



Listening Learning Leading



District Council

South Oxfordshire District Council

Vale of White Horse District Council

Statement Supporting Section 106 Monitoring Fees

South Oxfordshire District Council and Vale of White Horse District Council require monitoring fees for each Section 106 agreement. This statement provides the District Council's justification.

MONITORING FEE SCHEDULE

1. The completion of a planning obligation involves the council in various administrative/monitoring work, which has a cost. This work is directly related to Section 106 Agreements, which are themselves necessary to enable development. The monitoring works carried out by the council include:
 - Updating and maintaining a planning obligations database
 - Ensuring that all the financial and non-financial obligations in agreements are satisfied
 - Providing indexation calculations, sending invoices, chasing and receiving payments
 - Ensuring financial contributions are used for the specific purpose outlined in the S106 legal agreement
 - Ensuring infrastructure is constructed to a high standard
 - Maintaining and reporting accounts
 - Providing regular updates for Councillors, Cabinet, Scrutiny Committees and the wider community
2. The council has calculated the average time taken to carry-out the above tasks and has attributed a cost to these, as shown in **Tables 1 and 2**. **Tables 3 and 4** demonstrate how these costs have been calculated. The monitoring of **affordable housing** is set in **Table 5**.

Table 1: Monitoring of District Financial Contributions

Administration / Monitoring Fee Required	Site Size		
	Under 40 dwellings	40-399 dwellings	400 dwellings
Recording (per agreement)	£94	£188	£470
Reporting (per agreement)	£470	£1,410	£3,760
Financial Monitoring (per financial obligation)	£188	£329	£752

Table 2: Monitoring of Public Open Space and On-site Infrastructure

Administration / Monitoring Fee Required	Site Size		
	Under 40 dwellings	40-399 dwellings / non-residential developments	400 dwellings +
On-site provision of open space per hectare (incl play, allotments)	£462	£924	£924 plus £924 per additional visit
On-site provision of MUGA/Sports Pitches	To be determined by the relevant service area in consultation with the Planning Service and Developer on a case-by-case basis. Fees to include the procurement and cost of an agronomist (in the case of pitches), procurement and management of a relevant expert in the case of MUGAs, to check specifications and construction of facilities being provided by the developer.		
On-site provision (building)	To be determined by the relevant service area in consultation with the Planning Service and Developer on a case-by-case basis. Fees to include the procurement and cost of a surveyor or relevant experts to check specifications and construction of buildings being provided by the developer.		
Fee for remedial inspections on site (per inspection)	£577		
Transfer of on-site infrastructure to the council (per land transfer)	£1,365		

STAFFING

3. The Council's Infrastructure Monitoring and Collections Team has five full time employees who are responsible for the administration, monitoring and collection of Section 106 contributions and CIL. The Infrastructure Implementation and Funding Team has seven employees who are responsible for monitoring how the S106 and CIL funds are spent. The S106 portion of work arises solely because of the council entering into Section 106 Agreements in order to mitigate the impact of development on infrastructure. Regulation 10 of the 2019 CIL Regulations amends regulation 122 to confirm charging authorities can include provision for monitoring fees in agreements under S106 of the Town and Country Planning Act 1990.
4. In addition, work is undertaken by the Housing Team for the monitoring of affordable housing and for the monitoring of on-site infrastructure provision as set out below.

MONITORING FEE BREAKDOWN

5. The Council has sought to simplify its monitoring fee schedule (see Table 1 above) to make the charges easy to calculate and understand. The rationale behind each part of the schedule is explained below.

RECORDING AND REPORTING

6. The Council records all Section 106 agreements into its legal agreements database. Once recorded, this enables reports to be run for monitoring and reporting. As agreements on larger sites are generally more complex and take longer to record, the fee charged is higher.
7. In 2019 the annual monitoring report was replaced by the Infrastructure Funding Statement. Regulation 10 of the 2019 CIL Regulations amends regulation 122 to confirm charging authorities can include provision for monitoring fees in agreements under S106 of the Town and Country Planning Act 1990. The production of the Infrastructure Funding Statement involves approximately three month's work across council teams and Reg 10 encourages the use of Monitoring Fees to cover this. The total S106 funds secured, collected and spent are reported, along with CIL receipt, expenditure and plans for the future. As larger sites generally take longer to be built, these sites need to be reported on for a greater number of years. Consequently, a higher fee is charged.
8. The monitoring fee reflects the following hours of work, at £94 per hour with each amount being rounded to the nearest pound. The previous £90 has been increased by 5% in line with all discretionary planning fees, as have the open space inspection fees.

Table 3: Method for calculating recording and reporting monitoring fee

Monitoring Fee	Site Size		
	Under 40 dwellings	40-399 dwellings	400 dwellings +
Recording (per agreement)	1 hour	2 hours	5 hours
Reporting (per agreement)	1 hr/yr over 5 years = 5hrs	1.5 hrs/yr over 10yrs = 15hrs	2 hours/yr over 20yrs = 40hrs

FINANCIAL MONITORING

9. The Council monitors the collection and spending of each financial obligation due at certain trigger points. It also monitors the delivery of on-site infrastructure.
10. The S106 monitoring officers contact developers, throughout the build process, requesting status updates on sites with outstanding contributions. Once a contribution becomes due, indexation and any applicable interest is calculated and an invoice is raised. The invoice is chased until paid and debt recovery measures taken as necessary. These tasks are carried out for each financial obligation and monthly figures are reported.
11. Once funds are collected, the Council actively engages with parish councils and other third parties to encourage the spending of funds as soon as possible. It is important to the Council that the infrastructure required to make a development acceptable in planning terms is delivered promptly.
12. Officers produce bi-annual parish reports on available funds and process applications for funding. The process ensures that funds are spent in accordance with the Section 106 agreement. Once an application for funding is approved, agreements are drawn up to ensure the funds will be spent in accordance with agreed S106 terms and funds are transferred to the relevant body.
13. It is the Council's experience that larger contributions take longer to spend than smaller contributions, due to the increased complexity of larger infrastructure projects. The procedure for larger sums and constitutional requirements makes these processes more time consuming and costly. For this reason, a higher fee is charged on larger sites.

