

# Report of the Assistant Director (Planning, Transportation and Highways) to the meeting of the Governance and Audit Committee to be held on 19<sup>th</sup> September 2014

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**Subject: Utilisation of the New Homes Bonus to reconcile competing demands on S106 contributions to deliver affordable housing, social and school infrastructure.**

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### Summary statement:

The report sets out Executives agreement to utilise New Homes Bonus money received from central government to fund individual capital projects within Education, Housing and Recreation projects. Currently the New Homes Bonus, which is an annual payment made to the council based on new homes built, conversions or homes brought back into use is not “ring-fenced” to any particular financial area within the council. The purpose of utilising the money is to compensate those sections within the council affected by pressure placed on local infrastructure due to new house building where there is an inability to make S106 payments (scheme viability).

The issue of ring-fencing the New Homes Bonus was considered by the Executive on 24<sup>th</sup> June 2014 and has been referred to this Committee for matters of governance and audit in relation to how in the future the scheme of allocation of New Homes Bonus money is monitored and allocated in relation to infrastructure provision.

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**Overview & Scrutiny Area:  
Regeneration and Economy**



## 1. SUMMARY

The report seeks agreement to utilise New Homes Bonus money received from central government to fund individual capital projects within Education, Housing and Recreation projects. Currently the New Homes Bonus, which is an annual payment made to the council based on new homes built, conversions or homes brought back into use is not “ring-fenced” to any particular financial area within the council. The purpose of utilising the money is to compensate those sections within the council affected by pressure placed on local infrastructure due to new house building where there is an inability to make S106 payments (scheme viability).

The issue of ring-fencing the New Homes Bonus was considered by the Executive on 24<sup>th</sup> June 2014 and has been referred to this Committee for matters of governance and audit in relation to how in the future the scheme of allocation of New Homes Bonus money is monitored and allocated in relation to infrastructure provision.

### 1.1 On 24<sup>th</sup> June 2014 Executive resolved:

That options 1 and 3 set out in Section 4 of Document “F” provide the most sustainable solution to the regeneration of the district through much needed new house building whilst addressing the needs to properly financially plan for the provision of appropriate infrastructure including where financial assistance is required due to the lack of available S106 contributions. Consequently the following recommendations be approved:

(1) That in the case of education and recreation infrastructure and affordable housing provision where it is not possible to secure the relevant S106 contributions from housing schemes due to the proven lack of financial viability, then the Authority should allocate a contribution equal to the S106 funding request from the New Homes Bonus revenue to the relevant Authority departments within 3 months from receiving the New Homes Bonus to make up the shortfall with a requirement that this money is ringfenced to infrastructure or other appropriate projects that would otherwise have been funded by S106 contributions.

(2) The Assistant Director (Planning Transportation and Highways) shall, in consultation with the Strategic Director Finance, present an annual appraisal which shall include the impacts to education and recreation infrastructure and affordable housing provision all of which results from new house building where S106 contributions are not fully secured due to proven scheme viability issues to the Portfolio Holder and the Leader who will then determine by which Council Committee the appraisal is to be considered. The annual appraisal presented will then assist in the formation of future financial planning and capital budget allocations to provide funding for infrastructure associated with the delivery new housing developments in the district.

This report explains how the adoption of the Executive recommendations will be undertaken with regard to matters of governance and audit.

## 2. BACKGROUND



The issues raised in this report relate to housing scheme viability and the recurrent issues relating to prioritising Section 106 (S106) contributions made by developers. Traditionally housing schemes have included substantial S106 financial benefits to deliver affordable housing, education infrastructure improvements as well as recreational open space and playing fields provision and improvement. Also transport improvements and other identified local facilities are included in the agreements. Due to the current and prolonged economic downturn affecting the house building industry there have been an increasing number of cases where developers have been able to show that the viability of a residential scheme is fatally affected by the imposition of significant S106 financial contributions.

