

Meeting: Finance Sub-Committee

Date: 28 March 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

This report provides an update on the s106 position as at 28 February 2023 and is for information only.

Officers will bring to Finance Sub Committee, presentations providing a strategic overview on section 106 processes and delivery. As well as a specific update on delivery of Sport and Play sites contributions by the service area lead.

2. Recommendations

The Finance Sub Committee are asked to note the information contained within this briefing note and the associated appendices.

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. £318k 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:

	30 September 2022	31 December 2022	28 February 2023
Received to date	£18.822m	£20.266m	£20.300m
Spend to date	(£6.273m)	(£6.609m)	(£8.836m)
Committed (through IPB Governance)	(£3.179m)	(£3.910m)	(£2.898m)
Uncommitted Balance	£9.370m	£9.747m	£8.566m

S106 allocated available monies relates to contributions received by the Authority through planning gain, this totals £8.566m as of 28 February 2023. 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 28 February 2023, £20.300m had been received by the Authority, of which £8.836m has been expended in line with agreements. £11.464m remains as at 28 February 2023, of which £2.898m is committed. This leaves an uncommitted balance of £8.566m

4. Background Information

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