

Report of the Head of Democratic Services

Task and Finish Group Review into Section 106 Agreements Process Improvements

Summary

1. This report seeks the Committee's agreement to the proposed remit (Annex A) of a Task and Finish Group review into process improvements in relation to Section 106 Agreements.

Background

2. Section 106 agreements are legally binding agreements entered into between a local planning authority and a property owner as part of the planning process in order to mitigate the impacts of new development and to make development acceptable which would otherwise be unacceptable in planning terms. City of York Council is responsible for managing and monitoring all active Section 106 agreements within its administrative area.
3. At the September 2025 meeting of Full Council, a Motion on Notice on Planning Process Improvements, moved by Cllr Steward and incorporating an amendment moved by Cllr B Burton, was agreed.
4. The Motion called for a cross-party group to be set up to look at improvements to the Section 106 process, including five specific objectives as detailed below.
5. It is proposed that this group should take the form of a Task and Finish Group reporting to the Place Scrutiny Committee.

Aim and Objectives

6. The agreed Council motion specified five objectives for the Group as below:

- Share details and discuss the existing review of outstanding S106 money and the plans to spend it (and absolutely ensure any risk of it needing to return it to developers is minimised)
- Improving the process of ensuring all consultees respond to S106 enquiries (noting for example a notable number of large applications which have received no NHS response)
- Creating a system for ward members to identify their ward priorities in the different categories of s106 contributions (in which there is discretion i.e. not education, early years places etc) to inform officers when drafting s106 agreements;
- Ensuring the monitoring of S106 agreements is rigorous and breaches are swiftly acted upon.
- Ensuring that the monies received are spent as promptly as possible to deliver the mitigations / benefits they are for, and that there is a clear monitoring system for this.

Consultation and Methods

7. Consultation has taken place with the Council's internal auditor, Veritau. Veritau is currently undertaking an audit of the controls in place around Section 106 Agreements, including around ensuring there are appropriate safeguards to the Council in the use of developer contributions; a cohesive framework and records management; that Section 106 contributions are appropriately drawn down for spending; and transparency in reporting on funds held against Section 106 obligations.
8. Further consultation will take place with a view to ensuring the Task and Finish Group review is complementary to this audit and avoids any duplication of work.
9. Methods will include desk-based work and consultation with relevant Council officers, including from the Planning and Finance teams.

Timeframe

10. It is proposed that the Group's work is carried out over spring and summer 2026, with a view to presenting a final report to the Committee in September 2026.

Options and Analysis

11. As establishing the group has already been approved by Council, the options available for Members at this stage are either endorse or suggest amendments to the proposed remit of the Task and Finish Group.

Council Plan

12. As Section 106 agreements can be used to support the provision of services and infrastructure, the proposed work has relevance for all seven of the Council's key priorities, as set out in the Council Plan 2023-27 (*One City, for all*).

Implications

13. There are no direct implications to be addressed at this stage in the process. Any relevant implications will be identified by the Task and Finish Group during their review.

Risk Management

11. Any identified risks associated with the findings from this review will be included in the draft final report arising from this review.

Recommendations

12. The Committee is asked to endorse the proposed remit, objectives, and timeframe for a Task and Finish Group review into Section 106 Agreements Process Improvements.

Reason: To enable the Task and Finish Group to proceed with work on the agreed review, towards fulfilment of the motion agreed by Council in September 2025 on Planning Process Improvements.

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Report
Approved



Date 11 May 2026

Wards Affected:

All



For further information please contact the author of the report

Background Papers:

Minutes of Full Council meeting, 18 September 2025

<https://democracy.york.gov.uk/documents/g15002/Printed%20minutes%20Thursday%2018-Sep-2025%2018.30%20Council.pdf?T=1>

City of York Council information on developer contributions

<https://www.york.gov.uk/planning-advice-guidance/developer-contributions>

Annexes

Annex A – Task and Finish Group Proposed Remit

List of Abbreviations Used in this Report

None