



Isle of Dogs Community
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Funded by Planning Contributions

Introduction to Section 106

What is s106?

The usual term used to describe a section 106 agreement is 'Planning Obligation'. Planning obligation is a payment made by developers to compensate for the inconvenience, disruption and added demands made on an area by the development.

Payment is usually made when a development proposal is approved by the planning authority (in this case LBTH) and the developer has access to or is working on site. The total sum paid is a negotiation between the developer and the planning authority and whilst not fixed is subject to national and regional precedents.

Most planning obligation is capital spend and based on the infrastructure demands created. This is likely, depending on the nature of the development, to include:

- Improvement to or new roads
- Road safety / crossings
- Extensions to rail platforms / stations / DLR
- Schools or school extensions, nurseries
- Green spaces / soft landscaping

A small proportion of s106 is generally set aside for the demands made on communities and these are again, usually, 'capital' spend items for example.

- Community centres
- Play areas
- Faith centres
- Community arts
- Pocket parks

The Millennium Quarter

See map attached to the agenda

The Millennium Quarter was subject to a master planning exercise that commenced even before 2000. IDCF was invited as a voluntary sector partner to attend the planning events alongside the Council and to consult with the voluntary sector on their needs and aspirations as well as providing evidence of community need, demand and aspiration which would be exacerbated or increased by the development of the area. You can be forgiven if you were not aware of, or indeed have forgotten, this initial contact as it was a long time ago now! The plan has, understandably, evolved over time – it has taken a very long time to get to build. This is partly a result of external events like changes in the economy, regional and national government policy. For example the fall in demand and price of office space along with greater demand on local authorities for housing which has resulted in an increased number of residential homes approved for the area. Nonetheless the plan is for what is called 'mixed use' developments incorporating housing (including social and affordable homes), leisure facilities, restaurant and hotel space, retail and office space. Most developers are required not only to contribute s106 to community and voluntary sector use but also to provide some community space within the larger developments.

The London Borough of Tower Hamlets has taken a relatively innovative approach in setting up the agreement for IDCF to manage the top-sliced element of MQ s106 for the local communities – residential and working who are impacted upon by the developments of the MQ area. The development will for example:

- Increase the density of the Isle of Dogs (number of residents living locally and workers commuting in)
- Housing is to include 20% social (that managed by a social housing / housing association landlord) or affordable housing, as a minimum
- Increase the number of children living on the Isle of Dogs (though a large proportion of the houses / apartments to be built are small and will skew the demographics of the local population, generally to a younger, professional adult population without children or small families)
- Increase the demand for community, multi-faith and multi-cultural activities needed to serve the growing population
- Increase demand for places on schools, nurseries and other facilities for children and young people on the IoD
- Increase the demand and need for medical services (GP, dentistry, other therapies), advice & guidance, counselling, advocacy and etc
- Create jobs at all levels which will need to be filled by local people and additionally by –
- An increase in the number of people commuting into the area to work
- Through the development of leisure facilities, increase the numbers visiting the IoD for social activities
- Through the development of hotels increase the number of visitors for business / social activities

The contribution which IDCF receive for distribution will need to be spent in a way which can demonstrate that it is being used to resolve the issues raised by the developments and impacting on the local communities. It is not a replacement for statutory spend so won't be spent on anything which is the proper remit of LBTH, the Police, the Primary Care Trust or similar. It does however have to meet the usual remit of s106 and so contribute to Local Authority floor targets (measures set by the government), and fit with regional and national policy demands.

Opportunity, Criteria and Fit for Millennium Quarter s106 projects

Opportunity

IDCF is managing the MQs106 contribution on behalf of the London Borough of Tower Hamlets. We are contractually bound to deliver the service, subject to performance, to meet their output and outcome target. We need to make it clear that if the borough delivered the programme themselves, or contracted to another organisation they would be bound by the same requirements. IDCF is required to provide the same level of quantifiable outputs and outcomes that any one else would.

We would like to think that IDCF is well placed to deliver this programme given the experience of managing grant programmes for 15 years and having successfully delivered the Single Regeneration Budget (SRB) Programme.

