

PLANNING OBLIGATIONS - QUARTERLY FINANCIAL MONITORING REPORT

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 June 2012 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 £18,125,021 relating to s106 and s278 agreements. Of this £6,442,807 is allocated/earmarked for projects and £3,805,470 relates to funds that the Council holds but is currently unable to spend directly, leaving a residual balance of funds that the Council holds of £7,876,744 that is currently spendable and not yet allocated/earmarked towards specific projects. In Quarter 1, the Council has received additional income of £270,343 and spent £224,293.
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 31 March 2012 (which was subject of the report in June 2012) as well as up to 30 June 2012. Text that is highlighted in bold indicates key changes since the Cabinet report of 21 June 2012. Figures indicated in bold under the column headed 'Total income as at 30/06/12' 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 2012 of £224,293 (compared to £641,274 during the previous quarter) and income of £270,343 (compared to £2,037,659 during the previous quarter) within the same period.

2. The balance of s278/106 funds that the Council held at 30 June 2012 is £18,125,021. 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 2012 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 2012 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 2012 (£18,125,021) £3,805,470 relates to funds that the Council is unable to spend and £6,442,807 is allocated/earmarked for projects, leaving a residual balance of funds that the Council holds of £7,876,744 that is currently spendable and not yet earmarked/allocated towards specific projects.

Financial Implications

4. The S106 balance as at 30 June 2012 is £18,125k. The detail is shown in the table below. This includes sums of £3,805k of which the delivery of projects/schemes is dependent on the council's partners, eg PCT/TFL, and £6,443k that has been allocated/earmarked to projects. The balance of £7,877k is yet to be allocated. Over the last quarter (June) the income received was £270k.

5. 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. The table below shows the quarter one summary position as at 30th June 2012.

Services	Balance b/fwd (01/04/12)	Income Rec'd	Total	Spend	Balance c/fwd (30/06/12)	Earmarked/ allocated balances	To be allocated
	£,000	£'000	£'000	£'000	£'000	£'000	£'000
S278							
Planning & Transportation	1,339	14	1,353	12	1,341	1,341	0
S106							
Planning & Transportation	2,736	35	2,771	0	2,771	2,429	342
Culture, Sports & Leisure	647	0	647	37	610	352	258
Education & Children Services	9,526	23	9,549	0	9,549	2,848	6,701
Improvements, Partnerships, & Community (PPR)	1,460	198	1,658	175	1,483	1,229	254
Environment	1,150	0	1,150	0	1,150	828	322
Housing, Social Services & Health	1,221	0	1,221	0	1,221	1,221	0
Sub total	18,079	270	18,349	224	18,125	10,248	7,877
Less: Money held on behalf of partners	3,801	4	3,805	0	3,805	3,805	0
Total LBH	14,278	266	14,544	224	14,320	6,443	7,877

6. The balance of £18,125k includes £3,805k money held on behalf of partners, leaving a total LBH balance of £14,320k.

EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES

What will be the effect of the recommendation?

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

Consultation Carried Out or Required

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

CORPORATE IMPLICATIONS

Corporate Finance

9. Corporate Finance has reviewed this report and notes the financial status of Section 106/278 balances held by the Council at 30 June 2012. Table 1 above indicates that £14,320K is available to support investment, of which £7,877k is yet to be allocated to eligible initiatives.

10. It is expected that a significant proportion of this £7,877k uncommitted resource will be allocated to support Phases 2 and 3 of the Primary School Capital Programme in the coming months.

Legal

11. 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 Property and Construction

12. Corporate Property and Construction is in support of the recommendation in this report.

BACKGROUND PAPERS

Previous Cabinet reports