

Overview of S106 funding



Updated: 2 October 2020

This note sets out how the Council uses S106 contributions^A (payments from developers or property owners) to mitigate the impact of development. Every ward in the city benefits from a range of local S106-funded projects, but changes in 2015 to the rules governing S106 funding use means that its availability for further local projects is now more limited.

1. What are S106 contributions for?

- a. New housing and other development leads to more demands on local facilities (e.g., play areas, open spaces, community meeting spaces, sports centres, playing pitches and changing rooms). Where this is not addressed through new on-site provision, the Council asks developers (wherever possible) to pay off-site S106 contributions, for new/improved off-site facilities in Cambridge.^B
- b. All S106 contributions have to be used in line with their intended purposes, as set out in legally-binding S106 agreements and Council policy. Official regulations also set three tests that councils must apply to ensure that S106 contributions are:
 - necessary to make the development acceptable in planning terms;
 - directly related to the development; and
 - fair and reasonable in scale and kind.

2. How have the rules governing the use of S106 funding changed?

Regulation changes in April 2015 require councils to confine themselves to securing specific contributions for particular projects to mitigate the impact of the development.

- a. New developments of 10 or fewer homes are exempt from S106 contributions.
- b. The Council no longer seeks S106 contributions for public art but, instead, aims to secure on-site public art in appropriate cases, through planning conditions.

3. What does this mean for the S106 funding collected by the City Council?

The Council is managing two different streams of S106 funding:

- a. specific S106 contributions agreed for particular projects; and
- b. generic S106 funding for broad types of infrastructure within the city of Cambridge, which the Council secured in S106 agreements before 6 April 2015.^C

- Table 1 sets out the key differences between generic and specific S106 contributions.
- Section 4 outlines the generic funding round process.
- Section 5 explains which S106 contributions are used to fund which projects.
- See the Appendix for the 'target lists' used as a starting point for specific contributions.

A. This refers to Section 106 of the Town and Country Planning Act 1990.

B. Generic S106 funds cannot be used on projects outside the city's boundary.

C. Whilst no more generic contributions have been agreed since April 2015, the Council has collected such contributions agreed before then which have become payable.

Table 1: Key differences between generic and specific S106 contributions

Generic contributions	Specific contributions
For providing or improving (or giving better access to) a broad infrastructure type (see Table 2).	For a specific off-site purpose (nearby), to mitigate the impact of the development.
Could be collected as a standard tariff from relevant developments (incl. minor developments before December 2014). Contribution types were set out in our Planning Obligations Strategy 2010.	Negotiated on a case-by-case basis (from major developments). Evidence-based. The Council has 'target lists' of play areas, open spaces, community facilities, outdoor sports and indoor sports (where mitigations would be particularly needed) as a starting point for negotiations ^D (see Appendix).
No new generic ones agreed since April 2015. The availability of generic funds is, therefore, running down.	The basis for all contributions agreed since April 2015 (and some before then, especially for major growth sites).
Decisions on how to spend them on relevant projects can be made once they are received, via generic S106 funding rounds.	Following negotiations within a limited time period, their purpose has to be agreed up-front (normally) by the Planning Committee, as part of the planning application approval process.
For use on projects mitigating the impact of those developments.	Have to be used for particular purposes specified. ^E

Table 2: Examples of projects funded from different generic S106 contribution types

Type:	Projects that can mitigate the impact of development include:
a. Informal open spaces ^F	For parks/open spaces: paths, signs, lighting, landscaping, fencing, trees/shrubs, drainage, habitat creation, skate parks, benches, bins, noticeboard. Usually Council-owned or managed.
b. Play Provision	New/improved play areas (usually Council-owned or managed) or more/better equipment for existing play areas, plus related safety surfacing.
c. Public art	New & original, high quality public art, which is accessible to the public, involves an artist, engages the community and has a lasting legacy.
d. Public realm	Improvements to streetscape, such as paving, seating, tree-planting on streets and better access for people with disabilities.
e. Community facilities	Improvements to community halls and meeting rooms and/or upgrades to their kitchens, toilets, storage and furniture/equipment.
f. Outdoor sport	Tennis courts, basketball and multi-use games areas, outdoor 'fit kit', sports pavilions/changing rooms for outdoor sport, sports equipment.
g. Indoor sport	Indoor gyms, indoor sports changing rooms & indoor sports equipment.

