

NAME OF COMMITTEE	Resources
DATE	23 July 2013
REPORT TITLE	Section 106 Community Facilities Fund criteria amendment
Report of	Countryside and Community Projects Officer
WARDS AFFECTED	All

Summary of report:

There is currently a match funding requirement for applications to the Section 106 (s106) Community Facilities Fund. This report seeks to waive the match funding requirement within the 24 months prior to a s106 agreement deadline to avoid reclaim of unspent funds by developers.

Financial implications:

The report seeks approval for amending the requirements of the s106 Community Facilities Fund, therefore there is no direct financial implication to the Council.

RECOMMENDATIONS:

It is recommended that where an application to the s106 Community Facilities Fund falls within the 24 months prior to a s106 agreement deadline, that authority be delegated to the Head of Finance and Audit and the Countryside and Community Projects Officer in consultation with the Ward Member, to authorise grants of above 50% of project costs in exceptional circumstances.

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1. BACKGROUND

1.1 The Financial Procedure Rules recommended by the Audit Committee and approved by the Council in April 2013 changed the authorisation limits for approval of expenditure from S.106 funds as follows:

- i) For amounts up to £30,000, authorisation of expenditure must be sought from the Head of Finance & Audit by the appropriate Head of Service, following consultation with the relevant Ward Member as a minimum.

- ii) For amounts of greater than £30,000, authorisation requires the prior approval of the Resources Committee upon receipt of a report from the Head of Service and Head of Finance & Audit, following consultation with the relevant Ward Member.

2. ISSUES FOR CONSIDERATION

- 2.1 Each Community Facilities s106 agreement has a specified deadline for spend. Typically this is 5 years from the Council receipt of funds from the developer. Any funds unspent after this deadline can be reclaimed by the developer.
- 2.2 One of the criteria imposed on applicants to the s106 Community Facilities Fund by the Council is a requirement to match fund any s106 grant. Effectively, the maximum award under the Fund is for 50% of project costs. The requirement for match funding was intended to maximise the benefit of these funds to local communities by effectively doubling the value of the s106 funds.
- 2.3 In practice, despite the best efforts of some applicants and signposting by this Officer, some projects have struggled to secure the necessary match funding to enable their projects to proceed. As such funds may need to be withdrawn and re-committed to projects with lower project costs or match funding requirements.
- 2.4 In the situation where funds have not been successfully committed to match-funded projects before the last 24 months of a s106 agreement, it is proposed that the requirement for match funding is waived in exceptional circumstances.
- 2.5 Such an approach will ensure funds reach communities, and ensure that the Council does not face the prospect of returning funds unspent to the developer. Applications will continue to be subject to the same level of scrutiny by officers and Members as currently occurs against the criteria for the Fund.

3. LEGAL IMPLICATIONS

- 3.1 The necessary powers are given under the General Powers of Competence in the Localism Act 2011.
- 3.2 Member approval is required to amend the formerly adopted criteria for the S106 Community Facilities Fund.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no financial implications directly arising from this report.

5. RISK MANAGEMENT

- 5.1 The Risk Management implications are shown at the end of this report in the Strategic Risks Template.

6. OTHER CONSIDERATIONS

Corporate priorities engaged:	Community Life
Statutory powers:	Local Government Act 2000
Considerations of equality and human rights:	All constituted groups will be eligible to apply regardless of age, socio-economic status, disability, sex, race or sexual orientation. Projects that seek to promote religious beliefs or improve assets owned by religious organisations are not eligible for funding.
Biodiversity considerations:	Biodiversity is a consideration on the Sustainability Checklist (which is submitted to support applications) and would be scrutinised if necessary.
Sustainability considerations:	A Sustainability Checklist is submitted in support of applications, and the applicant must address the elements of sustainability within their project application.
Crime and disorder implications:	None relevant, however implications would be considered with each application
Background papers:	Strategy and Resource Committee, November 2010 Full Council, April 2012
Appendices attached:	N/A

STRATEGIC RISKS TEMPLATE

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
	Unspent s106 funds	Reduce the likelihood/risk of returning unspent funds to developers	Unspent funds returned to developer	2	1	↓	Amending the s106 Fund criteria as proposed will enable funds to be fully committed to well scrutinised projects, reducing the likelihood of returning unspent funds to developers	R Sekula
	Realised community projects	Opportunity to support more community projects by waiving match funding requirements in specified circumstances	Community projects not realised due to lack of match funding	2	2	↓	Waiving match funding within 24 months of s106 agreement deadline will enable funds to be committed to projects that have struggled (or would struggle) to secure match funding. Worthwhile community projects will be realised as a result.	R Sekula