



Report To:	Overview & Scrutiny Committee
Date:	16 th July 2026
Subject:	Section 106 Agreements Analysis and Monitoring
Purpose:	To review developer (S106) obligations at Boston Borough Council, including what has been secured and delivered, alongside the remaining obligations available to support community infrastructure and value.
Key Decision:	No
Portfolio Holder:	Councillor Chris Mountain, Portfolio Holder - Infrastructure
Report Of:	Phil Norman, Service Director – Planning & Strategic Infrastructure
Report Author:	Amanda Seaton, Lead Finance and S106 Monitoring Officer
Ward(s) Affected:	N/A
Exempt Report:	No

Summary

To provide a comprehensive review of developer (S106) obligations over the past 10 years, including:

- An introduction to Section 106 agreements and how the S106 team monitors across the Partnership
- The total level of obligations secured and delivered over that period
- Identification of any reductions or variations from the original planning obligations, with clear explanations for why these changes occurred
- An assessment of outstanding or unspent obligations, and how they continue to support or could support community infrastructure and value

Recommendations

That the Overview and Scrutiny Committee notes the contents of the report and appendices.

Reasons for Recommendations

This report is to confirm how Section 106 monitoring is overseen within Boston Borough Council; no recommendations are required.

Other Options Considered

None required.

1. Background

- 1.1 Planning Obligations (also known as S106 agreements) are legal agreements which can be attached to a planning permission to mitigate the impact on an otherwise unacceptable development to make it acceptable in planning terms.
- 1.2 Once a Section 106 agreement has been signed, it is an obligation, but it will only be actioned if the planning permission is implemented and reaches the trigger point for payment. Trigger points include the commencement of development, or prior to a certain percentage of the housing development being occupied (for example 50%).
- 1.3 Obligations can only be sought where:
 - they are directly related to the development,
 - fairly and reasonably related in scale and kind to the development and
 - necessary to make the development acceptable in planning terms.
- 1.4 S106 obligations can either be provided on-site, for example through the provision of affordable housing, or off-site in the form of financial payments.
- 1.5 S106 agreements can include various separate financial obligations as part of their conditions. The most common obligations relate to Affordable Housing, Education and Healthcare. The S106 team monitors approximately 700 active obligations across the Partnership.
- 1.6 Not all obligations are payable to the Borough Council. Some are directed to Lincolnshire County Council (Education and Highways), whilst other areas are allocated to third parties such as Parish Councils or healthcare providers (NHS). In addition, certain development sites may have multiple agreements attached, covering Deed of Variations (DOVs) and Section 73 applications (S73s).

- 1.7 Where financial obligations are required towards Highways and Education (Lincolnshire County Council) and Healthcare (NHS) because of new development, these are determined on a case-by-case basis. The required obligations are supported by evidence assessing the impact of the development and identifying the mitigation measures necessary to minimise that impact. Both external bodies apply established formulas to calculate obligations and allocate funding to specific projects in accordance with their own criteria and requirements.
- 1.8 Please see link to the Boston Section 106 Frequently Asked Questions (FAQs) for further details:

[Section 106 FAQs - Boston Borough Council](#)

2. Introduction

- 2.1 The S106 team was requested to provide a comprehensive account of developer obligations secured over previous years. This includes identifying any instances where obligations have been reduced from those originally agreed at the point of planning consent, the rationale for such reductions, and an assessment of obligations that remain outstanding in terms of securing and delivering community value.
- 2.2 This report sets out the Council's approach to monitoring S106 obligations, summarises the outcomes of the recent S106 audit, and provides an overview of the Infrastructure Funding Statement. It also presents a summary of Boston's S106 agreements, including details of obligations received, expenditure to date, and funding that has been allocated and spent.

3 Monitoring and Financial Reconciliation Processes

- 3.1 The Master Monitoring and SLT Listing Spreadsheets across the three councils are maintained and regularly updated by the S106 team, working alongside the relevant Business Partners. These records are reconciled against the financial ledgers during quarterly checks, ensuring accuracy and transparency in reporting.
- 3.2 In addition to quarterly reconciliations, year-end checks are undertaken to verify monitoring fees, reserve movements, and interest calculations (provided by PSPS). These processes provide assurance that all financial transactions related to Section 106 agreements are correctly recorded and managed. For further details on the specific reconciliation activities across the Partnership, please refer to the attached finance reports.

