

## **RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE**

5<sup>th</sup> July 2021

### **REPORT OF CORPORATE DIRECTOR – OPERATIONS AND DELIVERY**

#### **A.1 Use of s106 Funding**

(Report prepared by Tim Clarke)

#### **PURPOSE OF THE REPORT**

To provide basic background information to inform discussions around the following agenda item:

Use of Section 106 monies - where is it being spent across the District, what schemes are being supported through those monies, the process for monitoring use of such monies and the governance of choices of schemes/scheme details approval.

#### **INVITEES**

None

#### **BACKGROUND**

As set out in Purpose above.

#### **DETAILED INFORMATION**

Section 106 (S106) Agreements are legal agreements between Local Authorities and developers; these are linked to planning permissions and can also be known as planning obligations.

Section 106 agreements are drafted when it is considered that a development will have significant impacts on the local area that cannot be moderated by means of conditions attached to a planning decision.

For example, a new residential development can place extra pressure on the social, physical and economic infrastructure which already exists in a certain area. A Planning obligation will aim to balance the pressure created by the new development with improvements to the surrounding area ensuring that where possible the development would make a positive contribution to the local area and community. The agreement may provide for a financial contribution (often referred to as an off-site contribution or commuted sum) to be made or a particular scheme or improvement may be undertaken by the site developer.

The S.106 will vary depending on the nature of the development and based on the needs of the District. The most common obligations include:-

Public Open Space  
Affordable Housing  
Education  
Highways  
Town Centre Improvements  
Health

A quarterly report is published on the Council's website to show how and where contributions have been spent and the Infrastructure Funding Statement shows in more detail the funds received and allocated to projects across the District.

The statement provides a summary of financial contributions the Council has secured through Section 106 agreements from new developments for off-site open space, affordable housing and regeneration work along with highway works completed as part of new developments through Section 278 agreements.

In summary, the report provides:

- an overview of what S106 and S278 agreements are
- the Council's internal process relating to S106 contributions
- the s106 contributions paid to the Council in the current year
- s106 contributions and s278 works committed for future years
- projects delivered in the District via S106 and S278 agreements in the current year

The Planning Service maintains a register of s106 agreements and obligations. A schedule of sums available, intended purpose and location is maintained and updated within the service by a specific officer. The schedule is periodically discussed with managers with particular regard to any sums that may be available for a limited remaining period. Service managers for the intended purpose of the sums are responsible for identifying potential schemes. Allocations and spend are tracked and reports through the Council's financial reporting systems and high level budget monitoring.

Affordable Housing sums are generally spent on housing acquisitions and may be used in combination with capital receipts from Right to Buy Sales and other capital funding within the Housing Revenue Account. Purchases are considered with reference to the Housing Acquisition & Development Policy to ensure they meet the criteria the Council has adopted. Each proposed acquisition is then subject to discussion between finance and housing officers and a final decision on what funding is used is made either in the Cabinet report or portfolio holder decision that is taken to make the purchase. In 2020/21 £261,000 was spent from s106 funding on housing acquisitions.

Sums allocated for public space are identified for use by the Head of Public Realm and

often this is set out in the s106 agreement itself. The Head of Public Realm engages with Town and Parish councils and ward members as required to ensure provision meets local needs. The intention is to use funds to meet local needs and improve public realm in line with corporate priorities. In addition to the governance of the planning service aimed at using funds for the intended purposes in intended locations the Council's normal decision making processes apply to schemes including development of land and expenditure of sums. A recent example of a completed scheme is a new play area created off Halstead Road Kirby Cross. S106 monies were used to create a significant new equipped play area for local use. An example of a project in development is an upgrading of the flood memorial at Harwich. The scheme was initiated by local members and potentially, subject to approvals, includes a repositioning of the memorial itself, new paving, lighting and Mural.

#### **RECOMMENDATION**

**That the Committee determines whether it has any comments or recommendations it wishes to put forward to the relevant Portfolio Holder or Cabinet.**