Note: (i) S106 funding can only be used on projects aimed, first and foremost, at mitigating the impact of development. (ii) S106 funds for one contribution type cannot be used to fund another type of infrastructure.

D. Set out in scrutiny committee reports in March & June 2016. Reviewed in March 2019.

E. 'Pooling constraints' which restricted specific contributions to no more than five agreed for any project, were lifted in revisions to the S106 regulations in September 2019.

F. Informal open space S106 funds are sometimes used for landscaping within play areas (say, for fencing, gates and surfacing beyond the immediate vicinity of play equipment).

4. How does the generic S106 funding round process work?

In those parts of the city where generic S106 funding still exists, it has been possible to decide how this should be used via annual S106 funding rounds.^G

- a. Proposals related to particular contribution types are invited for improving council-owned amenities (e.g., play areas and open spaces). Grant applications are also sometimes invited from community groups looking to improve their facilities and make them available for wider community use.^H
- b. The proposals and grant applications are assessed against clear selection criteria.^I In short, these highlight the need for projects to be:
 - eligible for S106 funding (i.e., within the city of Cambridge and not for repairs and maintenance, like-for-like replacements or running costs);
 - affordable within the relevant S106 funding available;
 - an effective use of resources (e.g., reflecting priorities in Council strategies);
 - focussed on mitigating the impact of development & providing additional benefit;
 - accessible, in line with Council grants and equalities policies;
 - realistic, achievable and ready to be considered; and
 - financially viable, with a robust business case and/or management plan.
- c. Decisions about the use of funding under most generic S106 contribution types are now made by executive councillors (following consideration by scrutiny committees) and are subject to business case approval.^J

5. Which S106 contributions are used to fund which projects?

Generic S106 contributions are managed carefully to ensure that they are used for their intended purposes, in a timely way^K, and on projects that are related to the developments from which they arise.

- a. Local projects tend to be funded from S106 contributions arising from developments in the same ward and/or nearby ones in neighbouring wards.
- b. Strategic projects^L located in a particular area of the city tend to be funded from S106 contributions arising from major developments in the same area and/or those from neighbouring areas which will also benefit from the project.

G. The latest arrangements for the annual funding rounds were agreed in March 2019, following reports to the relevant scrutiny committees.

H. Grants are subject to community use agreements (normally for 11-12 years) requiring facilities to be available (beyond the group's own use) to all sections of the community

I. The selection criteria for public art are different (albeit based on similar principles), reflecting key points from the Public Art Supplementary Planning Document.

J. For projects over £15,000, programme boards (council officers) check that project delivery arrangements meet necessary requirements and are realistic and achievable.

K. S106 funds are used within expiry dates set by S106 agreements. Where none are stipulated, the Council aims to use contributions within 10 years of receipt (or sooner).

L. These help to mitigate the impact of development in more than one area of the city (given the scale of the project and/or the proximity of the project to an area boundary).

Summary of ‘target lists’ as a starting point to identify possible specific contributions in S106 negotiations

Notes: [a] Based on evidence in Council audits & strategies; reported to Environment Scrutiny Committee in March & June 2016, then agreed by the relevant executive councillors. Reviewed in Environment & Community Scrutiny Committee reports in March 2019 (some further community facilities added). [b] The impact of some developments can be mitigated by facilities outside the ward (e.g., some sports facilities can have an area or city-wide benefit). [c] Being on a ‘target list’ does not necessarily mean that specific contributions will be secured – it partly depends on the nature and location of major developments. [d] Officers may identify other projects to mitigate the impact of proposed developments. [e] Proposals for specific community facility contributions in those parts of the city where there are no Council-owned or managed community facilities nearby will be considered in line with the approach agreed in March 2019: if taken forward as specific contributions, those community facilities identified would be subject to community use agreements. [f] Specific contributions that are received but cannot be used would need to be returned to the developer.

