

Scrutiny Inquiry Progress Update on Recommendations
12 month Progress Report on S106: Getting better outcomes and value from developer contributions

Select Committee Inquiry Report Completion Date: May 2015

Date of this update: May 2016

Lead Officer responsible for this response: John Rippon

Cabinet Member that has signed-off this update: Warren Whyte/John Chilver

Accepted Recommendations	Original Response and Actions	Progress Update	Committee Assessment of Progress (RAG status)
<p>1: We recommend that there should be a shared council wide approach to monitoring S106 agreements across the Council using a central register database for all agreements.</p>	<p>It is agreed we need to have a better understanding of S106 resources for budgeting purposes. Work has already begun on merging the two databases held by Education (Children & Learning) and Transport (TEE). This will continue in order to provide a council-wide approach and central register for all agreements. The resultant database will need shared with finance as part of the new capital arrangements (see later responses).</p>	<p>Recommendation ongoing, further improvements possible</p> <p>An extensive database of S106 planning agreements has been created and is accessible to TEE, Education and Finance through the FCS shared folder. All agreements held within this folder are indexed and can be searched for according to agreement date, title, legal and planning references. Each agreement is saved in a searchable text format and relevant contribution clauses are highlighted in order to aid locating of relevant information. Details of amounts due, trigger points, indexation, interest rates on late payments and other relevant information are transferred to a Planning Obligation Data Sheet. A more robust system for notification when developments come on stream (often the triggers for payment) is also being worked up. This will require coordination and discussions with LPAs but will ensure invoicing is made promptly and at the appropriate time. A system for invoicing and monitoring is now in place, together with regular updates and liaison with Finance to track payments.</p> <p>The BCC Education service undertakes monitoring of all Education S106 contributions. The service has officers who are responsible for negotiating/requesting contributions and for</p>	

		<p>monitoring/invoicing developers for contributions. The service holds detailed records and spreadsheets which record all contributions/S106 agreements and details of trigger points, anticipated payment dates, invoices raised, actual payments and expenditure. The service is responsible for invoicing developers for contributions and informing finance of the receipt of funding.</p> <p>TEE liaises closely with Education concerning the negotiation of Section 106 infrastructure contributions. The Education service also has access to the TEE database of Section 106 agreements and monitoring records. Discussions about further integration are ongoing, with the aim of minimising duplication between the two business units.</p>	
<p>2: We recommend that all s106 investment should be recorded in the capital programme (where it is appropriate to capitalise), to provide corporate visibility and oversight (via the Asset Strategy Board), of all council investment and enhance the strategic focus in relation to s106.</p>	<p>As part of new operating procedures the Asset Strategy Board will have corporate visibility and oversight of all capital spend. Education investment programmes already project forward on a multi-year basis; the area for improvement will be in TEE where commissioning is currently done on a scheme-by-scheme basis. However, part of the restructuring intent behind the Growth & Strategy Service within TEE is to develop this investment oversight at programme level.</p>	<p>Recommendation met</p> <p>TEE has produced a programme of S106 funded schemes for the current financial year (16/17). This programme has been presented to Asset Strategy Board and added to the 2016/17 Capital Programme, allowing corporate visibility and oversight of all council investment. Responsibility for delivery of the agreed programme will sit with the TEE Regeneration & Infrastructure business unit. The TEE Growth & Strategy unit has now commenced the process of compiling the 2017/18 TEE S106 programme.</p> <p>Education S106 contributions are built into the overall capital programme and MTP process and are reported through the Asset Strategy Board as part of the capital planning/monitoring process. The service meets regularly with Finance to review receipts and the use on capital schemes.</p> <p>The Capital Programme Manager has oversight of all S106 resources, both those applied to a specific programme of schemes and those still unallocated.</p>	

<p>3: We recommend that the Cabinet Member sets out clear criteria for how he/she will ensure the Council allows for appropriate local member involvement at the early stages to help positively shape s106 proposals and ensure suitable mitigation measures that meet local needs.</p>	<p>Relevant Cabinet Members will develop criteria for local Member involvement. It is important that as much flexibility as possible is included in agreements to enable local member involvement / influence with mitigation measures. This applies both at the early stages of shaping proposals and also at later stages when the S106 resource is due (and circumstances may have changed). Investment secured under s106 of the Town & Country Planning Act has to be specifically deployed to mitigate the impact of the proposed development; education requirements are determined by need for school places, and transport requirements are substantially determined by technical assessment of development impacts.</p>	<p>Recommendation met</p> <p>In formulating the 2016/17 TEE S106 programme, a draft programme was circulated to all BCC Members for comment on 24th November 2015. The final program (which takes into account member comments) was approved in a Cabinet Decision on 5th January 2016.</p> <p>Moving forward, a Senior Infrastructure Coordinator post has been created within the TEE Growth and Strategy delivery unit. An officer (Andrew MacDougall) joined BCC on the 25th April 2016. The job summary for this role requires the officer 'to work with local communities, Council Members and their representatives to identify and develop local infrastructure needs, priorities and plans that provide opportunities for potential Section 106 and CIL funding through the regulatory planning process'.</p> <p>Local Member's views on major applications will be sought as part of the Council's assessment of major development sites, ensuring that local and strategic priorities are taken into account. This will allow the County Council to deliver the infrastructure required to mitigate the impact of proposed developments which take account of corporate and local priorities.</p> <p>In addition, the Senior Infrastructure Coordinator will discuss major development sites with Cabinet members. This will be an opportunity to ensure they have an opportunity to influence and shape developments.</p>	
<p>4: We recommend that the Cabinet Member put forward a proposal for how all future s106 highways schemes will be delivered in a timely</p>	<p>There is no single countywide S106 process and the extent to which transport schemes are resourced through S106 agreements varies from</p>	<p>Recommendation met</p> <p>The 2016/17 TEE S106 programme was added to this year's Capital Programme following approval by the Asset Strategy Board on the 25th January 2016. The TEE Growth & Strategy delivery unit is in the process of handing over delivery of this</p>	

