

APPENDIX A

S106 ACTION PLAN AND SUMMARY OF IMPLEMENTATION (revised following meeting of Governance & Audit committee – 27th July 2016)

S106 AUDIT RECOMMENDATION	MANAGEMENT COMMENTS	SUMMARY OF ACTIONS IMPLEMENTED BY PROJECT	Benefits delivered from actions implemented.	Audit Action deadline (established in Nov 15)	Actual date implemented
1A The Head of Planning & Regulation utilises the Council's Project methodology to review s106 monitoring processes and responsibilities and to rectify all issues highlighted in the audit report as detailed below and any other issues as deemed appropriate by the Head of Service.	The Head of Planning and Regeneration, as sponsor of the s106 project is currently developing the project plan to deliver a comprehensive corporate review of s106 processes and procedures. The project will be governed by the HDC Corporate Project Management procedures and will address all issues raised in this audit report	<ul style="list-style-type: none"> • Project was set up during November and December and started January 2016. 		31 May 2016	End of Project report to CMT 11 May 2016 and 6 July 2016
1B The individual/collective responsibility for leadership and co-ordination of the full end-to-end process for managing s106 agreements should be clearly allocated. At the time of testing there were areas where a	The end to end process will be reviewed and an evaluation of the most effective means of providing effective management to the	<ul style="list-style-type: none"> • A Summary and detailed chart was produced to set out staff roles and responsibilities at the differing and various stages in the S106 process. • Job descriptions for staff have been 	Roles and responsibilities across the Council are clear and unambiguous	28 February 2016	24 March 2016

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lack of overview of the full process had resulted in gaps in the control framework and some areas of duplication.	whole process will be undertaken, the optimum solution identified and implemented	<p>updated as needed in accordance with HDC procedures and processes</p> <ul style="list-style-type: none"> • A service review of Strategic Planning and will consider staffing structures to support S106 and other associated work. This will take place in quarters 3 and 4 of 2016/7. 	Leadership and co-ordination of the end-to-end process for managing s106 agreements has been clearly allocated to the Strategic Planning Manager		
1C The Council should review the allocation of individual responsibilities for the key aspects of the s106 processes, whether those officers have sufficient capacity to carry out all aspects of their workload and whether responsibilities are sufficiently defined and in line with job descriptions. If required, job descriptions should be updated in line with HR procedures.	During the detailed review of the end to end process the roles and responsibilities of the relevant officers involved with the process will be clarified. In parallel with this an assessment of officer capacity will be undertaken to ensure that sufficient capacity is	In addition to the points made above, which refer to actions also relevant for this recommendation, there will be an internal check process of accountable managers to take affect following each quarter to confirm that they are operating their element of S106 process according to the chart of responsibilities and they are satisfied they have capacity and resources to manage the work going forward.	Assurance provided to CMT that Service Managers are confident in managing the element of the S106 process they are involved with.	28 February 2016	24 March 2016

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	available an assigned in order to enable effective and robust delivery.				
<p>1D There should be one single central database within which the complete, consistent and coherent 'end-to-end' S106 contribution case management process is clearly recorded in a readily available and accessible manner that is easy to use by all.</p> <p>The database should also allow the recording of dates trigger points are met to ensure that timely action required can be demonstrated</p>	<p>The review will include an analysis of the existing database support that is currently in place and it will identify options for ensuring an effective information management, storage and retrieval system is in place which addresses all the issues set out in the recommendation. The solution should provide a corporate approach to this matter capable of enabling multiple users and contributors to access the information management system.</p>	<ul style="list-style-type: none"> • A comparative review of Leicestershire County and Leicester City Councils' processes and information systems has been carried out to understand best practice and seek to identify improved working arrangements and IT solutions. • Existing "one stop shop" S106 Corporate database identified as the best corporate solution to hold details of S106 case management from "end to end" of the S106 Management process. • This database identifies trigger points and alerts to forthcoming spend by dates, thus allowing action to be taken: if necessary including escalation of issues to CMT level when necessary for renew and advice to be obtained. 	<p>Assurance that there is no better organisational response to within Leicester and Leicestershire and no better monitoring systems available.</p>	<p>31 March 2016</p>	<p>15 February 2016</p>
<p>1E The Council should include clear identification of what does and does not need to be included on the single centralised database to ensure clarity</p>	<p>The review of the database will include a comprehensive review of all the types of</p>	<ul style="list-style-type: none"> • A Document has been prepared setting out the scope of the corporate database. This is to ensure that it is clear that the 	<p>Clear understanding of what the database</p>	<p>31 March 2016</p>	<p>11 May 2016</p>

