

## **Section 106 Planning Obligations – Draft ‘Head’s of Terms’** **(Without prejudice & subject to contract)**

### **1. Introduction**

Based upon an outline application (with all matters reserved), the following S106 planning obligations are required to mitigate the impact of the development.

### **2. Affordable Housing**

Commutated sum payments for affordable housing will normally be sought on developments of one to two dwellings anywhere within Newport. The site lies within the Housing Target Area of Newport West. Newport West requires the delivery of 30% affordable housing on new development. The equivalent commuted sums generated depends on the following formula:

| <b>Submarket</b> | <b>1bed flat</b> | <b>2bed flat</b> | <b>2bed house</b> | <b>3bed house</b> | <b>4+bed house</b> |
|------------------|------------------|------------------|-------------------|-------------------|--------------------|
| Newport West     | £858             | £1,218           | £1,532            | £1,649            | £2,064             |

This sum will be paid prior to occupation and index linked to the RPI.

Sum to be committed to be spent or spent within 5 years of receipt of last payment

### **3. Fees**

#### **Administration Fee**

In accordance with the Planning Obligations SPG (2025), a £300 administration fee is charged for monitoring the S106 agreement. This is to be paid upon signing of the legal agreement.

#### **Legal Fee**

Planning Obligations can be contained in Unilateral Undertakings or s.106 Agreements. Unilateral Undertakings are usually drafted by the developer's solicitors, whereas s.106 Agreements are usually drafted by the Council's in-house solicitors (but there is no general objection to developers arranging for their own solicitors to draft the s.106 Agreement with prior agreement). Either way the developers will be responsible for the Council's legal costs incurred in relation to the process of drafting, approving and completing the s.106 Agreement and Unilateral Undertakings, including costs of title investigation which is necessary to ensure the correct parties enter into the Deed. There is a minimum contribution to legal costs of £700, although more time-consuming and complex documents would require an increased contribution to legal costs.

*Please Note:*

*Planning Obligations can be contained in Unilateral Undertakings or Agreements. Unilateral Undertakings are usually drafted by the developer's solicitors, whereas Agreements are usually drafted by the Council's in house solicitors (but there is no general objection to developers arranging for their own solicitors to draft the Agreement if preferred). Either way the developers will be responsible for the Council's legal costs incurred in relation to the process of drafting, approving and*

*completing any Deed of Obligation, including costs of title investigation which is necessary to ensure the correct parties enter into the Deed.*

*You are required to agree to these Heads of Terms in writing. In doing so you also agree to an extension of time for the determination of your proposal in accordance with the Town and Country Planning (Fees for Applications, Deemed Applications and Site Visits)(Wales) Regulations 2015 and the Town and Country Planning (Development Management Procedure)(Wales) Order 2012. This will extend the statutory period for determination of your application by 16 weeks from the date the Local Planning Authority resolve to grant your planning permission (i.e. the Planning Committee date or the delegated Agenda date) subject to a legal agreement. This extension of time is required to enable completion of the section 106 Agreement (although the Local Planning Authority will endeavour to determine your application as soon as possible prior to this date).*

*Once your written agreement to the Heads of Terms for section 106 has been received by the Authority and a resolution made on the basis of such agreement, the Local Planning Authority will NOT enter into any negotiations that seek to alter the Heads of Terms in terms of discounting agreed figures due to, for example, viability reasons before the final Notice of Decision is issued. It is important that you check the Heads of Terms you receive thoroughly and if you have any questions regarding the figures included or the justification for them, you must raise these and satisfy yourself that the request is reasonable, relevant and necessary, prior to providing your written agreement to the Terms.*

*Any negotiations must take place before Heads of Terms are agreed by you and if you seek to discuss or re-negotiate section 106 Heads of Terms having agreed them in writing and having received a resolution (but not a decision notice), your application must be withdrawn to enable re-negotiation to take place. Failure to sign a section 106 within 3 months of any resolution being made may lead to your application being refused. Alternatively, you may proceed to complete the section 106, receive a Notice of Decision and then make a new submission to the Authority that will enable altered terms to be negotiated. Please be advised that any such re-submission will likely attract a new planning application fee.*