In the last two years or so there have been a number of planning applications where the competing demands for S106 contributions have caused difficulties to the Regulatory and Appeals Committee in determining priorities concerning essential infrastructure provision. Some of these have been where open market housing has been proposed and the costs of both affordable housing and education infrastructure could not both be met due to scheme viability. Other cases involve schemes submitted with funding arrangements set up to deliver a significant proportion of affordable housing but with little or no funding available to deliver education or recreation S106 contributions. Planning Officers have been assessing these applications on their individual merits and the Regulatory and Appeals Committee have tried wherever possible to take a pragmatic view to scheme viability and required housing delivery whilst considering how priorities for either housing or education objectives are met.

In addition the delivery of new houses built in Bradford has fallen well short of demand and as set out in housing delivery targets (new draft Core Strategy target around 2800 per annum). Failure to deliver housing demand for whatever reason creates potential social problems with lack of choice and provision in all sectors of the community. As older housing stock becomes unsuitable replacement new housing stock is needed to meet housing demands and new household formation including increased population projections. The creation of quality new housing across the district to meet proven future need, including new household formations and the demands of an aging population has a direct correlation to the future regeneration and prosperity of Bradford.

### **3. KEY CONSIDERATIONS**

#### **3.1 Section 106 Contributions and Planning Policy**

Section 106 Planning Agreements (more correctly described as “Obligations”) are legally binding agreements entered into by persons with an interest in a piece of land (often a developer) secured by a legal agreement. These Agreements are designed to mitigate a particular impact that would arise from a development. Planning Obligations are negotiated between the Local Planning Authority and the developer in consultation with a number of key stakeholders including internal Council consultees. Planning obligations can be entered into by means of a legal agreement between a developer and a Local Authority (S106 Agreement) or offered up by a developer without the Local Authority signing up to the document and this is known as a Unilateral Undertaking. Unilateral Undertakings are usually only used for smaller developments with limited contributions.



S106 Agreements are drawn up when it is considered that a development will have negative impacts on the local area that cannot be mitigated by means of conditions attached to the planning permission. For example, a new residential development can place additional pressure on the social, physical and economic infrastructure which already exists in the surrounding area. Planning obligations aim to offset extra pressure created by a new development through improvements to local infrastructure and facilities and to ensure that wherever possible a development makes a positive contribution to the local area and its population.

S106 legal agreements are obligations in accordance with Section 106 of the Town and Country Planning Act 1990 (as amended). They are associated with a particular development and as they are a legal charge on the land, they transfer automatically with any change in ownership. Current Central Government guidance on S106 Obligations is set out in the National Planning Policy Framework in 2012. To be considered legally sound obligations must comply fully with all 3 of the following tests:

To be lawful, S106 Obligations need to be:

- necessary to make the development acceptable in planning terms
- directly related to the development
- fairly and reasonably related in scale and kind to the development

It should be noted that, the use of planning obligations is strictly governed by the basic premise that planning permission may not be bought or sold and that any negotiations over planning obligations need to take account of current market conditions and the viability of the scheme as a whole.

The remit to include S106 contributions for both affordable housing and education infrastructure comes from Unitary Development Plan policies (the “development plan”) and the Authority’s adopted Planning Obligations Supplementary Planning Document (adopted 27/10/07).

On 7<sup>th</sup> December 2009 the Regulatory and Appeals Committee considered a report of the Assistant Director Planning, Transportation and Highways concerning the impact of S106 Agreements and the ability for developers to meet requested contributions given the economic downturn in the house building market. The Committee agreed with a number of recommendations designed to ease the burden on developers including a more flexible approach to S106 contributions. These recommendations included reduced or nil payments based on proven and overriding regeneration benefits and where scheme viability was demonstrated to be seriously prejudiced by high contributions. The Committee’s endorsement of the recommendations has resulted in a number of schemes receiving planning permission with either reduced or nil payments but to date only a limited number of these schemes have commenced. It is recognised that delivering housing in certain areas of Bradford remains challenging due to scheme viability (primarily the urban/inner city areas of Bradford).

### **3.2 Housing Issues**

It is an established practice that, where there is a proven local demand, affordable housing is provided by developers when they develop new sites. In most cases, this is provided on the site in accordance with a set formula derived from adopted development plan policies. This is commonly set at 15%, 20% or 40% of the total number of units with a 35% discount from the open market value given to the Registered Provider (RP) for each affordable



housing unit.

