

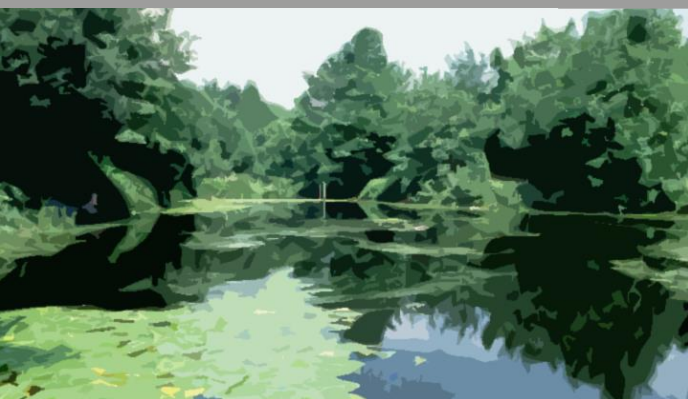


Framework for spending Section 106 developer contributions

Employment



February 2025



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1. Introduction

- 1.1. Supplementary Planning Document (SPD) 14 provides guidance relating to how the Council will approach proposals to redevelop existing employment land and premises for higher value uses. The SPD was subject to a six-week period of consultation between 5 March and 16 April 2007 before being formally adopted by the Council's Executive Committee on 12 September 2007.
- 1.2. The SPD has been developed in order to primarily support the implementation of Unitary Development Plan Policies EC1 (relating to the provision of employment land) and EC2/2 (relating to employment land and premises outside Employment Generating Areas).
- 1.3. The underlying principle of SPD14 is to prevent the decline of the Borough's local economy arising from the loss of existing employment land and premises to higher value uses, such as residential or retail. Within the context of UDP Policy EC2/2, all employment sites that are considered suitable, in land use terms, for continued employment use will be considered to have value in that they will comprise an integral component of the Borough's economic resource.
- 1.4. Consequently, sites that can be shown to be unsuitable, in land use terms, for continued employment use will not be regarded as an economic resource and, as such, proposals involving the loss of such sites will not be subject to a requirement for compensatory employment provision.
- 1.5. SPD14 identifies the Council's approach towards proposals to redevelop suitable existing employment land and premises for higher value uses, such as residential or retail. This adopts the following three step sequential approach:
 - **Step 1:** The Council will initially seek to retain all employment land and premises that are considered to be suitable, in land use terms, for continued employment use.
 - **Step 2:** Where complete retention can be shown to be economically unviable and where it is considered appropriate, the Council will give consideration to a mixed use development incorporating an acceptable element of employment uses.
 - **Step 3:** Where mixed use development can be shown to be economically unviable or is generally inappropriate, the Council may then accept the principle of redeveloping the site for higher value uses subject to a one-off compensatory payment secured as a planning obligation via a Section 106

Agreement that will be used to help bring forward employment opportunities elsewhere in the Borough.

- 1.6. Planning obligations assist in mitigating the impact of unacceptable development to make it acceptable in planning terms. Planning obligations may only constitute a reason for granting planning permission if they meet the tests that they are necessary to make the development acceptable in planning terms. They must be:
 - necessary to make the development acceptable in planning terms;
 - directly related to the development; and
 - fairly and reasonably related in scale and kind to the development.
- 1.7. These tests are set out as statutory tests in regulation 122 of the Community Infrastructure Levy Regulations 2010 (as amended by the 2011 and 2019 Regulations) and as policy tests in the National Planning Policy Framework.
- 1.8. Given that planning obligations must meet the specific tests set out in the Regulations and that the Section 106 Agreement secures developer contributions for a specific purpose, all payments received as compensation for the loss of existing employment land and premises are held in a ring-fenced 'Employment Land Development Fund' (ELDF) and can only be used for that specific purpose.
- 1.9. This document specifically sets out the framework and procedures under which the ELDF will operate and against which any monies secured as compensation for the loss of existing and appropriate employment land and premises to higher value uses will be utilised.

2. Use of the ELDF

- 2.1 The underlying principle of securing monies into the ELDF is to enable the development of employment land and thus bring forward new employment opportunities for the Borough in accordance with wider economic aspirations and the general approach toward economic development.
- 2.2 The use of monies held within the ELDF will be strictly governed by both State Aid ceilings as well as the tests set out in the Community Infrastructure Levy Regulations (2010) (As amended) and the National Planning Policy Framework. Specifically, the ELDF will be used for the following purposes:
 - Assisting with the acquisition and assembly of other employment land in the locality;

- Assisting in the access and servicing of other employment land in the locality;
- Assisting in the clearance and remediation of other employment land in the locality;
- Assisting in the construction of, or assisting developers to deliver, incubator units, managed workspace and workshops for small and medium sized businesses;
- Funding general operational improvements that will be of wider benefit to existing employment areas in order to make them more attractive for development; and
- Pursuing other measures that, from time to time, are considered capable of improving the supply of land and buildings for employment purposes in the Borough.

3. Management of the ELDF

- 3.1 Incoming payments are paid into an account specifically set up as the Employment Land Development Fund. The account is 'ring-fenced' to ensure that any monies will only be used for the intended purposes set out above.
- 3.2 Overall responsibility for allocating sums received and approving the expenditure programme is delegated to the Executive Director of Place following consultation with the Cabinet Member for Strategic Growth.
- 3.3 Relevant officers will initially consider the eligibility of potential projects taking account of the procedures and requirements of this Framework. Within the context of the criteria set out for the use of the ELDF, officers will determine the eligibility of potential projects by primarily taking into account:
 - The tests set out in the Community Infrastructure Levy Regulations (2010) (As amended) and the National Planning Policy Framework;
 - The Council's priorities for the local economy;
 - Whether the project would result in significant economic benefits;
 - Areas of need within the Borough; and
 - Whether the project represents value for money.
- 3.4 Once agreed by officers, potential projects are then submitted to the Executive Director of Place and Cabinet Member for Strategic Growth for final approval under delegated powers.

- 3.5 Responsibility for the day-to-day management of the ELDF lies with an appropriate Officer within the Council's Strategic Planning and Infrastructure team.

4. Monitoring the ELDF

- 4.1 The Council's Strategic Planning and Infrastructure team will be responsible for monitoring payments made into the ELDF via Section 106 Agreements and, in particular, when triggers for payment have been reached, if and when money has been paid and where specific payments have been utilised.
- 4.2 In addition, any breaches of Section 106 Agreements will be identified and developers will initially be notified of the breach via correspondence from the Service Manager of Strategic Planning and Infrastructure. However, the Council's Legal Services will be notified if breaches persist.
- 4.3 Provision will be made within any Section 106 Agreement for the return of funds if they have not been spent within 10 years of payment.
- 4.4 An Infrastructure Funding Statement¹ is produced annually by the Council setting out Section 106 income and expenditure for the previous financial year.

¹ <https://www.bury.gov.uk/planning-building-control/policy-and-projects/planning-policy/evidence-and-monitoring/infrastructure-funding-statement>

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