

Item No.	Original SWAP Recommendation	Update from the 2017 follow up Audit	SWAP Follow up Action	Latest Position
1.1	We recommend that the Strategic Manager Traffic & Transport Development should ensure that the draft policy in respect of agreeing and obtaining payments for maintenance of highways infrastructure is finalised and approved as soon as possible.	<p>A draft Protocol 'Commuted Sums for Highway Infrastructure' had been produced and was to be published for use by developers once the following remaining tasks were completed:</p> <ul style="list-style-type: none"> <li>• Prepare appropriate amended commuted sums clauses for use within agreements under Section 38 and 278 Highways Act 1980.</li> <li>• Calculate proposed commuted sums charges for each appropriate highway asset based upon whole life costings and net present value of maintenance operations.</li> </ul>	<p>The previous Strategic Manager commented at the time of the last follow-up audit that some of the commuted sum charges required further bespoke calculations and it was important to recognise that the agreement of the Protocol would also involve the Local Planning Authorities. Since then, the Service Manager - Development Engineering has been tasked with completion of the calculations for commuted sums, to obtain approval of the Protocol and publish the guidance. Prior to this, there are two remaining actions:</p> <ul style="list-style-type: none"> <li>• To add standard commuted sums clauses in Section 106 and Section 38 legal agreements as an appendix;</li> <li>• To ensure the schedule of commuted sums charges is populated post calculation of extra 'over whole life' costs.</li> </ul> <p>It should be noted that most charges will be calculated on a site-specific basis and therefore it is envisaged that this schedule will include limited 'baseline' charges only.</p>	<p>The service has confirmed that:</p> <ol style="list-style-type: none"> <li>1. Commuted Sums policy has been drafted.</li> <li>2. Standard clauses added into the S106 &amp; S278 Legal Agreement templates</li> </ol> <p>Action to take forward: Commuted sums guidance to be reviewed every 2 years.</p>
1.2	We recommend that the Commercial and Business Services Director should review the decision regarding the corporate standard system for S106 contributions, by way of a joint service evaluation to determine whether all contributions should be recorded and monitored on a single system.	<p>It was established that the Mastergov system would not be able to interface with Atrium as the two systems operate with different programming languages. Mastergov does have the functionality to record education contributions but there were no plans for Corporate Property to have access to the system and they were to continue to use Atrium for this purpose.</p> <p>The Head of Property advised that this decision had been arrived at following an assessment of the extent of the synergies between Infrastructure Programmes and Property processes, in respect of S106 contributions. It was agreed that whilst there are similarities, the two services needed to continue to function separately.</p>	<p>At the time of the 2017 follow up audit, it was stated by the Commercial and Business Services Director and the then Strategic Manager for IT that there was a much more collaborative approach to this issue since the audit was undertaken and that it would be ensured that as far as is technically possible that any replacement IT system for planning would be able to communicate with the Atrium Property system.</p> <p>For Infrastructure Programmes, the Mastergov modules for highways development control and infrastructure implementation are now operational, following completion of the data migration from Atrium to Mastergov and User Acceptance Testing. The Mastergov system went live on 24th January 2018.</p> <p>For Corporate Property, through further development work of the Atrium asset database it has been discovered that Atrium is unable to provide all required functionality needed to record and monitor S106 agreements. Furthermore, it has since transpired that Atrium will become unsupported from 2020 and therefore there has been initial work to commence a procurement process for a replacement system. Since this system will primarily provide the Council's property database, it is likely that any replacement may have similar limitations in the extent to which it can also provide a complete monitoring system for S106 contributions. For this reason, Atrium has been used to a limited extent to record S106 agreements, but Corporate Property have retained their previous manual spreadsheet, and this continues to be the primary method for recording and monitoring education contributions.</p> <p>This follow-up audit therefore aimed to establish whether there is any scope for officers in Property responsible for S106 education contributions to adopt and use the Mastergov system to record and monitor education contributions. Through testing of highways contributions in the Mastergov system (which can invariably be</p>	<p>Following a review of the functionality of MasterGov, Corporate Property now have access to the MasterGov System and an officer trained to use it.</p> <p>All education contributions are now being recorded within the MasterGov System.</p> <p>Action to take forward: Maintain records and review data integrity.</p>

