

Audit Committee – 25th February 2010

9. Audit Review - Section 106 Obligations and Commuted Sums Update Report

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Purpose of the Report

At its meeting on 22nd January 2009, this Committee requested updates on a 6 month basis in order to advise members of the actions taken to date in response to the recommendations made by this Committee on 22nd January 2009 in response to the December 2008 Audit Review of Section 106 obligations and commuted sums undertaken by SWAP.

Public Interest

Section 106 Obligations are a key aspect of most major planning development approvals granted by the Authority. The items captured within Section 106 Obligations deal with the additional infrastructure costs that will be incurred within the area of the Authority arising from the completion of a development. Depending on the scale of the proposed development the sums of money associated with a Section 106 Obligation can be considerable.

This may take the form of changes to highways, contributions toward increased schools provision, creation/maintenance of open spaces, recreational areas and so on. The costs arising from these are often significant and require negotiation and settlement between the planner and the developer, through use of nationally agreed formulae.

How these are delivered also varies, depending on the requirement i.e. the developer may be charged with completing the work directly, County will undertake highways works and educational provision, and the District, open spaces, recreational provision etc.

By their very nature Section 106 Obligations require specified actions to take place within a pre-defined timescale, most often as works undertaken by an Authority in return for payment received from developers, the start date of which is in turn determined by the point at which development commences.

This report updates Audit Committee on the arrangements that have been made to ensure the robust monitoring of Section 106 Obligations.

Recommendation

That members note the report and endorse the actions taken in respect of the monitoring of Section 106 Planning Obligations.

Background

The audit review was undertaken at the invitation of management in response to a perceived need to review the manner and methodology of calculating and managing

payments to the authority in respect of Section 106 (S106) Agreements concluded as part of the Development Control planning approval process to affirm that the processes and procedures in operation within South Somerset DC are operating in a sound, robust and controlled manner.

Audit Committee was updated on progress at their July meeting, where members indicated that they were content with the actions taken to date with regard to ensuring that an effective and robust system was in place for the monitoring of Section 106 planning obligations.

Matters Arising Since July

There have been two significant steps forward since the July meeting. Firstly, as of 1st April 2010 a new post of Section 106 Monitoring Officer will sit within the planning team with the specific responsibility of ensuring that all requirements of 106 obligations, including the collection and spending of financial contributions is monitored on a proactive basis. It is considered that the fact that this responsibility will now rest with one individual officer will ensure that the potential for matters to 'fall between the cracks' is minimised.

Secondly, we are in the final stages of purchasing a new 106-monitoring package. This will be a web-based product that will enable members to track progress on 106 obligations in real time. It is hoped that a demonstration of the package can be made to this Committee in the near future.

Financial Implications

The 106 Monitoring Officer post will be delivered within the 2010/2011 Development Control establishment budget, which accounts for the restructure of that team following the LEAN process.

Corporate Priority Implications

The delivery of Section 106 Planning Obligations has a role in achieving all of the Council's Corporate Priorities.

Carbon Emissions & Adapting to Climate Change Implications (NI188)

Section 106 Planning Obligations have a key role in delivering sustainable communities thereby contributing to a reduction in carbon emissions and helping to adapt to climate change.

Equality and Diversity Implications

Section 106 Planning Obligations have a key role in delivering sustainable communities thereby ensuring access to facilities, homes and services for all members of our community.

Background Papers: *Audit Committee reports for January and July 2009.*
