

Report to Budget and Corporate Scrutiny Management Board

14 September 2023

Subject:	Outcome of the Budget and Corporate Scrutiny Management Board Spotlight Session on Section 106 Monies
Director:	Surjit Tour Monitoring Officer and Director of Legal Services
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1 Recommendations

- 1.1 That the Budget and Corporate Scrutiny Management Board note the recommendation for the Assistant Director: Green Spaces, Green Services and Events to present a yearly update to each of the Town Boards to discuss available Section 106 funds.


2 Reasons for Recommendations

- 2.1 It was deemed essential that members be consulted on the use of Section 106 monies to ensure that funding was used appropriately in all wards across the borough.
- 2.2 Providing updates on Section 106 monies at a town level would enable members to represent the views of their constituents on how best Section 106 funding is spent in their respective areas.



2.3 Members were pleased with the improvements and greater cross-department working taking place to ensure that outstanding 106 money was spent however, further focus on consulting with Councillors was suggested.

3 How does this deliver objectives of the Corporate Plan?

	<p>Section 106 money can be used to contribute to the costs of providing community and social infrastructure. Ensuring that Section 106 is used appropriately</p> <p>As the majority of funding is held by the parks team, it is vital that value for money is achieved by maintaining the borough's green spaces for children, young people and adults to use.</p>
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4 Context and Key Issues

- 4.1 On 27 July 2023, members from the Budget and Corporate Scrutiny Management Board attended a “spotlight session” to discuss how the Council’s Section 106 funds are managed and distributed.
- 4.2 Section 106 funding can be sought from developers to contribute towards the costs of providing community and social infrastructure. The monies in question are regarded as Planning Obligations and have been obtained following the granting of planning permission. They are legal obligations entered into to mitigate the impacts of a development proposal. Section 106 of the Town and Country Planning Act 1990 allows the developer/ owner to enter into an agreement with the local planning authority. Such Agreements are legally binding but a Deed of Variation can jointly be signed by both parties if the monies for example would be better spent on another site.
- 4.3 The spotlight session allowed scrutiny members to review the current section 106 spend and how these funds were distributed across the different Council departments in which Parks held the most amount of agreements.
- 4.4 Members discussed the legal arrangements surrounding 106 spend and reviewed a breakdown of current spend and contribution. The 106 spend



was monitored by a designated officer within the Planning service area who would ensure spend was compliant as well as the level of funds available and any deadline attached to the funds.

- 4.5 Decisions around Section 106 spend was determined by the specific conditions attached to the Section 106 agreement, usually defined by site, area or ward.
- 4.6 There was a national movement away from 106 agreements towards the Community Infrastructure Levy (CIL) and the majority of 106 agreements were historic.
- 4.7 The majority of the 106 agreements related to green spaces and improvements and modifications to the highway. The money available was very restrictive. The money was held separately to the general budget as it was ringfenced for the use set out in the 106 Agreement. Interest was incurred on the 106 money held.
- 4.8 Works undertaken were scheduled in advanced, it was regarded as best practice that ward members be consulted on where money is spent within their wards along with friends groups across Sandwell.

5 Implications

Resources:	There are no implications arising from this report.
Legal and Governance:	There are no implications arising from this report.
Risk:	There are no implications arising from this report.
Equality:	There are no implications arising from this report.
Health and Wellbeing:	There are no implications arising from this report.
Social Value:	There are no implications arising from this report.
Climate Change:	There are no implications arising from this report.
Corporate Parenting:	There are no implications arising from this report.



6 Appendices

None

7. Background Papers

None

