

Final Report for S106 T&F Group

The S106 Task & Finish group was formed at the direction of the Overview & Scrutiny Committee to look into the operating procedures used between HDC & WSCC in monitoring the funds held by HDC and the management of these funds.

At the first meeting the terms of reference were agreed as follows;-

- 1) Establish what S106 funds are held by HDC on behalf of WSCC, with a breakdown of the allocation of these funds, ie highway, infrastructure, education, fire service & libraries.
- 2) Consider a breakdown of the allocation of funds by Ward & Parishes
- 3) Examine how HC monitor what funds are held and when they are spent with a view to identifying improvements to HDC's current procedures.
- 4) Examine the current Policy & processes between the District & County Council with a view to identifying any potential improvements.
- 5) Identify funds which are time sensitive.
- 6) Recommend a best practice to ensure Parishes take a proactive role in monitoring available funds and in applying for them from WSCC.

The first issue that group had to deal with is the common misconception that S106 belong to the parishes. It does not. It belongs to the relevant Council until such time that funds are applied for and released to the applicant.

The group discussed the process employed with regard to S106 monies from negotiation with the Developer through to the spending of the funds. **See "Summary of Process chart" Addendum 1**

The group then clarified the fact that S106 funds held will be a diminishing fund as a result of the introduction of CIL. (Community Infrastructure Levy). S106 charges generally now cannot be applied as previously to developments as there is now agreed charging schedule (CIL) for new developments. However, this does not mean that S106 is completely finished as it is now used alongside CIL charges on major developments or developments of a size and scale with large infrastructure costs, but when collected in future it will be directly attributable to that particular project.

The group then explored the existing **protocol that exists between HDC & WSCC**. This document/agreement was reviewed and signed in 2016. **See Addendum 2**. The protocol describes effective practice in the transfer of payments to WSCC and sets out the steps to be followed by HDC and WSCC, how the steps will be put into practice and reference to the planning policy and guidance. The group was also issued with "WSCC Developer Contributions Policy and Processes document" for discussion and points were raised which would be taken up at following meetings.

The group found the protocol to be detailed but in need of updating with regard to the reference to the "Blue Book" and to reflect the new legislation and policies.

Members of the group and some parishes expressed concerns as to the validity of the data held and used for the purpose of monitoring S106 funds. The group requested all the data of the different funds, analysed to show where the funds had come from, where it was to be spent, when the timeline expires, any restrictions/conditions on spending the funding etc. The group was then furnished with all the data requested and I must take this opportunity to express the thanks of the

working group to Suzanne Shaw for her hard work in assembling this data for the group. The group then analysed the data and found it to be extensive, detailed and accurate.

The group invited an officer from WSCC to attend the next meeting to go through the report and to discuss the processes employed by WSCC in monitoring the information within the report. The WSCC Team Manger attended the meeting and was kind enough to go through WSCC procedures in detail.

The group raised some points of concern namely

- a) The WSCC Developer Contributions Policy and Processes document has not been reviewed since 2016 and was in need updating to reflect the changes in CIL legislation. The WSCC Team Leader agreed that she would ensure that this was reviewed in conjunction with HDC officers.
- b) Some Parish Clerks found it difficult to interpret the very detailed S106 reports and it was agreed that a future training seminar for Parish Clerks might be appropriate.
- c) That the data held by WSCC has not always been supplied in a timely fashion to HDC. The Team Manager agreed to look into this and ensure the data was readily available to HDC in future.

The Team Manager also confirmed that WSCC have never had to return any S106 contributions due to expiry of time. The group was provided with data detailing all funds returned to Developers between Jan 2017 & Dec 2018 and this detailed 3 schemes where the S106 contributions were returned due to the Developments never being implemented.

The group would also like to express their thanks to the Team Manager who attended the meeting.

Conclusion.

The systems and processes employed between HDC and WSCC in the collection, monitoring and spending of S106 contributions are well detailed, documented and generally operated efficiently. The system works well and the officers involved in the execution and operation of this system are to be applauded for their hard work. The collating and monitoring of this complex and very detailed data is strenuous and time consuming. But the review by this T&F group has verified that the data is all in place and readily available. The group also found that current systems, procedures and protocols (although in need of updating) are being followed and are fit for purpose. It is understandable with the complexity of the reports that some may find it difficult to interpret correctly and this should be addressed by providing appropriate training to those who use these reports.

The T&F group has the following recommendations for the Overview & Scrutiny Committee to consider and implement.

- 1) That the current protocol agreed between WSCC and HDC be reviewed and updated as required, as agreed by WSCC Team Manager in conjunction with HDC.
- 2) That this protocol be reviewed by the Business Improvement Working group on an annual basis.
- 3) That the WSCC Team Manger be invited to attend the BIWG annually to update members and talk through current procedures employed and review effectiveness.
- 4) That a training seminar be offered to parish clerks and members on the S106 procedure and how to interpret the monthly reports issued to parishes.

- 5) That the annual report produced by WSCC be distributed to all Members and Parish Councils.

I would like to thank all the members of the Task & Finish Group along with other members who attended the meetings for their input and patience in analysing all the data provided, asking searching well researched questions and giving valuable input to allow this group to make the recommendations above.

Brian O'Connell
Chairman.