

PLACE OVERVIEW & SCRUTINY COMMITTEE

23 APRIL 2025

Section 106 update

Report by the Director of Economy & Place

RECOMMENDATION

1. The Place Overview and Scrutiny Committee is RECOMMENDED to

- a) Note the update provided on S106 Improvement Programme.

Executive Summary

2. This report provides an update on the management of Section 106 (S106) planning obligations funding and associated processes, following the last scrutiny update in November 2024. It focuses on progress made under the Phase 2 S106 Improvement Programme and outlines key developments since the previous report.
3. As of year-end 2023/24, the Council held £236m in S106 contributions for infrastructure projects, excluding Highways Maintenance commuted sums and Public Transport provisions. Nearly two-thirds of these funds are allocated to Education Infrastructure, such as new school developments and expansions. Over the past five years, the Council has spent more than £125m of S106 funding, with £112m directed towards education projects. However, during the same period, the Council has received over £271m in new S106 contributions. While some build-up of funding should be expected, over the medium term, income should match expenditure. The need for a step-change in the structured approach to fund management is therefore clear.
4. Since the November 2024 update, Phase 2 of the S106 Improvement Programme has been delivered, focusing on accelerating current delivery and a more transparent and systematic approach for the future. Following year-end processes 2024/25, a fully reconciled and accurate overview of S106 funds will be available, providing a clearer picture of both the level of available funding and future planned expenditure. Overall this marks a significant step forward in improving financial oversight and reporting. With Phase 2 now complete, Phase 3 will commence in April 2025, shifting focus to delivery and implementation of key projects.

Background and Context

5. In November 2024, a report to the Place Overview and Scrutiny Committee reported back on Phase 1 of the S106 Improvement Programme. It highlighted:
 - A projected increase in S106 spend in 2025/26 and an overall reduction in S106 funds reported as held, with an ongoing need to accelerate delivery
 - Deficiencies in integration between the systems that manage S106 monies, project management and finance, meaning that live data has not been available for delivery teams
 - The need for a live dashboard of information on S106, available to Members
 - The need to review the governance of associated Community Infrastructure Levy funding.
6. A structured, cross-organisational approach, with Director-level oversight, has been implemented to enhance fund management and spending. The programme elements within Phase 2 of the programme have included:
 - A project to accelerate delivery to address the backlog of small-scale S106 schemes
 - A detailed review of systems & processes, with new standard operating procedures to be agreed, and the delivery of a single view dashboard integrating information from planning, project management and financial systems
 - The delivery of an integrated pipeline and pre-delivery pipeline to facilitate the identification and prioritisation of capital projects across the board
 - A comprehensive review of S106 agreements to re-baseline schemes as “identified use” or “committed” and to review other agreements for flexibility from previously identified uses which are no-longer priorities
 - A longer-term project to map out strategic sites and infrastructure needs and align infrastructure planning with Local Plans and development impact
7. This update marks the completion of Phase 2, outlining progress to date and setting out proposals for Phase 3. Progress made within Phase 3 of the Programme is set out below.

Summary of Phase 2 Deliverables March 2025

Acceleration of Delivery

8. The S106 Accelerated Delivery project aims to accelerate delivery of minor transport schemes through an accelerated programme of works during 2025/26-2027/28.
9. As part of Phase 2, various options to accelerate design and delivery were investigated. Of the options investigated it was determined that the most efficient and cost-effective solution would be to engage with established internal design and delivery teams to develop and deliver the works at pace to alleviate the S106 funding backlog. An initial 49 minor transport schemes were identified with £11.6m of associated S106 funding, of which £9m is held.
10. Noting that in some cases, under-capitalisation has held up schemes, the Capital Investment Strategy approved by Council in February 2025 includes a new prioritisation category which will allocate capital funding to schemes only partially funded by Section 106 contributions but that can be unlocked through additional funding. Cabinet proposed £4m investment against this category, which was subsequently approved by Council in February 2025.
11. Of the identified schemes so far, a proportion would require additional financial support, of which £1.1m capital investment funding will be funded from the £4m investment agreed in February 2025.
12. The table below sets out the number of projects identified for acceleration by district. As these schemes are moved into design and procurement, further review will aim to bring through a next tranche of accelerated schemes.
13. Accelerated spend associated with the initial 49 on minor schemes amounts to more than 10% of the total S106 held transport allocations as of April 2025