The most important aspects of IDCF receiving the MQ s106 fund are that the **social and community facilities and services** that will be met by the MQs106 monies will be:

- managed by an experienced voluntary sector organisation with relevant experience of rigorous output driven programmes and projects
- the managing agent (IDCF) is run by a balanced cross sectoral partnership board so providing expertise from all sectors (community & voluntary, statutory and corporate) to ensure a balanced and well structured programme,
- the programme of activities will, so far as possible, be delivered by the community & voluntary sector. Locally based organisations, or with experience of the local communities, delivering services and facilities tailored to meet the needs of local people in a way which provides familiarity and comfort

The Millennium Quarter is likely to be a continuous programme developed and built over a period of 10 or more years. The likely contribution for **social and community facilities and services** is likely to be in the region of £6million over this period. Not a massive sum each year, somewhere in the region of £500k - £600k, but a substantial amount to support the local voluntary sector to provide relevant and appropriate services and facilities.

The budget has an almost even split of capital and revenue allocated to it.

Criteria and Fit

IDCF has agreed – based on the original proposal - a range of themes which the MQ s106 need to fit within and which translate to Local Area Action and the Local Area Partnership output and outcomes. These are:

1. life long learning, adult education and training
2. employment brokerage activities (for all ages)
3. social and community enterprises
4. employment mentoring and better links with school
5. employment partnerships for local people
6. community arts and cultural activities
7. cohesive communities / multi-faith activities (environmental)
8. an occasional opportunity for IDCF to discuss any other community facilities and services which the council considers in consultation also with the developers are appropriate in consequence of the Master Plan Area.

In the short-term we will also have approval for a second, much smaller, s106 scheme, so if your project doesn't fit with MQs106 there will be other opportunities, the themes here (in draft) include:

1. sport and leisure
2. capacity building the voluntary sector infrastructure
3. safety and security
4. building bridges and community cohesions
5. services for elders
6. services and activities for young people

LAP 8 actions

Healthy living / lifestyles (including access to healthcare, sexual health, healthy eating)

Improve lifelong learning and achievement (including men's health)

Maintain and enhance quality of life

Maintain and enhance the quality of the environment (through quality of open space)

Increased community safety (including young people as victims and perpetrators of crime)

Increased employability

Increase youth activity in organised events

LAA Actions

A better place for living well

A better place for living safely

Creating and Sharing Prosperity

Learning, achievement and leisure

National Actions

Healthier communities

Safer and stronger communities

Services for children and young people

Services for older people

Economic development and enterprise

Introduction to Procedures

As with any funding programme which has set principles, criteria and measurable outputs and outcomes it is essential to have well established systems and procedures that all prospective and successful applicants can follow and which minimise unnecessary effort and maximise time well spent. Well used to running the Single Regeneration Budget, a number of European Structural Fund and a range of other government funds as well as their own grant programme IDCF has well established and transparent systems and procedures which have been regularly updated with established good practice to ensure they are relevant and compatible with best practice in supporting and reporting grant programmes (statutory or otherwise).

The process for the MQs106 is as follows:

Annual Delivery Plan (DP) setting out:

- Progress to-date
- the range of projects likely to be supported in that year (with contingencies),
- projected spend (capital and revenue)
- projected outputs / outcomes
- projections for activities and outcomes in subsequent years
- a set of the approved Project Initiation Documents (PIDs)

LBTH will approve, or if they doubt the criteria or spirit of the MQs106 contract is being met, request changes / amendments to the DP or individual PIDs and their contents.

This process will be run concurrently with:

Appraising and approving projects

- Completion of an expression of interest for new project
- Completion of an annual report and re-appraisal for projects seeking ongoing funds
- Invitation to and completion of the full proposal by project proposers
- Appraisal by IDCF appraisal panel and recommendation to trustees (with any conditions)
- Trustee endorsement at the Board
- Successful project PIDs completed by IDCF
- Submission of PID to LBTH (along with the DP in most cases). As above LBTH may request further consideration of any PID if they doubt the criteria or spirit of the MQs106 contract is being met

Monitoring Requirement

See attached is the current quarterly monitoring requirement

- A quarterly report is required related to the quarter ends:
 - ✓ June completion required mid July
 - ✓ Sept completion required mid Oct
 - ✓ Dec completion required mid Jan
 - ✓ March draft completion required mid March and final mid April
- On receipt of the quarterly returns IDCF will analyse the information, aggregate the data and make a claim to LBTH based on spend, outcomes and the achievement of milestones as outlined in the DP and supported in the PIDs

- Payment to projects is quarterly in arrears, subject to satisfactory completion of the quarterly return, any monitoring visits undertaken by IDCF and payment received from LBTH.
- LBTH undertake to pay IDCF within 4 weeks of the return being made to them so projects should be paid within 6 weeks of the quarter end.
- LBTH may wish to scrutinise any level of project or programme activity and request IDCF to provide more / different information or to audit IDCF or any project.

