

QUARTERLY REPORT ON MONITORING OF PLANNING OBLIGATIONS

Cabinet Member	Cllr Keith Burrows
Cabinet Portfolio	Planning and Transportation
Report Author	Nicola Wyatt, Planning and Community Services
Papers with report	Appendix 1

HEADLINE INFORMATION

Purpose of report	This report provides financial information on s106 and s278 agreements up to 30th June 2009 against respective Cabinet Member portfolios.
Contribution to our plans and strategies	Planning obligations are a delivery mechanism for the Local Development Framework, which is in turn a key delivery document for the Community Strategy and other strategic documents.
Financial Cost	<p>The Council currently holds £10,763,064 relating to s106 and s278 agreements. Of this £6,448,493 is allocated/earmarked for projects and £3,468,822 relates to funds that the Council holds but is unable to spend directly, leaving a residual balance of funds that the Council holds of £845,749 that is currently spendable and not yet allocated/earmarked towards specific projects.</p> <p>In Quarter 1, the Council has received additional income of £543,779 and spent £151,324.</p>
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.

INFORMATION

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 out the financial planning obligations held by the Council and what progress has and is being made.

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.

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 31 March 2009 (which was subject of the report in June 2009) as well as up to 30 June 2009. Text that is highlighted in bold indicates key changes since the Cabinet report of 25 June 2009. Figures indicated in bold under the column headed 'Total income as at 30/06/09' indicate new income received. (Shaded cells indicate where funds are held in an interest bearing account) The table shows expenditure between 1 April and 30 June 2009 of £151,324 (compared to £3,750,806 during the previous quarter) and income of £543,778 (compared to £347,788 during the previous quarter) within the same period.

2. The balance of s278/106 funds that the Council held at 30 June 2009 is £10,763,064. 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 June 2009 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 June 2009 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 June 2009 (£10,763,064), £3,468,822 relates to funds that the Council is unable to spend and £6,448,493 is allocated/earmarked for projects, leaving a residual balance of funds that the Council holds of £845,748 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. This report provides information on the financial status of s106 and s278 agreements up to 30 June 2009. The recommendation to note has no financial implications.

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. A corporate finance officer has reviewed this report and the financial implications contained within it. As shown in the table below over the last quarter the balance of funds has increased by £392k to £10,763k. Sixty one S106 contributions that were spent towards schemes during the previous financial year with zero balances have been deleted from Appendix 1. This has reduced both the total income and total expenditure figures as at 31st March 2009 by £4,704. As the balance of these contributions was zero, there is no impact on the balance of funds.

Analysis of Movement in income and expenditure Quarter 1

	30-Jun-09	31-Mar-09	Movement In Quarter 1
	£	£	£
Total Income	-20,319,699	-19,775,920	-543,779
Total Expenditure	9,556,634	9,405,310	+151,324
Balance of Funds	-10,763,065	-10,370,610	-392,455

9. The increase in the income of £543,779 for Quarter 1 relates to adjustments for new income received, and adjustments for the return of security bonds, where works have been satisfactorily completed by the developer. This is analysed in more detail in the following table (where applicable funds have been consolidated based on the relevant site):

Analysis of Movement in Income Quarter 1

Scheme	Additional Income Received £
Additional Income Received	
RAF West Ruislip	10,000
Former Gas Works Site (Kier Park)	19,240
41 Kingsend	46,798
Former Ruislip Manor Library	14,371
Former Hayes Goods-yard Site	382,714
360 Uxbridge Road	77,414
179 Swakeleys Road	8,037
Tarmac Site – Pump Lane	30,000
Bonds Returned to Developer for Works Completed	
Former DERA Site – Kingston Lane	-15,690
Shepiston Lane	-16,000
Carmichael Close	-13,105
Total Movement in Income Quarter 1	543,779

10. The increase in the expenditure of £151,324 for Quarter 1 relates to the schemes as analysed in the following table:

Analysis of Movement in Income Quarter 1

Scheme	Expenditure £
PT278/48 – No Legal Agreements	20,555
PT/278/66/183 – Shepiston Lane	-16,000
PT/71/99 – UB1 Vine Street	6,017
PT/97/169A – Colham House Taxi Rank Relocation	735
PPR/07/15A – Land at Barnsfield Place	107,727
E/02/18 – Old Mill House, Thorney Mill Road	20,810
E/17/26D – Trident Site, Phase 3	184
E/24/62 – Land at Lyon Industrial Estate	1,439
E/36/140E – MOD Records Office, Stockley Road	3,200
E/43/1B – Lombardy Retail Park, Coldharbour Lane	3,945
E/44/174B – Terminal 2, Heathrow	2,712
Total Movement in Expenditure Quarter 1	151,324

Legal

11. It is a requirement of the District Auditor report into planning obligations and the Monitoring Officer's report that regular financial statements are prepared. Finance Officers are responsible for ensuring that where funds are deposited with the Council, the income generated is held in accordance with the terms of each individual legal agreement on a contractual and fiduciary basis and expenditure is in accordance with those terms. In cases where clarification is required, one should refer to the individual agreement, and where necessary seek advice with Planning and Community Services Directorate and Legal Services.

Corporate Property

12. The Head of Corporate Property Services has reviewed this report and confirms that there are no direct property implications 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.