

SUBJECT:	S106 MONITORING
REPORT OF:	Director of Resources
REPORT AUTHOR	Jim Burness JBurness@chiltern.gov.uk
WARD/S AFFECTED	N/a

1. Purpose of Report

This report is to advise the Committee about actions being taken to improve the controls around the monitoring and enforcement of planning agreements.

RECOMMENDATION

- 1. To note the report, and consider whether any points specifically need to be included in the scope of the Internal Audit of this area planned for the current year.**

2. Reasons for Recommendations

- 2.1 The report covers actions in progress to strengthen the controls on the monitoring of s106 planning agreements. The responsibility for resourcing and implementing the actions lies with the Cabinet. The Committee may wish to make comments on the actions from an auditory control perspective, to be taken account of in the planned audit work for 2018/19.

3. Information

- 3.1 S106 Agreements are legal agreements between Local Authorities and developers linked to planning approvals and can also be known as planning obligations. Their intention is to mitigate the impact of the developments in accordance with Local Plan policies. The obligations can take a number of forms depending on the application in question. In some cases the obligation can take the form of a financial contribution.
- 3.2 The Local Planning Authority has the responsibility for ensuring that all agreements are completed prior to works commencing, and for monitoring and if necessary enforcing conditions.
- 3.3 Planning obligations can involve a number of teams across the Council, all involve Planning and Legal services, but Housing, Community Services and Finance can also be involved. The process is one that does require co-ordination between the various parts of the Council. The obligations can also result in payments to the highways or education authority if the mitigation actions relate to these service areas. In these cases the County Council is responsible for monitoring and recovery of any funds.

- 3.4 In May 2016 an Internal Audit report on the use of s106 agreements funding had as one of its conclusions the *"Procedure notes to be reviewed/developed at both Councils to ensure that the roles and responsibilities of the various officers involved in the monitoring and collection of section 106 financial contributions are clearly defined."* At the time the Management response was that this would be addressed when resources allowed, as at the time the Planning service was going through its service review.
- 3.5 The area of Planning Enforcement was one that was identified in the service review as having significant opportunities to improve efficiency and customer service. The historic arrangements at both Councils had been ones where roles and responsibilities were not as clear as they could be and where information was not being managed in the most efficient way. The improvement work to address these issues had commenced with the appointment of the shared services Enforcement Manager and has continued with his interim replacement.
- 3.6 The work being done includes the following:
- Establish a post whose prime responsibility is to record and monitor compliance with planning agreements, including site inspections.
 - Establishing a corporate database of planning agreements
 - Put in place a comprehensive process for determining planning agreements and their monitoring and enforcement. This will include the co-ordination of action and information across the various teams of the Council involved in the process.
 - Putting in place regular reporting on planning obligations to officers and members.
- 3.7 The case for establishing a dedicated Planning Agreements monitoring post will be put to the Joint Staffing Committee in the early Autumn. Management Team have already agreed resources for an interim post to undertake the monitoring role until a new post is formally established.
- 3.8 Given the importance of improving the controls in this area of the Council's activity it has already been agreed by the Audit & Standards Committee to undertake an internal audit of progress to strengthen controls later in the year as part of the 2018/19 Internal Audit Plan.

4. Financial Information

- 4.1. The following table provides some financial context to the matter.

CDC s106 Agreements 2000 – 2018	£k
S106 Payments Received	3,329
S106 payments where trigger point has not been reach	939
S106 agreements being reviewed to determine whether payment is due	328
	4,596

- 4.2. The number of agreements under review total 25, and the average sum potentially outstanding for these agreements is £13k, and the largest is £38k.
- 4.3. The benefit of having an efficient monitoring and enforcement process is that it enables the Council to receive funds due in a timely manner. The cost of a less efficient approach in financial terms is loss of interest on cash received. Based on the figures in the table for agreements being reviewed, at worst, this would be £3.3k per annum.

Background Papers:	None
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