It is often the case that the discount provided by developers is insufficient to enable RP's to acquire at a price that they can afford given the rent levels they are able to charge. In cases such as this a greater percentage discount has usually been negotiated but on a reduced number of units.

In some cases it is not appropriate to deliver on-site affordable housing provision. In such a case the Authority will require the developer to offer a commuted sum which is then spent by the Authority to help deliver affordable housing within the same general catchment area of the application site.

The Authority also receives proposals for housing developments from RP's that can include a higher than normal percentage of affordable housing units. Some of these schemes are brokered by the Authority and can involve Homes and Community Agency (HCA) funding to allow as much as 100% affordable units. These schemes rarely include sufficient funding for other S106 contributions such as education infrastructure or recreational open space since the HCA work on a set formula per affordable unit created.

When planning applications are submitted for over 15 units the normal practice is for the Affordable Housing Team to comment on the application and set out in detail the proven need for affordable housing in the locality. The Affordable Housing Team will specify the appropriate number of units and discount required and they will make an assessment of the preferred size and tenure of units to be delivered.

Where schemes comprise 100% affordable housing (or a higher than normally required proportion of the units are to be affordable), the Affordable Housing Team will advise on the financial position in relation to grant funding and help inform the assessment of the scheme's ability to make S106 contribution towards education and recreation infrastructure.

### **3.3 Education Issues**

The Authority's Children's Services also consider the implications of new residential development based on the provision of both primary and secondary school places available within a reasonable (catchment) distance of the site.

The problem is currently exacerbated by the fact that, in the case of many primary and secondary schools, there are already insufficient places available to take on existing cohorts, regardless of any additional children generated by the proposed residential developments. In such a case the normal procedure (planning policy position) is for a commuted sum to be requested with the money raised spent on school infrastructure within a given area, this comprising the school planning area or neighbouring areas. The money is then held and spent in accordance with the planned later expansion of the relevant primary and secondary schools. Children's Services use a recognised formula for assessing the amount of S106 contribution with reference to the size of the residential units and the formula is reassessed to take account of inflation factors at appropriate times.

The issue of overcrowding in schools is a common reason for local opposition to many



new housing schemes. In recent times, the Regulatory and Appeals Committee has stipulated that developers should meet full education contributions where there has been local opposition to schemes based on a lack of school places.

### **3.4 Recreation Infrastructure Issues**

Current planning policy recognises that new housing increases the local population in turn potentially placing a significant strain on existing recreation facilities including formal and informal play facilities. This includes local parks, other communal play facilities and both indoor and outdoor sports facilities. Assessment of impact and comparison with the availability of local recreation facilities is used to determine if a recreation contribution is required, again using proven formula. Received contributions are used to provide new or upgraded facilities including projects identified by local communities and ward members.

### **3.5 Changes in Policy by the Government Concerning S106 Contributions and Scheme Viability.**

In the last 12 months the government have introduced new guidance and procedures designed to stimulate the new house building economy and create better conditions for scheme viability:

1. Developers on consented sites are able to come back and re-negotiate S106 Agreements based on scheme viability. A revised S106 Agreement can be produced with reduced contributions if the developer case is proven.
2. Where a Local Planning Authority (LPA) fails to agree with a developer the developer can make an appeal to the Planning Inspectorate who then decides if the LPA are being unreasonable.
3. Expert “planning brokers” can be sent into local authorities to seek to act as mediators between developers and LPA's with the aim of unlocking housing sites held back by excessively high S106 contributions. So far around ten local authorities have been chosen including locally Leeds and Kirklees.

As part of the preparation of new government guidance Bradford MDC were formally acknowledged as an authority who had acted in advance of government advice and legislation to adopt a positive and flexible approach in resolving scheme viability issues, this with the aim of securing the delivery of new housing on economically challenging sites.

### **3.6 The New Homes Bonus**

New Homes Bonus is a grant paid by Central Government to local authorities for increasing the number of homes and their occupation. New Homes Bonus is paid each year for 6 years. It is based on the amount of extra Council Tax revenue raised for new-build homes, conversions and long-term empty homes brought back into use. There is also an extra payment for providing affordable houses.

Currently in the case of new “open market sales” houses the bonus is the national average Band D Council tax. In the case of affordable housing units this is increased by £350 per new unit constructed.