<i>manner.</i>	<p>district to district.</p> <p>Once allocated to BCC, capital release is agreed via the Asset Strategy Board. Highways schemes (capital investment) to be commissioned as part of the TfB task order on a forward-planned basis. (See response to Q2). The revenue that is secured via s106 is allocated directly to the service areas commissioning or directly providing those services (public transport commissioning, travel plan monitoring etc.).</p>	<p>programme to the TEE Regeneration & Infrastructure unit (which specialises in project management and delivery). Project briefs and outline plans have been prepared to ensure a seamless handover process. Expenditure will be monitored by the Asset Strategy Board as part of the regular monitoring of the Capital Programme.</p> <p>Revenue contributions secured through S106 agreements continue to be allocated directly to the service areas commissioning or directly providing those services (public transport, travel plan monitoring etc.). A key element of the new Senior Infrastructure Coordinator post will be to assist with the negotiation of financial S106 contributions by ensuring BCC asks are robust and ambitious but importantly also supported by evidence and secured in line with local and strategic need. This will help project delivery by ensuring contributions align with the priorities of the service areas responsible for commissioning or directly providing those services.</p> <p>The Senior Infrastructure Coordinator will support the coordination, development and delivery of work programmes, including commissioning and management of services through contractors and consultants, liaising with other relevant service areas to coordinate effective delivery of works programmes, within budget and timescales.</p>	
5: We recommend that the Cabinet Member for Finance and Resources should put forward a business case for a better resourced s106 team to ensure the value of future s106 agreements are as robust and effective as they can be and issues	<p>A business case will be worked up that explores the value of a better-resourced team. This will include a review of the way in which other County Council's resource S106 teams.</p> <p>A new capital post within HQ Assurance has already been</p>	<p>Recommendation met</p> <p>As mentioned above, a Senior Infrastructure Coordinator post has been established within TEE Growth & Strategy unit, with the officer (Andrew MacDougall) taking up his post on the 25th April 2016. The Senior Infrastructure Coordinator will be responsible for the effective management and coordination of development related planning obligations (S106) and Community Infrastructure Levy (CIL) funding streams across the council so as to enable effective commissioning and delivery of infrastructure.</p>	

<i>highlighted throughout this report are addressed.</i> (Agreed in Part)	established, therefore options around the value of any additional resource and how this resource might be deployed will be something that service areas need to consider and reflect on within the constraints of the MTP process.	In addition to the above, a new Section 106 officer post was added to the Regeneration and Infrastructure delivery unit. The officer will be responsible for the project management of the Section 106 programmes produced by TEE Growth & Strategy. This will help to build resilience in the delivery of the County Council's Section 106 transport projects.	
<i>6: We recommend that there should be a corporate role within HQ; a single senior officer with overall responsibility for the strategic oversight and co-ordination of s106 agreements across the council.</i> (Agreed in part)	A new capital post within HQ Assurance has been established as part of the recent Future Shape restructure. Part of this role will ensure better oversight and co-ordination of s106 funding in terms of available resources and allocation of resources. Strategic oversight and co-ordination of agreements / planning negotiations is the responsibility of the TEE Business Unit. Whilst individual services control their own negotiations, this Business Unit provides a central point at which BCC can take a view on competing priorities from the services in instances where this may occur.	Recommendation met A priority for the Senior Infrastructure post is to coordinate development related funding streams across County Council services, including Education and Highways, and to act as a central point of contact. This will allow the council to manage competing priorities and will provide strategic oversight and co-ordination of S106 agreements across the council. The Capital Programme Manager within HQ Assurance has oversight of all Section 106 resources, the majority of which support elements of the Capital Programme, which in turn is reported to the Asset Strategy Board.	

<p>7: We recommend that Cabinet clarify roles of relevant Cabinet Member(s) to ensure there is a strategic cabinet lead with oversight of s106 investment across the Council, along with the relevant Cabinet Member oversight at business unit level.</p>	<p>As set out above, all investment has oversight by the Cabinet Member for Finance & Resources as part of the Asset Strategy Board remit. Relevant Cabinet Members will be service-specific as per corporate political portfolio allocation.</p>	<p>Recommendation on going to clarify cabinet responsibility</p> <p>The TEE S106 programme for 2016/17 was approved on the 5th January by the Cabinet Member for Transportation in a Cabinet Member Key Decision. The programme has oversight by the Cabinet Member for Resources as part of the Asset Strategy Board remit.</p> <p>Education S106 contributions are built into the overall capital programme and MTP process and are reported through ASB as part of the capital planning/monitoring process. The Education service meets regularly with Finance to review receipts and the use on capital schemes.</p>	
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RAG Status Guidance (For the Select Committee's Assessment)

	<p>Recommendation implemented to the satisfaction of the committee.</p>		<p>Committee have concerns the recommendation may not be fully delivered to its satisfaction</p>
	<p>Recommendation on track to be completed to the satisfaction of the committee.</p>		<p>Committee consider the recommendation to have not been delivered/implemented</p>