Ward	Play areas at:	Open spaces at:	Community facilities at:	Indoor sports at:	Outdoor sports at:
Abbey (East Area)	Ditton Fields, Dudley Road, Jack Warren Green, Peverel Road, Stourbridge Common	Barnwell East LNR, Barnwell West LNR, Coldham’s Common, Stourbridge Common, Thorpe Way	No city council-owned or managed community facilities here. May identify other facilities to mitigate particular developments	Kelsey Kerridge Sports Centre (multiple projects for new mobile spectator seating and conversion of Fenner’s Gallery)	Coldham’s Common
Arbury (North Area)	Alexandra Gardens, St Albans Rec Ground	Alexandra Gardens, St Albans Rec Ground	The Meadows Community Centre, Kingsway community room	None highlighted via indoor sports strategy. May be mitigated by other projects, including those elsewhere in area or city.	St Alban’s Rec Ground (improving junior pitches)
Castle (West/Central Area)	None highlighted via play area audit, but others may be identified to mitigate particular developments.	None highlighted via open space audit. Others may be identified to mitigate particular developments.	Storey’s Field Centre		None highlighted via playing pitch strategy. May be mitigated by other projects, including those elsewhere in area or city.
Cherry Hinton (South Area)	Tenby Close	Cherry Hinton Hall, Cherry Hinton Rec Ground	Cherry Hinton Library, Cherry Hinton Village Centre	Cherry Hinton Village Centre (community gym facility)	
Coleridge (East Area)	Ashbury Close, Lichfield Road, Robert May Close	Coleridge Rec Ground	Lichfield Hall, The Junction	None highlighted via indoor sports strategy. May be mitigated by other projects, including those elsewhere in area or city.	Coleridge Rec Ground (more changing rooms)
East Chesterton (North Area)	Chesterton Rec, Green End Road, Scotland Road	Causeway Park, Vie site (off St Andrew’s Road)	Brown’s Field Youth & Community Centre		None highlighted via playing pitch strategy. May be mitigated by other projects, including those elsewhere in area or city.

Ward	Play areas at:	Open spaces at:	Community facilities at:	Indoor sports at:	Outdoor sports at:
King's Hedges (North Area)	None highlighted via play area audit, but others may be identified to mitigate particular developments.	Arbury Town Park, King's Hedges Rec Ground	Buchan Street Neighbourhood Centre, Arbury Community Centre, Nun's Way Pavilion	North Cambridge Academy (new sports hall floor and indoor court)	North Cambridge Academy (multiple projects for storage and cricket net improvements)
Market (West/Central Area)	Christ's Pieces	Christ's Pieces, Jesus Green, Midsummer Common, Parker's Piece	No city council-owned or managed community facilities here. May identify other facilities to mitigate particular developments	None highlighted via indoor sports strategy. May be mitigated by other projects, including those elsewhere in area or city.	Parker's Piece (second cricket square for community club cricket use)
Newnham (West/Central Area)	None highlighted via play area audit, but others may be identified to mitigate particular developments.	Lammas Land, Paradise LNR, Penarth Place, Queen's Green, Sheep's Green			None highlighted via playing pitch strategy. May be mitigated by other projects, including those elsewhere in area or city.
Petersfield (East Area)	Flower St, Petersfield, Shenstone St, Sleaford St, St Matthew's Piece	Petersfield	Bath House community room, Cherry Trees Day Centre, former Mill Road Depot site		
Queen Edith's (South Area)	Gunhild Close, Holbrook Road, Nightingale Ave Rec Ground	Nightingale Avenue Rec Ground	Nightingale Avenue Pavilion (to be developed)	Netherhall School & Sixth Form (new floor for sports hall)	Netherhall School & Sixth Form (floodlit, grass training area)
Romsey (East Area)	Brooks Road	Romsey Rec Ground	Ross Street Community Centre, Cromwell Road development site		Romsey Rec Ground (improving junior pitches)
Trumpington (South Area)	None highlighted via play area audit, but others may be identified to mitigate particular developments	Accordia site (off Brooklands Ave), Coe Fen, Trumpington Rec Ground	Clay Farm Centre, Hanover Court community room, Trumpington Pavilion	None highlighted via indoor sports strategy. May be mitigated by other projects, including those elsewhere in area or city.	Trumpington Rec Ground (pitch improvements)
West Chesterton (North Area)	Woodhead Drive	None highlighted via open space audit. Others may be identified to mitigate particular developments	No city council-owned or managed community facilities here. May identify other facilities to mitigate particular developments		Chesterton Community College (multiple projects for pitch, storage and cricket net improvements)

Based on existing ward boundaries, prior to changes expected in May 2021.