		Projects (no.)	s106 Secured	s106 Held	Corporate Funding
North	Cherwell	17	£2,168,976.80	£3,948,087.20	£155,000.00
	West	7	£50,261.40	£1,049,852.88	£100,000.00
Central	Central	3	£0.00	£679,994.66	£0.00
South	South	9	£167,640.00	£1,736,129.14	£630,000.00
	Vale	13	£185,059.46	£1,627,739.53	£245,000.00
		49	£2,571,937.66	£9,041,803.41	£1,130,000.00
			Total	£11,613,741.07	

Tab. 1 S106 Accelerated Delivery Breakdown April 2025

Systems, Data and Process Review and Dashboards

14. From January 2025, the addition of a Business Analyst has facilitated significant progress in engaging key stakeholders across the Council in a detailed review of S106 and related processes.
15. The project scope has been expanded to include feeder processes related to Section 106 planning obligations and negotiations. Workshops have identified challenges across the end-to-end process, consolidating these into a list of opportunities now being integrated into detailed sub-processes. These will be reviewed during April 2025. Additionally, system demonstrations have highlighted integration gaps, necessitating retraining and reconfiguration of MasterGov (the relevant planning management system) to eliminate offline workarounds.
16. Progress has also been made in assessing current agreements to determine whether negotiated contributions align with real-world scheme delivery costs. Engagement with service delivery teams has uncovered opportunities for improved collaboration. This has led to a review of current negotiation rates. An initial review of index pricing has identified opportunities to better align rates with actual scheme delivery costs. Further analysis will be undertaken in April 2025, with a revised pricing model to be presented to the Programme Board in early May 2025.
17. Dashboards are being built for core stakeholder groups: members, senior managers and operational teams. Each dashboard will be designed with the end users' requirements in mind and content displayed based on a user group. A beta dashboard for members exists, with deployment planned through the member induction and training process following the May 2025 local elections. A demonstration will be provided to the Committee. A detailed release plan is being completed for the Senior Manager and Operational dashboards based on the learnings from the development of the Members beta dashboard
18. Key actions on dashboards include re-platforming dashboards onto the council's central data capacity infrastructure. This enables licence-free access, better integration and more reliable performance. The project has engaged support from the corporate data and technical architect teams and is working to develop a data eco-system aligned to the corporate approach to data design, certification and management. At time of writing, dashboards are in the process of being tested for technical design efficiency, data content accuracy and user experience before deployment.
19. In terms of dashboard visuals and content, the project has focused on following a data insights architecture approach. This means starting from a position of collating the questions and insights that all core stakeholder groups require to be able to make informed decisions related to their role.
20. The screenshots below provide early sight of approach and content.

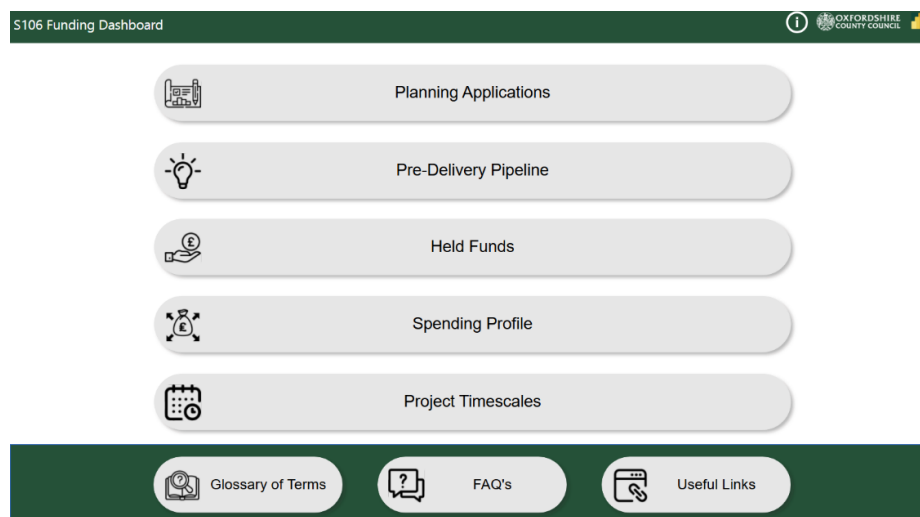


Fig.1 Members Dashboard Menu April 2025



Fig.2 Members Dashboard April 2025

21. Finally, a revised process for the prioritisation of associated Community Infrastructure Levy (CIL) funding has been developed and agreed. The new CIL process sets out how the County Council will engage with South Oxfordshire and Vale of White Horse District Councils, and in future with any other Councils who adopt relevant CIL policies. The new process treats CIL as a potential funding source for the Capital Programme and provides increased touchpoints with stakeholders to ensure priority schemes within the district are funded. Capital proposals will be submitted as part of the Capital programme process, and CIL proposed to fund them where appropriate. Funding package options will then be developed and agreed. Priorities will also be discussed with local members and at locality meetings and other forums, before the final sign off for the use of CIL funding as per other capital funding.