### Previous Bradford awards

Year 1 (2011-12)	£2.8m
Year 2 (2012-13)	£3.9m
Year 3 (2013-14)	£5.6m
<b>TOTAL</b>	£12.3m

Currently the award of the New Homes Bonus to a local authority is not “ring-fenced” and can be used to fund any capital project as determined by the Authority. The money derived from the New Homes Bonus is currently incorporated into the general Council budget to ensure no overall deficit.

As a comparison to the payment period of the New Homes Bonus grant to the Council the following applies concerning achieved full, part or nil S106 payments have been achieved as part of consented schemes:

### Housing Applications Granted and Schemes Commenced Since the New Homes Bonus (NHB) Introduced

Number of planning applications for residential granted in last 3 years	Number of these schemes commenced or completed	Total number of residential units built or under construction	Total number of Affordable Houses delivered or to be delivered	In addition to the NHB being paid potential additional Council Tax income <i>(Based on a mid range point in the Council Tax banding (Band D))</i>
117	31	2127	597 (28% of the total built)	£2,827,995.30

### The 100% Affordable Housing Schemes approved in the last 3 years

Number of schemes that were 100% affordable housing	Total S106 money that was requested for education and recreation infrastructure for the schemes that were 100%	Total amount <b>secured</b> by S106 Agreements	Total amount <b>not secured</b> by S106 Agreements  (see Note 1 below)	Total number of schemes with full contributions



	affordable housing			
7 (total 306 units)	£8,890,625.00	£4,085,564.48	£4,805,060.52	9

Note 1: When the planning applications were determined it was specified why the full contributions were not being secured. These justifications were:

- Scheme viability of the development - this related to 9 developments
- Additional affordable housing (over and above the normal policy requirement) being delivered on site – 9 developments
- Member/Inspector decisions (special justification made) – 2
- Number of bedrooms lower than threshold (thereby below the threshold used in planning policy) - 1
- No requests/contributions by consultees therefore deemed not needed - 1

### 3.7 Commentary

As already stated there are a number of issues created by the circumstances of housing scheme viability and the competing demands by both Housing, Education and Recreation to meet infrastructure demands. In most urban areas of Bradford there is little scope for full or even reduced S106 contributions based on scheme viability. This is borne out by viability appraisals that are submitted by developers and where developers purchased land when previous land values were considerably higher than today's value. In locations away from the urban area of Bradford there is a differing picture:

- Some areas such as Shipley and the more urban areas of Keighley mirror the Bradford inner urban areas in terms of scheme viability.
- In other areas such as Bingley, outer Keighley and particularly the areas comprising the Wharfe Valley there is certainly more scope to deliver substantial S106 contributions for both affordable housing, education and recreation.

There is also an increasing number of Registered Provider schemes submitted based on a higher than normal proportion of affordable housing (typically 100%). As already stated there is usually little or no scope in the funding arrangements for these schemes to offer an education and recreation contribution despite an overwhelming need to address a shortage of child places at local schools. To provide education and recreation contributions on these schemes will result in the schemes not proceeding and the loss of much needed housing investment and affordable housing provision in the District.

These issues have been carefully considered. Clearly there is little scope to create the funds to deliver both affordable housing or education infrastructure from other sources and the Authority cannot influence the funding arrangements of the HCA. However the delivery of new houses (with or without the ability to offer full or part contributions) does lead at





present to an award of New Homes Bonus as set out above. Two recent cases demonstrate as following:

Scheme 1: 46 units (100% affordable housing units): the education contribution request was £94,000. Apart from the potential loss of 46 affordable RSL units the New Home Bonus would attract £397,225 award to the Authority upon completion (based on 6 years staged paid payments).

Scheme 2: 49 units (100% affordable housing units): the education contribution request was £110,000. Apart from the potential loss of 49 affordable RSL units the New Home Bonus would attract £423,131 award to the Authority upon completion (based on 6 years staged paid payments).

One of the main issues is that New Homes Bonus is not ring-fenced to any particular spending centre within the Authority. Clearly in the case of open market sale developments (i.e. not affordable housing units) that are not capable of making the appropriate 106 contributions for education or recreation infrastructure or providing affordable housing a proportion of the New Homes Bonus could be allocated to compensate for this.

