

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

POLICY DEVELOPMENT GROUP – 6 JANUARY 2016

Title of report	SECTION 106 CONTRIBUTIONS FOR HEALTH
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Purpose of report	This report is intended to set out the total amount of Section 106 money that is held, the total that is unspent, and the efforts that have been made to enable the money to be spent on health infrastructure
Council Priorities	Homes and Communities
Implications:	
Financial/Staff	If Section 106 money is not spent, the developer may request its return, plus interest, to be made by the Council. Unspent money is therefore listed as a liability, not an asset, on the Council's balance sheet
Link to relevant CAT	Not applicable
Risk Management	The risk associated with the content of this report is that developers could require the District Council to return the unspent health contributions, currently totalling £246,901.28
Equalities Impact Screening	Not applicable
Human Rights	Not applicable
Transformational Government	Not applicable
Comments of Head of Paid Service	Report is satisfactory

Comments of Section 151 Officer	Report is satisfactory
Comments of Deputy Monitoring Officer	Report is satisfactory
Consultees	None
Background papers	None
Recommendations	<p>IT IS RECOMMENDED THAT THE POLICY DEVELOPMENT GROUP:</p> <ol style="list-style-type: none"> 1. NOTES THE AMOUNT OF SECTION 106 MONEY CURRENTLY BEING HELD FOR HEALTH CONTRIBUTIONS; AND 2. CONSIDERS THE EFFORTS BEING MADE BY OFFICERS TO FACILITATE SECTION 106 HEALTH CONTRIBUTIONS TO BE SPENT WITHIN THE TERMS OF THE APPLICABLE LEGAL AGREEMENTS

1.0 BACKGROUND

- 1.1 Planning Obligations, or Section 106 Agreements, are entered into by developers and other bodies, including the District Council, in order that the impacts of development, specifically with respect to infrastructure, are adequately mitigated. Section 106 Agreements must address a deficiency of infrastructure that will result from the development. In other words, they enable development to be built that would not otherwise be granted planning permission. In the event that the money remains unspent after a certain period of time has elapsed, it is usual for agreements to include clauses that require, at the request of the developer, return of unspent contributions, plus interest.
- 1.2 The Policy Development Group has requested a report detailing the amount of Section 106 money currently held by the Council for health purposes, and an explanation of the efforts being made by officers to come to an agreement with GPs and Clinical Commissioning Groups to utilise the funds.
- 1.3 Separately to the Policy Development Group's request for this report, a formal request, using the Environmental Information Regulations, was also received from Cllr R Johnson, requesting a breakdown of healthcare contributions. That was provided on 12 August 2015 and is attached at Appendix1.

2.0 THE AMOUNT OF SECTION 106 MONEY, FOR HEALTHCARE, CURRENTLY HELD BY THE DISTRICT COUNCIL

- 2.1 The total amount of Section 106 money held by the Council for healthcare purposes is £1,303,274.35, of which £246,901.28 has not been spent within the time period specified within the S.106 agreement. This means that, in the absence of an agreement to the contrary, even if this money were now to be spent on health, the District Council would still

be required to repay the money to the developer, together with interest, if it was requested to do so.

3.0 EFFORTS BEING MADE BY OFFICERS TO REACH AGREEMENT WITH GPs

- 3.1 The Council has been trying for some considerable time to engage with the NHS to consider what plans they have in place to utilise section 106 monies. Unfortunately that engagement has been very difficult. However a meeting was held, on 17 November 2015, between senior officers and representatives of the NHS. At that meeting, the extent of Section 106 contributions for health were discussed, the opportunities and constraints of the funding itself were outlined, and finally it was agreed to follow up with a further meeting to consider further improvements that can be made to the process. It is expected that the further meeting will have been held by the time the Policy and Development Group meets and therefore a verbal update can be given to the meeting.