

CABINET MEETING: 16 NOVEMBER 2017

**CABINET RESPONSE TO THE REPORT BY THE
ENVIRONMENTAL SCRUTINY COMMITTEE ENTITLED
MANAGEMENT OF SECTION 106 FUNDING FOR THE
DEVELOPMENT OF COMMUNITY PROJECTS**

**STRATEGIC PLANNING AND TRANSPORT (COUNCILLOR
CARO WILD)**

AGENDA ITEM: 11

DIRECTOR OF CITY OPERATIONS

Reason for this Report

1. To respond to a report published by the Environmental Scrutiny Committee (and presented to Cabinet in September 2017) entitled 'Management of Section 106 Funding for the Development of Community Projects'.

Background

2. As part of the Environmental Scrutiny Committee work programme, the Committee undertook a task & finish exercise to explore and consider how Section 106 funding can be used for the development of community projects.
3. The inquiry included the review of:
 - The definition of Planning Obligations (S106 Contributions),
 - The regulations governing what type of community projects can be funded through the S106 process,
 - The resources used by the Council in managing the S106 funding process,
 - The consultation and engagement which takes place between Councillors, officers and the public,
 - How community projects are identified through the Section 106 process and potential improvements that could be introduced,
 - Examples of good practice in using S106 funding to develop community projects.

Issues

4. Having considered the evidence provided during the inquiry, the Scrutiny Report makes a single process recommendation. It identifies that the process should include the following basic elements:
 - The Creation of a Project List – That a project list and supporting process should be created to identify, validate, endorse and store projects that are appropriate for funding from Section 106 Contributions for Community Projects.
 - Project Point of Entry - That there should be a supported point of entry where projects could be submitted by a range of parties including community groups, councillors, community councils, officers and individuals.
 - Project Validation & Assessment – That submitted projects would receive a pre decision validation and assessment process. This part of the process would ensure that projects met a minimum basic criteria and are suitable for taking forward to the project decision making process.
 - Project Decision (Approval or Rejection) – At this point Ward Councillors would receive the successfully validated projects and take a decision as to if they should be added to the project list.
 - Project List – Successful projects would be stored on a ward based 'Project List'. This would form a ready to go list of community projects, which could be matched to appropriate funding as and when it became available.
 - Project List Geography – Submitted projects should be linked to the ward(s) that they are situated in or have a significant impact on. Lists containing projects for each of Cardiff's 29 wards should be created.
 - Complementary Services – Members felt that the Project List process was effectively a Council 'facilitator' tool to support the development of community facilities. Members recommend that a review of community facility development services is undertaken to establish exactly what the Council provides and that these community facility development services are in some way aligned to the project list.
 - Supporting Resources - That the Project List approach will only work if a suitable staff resource is identified to manage the scheme.
5. The principles of the process as set out in the recommendation of the Scrutiny Report are accepted. In order to implement the recommendation, Officers will need to work up full details of the new process outlining how it can be established and thereafter maintained. It is therefore recommended that Officers report back to Cabinet in early 2018 with these details and aim to initiate the process in Spring 2018.

Reason for Recommendations

6. To enable the Cabinet to respond to the report entitled 'Management of Section 106 funding for the development of community projects', published by the Environmental Scrutiny Committee.

Financial Implications

7. No direct financial implications are expected to arise from the implementation of the recommendation from this report. The management of the process outlined will be met from within existing resources. The delivery of successful community projects will continue to be dependent on securing appropriate levels of S106 resources or alternative external funding sources.

Legal Implications

8. Welsh Office Circular 13/97: Planning Obligations sets out the Welsh Government's policy for the use of planning obligations. The Community Infrastructure Levy Regulations 2010 (as amended) places statutory restrictions on the use of Section 106 Agreements. Section 106 agreements assist in mitigating the impact of unacceptable development to make it acceptable in planning terms.
9. Any planning obligations in the section 106 Agreement must be necessary to make the development acceptable in planning terms, directly related to the development, and fairly and reasonably related in scale and kind. There are also restrictions on the number of s106 contributions that can be pooled to pay for new infrastructure
10. Any relevant legal implications will be identified and considered as part of the work to progress the responses to the recommendations that are accepted.

RECOMMENDATIONS

Cabinet is recommended to agree to the principles of the process contained in the Environmental Scrutiny Committee's recommendation and that Officers are instructed to report back to Cabinet in early 2018 with full details of how the process can be established and thereafter maintained as summarised in Appendix A

ANDREW GREGORY

Director of City Operations
10 November 2017

The following appendix is attached:

Appendix A: Cabinet response to the report by the Environmental Scrutiny Committee entitled 'Management of Section 106 funding for the development of community projects'.

The following background papers have been taken into account:

March 2017 report published by the Environmental Scrutiny Committee entitled 'Management of Section 106 funding for the development of community projects'.