

BOLTON COUNCIL INFRASTRUCTURE FUNDING STATEMENT: 2020/21



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1. Introduction

1.1 About this statement

Welcome to the Bolton Council Infrastructure Funding Statement.

The Community Infrastructure Levy (amendment) (England) (no.2) Regulations 2019 place a duty on Local Authorities to provide a summary of all financial and non-financial developer contributions that they have been involved with over the course of a given financial year. The Infrastructure Funding Statement (IFS) is the platform in which to do this and must include a report on Planning Obligations Section 106 (S106), Section 278 (S278) and where applicable the Community Infrastructure Levy (CIL), in relation to the previous financial year.

The first infrastructure funding statement for the financial year of 2019/2020 had to be published by 31st December 2020, with subsequent statements published at least annually thereafter.

The purpose of the Infrastructure Funding Statement is to provide an overview which will give policy makers and communities better insight into how developer contributions are supporting new development and local infrastructure.

1.2 Section 106 (of the Town and Country Planning Act)

Section 106 Agreements are a legal mechanism used to fund additional infrastructure needed as a result of increased demand caused by development within a local area.

Section 106 monies are secured for a range of infrastructure. They can only be sought where they meet the three legal tests, set out in paragraph 122 of the Community Infrastructure Levy Regulations 2010:

- they are directly related to the development,
- fairly and reasonably related in scale and kind to the development, and;
- necessary to make the development acceptable in planning terms.

S106 (collectively known as ‘planning obligations’ or ‘developer contributions’) more often than not will be financial obligations which are payments made to the Council for the Council to spend towards the provision of off-site infrastructure works or alternate facilities elsewhere within the Borough, usually on or near the site.

Developer contributions can also be non-financial also known as ‘in kind’, whereby instead of paying the money to the Council the developer provides services or carries out the works directly such as direct delivery of infrastructure, providing a specific number of affordable homes on site or management and maintenance obligations.

1.3 Section 278 Highway Agreements

Additional legal agreements that can fund infrastructure are Section 278 Agreements (S278). These are legally binding agreements made under the Highways Act 1990 between Local Highway Authorities and Developers. S278 agreements are required to secure alterations or improvements to the highway.



1.4 Community Infrastructure Levy

Bolton Council does not operate a Community Infrastructure Levy and, as such, this statement will only set out this year's contributions and expenditure relating to Section 106 (S106) agreements.

1.5 Boltons Planning Policy requirements

S106 agreements are used to mitigate the impacts of development and ensure that Bolton's planning policy requirements (as set out in the Core Strategy, the Infrastructure and Planning Contributions Supplementary Planning Document (SPD) and the Affordable Housing SPD) are fully met. S106 obligations include:

- Site-specific financial contributions - these are secured and must be used for defined purposes; for instance, the provision of education facilities, traffic and transport/highways related works, open space provision and affordable housing contributions (where accepted in lieu of on-site provision);
- Provision of on or off -site affordable housing; and
- Non-financial obligations, including requirements such as employment and skills strategies, and travel plans.

The Core Strategy Policy IPC1 sets out our requirements for planning obligations in the context of negotiations on planning applications where it states:

"The council will seek to ensure that developers make reasonable provision or contribution towards the cost of appropriate physical, social and green infrastructure required by the proposed development and/or to mitigate the impact of that development. In doing so, the council will ensure that a scheme is made acceptable in planning terms and achieves the objectives of sustainable development"

The Infrastructure and Planning Contributions SPD identifies areas where contributions will be sought. This document outlines the range and nature of planning obligations to be sought depending on the type of development in the authority.

The areas identified are as follows:

- Affordable housing
- Open space and children's play space
- Health and well-being
- Education
- Community and cultural facilities
- Public art and public realm improvements



Further detail on the implementation of this approach is set out in the Infrastructure and Planning Contributions Supplementary Planning Document. More specific requirements for securing affordable housing are set out in the Affordable Housing SPD.

These documents can be viewed from our web site at:

[Developer contributions – Bolton Council](#)

1.6 Key headlines from the statement

In 2020/21, the headline figures are as follows:

Section 106 agreements:

£679,961.56 was secured through S106 agreements signed in 2020/21

48 units of affordable housing secured through S106 agreements in 2020/21

£1,358,471 of funding was drawn down principally towards transport and travel, education and open spaces and leisure.

£735,546 has been received in S106 receipts - mostly sums towards transport and travel, affordable housing and highways.

There is a remaining balance of **£2,918,102** rolling forward into 2021/22.



2. Section 106 collection and expenditure: 2020/21

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- Site-specific financial contributions - these are secured and must be used for defined purposes; for instance, the provision of education facilities, traffic and transport/highways related works, open space provision and affordable housing contributions (where accepted in lieu of on-site provision)
- Provision of on-site affordable housing; and
- Non-financial obligations, including requirements such as employment and skills strategies, construction management plans and travel plans.

