

REPORT NO. 1

**REPORT TO THE CABINET SUB-COMMITTEE - GRANTS
MEETING OF 23rd March 2021.**

Meeting: Cabinet Sub-Committee - Grants
Date: Tuesday 23rd March 2021
Subject: Section 106 Allocations

Report of: Parish Liaison and Community Facilities Officer

Portfolio Holder: Councillor Simon Whelband, Communities
Status: For Decision

1 Purpose of the Report

1.1 The purpose of this report is to submit the recommendation on funding allocations for Section 106 grants for 2020-21 to the Cabinet Sub-Committee - Grants. The Cabinet Sub-Committee Grants is asked to approve the recommendations for the allocations of grants as outlined in Appendix A, taking into consideration the S106 balances at Appendix B.

2 Recommendations:

2.1 **To approve the S106 Allocations as detailed in Appendix A**

3 Summary of Reasons for the Recommendations

3.1 The Parish Liaison and Community Facilities Officer and S106 Officer considered all of the projects recommended for funding in line with CIL compliance criteria, and the criteria set out in the Section 106 grant guidance notes. The recommendations for funding are made alongside suggested conditions to ensure effective project delivery and governance.

3.2 We received 10 applications for consideration for **Round 3 2020-21**.

3.3 Through the scoring process, funding recommendations have been made for 10 projects. These are as follows:

- 001 - Claybrook Burial Board
- 002 - Fleckney Parish Council
- 003 - Fleckney Parish Council
- 004 - Great Bowden Parish Council
- 005 - Fleckney Parish Council on behalf of the Allotment Association
- 006 - South Kilworth Village Hall Committee

007 - Lutterworth Town Council
008 - Lutterworth Town Council
009 - Lutterworth Town Council
010 - South Kilworth Village Hall Committee

4 Key Facts

- 4.1 Under Section 106 of the Town and County Planning Act 1990, contributions can be sought from developers towards the costs of providing community and social infrastructure to fill the gap in need which has arisen as a result of a new development taking place.
- 4.2 The level of funding contributions is negotiated between developers and Development Management during the planning application process. Developer contributions are usually paid to Harborough District Council when the development work begins, or when certain trigger points are met. This money is then allocated to projects in parishes delivering the development through a grant funding allocation process.
- 4.3 The Parish Liaison and Community Facilities Officer and Section 106 Officers make recommendations to the Cabinet Sub Committee based on their scrutiny and scoring of each individual application. The decision to allocate funding is then made by the members of the Cabinet Sub-Committee Grants.
- 4.4 The recommendations put forward to the Cabinet Sub-Committee Grants are based on projects fulfilling the key Section 106 criteria, being CIL compliant and demonstrating project evidence of need.

The Parish Liaison and Community Facilities Officer can confirm that any application which is recommended for funding aligns with the three CIL compliance tests as follows:

1. It's necessary to make development acceptable in planning terms.
 2. It's directly related to the development.
 3. It's fairly and reasonably related in scale and kind to the development.
- 4.5 Other processes in place to ensure the Section 106 grants are allocated to the right projects and organisations are as follows:
- A Finance Officer has been appointed to check the financial status of those organisations awarded funding.
 - The Parish Liaison and Community Facilities Officer has continued proactive discussions with each of the Parishes who hold Section 106 funding to ensure they are aware of deadlines. There is also a drive to encourage them to adopt a more strategic/joined up approach when looking at future projects in their community.

- The Officer Section 106 Infrastructure Group have continued discussions about how to encourage Parishes to be more prepared for Section 106 negotiations at the planning application stage.

5 Legal Issues

- 5.1 A Section 106 agreement is a legally binding agreement between Harborough District Council and the developer to provide funding to mitigate the impacts of their new development. The agreement sets out the amount of contribution that the developer must make and the purpose for which it must be used (e.g. Community Facilities or Offsite Recreation). It may also contain specific conditions on where it can be spent; often this is within the local area but in some cases may be restricted, for example, to a particular park, building or area of open space. The agreement contains trigger points at which the developer must make payments, and will usually also stipulate an expiration date from the final payment date before which the contributions must be spent. After this date, the developer may be able to claim back any unspent money.

6 Resource Issues

- 6.1 Grants are to be drawn from income generated from Section 106 Developer Contributions. These contributions are for Community Facilities or Offsite Recreation Facilities which have not been allocated towards specific projects in the agreement. Therefore HDC has received applications from Parish and community groups to fulfil the terms of the agreement.
- 6.2 The amounts of available Section 106 funding are as seen in Appendix B.

7 Equality Impact Assessment Implications/Outcomes

- 7.1 Equality is addressed within the application criteria, terms and conditions.

8 Impact on the Organisation

- 8.1 There should be a positive impact on the organisation as Harborough District Council are providing financial assistance as a result of development to projects that will benefit our local communities.

9. Risk Management Implications

- 9.1 All successful applications will be bound by Terms and Conditions that aim to minimise risk and promote best value. In addition, applicants must demonstrate as part of their application that their organisation has the appropriate governance arrangements, skill sets and resources to carry out the named project.
- 9.2 The risk of ongoing future maintenance of the project is the responsibility of the community group.

10 Consultation

- 10.1 Applicants are required to demonstrate that consultation with their local community has taken place and that the community are supportive of their proposals.
- 10.2 Evidence of Need to support a funding request needs to be robust and tangible in order to align with CIL compliance test 2 (see 4.4 above).

Background Papers

- 10 x S106 Grant Application Forms and associated documents
- S106 Summary of Supporting Documents
- 10 x S106 Application Scoring sheets

Previous report(s): - 2nd February 2021

Information Issued Under Sensitive Issue Procedure: N

Ward Members Notified: Yes

Appendices:

- A. Summary of information Sheet and Officer Recommendations for S106 Round 3 2020-21**
- B. Section 106 balance sheet as 01.01.21**