

**Corporate and Customer Services Scrutiny
Management Committee**

12 November 2018

Report of the Assistant Director for Planning and Public Protection

Section 106 Agreements Update Report

Summary

1. This report provides Members with further information on the administration and monitoring of Section 106 agreements, including an update on work done to date and future changes proposed.

Background

2. At a meeting of the Customer and Corporate Services Scrutiny Management Committee on 18th April 2018, Members received a report providing information on Section 106 agreements and how they are administered and controlled.
3. Customer and Corporate Services Scrutiny Management Committee Members requested that further update reports on S106 work were brought to the Committee for consideration.
4. Following the previous Scrutiny Committee in April works continued on a simplified template that had been designed to make the relevant S106 information more accessible. This was to provide a high level, simplified synopsis on all cases raised since 2016. It is however not always possible to include all information in a simplified table due to the differences in developers' obligations within the S106 agreements and the complexity of some S106 agreements.
5. The tables were found to be a time consuming process that is heavily reliant on Council resources. During this work it has become apparent to Officers that the current Uniform system utilised by the Council does not lend itself particularly well to the monitoring and enforcement of S106 agreements. Furthermore the system does not easily generate reports

and data for the high level monitoring and reporting of these cases.

6. The recent Audit report into S106 payments highlighted this weakness in the system where tables are required to be kept up to date as cases are registered and progress. Three of the five sections of the audit (Obligation tables and evidencing enforcement action, System for recording compliance with agreements and Evidencing expenditure on revenue cost centres) all concluded in the agreed actions that:

“Officers will investigate the possibility of the use of dedicated software to collate the enforcement of agreements and subsequent spending of monies by the council’s services and its partners.”

Administration of S106 planning obligations – current situation

7. The service has recently conducted a programme of updating the S106 case monitoring within the first part of this year. The current S106 enforcement case load has been brought up to date. All of the open S106 monitoring cases were reviewed and those left open were classified as needing to remain open in order that further work can be undertaken to secure compliance. At the end of this period of work no cases remained open with no work having been undertaken upon them.
8. Over the last 6 months 59, S106 cases were opened with 136 S106 cases closed. A total of 111 S106 investigations remain open. A figure of £626,000 was received from S106 payments. These were in respect of 21 developments across the City for housing, education, open space and transport. This information is generally relayed to Members via the quarterly enforcement report which is presented to the Area Planning Sub Committee.

Going forward

9. As identified by the recent audit report the current way of reporting is resource heavy. It also does not allow for interrogation of the system or reports to be generated. The use of spreadsheets does not link applications or monitor various individual projects, including calculations of funding, spending, and returned sums against initial project estimations.
10. Given the complexities with the current way of working the service has been exploring more efficient and cost effective ways of processing and dealing with section 106 agreements. It is considered that a more robust

system would be necessary in order to allow for the level of reporting and monitoring required.

11. A suitable system has been identified and officers are currently investigating all aspects of the system to ensure it will fully achieve the requirements in terms of reporting, calculating and auditing.
12. In terms of the investigation so far officers consider that the potential system could be suitable and from the information provided and interrogation of the system, it is considered it would be a significant improvement on the current situation. It is proposed to put a business case forward to resource the system along with a specific monitoring officer role.
13. The system has been specifically designed to accommodate and allow interrogation of section 106's is considered to be the best option to allow a more comprehensive approach to monitoring.
14. The computer system tool would allow for the following:
 - An alerting system to prompt an administrator at key stages of the S106 agreement;
 - A categorised document management system to allow for the storage of category;
 - The ability to store multiple contacts such as "Interested Party" and agent management of covenants and clauses;
 - Full finance section to monitor incoming and outgoing expenditure project module allocations calculator to view a breakdown of sums received per application
 - Payment policy management as per the legal agreement;
 - Planning application linkage from Outline to Reserved Matters, and between Full applications and variations;
 - Decision monitoring including alerts;
 - Logging of land charges information;

- Generation of S106 letters, receipts and demands with mail merge facility direct to individual covenants;
 - Finance monitoring;
 - Import and export facility to import and export to supported external systems;
 - Reporting facility to generate various reports;
 - Event logging for auditing purposes;
 - Administer and monitor various individual projects, including calculations of funding, spending, and returned sums against initial project estimations;
 - Allocate spending to projects based on allocations of the above funding;
 - Account for returned funds based on the above allocations;
 - A categorised document management system to allow for the storage of category relevant documentation with the ability to link to an external DMS via URL.
15. Subject to completing a full review of the system and it being fit for purpose it is recommended that the business case is progressed and the system is purchased along with the appointment of a monitoring officer.

Council Plan

16. This Report relates to A Prosperous City for All and A Council That Listens to Residents elements of the Council Plan

Options

17. Members can choose to:
- (i) Note the information received in this report.
 - (ii) Note the information received in this report and request further updates
 - (iii) Take another course of action.

Implications

18. There are no direct implications associated with the recommendations of this report in relation to any of the following:

- Financial
- Equalities
- Legal
- Crime and Disorder
- Information Technology (IT)
- Property

Risk Management

19. There are no known direct risk management implications associated with the recommendations in this report.

Recommendations

20. Members are asked to note the information contained in this report and to advise if further reports are required.

Reason: To ensure Members are updated on the administration of S106 Agreements.

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Wards Affected:

All

For further information please contact the author of the report