4 Audit Outcome and Scope

- 4.1 The Section 106 Audit across the Partnership was completed in October 2025, achieving a rating of 'Adequate', which represents the second highest level attainable. This outcome reflects the team's commitment and hard work in maintaining high standards despite previous staffing restraints and the transition to a Section 113 shared-service approach.

- 4.2 The audit examined key areas to provide assurance that the arrangements in place across all three councils are meeting their obligations under Section 106 agreements. It also assessed the effectiveness of internal controls and consistency of practise.
- Policies, systems, and processes exist for monitoring and reporting s106 agreements and associated funds.
 - Systems are robust and s106 agreements were being effectively delivered.
 - The Council used effective processes when applying and managing s106 agreements.
- 4.3 **Audit Findings**
- 4.4 Audit testing confirmed that documentation relating to the allocation of s106 funds was in place and accurate. In addition, evidence was observed of regular engagement with stakeholders within the relevant processes.
- 4.5 Monitoring records for s106 were found to be aligned with the published Infrastructure Funding Statements (IFS). Budget monitoring was also integrated with financial reporting for s106s.
- 4.6 5 x medium Management Actions were assigned from their findings, 3 have been completed and the 2 outstanding relate to an ELDC investigation and the Planning Uniform Implementation project.

5 10-Year Summary

- 5.1 As part of the request for this report the S106 team have compiled detailed information relating to all section 106 agreements received within a 10-year period. Please see Appendix 1 for full details.
- 5.2 This report shows:
- Application reference(s)
 - Location
 - Date of Agreement
 - Status
 - Details of monies received, spent and transferred, separated out into obligation type
- 5.3 Please see summary of the Status of Agreements within Boston Borough Council:

Status of Agreement		
Type	Details	Total
Not Commenced	Site has not commenced	19
Ongoing	Site commenced, monitoring trigger requirements	41
Completed	Site completed; monies received / AH completed	46
Expired	S106 agreement has expired	3
Superseded	S106 agreement has been replaced with a newer agreement	2
		111

5.4 Boston Borough Council holds funding on behalf of the NHS and Lincolnshire County Council (LCC) to facilitate timely delivery of agreed schemes. These funds are retained until such time as the relevant organisation requests to 'draw down' the monies to support project delivery. In certain cases, where LCC is a named party to the agreement, funds may instead be paid directly to LCC in accordance with the terms set out within the respective legal agreements. This approach ensures flexibility while maintaining appropriate financial control and governance arrangements.

5.5 During the period under review, both external bodies have received substantial levels of funding in connection with a range of schemes and infrastructure projects. These payments reflect ongoing commitments to support service provision and development across the Borough. A summary of the total amounts transferred is provided below, outlining the overall financial position and distribution of funds.

5.6

Overall Monies Received (10 Year) LCC and NHS	Total
LCC Monies Received Directly (Education)	£1,122,115
Monies transferred to LCC from BBC (Education)	£709,956
LCC Monies Received Directly (Highways)	£18,065
Monies transferred to LCC from BBC (Highways)	£68,240
NHS Monies held by BBC	£73,588
NHS Monies transferred to NHS	£72,413
	£2,064,376

5.7 Amendments to Section 106 Agreements

5.8 During this monitoring period, a total of 24 Deeds of Variation (DOVs), Unilateral Undertakings (UUs) and supplemental Section 106 Agreements have been completed to amend existing planning obligations. These variations arise for a range of reasons, reflecting the evolving nature of development proposals and site-specific circumstances following the original agreement.

5.9 The most common reasons for amendments include changes to approved site layouts or development proposals, which can affect triggers, phasing or the applicability of certain obligations. In addition, amendments are often required to correct or refine wording within the original agreement to ensure clarity, enforceability and consistency with current policy or implementation requirements. Changes in land ownership or party interests can also necessitate updates to ensure that all relevant parties are appropriately bound by the obligations.

5.10 In some cases, variations have been used to review and, where justified, increase financial obligations or adjust the type of obligation required, particularly where viability has improved or where updated evidence identifies a greater level of impact than originally anticipated. Conversely, changes may also be made to reflect viability constraints, subject to robust assessment.