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<p>and consistency in records and record management and to prevent any record becoming excessively large.</p> <p>Considerations should also be given as to whether documents such as obligations and invoices should be attached to the centralised records or saved in associated network folders.</p>	<p>information gathered and stored in the information management system. This review will ensure that only necessary and relevant information will be stored in the system. A process will be developed and implemented which will set out the types of supporting information required.</p>	<p>database is standardised and clear as to it's contents, coverage and use.</p> <ul style="list-style-type: none"> The database includes records of S106 Monitoring Officer of detailed liaison with developers/applicants which were previously held in a separate file kept by the officer 	<p>holds and what it does not. Officers are satisfied that the database holds the necessary records.</p>		
<p>1F The Council should undertake a review of accuracy of the agreed centralised database records back to source documentation to ensure details are correct and any documents attached to that centralised record or saved in associated folders are the most recent and correct versions.</p> <p>This should involve a comprehensive review of all cases, including checks to ensure no historic cases are being missed from monitoring.</p>	<p>Linked to the review of the database facilities currently being used referred to above, an in – parallel exercise will be undertaken to review all current and 'live' s106 records stored in order to ensure that all such records are accurate, up to date and have the correct, most relevant and recent supporting documents attached. The process of checking 'live' records will ensure that</p>	<ul style="list-style-type: none"> A review of a sample set of S106 agreements from each year since 2011 has been carried out. This review has concluded that the S106 database contains accurate and reliable records. The Service Manager will continue to carry out sample checks on a six monthly basis To provide additional assurance, Legal Service have agreed to attach summary information to completed S106 agreements when forwarded to Strategic Planning to help ensure accuracy when these agreements are 	<p>Assurance over the quality of information held by the database and appropriate checks by managers</p>	<p>31 October 2015</p>	<p>15 February 2016</p>

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	the relevant back-dated cases are included in the assessment. This process will include a backdated check.	entered onto the single 'one stop shop' corporate S106, monitoring database.			
1G The Council should review and if possible redefine a more effective and timely process to identify the commencement of developments and the need to monitor in order to identify whether the requirements relating to the timely release of s106 contributions relating pre-determined and agreed development trigger during the period of the build-out of each relevant development are being met.	With regard to all cases, the review will ensure robust and effective records are in place covering the commencement dates of development and that these records are linked to all appropriate and necessary trigger points arising through the period a development in question is being implemented so that appropriate contributions can be obtained on time. Officers will ensure that accurate and complete information on dwelling completions is obtained to enable the effective monitoring of all trigger points.	<ul style="list-style-type: none"> • A link to Building Control data has been established from the S106 database to provide the optimum source of data on development starts / commencements in order to ensure that commencement and tracking of development throughout its lifetime is accurate so that planning obligations are made when relevant trigger points are reached. 	A reliable and structured approach to monitoring development and ensuring that obligations are fulfilled by a developer at the appropriate time.	31 December 2015	15 February 2016

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	<p>All stakeholders look forward to Internal Audit providing any further advice and guidance that is available from other Councils to further help and support the effective and timely implementation of this recommendation.</p>				
<p>1H The project should review the process for updating the agreed centralised database records to ensure that updates are made in a complete and timely manner. This may involve the use of a more effective filing system and more frequent updates.</p>	<p>The process for updating centralised database records, that be accessed across the organisation by those who need to, will be reviewed. A robust and regular process of updating all records held will be identified and instigated to ensure that all such records are updated in a complete and timely manner.</p>	<ul style="list-style-type: none"> • The process for updating the S106 obligations database now takes place in a systematic way at set periods each month with responsible officers updating the database with information received and then also clarifying and checking at the Corporate S106 Officer Group. • The Corporate S106 Database can be searched and interrogated by all officers with relevant access rights. In so doing they can identify if records need updating at any time. 	<p>A more structured process to updating the database.</p> <p>The data is updated and reviewed twice a month and subject to scrutiny by other service managers and officers within the S106 Group..</p>	<p>31 December 2015</p>	<p>15 February 2016</p>

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<p>1i A number of inconsistencies have been highlighted during audit testing between the various records held, obligation agreements and invoicing. Details have been provided to management of all findings.</p> <p>Management should review each of these in detail to confirm whether an error has occurred and whether any overcharges have been made.</p>	<p>Key officers managing S106 on a day to day basis have been briefed to evaluate the comprehensive Log of Errors and to make any corrections necessary to the cases identified. They have been asked to complete this work without delay: completion is due by end October 2015.</p> <p>Internal Audit have provided a Log of Errors and this has been shared with the officers concerned to enable them to undertake the correcting work referred to above.</p>	<ul style="list-style-type: none"> All errors found at the time of the Internal Audit have been corrected. This was completed within a matter of days of receiving the draft report in October 2015. The processes identified above to secure accurate information being put into the database and timely and structured updates regarding monitoring will avoid this issue arising in the future. 	<p>There is now assurance of consistency between invoicing records and the S106 database</p>	<p>31 October 2015</p>	<p>31 October 2015</p>
<p>1J The Council should review historic awards (especially relating to the period prior to 2013) to Parishes (and all other awards if deemed appropriate) to determine whether contributions have been spent and / or</p>	<p>The review will aim to assess the extent of the work and associated resource commitments required to comprehensively review</p>	<ul style="list-style-type: none"> The Strategic Planning Manager now writes to all Parish councils, Parish meetings every 6 months to remind them of S106 contributions held by HDC and reminds them of upcoming spend 	<p>Ensuring that funding does not have to be returned as it will have been used</p>	<p>30 April 2016</p>	<p>26 April 2016</p>