In short:

- In July / August – an estimate of expected CIL funding will be provided by the district council
- During early October, new capital proposals are identified as part of the capital budget setting process
- Capital proposals are then filtered against the statutory CIL criteria
- During this period the district council will confirm the CIL allocation
- Funding package options are developed with relevant stakeholder engagement
- In early January, schemes are submitted for approval and inclusion in the council's submission to the district council by the end of the January deadline

Capital Pre-Delivery Pipeline/Portal

22. The Capital Pre-delivery portal has been built to capture and log all capital schemes not yet in the funded capital programme and will significantly improve the delivery and monitoring of early-stage projects. It comprises a new database and front-end interface for entering and monitoring the data. To date, this information has been held in many isolated and inconsistent spreadsheets with no visibility for other affected teams or schemes. This has been identified as a critical need not just to report against S106 schemes, but for all capital schemes not yet in delivery.
23. This initial phase has focussed on capturing key information relating to S106 schemes, specifically in transport infrastructure and education service areas. The data feeds into the new dashboards, providing the ability to view pipeline schemes and related data on a map of Oxfordshire which can be filtered by district or parish. Critically, the data will enable the Council to understand barriers to delivery, enabling proactive action to be taken, such as redeploying resources, agreeing delivery routes, or providing additional funding, for example. Visibility will also allow higher risk agreements to be identified and focussed on. A key element of this workstream is to ensure that processes and governance are clear and available to colleagues to ensure full adoption and embedding into business as usual.
24. Having a single combined portal also paves the way for automation tools to be used to help keep the information up-to-date and accurate. These will include automatically triggered messaging prompting officers to make updates as projects move through key phases.

