

PLANNING OBLIGATIONS - QUARTERLY FINANCIAL MONITORING REPORT

Cabinet Member	Cllr Keith Burrows
Cabinet Portfolio	Planning and Transportation
Report Author	Nicola Wyatt
Papers with report	Appendix 1 - attached

HEADLINE INFORMATION

Purpose of report	This report provides financial information on s106 and s278 agreements up to 30th September 2009 against respective portfolio areas.
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	The Council currently holds £13,339,218 relating to s106 and s278 agreements. Of this £7,153,575 is allocated/earmarked for projects and £3,467,127 relates to funds that the Council holds but is unable to spend directly, leaving a residual balance of funds that the Council holds of £2,718,515 that is currently spendable and not yet allocated/earmarked towards specific projects. In Quarter 2, the Council has received additional income of £2,665,316 and spent £89,162.
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)

The Committee did not ask to comment on the report.

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 2009 (which was subject of the report in September 2009) as well as up to 30 September 2009. Text that is highlighted in bold indicates key changes since the Cabinet report of 24 September 2009. Figures indicated in bold under the column headed 'Total income as at 30/09/09' 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 2009 of £89,162 (compared to £151,324 during the previous quarter) and income of £2,665,316 (compared to £543,778 during the previous quarter) within the same period.

2. The balance of s278/106 funds that the Council held at 30 September 2009 is £13,339,218. 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 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 September 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 September 2009 (£13,339,218), £3,467,127 relates to funds that the Council is unable to spend and £7,153,575 is allocated/earmarked for projects, leaving a residual balance of funds that the Council holds of £2,718,515 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 September 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 £2,576k to £13,339k.

Analysis of Movement in income and expenditure Quarter 2

	30-Sep-09	30-Jun-09	Movement In Quarter 2	Cumulative Movement
	£	£	£	£
Total Income	-22,985,015	-20,319,699	-2,665,316	-3,209,095
Total Expenditure	9,645,797	9,556,634	89,163	240,487
Balance of Funds	-13,339,218	-10,763,065	-2,576,153	-2,968,608

The increase in the income of £2,576,153 for Quarter 2 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 2

Scheme	Additional Income Received £
Additional Income Received	
Mount Vernon Hospital Car Park	5,200
Grand Union Village Southall	11,447
RAF Eastcote	2,459,118
RAF West Ruislip	18,000
The Harefield Academy	3,000
Windmill Hill Public House	24,000
106 Oxford Road, Uxbridge	70,000
Dairy Farm, Breakspear Road	28,187
111 – 117, High Street, Yiewsley	46,364
Total Movement in Income Quarter 2	2,665,316

The increase in the expenditure of £89,163 for Quarter 2 relates to the schemes as analysed in the following table:

Analysis of Movement in Expenditure Quarter 2

Scheme	Expenditure £
PT/278/49/117*23 – Grand Union Village Southall	11,447
PT/278/57/140 A – MOD Records Office, Stockley Road	304
PT/278/63/175A*49 – BFPO, RAF Northolt	3,500
PT/278/64/173 – RAF Eastcote	7,500
PT/278/71 – Hillingdon House Farm Site E	3,150
PT/278/73/197*62 - Windmill Hill Public House	1,000
PT/71/99 – UB1 Vine Street, Uxbridge	2,018
PT/97/169A – Colham House Taxi Rank Relocation	4,448
PPR/49/174C – Terminal 2 Heathrow	14,000
PPR/7/15A – Land at Barnsfield Place	1,719
E/17/26D – Trident Site, Phase 3 Stockley Park	92
E/24/62 – Land at Lyon Industrial Estate	3,838
E/36/140E – MOD Records Office, Stockley Road	2,458
E/54/194D – Frays Adult Education Centre	33,689
Total Movement in Expenditure Quarter 2	89,163

Legal

9. 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, officers should refer to the individual agreement, and where necessary seek advice with Planning Directorate and Legal Services.

Corporate Property

10. 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/ September 2009.