

Report to: Audit and Governance Committee



Date of Meeting 23 September 2021

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

Section 106 and CIL Update

Report summary:

The purpose of this report is to update members on progress in implementing the actions identified in the SWAP audit that was presented to members at their meeting on the 28th January.

The audit report made two priority 2 recommendations relating to appointing additional temporary staff resource to help get the Exacom system up to date and the updating of guidance on the participatory budgeting process. A further two priority 3 recommendations were made in relation to the introduction of the public facing Exacom module and the use of Exacom for recovering outstanding payments. Officers have been working hard to progress these actions which have been largely completed within the required timescales.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

That Audit and Governance Committee note the progress that has been made to implement the actions of the S106 and CIL audit.

Reason for recommendation:

To ensure Members are informed of progress on implementing the actions identified by the S106 and CIL audit.

Officer: Ed Freeman – Service Lead – Strategic Planning and Development Management

Portfolio(s) (check which apply):

- Climate Action and Emergencies
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Culture, Tourism, Leisure and Sport
- Democracy and Transparency
- Economy and Assets
- Finance
- Strategic Planning
- Sustainable Homes and Communities

Equalities impact Low Impact

Climate change Low Impact

Risk: Low Risk;

Links to background information Audit and Governance Committee Report 28th Jan 2021 - [S106CILAuditandGovernanceReport.pdf \(eastdevon.gov.uk\)](#); SWAP Audit Report - [S106CILFinalInternalAuditReport.pdf \(eastdevon.gov.uk\)](#)

Link to [Council Plan](#):

Priorities (check which apply)

- Outstanding Place and Environment
 - Outstanding Homes and Communities
 - Outstanding Economic Growth, Productivity, and Prosperity
 - Outstanding Council and Council Services
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Background

In December 2020 SWAP completed an audit into the S106 and CIL planning contributions system. The objective of the audit was to ensure that appropriate arrangements are in place to manage the receipt and expenditure of S106 and CIL contributions. The audit noted that a number of weaknesses were already known to the service at point of testing, such as the Exacom system not being up to date partly because the lead officer was redeployed to assist in the Community Hub during the first Covid-19 lockdown. Work was ongoing at the time of the audit to ensure that the system was brought up to date before the end of the 2020/21 financial year.

The audit gave a rating of “limited assurance” and a number of actions to address the findings were agreed. The key findings and proposed actions are summarised below with a progress report shown in *italics* beneath.

Findings, Actions and Progress

Finding 1: The audit identified a large number of outstanding actions on the Exacom system.

Action: It was agreed that we would review resources and look to appoint a temporary member of staff to assist with the backlog of actions by April 2021.

A review of resources was carried out and it was concluded that additional temporary staff were needed to help to get the system up to date and that this could be funded through money held in the S106/CIL admin and monitoring fees held by the Council. An additional member of staff started in February with a second starting in April. These additional staff have been helping to address the backlog of actions and at times covering for the established teams leave and absences.

Action: It was also agreed that the Planning Obligations Officer would provide a quarterly report on the status of the outstanding actions from Jan 2021.

Over half of the outstanding actions have now been resolved with the system updated and this being reflected in reports. The additional staff remain under contract until August and October respectively and we will continue to monitor progress and review these arrangements as necessary.

Finding 2: Not all demands are raised on a timely basis and the recovery processes are ineffective.

Action: It was agreed that we would start to utilise Exacom to track the recovery process including using further notices and date tracking by June 2021.

A new invoicing and recovery process has been produced which clearly documents the relevant stages and actions needed using the Exacom system. This process has been in place since June and work is ongoing to work through the outstanding invoices and overdue payments starting with the oldest. Recovery of historic (pre-2018) overdue payments is going well with over £100k (comprising 12 separate debts) recovered so far. A further £140k (pre-2018) debts remain outstanding and comprise of 29 separate debts. These are being escalated through the process. The post 2018 debts are within the outstanding actions identified in Finding 1 and are also being progressed.

Finding 3: Participatory Budgeting Guide is out of date and not easily located.

It was agreed that we would review and update the Participatory Budgeting Guide, to include recommending that Parish and Town Councils should take minutes of the steering/working groups and publish them on their website. This to be done by the end of Jan 2021.

The participatory budgeting guide has been updated and the recommended amendments incorporated into the new guide which was published in January. The guide is available at: [Participatory Budgeting - East Devon](#)

Finding 4: Parish and Town Councils are not advised on how much S106 has been collected.

It was agreed that we would ensure that the Public Facing Exacom is made available as soon as we have been given assurance that the Exacom is complete and accurate. This to be done by the end of March 2021.

The public facing module for Exacom has been the subject of some further delays. Although the data was up to date and it was ready to go live by the end of March unfortunately due to a lack of the required security documentation from the software provider to STRATA it was not possible to put the system live at that time. The system has however recently gone live and can be found at: [East Devon PFM - Home \(exacom.co.uk\)](#)

Conclusion

In conclusion significant progress has been made to address the actions identified in the audit. A follow up of the actions is also identified for quarter 2 in the internal audit plan 2021/22 which will hopefully provide independent confirmation of the progress that has been made.

Financial implications:

To be completed by Finance.

Legal implications:

To be completed by Legal.