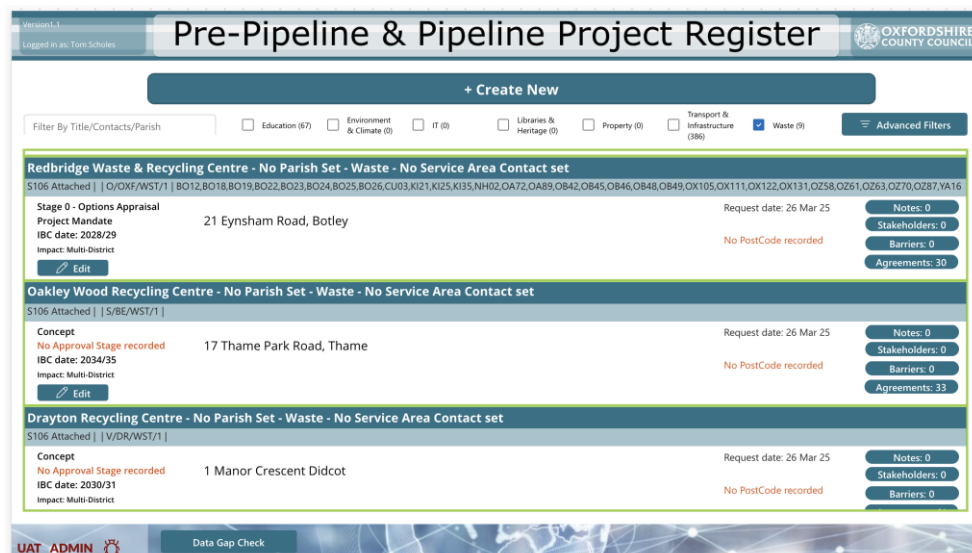


Fig.3 Pre-Pipeline Database April 2025

Categorisation Review

25. Significant progress has been made in the S106 Funding Review, with system updates, enhanced fund categorisation, and strengthened governance processes to improve fund management and delivery. This work aims to ensure that schemes are reviewed for ongoing relevance and deliverability and recategorized accordingly.
26. This review applied a structured assessment process to all agreements, ensuring a clear and transparent classification of funds. The categorisation framework is defined as follows:
 - Committed - Funds allocated to a clearly defined and approved project, where barriers to delivery are either resolved or can be overcome. While the project is approved and planned proceed, this does not necessarily indicate immediate delivery.
 - Identified Use - Funding earmarked for a specific purpose in line with legal agreements but not yet assigned to a fully defined project. These funds will be allocated once further details are determined.
27. Through this process £92m of funding has been reclassified as committed, meaning that service departments are clear on the details of the delivery project. These funds are now being moved fully into the pre-delivery pipeline with ongoing challenge from a senior panel on deliverability and timescales.
28. £449,000 of funding has been identified that can be applied to the Cowley Branch Line and £5.1m to support capital investment in Special Education Needs provision, both identified corporate priorities.

29. Remaining proposals identified as undeliverable or no longer required are under detailed review for alternative compliant uses.

Spatial Strategy

30. To provide the most strategic direction to the negotiation of developer contributions, long-term understanding of local place-development as well as short term pressures, needs to be better understood. Key foundations are therefore being put in place to enable better infrastructure and service planning. District level Local Plans form the key documents in planning growth for the next 20 years and the Oxfordshire Infrastructure Strategy (OXIS) sets out the County's infrastructure needs related to the current situation and that growth. Local Plans are all currently undergoing statutory reviews and in addition, a revision of OXIS has also been commissioned to delivery in Q3/4 2025/26.
31. Two further streams of work are being developed to provide a more complete long-term picture. Firstly, an integrated spatial model is being commissioned which will combine datasets that describe the county in spatial terms, and give facilitate better insight to help develop future plans. The second stream is assessing land uses across the county, working with stakeholders to develop land use principles which can be used to shape land uses and development patterns, safeguarding and protecting valuable land to support the development of an inclusive, sustainable economy.
32. Added to these key workstreams is ongoing work developing a suite of masterplans for areas of Oxford and towns across the County. These will look to tackle some of the key social, environmental and economic issues within these areas while also looking at opportunities for better place making public realm, access to the country-side and green spaces, and overall optimised utilisation of space.
33. Taken as a package, this enhanced strategic planning framework will better enable the development of schemes and mitigations associated with growth sites to more closely match long-term, strategic need.

Programme Delivery (Phase 3)

34. As the Council moves into Phase 3 a series of actions have been requested as next steps by the S106 Programme Board including:
- Establishing Quarterly Fund Review Meetings and a structured review process (with Planning, Finance, Infrastructure Delivery, and Legal teams) to assess:
 - Status of committed vs. uncommitted funds
 - Spend progress and delivery outcomes
 - Alignment of funds with priority schemes
 - Expiring funds and potential risks

- Opportunities for reallocation based on alternative funding sources (e.g., CIL, government grants)
 - Annual Reallocation Exercise – Conduct a deep-dive review to identify funds that can be repurposed within legal constraints, ensuring alignment with council priorities.
 - Triggers for Fund Reallocation – Develop clear criteria for when a project should be reassessed or funding should be reallocated (e.g., delays, changes in priorities, alternative funding secured)
- Implementation of Continuous Monitoring & Performance Improvement - Key Performance Indicators (KPIs) for Fund Management – Develop metrics such as:
 - % of funds committed within set timescales
 - Number of schemes delivered on schedule
 - Overall spend vs collection rate
 - Level of fund expiry risk
- Agreed regular reporting to the Portfolio Holder, Cabinet and Overview and Scrutiny, through the performance and risk management processes
- Automated Financial Tracking (Power BI) – Implement a live tracking dashboard that integrates with finance and project delivery systems to provide real-time visibility on fund allocation, project progress, and potential risks. This will be an enhanced level of reporting to that produced in Phase 2.
- Compliance Audits & Assurance Checks – Introduce bi-annual internal audits to verify fund categorisation and ensure legal compliance.
- Implement a 'Red Flag' System - to automatically highlight funding at risk of expiry.
- Creation of 'Accelerated S106 Delivery Programme' / funding profile that will show the spend-down of the S106 balance over time and will allow the programme to be held to account.
- Further and ongoing detailed review of S106 funds / agreements by Programme Board to maintain challenge to deliverability and timescales.
- Release of Beta 2 Members Dashboard (spend breakdown by Service Area, delivery timescales and planning application.
- Delivery of Process Review and Procedure Recommendations.
- Development of systems approach of "making it easy to do the right thing the first time" to include:
 - Governance and Change Management
 - Optimised use of MasterGov
 - Collaboration and communication
 - Organisational Redesign