Table 4: Method for calculating financial monitoring fee

Monitoring Fee	Site Size		
	Under 40 dwellings	40-399 dwellings	400 dwellings +
Collection/Spending (per obligation)	2 hours	3.5 hours	8 hours

ON SITE INFRASTRUCTURE

14. When open space/play areas/allotments are provided on site the Council will undertake various administration procedures and a site visit to ensure that the infrastructure has been provided in accordance with the Section 106 agreement and that it is practically complete. The monitoring fees are for site visits undertaken and reports provided.
15. If sites are not practically complete the council will work with the developer to resolve any identified issues and request remedial work that is necessary to sign off the works. This will involve a further site visit at a cost of £577 per open space parcel/play area/allotment site.
16. For facilities such as pitches and buildings provided on-site the Council does not have in house expertise to ensure these facilities are provided properly and fit for purpose. The Council will therefore procure relevant experts to review specifications and to inspect and report on the construction of facilities at key points in the programme until practical completion. The expertise and time involved varies depending on the project and the fee will be sought in consultation with the developer and secured through the S106 agreement.
17. The transfer of on-site infrastructure to the council will result in additional administration fees undertaken by the Finance, Property and Legal Team, including the preparation of legal agreements at a cost of £1,365 per land transfer.

PUBLIC ART

18. For the provision of public art within the Vale of White Horse district, the council will be seeking an index-linked financial contribution starting of **£380 per unit of housing / £11 per sqm of commercial development (Index RPIX April 2023)**. We will also require a commuted sum for maintenance where the ownership of on-site art features is to pass to anyone other than the site owner/developer. This will represent 7% of the value of the works to

cover the costs associated with monitoring, repairs and maintenance over a 15-year period.

For South Oxfordshire developments, and where appropriate, Public Art will be dealt with via planning condition.

STREET NAMING AND NUMBERING

19. For new development that requires new street names and street nameplates the council will seek a financial contribution of **£268 per 10** houses through Section 106. This figure reflects the costs to the council to provide the name plates. Monies should be payable upon implementation.

WASTE AND RECYCLING

20. New development will require the provision of new recycling/refuse bins. The council may seek financial contributions for the provision such bins on sites of 11 and more units through Section 106. On smaller sites of 10 and less units the council will issue an invoice to the applicant. For the supply and delivery of recycling/refuse bins the council will seek a financial contribution of **£212 per property**. Monies should be payable upon implementation.

AFFORDABLE HOUSING

21. The council's Housing Team is involved in monitoring work and it is estimated that the time taken to monitor the affordable housing element of Section 106 agreements is the equivalent of one full time officer.
22. Tasks undertaken by the Housing team in relation to the monitoring of Section 106 agreements include:
 - a. Getting a programme of delivery from the Registered Provider (RP).
 - b. Monitoring on a monthly basis to obtain updates on completions and ensure that milestones within the S106 are met.
 - c. Ensuring that the RP's contract with the developer matches the requirements in the S106 in terms of unit type, size and tenure as well as site layout.
 - d. Once construction has started, following up with the RP on a regular basis to ensure delivery of completed units is in line with initial agreed delivery programme.
 - e. Resolving any issues arising which could impact on affordable housing delivery in line with agreed timescales and conditions.
 - f. Updating the Sites Register

Table 5: Affordable housing monitoring fee

Administration/ Monitoring fee	Up to 20 dwellings	21 – 50 dwellings	51 – 100 dwellings	101 and more dwellings
Affordable housing	£73	£109	£178	£2 per unit

FIRST HOMES

The introduction by the government of the First Homes scheme will create extra work throughout the council. Housing, Infrastructure, Finance and Legal departments will all be involved in the administration related to the sale of each dwelling identified as a First Home within a new development.

There are local and national eligibility criteria for the house price and the purchaser's financial circumstances, all of which must be checked for compliance before any sale can take place. As the First Home remains a First Home in perpetuity, each sale will involve provision of a certificate of compliance and application to the Land Registry.

The value of **£168 per house sale** has been used and the S106 details the delivery mechanism for the first sale of each First Home. This is to support the local authority's additional resource requirements in administering First Homes. The fee of £150 was set by government for the purpose of the national First Homes pilot scheme in 2022. This has been increased by 5% each year in line with all other monitoring fees.

CONCLUSION

23. The monitoring fee is compliant with Regulation 122 (to include regulation 10 of 2019 updated regulations) as it is directly related to the additional work required to ensure compliance with all aspects of the Section 106 agreement for the site. The nature, scale and extent of the obligations set out in the agreement require the council to provide resources to deal with this work and the monitoring fee goes some way towards funding those necessary resources. This Section 106 monitoring work is required solely as a result of the development. The Section 106 agreement is necessary to make that development acceptable.