
TITLE: SECTION 106 GRANT PROCESS

Committee: Commercial Services Committee

Date: Thursday 8th July 2014.

Author: Julie Cornwell, Partnerships Officer.

[P33]

1.0 ISSUE

1.1 At Community & Environment Committee on 4th March 2014, Councillors expressed a desire to reduce the bureaucracy surrounding the process for allocating Section 106 (S106) grants. They requested that officers be given the ability to approve all grant applications and report back to Committee accordingly. This report sets out the proposed new approach to allocating and approving S106 monies.

2.0 RECOMMENDATION(S)

2.1 To increase the officer delegations to allow grant approval (subject to meeting the S106 requirements) for any amount of S106 funding, and update the constitution accordingly.

2.2 To agree the proposed amendments to the S106 grant process as set out in Section 4.0.

2.3 To consider whether summary reports on where S106 monies have been approved within a financial year, be presented to Commercial Services Committee on a 6 monthly or annual basis.

3.0 BACKGROUND

3.1 How S106 money must be spent

Under S106 of the Town and Country Planning Act 1990, as amended, contributions can be sought from developers towards the costs of providing community and social infrastructure, the need for which has arisen as a result of a new development taking place.

3.2 It is important to note that S106 monies may only be spent on facilities where the new development has, at least in part, contributed to the need for the facilities.

3.3 S106 funding is available for capital projects only. Revenue funding towards on-going running costs is not available.

3.4 Who can apply for S106 funding

The scheme is open to all community based organisations that operate on a not-for-profit basis in East Cambridgeshire. The facilities provided must be open to the general public with no membership restrictions, and have wide public and community benefit. Organisations must have a constitution or set of rules.

3.5 The types of projects that can be funded

The types of project that might be eligible will be dependent primarily upon evidence that an assessment has been made of local community needs and that the project provides new or improved community or social infrastructure, the need for which has at least in part arisen as a result of new development in the community. Some examples of the types of projects which would be appropriate are:

- Community Centre/Village Halls: Upgrading facilities which are the main community centre in a village and which are available for anyone in the community to use. The funding can support works such as new build, extensions, refurbishment, provision of disabled facilities and provision of facilities which will enable the hall to diversify its use.
- Multi purpose sports and leisure centres which serve the general public: Building a new facility, extending or refurbishing an existing facility or the provision of disabled facilities.
- Play facilities: Building new or substantially refurbishing play areas, teenage zones, skateboard facilities and similar.
- Open spaces: The purchase or leasing of land for formal/ informal public open space, recreation and allotments or for improvement to existing open spaces such as improving access, education or other facilities.

3.6 How applications are assessed

The District Council is the accountable body for the spending of S106 monies and therefore must ensure that:

- The funding is spent on facilities that can be demonstrated to be required because of the new development taking place
- The process is transparent and fair to all
- Projects supported are necessary, viable, will deliver the required social and community benefits, and will be well managed.

3.7 Assessment of proposed projects is therefore carried out by an officer against a set of criteria and presented to another officer for approval (Principal or Partnerships Officer).

4.0 PROPOSED AMENDMENTS TO THE S106 GRANT PROCESS

4.1 Officer delegations

There is currently officer delegation to authorise S106 applications for up to £5,000. Any applications over £5,000 are taken to Commercial Services Committee. This results in a delay in confirming approval for applications over £5,000 and knock-on delays in project delivery timelines. There are occasions when action has had to be taken on grounds of urgency to resolve this.

4.2 Removing the £5,000 limit on officer delegation would enable applicants to receive a much quicker decision regarding their grant award.

4.3 S106 Application process

It is proposed that the process of assessing an application by completing a series of checks for eligibility and suitability, with another officer authorising the grants should remain. However, officer experience of assessing the applications, and feedback from applicants suggests that some improvements were needed and these have now been incorporated.

4.4 To ensure that the Council is meeting its legal obligations around how developer contributions are allocated (as described at 3.5 above) and that the grant supports the priorities of the District Council and communities, the focus of the application process has been revised to cover the following details:

- The eligibility of the organisation and project for S106 funding.
- Ownership of the asset and whether consent is in place for any works.
- Endorsement of the local Parish Council.
- Evidence of need for the project (e.g. supported by the findings of ECDCs Play Audit and Strategy, securing Minor Highway Improvement Bid funding, identified as a priority in a Parish Plan, community consultation).
- An increase in usage of the asset as a result of awarding the funding (i.e. a greater number of people will use the facility).
- A broader usage of the asset as a result of awarding the funding (e.g. use by disabled people, older or younger people who may not have had access previously).
- That a complete funding package is in place with the offer of a S106 grant.
- That there is financial sustainability for the asset into the future.

4.5 The previous S106 application process required the support of the local Parish Council before the project will be assessed. There are no proposals to change this as the Parish Council is ideally placed to assist with assessing local need for the project. However, officers will need to work with Parish Councils to ensure that the District Councils legal obligations around the appropriate use of developer contributions are fully understood. If applications do not meet the S106 funding requirements, District Council

officers will provide advice to the applicant as to more suitable alternative funding streams.

- 4.6 Where a project is deemed to be ineligible for S106 funding, the Community Services Team will notify the applicant, the Parish Council and the appropriate Ward Councillor/s, detailing the reasons why.

4.7 Reporting to Committee

In future it is proposed that Members will be informed about S106 approvals at Commercial Services Committee on either a 6 monthly or annual cycle.

- 4.8 This report will describe the type of project awarded funding, the location of the project, the grant amount and any information we receive about the impact of the project after it has been delivered.

5.0 ARGUMENTS/CONCLUSIONS

- 5.1 Officers currently administering the scheme welcome the opportunity to improve the efficiency and clarity of the S106 grant process. The approach presented within this report supports the Council's new way of working under the principals of subsidiarity.

- 5.2 Removing the £5,000 limit on officer delegation would speed up the process of awarding grants and reduce bureaucracy.

- 5.3 Re-focusing the application form and assessment criteria, will ensure that the S106 application process is robust and resources allocated fairly and appropriately.

- 5.4 Update reports taken to future Committee meetings will provide insight for Members on where S106 funding is being spent within communities.

6.0 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT

- 6.1 S106 grants are only awarded where there are sufficient S106 allocations available. No further monies will be added to the S106 grant pot as individual parishes now have CIL allocations (the 'Meaningful Proportion') where development is taking place.

- 6.2 An Equality Impact Assessment (INRA) is not required.

7.0 APPENDICES

- 7.1 None

<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
Community Facilities S106 Allocated Funding Grant application form.	Room FF115	Julie Cornwell Partnerships Officer (01353) 616352 E-mail: julie.cornwell@eastcambs.gov.uk
Community Facilities S106 Allocated Funding Grant assessment form.		