



**Policy, Finance and
Development
Committee**

**Tuesday, 26
November 2019**

**Matter for
Information and
Decision**

Report Title: **Section 106 Open Space, Sport and Recreation Contributions
(June - November 2019)**

Report Author(s): **Emma Brackenbury (Planning Policy Officer)**

Purpose of Report:	<p>This report is to inform Members of the latest position regarding projects that could be funded through financial off site Section 106 Open Space, Sport and Recreation Contributions.</p> <p>The report also clarifies the mechanism that is in place in relation to the identification of open space, sport and recreation infrastructure requirements and the identification of S106 funding.</p>
Report Summary:	<p>This report builds on the Section 106 Open Space, Sport and Recreation Contributions report that was noted by Members at Service Delivery Committee on 11th June 2019. It provides an up to date list of potential open space, sport and recreation infrastructure requirements which could be funded through Section 106 Contributions.</p> <p>All projects notified to Officers since the previous Policy, Finance and Development Committee have been assessed by the Council's Section 106 Officer Working Group and those which comply with the 3 Community Infrastructure Levy (CIL) tests, have been added to the list.</p>
Recommendation(s):	<p>A. That the list of potential open space, sport and recreation infrastructure requirements (as set out at Appendix 1) are approved; and</p> <p>B. That the projects will be progressed in line with the Council's Capital Programme.</p>
Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):	<p>Stephen Hinds (Deputy Chief Executive) (0116) 257 2681 stephen.hinds@oadby-wigston.gov.uk</p> <p>Adrian Thorpe (Head of The Built Environment) (0116) 257 2645 adrian.thorpe@oadby-wigston.gov.uk</p> <p>Jamie Carr (Planning Policy Team Leader) (0116) 257 2652 jamie.carr@oadby-wigston.gov.uk</p> <p>Emma Brackenbury (Planning Policy Officer) (0116) 257 2668 emma.brackenbury@oadby-wigston.gov.uk</p>
Corporate Objectives:	<p>Building, Protecting and Empowering Communities (CO1) Growing the Borough Economically (CO2)</p>
Vision and Values:	<p>"A Stronger Borough Together" (Vision)</p>

	Teamwork (V3) Innovation (V4) Customer Focus (V5)
Report Implications:-	
Legal:	There are no implications arising from this report.
Financial:	The financial implications are contained in the report and any schemes which are approved will be added to the capital programme.
Corporate Risk Management:	Economy / Regeneration (CR9)
Equalities and Equalities Assessment (EA):	There are no implications arising from this report. EA not applicable.
Human Rights:	There are no implications arising from this report.
Health and Safety:	There are no implications arising from this report.
Statutory Officers' Comments:-	
Head of Paid Service:	The report is satisfactory.
Chief Finance Officer:	The report is satisfactory.
Monitoring Officer:	The report is satisfactory.
Consultees:	None.
Background Papers:	<ul style="list-style-type: none"> • Developer Contributions Supplementary Planning Document (2019) (accessible at Developer Contributions Supplementary Planning Document - Oadby and Wigston Borough Council)
Appendices:	<ol style="list-style-type: none"> 1. Current Section 106 Projects (Fully Funded) 2. Current Section 106 Projects (Funding Not Allocated) 3. Completed Section 106 Projects (Since Last Report)

1. Section 106 Projects

- 1.1. The Council has in place a Developer Contributions Supplementary Planning Document. This Supplementary Planning Document enables the Council to negotiate a range of financial contributions, including those towards off site infrastructure relating to open space, sport and recreation when granting planning permission for new housing developments of 11 or more dwellings, where provision is not made on site. The specific details of the financial contribution are set out in the Section 106 Agreement that accompanies the planning permission. The financial contribution normally includes both a capital and revenue element.
- 1.2. There are several key 'rules' that the Council must abide by when accruing and spending the financial contributions based on the Legislation relating to Section 106 Agreements:
 - The contribution(s) must be spent on infrastructure that is necessary to mitigate the impact of the new development; directly related to the development; and, reasonable in scale and kind;

- The Council should identify what the financial contribution will be spent on at the time of negotiating the Section 106 Agreement; and
 - The Council must spend the financial contribution within the timeframe set out in the S106 Agreement (usually 5 years, unless otherwise stated).
- 1.3. In order to ensure that the Council meets these rules, a Section 106 Officer Working Group is tasked with regularly reviewing the Council's position to ensure that spending of financial contributions is done so in accordance with the appropriate Legislation.
 - 1.4. It is particularly important that the Council has in place a 'current' list of potential open space, sport and recreation infrastructure requirements that are required to mitigate the impact(s) of the new development. This list will then be taken into account by the Council when negotiating financial contributions with developers. In negotiations, the Council will work with the developer to identify the most relevant infrastructure project(s) on the list that a financial contribution could relate to in order to mitigate the impact of the development. Where possible and appropriate, an infrastructure project with some funding already allocated to it will be given a higher priority for future funding.
 - 1.5. The current list of Section 106 projects that are fully funded through Section 106 Contributions is attached at Appendix 1. The current list of projects where funding is being compiled through Section 106 Contributions is at Appendix 2. Any project where currently no funding is available through Section 106 Contributions is at Appendix 3. These lists will be reported to this Committee every 6 months. The projects are listed in no priority order. The list sets out; the project; the estimated total cost; the amount of S106 funding currently allocated to it; and, the current stage of implementation.
 - 1.6. Members are invited to suggest additional open space, sport and recreation infrastructure requirements to add to the list at any time by email to planningpolicy@oadby-wigston.gov.uk. Requests may arise, for example, through the Residents Forums. The request will then be considered by the Section 106 Officer Working Group to ensure that it meets the necessary rules associated with S106 funding. If it meets the rules it will be added to the list, for Member approval.
 - 1.7. It is important to clarify that once a project is added to the list, it cannot be delivered until the necessary funding has been identified in line with the process explained earlier. Due to this, it may take several years to fully accrue all of the funding required to deliver the project. Changes to the CIL regulations mean that the pooling restriction has been lifted. Therefore going forward, the Council can pool as many Section 106 together as required.
 - 1.8. Once the capital element of a S106 Agreement has been spent, the revenue element is transferred into the Council revenue budget to account for the additional cost to the Council of maintaining additional infrastructure. A list of the completed projects since the last report is at Appendix 4. However, members must be mindful that S.106 revenue contributions are finite and when they are expended, the revenue liability falls directly onto the Council Tax payer. Consequently, the Council must take all necessary steps to ensure that future revenue impacts are minimised.
 - 1.9. It should also be noted that in addition to Appendix 1 to 3, the Council also has an Infrastructure Delivery Plan (IDP) that also has a live list of strategic and larger local infrastructure projects. Also the Council's Playing Pitch Strategy (PPS) has a number of projects included. Whilst not all of these projects in the IDP and PPS will come forwards via S106 and not all relate to open space, sport and recreation, where they do they tend to form larger, more strategic projects that may require larger sums of money from various sources of funding.