			<p>more complex than education contributions) it was confirmed that all required functionality is available.</p> <p>This was discussed with the Infrastructure Programmes Development Infrastructure Officer who agreed that access and training for the Property Officer responsible for the monitoring of education contributions is feasible and could be considered and agreed by managers in both services.</p> <p>We are therefore recommending that the Director of Economic and Community Infrastructure Operations and Head of Corporate Property should liaise with ICT to confirm whether the Mastergov system can be adopted by Property for the recording and monitoring s106 education contributions.</p>	
1.3	<p>We recommend that the Strategic Manager Traffic &amp; Transport Development should ensure that guidance is developed to formalise a set of minimum standards that dictate the key information that must be entered into a database of agreed developer contributions. This should include:</p> <ul style="list-style-type: none"> <li>• Evidence of key decisions throughout the negotiation process</li> <li>• Use of case notes to record key milestones and activity</li> <li>• This can also be used to help select the suitability of any future replacement system for recording contributions.</li> </ul>	<p>When the new system is introduced, a list of requirements/minimum standards are to be provided for every entry and will be issued along with formal training on the new system.</p> <p>An additional benefit of the Mastergov system is that TTDG will be able to set mandatory system fields themselves, without having to request and incur additional costs from the provider, which will enable them to enforce the minimum standards required.</p>	<p>A walkthrough of Mastergov confirmed there is functionality to ensure that each file on the database has a Documents section to add electronic images and an Agreements section in which all agreement documents can be uploaded. Furthermore, there is a section where Planning Officers can record details of enquiries received into the team.</p> <p>The Principal Development Infrastructure Officer is currently drafting a protocol for standardisation of document description names uploaded to the system and we were satisfied that the Mastergov system has greatly enhanced functionality compared to Atrium.</p> <p>However, due to the bespoke nature of each legal agreement and development, it is not possible to make these fields mandatory for completion.</p> <p>Therefore, the completion of this recommendation requires further guidance currently being written by the Service Managers for Highways Development Management and Development Engineering, which will define the minimum expected standards for recording key decisions throughout the negotiation process, as well as key milestones and activity. In the interim, management instructions have been issued to relevant officers by email to communicate the expected standards. We have therefore assessed this recommendation as being in progress.</p>	<p>Document Storage Protocols now written and issued to all MasterGov database users.</p> <p>Service Managers are responsible for ensuring that their team members abide by the document storage protocols.</p> <p>Action to take forward: Maintain records and review data integrity using the Audit function in MasterGov monthly to confirm quality of data entry (missing information, inaccurate entry and/or non-compliance with guidance). Review data integrity.</p>
1.4	<p>We recommend that the Strategic Manager – Corporate Property should ensure that key information is entered into a monitoring system for agreed education contributions. This should include:</p> <ul style="list-style-type: none"> <li>• Evidence of key decisions throughout the negotiation process</li> <li>• Supporting notes to evidence how formula amounts</li> </ul>	<p>The Head of Property advised that Property were in the process of refining and cleansing the data that they recorded in the spreadsheet system, with a view to loading this into Atrium when the system has been fully developed.</p> <p>Since the return of SWOne colleagues to SCC, Property had their own resource with the necessary Atrium knowledge and expertise to move this forward. There was however currently no allocated budget for this development work and for this reason, the revised implementation date had to be practical.</p>	<p>Through discussion with the Head of Corporate Property and the Property Officer, it was established that due to the aforementioned status of the Atrium software, all information in respect of education contributions relating to;</p> <ul style="list-style-type: none"> <li>• Evidence of key decisions throughout the negotiation process</li> <li>• Supporting notes to evidence how formula amounts have been calculated</li> <li>• Key milestones and activity</li> <li>• is still being recorded in manual files only, as currently there is no central repository where it can be stored.</li> </ul> <p>This gives further weight to the recommendation made for 1.2 for consideration to be given to Corporate Property adopting the Mastergov system to record S106 contributions.</p>	<p>Corporate Property now have access to the MasterGov System and an officer trained to use it. All education contributions are now being recorded within the MasterGov System.</p> <p>Action to take forward: Corporate Service Manager to issue Management Instruction similar to those issued by Service Manager Development Engineering and Service Manager Highways</p>

