

Appendix 2

S106 Management Arrangements – Improvement Action Plan

Recording s106 Income and Expenditure					
Recommendation	Finding	Action	Deadline	Owner	Progress
1. The Council should consider procuring integrated s106 and CIL Software.	Despite effective recording of s106 contributions, Microsoft Excel may not be the most suitable tool monitoring tool for income and expenditure. It contributes to inaccuracy and is labour-intensive.	Scope the feasibility of integrated s106 system leading to the procurement of a s106 Database.	30/12/2016	Andy Simpson	A business case for the procurement of a planning data base had already been developed and approved prior to the review. A data base (Exacom) has recently been procured, although due to its interrelationship with both Finance and Planning ICT systems, testing of the database cannot commence until Agilysis have completed upgrades on Agresso and Acolaid.
Ring-fencing & Programming s106					
Recommendation	Finding	Action	Deadline	Owner	Progress
2. Should the Council forward-fund projects using the General Fund, an audit trail should specify that the money used is from the Council's General Fund or reserves	Due to the unavailability of historic income data (owing to changes in your finance system in 2013) testing on this issue was restricted to income received post-2013. We found no evidence of 'teaming and lading' since 2013.	Any request for capital funding will clearly set out what funding sources required, ensuring these are available prior approval. A clear audit trail will be kept on projects which are forward funded from reserves or contingencies.	30/09/2016	Chris Holme	Any executive reports requesting the use of s106 funding will continue to receive financial comment to ensure s106 resources are in place prior to approval. A clear audit trail will continue to be kept for any instances where reserves or contingencies are used to deliver forward funded projects, and a recommendation to this effect will be specified in the appropriate report.
3. The Council should consider the requirement to adopt the capital estimate process to gain Cabinet approval for Capital expenditure	Adopting the capital estimate process to gain approval for the prior-approved capital programme is delaying commissioning of projects.	Update financial regulations accordingly	30/07/2016	Zena Cooke / Chris Holme	Amendments to financial regulations have been drafted, within the parameters of constitutional delegation. Regulation FP3 amended to authorise officers to proceed with projects when there is budget provision

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previously approved as part of the Capital Programme					and resources identified within the agreed capital programme. Supplementary capital budgets over £250,000 will require specific executive approval. Changes to financial regulations are delegated to the S151 officer.
Ring-fencing & Programming s106					
Recommendation	Finding	Action	Deadline	Owner	Progress
4. The Council should review the RCDA procedure and investigate whether a more streamlined process which enables more rapid delegated funding approval	The Register of Corporate Director's Actions (RCDA) process is contributing to delays to the commissioning of projects.	Scope the feasibility of revising the RCDA process, ensuring RCDA are only used where necessary and if expedient propose and implement a streamlined process for the the signature of RCDAs.	01/09/2016	Zena Cooke / Chris Holme	As part of the incoming Infrastructure Delivery Framework (IDF) an Infrastructure Delivery Board (IDB) has been established. The board will be chaired by the Mayor; and the arrangements will minimise the need for delegated decision-making by Corporate Directors In exceptional cases the board arrangements will facilitate a streamlined the RCDA process as it contains key officers charged with signatory powers.
5. The Council should build flexible capacity within the s106 programme team and directorates in order to maintain pace with the Capital Programme.	The Council's receipts from s106 and CIL are due to increase which may place a strain on programme support availability.	Additional capacity within the s106 programme needs to be explored and developed to increase the pace of delivery	30/10/2016	Chris Holme	Corporate Management Team will consider options for dealing with potential barriers to programme delivery, scoping the increase of officer resources, and alternative methods of delivery to expedite timely spend of s106 resources.

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Governance & Decision Making					
Recommendation	Finding	Action	Deadline	Owner	Progress
6. The Infrastructure Delivery Steering Group (IDSG) should clarify the distinction between those charged with governance and those with responsibility for delivering the programme.	The Council will need to develop clear terms of reference for the IDSG	IDSG ToR to include distinction between those charged with governance and those with responsibility for delivering the programme.	30/07/2016	Matt Pullen	The ToR are currently being written for the IDB and IDSG. The distinction between those charged with governance and those with responsibility for delivering has been made.
7. The Council should consider grouping small projects together into programme level PIDs for approval and monitoring purposes.	The Council has a pragmatic and proportional approach to governance that should be taken forward with the IDF.	IDSG should continue to take a programme approach to relevant projects	30/06/2016	Andy Simpson	A programme approach is already in place with similar smaller scale projects being approved at PCOP / IDSG as a programme rather than individual projects.
Governance & Decision Making					
Recommendation	Finding	Action	Deadline	Owner	Progress
8. The Council should consider receipting income and notifying developers of discharge of obligation in every case as standard procedure.	There have been occasions when receipt of payment and notice of discharge of obligations has not been provided by the Council to a developer.	IDSG to further discuss receipting income and notifying developers of discharge of obligation in every case as standard procedure.	30/10/2016	Andy Simpson	This has been scheduled for discussion at the IDSG. While this will be considered, there is a strong case that this does not need to be implemented as the onus is upon developers to contact the council should they require confirmation of obligations discharged. Additionally, since developers can sell on sites as soon as planning permission has been granted, those making payment at development trigger points may not be the named developer on the s106 agreement, further complicating notification should responsibility rest with the Council.

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Monitoring and Reporting					
Recommendation	Finding	Action	Deadline	Owner	Progress
9. Bi-annual exception reports to PCOP should be integrated with the s106 Portfolio Summary Report to form part of the standard report to the IDSG.	The Council provides bi-annual exception reports to project slippage to PCOP.	Commence reporting of project progress to IDSG bi annually	30/11/2016	Andy Simpson	A Progress report for the s106 programme is currently being developed for the June IDSG. This will be reported bi annually, outlining income, spend and the progress of s106 funded projects.
10. The Council should further develop its reporting on time-limited contributions.	The s106 programme team provides a high level report on time-limited contributions to PCOP.	IDSG to receive dashboard of time limited contribution updating on progress as a standing item of the IDSG agenda	30/11/2016	Andy Simpson	A traffic-light based report is being developed for the next IDSG setting out which time-limited contributions have been programmed and the individual expiry details of each contribution.
11. PCOP's agenda should include a regular item for monitoring and reporting non-financial agreements.	PCOP's standing agenda does not include the monitoring of non-financial contributions. (We understand from PCOP minutes that these reports are considered.)	IDSG to receive a bi annual monitoring report of non-financial obligations	30/11/2016	Matt Pullen	A monitoring report of non-financial obligations was presented at PCOP on 31/03/16. This will continue to be reported on a 6 monthly basis.