The Council's commitment to create sufficient and suitable quality homes for the districts needs is seriously threatened by scheme viability. Low sales values, low land values and fixed infrastructure costs such as new roads, drainage schemes and contamination removal regularly render sites financially unviable. Bradford due to its topography also raises design challenges and additional build costs. Verified developer scheme viability assessments submitted regularly demonstrate the inability to make full or part infrastructure contributions. There is evidence of stalled sites in the district due to scheme viability issues but this is not unique to Bradford. Conversely there is evidence that the Council's stance to allow a flexible approach to S106 contributions has provided dividends with continued house building on some challenging sites.

It is clear that the picture both nationally and locally shows a recent trend for increased house building with an upwards trend for new starts in the district in the early period of 2014. It is too early to establish if this upward trend will continue and demonstrate confirmed new confidence in the Bradford house building market and it seems most unlikely that the local housing market will return to pre-2008 levels for a considerable period of time. It is considered that any continued upturn in developer confidence in Bradford will, on many sites, still require assistance by the Council in the form of a flexible approach to S106 contributions as many sites retain scheme viability issues.

It is acknowledged that further work needs to be done on calculating future infrastructure costs and potential funds to pay for these works. This is reflected in the recommendation below. Any decisions made would need to be reviewed should there be future changes to the NHB scheme or decisions made to extend the period beyond the current six year term.

### **3.8 Developers Responsibilities**

Any decision to allow reduced S106 contributions must involve developers demonstrating proven scheme viability issues. The current procedure requires developers to submit a viability assessment demonstrating which contributions can and cannot be met and this is



appraised by specialist council officers. This should remain as Council policy. Where appropriate developers should be asked to prove that there remains continued scheme viability issues throughout the whole life of the project by means of an “open book” approach whereby the Council retain an element of control to require contributions if scheme viability has been underestimated or if the market changes significantly with improved sales values.

### **3.9 Assistance by Way of Capital Funding**

As more new homes are built the Council should receive more New Homes Bonus grant from central government. The provision of new affordable homes, education and recreation infrastructure has commonly been provided out of capital budgets. Using the New Homes Bonus to off-set the costs of new affordable homes and education and recreation infrastructure (not met by reason of S106 contributions for scheme viability reasons) is one way of funding these essential facilities. Consideration of the needs to set aside funds to meet affordable housing provision and education and recreation infrastructure demands created by new homes built or being completed could be factors used to determine future capital project funding allocation decisions in the future, especially as the local housing economy picks up.

The Executive were asked to recognise the need for the Council to continue to assist developers to make schemes viable and thereby promote continued growth and confidence in the Bradford new build housing market. Ring-fencing of the New Homes bonus to off-set the contributions not achieved on proven non-viable sites is considered as one possible solution and a positive step in regenerating the Bradford housing market.

## **4. FINANCIAL & RESOURCE APPRAISAL**

4.1 The proposal is to use the new Homes Bonus grant money in cases where development is proven not to be viable if subject to the terms of a S106 Agreement requiring significant financial contributions. It will be a requirement that a developer submits a professionally prepared viability assessment to demonstrate that full or part requested infrastructure payments cannot be met. The submitted viability appraisal will be assessed by qualified chartered surveyors within the Council to assess the accuracy of the submission and liaison will take place with the Council’s Finance Section within this process.

4.2 The use of the New Homes Bonus to address any shortfall in S106 financial contributions should only apply to cases where it has not been possible to secure full contributions included by way of a S106 Agreement. It is not possible to quantify how many housing schemes this will apply to and how much this will amount to in financial terms over the remaining period of the New Homes Bonus scheme as this will depend upon on the delivery of housing on sites which are clearly identified as having viability issues. To ensure continued monitoring of this it is recommended that annually a report is prepared and presented jointly by the Assistant Director Planning, Transportation and Highways and the Director of Finance to the Regulatory and Appeals Committee setting out the number of schemes implemented where the new Homes Bonus has been used and the financial implications relevant to the level of spend of the New Homes Bonus grant.