	<ul style="list-style-type: none"> <li>have been calculated</li> <li>Recording key milestones and activity</li> </ul>			<p>Development Control. Corporate Property to ensure data integrity of Education Contributions in accordance with the guidelines and management instructions.</p>
1.5	<p>We recommend that the Strategic Manager Traffic &amp; Transport Development should ensure that guidance is developed to formalise a set of minimum standards that dictate the key information that must be entered into a database of agreed highways contributions. This should include:</p> <ul style="list-style-type: none"> <li>Original estimated payment triggers and due dates</li> <li>Revised estimated payment trigger dates (and a comments field to explain the delay)</li> <li>Actual invoice date</li> <li>Furthermore, it is recommended that reports can be produced from the system for ongoing monitoring purposes.</li> </ul>	<p>When the Mastergov system is introduced, a list of requirements/minimum standards are to be provided for every entry and will be issued along with formal training on the new system.</p> <p>An additional benefit of the Mastergov system is that TTDG will be able to set mandatory system fields themselves, without having to request and incur additional costs from the provider, which will enable them to enforce the minimum standards required.</p>	<p>A walkthrough of Mastergov identified a series of fields in which the following information can be recorded:</p> <ul style="list-style-type: none"> <li>Original estimated payment triggers and due dates</li> <li>Revised estimated payment trigger dates (and a comments field to explain the delay)</li> <li>Actual invoice date</li> </ul> <p>However, it has not been possible to make these fields mandatory for completion because not all legal agreements will require time-based triggers. By introducing further control, it could prevent details from being saved onto the database unless the fields hold information. If there is no information to be applied in these fields, it could encourage irrelevant information being input to allow the data to be saved, so having further mandatory fields could make the database ineffectual. A supplementary management instruction has therefore been sent by the Service Manager, Development Engineering to all relevant staff communicating that:</p> <ul style="list-style-type: none"> <li>All Clauses/Obligations within the Legal Agreement must be accurately entered into the Clauses and Obligations tabs within the Legal Agreements Module once the Agreement has been signed and sealed.</li> <li>Trigger dates will be estimated if they are occupation based. Monthly reports will indicate what Obligations are due within the following month and if the trigger dates need to be revised then this must be done before the Trigger Date is passed and the reason for the change will be recorded in the Comments field. For example, the Trigger date may need to be extended due to a slowdown on site of construction/sales.</li> </ul> <p>We were satisfied that the Mastergov system has greatly enhanced functionality compared to Atrium. However, because of the bespoke nature of each legal agreement and development, it is not possible to make these fields mandatory for completion. Therefore, the completion of this recommendation hinges on the guidance currently being written by the Service Managers for Highways Development Management and Development Engineering that will define the minimum expected standards for recording key decisions throughout the negotiation process, as well as key milestones and activity.</p>	<p>Guidance documents and management instruction issued to all Database users on what must be recorded and how.</p> <p>Monthly meetings now take place with ECI Operations Director the purpose of which is to review the contributions schedule and monitor data quality.</p> <p>Corporate Property also now hold monthly review meetings to consider the relevant s106 account.</p> <p>Action to take forward: to regularly review data integrity using the Audit function in MasterGov.</p> <p>Historic Data migrated over from the old Atrium System will be updated as and when it is reviewed</p>
1.6	<p>We recommend that the Strategic Manager – Corporate Property should ensure that key information is entered into a monitoring system for agreed education contributions. This should include:</p>	<p>The Head of Property advised that Property were in the process of refining and cleansing the data that they recorded in the spreadsheet system, with a view to loading this into Atrium when the system has been fully developed.</p> <p>Since the return of SWOne colleagues to SCC, Property had their own resource</p>	<p>Given the limitations of Atrium, sample testing was conducted on nine S106 agreements with education contributions and payment triggers as recorded in the monitoring spreadsheet. The spreadsheet records all original payment triggers and the Property Officer has worked with a colleague in Education Commissioning to use the Infrastructure Growth Plan to plot trigger due dates for each development in progress.</p> <p>At present the due date is specified as a year (enabling the</p>	<p>Corporate Property now have access to the MasterGov System and an officer trained to use it. All education contributions are now being recorded within the MasterGov System. Vacant position has now been filled.</p>

