

Meeting: Finance Sub-Committee

Date: 13 Sept 2022

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

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Wards affected: All

1. Purpose of Report

To provide an update on the latest s106 position. S106 update was provided to the July Finance sub-committee, and it was requested additional detail was provided as part of the September Finance sub-committee.

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.

Contributions are also awarded to address ecology impacts of a development. As part of securing a contribution the service area must demonstrate that a scheme is going to impact a nature conservation site close to the development (normally within 2km) and on that basis they can request S106 monies to this locality.

As part of a s106 agreement there are often specific conditions which must be met, particularly around the timescale for spending the funds, which need to be taken into account when developing suitable schemes. S106 allocations are not based upon specific ward boundaries but proximity to the development which levered in the contributions from the relevant Developer.

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 as part of

the gateway process and to ensure the proposed scheme is aligned with the Authority's priorities and key strategies. If approved the projects are then delivered as part of the Investment Plan.

Finance, working alongside colleagues within Planning and Strategic Property & Investment, have prepared the attached Appendix 2 which sets out the current position of s106 monies, including the balances, commitments and current spend on each project.

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. In the 2021/22 financial year a total of £725k of capital investment was financed using s106 contributions. Some recent examples include:

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

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

4. Background Information

Appendix 1 – s106 Monitoring Statement (previously reported to Finance Sub-committee)

Appendix 2 – Detailed s106 Spend and Commitments Schedule