

Mayor and Cabinet			
Report Title	Response to the referral by the Sustainable Development Select Committee on the Use of section 106 and CIL		
Key Decision	No		Item No.
Ward	All		
Contributors	Executive Director Resources & Regeneration; Executive Director Customer Services		
Class	Part 1	Date: 7 September 2016	

1. Summary

- 1.1 This report sets out the Executive Director's response to the recommendations arising from the Sustainable Development Select Committee's consideration on the use of Section 106 (S106) and CIL which was presented at the Mayor and Cabinet meeting of 1st June 2016.

2. Purpose

- 2.1 On the 1st June 2016, the Sustainable Development Select Committee (SDSC) considered a further response on the use of S106 and CIL recommended that:
- The Committee felt it was important that the processes for allocating section 106 and CIL funding were made transparent so accountability could take place.
 - The Committee was aware that officers are considering the process and options for further public and Member engagement in the allocation of section 106 and CIL funds. The Committee felt a timeline should be established for when this consideration would be completed, so Councillors and members of the public could be made aware of the results.
 - The Committee felt that local assemblies should be made aware of any proposals for the allocation of Section 106 funding where communities would be involved in the allocation process. This should include those areas where a neighbourhood forum exists.
 - The Committee felt that participatory budgeting techniques should be considered as a method to involve communities in the allocation of relevant Section 106 or CIL funding.
- 2.2 The purpose of this report is to set out the Executive Director's response to the recommendations arising from the SDSC consideration on the use of S106 and CIL.

3. Recommendations

The Mayor is recommended to:

- 3.1 Approve the response from the Executive Director for Resource and Regeneration to the Sustainable Development Select Committee
- 3.2 Agree the content of this report and agree that the matters discussed in this report be reported back to the Sustainable Development Select Committee.

4. Policy Context

- 4.1 The contents of this report are consistent with the Council's Sustainable Community Strategy policies 'Empowered and Responsible' and the 'Clean, Green and Liveable' policy. This is through considering Community Trusts, rolling out a pilot scheme that allows communities to have a greater influence in how some S106 /CIL monies could be spent and developing a policy statement for working with neighbourhood forums. The collection of S106 / CIL funds serve to support the Clean, Green and Liveable Sustainable Community Strategy policy.

5. Background

- 5.1 The Sustainable Development Select Committee held a meeting on 22 October 2015 at which they considered a report on the collection and use of section 106 and Community Infrastructure Levy funds. The views, comments and recommendations of the SDSC arising at that meeting were then reported to Mayor and Cabinet on 11 November 2015
- 5.2 A response to the 11 November 2015 SDSC referral was reported at Mayor and Cabinet on 13 January 2016.
- 5.3 The response was subsequently forwarded on to the SDSC for consideration at their meeting on 18 April 2016, and the Committee requested that the following points were addressed:
 - *The response to the Committee's referral was quite general and did not specify in detail how decisions about the allocation of Section 106 and Community Infrastructure Levy (CIL) funds get made. The Committee felt greater clarity was needed about the process used to allocate Section 106 and CIL funds, and that this process needed to be effective and accountable for local communities.*
 - *The Committee's suggestion of setting up a Community Trust were aimed at avoiding the 2 year deadline for allocation Section 106 and CIL funds, and the Committee felt the response did not address this particular point.*
 - *The Committee requested more information about the allocation of funding to areas that have a neighbourhood forum but did not have a parish council.*
 - *The Committee also requested more information on how Councillors could be involved in the process of allocating Section 106 and CIL funds.*

- *The Committee wondered how the decision was made which wards to include in the pilot scheme for allocating unspent Section 106 monies.*

5.4 On 12 May 2016, the Sustainable Development Select Committee considered the further response to address the outstanding points. A referral was reported at Mayor and Cabinet on 1 June 2016.

Their recommendations are set out below.

6 Recommendations made by the SDSC

Recommendation 1

6.1 *The Committee felt it was important that the processes for allocating section 106 and CIL funding were made transparent so accountability could take place.*

Response:

6.2 The spending of section 106 and CIL monies sometimes requires difficult decisions to be made and it is not always possible to reach consensus. Decisions need to be made in the public interest and this inevitably does not always accord with local or topic based priorities. The need for transparent and accountable processes in the allocation of this money is therefore vital.

The Council has existing formal approval processes in place for the allocation of section 106 and CIL, which needs to accord with legal requirements. These are being reviewed to ensure that they are fit for purpose as well as looking at opportunities to use the Council's website to improve reporting and transparency.

