

AM 698/24

NEW FOREST NATIONAL PARK AUTHORITY

NATIONAL PARK AUTHORITY MEETING – 17 OCTOBER 2024

REVIEW OF SECTION 106 AND BNG MONITORING FEES

Report by: Steve Avery, Executive Director

1. Introduction

- 1.1 In December 2019 the National Park Authority agreed a schedule of fees for monitoring Section 106 legal agreements which came into effect on 1 January 2020. The report recommended the fees be regularly reviewed from 2021 onwards. The fees were last reviewed in June 2022, taking account of inflationary pressures, and are now due a further review. This report therefore seeks Members' approval of a revised set of monitoring fees as set out below, which includes a new fee for monitoring the delivery of Biodiversity Net Gain (BNG).

2. Revised fees

- 2.1 The Section 106 monitoring fee should be proportionate to the respective agreements and reflect the time spent that is required to monitor individual agreements and their various covenants. Consequently, the fee is based on average hours spent, the number of covenants in the Section 106 agreement and the size of the development.
- 2.2 The calculations for the flat rate monitoring fee for Section 106 agreements includes the following elements:
- An hourly salary rate of **£41.65** (increased from £35.50 in 2022) which mainly reflects the Compliance & Legal Support Officer's rate (with the support of other officers where required). Employer's National Insurance and pension contributions have also been added, as well as overhead and travel costs.
 - An estimated total time of eight hours for the duration of a covenant for a Section 106 agreement with up to five dwellings or an area of up to 1ha has been estimated.
 - The total monitoring fee per covenant is therefore: £41.65 x 8 = **£333.20** (increased from £284 in 2022).
 - A percentage increase for certain type/size thresholds reflecting additional monitoring time required as shown in four bands:

	Band 1: 1-5 dwellings or up to 1ha of land	Band 2: 6-10 dwellings or up to 3ha of land	Band 3: 11-49 dwellings or up to 10ha of land	Band 4: 50+ dwellings or more than 10ha of land
Percentage increase	0%	20%	40%	80%
Monitoring fee per covenant	£333.20	£333.20 x 1.2 = £399.84	£333.20 x 1.4 = £466.48	£333.20 x 1.8 = £599.76

- 2.3 As before, for more complex and/or larger development schemes a bespoke monitoring fee will be negotiated with the applicant where the 'flat rate' calculation exceeds £25,000 (taking account of the above fees).

3 Biodiversity Net Gain (BNG) monitoring

- 3.1 Under the Environment Act 2021, all planning permissions granted in England (with a Government-list of exemptions) will have to deliver at least 10% biodiversity net gain. The aim is to ensure that development proposals have a positive and measurable impact on the natural environment. This became a statutory requirement for major developments on 12 February 2024 and for minor developments on 2 April 2024, and must be achieved through the creation or enhancement of habitats on the development site, or on sites elsewhere (off-site BNG).
- 3.2 Local planning authorities are able to secure a fee to cover the costs of monitoring the delivery of significant onsite and off-site BNG. The monitoring fee should cover the long-term costs of the local planning authority for reviewing reports and undertaking site visits over the 30-year period. The fees should be proportional depending on the scale of the site and the complexity of the habitats to be delivered.
- 3.3 The National Park Authority has based the proposed BNG monitoring fee set out below on the software [tool](#) developed by Mycelia Verna to calculate such fees. The proposed flat-rate BNG monitoring fee is based on the following assumptions:
- Monitoring will take place in years 2, 3, 5, 10, 15, 20, 25 and 30. This reflects the importance of ensuring habitat in the National Park is established in the early years.
 - Monitoring visits will be led by the Authority's Ecologist and this has been calculated at one day (7.5 hours) per BNG monitoring year. An allowance has also been included for 3.5 hours per monitoring year for a planning support officer resource. This reflects the similar approach adopted by New Forest District Council.
- 3.4 The monitoring fee covers 30 years and factors in inflation. The fee would be paid in a single upfront payment.

Category	Monitoring fee
BNG monitoring (less than 10 Units)	£7,506 – single upfront payment to cover 30 years of monitoring

- 3.5 The proposed flat-rate BNG monitoring fee is considered appropriate for the typically small-scale of development within the New Forest National Park. The monitoring fee for proposals that trigger a larger requirement for BNG provision (considered to be those where more than 10 Biodiversity Units are provided) will be considered on a case-by-case basis. The BNG monitoring fee will be regularly reviewed in tandem with the Section 106 monitoring fees.
- 3.6 If developers purchase off-site Biodiversity Units from a habitat bank or one of the emerging strategic BNG schemes in the New Forest area which already have an overarching legal agreement in place, an additional monitoring fee may not be required.

Recommendation

Members agree the revised schedule of fees for monitoring s106 legal agreements and the delivery of Biodiversity Net Gain as detailed in this report.

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Previous papers: **PC 397/22**
NFNPA AM 591/19

Equality Impact Assessment: National Planning Practice Guidance confirms planning authorities can charge a monitoring fee through Section 106 planning obligations to cover the cost of monitoring and reporting on delivery of that Section 106 obligation. Monitoring fees can be used to monitor and report on any type of planning obligation, for the lifetime of that obligation. The Biodiversity Net Gain legislation requires provision to be made for a minimum of 30 years. Local planning authorities are entitled to charge monitoring fees to cover the costs for the monitoring activities associated with any development that BNG applies to.