4.3 The first instalment of any New Homes Bonus grant generated will be paid to the Council in the financial year following a new properties inclusion in the annual Council Tax Base Return (CTBR) calculated in the previous October. Each October during the life of the New Homes Bonus scheme the Council's Housing Section inform Finance of the number of new builds (by Council Tax band) that have been included on the Council Tax Band return. The Council's Finance Section then calculate how much grant needs to be ring fenced to ensure it is deducted from the additional New Homes Bonus available to support the Council's budget requirements.

4.4 Members need to be aware that the timing of the payments of New Homes Bonus grant and the requirements to provide the infrastructure provision (for example a school extension) may not fully coincide. The New Homes Bonus grant is paid over a 6 year period (effectively in instalments for each new residential unit created). The provision of infrastructure as normally delivered by a Section 106 Agreement is paid for during the period of the construction of the development. However when using the New Homes Bonus this might be delayed beyond the normal period of delivery. When the New Homes Bonus grant is paid to the Council, proper accounting practice dictates that it is recognised in full in the Council's income and expenditure account. An amount equal to the agreed ring fenced sum would then need to be transferred to an identified reserve. Money would then need to be drawn down from the reserve to fund the associated capital investment associated with the infrastructure provision.

4.5 As the capital spend would otherwise be likely to exceed the inflow of New Homes Bonus grant monies, a mechanism will need to be put in place to fund upfront the capital spend with the New Homes Bonus monies being used at a later stage to replenish the reserves initially used. Further discussion will need to take place between the Assistant Director of Planning, Transportation and Highways and the Director of Finance so that ongoing monitoring measures are put in place to prevent any overspending and to ensure that there are full appropriate accounting procedures.

4.6 Members need also to be aware that the level of New Homes Bonus grant available may not adequately compensate for the full amount of S106 money lost in the case of making schemes viable in Bradford. This will depend on a number of factors such as the number of schemes that come forward on the more financially challenging sites and the rate of build on these sites over the next 3 years. The Assistant Director of Planning, Transportation and Highways in consultation with other Assistant Directors including those in Regeneration and Children's Services and the Director of Finance will ensure full reconciliation of priorities for spending of the available new Homes Bonus grant in the case of insufficient funds being available.

## **5. RISK MANAGEMENT AND GOVERNANCE ISSUES**

This is set out in detail in the report above. Failure to meet future housing demand creates a significant risk to the future prosperity and regeneration of the whole district. Management of capital funding for infrastructure projects to off-set infrastructure not delivered by S106 contributions will require future financial planning and budget allocation decisions, including decisions made by officers under delegated powers and by Executive.



## **5.1 How the adoption of the Executive recommendations will be undertaken with regard to matters of governance and audit.**

### **5.2 Allocation of New Homes Bonus Money Received in Relation to Future Infrastructure Projects**

5.3 The Council's Planning Service monitors new housing completions and also which planning applications are implemented with and without Section 106 Agreements. The Planning Service also holds records concerning consultee requests for infrastructure provision such as affordable housing, recreation and education contributions. A comparison between the requested infrastructure provision at the planning application consultation stage and the eventual infrastructure allocation as set out in the consented scheme (usually in a S106 Agreement) will allow for a detailed understanding of which contributions have and have not been secured in each case. It is proposed to keep records of each planning application for housing schemes for 10 or more units in relation to consultee requests, the eventual contribution levels secured and whether or not the planning consent is implemented within the life of the consent (usually 3 years).

5.4 The New Homes Bonus is paid annually usually in April each year. It will be necessary to track back comparing the funds received for the received New Homes Bonus against the planning consents given for the housing units involved in that allocation. It will then be necessary to prepare a report detailing the cost to infrastructure provision of providing these houses bearing in mind reduced or nil contributions were received in some cases. The report can then identify allocation of the New Homes Bonus to the relevant cost centres for infrastructure provision to help address the reduced financial provision met in the relevant Section 106 Agreements.

5.5 It is proposed that Assistant Director Planning, Transportation and Highways submits a report annually to the Council's Regulatory and Appeals Committee with a recommendation about how the allocation of New Homes Bonus should be made in relation to infrastructure provision. The money would be allocated in the same way as S106 contributions are made so that money is ring-fenced to ensure it is spent on specific infrastructure projects within the catchment area of the housing site.

