

REDDITCH BOROUGH COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE

12th April 2016

S106 FUNDING – BACKGROUND INFORMATION

Relevant Portfolio Holder	Cllr John Fisher, Portfolio Holder for Corporate Management
Portfolio Holder Consulted	Yes
Relevant Head of Service	Jayne Pickering, Executive Director of Finance and Corporate Resources
Ward(s) Affected	All wards
Ward Councillor(s) Consulted	N/A
Non-Key Decision	

1. SUMMARY OF PROPOSALS

To present members with information regarding elements of Section 106 schemes and funding. Further information about the planning aspects of Section 106 agreements will be provided in a verbal update to the Committee meeting and the current financial position is included in Appendix 1.

2. RECOMMENDATIONS

The Committee is asked to **NOTE** the contents of the report.

3. KEY ISSUES

Financial Implications

- 3.1 Appendix 1 shows the current balance of Section 106 funding allocated to Redditch Borough Council, this totals £1.166m. Of this sum £600k has been allocated to capital projects (which is highlighted in green). The remaining £566k relates to commuted sums and will be spent on maintaining the areas adopted by the Council as specified in the Section 106 Agreement (highlighted in amber).
- 3.2 The schemes highlighted in blue represent anticipated income of £591k. These developments have not yet met the trigger point in the agreement for the sums to become due.
- 3.3 The Section 106 schedule is managed within the financial services team and updated as additional schemes are agreed and funding received. A regular officer meeting is held to ensure funding is being utilised in accordance with the agreements in place.

Legal Implications

- 3.4 Failure to spend the funds as stated in the agreement, may lead to the authority having to pay back any sums received to the developer.

Service / Operational Implications

- 3.5 Once the trigger point in the scheme has been reached the developer is invoiced for payment. Once payment has been received a capital bid must be approved by Members to allocate the funds to the project.

Customer / Equalities and Diversity Implications

- 3.6 The schemes undertaken will support all residents and customers of the Borough.

4. RISK MANAGEMENT

- 4.1 Failure to properly manage the Section 106 scheme could result in the funds not being spent per the agreement and could result in a challenge from the developer and the funds having to be returned
- 4.2 Failure to monitor the progress of the development may result in the Council not billing the developer in a timely manner.

5. APPENDICES

Appendix 1 - Current S106 Funds

6. BACKGROUND PAPERS

S106 spread sheet

AUTHOR OF REPORT

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