

PLANNING OBLIGATIONS - QUARTERLY FINANCIAL MONITORING REPORT

Cabinet Member	Councillor Keith Burrows
Cabinet Portfolio	Planning, Transportation and Recycling
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Papers with report	Appendix 1 - attached

HEADLINE INFORMATION

Summary	This report provides financial information on s106 and s278 agreements up to 30th September 2011 against respective portfolio areas.
Contribution to our plans and strategies	Planning obligations are an established delivery mechanism for mitigating the effect of development, making it acceptable in planning terms and achieving the aims of the Community Strategy and other strategic documents that make up the Local Development Framework.
Financial Cost	The Council currently holds £16,834,963 relating to s106 and s278 agreements. Of this £6,434,784 is allocated/earmarked for projects and £3,820,392 relates to funds that the Council holds but is unable to spend directly, leaving a residual balance of funds that the Council holds of £6,579,787 that is currently spendable and not yet allocated/earmarked towards specific projects. In Quarter 2, the Council has received additional income of £3,238,494 and spent £730,210.
Relevant Policy Overview Committee	Residents' and Environmental Services
Ward(s) affected	All

RECOMMENDATION

That the Cabinet notes the updated financial information attached at Appendix 1.

Reasons for recommendation

Circular 05/05 and the accompanying best practice guidance requires local planning authorities to consider how they can inform members and the public of progress in the allocation, provision and implementation of obligations whether they are provided by the developer in kind or through

a financial contribution. This report details the financial planning obligations held by the Council and what progress has and is being made in allocating and spending those funds.

Alternative options considered

To not report to Cabinet, however, it is an obvious example of good practice to monitor income and expenditure against specific planning agreements and ensure that expenditure takes place in accordance with the parameters of those agreements.

Comments of Policy Overview Committee(s)

None at this stage.

INFORMATION

Supporting Information

1. Appendix 1 provides a schedule of all agreements on which the Council holds funds. The agreements are listed under Cabinet portfolio headings. The appendix shows the movement of income and expenditure taking place during the financial year; including information at 30 June 2011 (which was subject of the report in September 2011) as well as up to 30 September 2011. Text that is highlighted in bold indicates key changes since the Cabinet report of 29 September 2011. Figures indicated in bold under the column headed 'Total income as at 30/09/11' indicate new income received. (Shaded cells indicate where funds are held in an interest bearing account) The table shows expenditure between 1 July and 30 September 2011 of £730,210 (compared to £206,597 during the previous quarter) and income of £3,238,494 (compared to £810,019 during the previous quarter) within the same period.

2. The balance of s278/106 funds that the Council held at 30 September 2011 is £16,834,963. It should be noted that the 'balance of funds' listed, i.e. the difference between income received and expenditure, is not a surplus. Included in the balance at 30 September 2011 are those s278/106 funds that the Council holds but is unable to spend for a number of reasons, such as cases where the funds are held as a returnable security deposit for works to be undertaken by the developer and those where the expenditure is dependant on other bodies such as transport operators. The column labelled "balance spendable not allocated" shows the residual balance of funds after taking into account funds that the Council is unable to spend and those that it has allocated to projects. The 'balance of funds' at 30 September 2011 also includes funds that relate to projects that are already underway or programmed, but where costs have not been drawn down against the relevant s106 (or s.278) cost centre.

3. In summary, of the 'total balance of funds' that the Council held at 30 September 2011 (£16,834,963) £3,820,392 relates to funds that the Council is unable to spend and £6,434,784 is allocated/earmarked for projects, leaving a residual balance of funds that the Council holds of £6,579,787 that is currently spendable and not yet allocated towards specific projects.

4. It was not possible to report this information to the Cabinet at any earlier meeting because the reporting deadlines were prior to the receipt of reconciled financial information.

Financial Implications

5. The S106 balance as at 30 September 2011 is £16,835k. The detail is shown in the table below. This includes sums £3,820k of which the delivery of projects/schemes is dependent

on the council's partners, eg PCT/TFL. The balance of £6,579k is yet to be allocated. Over the last quarter (September) the income received was £3,238k.

Services	Balance b/fwd (01/07/11)	Income Rec'd	Total	Spend	Balance c/fwd (30/09/11)	Earmarked/ allocated balances	To be allocated
S278/S106	£,000	£'000	£'000	£'000	£'000	£'000	£'000
S278							
Planning & Transportation	1,366	7	1,373	2	1,371	1,371	0
S106							
Planning & Transportation	2,640	55	2,695	82	2,613	2,341	272
Culture, Sports & Leisure	732	36	768	18	750	499	251
Education & Children Services	5,826	3,021	8,847	587	8,260	2,623	5,637
Improvements, Partnerships, & Community (PPR)	1,449	22	1,471	6	1,465	1,343	122
Environment	1,124	15	1,139	35	1,104	807	297
Housing, Social Services & Health	1,189	83	1,272	0	1,272	1,272	0
Sub total	14,326	3,239	17,565	730	16,835	10,256	6,579
Less: Money held on behalf of partners	3,725	95	3,820	0	3,820	3,820	0
Total LBH	10,601	3,144	13,745	730	13,015	6,436	6,579

EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES

What will be the effect of the recommendation?

6. The recommendation ensures transparency and assures probity in the area of planning obligations, thereby promoting public confidence.

Consultation Carried Out or Required

7. There are no external consultations required on the contents of this report.

CORPORATE IMPLICATIONS

Corporate Finance

8. Corporate Finance has reviewed this report and the financial status of Section 106/278 balances held by the Council at 30 September 2011.

9. Year to date expenditure funded from Section 106/278 is £1,074k, with a further £2,942k of expenditure, mainly on Primary School Expansions, expected in the current year.

10. It is expected that the majority of remaining unallocated Education & Children's Services balances will be available to support Phases 2 and 3 of the Primary School Expansions programme. Officers will continue to review the applicability of unallocated balances within existing and proposed capital and revenue budgets.

Legal

9. The monies referred to in this report are held by the Council for the purposes specified in each of the relevant legal agreements. Such monies should only be spent in accordance with the terms of those agreements. Where monies are not spent within the time limits prescribed in those agreements, such monies should be returned to the payee. Where officers are unsure whether monies held pursuant to particular agreements can be used for particular purposes, Legal Services should be consulted for advice on a case by case basis.

Corporate Landlord

10. The Corporate Landlord has reviewed this report and confirms that there are no direct property implications for the Council arising from the recommendation.

BACKGROUND PAPERS

ODPM Circular 05/2005 'Planning Obligations'

District Auditor's "The Management of Planning Obligations" Action Plan May 1999

Monitoring Officers Report January 2001

Cabinet Report December 2002 / March 2003 / October 2003 / January 2004 / June 2004 / September 2004 / November 2004 / March 2005 / July 2005 / October 2005 / December 2005 / March 2006 / July 2006 / September 2006 / November 2006 / March 2007 / July 2007 / September 2007 / December 2007 / March 2008 / June 2008 / September 2008 / December 2008 / March 2009 / June 2009 / September 2009 / December 2009 / March 2010 / June 2010 / September 2010 / December 2010 / March 2011 / June 2011 / September 2011.