



Date of Meeting	14 th November 2019
Portfolio	Cabinet Member for Housing, Planning and Development
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Public/Private Document	Public

Section 106 Formal Sport and Local Open Space

Executive Summary

- 1.1 This report updates Elected Members on the progress made in updating procedures to allocate Section 106 Formal Sport and Local Open Space contributions following an audit report, which was produced in October 2018.
- 1.2 This report provides information on the current balance of unallocated Section 106 Formal Sport and Local Open Space contributions, on a Ward, Township and borough wide basis.

Recommendation

- 2.1 Elected Members note the procedures in place to allocate Section 106 Formal Sport and Open Space contributions, both in relation to historic agreements, signed prior to April 2015 and agreements following the change in Community Infrastructure Levy (CIL) legislation in April 2015.
- 2.2 Elected Members note the unallocated Section 106 Formal Sport and Local Open Space contributions and the restrictions upon them, for their Ward and Township.

Reason for Recommendation

- 3.1 Section 106 Planning Obligations regarding Formal Sport and Local Open Space attract significant resources to improve local sports and general recreation facilities for the benefit of the residents of our communities. The Council is obliged to ensure that these resources are spent efficiently and in accordance with local policy and Government guidance.
- 3.2 Following an audit of the Section 106 process in October 2018, additional procedures have been developed to ensure the efficient allocation and spend of historic and new Section 106 contributions in accordance with local policy and Government guidance.

Key Points for Consideration

- 4.1 In October 2018, the Council's Internal Audit team produced a report on Section 106 Planning Obligations. The key objective of the audit was to ensure that Section 106 arrangements are managed appropriately.
- 4.2 The audit provided an assurance opinion that Section 106 arrangements were adequately managed, stating that "the control systems in operation are generally sound. However, opportunities exist to improve the management of some risks".
- 4.3 The audit report made two recommendations, firstly establishing a Section 106 Officer Steering Group and secondly to review existing unallocated section 106 contributions.
- 4.4 A breakdown of all unallocated Formal Sport and Local Open Space by Ward and Township is attached to this report (Appendix 1). The council currently holds £551,078 in unallocated Formal Sport contributions and £798,027 of Local Open Space contributions.
- 4.5 In accordance with the recommendations of the audit report, an officer steering group has been created and is chaired by the Assistant Director for Place (Neighbourhoods).
- 4.6 This group has reviewed processes for the delivery of Section 106 contributions which fall in to two categories:
 - Those relating to pre April 2015 agreements, where Elected Member approval (Cabinet for Formal Sport and the relevant Township for Local Open Space) for the allocation of existing contributions is required; and
 - Those relating to post April 2015 agreements, where Elected Member approval for new allocations is required as part of the planning process.
- 4.7 Members should note that Section 106 allocations for formal sport should be prioritised to support the priorities in the Council's Play Pitch Strategy, this strategy takes a hierarchical approach, prioritising Township hub sites, followed by key education sites, followed by single sport representation and larger multi-pitch sites and finally small club sites.
- 4.8 Members should also note that Section 106 allocations for play provision should be informed by the Council's forthcoming Play Strategy, subject to Cabinet approval; and associated Township Action Plans, subject to Township approvals.
- 4.9 Members should also note that Section 106 allows for the provision of 20 years maintenance of both local open space and formal sport; and the future maintenance of any new or improved provision must be considered when Section 106 contributions are allocated.
- 4.10 Planning officers are currently progressing an SPD which if adopted by Cabinet will allow future allocations of Section 106 to be used for indoor sports, these being prioritised through the Council's Built Facilities Strategy.

4.11 Appendix 2 provides an update on allocated projects, currently in progress, on an individual Township basis and sets out the priorities that are being followed; aligned to existing and emerging policy.

4.12 **Alternatives Considered**

The Council is required to spend Section 106 Formal Sport and Local Open Space contributions in accordance with legal agreements and local and national planning policy. Not following the recommendations of the audit report, risks a loss of efficiency in delivery of Section 106 projects and the associated benefits to residents and potentially contributions being returned to developers unspent.

Costs and Budget Summary

5.1 A breakdown of all unallocated Formal Sport and Local Open Space by Ward and Township is attached to this report. The council currently holds £505,742 in unallocated Formal Sport contributions and £806,342 of Local Open Space contributions.

Risk and Policy Implications

6.1 Contributions from Section 106 agreements, must be spent within the parameters of each of those legally binding documents. Where the money is not spent within the appropriate parameters, then this risks legal challenge, which would present significant financial and reputational as well as legal risk to the Council.

6.2 Where there are any queries or where there is any uncertainty on spending contributions obtained through Section 106 planning obligations, this should be raised and advice should be sought from Legal Services and where appropriate the Section 151 Officer, as any misspending may obviously impact on that function.

Consultation

7.1 This report is to inform Elected Members of the progress in meeting the recommendations of the audit report and current unallocated Section 106 Formal Sport and Local Open Space contributions held by the Council.

7.2 Further reports will be presented to appropriate committees to seek authority to allocate Section 106 Formal Sport and Local Open Space contributions, following consultation with Ward Councillors and Portfolio Holders.

Background Papers

Place of Inspection

8. Provision of Recreational Open Space in New Housing Supplementary Planning Document

Planning and Development, Floor 3, Number One Riverside or online at: <http://rochdale.gov.uk/pdf/2017-02-21-recreation-open-space-spd-updated-v2.pdf>

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