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The areas identified are as follows:

- Affordable housing
- Open space and children's play space
- Health and well-being
- Education
- Community and cultural facilities
- Public art and public realm improvements
- Sustainable Drainage Systems
- Other contributions (Highway Contributions etc.)

Further detail on the implementation of this approach is set out in the Infrastructure and Planning Contributions Supplementary Planning Document. More specific requirements for securing affordable housing are set out in the Affordable Housing SPD.

These documents can be viewed from our web site at:

<https://www.bolton.gov.uk/planning-policy-strategy/developer-contributions>



2.1 Developments with notable S106 agreements signed in the last financial year (2020/21) include:

[06769/19](#) LAND OFF WELLINGTON STREET, FARNWORTH – Affordable Housing £82,500.00

[06410/19](#) LAND AT BOWLANDS HEY, WESTHOUGHTON – Education £506,925.36 Highways £28,536.20

[07844/20](#) 58 MANCHESTER ROAD, KEARSLEY, BOLTON, BL4 8NZ – Open Space £3,000.00

[08439/20](#) LAND AT GREAT BANK ROAD, WESTHOUGHTON, BOLTON – Highways £59,000.00

These S106 agreements and other relevant documentations can be viewed online following Planning Application Reference Number links above.

S106 agreements value 2020/21

Total monetary value from all S106 agreements signed 2020/21 - £679,961.56

Non-financial contributions secured through S106 agreements

Total Number of affordable housing units provided in 2020/21 - 48

[07844/20](#) 58 MANCHESTER ROAD, KEARSLEY, BOLTON, BL4 8NZ - 24 No units

[08038/20](#) ST COLUMBA RC CHURCH, RIPLEY STREET, BOLTON, BL2 3AR – 24 No units

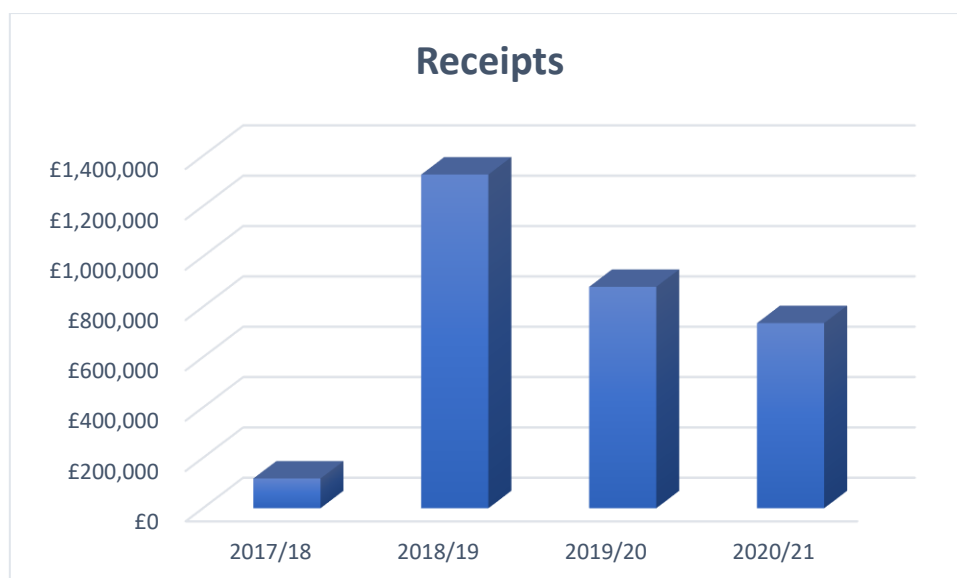
2.2 Section 106 financial contributions received

In 2020/21, a total of £735,546 was received in S106 contributions

The table and bar chart show S106 contributions over the last four financial years.

Year	Receipts
2020/21	£735,546
2019/20	£879,565
2018/19	£1,325,612
2017/18	£117,959





The graph shows significant differences in contributions over the last four years derived from S106 agreement. However, it is important to qualify that this is not a performance issue as the contributions is derived from Major planning applications granted planning permission by the Council. In all cases, the Council seeks to maximise S106 contributions in accordance with its S106 Supplementary Planning Document and the provisions of Community Infrastructure Levy Regulations 2010.

The variation in contributions between years is determined by the actual S106 agreements themselves and the trigger points for when payments need to be made to the Council. Accordingly, one year may see a higher Contributions from S106 agreements than another, simply because there may be more or larger S106 contributions triggered and paid to the Council during that period.