Financial Implications

35. As of April 2024, Oxfordshire County Council held £236m in S106 provisions for infrastructure projects, in line with legally binding agreements. This excludes Highways Maintenance commuted sums and Public Transport contributions. Nearly two-thirds of these funds are allocated to Education Infrastructure, including new schools and expansions. Over the past five years, the Council has spent over £125m in S106 funding, with £112m directed towards Education schemes. During the same period, £271m in new S106 contributions have been secured, reinforcing the Council's strong position in negotiating developer contributions.
36. The capital programme, as presented to Cabinet on 25 March 2025, outlines over £92m in planned S106 expenditure across 2024/25 and 2025/26, including:
 - £66m for schools to support the Pupil Place Plan, subject to the timing of school openings and admission demands.
 - 25% of held S106 funds allocated to Transport schemes, covering projects from major roadworks to local traffic calming measures.
37. Where possible, external grant funding is utilised alongside S106 contributions:
 - £22m in transport-related S106 funding is earmarked for schemes receiving Growth Deal Funding, to be spent by the end of 2025/26.
 - £9m allocated to the HIF 1 programme, supporting major infrastructure delivery.
38. The S106 Improvement Programme is enhancing fund management and reporting, offering greater clarity on allocations. However, expenditure remains subject to various constraints:
 - Education funding is tied to school expansions and openings as outlined in the Pupil Place Plan.
 - Transport projects have long lead times due to planning, design, and construction phases.
 - Resource limitations within the Council and construction sector impact project delivery timescales.
39. It is anticipated that, by the end of May 2025, a comprehensive year-end reconciliation will be completed.
40. For 2024/25, the Council has already received an additional £41m in new S106 contributions. Reinforcing our track record in securing developer funding. The Council's structured approach ensures transparent, legally compliant, and effective management of S106 funds to support Oxfordshire's infrastructure needs.

41. The Council's structured approach will provide greater transparency and assurance in the management of S106 funds, ensuring they are aligned with Oxfordshire's infrastructure needs while maintaining compliance with legal obligations.

Comments checked by: Graham Clare, Senior Planning and Reporting Accountant graham.clare@oxfordshire.gov.uk

Legal Implications

42. S106 Obligations are entered under the Town and Country Act 1990 (as amended) and are paid and/or supplied by developers to enable the council to deal with the impact of development. Planning permission can be refused where the impact of a development is not appropriately mitigated. A s106 obligation is a contract and there is a legal requirement on the developer and the council to comply with the terms of that contract.
43. The council is required to produce an annual Infrastructure Funding Statement in accordance with Schedule 2 of the Community Infrastructure Levy Regulations 2010 (as amended). This must include information on the amount of Section 106 contributions the council has secured, the amount of s106 contributions spent or allocated, a summary of infrastructure s106 contributions were spent on, and the amount of unspent s106 contributions it holds.

Comments checked by: Jennifer Crouch, Head of Law and LBP (Environmental) jennifer.crouch@oxfordshire.gov.uk

Staff Implications

44. There are no immediate staff implications to report at this stage, however staff implications may be identified during development of the end-to-end process mapping and redesign component being led by the Business Analyst as part of the Process workstream.

Equality & Inclusion and Sustainability Implications

45. The effective delivery of schemes that mitigate the impact of development is critical to Oxfordshire communities, with the impact of delivery / non-delivery being particularly experienced by those experiencing disability, those who are pregnant or are nursing young children, or anyone likely to be or feel more vulnerable in the public realm, including women. Rural communities and communities suffering economic disadvantage are also more likely to benefit from improved infrastructure or be impacted by non-delivery. Equally, the effective design and implementation of S106 and CIL schemes provides the Council with a major opportunity to enhance the environment. While there is no direct impact from this report, an ECIA is therefore in progress to ensure that the transformation programme and the subsequent planning, data and

reporting processes identify and highlight equality, inclusion and sustainability implications in their delivery.

Consultations

46. None required at this stage.

Robin Rogers, Director of Economy and Place

Contact Officer: Melanie Graham
(melanie.graham@oxfordshire.gov.uk)

April 2025