bold Venture Park green space works.
	Planning app. Ref: 10/18/1048 Tower View, Darwen	15,000	Improvements to sports facilities at Square Meadow, Darwen.
	Planning app. Ref: 10/14/0828 Meins Road, Blackburn	40,000	Witton Park 3G sports pitches

	Development site	S108 contributions spent (£)	Project delivered
Affordable housing	Planning app. Ref: 10/14/0547 Land at Parsonage Road, Blackburn	74,000	Purchase of the Blackamoor Pub, Roman Road, Blackburn.
	Planning app. Ref: 10/12/1103 Beechwood, Rivington Road, Belmont	1,000	

	Development site	S108 contributions spent (£)	Project delivered
Education	Planning app. Ref: 10/17/0578 Land of Yew Tree Drive/Whinney Lane, Blackburn	10,000	Contribution towards the extension of Lammack Primary School, Lammack Road, Blackburn to provide additional primary school places in north Blackburn.

- 3.9 Page 15 of the report goes further by summarising what s106 contributions have been secured which will be paid in future years. This is summarised in Appendix A of this report.
- 3.10 Section 3 of the report sets out the S278 projects in the year 2017/18. S278 agreements under the 1980 Highways Act are legally binding agreements between the local highway authority (Blackburn With Darwen Borough Council) and the developer to ensure delivery of necessary highway works as a result of new development.

Introduction of monitoring fees to s106 agreements

- 3.11 The Community Infrastructure Levy (Amendment)(England)(No.2) Regulations 2019 also allows authorities to charge a monitoring fee through section 106 planning obligations to cover the cost of the monitoring and reporting on delivery of that section 106 obligation.
- 3.12 The approval of a fee schedule aims to enable the Council to recover its costs in monitoring future s106 agreements. In all cases, monitoring fees must be proportionate and reasonable and reflect the actual cost of monitoring. The following monitoring fees are presented in the 2019-20 IFS and will be added to any s106 agreements associated with planning applications received **from 1st October 2020**. The fees set out below are considered to be proportionate and will contribute to the Council's reasonable costs of monitoring each obligation. The fees will be reviewed on an annual basis to reflect up to date costs and reported on through the Infrastructure Funding Statements.

Type of obligation	Monitoring fee	Comment
Commuted sum	1% of each payment instalment	To be included within each invoice sent to developers requesting payment at appropriate time.
Land Contribution	£1,000 per development site	Payment to be made at the time land transfer takes place.
On-site Affordable Housing	£1,000 per development site	Payment to be made on first occupation of affordable units.

4. POLICY IMPLICATIONS

- 4.1 Planning obligations assist in mitigating the impact of unacceptable development to make it acceptable in planning terms. Planning obligations may only constitute a reason for granting planning permission if they meet the tests that they are necessary to make the development acceptable in planning terms. They must be:
- necessary to make the development acceptable in planning terms;

- directly related to the development; and
- fairly and reasonably related in scale and kind to the development.

4.2 The reforms to the planning obligations process introduced by the Community Infrastructure Levy Regulations 2019 contain a number of key elements, which includes the ability for authorities to charge a monitoring fee and the requirement to prepare an annual Infrastructure Funding Statement (from December 2020).

4.3 The need to produce an Infrastructure Funding Statement has increased the substantial workload and cost the Council has to cover when producing, monitoring

and reporting on s106 agreements, work which is currently unfunded by the develop. Introducing monitoring fees will help to offset these costs and are set at an amount which is proportionate and reasonable.

5. FINANCIAL IMPLICATIONS

5.1 The funding that can be collected to assist in the monitoring of s106 agreements will help to offset the resources required to carry out the Council's rigorous process of financial monitoring and management of s106 monies received and spent, in addition to the resources required to report on these contributions through the production of an Infrastructure Funding Statement. The monitoring fee will be added to the s106 requirements.

5.2 If the monitoring fee is not collected, this additional work would have to be completed within existing budgets. The fees will be reviewed each year to ensure they remain proportionate and reasonable.

6. LEGAL IMPLICATIONS

6.1 The Community Infrastructure Levy (Amendment)(England)(No.2) Regulations 2019 now allow Local Authorities to charge a monitoring fee through section 106 planning obligations, to cover the cost of the monitoring and reporting on delivery of that section 106 obligation as described above. Monitoring fees can be used to monitor and report on any type of planning obligation, for the lifetime of that obligation. However, monitoring fees should not be sought retrospectively for historic agreements.

6.2 The Council will begin to add a monitoring fee to any s106 agreement associated with planning applications received from 1st October 2020. These will cover the cost of the monitoring and reporting on delivery of the agreements, including the production of the IFS (which is a new requirement), on an annual basis. Fees will be reviewed on an annual basis to ensure they remain proportionate and reasonable.

6.3 The IFS will be used to report on the amount of fees collected each year.

7. RESOURCE IMPLICATIONS

7.1 If the monitoring fee is not collected, this additional work would have to be completed within existing budgets.

8. EQUALITY IMPLICATIONS

- 8.1 The report is for information purposes only and does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore, no Equality Impact Assessment is required.

9. CONSULTATIONS

- 9.1. Executive Board – 10th September 2020.

10. RECOMMENDATION

- 10.1 That the Committee note the content of the report

Contact Officer: Gavin Prescott, Planning Manager (Development Management)

Date: 8th September 2020

Background Papers: Blackburn With Darwen Infrastructure Funding Statement
2019/20 – September 2020.

