

PERFORMANCE SCRUTINY PANEL - 14TH FEBRUARY 2018

Report of the Strategic Director Neighbourhoods & Community Wellbeing and Head of Planning & Regeneration

ITEM 07 UTILISING SECTION 106 FUNDS

Purpose of Report

To provide an update on the use of section 106 funds within Charnwood.

Action Requested

The Panel is asked to note the content of the report.

Policy Context and Previous Decisions

Charnwood, like other authorities, has arrangements in place to negotiate contributions from developers within the borough as community mitigation for the developments they create. These sums are allocated according to analysis of need provided through a range of strategies (Open Spaces, Local Plan, etc.). The sums and rationale are negotiated in advance of the development, and must be spent in accordance with the specifics of these agreements

Background

In February 2017, the Performance Scrutiny Panel received a report on the volume and status of these contributions. This report is an updated position on these funds.

The current amount of contributions “held” by the Council is approximately £3.6m (including £1.3m healthcare contributions, and £136k police contributions). This means these are sums that have been finalised and paid to the Borough Council for identified developments within the Borough. The timescale for spend for each individual agreement can vary greatly over years (dependent upon the type and size of development), some have no time limit by which they should be spent. Where the Council holds any monies for a period of time, pending the completion of a s.106 scheme, any interest accrued is simply added to the total s.106 sum available. It cannot be diverted into other financial activity.

Approximately half of these funds are committed to projects already identified by parishes and wards through consultation. Currently therefore approximately £1.7m remains uncommitted, although this includes quite a number of new s.106 agreements where there is quite a long lead-in time for spend.

Current spend for this year has been over £1.4m in total for Charnwood, including almost £153k for Healthcare contributions. Spend performance has improved greatly and these figures do not include, large amounts of Health care contributions which will be committed and spent early in 2018/19 financial year.

Schemes cover a range of projects from youth and adult recreation, leisure facilities, play, open spaces, allotments, cemeteries, CCTV, public art, community facilities, and GP surgeries as well as maintenance amounts for sustainability of projects.

Review and reporting

Officers meet quarterly to check and report progress on spend. The group has good cross-directorate representation, the majority of contributions have been committed to a scheme or are being considered to be committed to “join up” separate contributions in a particular locality. The total amounts allocated and amounts already spent are identified by parish so it is clear what has been achieved in each locality, as well as what is current.

Where contributions have been delayed in spend, there are mostly good reasons for this, i.e. to create a bigger scheme pot once more contributions have come “on line”, or the contribution spend is dependent upon a legal requirement which may have an uncertain end date, like land adoption.

The group has also worked well on forward planning on fresh s.106 sums when new developments have been approved through the planning process. The need for forward planning across project schemes and maximising resources to the greatest benefit for an area will become all the more vital, and will continue to form a key aspect of the remit of this working group.

It is evident from feedback at each Working Group meeting, that considerable amount of work continues with individual parishes and community organisations on their proposals for s.106, but also “horizon scanning” for up and coming development and contributions that enable officers to plan early for consultation with parishes.

The quarterly report from the group is used to update SMT and to update the Lead Member on s.106. Currently officers meet with him on a quarterly basis. This information is also included in budget reporting at cabinet and has also helped to inform questions at Performance Scrutiny and recent member training on s.106.

During 2016/17, officers conducted a presentation to all members on s.106 and on mechanisms for them to be supported and consulted on s.106 projects.