Total receipts in 2020/21 came from 6 sites, however most of the contributions came from the following 3 sites:

Most notable agreements

90539/13	Cutacre Logistics North	£322,739.29
01373/17	Former Horwich Loco Works	£136,950.74
03484/18	Former Greyhound Stadium, Wigan Road, Westhoughton	£113,795.89

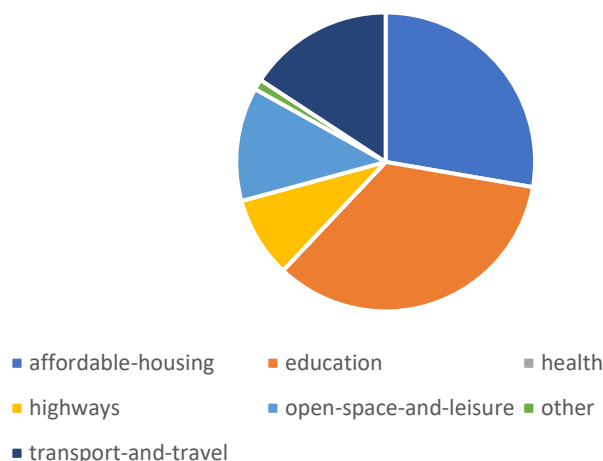
2.3 Section 106 spending

Expenditure of section 106 funds was concentrated in affordable housing, transport and travel, education and open spaces and leisure.



Areas of spend in 2020/21

Area of Expenditure 2020/21



Summary of main spending during 2020/21:

Affordable Housing	£376,456	Lever Gardens Extra Care Scheme.
Transport and Travel	£214,167	Support of Logistics North Local Link transport service
Education	£215,549	Blackrod Primary School
Education	£161,874	Primary School Improvements Great Lever and neighbouring wards
Open spaces and leisure	£143,795	Play Strategy play area refresh schemes
Highways	£118,655	Tonge Moor/Crompton Way junction improvements
Open spaces and leisure	£23,395	Commuted sums use for maintenance of play and open space areas
Open spaces and leisure	£77,187	Contribution to play refresh strategy at 11 sites across borough.

Travel & Transport

The section 106 agreement arising from planning application 90539/15 provides funding over a number of years to support transport links to the Logistic North site. Approval was given in a report to the Executive Cabinet Member Deputy Leader on 27th February 2019 for use of s106 funds to provide a transport local link service.

Education

The section 106 agreement arising from planning application 94656/15 Hill Lane Blackrod provided funding for education expansion and maintenance at Blackrod Primary School whilst the agreement under planning application 96907/17 Beehive Mills, Crescent Road provided funding for improvement to existing primary schools in Great Lever and its surrounding wards.



Open Spaces and Leisure

When land is transferred by a developer to the Council as an open space, provision is sometimes made within the s106 agreement for a contribution towards future maintenance costs. This takes the form of a commuted sum which is a lump sum that is drawn down usually over ten years as a contribution to the greenspace maintenance budget.

Capital sums are used to fund the provision of new or refreshed play areas and equipment across the borough. In 2020/21 7 sites across the borough were refreshed with use of funding from a collection of agreements. Details of how s106 is used for equipped play areas was set out in a report to the Executive Cabinet Member Leaders Portfolio of 3rd March 2013 setting out the strategy and a ten year Action Plan Framework.

The amount of money (received under planning obligations) spent on repaying money borrowed, including any interest, with details of the items of infrastructure which that money was used to provide (wholly or in part) is £0

The amount of money (received under planning obligations) spent in respect of monitoring (including reporting under regulation 121A) in relation to the delivery of planning obligations is £0

2.4: Current section 106 balances

A balance of £3,541,027 was carried through from 2019/20 to financial year 2020/21.

As a result of the contributions and expenditure set out in sections 2.3 and 2.4 of this statement, current S106 balances for 2020/21 are as follows:

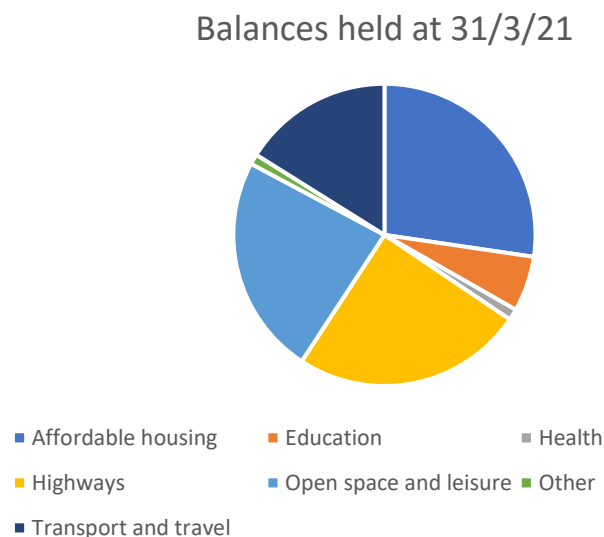
- £2,918,102 (current balance).
- All funds are allocated to the area of intended purpose as set out in the individual S106 agreements and are available to be allocated towards future projects in 2021/22 or beyond, which meet the specified requirements defined within the S106 agreement relating to each site.

