

REPORT TO THE CABINET SUB-COMMITTEE - GRANTS

MEETING OF 27th September 2022

Meeting: Cabinet Sub-Committee - Grants
Date: Tuesday 27th September 2022
Subject: Section 106 Allocations

Report of: Community Facilities Development Officer

Portfolio Holder: Councillor Simon Whelband, Communities
Status: Public

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 2022-23 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.

2 Recommendations:

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

3 Summary of Reasons for the Recommendations

- 3.1 The Community Facilities Development Officer and S106 Officers considered project applications **001, 002, 003** to recommend for funding in line with Community Infrastructure Levy (CIL) compliance criteria, and the criteria set out in the Section 106 grant guidance notes.
- 3.4 Since 1st August 2021, updated Section 106 process requires applications of £25,000 and above, to be determined at the at the Cabinet Sub Committee for Grants meeting.
- 3.5 Since 1st August 2021, updated Section 106 process requires applications of under £25,000 to be determined by the Community Facilities Development Officer in consultation with Section 106 Officers and the Cabinet Sub Committee and can be processed without the requirement of a cabinet sub-committee meeting.
- 3.6 Projects competing for funds, which are under £25,000 will also be determined at the Cabinet Sub Committee for Grants meeting.

3.6 Applications **001**, **002** are below £25,000 but are competing for the same funding pot. The recommendations for funding are made alongside suggested conditions to ensure effective project delivery and governance.

3.2 We received 3 applications for consideration for **Round 1 2022-23**.

3.3 Through the scoring process, the following applications have been put forward for decision. These are as follows:

001 Lutterworth Athletic

002 Lutterworth Cricket Club

003 St. Luke's Church - The Hub Community Centre – Manor Field Pavilion

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 Community Facilities Development 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 Community Facilities Development 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:

- Finance will be asked to check the financial status of those organisations awarded funding.

- The Community Facilities Development 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 Town and Parish Councils and community groups to fulfil the terms of the agreement.

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 applicant.

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

- 3 x S106 Grant Application Forms and associated documents
- S106 Summary of Supporting Documents

Previous report(s): - 29th March 2022

Ward Members Notified: Yes

Appendices:

- A. Summary of information Sheet and Officer Recommendations for S106 Round 1 2022-23**