

## **Business Improvement Sub-Committee**

### **Draft Final Report on S106 Funding Review**

#### Executive Summary

The Business Improvement Sub-Committee has undertaken a review of s106 Funding. The review examined the process and procedures for the allocation and holding of S106 monies and this report confirms that monies from Section 106 procedures are accountable and available to interested and qualified parties.

#### Recommendations

1. To investigate the possibilities for an appropriate way to fund Parishes and Wards with no planned developments.
2. To investigate an appropriate way to fund unparished areas (eg Horsham Town) that will have community projects but no developments.
3. To continue to send the same Section 106 reports to Ward Members as sent to Parish Councils, thereby allowing Members to stay updated and work better with Parish Councils on Section 106 monies.

#### Reasons for Recommendations

- 1 To ensure the availability of Section 106 monies is known by the Members and Parish Councils to they can be used as and when intended.
- 2 To correct a possible lack of availability of Section 106 money for Parishes and Wards with no developments.

#### Background Papers

1. *Report to Council dated 11 December 2013 by The Chief Executive "Section 106 Contributions for Open Space, Sport and Recreation – Proposed Changes to Terms of Reference and membership of Planning Obligations Panel"*
2. *Business Improvement Working Group's Final Report on S106 Review by Cllr. Brian O'Connell, April 2016*
3. *Overview and Scrutiny Committee Minutes 28 November 2016 S0/37 (b)*
4. *Task and Finish Review Group Notes 11 January 2017 (not for publication)*
5. *Task and Finish Review Group Agenda 8 February 2017 (pp 3-46 inclusive Restricted)*

## Background Information

The purpose of this report is to give reassurance that the process and procedures for the allocation and holding of S106 monies are working satisfactorily.

The S106 Task and Finish Review Group was established under the Business Improvement Sub-Committee by the Overview and Scrutiny Committee on 28 November 2016. The Task and Finish Review Group first met on 11 January 2017 and agreed the following Terms of Reference:

- To ascertain the total amount of unspent and unallocated s106 funding.
- To ascertain the amount of s106 funding allocated to each type as set up by the Council, including Open Space Sport and Recreation and Community Facilities.
- To ascertain the total amount of s106 monies given to WSCC and their percentage allocation of the funds across types of use.
- To ascertain the amount of commuted sums for affordable housing including: where it is held and what is going to be done with it.
- To review the process of s106 reporting for Parish and Neighbourhood Councils.
- To clarify the amount of money remaining to be allocated by the Planning Obligations Panel.

At a meeting of the Task and Finish Review Group on 8 February 2017, the Planning Obligations Officer provided details of:

- The total amount of Section 106 Funds being held by HDC.
- The allocated and unallocated S106 funds being held by type for both HDC and WSCC contributions.
- A spreadsheet of S106 agreements entered into since 1 April 2014.
- An example of a spreadsheet sent to the Parish councils.

The Planning Obligations Officer confirmed by email on 2 February 2017 that a summary of unspent S106 funds per Parish/Neighbourhood Council area would be sent on a quarterly basis to all Councillors.

At the Review Group's meeting on 8 February the Head of Finance gave a detailed summary of figures on Allocated and Unallocated S106 funds. The monies are being held on the balance sheet in three areas:

- Capital grants and receipts in advance – Capital with Conditions
- Useable reserves – Capital grants and contributions unapplied – Capital with no conditions
- Useable Reserves – Reserves

West Sussex County Council monies are held under Long Term Liabilities –S106 Contributions

The Planning Obligations Officer was asked if the Allocated and Unallocated S106 funds report could be produced again alongside the new Balance Sheet on 31 March 2017, noting that this will be dependent on availability of information from Finance.

The Review Group concluded that the objectives of the review that were relevant had been met and a report should go to the Business Improvement Sub-Committee based on the work done by this group.

#### Next Steps

To review the recommendations 1 and 2 in the next Municipal Year and to continue to send out reports as mentioned in recommendations 3.

**Councillor Michael Willett**  
Chair S106 Review Task and Finish Group  
April 2017