5.11 Overall, the use of DOVs, UUs and revised agreements ensures that Section 106 obligations remain flexible and responsive, allowing them to continue to effectively mitigate the impacts of development while reflecting changes in circumstances over time.

5.12 Please see the below Summary in relation to these supplemental agreements:

Agreement Amendments		
Type	Details	Total
	No increase or decrease to Contributions	13
	Amendment to Contributions - Increase	5
	Commutated Sum instead of Affordable Housing	3
	Amendment to Contributions - Decrease	3
		24

5.13 Only 2 sites within the monitoring period resulted in a reduction of previously secured obligations. Details are set out below:

- 2 x Amendments – Land known as the Quadrant, either side of the A16, south of Tyton Lane East, Wyberton

This site is a major development within Boston Borough, a 69-acre mixed-use development by Chestnut Homes. It was designed as a hybrid community featuring over 400 new homes, a new 4,000-seat stadium for Boston United, and significant commercial and roadside retail spaces.

In 2020 the removal of the Travel Plan Obligation was agreed as it was no longer required, as this mitigation was to be provided through a revised Travel Plan.

Following the submission of a Viability Assessment in 2023, it was agreed to remove obligations towards Education and Healthcare measures. This decision ensured that the scheme remained deliverable, with Affordable Housing provision prioritised across the development phases.

- 1 x Amendment – Land north of Old Main Road, Old Leake

An amendment was made to revise the obligation requirements, resulting in the removal of the Education obligation (£67,965) and the addition of a Healthcare obligation (£23,100).

This change was justified as more than five years had lapsed since the original agreement was signed. The Strategic Development Officer (Corporate Property Services) confirmed that sufficient school capacity existed locally to accommodate the pupils arising from the development, making the education obligation no longer necessary.

5.14 In all cases, reductions were supported by robust evidence, including viability considerations and updated infrastructure capacity assessments. The amendments reflect a balanced approach to maintaining development viability while ensuring that essential infrastructure needs continued to be addressed.

- 5.15 If you require any additional information in relation to site-specific queries, including the status of individual agreements, financial obligations, triggers, or project allocations, please contact the S106 team via the dedicated Section 106 inbox:

Section106@boston.gov.uk

6 Infrastructure Funding Statements (IFS)

- 6.1 District Councils are now required to produce an Infrastructure Funding Statement (IFS) on an annual basis due to changes in legislation introduced by the Community Infrastructure Levy (Amendments) (England) (No 2) Regulations 2019. This report provides a summary of the financial obligations sought and received from developers for the provision of infrastructure to support development in Boston Borough Council, and the subsequent use of those obligations.
- 6.2 The information within the report is updated annually and published on the Council's website. This ensures the most up-to-date information with regards to Section 106 agreements are readily available to members of the public and other interested parties.
- 6.3 The NHS (Healthcare), LCC (Education and Highways), and Parish Councils (Open Spaces) will produce their own reports with regards to spend for their specific obligations, as section 106 monies are transferred to these Outside Bodies.
- 6.4 Please note the data provided for developer obligations can be subject to change because it represents an estimate at a given point of time, especially in relation to outline planning applications. The details are finalised once a Full/Reserved Matters planning application has been submitted.
- 6.5 Please see link below for the Infrastructure Funding Statement for 2024/25, this report covers the financial year 1st April 2024 – 31st March 2025.

[INFRASTRUCTURE FUNDING STATEMENT \(2024-25\)](#)

- 6.6 The 2025/26 IFS will be published in August 2026, once all year-end financial processes have been completed, checked and finalised.
- 6.7 Data collated from the 2019/20 Infrastructure Funding Statement onwards is set out in Appendix 2 within the Infrastructure Funding Statement Data Summary (2019-2025). Over the six-year period, Boston Borough Council entered in to a total of 68 S106 agreements, equating to an average of approximately 11 agreements per year. In total £4,532,786 in obligations has been secured during this time.
- 6.8 As part of the changes to legislation via the Community Infrastructure Levy (2019), Councils are now expressly allowed to charge monitoring fees in relation to Section 106 agreements, providing they are proportionate and reasonable, and reflect the actual cost of monitoring.
- 6.9 The monitoring of Section 106 agreements is costly and requires significant resource, and Boston Borough Council therefore took the decision to start charging monitoring fees in 2021/22.

