

**TEESDALE DISTRICT COUNCIL**

**Report To: EXECUTIVE COMMITTEE**  
**1 December 2008**

**By: Lead Member for Environment (Cllr. O. Hedley)**

**Ward Member: All Barnard Castle Wards**

**Subject: "Commuted Sums and S106 Monies" and a proposal by  
Barnard Castle Vision and Barnard Castle Town Council**

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**1.0 SUMMARY**

1.1 This report provides details of a proposal relating to commuted sums and S106 monies in Barnard Castle. Such monies are payments received from developers voluntarily or under Section 106 of the Town and Country Planning Act following the grant of planning permissions (usually for residential development) that will place additional strain on public infrastructure. These enable the Council to put in place additional facilities such as car parking, play and open spaces for the benefit of the community. A joint proposal has been submitted by Barnard Castle Town Council and Barnard Castle Vision for the use of those funds that relate to the Town.

**2.0 RECOMMENDATIONS**

2.1 It is recommended that:

2.1.1 The Executive Committee approve the proposal in principle.

2.1.2 That authority is delegated to the Chief Financial Officer to determine the division of funds for completion of the study and for implementation of the projects that arise from it.

2.1.3 That if the proposal is not completed by vesting day for the new Unitary Council, that the administration of the funds is discussed and agreed with Durham County Council.

**3.0 BACKGROUND**

3.1 Over several years sums of money known as commuted sums have been received by the Council following the grant of planning permission for housing developments. These sometimes must be used for specific purposes and in some cases there are time limits by which the money must be spent or it may be reclaimed by the developer. In other cases there are no restrictions. Some of these funds have already been expended or are committed.

- 3.2 A schedule of the commuted sums that are still available for Barnard Castle is attached as Appendix 1.
- 3.3 A series of meetings has been set up with the Members in each of the areas to which the commuted sums apply, including a meeting with Barnard Castle Ward Members and the Town Council. As a result the Town Council has worked with the Barnard Castle Vision and has submitted the proposal that is attached as Appendix 2.
- 3.4 The proposal therefore has the merit of the support of 2 organisations that focus upon the interests of the Town and would provide 'leverage' for bids to be made for funding from the Heritage Lottery Fund, Groundwork and other sources which could amount to £1m.
- 3.5 This would clearly have a hugely more beneficial effect upon the Town than the expenditure of the funds concerned either on a single project or a series of smaller scale improvements.
- 3.6 It is not yet clear what the cost of the study will be, so any decision made by the Executive Committee ought to be in principle and should enable the division of the funds in question to be reasonably apportioned between the cost of the study and the cost of implementing its findings. It will be necessary to ensure that the funds are not used to simply to produce a study that is not then implemented. The proposal states that the Town Council "has an aspiration to improve the opportunities for recreation and community involvement building upon the modest infrastructure that already exists in terms of playing fields, play areas, open spaces and allotments." If this Council agrees to the proposal it will be important to communicate back to the Town Council and the Vision the clear expectation that this will lead to actual improvements to the Town's infrastructure for the benefit of the community.
- 3.7 To avoid the delays that could occur if further reports had to be made back to Members given the short time period that remains before vesting day, it is suggested that authority should be delegated to the Chief Financial Officer to agree the apportionment of funds towards the study and the actual cost of implementing works.
- 3.8 If, as is likely, that the proposal is not fully implemented before vesting day agreements will be made with Durham County Council on the administration of the funds. This will ensure that a decision by this Council on the use of these funds will be enacted in the future whilst providing for a financially prudent approach to their administration.

## 4.0 IMPLICATIONS

### 4.1 Risk:

<b>Risk</b>	<b>Category</b>	<b>Implications</b>
That the Council does not commit the monies prior to vesting day.	Service delivery.	The monies will transfer to the new Council uncommitted.
That the monies are not expended within the specified time limit.	Service delivery.	Some monies will be returned to the developer and facilities for local people will not be provided.
That schemes are identified but are not implemented.	Service delivery and reputation.	Local aspirations are raised and new facilities are not received.

### 4.2 Equality and Diversity:

None

### 4.3 Human Resources:

None

### 4.4 Community Safety:

None

### 4.5 Legal Issues:

In most cases there are no restrictions on the use of the funds although there will need to be a final check on each sum to ensure that this is the case and if necessary a check will be made with the payer that there is no objection to the use of the monies as described.

### 4.6 Financial Issues:

There are no requirements for expenditure outside of budgets. Agreement may need to be reached with Durham County Council On the future management and administration of the funds concerned.

**Background papers:**      **None**

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