	<ul style="list-style-type: none"> <li>• Original estimated payment triggers and due dates</li> <li>• Revised estimated payment trigger dates (and a comments field to explain the delay).</li> </ul>	<p>with the necessary Atrium knowledge and expertise to move this forward. There was however currently no allocated budget for this development work and for this reason, the revised implementation date had to be practical.</p>	<p>spreadsheet to be filtered to identify all agreements with triggers due) but the Property Officer envisages this developing into specific calendar dates in the future when time and resource allows.</p> <p>Within the sample tested, there were four agreements where estimated trigger dates have been exceeded without receipt of payment from the developer. Due to a vacancy within the team, there is insufficient resource to conduct debt management activity to chase developers, but records of such instances are being maintained and when recruitment is complete, a newly appointed officer will be tasked with this work.</p> <p>We were satisfied that improvements have been implemented to provide a more effective monitoring system for payment triggers and actions are in progress to further improve this system. There is however reduced assurance that overdue contributions are being pursued with developers for the aforementioned reasons.</p>	
1.7	<p>We recommend that the Strategic Manager Traffic &amp; Transport Development should ensure that guidance is developed to formalise a set of minimum standards that dictate the key information that must be entered into a database of agreed highways contributions. This should include contribution spend expiry dates</p> <p>It is also recommended that a report of expiry dates can be produced from the system for ongoing monitoring purposes.</p>	<p>When the Mastergov system is introduced, a list of requirements/minimum standards are to be provided for every entry and will be issued along with formal training on the new system.</p> <p>An additional benefit of the Mastergov system is that TTDG will be able to set mandatory system fields themselves, without having to request and incur additional costs from the provider, which will enable them to enforce the minimum standards required.</p>	<p>A walkthrough of Mastergov identified that each file on the database has a Cash section, where details of received contribution payments can be added.</p> <p>The Principal Development Infrastructure Officer is currently developing reporting that will alert the team to approaching expiry dates and prompt action to either ensure funds are spent or returned.</p> <p>However, because not all legal agreements will specify an expiry, this field cannot be made mandatory for completion and Mastergov cannot be configured to prompt a user to enter an expiry date when payment is entered, to avoid this being missed.</p> <p>A supplementary management instruction has therefore been sent by the Service Manager, Development Engineering to all relevant staff communicating that: "For all contributions with payback clauses, the Date the payment is due to be returned if not used will be recorded in the Spend by Date of the Cash Details record".</p> <p>We were satisfied that the Mastergov system has greatly enhanced functionality compared to Atrium and that positive action has been taken but have assessed the recommendation as being in progress, to make provision for further audit sample testing to fully verify the effectiveness of these actions.</p>	<p>Alerts have been created and set up along with monthly reports to the ECI Operations Director providing details of every contribution associated with highways related legal agreement held on the database.</p> <p>Monthly review meetings are held to discuss the contributions and any actions that may be required.</p> <p>Actions to take forward: Regular reporting and review.</p>
1.8	<p>We recommend that the Strategic Manager – Corporate Property should ensure that key information is entered into a monitoring system for agreed education contributions. This should include:</p> <ul style="list-style-type: none"> <li>• Contribution spend expiry dates</li> </ul>	<p>The Head of Property advised that Property were in the process of refining and cleansing the data that they recorded in the spreadsheet system, with a view to loading this into Atrium when the system has been fully developed.</p> <p>Since the return of SWOne colleagues to SCC, Property had their own resource with the necessary Atrium knowledge and expertise to move this forward. There was however currently no allocated budget for this development work and for this reason, the revised implementation date</p>	<p>Education contributions recorded in the monitoring spreadsheet record were reviewed for the inclusion of contribution spend expiry dates. For a sample of nine agreements tested, seven had expiry dates specified in the legal agreement. When an agreed contribution is entered onto the spreadsheet, the deadline is recorded as the number of years from payment. We confirmed that as soon as a payment is received, that field is converted into an expiry date.</p> <p>For the seven agreements, all had an appropriate expiry format entered and we are therefore satisfied that this action is complete.</p>	<p>MasterGov has now been implemented in Property services. There is further work to undertake to upload and review or relevant legal agreements and ensure that MasterGov review and notification triggers are included.</p> <p>No further action required.</p>

		had to be practical.		