5.6 The record keeping for planning application files in relation to infrastructure provision, consultee requests and S106 Agreement records showing the content of completed agreements and the monitoring of spending of the New Homes Bonus will all be undertaken using the same principles as the current regime for Section 106 monitoring. This will include the sign-off of records by appointed senior officers and regular reporting to the Regulatory and Appeals Committee. Records will be open to individual member inspection on request. Section 106 monitoring is undertaken by a Monitoring Officer and various procedures and safeguards were adopted following a detailed Audit Report which was completed in 2011. The conclusions and recommendations of the Audit Report were presented to this Committee for adoption.

### **5.7 Presentation of an Annual Appraisal on Infrastructure Costs of future New Housing Developments**

5.8 It is acknowledged that the New Homes Bonus is presently scheduled to cease operation in three years time. It is considered beneficial that for the purposes of the budget



setting process that the true costs to local infrastructure as met by the Council when new housing is delivered is fully understood. Bradford has challenging future housing targets to meet to provide planned growth of quality housing provision and to meet projected increased population and new house formation forecasts. A better understanding of the costs to local infrastructure derived from housing delivery will secure better planned and resourced infrastructure provision and better economic delivery models and financial resource forecasting. To meet this objective the Assistant Director Planning, Transportation and Highways will prepare an annual report detailing information about the number of new houses built, trends in relation to housebuilding in Bradford and where developers have or have not been able to meet required infrastructure provision as part of Section 106 funding. This information will assist in the annual budget setting process and will assist in making bids for future government funding packages for the provision of social housing and education infrastructure projects such as expanded schools. The timing of this report will be designed to accord with the annual budget setting process. Data held by the Section 106 Monitoring Officer and planning application files will be used to collate the report and the principles adopted by the 2011 Audit Report into S106 Monitoring will be used to ensure accuracy and consistency in the report preparation.

## **6. LEGAL APPRAISAL**

There are no significant issues raised.

## **7. OTHER IMPLICATIONS**

None

### **7.1 EQUALITY & DIVERSITY**

In writing this report due regard has been taken of the need to eliminate unlawful discrimination, harassment and victimisation, advance equality of opportunity between different groups and foster good relations between different groups. It is not however considered that any issues with regard thereto are raised by adoption of the approach set out in the recommendations to this report.

### **7.2 SUSTAINABILITY IMPLICATIONS**

Meeting the Council's aims for new and affordable homes throughout the district in sustainable locations and measures to deliver required infrastructure to support increased housing provision accords fully with local and national planning guidance and promotes properly planned and funded new sustainable communities.

### **7.3 GREENHOUSE GAS EMISSIONS IMPACTS**

None specific to this report.

### **7.4 COMMUNITY SAFETY IMPLICATIONS**

None specific to this report.



## **7.5 HUMAN RIGHTS ACT**

There are no direct human rights implications arising from this report.

## **7.6 TRADE UNION**

No implications.

## **7.7 WARD IMPLICATIONS**

Ward Councillors are consulted on all planning applications received and are sent detailed of negotiated S106 schemes as set out in committee reports and by the bi-annual S106 Monitoring Report.

## **8. NOT FOR PUBLICATION DOCUMENTS**

None.

## **9. RECOMMENDATIONS**

**That the governance and audit arrangements as set out in paragraphs 4.1 to 4.6 and paragraphs 5.1 to 5.8 within this report which shall comprise the working arrangements designed to implement the Executive resolutions dated 24<sup>th</sup> June 2014 ( set out in paragraph 1.1 of this report) be endorsed.**

## **10. BACKGROUND DOCUMENTS**

- National Planning Policy Framework 2012
- Replacement Unitary Development Plan 2005
- Planning obligations Supplementary Planning document 2007
- Regulatory and Appeals Committee report and related resolutions and minutes (7<sup>th</sup> December 2009): Flexible approach to S106 contributions during the economic downturn.
- Town and Country Planning (Modification and Discharge of planning Obligations)(Amendment)(England) Regulations 2013
- Growth and Infrastructure Act 2013
- 2011 Audit Report: Section 106 Monitoring

