

AGENDA ITEM 21/87

FOR COUNCIL MEETING TO BE HELD ON TUESDAY 7TH SEPTEMBER 2021:

Council is asked to:

- a) To approve the formation of a S106 working group
- b) To approve and adopt the proposed Terms of Reference
- c) To agree the 'nominated' membership
- d) Recommend the working group convenes no later than mid-September 2021 to review and make recommendations to the next Council meeting (Tuesday 5th October 2021).

Background:

Council delegated responsibility to the Finance Committee to review and make recommendations on the proposed S106 allocations at the meeting held on 22nd June 2021 CM21/54. During that meeting, the Finance Officer was asked to review the proposed allocations to maximise the specific funds available for the sports pavilion refurbishment.

The Finance Committee was due to consider the proposed allocations at the meeting on Wednesday 28th July 2021 (an updated S106 proposed allocation report was submitted to members for review).

Due to unforeseen circumstances, that meeting was postponed, but members present were asked to notify the Finance Officer of any comments they might have.

Representation has been received from one member, requesting S106 funding for the library refurbishment to be protected.

Subsequently, a zoom meeting was held between the Chair of Finance, the Clerk and Finance Officer to discuss how best to progress this matter as swiftly as possible.

The Finance Officer explained the allocations "methodology":

To maximise the flexibility of funding, S106 "specific funds" are allocated to the corresponding 'use' as each project commences.

If more than one use is specified within an agreement, and a project commences which falls within the "specified use", those costs were allocated IN THE ABSENCE of a resolution determining how the specific funds would be used.

To ensure legal compliance, all allocations have been reviewed and agreed with SCDC.

Allocation priorities were:

Maximise funding available for the bowls pavilion.

Ensure any "specific use" funds are allocated to the corresponding projects (this optimises the non-specific use funding, offering greater flexibility to the Council).

Ensure all funds (including interest) are allocated to those agreements where the term date has expired.

Despite best efforts to maximise the flexibility of S106 funding, difficulties have arisen due to the absence of resolution(s) for "specific use" projects – (without first-hand knowledge of what "specific

use” funds should be either earmarked or protected, this has been something of a ‘best judgement’ approach).

The reworking of the allocations is particularly onerous due to bank interest having to be recalculated each time an amendment is made. (Where funds are held in an interest-bearing account, interest must be accounted for against each **separate** S106 agreement and split against each **separate** fund category. It is a legal requirement to account for all funds plus interest. If funds are not used by the agreed term date, the requirement is for balance of funds (including interest) to be returned).

Proposal:

To facilitate wider participation in the proposed allocation of S106 funds, a working group, representing the interests of the Council’s Committees be formed.

The working group to operate within the proposed Terms of Reference – as per draft attached.

The working group to review and recommend to Council, adoption of the S106 allocations to date.

Recommendation:

Council approves:

- a) the formation of a S106 working group
- b) and adopts the proposed Terms of Reference
- c) agrees the ‘nominated’ membership
- d) recommends the working group convenes no later than mid-September 2021 to review and make recommendations to the next Council meeting (Tuesday 5th October 2021).

MJW