

Report of	Meeting	Date
Director of Development and Growth (Introduced by the Executive Member for Economic Development and Public Service Reform.)	Exec Member Decision	March 2019

PLAY, OPEN SPACE AND PLAYING PITCHES – FINANCIAL TRANSFERS OF S106 TO PARISH COUNCILS AND ORGANISATIONS FOR PROJECT DELIVERY

PURPOSE OF REPORT

1. To seek approval for the transfer of S106 contributions collected for specific projects within the Play, Open Space and Playing Pitch Strategy for sites owned by Parish Councils or private landowners/organisations.

RECOMMENDATION(S)

2. All projects under the value of £5,000 to be agreed by all ward members with the decision to award funding being exercised by the Director within their existing delegation.
3. All projects of a value of £5,000 to £50,000 to be approved by Executive Member Decision. and agreed by ward members.
4. Projects over the value of £50,000 to be agreed by ward members and approved by Executive Cabinet.
5. All projects outlined within this report to be granted approval to have the S106 contributions transferred to the landowner to allow project delivery under the terms of a grant agreement or where the contributions are to be transferred after the project has been delivered to the satisfaction of the Council, to dispense with the need to enter into a grant agreement.
6. All future projects funded by S106 will be delivered through the approved decision making process.

EXECUTIVE SUMMARY OF REPORT

7. The existing Play, Open Space and Playing Pitch Strategy and Action Plan adopted in August 2014 is a five year plan from 2014 – 2019. The development of a new strategy is currently being undertaken by specialist consultants, Knight, Kavanagh and Page to take us from 2020 - 2025.
8. A report to Executive Cabinet in December 2017 approved the next phase of projects to enable the continued delivery of the play, open space and playing pitch strategy and associated action plan. It also noted the allocation of Section 106 monies to the schemes identified in the strategy action plan and delegated approval of the detailed projects and any associated tender exercise to the executive member subject to consultation with the appropriate ward members.
9. Chorley Council is currently in receipt of numerous sums of S106 contributions for approved projects on open space/play or playing pitch sites which score low quality and require investment. Many of these amenity sites are on parish council or private land. As such a

precedent grant agreement has been drawn up by the Council's legal team to agree the terms of the projects and stipulate how and when the money must be spent. This is due to restrictions regarding the number of times we can pool money to one scheme, the timeframe within which s106 money has to be spent and ensuring that the use of the commuted sums is spent in accordance with the definition contained in the S106 agreement. The content and complexity of the Grant Agreement will be tailored to reflect the specific projects and value of the works for each transfer of grant funding.

10. Whilst it is rare that the Council would transfer grant funding to a land owner after the project had been delivered, it would not be deemed necessary to enter into a grant agreement in the circumstances as the money would not be transferred without ensuring that the project had been delivered to the satisfaction of the Council and that the requirements contained within the S106 agreement had been fulfilled.

Confidential report Please bold as appropriate	Yes	No
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Key Decision? Please bold as appropriate	Yes	No
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Reason Please bold as appropriate	1, a change in service provision that impacts upon the service revenue budget by £100,000 or more	2, a contract worth £100,000 or more
	3, a new or unprogrammed capital scheme of £100,000 or more	4, Significant impact in environmental, social or physical terms in two or more wards

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

11. The S106 contributions collected have to be spent in a very prescriptive way. This is due to restrictions regarding the number of times we can pool money to one scheme, the timeframe within which S106 money has to be spent and ensuring that the expenditure of the commuted sums from the S106 agreements complies with the definition contained in the agreement.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

12. Not to allocate the S106 contributions to the project identified and owner organisation of the land and return the developer contribution, thereby not undertaking to deliver the project.

CORPORATE PRIORITIES

13. This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all	✓	A strong local economy	
Clean, safe and healthy homes and communities	✓	An ambitious council that does more to meet the needs of residents and the local area	✓

EXISTING SCHEMES

14. There are a number of projects identified within the strategy which can now commence due to S106 contributions having now been received. The associated finance is proposed to be

transferred over to the landowner to deliver the project with guidance from officers and a legal grant agreement.

