

Finance Sub-Committee

17 February 2016

Present: Councillor A McMullen (In the Chair)
Councillors SL Cox, S Day, F Lott, J O'Shea and JA Wallace.

F47/02/16 Apologies

Apologies were received from Councillor M Rankin.

F48/02/16 Substitute Members

There were no substitute Members reported for this meeting.

F49/02/16 Declarations of Interest and Dispensations

There were no declarations of interest or dispensations reported for this meeting.

F50/02/16 Minutes

Resolved that the Minutes of the meeting held on 20 January 2016 be confirmed and signed by the Chair.

F51/02/16 Section 106 Income and Section 38 and Section 278 Inspection Income (Previous Minutes F14/07/14 and F14/07/15)

The Sub-Committee considered a report which provided a summary of unspent Section 106 monies and anticipated future Section 106 grant receipts and a summary of unspent Section 38 and 278 inspection income. An updated schedule in relation to S106 monies, including the date payments were received, was circulated at the meeting.

With regard to S38 inspection income, when developers built new estates, they also built roads, streetlights and footpaths that they then wished the Authority to adopt. The Authority levied an inspection fee based on 7 ½% of the highway costs (with a £1,500 de minimus charge) to check that these works were adoptable. A proportion of the money was paid to SSE for their role in checking any new street lights.

The developer was also responsible for maintenance of the works through the 12 month warranty period and Capita performed a final check on the Authority's behalf after the 12 months had expired to confirm that the Authority was happy to adopt the works.

With regard to S278 inspection income, when developers built new estates they also needed to make changes to existing roads and footpaths that they wished the Authority to then continue to maintain. The Authority levied an inspection fee based on 7 ½% of the highway costs (with a £1,500 de minimus charge) to check that these works were adoptable.

The developer was also responsible for maintenance through the 12 month warranty period and a final check was done after the 12 months had expired to confirm that the Authority was happy to adopt the works.

In 2015/16 North Tyneside Council was also currently holding two amounts on behalf of Newcastle Traffic Signals who had entered into a S278 agreement with developers. The Authority would pay the money received from the developers to Newcastle Traffic Signals on receipt of an appropriate invoice.

During the year the transactions were collected in the holding account for both S38 and S278 and once a year at year end an exercise was done to ensure that the monies in hand at the end of the year were sufficient to cover the expected costs to perform the outstanding inspection works. Expenditure in year would relate to Capita recharges for the staff responsible for inspections, SSE charges for street light inspections and general administration costs of the schemes.

Unlike the S106 monies, which must be spent exactly as agreed within the S106 agreement, both S38 and S278 monies were not refundable to developers if not used specifically on the site that generated the income. There were sufficient monies within the holding account to more than cover the anticipated future costs.

Members requested further details to be provided on the process for considering spending of Section 106 monies, including consultation with Members.

It was **Agreed** that (1) the report be noted; and
(2) a report be submitted to a future meeting on the decision making procedures relating to the spending of Section 106 monies.

F52/02/16 Exclusion Resolution

Resolved that under Section 100A (4) of the Local Government Act 1972 (as amended) and having applied a public interest test as defined in Part 3 of Schedule 12A of the Act, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act.

F53/02/16 Whitley Bay Easter Fun Fair

The Sub-Committee considered a report on charging arrangements made for this year's Easter Fair on The Links, Whitley Bay.

The event would return with exactly the same format as in 2015. It would start on 25 March and end on 31 March. The operator would again meet policing costs and spend significantly on safety infrastructure.

Details of the daily fee charged by the Authority were set out in the report.

Local Ward Councillors were aware of the arrangements and had been consulted and briefed throughout this year's negotiation process.

It was **Agreed** that the report be noted.