Recommendation 2

6.3 *The Committee was aware that officers are considering the process and options for further public and Member engagement in the allocation of section 106 and CIL funds. The Committee felt a timeline should be established for when this consideration would be completed, so Councillors and members of the public could be made aware of the results.*

Response:

6.4 Officers are investigating the process and options for further public and Member engagement in the allocation of section 106 and CIL funds and are currently preparing a statement on the approach to the neighbourhood portion for consultation. It is proposed that this will be consulted on in autumn 2016 and the results reported by early 2017.

6.5 Given the complexities and scope of this work, any new process at a local level is likely to have to be implemented in stages and timelines will be established once the outcome of the consultation is known. However, it is proposed that improved reporting on the Council's website is put place for the beginning of the 2017/18 financial year.

- 6.6 The Planning Service will publish details of the section 106 and CIL funding received in the previous financial year on the Council's website. Officers are also proposing to publish details of the decision making process for the allocation of S106 and CIL.
- 6.7 The Planning Service also intends to update the Infrastructure Delivery Plan which outlines infrastructure needs across the Borough to support growth and the new unified Local Plan and the Gypsy and Traveller Site(s) Local Plan. This work will recommence towards the end of the year and will be subject to consultation with a wide range of Council services and external infrastructure providers before being published.

Recommendation 3

- 6.8 *The Committee felt that local assemblies should be made aware of any proposals for the allocation of Section 106 funding where communities would be involved in the allocation process. This should include those areas where a neighbourhood forum exists.*

Response:

- 6.9 The bulk of CIL and S106 funding will need to continue to be allocated for strategic infrastructure projects to mitigate the impacts of development in the area where it occurs, such as a need for additional school places, health facilities and improved community parks and open spaces. It is however, recognised that there should be a parallel role for local assemblies in all areas, including those with a neighbourhood forum, to allow residents to have the opportunity to influence the spend of some of the funding generated within their local area by establishing local priorities as well as influencing direct spend in some cases.
- 6.10 The approach piloted by community services for the spend of communities pots of money is intended to be rolled out across the borough, enhancing local democracy.
- 6.11 The potential for a 'Community Infrastructure Project List' is also currently being explored as a way of engaging with the public, interest groups and Members to understand and generate ideas for publically accessible physical improvements that could be funded from existing S106 agreements or the local CIL proportion in local areas. This "List" or 'project bank' could then be used to inform and direct available funding. This approach has been utilised by other Boroughs as a way of engaging with communities to inform the allocation of monies as and when they become available and would be an agreed and published list to ensure transparency.

Recommendation 4

- 6.12 *The Committee felt that participatory budgeting techniques should be considered as a method to involve communities in the allocation of relevant Section 106 or CIL funding.*

Response:

- 6.13 As part of the consideration of options for the allocation of spend officers will also consider the potential role and scope of participatory budgeting.

7 Legal Implications

- 7.1 The report sets out for approval the response from the Executive Director to the Sustainability Development Select Committee on matters raised, there are no direct legal implications on the responses.

8 Financial Implications

- 8.1 There are no direct financial implications arising from this report per se.

9 Equalities implications

- 9.1 Lewisham's Comprehensive Equalities Scheme (CES) 2012-16 describes the Council's commitment to equality for citizens, service users and employees.

The CES is underpinned by a set of high level strategic objectives which incorporate the requirements of the Equality Act 2010 and the Public Sector Equality Duty:

- tackle victimisation, harassment and discrimination
- to improve access to services
- to close the gap in outcomes for citizens
- to increase understanding and mutual respect between communities to increase participation and engagement

- 9.2 There are no direct equalities implications arising from this response.

10 Environmental implications

- 10.1 There are no environmental implications from this report.

11 Conclusion

- 11.1 The recommendation referred to the Mayor from the Sustainable Development Select Committee has been answered in section 6 of this report and it is proposed that this response is referred back to the committee

12 Background documents and report author

- [Planning Obligations SPD](#)
- [Report to SDSC 12 May 2016](#)
- [Report to SDSC 22 October 2015](#)
- [Report to Mayor and Cabinet 13 January 2016](#)

- [Lewisham CIL page documents](#)

- [IDP and latest update](#)
- [Local Plan](#)
- [Corporate Priorities and Vision](#)

12.1 If you have any queries on this report, please contact Emma Talbot, Head of Planning, 5th floor Laurence House, 1 Catford Road, Catford SE6 4RU – telephone 020 8314 9051.