Contractual Issues / Obligations

Once a project has been approved IDCF will issue a contract to the project management organisations (x2). The project will be required to sign both and return both to IDCF who will check that the conditions are agreed then sign and return 1 copy to the project, retaining the 2nd for file copy. The contract will:

- Confirm the project that has been agreed, using the approved project proposal and outlining in quarterly schedules the agreed
 - ✓ Outputs (reported as appropriate by ethnicity, disabled participants, gender split)
 - ✓ spend
 - ✓ progress against milestones
- the obligations required of the organisation / project manager in regard to delivering the project
- the requirements to promote and publicise the project and the funding stream
- the monitoring and reporting procedures

Evaluation

Project level evaluations are based on the projects quarterly returns, monitoring reports and an annual assessment of progress against outputs and outcomes, relevance to client group and impact on the local area along with predictions of progress for the following year as appropriate. For short term projects – for example a refurbishment scheme - the nature of the evaluation and timescale will be agreed before the contract is issued

Programme level will use individual project quarterly returns and annual reports, IDCF's own quarterly aggregated reports and an overall assessment of progress and effectiveness of targeting. Required at the end of the year the evaluation will support the DP

Application Levels and appropriate application forms

In all cases it is very important to contact IDCF to discuss the appropriateness and fit of any proposed project with

- IDCFs themes and current priorities (see attached) for fast track or standard grants and
- For MQs106 grants with aims and objectives (see paper on opportunity, criteria and fit with MQ), **and**
- In future with the criteria for any subsequent programme priorities (for any future programmes awarded for IDCF management / delivery)

It is essential to check with IDCF before completing the **full** and **relevant** application form which IDCF will provide once you have discussed your project with them / or have been encouraged to develop your expression of interest in the case of MQ funding. This is not intended to be an onerous undertaking but ensures that applicant organisations:

- do not waste their valuable time completing a proposal which can not be supported,
- provide as much relevant material as necessary
- do not provide detail not relevant to the IDCF / MQ requirements.

IDCF are able to provide suggestions, support and guidance where a proposal does not quite meet the criteria or if you have difficulty completing the application. IDCF will be running bid writing workshops if the demand and need exists.

Under £10,000

In most cases proposed projects with a value of less than £10,000 will be appropriate to IDCF's usual standard grant procedure and is likely, if approved, to be funded through IDCF's endowment. IDCF criteria remain the same as in the past:

For amounts up to £800 the fast track grant is the appropriate route.

For training projects up to £100 there is a separate application process and budget.

MQ projects are therefore appropriate for projects which in any year (and may be multi-year) are likely to cost:

- **Between £10,001 - £20,000** (see draft application process attached)
- **Over £20,001** (see draft application process attached)

Grant levels and purposes

Standard grants of between £801 and £10,000:

For general purposes, capital items, or running costs

Fast Track grants of up to £800:

Intended for small items of equipment, social outings, events and other items of one-off expenditure

Training Grants up of to £100:

Grants can be sought as a contribution towards staff training days, conferences etc

The Focus of IDCF grant giving: Priorities for 2006/07

Training & Employment

- Target those over 19 years of age
- Move people nearer to the job market, including the local job market. This should include people at a very basic level and financial support to participate e.g. pre-vocational training e.g. literacy, numeracy, ESOL, confidence building etc
- Employment agencies, brokerage or work experience where there is clear relevance to moving clients towards and/ or into employment (this may include advice & guidance and life skills e.g.: presentation / transition to work / work etiquette)

Training does not have to be accredited, but an explanation of why the training is appropriate is required under these circumstances

Education

- Target those 19 years of age and under
- Support to year 8 pupils
- Oracy, linked to written work (communication skills)
- Support to achieving improved level of GCSE Maths / English
- Supplementary social or life skills including family support and family learning, parenting skills, transition to work / work etiquette, role models, social firms

Community Development

- Staffing issues (inc. salaries) up to a maximum of £10k in any year
- Professionalising the voluntary sector
- Supporting social enterprise