



REPORT TO THE CABINET SUB-COMMITTEE GRANTS

Tuesday 20th December 2022

Title:	Section 106 Grant Round 2 2022-23
Status:	Public
Key Decision:	N/A
Report Author:	Nada Hankin – Community Facilities Development Officer
Portfolio Holder:	Cllr Simon Whelband
Appendices:	Appendix A – Summary of Information

Executive Summary

Funding known as Section 106 (S106) is used to develop or improve community facilities and various open spaces. This funding has been secured through a planning obligation request which is a deed or agreement attached to the land that is the subject of a planning permission. Contributions secured through planning obligations are used to mitigate or compensate for the negative impacts of a development.

Eight Section 106 Grant Applications have been submitted and assessed during a 6 week consultation process.

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.

Projects competing for funds, which are under £25,000 will also be determined at the Cabinet Sub Committee for Grants meeting.

The Community Facilities Development Officer and S106 Officers considered project applications **001, 002, 003, 004, 005, 006, 007, 008** as set out in appendix A 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.

Recommendations

1. The Cabinet Sub Committee approve the following grant applications for full or part funding:

- a. 001 – S106 R2 2022-23 Welland Park Academy;
- b. 002 – S106 R2 2022-23 Welland Park Academy;
- c. 004 – S106 R2 2022-23 Scraftoft Parish Council;

- d. 005 – Kibworth Beauchamp Parish Council;
- e. 006 – Husbands Bosworth Parish Council;
- f. 007 – Lutterworth Community Centre;
- g. 008 – Mercia Rivers Trust.

2. The Cabinet Sub Committee refuse the following grant application:

- a. 003 Lutterworth Town Council

Reasons for Recommendations

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.

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. Background

- 2.1 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.
- 2.2 The level of funding contributions is negotiated between developers and Development Management during the planning application process. Developer contributions are paid to Harborough District Council when the development work begins, or when certain trigger points are met such as pre-commencement of works or the development reaching a certain occupancy This money is then allocated to projects in Parishes delivering the development through a grant funding allocation process outlined below.
- 2.3 The Community Facilities Development Officer and Section 106 Officers make recommendations to the Cabinet Sub Committee based on scrutiny of each individual application. The decision to allocate funding is then made by the members of the Cabinet Sub-Committee Grants.

- 2.4 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.

- 2.5 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 discussions with each of the Parishes who hold Section 106 funding to ensure they meet deadlines;
- There is also a drive to encourage Parishes to adopt a more strategic/joined up approach when looking at future projects in their community;
- The Section 106 Infrastructure Group, which is a group, attended by officers from Legal, Strategic Planning, and Community Partnerships have continued discussions about how to encourage Parishes to be more prepared for Section 106 negotiations at the planning application stage.

3. Priorities

- 3.1 Projects must meet at least one HDC Corporate Priorities:

- Community leadership to create a sense of pride in our place;
- Promoting health and wellbeing and encouraging healthy life choices;
- Creating a sustainable environment to protect future generations;
- Supporting businesses and residents to deliver a prosperous local economy.

4. Implications of Decisions

- 4.1 Financial

Grants are to be drawn from income generated from Section 106 Developer Contributions.

Some projects have been identified in Section 106 Agreements or Council Strategy.



HDC has received applications from Town and Parish Councils and community groups to fulfil the terms of the agreement.

All S106 Grant Applications have been through a rigorous scoring process that ensures S106/CIL compliance as well as financial checks on the organisations are completed post allocation.

4.2 Legal

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.

5. **Policy**

- 5.1. All successful applications have been assessed as compliant with the Council's agreed Strategies and Policies, as set out in the guidelines and criteria.

6. **Risk Management**

- 6.1 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 and skill sets to carry out the successful project.
- 6.2 Some spend dates included are at risk, as indicated in Appendix A

7. **Equalities Impact**

- 7.1 The published grant criteria and terms and conditions take into account issues of equality and diversity. Equality is addressed within the application criteria, terms and conditions.
- 7.2 The application form and guidance notes have been designed to be user friendly and the Councils Equalities Officer has been consulted in relation to this process.

8. **Data Protection**

8.1 The Council has restricted the application process to community organisations seeking capital contributions and therefore no personal data is recorded in relation to this process.

9. Summary of Consultation and Outcome

9.1 Applicants are required to demonstrate that projects have been identified in a district, town or parish plan or strategy in consultation with their local community and that the community are supportive of their proposals.

9.2 Evidence of need to support a funding request needs to be robust and tangible in order to align with CIL compliance test 2

Background papers:

8 x Section 106 Grant Applications and supporting documents

Details of Section 106 Agreements as per each development

Working document balance sheet

Previous report(s): - 27th September 2022

Ward Members Notified: Yes

Appendices:

**A. Summary of information Sheet and Officer Recommendations for S106 Round 2
2022-23**