15. Projects vary in scope, cost and complexity and as such a banding for sign off and approval has been assigned against project values. These bandings are for the approval of the transfer of S106 towards the project and don't necessarily reflect the total project values. This process is not altering existing delegations of Directors but confirms the procedure of decision making to engage ward members in projects within their ward as follows:-

Table 1

Project Value	Decision making process
Up to £5k – low value local projects	Agreed by all ward members with the decision to award funding being exercised by the Director within their existing delegation.
£5k - £50k – medium value projects of local importance	Agreed by ward members and approved by Exec Member Decision.
£50k + - high value projects of local or Borough importance	Agreed by ward members and approved by Exec Cabinet.

16. The detail of exactly what works will be undertaken for each project including the design and specification will be developed and agreed with elected members including ward members. The timings of transfer of the S106 contributions will be agreed through project scope and design of the project which will be set out in the grant agreement.

17. The table below indicates the projects which require approval of the transfer of section 106 monies to date. Future projects that come forward for delivery will be taken through the process as outlined in table 1.

Table 2

Site Name of improvement project	Ward Location	Project	S106 to be transferred to landowner	Method of approval
Bretherton Parish Institute	Bretherton	Improvements to open space – transfer to Bretherton Parish Council. Parish Council and ward member consultation taken place	£140.00	Director
Station Road, Croston (new allotments)	Croston	Transfer to Croston Parish Council for the creation of new allotments subject to planning permission and further funding	£1,155	Director
Mendip Road Play Area	Clayton-le-Woods	Transfer to Contour Homes for playground improvements.	£3,314	Director
Millennium Green Play Area	Mawdesley	Transfer to Mawdesley Millennium Green Trust for playground improvements in Phase 1.	£7,979.81	EMD
Pear Tree Lane (new allotments) Land at Sylvesters Farm	Euxton	Creation of new allotment site subject to planning permission and terms agreed.	c£10,000	EMD
Eccleston Play Areas	Eccleston	Transfer to Parish Council for improvement of play areas. Community Consultation to dictate where and how finance is spent.	£21,318	EMD
The Hawthorns	Eccleston	Transfer to Parish Council for	£20,827	EMD

		improvements to landscaping and paths at The Hawthorns		
Twin Lakes Playing Pitch	Croston	Transfer to Croston Football Club or landowner for site improvement to playing pitch	£49,071	EMD
Site Name	Location	Project	Awaiting receipt of S106 subject to development progress	
Bothy Garden	Withnell Fold	Transfer to Parish Council for improvements to open space.	£11,538	EMD
Memorial Garden	Withnell Fold	Transfer to Parish Council for improvements to open space.	£11,934	EMD

FUTURE SCHEMES

Moving forward, S106 contributions will continue to be received for all low quality open space, play areas and playing pitches in the Borough linked to the SPD/Policy.

A new Open Space, Sports and Recreation Strategy including action plan will be developed and brought to Executive Cabinet in 2019 for approval to consult. This action plan will propose the future tranche of investment projects for section 106 monies.

Linked to this, the government are going to be introducing new reporting requirements on councils for both spend and forecasted spend for section 106 which will be published annually and this will include OSSRA projects

IMPLICATIONS OF REPORT

18. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	✓	Customer Services	
Human Resources		Equality and Diversity	
Legal	✓	Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

COMMENTS OF THE STATUTORY FINANCE OFFICER

19. The projects outlined in the table of this report have already been approved by Executive Cabinet on 14 December 2017. This report seeks approval to approve the process through which the monies are transferred to other organisations to deliver the projects. The processes outlined in this report are in line with council's financial procedure rules surrounding budget transfers.

COMMENTS OF THE MONITORING OFFICER

20. The proposal does not provide new delegations but will ensure clarity and consistency as to who will make decisions on the allocation of relevant section 106 funds. It retains appropriate local consultation takes place on low value awards with the level of consultation and member involvement increasing as the value and importance of the schemes increases.

21. The Council's Section 106 agreements do not prevent the Council from transferring any contributions received to a third party to enable the project specified within the agreement to be delivered.

22. A grant agreement would be required where the payment is to be paid prior to the delivery of the projects as the use and expenditure of the money needs to be in accordance with the associated Section 106 agreement. The grant agreement includes provision for the grant

funding to be recovered from the recipient where the money is not being spent in accordance with the agreement.

MARK LESTER
DIRECTOR OF REGENERATION AND GROWTH

Report Author	Ext	Date	Doc ID
Lindsey Blackstock	5218	15/01/2019	***

_____ **Dated** _____

Councillor Alistair Bradley
Leader of the Council
Executive Member for Economic Development and Public Service Reform