1.9	We recommend that the Strategic Manager Traffic & Transport Development should ensure that guidance is developed to formalise a set of minimum standards that dictate the key information that must be entered into a database of agreed developer contributions. This should include: • Designated Responsible Officers	When the Mastergov system is introduced, a list of requirements/minimum standards are to be provided for every entry and will be issued along with formal training on the new system. An additional benefit of the Mastergov system is that TTDG will be able to set mandatory system fields themselves, without having to request and incur additional costs from the provider, which will enable them to enforce the minimum standards required	A walkthrough of Mastergov identified for each file on the database, several mandatory fields where officers connected to an agreement must be specified. This includes District Council Officers where known, but the main requirement for Infrastructure Programmes is the County Officer.  We were therefore satisfied that the Mastergov system has greatly enhanced functionality compared to Atrium in terms of the requirement to record designated responsible officers and as these fields are now mandatory for completion, this has completed the recommendation.	No further action required.
1.10	We recommend that the Strategic Manager Traffic & Transport Development should ensure that guidance is developed to formalise a set of minimum standards that dictate the key information that must be entered into a database of agreed developer contributions. This should include: • Original contribution agreed • Revised contribution • Evidence of indexation calculations to maintain an audit trail of the increased contribution.	The AtriumSoft system was unable to record the information relating to indexation of Contributions within its structure.  When the Mastergov system is introduced, a list of requirements/minimum standards are to be provided for every entry and will be issued along with formal training on the new system. An additional benefit of the Mastergov system is that TTDG will be able to set mandatory system fields themselves, without having to request and incur additional costs from the provider, which will enable them to enforce the minimum standards required.	Each file on the Mastergov database has a section in which the original contribution agreed, and the revised contribution can be entered. This will not be applicable to every S106 Agreement but can occur because the developer seeks to renegotiate a contribution amount after the agreement, or because indexation is added to a contribution to reflect inflationary factors between the date of agreement and date of payment.  Mastergov has sufficient fields to record an audit trail where contributions are revised, along with reasons and where this relates to indexation, the calculation method must be specified.  However, it has not been possible to make these fields mandatory for completion because not all legal agreements will require indexation. This requirement varies between one legal agreement and another. A supplementary management instruction has therefore been sent by the Service Manager, Development Engineering to all relevant staff communicating that the following information must be recorded within the comments/details fields within the system:  Any change in Bond figure/fees/contributions due to indexation. The indexation increase must be recorded in the Indexation Amount Due Field in the Triggers tab within the Legal Agreement Module and the reason provided in the Comments field.  We were satisfied that the Mastergov system has greatly enhanced functionality compared to Atrium. Because of the bespoke nature of each legal agreement and development, the completion of this recommendation hinges on the guidance currently being written by the Service Managers for Highways Development Management and Development Engineering that will define the minimum expected standards for recording reasons why contributions received have varied from the original amount agreed, as well as the basis for such calculations.	The information is now entered into the database and reported on each month to the ECI Operations Director.  Actions to take forward: Continue to monitor data integrity.
1.11	We recommend that the Strategic Manager – Corporate Property should	The Head of Property advised that Property were in the process of refining and cleansing the data that they recorded	An indexation amount is applied at the time of a payment becoming due and is determined by a time-based calculation that accounts for inflation over the total period. The Property team use	No further action required. Implementation to be reviewed through regular monthly

	<p>ensure that guidance is developed to formalise a set of minimum standards that dictate the key information that must be entered into a database of agreed developer contributions. This should include:</p> <ul style="list-style-type: none"> <li>• Evidence of indexation calculations to maintain an audit trail of the increased contribution.</li> </ul>	<p>in the spreadsheet system, with a view to loading this into Atrium when the system has been fully developed. Since the return of SWOne colleagues to SCC, Property had their own resource with the necessary Atrium knowledge and expertise to move this forward. There was however currently no allocated budget for this development work and for this reason, the revised implementation date had to be practical.</p>	<p>the Building Cost Information Service (BCIS) provided by the Royal Institute of Chartered Surveyors to provide the relevant annual rates to inform the calculation.</p> <p>For a sample of nine education contributions tested, there were four where indexation had been required within the legal agreement and applied to staged payments. In all four cases there was an entry on the monitoring spreadsheet of rates used, which were verified to the agreement date, payment date and confirmed to be accurately calculated.</p> <p>This revised approach has provided a clear audit trail and therefore, we are satisfied that this recommendation is complete.</p>	<p>compliance check.</p>