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<p>spent in line with contribution criteria.</p> <p>Any required actions should be taken where necessary, such as encouragement to utilise funding, negotiation of extensions of deadlines or pay back of money to developers, as appropriate.</p>	<p>historic s106 awards. A proportionate and reasonable approach will be developed to identify the S106 awards that have not been spent. In addition this evaluation will aim to identify any cases where funds appear to not have been spent on what was intended they should be spent on.</p>	<p>by dates and to encourage these partners to nominate projects to the Council to enable funds held to be spent promptly & well in advance of spend by dates.</p>	<p>appropriately by the date specified in the agreement</p> <p>Ensuring full information about the availability of funding</p>		
<p>1K The governance arrangements for the s106 meetings should be reviewed to ensure these are suitably robust and support the effective monitoring and management of s106 agreements.</p> <p>This should include further improvement of the meeting agendas and records.</p>	<p>The S106 monitoring officer has been requested to provide the Head of Planning with standard items for the CIL/S06 group agenda and a Terms of Reference for this corporate group. The Chair of the Group will prepare the agenda for the CIL/S106 meeting and the meeting will be administered by CMT Support.</p>	<ul style="list-style-type: none"> • Fresh Terms of Reference for the Corporate S106/Monitoring Group have been agreed and approved by Corporate Management Team. • A commitment to attend the Monitoring Group is important and this will be raised through Service Managers /Heads of Service if there is poor attendance. The Head of Planning and Regeneration now chairs this so there is a clear link with CMT. 	<p>Corporate Management team have reviewed the governance arrangements and there is a clear link between CMT and the Group as the Head of Service is a member of CMT.</p>	<p>28 February 2016</p>	<p>15 December 2015</p>

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<p>2A The Head of Planning & Regulation should consider delivery of Member training specifically on s106 obligations either by an in house or external provider.</p> <p>Such training should be used to address any misconceptions about s106 such as:</p> <p>The purpose of obligations / what to look for / what is acceptable;</p> <p>Why claw backs might occur (difficulties experienced with parishes / changes in circumstances result in contribution no longer required / not necessarily a performance issue); and</p> <p>The legal standing of s106 obligations and why bonds may be unnecessary in some cases.</p>	<p>Training will be provided as part of the programme of member training and will be offered to all members.</p>	<ul style="list-style-type: none"> • Training delivered on Thursday 9 June 2016 to approx. 18 members. • The event was very successful with members receiving detailed input on the legislation and practice around S106 obligations. • The event also allowed officers to report to members on actions implemented to improve the on-going management, monitoring and oversight of S106 obligations. This gave members significant confidence that this important area of work was being effectively managed on an ongoing basis going forward. 	<p>Greater awareness and understanding of Councillors regarding the legal and policy basis for S106 obligations.</p>	<p>April 2016</p>	<p>June 9th 2016</p>
<p>2B ADDITIONAL RECOMMENDATION MADE BY CMT</p> <p>Ensure the progression of the implementation of the recommendations set out in this Internal Audit report via a robust corporate project management approach is appropriately reported to</p>	<p>A progress report will be brought to the Planning Committee on a quarterly basis to identify the improvements that have been made and to provide assurance to elected members. The</p>	<ul style="list-style-type: none"> • The Project Highlight report has been used as a basis for reporting to members on the progress with the project. It was agreed with the Head of Service and Development Manager that quarterly progress reports to Planning Committee were not necessary 	<p>Elected members feel confident and informed in and there is much greater transparency as the reports</p>	<p>Report to Planning Committee March and then quarterly</p>	<p>25 February and onwards through to the end of the Project</p>

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<p>elected members.</p> <p>It is also necessary to ensure that this important corporate project is fully reflected in all other Council Corporate work programmes not overseen by the meetings, Boards and Commissions referred to in the bullet point list above. This is so that all Corporate Managers and elected members can be kept fully apprised of progress on this project at appropriately regular intervals throughout the life of the project.</p>	<p>Head of Planning and Regeneration, supported by the Corporate Director – Community Services and the Head of Legal and Democratic Services with the Legal and Democratic Services Manager, and the Service Manager for Strategic Planning and Housing Strategy will establish the most appropriate, complete and robust communications format to ensure all Corporate Managers and elected members are kept appropriately up to date regarding the progression of this important project.</p>	<ul style="list-style-type: none"> • The Member Training event referred to under Action 2A above provided the opportunity to report to members on the implementation of the S106 Audit recommendations. • A final report has been shared with Service Managers, brought to Corporate Management Team and Governance and Audit Committee meeting on 27 July (this report). • The Council’s Scrutiny Commission on June 2nd 2016 considered their work programme and have timetabled a report to the Scrutiny Panel (Performance) on 15 September regarding the project and how information on planning obligations is reported to Scrutiny Panels in future. • There will be a report made on an least an annual basis to Executive, initially covering the project but also reporting 	<p>will be placed in the public domain.</p>		

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		on the position regarding S106 obligations.			