

**PAPER NO. 4**

**REPORT TO THE EXECUTIVE MEETING OF 7<sup>th</sup> September, 2015**

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**Meeting:** Executive  
**Date:** Monday 7<sup>th</sup> September 2015  
**Subject:** Section 106 Grant Allocations Round 1 15/16  
**Report of:** Ann Marie Hawkins, Head Community Wellbeing & Partnerships  
**Portfolio Holder:** Rosita Page, Portfolio Holder for Community Wellbeing  
**Status:** For Decision

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1 Purpose of the Report

- 1.1 The purpose of this report is to submit the recommendations on funding allocations for Section 106 from the Member Grants Panel meeting of 29<sup>th</sup> July 2015, to the Executive. The Executive is asked to approve the recommendations for the allocations of grants as outlined in Appendix 1, taking into consideration the S106 balances at Appendix 2.

2 Recommendation:

- 2.1 **To approve the grants allocations as recommended in Appendix 1 from Section 106 funding subject to the following amendment;**

**Application 003: Market Harborough Cricket Club, refurbishment and extension receive the £14,300.00 as requested in their application not the higher amount recommended by Grants Panel.**

3 Summary of Reasons for the Recommendations

- 3.1 Section 106: The Member Grants Panel considered all of the projects recommended for funding in line with the criteria set out in the Section 106 grant guidance notes. The recommendations also take into account the comments made by officers through the Officer Grant Panel held on Tuesday 14<sup>th</sup> July 2015 which informed the Member Grant panel. Appendix 1 provides details of the rationale and conditions for individual applications.
- 3.2 Application 003: After further consideration of this recommendation by Corporate Management Team and following opinion provided the Legal Services Department, it is officers' advice that funding should be limited to the amount applied for and restricted to the amount of £14,300.00.

#### 4 Key Facts

- 4.1 Under Section 106 of the Town and County Planning Act 1990, contributions can be sought from developers towards 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 the District Council Planning and Regeneration Department 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 grant window for the Round 1 closed on Monday 6<sup>th</sup> July. All parishes were informed and details of exact monies available were issued. Officers at Harborough District Council as well as the Voluntary Sector were asked to disseminate the information to any other group or organisation who may wish to bid for this money.
- 4.4 The decision making process includes three stages of consultation for Section 106 prior to the recommendation report for the Executive.
- 4.5 The first stage is that on receipt of a Section 106 application the Parish Council representing the area from which the application's funding would be derived, are asked for their comments (unless the application is written by the Parish Council). In the absence of a Town Council in Market Harborough, Market Harborough Councillors are sent each of the applications for the Market Harborough Section 106 pots and asked for their comments. In this particular round, there were seven applications bidding for money from the Market Harborough Section 106 pots: 4 for offsite recreation projects and 3 for community facility money.
- 4.6 The second stage for section 106 grants is the Officer Grant Panel. The panel is made up of officers from different departments at Harborough District Council each with an insight into community provision in their own field. They meet to discuss the projects and again offer comments. This meeting was held on Tuesday 14<sup>th</sup> July 2015 and 10 officers attended.
- 4.7 The third stage for Section 106 applications is the Member Grant Panel. This panel considers the applications and utilises the Parish Council's / Market Harborough Ten's comments, and Officer Grant Panel's comments, to assist them in making recommendations for the Executive.
- 4.8 The Member Grant Panel took place on Wednesday 29<sup>th</sup> July. Eight Section 106 applications were discussed. A recommendation on the allocation of funding was made for each application as set out in Appendix 1.

- 4.9 The recommendations were based on projects fulfilling the key Section 106 criteria, providing evidence of need and mitigating against the negative impact of development in their parish.
- 4.10 It should also be noted that the Member Grant Panel have recommended funding for Applications 002, to create a footpath around the outside of Welland Park, and Application 012, Improvement to Town Centre Square, to the Council.

Going forward it is anticipated that the process relating to the awarding of monies derived from Section 106 developer contributions and Harborough District Council's Development need will be directly related to the planning application to which the Section 106 Agreement relates and therefore the District Council will not have to apply to itself to spend for the designated purpose.

- 4.11 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 join the Officer Grant Panel.
  - The Finance Officer has worked alongside the Parish Liaison Officer to scrutinise the accounts of each application to ensure the projects are in a financial stable position to deliver as per their application.
  - The Parish Liaison 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. The focus is to encourage developers to agree to projects in their Section 106 agreements as opposed to sums of money e.g. building of a new village hall at the same time as building houses.

## 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 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.

## 6.0 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 but are not 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 attached at Appendix 2.

## 7.0 Equality Impact Assessment Implications/Outcomes

7.1 Equality is addressed within the application criteria.

## 8.0 Impact on the Organisation

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

## 9.1 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 and skill sets to carry out the named project. The Grants Panel also consider financial risk, with higher priority to applicants who submit evidence of a full funding package. The application form includes a checklist.

## 10.0 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 Applications are also required to pass through the relevant Parish Council, or to be discussed at a meeting of Market Harborough Members. Comments arising from these meetings were included with the Member Grants Panel papers.

## 11.0 Options Considered

11.1 The Member Grants Panel considered each application and recommendations have been made based on the merits of each individual case.

12 Background Papers

12.1 Summary Sheet of information for all eight grants.

12.2 Summary Sheet of all supporting documents received for all eight grants.

12.3 Officer Grant Panel Summary Sheet for the eight Section 106 applications.

12.4 Eight Section 106 Application Forms and supporting documents.

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**Previous report(s): -**

**Information Issued Under Sensitive Issue Procedure: Y part only**

**Ward Members Notified: Yes**

**Appendices:**

**1. Notes of the Meeting of the Member Grants Panel – 29/07/2015**

**2. Section 106 Parish Balances – as at 13/07/2015**