

Teignbridge District Council
Executive
2nd December 2025
Section 106 Monitoring Fees Proposal
Part I

Purpose of Report

To update and regularise the S106 Monitoring Fee structure within Teignbridge District Council Planning Service, making fees proportionate to the cost of monitoring.

Recommendation(s)

The Committee RESOLVES to:

- (1) Agree to and approve the introduction of a structured S106 monitoring fee of;
 - a. £350 per new deed (S106 document), plus;
 - b. £262 for each obligation contained within the S106 agreement.
- (2) Delegate authority to the Head of Strategy and Partnerships to review and update the fee annually in line with indexation (and any other changes resulting from national legislation).

Financial Implications

Accepting the recommendations in the report and moving towards a structured monitoring fee will reduce the level of support provided by the revenue budget and ensure that s.106 monitoring is self-financing.

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Legal Implications

Regulation 122 (2A) of the Community Infrastructure Levy (CIL) Regulations 2010 (as amended) permits local authorities to charge a fee for monitoring and reporting on planning obligations. The Regulation 122 tests do not apply in relation to a planning obligation which requires a sum to be paid to a local planning Authority in respect of the cost of monitoring (including reporting) provided:

- a) The sum to be paid fairly and reasonably relates in scale and kind to the development; and
- b) The sum to be paid to the authority does not exceed the authority's estimate of its cost of monitoring the development over the lifetime of the planning obligations which relate to that development.

The lawful implications of the proposals have been considered and taken into account in the preparation of this report. As noted above, the regulations allow

monitoring fees to be included in Section 106 agreements.

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Risk Assessment

Without a structured monitoring fee currently in place, the Council is failing to achieve full cost recovery, resulting in pressure on the revenue budget.

In addition, the Council will continue with challenges associated with allocating sufficient resources to monitoring developer obligations, which may lead to delayed or undelivered development obligations, and financial or infrastructure deficits.

Undeveloped infrastructure in turn has direct community impacts (such as relating to open space provision or transport improvements). In addition, there is also a risk of legal compliance challenges if obligations are not adequately monitored, leaving the Council open to dispute.

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Environmental/ Climate Change Implications

There are no environmental implications associated with the recommendations contained within this report.

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Executive Member

Cllr Gary Taylor, Executive Member for Planning and Building Control

Appendices/Background Papers:

Appendix 1: S106 Monitoring Fees Discussion Document (August 2025)

1. Summary:

- 1.1. Section 106 agreements (S106) are legally binding contracts made between developers and the local authority as part of the planning process. These agreements are used to mitigate the impact of new development sites by securing contributions towards local infrastructure, affordable homes, green

spaces, and other local services such as transport to make a development acceptable in planning terms.

- 1.2. Currently, Teignbridge District Council does not charge a proportionate or consistent fee for monitoring such agreements and overseeing them requires significant officer time and resources. This includes ensuring that financial contributions are received on time, confirming obligations have been delivered, and providing regular updates to stakeholders.
- 1.3. This proposal will introduce a S106 monitoring fee which will enable the Council to recover proportionate costs (eg officer time) spent ensuring that obligations within S106 Agreements are being delivered. Introducing this fee would not only improve the Council's ability to manage and enforce these agreements effectively, but it would also relieve pressure on the revenue budget.

2. Background:

- 2.1. At present, Teignbridge District Council does not have a formal monitoring fee. In the past, charges have been applied inconsistently at a rate of £1,000. This is not proportionate to the amount of work necessary to monitor larger developments, which often contain many provisions and are built out over a long period of time. This approach has left a gap in resources, making it difficult for Officers to track, enforce, and report on agreements.
- 2.2. To resolve this, Strategy and Partnerships propose introducing a structured monitoring fee which will provide the resources needed to manage agreements effectively, improve accountability, and ensure that communities and the Council receive financial and non-financial benefits as promised.

3. S106 Monitoring Fee Structures:

- 3.1. Three fee models have been explored to recover costs of monitoring S106 Agreements. They have been based on the officer time and complexity of developments, but only one will be adopted.
- 3.2. Option 1: Development size approach: Fees are set according to the size of the development, with tiers based on dwelling numbers (1-10, 11-25, 26-50, 51-100, 101-250, 251+). Larger developments with more obligations will pay higher fees, reflecting the extra monitoring required. (See examples set out in Appendix 1).
- 3.3. Option 2: Fixed Fee Per-Obligation: A flat fee of £262 per-obligation is proposed, based on an average of Officer hours spent per agreement.
- 3.4. Option 3: Hybrid approach: This approach would use a lower set fee per new S106 deed of £350, plus a per-obligation fee of £262. The initial fixed fee of £350 would allow for initial recording of all obligations into the relevant software and databases, with the fee per obligation allowing for ongoing monitoring including of trigger points and checking on payment or delivery.

- 3.5. All 3 options are contained and appraised in Appendix 1 (section 4). Option 3 (Hybrid approach) is considered most suitable in providing a fair and proportionate fee, balanced with the cost of service delivery. The hybrid approach recognises the cost of initial recording of obligations and ongoing monitoring.

4. Benchmarking Fees:

- 4.1. Benchmarking against other local Councils has been carried out. This exercise which has shown that other Councils use a tiered fee by development size, a per-obligation charge or a hybrid of the two. The proposed fees are also within the range that currently exist in nearby Councils.

5. Recommendations:

- 5.1. It is recommended that Teignbridge District Council adopts a set fee per new S106 deed, plus a fixed fee per obligation for S106 monitoring. This approach is fair, transparent, and links costs directly to the actual work involved, providing clarity to developers. A tiered structure has been considered but may overcharge smaller developments and undercharge larger, more complex developments, making the fixed fee the preferred option.
- 5.2. The proposed fee structure is;
- a. set fee per new S106 deed: £350
 - b. a fixed per-obligation fee of £262
- 5.3. The estimated income resulting from the introduction of the S106 monitoring fee structure would be an average of £30,396 per annum, which would be directed towards staff costs, reducing pressure on the revenue budget. This estimate is based on an average of 6 new S106 Agreements per year, each containing approximately 18 chargeable obligations. The forecast has assumed a level of development activity aligned with Local Plan Allocations and 2 windfall sites per annum. These figures are indicative and the windfall assumption is based on historical averages from the past five years, and therefore subject to variation. Using a fixed cost of £350 per agreement and a per-obligation cost of £262, the forecasted average fee per S106 agreement is £5,066. This results in an estimated annual income of £30,396 from monitoring fees. However, the actual number of agreements and obligation are likely to fluctuate for a variety of reasons. As such, this figure should be treated cautiously.
- 5.4. Please refer to Appendix 1 for information which contains the background information and option assessment.