6.10 The time spent monitoring Section 106 agreements was calculated, and a 3-tier cascade system has been introduced to reflect the different amounts of time spent monitoring agreements for different sized developments. Fees are payable at the same time as any legal costs, or on execution of the Section 106 legal agreement.

6.11 The Council has received a total of £35,500 since 2021/22, which is used to offset the monitoring of the s106 agreements.

6.12 Analysis of IFS Data

6.13 The highest value of obligations agreed via the s106 agreements was recorded in 2021/22, largely driven by significant obligations towards Education and Healthcare. Key schemes contributing to this peak include application B/19/0383 (Land at Station Road, Sutterton), which delivered notable education and healthcare obligations, and application B/19/0040 (Land off London Road, Kirton), which secured substantial education funding.

6.14



6.15 It should be noted that the annual retained balance includes monies held on behalf of Lincolnshire County Council (LCC) and the NHS, for which the Council is not responsible for expenditure. These funds are held until they are formally requested ("drawn down") by the relevant Outside Body, at which point the Council releases the monies along with any associated interest accrued.

6.16 Outside Bodies are responsible for managing and spending their own Section 106 monies. If required, the Council can liaise with these bodies to obtain and present a more comprehensive summary of their expenditure; however, this has not been possible for the current report due to time constraints.

6.17 Affordable Housing Review

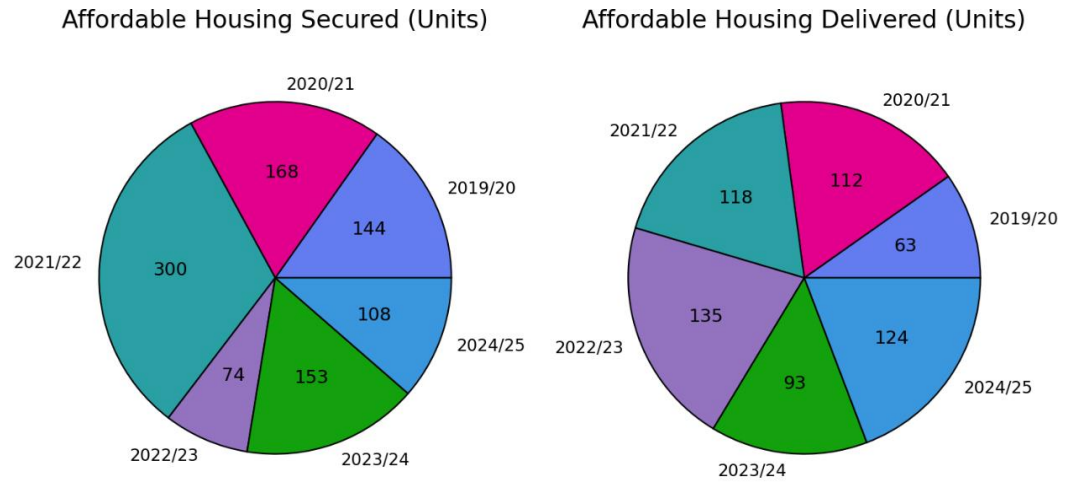
6.18 Affordable housing remains a key component of Section 106 agreements within the Borough. From 2019 to 2025, Boston Borough Council has secured the provision of 947 affordable housing units from these agreements. 645 units have also been

successfully delivered to date, contributing significantly towards meeting local housing needs.

6.19 It should be noted that Affordable Housing can be delivered other than through s106 Planning Obligations. Registered Providers (RPs) can directly build or purchase units from developers with Home England grant funding. Grant funding helps support scheme delivery enabling more units and lower social rent products to be viably delivered.

6.20 Affordable Housing completions via S106 agreements have taken place across a range of development sites, including notable schemes such as The Quadrant in Wyberton and Lindis Park in Boston. These developments demonstrate the important role that Section 106 agreements continue to play in supporting sustainable communities and ensuring the provision of affordable housing across the Borough.

6.21



6.22 The data within the graphs show that the level of obligations secured (as agreed within Section 106 agreements) is dominated by 2021/22, which accounts for the largest share at approximately 300 units. Strong levels of secured obligations are also evident in 2020/21 and 2023/24, whereas 2022/23 is notably lower by comparison.