Balance breakdown

	Balance held 31/3/21
Affordable housing	797,358
Education	172,788
Health	35,012
Highways	723,046
Open space and leisure	687,984
Other	31,961
Transport and travel	469,953
Grand Total	2,918,102



Breakdown of S106 balances in 2020/21



For clarity, the figure of £2,918,102 does not include monies spent subsequent to 31 March 2021 or additional contributions derived from S106 agreement during that period. These figures will be reported in the following Infrastructure Funding Statement for 2021/22 as this is now an annual requirement.

3. Planned expenditure (2021/2022)

Unlike the Community Infrastructure levy which require a planned expenditure of monies received, S106 monies must be spent in accordance with the terms of the legal agreement (as part of the planning application process). The heads of terms can include a clause to spend the S106 contribution between five and ten years of the agreement; accordingly, expenditure is pre-determined by the S106 both in terms of what it can be spent on and by when.

The Council's balance of £2,918,102 (as of 31st March 2021) which represents monies received, but yet to be drawn down, will be spent against specific projects/works identified in the S106 agreements to which the payment pertains as identified in 2.4 above. Whether this takes place in 2021/22 or later is determined by the terms of the S106 Agreement itself.

The main exceptions to this relates to some monies received in respect of Public Open Space and affordable housing provision.



Public Open Space

As stated above in 2.4 , there are developments where monies received in respect of Public Open Space are not specifically tied to a particular development and can be spent across the wider authority. Where this takes place, planned expenditure will be in accordance with the report to the Executive Cabinet Member Leaders Portfolio of 3rd March 2013 setting out the strategy and a ten year Action Plan Framework. The commuted sum held for this provision is £182,903 at 31st March 2021.

Affordable Housing

The Council always endeavours to provide affordable housing on-site with respect to any proposed development. However, there are times when this cannot take place and, in those circumstances the Council will secure a sum for off-site provision elsewhere within the authority. With respect to these sums, the Council will work with Registered Providers to identify schemes in consultation with the ECM and will be reported within the subsequent 2021/22 Infrastructure Funding Statement.

3.1: The planning and delivery of our infrastructure

S106 receipts were expected to increase over the coming years in response to rising levels of development. However, the uncertainty associated with Covid-19 and the impact this has and will have on market moving forwards is clearly not known.

The Infrastructure Delivery Statement is intended to be a living document that will be reviewed and updated on an annual basis to effectively coordinate the delivery of infrastructure alongside the planned increase in new homes and jobs and the authority's projected population growth over the next 15 years and beyond.



4: Conclusions

Bolton Council is committed to working with the local community and other stakeholders to ensure that planning contributions are used in a fair and transparent way to maximise the benefits and opportunities arising from development, such as new affordable homes, community infrastructure and environmental improvements.

The Infrastructure funding report shows that, along with signing four new significant S106 agreements in 2020/21, the Council received a grand total of £735,546 of additional contributions secured through S106 agreements.

During that period, the Council spent £1,358,471 on the provision of infrastructure to support the local economy and community, primarily on Affordable Housing, Transport/Travel, Education and Public Open Space/Leisure.

This has resulted in a balance from 2020/21 of £2,918,102 S106 monies held by the Council as of 31 March 2021, comprising contributions received and rolled forward from previous years and that received during 2020/21.

The balance is carried forwards into 2021/22 and beyond is for the provision of infrastructure and affordable housing, dependent upon the delivery timeframes specified within the S106. The main areas of identified spend in 2021/22 and beyond are affordable housing provision, contributions towards highways improvements, contributions towards transport and travel, education contribution towards local schools and finally, public open space/leisure contributions. All S106 contributions and expenditure between 1 April 2021 and 31 March 2022 will be included within the Bolton Infrastructure Funding Statement 2021/22. However, the Government have proposed that the current CIL/S106 regime be changed within their recent White Paper and to replace it with a single Infrastructure Levy for all Councils. Dependent upon the outcome of the consultation exercise, how Bolton secures its infrastructure/affordable housing contributions in the future may change dramatically, albeit that there will likely still be a requirement for a Infrastructure Funding Statement of some form moving forwards.

Lastly, what impact covid-19 has upon the development industry and therefore, potential S106 contributions is uncertain at this moment in time.