1.12	<p>We recommend that the Strategic Manager Traffic &amp; Transport Development should ensure that invoices are raised, and minimum standards are agreed for the raising of invoices for developers to pay highways contributions. This should include an agreed format for invoice description details, to ensure that payments can be identified through SAP. The invoice number should be recorded in the monitoring system for audit trail purposes.</p>	<p>When the Mastergov system is introduced, a list of requirements/minimum standards are to be provided for every entry and will be issued along with formal training on the new system. An additional benefit of the Mastergov system is that TTDG will be able to set mandatory system fields themselves, without having to request and incur additional costs from the provider, which will enable them to enforce the minimum standards required.</p>	<p>Through discussion with the Principal Development Liaison Officer, it was established that a management instruction was issued to the team following the previous audit, that all S106 contributions should be formally requested from developers through a raised invoice on SAP. The Principal Development Liaison Officer confirmed that as this applies to a small group of officers, he is confident this is now standard procedure and is being complied with.</p> <p>The Mastergov system includes sufficient fields within the Cash screen to ensure that invoice numbers can be recorded in the system for audit trail purposes. However, it has not been possible to make these fields mandatory for completion because not all legal agreements will require invoices to be raised. A supplementary management instruction has therefore been sent by the Service Manager, Development Engineering to all relevant staff communicating that:</p> <ul style="list-style-type: none"> <li>• Invoices will be raised for all financial elements within the Agreement. i.e. Superintendence fees, commuted sums and Contributions.</li> <li>• Copies of all invoices will be stored in the Agreements Tab of the Legal Agreement Module and the Invoice number will be recorded on the Cash Details record.</li> </ul> <p>We are satisfied that positive action has been taken but have assessed the recommendation as being in progress, to make provision for further audit sample testing to fully verify the effectiveness of these actions. This will include a review of whether invoices conform to an agreed format for description details, to ensure that payments can be identified through SAP.</p>	<p>All financial elements of Legal Agreements are now invoiced.</p> <p>Copies of the invoices are kept on the database file and the invoice number recorded against the payment.</p> <p>Actions to take forward: Continue to monitor data integrity.</p>
1.13	<p>We recommend that the Strategic Manager - Traffic &amp; Transport Development and the Strategic Manager – Corporate Property ensures that periodic reports of development schemes with commenced S106 contributions are provided to Senior Management, to include a risk ranking where issues are identified.</p>	<p>The AtriumSoft reporting tool was difficult and took time to create an accurate report. These reports then had to be exported for managers to review in Excel format. The new system has a manager's dashboard bolt-on, which will allow managers to quickly and accurately review up to date information on standard reports without having to access the full system. Periodic reports can also be created and produced automatically in the</p>	<p>Mastergov is now implemented and has a manager's dashboard bolt-on, which will allow managers to quickly and accurately review up to date information on standard reports without having to access the full system. Periodic reports can also be created and produced automatically in the new system.</p> <p>An action was agreed for the Principal Development Infrastructure Officer to establish what data will be required in preparation for Mastergov implementation, as specifications for the reports needed to be written so that they can be created within the report builder. Reports are currently being considered and written for the</p>	<p>Report issued on a monthly basis to ECI Operations Director and monthly meetings held to review the status and confirm appropriate actions.</p>

		<p>new system. The Mastergov provider has asked TTDG for a list of basic reports that will be available from the system from day 1 and TTDG then expect to ascertain and request what fine tuning and additional information will be required.</p>	<p>reporting mechanism within Mastergov.</p> <p>The ECI Operations Director has instructed that reports are to be prepared and issued at a monthly meeting whereby contributions, data quality and exceptions are reviewed and signed off. The report will contain the following information;</p> <ul style="list-style-type: none"> <li>• Contributions expected within the next month and any changes to expected due dates.</li> <li>• Expiry dates that fall within the next 6 to 12 months for contributions received</li> <li>• Review of mandatory and non-mandatory field information</li> <li>• Exceptions reports (to consider those contributions likely to be out of tolerance within the Agreements) and to record any decisions made. These decisions will be recorded within the Mastergov software.</li> <li>• We have therefore assessed the recommendation for Infrastructure Programmes as in progress.</li> </ul>	
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