APPENDIX A - S106 CONTRIBUTIONS SECURED FOR FUTURE YEARS:

	Development site	S106 amount (£)	Proposed s106 works to be delivered
Education	Planning app. Ref:10/18/0895 Land at Roe Lee, Blackburn	500,000	Provision of additional primary school places in North Blackburn.
	Planning app. Ref:10/17/0578 Land at Yew Tree Drive , Blackburn	780,000	
	Planning app. Ref:10/20/0265 Land at Ramsgreave Drive, Blackburn	200,000	
	Planning app. Ref: 10/18/1116 Brokenstone Road, Blackburn	2,480,000	Provision of additional primary school places in West Blackburn.
	Planning app. Ref: 10/19/0862 Land off Moorland Drive, Blackburn	850,000	
	Planning app. Ref: 10/19/0371 Land at Spring Meadows, Dawen	1,500,000	Provision of additional primary school places in East Darwen.

	Development site	S106 amount (£)	Proposed s106 works to be delivered
Highways	Planning app. Ref: 10/17/0578 Land at Yew Tree Drive, Blackburn	890,000	Toucan crossings at Lammack Road, Pleckgate Road, Whinney Lane; improvements to Brownhill junction, Yew Tree Drive and sustainable transport measures.
	Planning app. Ref: 10/17/0211 Land at Gib Lane, Blackburn Phase C	280,000	£280,000 for improved access to A666 via Bog Height Road.
	Planning app. Ref: 10/16/1132 Land at Gib Lane, Blackburn Phase A	221,000	Due on completion of 115 th dwelling for enhancements to Finnington Lane/Moulden Brow junction.
	Planning app. Ref: 10/16/0789 Land at Pole Lane North, Darwen	170,000	£100,000 top course southern footway, £30,000 for traffic management and road safety initiatives around Darwen East Distributor Corridor (DEDC) and £40,000 due on completion of 83 rd unit.
	Planning app Ref 10/19/0520 Land at School Lane, Blackburn	4,500	For travel planning on completion of 20 th unit.
	Planning app. Ref: 10/19/0317 Land at Spring Meadows, Darwen	200,000	Contribution towards DEDC highway improvements.
	Planning app. Ref: 10/18/0895 Land at Roe Lee, Blackburn	150,000	Contribution towards gateway features in North Blackburn, markings, signage as required, promotion of the required TRO to reduce speeds; removal of the crash barriers and reinstatement of central reservation; and Contingency/Associated works such as TRO's, signage and lining associated with all of the above.
	Planning app. Ref: 10/20/0265 Land at Ramsgreave Drive, Blackburn	130,000	
	Planning app. Ref: 10/18/1116 Brokenstone Road, Blackburn	28,000	Contribution towards road safety improvements on Stockclough Lane.

	Development site	S106 amount (£)	Proposed s106 works to be delivered
Public open space	Planning app. Ref: 10/19/0807 Former Victoria Buildings, Waterside, Darwen	14,080	Towards improvements to open space in the locality of the site.
	Planning app. Ref: 10/18/1116 Brokenstone Road, Blackburn	350,000	Green Infrastructure/Public Open Space and associated community facilities within the West Blackburn area.
	Planning app. Ref: 10/14/0440 Springside Works, Belmont	10,000	To control invasive plant species around the site.
	Planning app. Ref: 10/1 Land at Fountain Street, Darwen	14,080	Towards casual children's play space in the locality.
	Planning app. Ref: 10/15/1081 Land at Ellerslie House, Bury Fold Lane, Darwen	25,308	Towards open space in the locality.
	Planning app. Ref: 10/19/0371 New Telegraph House, Blackburn	18,278	Towards green infrastructure within the town centre.
	Planning app. Ref: 10/18/0740 Land at former Sappi Paper Mill, Blackburn	710,000	£350,000 to Feniscliffe Club and £360,000 towards Witton Sports Turf.

	Development site	S106 amount (£)	Proposed s106 works to be delivered
Affordable housing	Planning app. Ref: 10/18/0740 Former Sappi Paper Mill, Blackburn	94,500	All contributions received will be used to provide off-site affordable housing within the Borough.
	Planning app. Ref: 10/20/0285 Land at Ramsgreave Drive, Blackburn	120,000	
	Planning app. Ref: 10/17/1313 Planning Land at Cranberry Lane, Darwen	138,000	
	Planning app. Ref: 10/17/0578 Land at Yew Tree Drive, Blackburn	100,000	
	Planning app. Ref: 10/17/0211 Land at Gib Lane, Phase C	210,000	
	Planning app. Ref: 10/18/0075 Land at School Lane, Guide	96,230	
	Planning app. Ref: 10/15/1343 Cathedral Court, Blackburn	30,000	
	Planning app. Ref: 10/18/0895 Land at Roe Lee, Blackburn	181,000	
	Planning app. Ref: 10/18/1116 Brokenstone Road, Blackburn	750,000	
	Planning app. Ref: 10/19/0677 Land at Tower Road, Blackburn	228,000	
	Planning app. Ref: 10/19/0807 Former Victoria Buildings, Waterside Darwen	25,000	
	Planning app. Ref: 10/19/0317 Land at Spring Meadows	100,000	
	Planning app. Ref: 10/16/0077 Old Blackburnians, Lammack Road, Blackburn	701,250	
	Planning app. Ref: 10/14/0440 Springside Works, Belmont	50,000	
Planning app. Ref: 10/19/0113 Land at Fountain Street, Darwen	25,000		