6.23 In contrast, delivery is more evenly distributed across the years, with peaks occurring in 2022/23 and 2024/25. A key observation from this analysis is the clear time lag between securing and delivery. A high-value year for secured obligations, such as 2021/22, does not immediately translate into delivery within the same period. This supports the wider narrative around development pipelines and the phased build-out of sites.

7 Allocations – BBC Monies Update 2025-26

7.1 Details of Boston Borough Council’s Section 106 allocations for 2026 are set out in Appendix 3. This table provides a comprehensive breakdown of the financial obligations currently held by the Council, for which the authority is responsible for monitoring, managing and, where appropriate, allocating towards eligible projects in accordance with the relevant obligations.

- 7.2 In addition to the funds held directly by the Council, further obligations are also being held on behalf of the NHS in respect of healthcare provision and LCC in respect of education provision. These sums are not administered by the Council for spending purposes but are monitored to ensure compliance with the terms of the associated agreements.
- 7.3 The NHS total of £73,588 and LCC total of £203,000 relates to obligations that have been secured for specific projects. These projects are to be delivered by the relevant external bodies in line with their own delivery programmes, priorities and funding criteria, ensuring that the impacts of development are appropriately mitigated.
- 7.4 The S106 team works alongside several departments and engage with each of the Responsible Officers to ensure they are aware of monies available, alongside the relevant projects and associated deadlines.
- 7.5 Securing the delivery of affordable housing remains one of the strategic priorities for Boston Borough Council. Policy 18 of the SELLP sets out the need and delivery for affordable housing within the Borough.
- 7.6 Stuart Horton has provided updates relating to the various projects for affordable housing utilising available S106 monies:
- £1,074,000 has been approved by Cabinet for the affordable housing scheme at Land South of Wainfleet Road, Boston. Additional legal fees of £4,900 have been allocated to this project. The scheme has started on site and will deliver 158 new affordable homes.
 - £380,000 recently approved by Cabinet for the allocated scheme with Chestnut Homes at Heron Park, Wyberton (Phase 5), working alongside the Lincolnshire Housing Partnership (LHP). This scheme will provide 51 new affordable homes.

8 Conclusion

- 8.1 Great strides have been made at Boston Borough Council to improve and align the monitoring and financial robustness of s106 agreements. Closer relationships with internal teams (e.g. affordable housing), PSPS finance and the relevant Outside Stakeholders ensure clear lines of communication and responsibilities are held.
- 8.2 The Partnership is in a strong position with several Section 106 obligations ready to be invested in local priorities. Our focus is on ensuring these funds are used promptly and effectively, in line with legal requirements and agreed timescales. This commitment has been reinforced with all Responsible Officers across the Councils, and remaining funds are now being delegated to the relevant officers to drive progress through 2026/27.
- 8.3 A comprehensive allocation report has been prepared for Boston Borough Council. These confirm available funds, identify exciting project opportunities, and assign clear leads for delivery. These plans aim to maximise the impact of obligations on local infrastructure and community enhancements, while reducing any risk of funds remaining unspent.

Implications**South and East Lincolnshire Councils Partnership**

None.

Corporate Priorities

None.

Staffing

None.

Workforce Capacity Implications

None.

Constitutional and Legal Implications

None.

Data Protection

None.

Financial

None.

Risk Management

None.

Stakeholder / Consultation / Timescales

No consultation undertaken.

Reputation

None.

Contracts

None.

Crime and Disorder

None.

Equality and Diversity / Human Rights / Safeguarding

None.

Health and Wellbeing

None.

Climate Change and Environment Impact Assessment

None.

Acronyms

S106 – Section 106 Agreement

DOV – Deed of Variation

UU – Unilateral Undertaking

LCC – Lincolnshire County Council

NHS – National Health Services

SELLP – South East Lincolnshire Local Plan

IFS – Infrastructure Funding Statement

Appendices

Appendices are listed below and attached to the back of the report:

Appendix 1 – BBC 10-Year Summary (S106 Agreements)

Appendix 2 – Infrastructure Funding Statement Data (2019-2025)

Appendix 3 – BBC S106 Allocations – Monies Held 2026

Background Papers

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report.

Chronological History of this Report

A report on this item has not been previously considered by a Council body.

Report Approval

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