

## **Section 106 Agreements - Management Charges**

Following a review of the charges that we make in relation to managing Section 106 agreements, new rates will come into effect for all new Section 106 Agreements submitted from 1<sup>st</sup> April 2011. The last change to our rates was back in September 2006. We have looked carefully at our charges to ensure that the rates adequately cover our costs in terms of administration, billing, monitoring, chasing up outstanding payments and enforcement.

The new rates are as follows;

- £750 per standard obligation where officer time will be spent in monitoring, ensuring payment, chasing up or other administrative tasks ( all commuted sum payment obligations will fall into this category )
- £1,000 per obligation involving the payment of a commuted sum for greenspace as additional work/ costs are involved in administering the greenspace programme within the Planning Service to ensure that commuted sums are expended on appropriate schemes in local areas in consultation with Ward Members.
- There may be ad hoc rates applied in certain cases where the obligations are not standard and significant monitoring is required by the City Council – in these cases we will seek to agree a reasonable management charge with you to ensure that the costs of the Council are adequately covered from the outset.

For obligations which involve commuted sums there is no additional 5% management fees to be applied on top of the rates set out above.

The management charges for the Section 106 will be included as part of the Agreement and we would generally expect them to be paid within 1 month of the commencement of development. Where there are management charges as part of the Section 106, therefore, we will be including a clause which places a responsibility on the developer / land owner to inform us in writing when a development has commenced on site.