

Meeting: Finance Sub-Committee

Date: 07 February 2023

Title: Section 106 overview and update on spend and project delivery

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Service: Strategic Investment & Property / Strategic Finance

Wards affected: All

1. Purpose of Report

To provide an update on the s106 position as at 31 December 2022.

2. Recommendations

The Finance Sub Committee are asked to:

- a) note the information contained within this briefing note and the associated appendices;
- b) pay particular attention to the Authority's plans to use Section 106 funding for the improvement of parks; and
- c) identify any other areas of Section 106 funding where these sums are not yet committed or spent and invite the relevant officers responsible for the delivery of the projects to attend a future meeting to examine the Authority's plans to use the funding.

3. Details

Planning obligations under Section 106 (s106) of the Town and Country Planning Act 1990, are commonly known as s106 agreements. They are a mechanism which make a development proposal acceptable in planning terms, that would not otherwise be acceptable, and are focussed on mitigating the impact of the development on an area. S106 agreements are often called 'developer contributions' or 'planning gain' and include a range of identified categories, historically including highways, affordable housing, sport and leisure, health and play sites, amongst others.

The s106 Capital Programme Manager and s106 service area leads utilise the information collated within the Authority's s106 governance and monitoring process to define what monies are available for what and where this can be allocated, and develop projects based on this information.

The s106 programme of works aims to supplement and support the wider Authority budget, to ensure a good spread of spend for all areas of the Borough and to provide flexibility and value for money.

A new s106 governance flow chart has been developed by Planning in conjunction with service areas, and was approved at 28th November 2022 Cabinet.

Developer contributions is the term used to refer to the Community Infrastructure Levy (CIL) and planning obligations “(commonly referred to as ‘Section 106’ or S106 contributions after Section 106 of the Planning Act). These are planning tools used to secure financial or non-financial contributions towards the provision of infrastructure to support and enable development and to mitigate the impact of development. CIL contributions now include secondary education, health and community facilities and other infrastructure developer contributions.

CIL continues to develop within the Authority and updates will be incorporated within this report over time as necessary. £396k of CIL monies have been received by the Authority, with no projects allocated or monies spent to date.

S106 monies:

The s106 Capital Programme Manager and s106 service area leads utilise the information collated within the Authority’s s106 governance and monitoring process to define what monies are available and where this can be allocated, and develop projects based on this information.

The s106 programme of works aims to mitigate the impacts of developments within the Borough, supplementing and supporting the wider strategic North Tyneside Plan.

Service areas are routinely reviewing this information and developing projects, which are then presented to IPB for consideration prior to securing full IPB approval. If approved the projects are then delivered.

The latest s106 finance spreadsheet which includes the financial information of all developer contributions, which have been received by the Authority can be found within the appendix.

Spend Update:

	31 July 2022	30 September 2022	31 December 2022
Received	£18.021m	£18.822m	£20.266m
Spend	£6.271m	£6.273m	£6.609m
Balance	£11.750m	£12.590m	£13.656m
Committed (from available balance)	£3.157m	£3.179m	£3.910m

S106 allocated available monies relates to money received by the Authority through planning gain, this totals £13.656m as of 31 December 2022. In order to deliver projects within this budget, service areas are developing and completing projects based on the legal parameters set within the wording of the planning obligations, all overseen by the Investment Programme Board (IPB) group. Significant work is happening with relevant officers in developing key projects and allocating the spend within all service areas.

As at 30 December 2022, £20.266m had been received by the Authority, of which £6.609m has been expended in line with agreements. £13.656m remains as at 30 December 2022, of which £3.910m is committed.

Parks

At its previous meeting the sub-committee highlighted a number of examples of significant sums of money having been received but not yet committed or spent. It was agreed that officers responsible for the delivery of projects to be funded from Section 106 contributions be invited to attend future meetings to provide an update on the sums not yet committed or spent and that this process commence by examining the Authority's plans to use Section 106 funding for the improvement of parks.

Accordingly Kimberley Pye, the Head of Environment & Safer Neighbourhoods, and Neil Hodgson, the Operations Manager Horticulture & Parks, have accepted an invitation to attend this evening's meeting to present an update on plans to use Section 106 funding for the improvement of parks.

4. Background Information

Appendix 1 – s106 Spend & Commitments Summary
Appendix 1 - s106 Spend & Commitments Detail