

## Meeting: Finance Sub-Committee

**Date:** 13 July 2022

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

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**Service:** Strategic Investment &  
Property / Strategic Finance

**Wards affected:** All

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### 1. Purpose of Report

To provide an update on the latest s106 position

### 2. Recommendations

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

### 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.

Finance, working alongside colleagues within Planning and Strategic Property & Investment took the opportunity to undertake a line-by-line review of each scheme confirming balances and spend with project managers.

A review of balances and schemes has largely been undertaken, however there are still responses we are anticipating. This may have a minor impact on the appended table. The overall balance will not change, however the split between the allocations could be subject to minor updates.

#### **Examples of s106 projects approved and delivered in the last 12 months:**

Many s106 projects have been approved by Investment Programme Board (IPB) and delivered over the last 12 months, from a range of service areas, including play sites, parks, sport and leisure, health and highways.

Some recent examples include:

Gosforth Nature Reserve improvements - £65k  
New fencing and management of the site including grey squirrel control.  
Project due to complete July 2022.

Northwest Library improvements - £129k  
Various library facility improvements to the Authority's Northwest premises, including new flooring, shelving and IT.  
Project due to complete August 2022.

New build Wallsend town centre medical practice – £264k  
Enabling costs for new combined health centre.  
Project due to be completed August 2022.

### **S106 monies:**

The s106 Capital Programme Manager and s106 service area leads utilise the information collated within the Authority's s106 spreadsheets 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.

Service areas are routinely reviewing this information and developing projects, which are then presented to the IPB subgroup for consideration prior to securing full IPB approval. If approved the projects are then delivered. The examples referenced above are a small snapshot of this process in action.

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

S106 allocated available monies relates to money received by the Authority through planning gain, this totals £11.820m as of 30 June 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.

## **4. Background Information**

Appendix 1 – s106 allocated available monies.