

# PLANNING OBLIGATIONS - QUARTERLY FINANCIAL MONITORING REPORT

<b>Cabinet Member</b>	Councillor Keith Burrows
<b>Cabinet Portfolio</b>	Planning and Transportation
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<b>Papers with report</b>	Appendix 1 - attached

## HEADLINE INFORMATION

<b>Purpose of report</b>	This report provides financial information on s106 and s278 agreements up to 31st March 2010 against respective portfolio areas.
<b>Contribution to our plans and strategies</b>	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.
<b>Financial Cost</b>	The Council currently holds £12,976,344 relating to s106 and s278 agreements. Of this £6,174,525 is allocated/earmarked for projects and £3,478,901 relates to funds that the Council holds but is unable to spend directly, leaving a residual balance of funds that the Council holds of £3,322,919 that is currently spendable and not yet allocated/earmarked towards specific projects. In Quarter 4, the Council has received additional income of £298,542 and spent £872,822.
<b>Relevant Policy Overview Committee</b>	Residents' and Environmental Services
<b>Ward(s) affected</b>	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 December 2009 (which was subject of the report in March 2010) as well as up to 31 March 2010. Text that is highlighted in bold indicates key changes since the Cabinet report of 18 March 2010. Figures indicated in bold under the column headed 'Total income as at 31/03/10' indicate new income received. (Shaded cells indicate where funds are held in an interest bearing account) The table shows expenditure between 1 January and 31 March 2010 of £872,822 (compared to £422,463 during the previous quarter) and income of £298,542 (compared to £633,870 during the previous quarter) within the same period.

2. The balance of s278/106 funds that the Council held at 31 March 2010 is £12,976,344. 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 31 March 2010 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 31 March 2010 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 31 March 2010 (£12,976,344), £3,478,901 relates to funds that the Council is unable to spend and £6,174,525 is allocated/earmarked for projects, leaving a residual balance of funds that the Council holds of £3,322,919 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 31st March 2010 is £12,976k. The detail is shown in the table below. Over the last quarter (December) there was a net expenditure of £575k.

## Analysis of Movement in income and expenditure Quarter 4

	31-Mar-10 £'000	31-Dec-09 £'000	Movement In Quarter 4 £'000
Total Income	-23,917	-23,619	-298
Total Expenditure	10,941	10,068	873
<b>Balance of Funds</b>	<b>-12,976</b>	<b>-13,551</b>	<b>575</b>

The increase in the income of £298k for Quarter 4 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 4

Case Reference	Scheme	Additional Income Received £
	<b>Additional Income Received</b>	
PT278/72*66	RAF West Ruislip Design	23,487
PT278/27/09	Stockley Park Phase 3 "Trident Site"	13,097
PT/114/209A & PT/115/209B	Tesco, Trout Road	29,850
PT116/260A	Hayes Stadium, Judge Heath Lane	30,000
EYL/113/211	1A, Woodstock Drive	8,953
EYL/114/212	22, The Green West Drayton	3,955
EYL/116/210B	Hayes Stadium, Judge Heath Lane	135,000
EYL/117/213	1 Oakhurst, Northgate	4,441
H/16/210C	Hayes Stadium, Judge Heath	49,759
	<b>Total Movement in Income Quarter 4</b>	<b>298,542</b>

The expenditure of £873k from these funds during Quarter 4 of 2009/10 is analysed in more detail in the following table:

### Analysis of Movement in Expenditure Quarter 4

Case Reference	Scheme	Expenditure Quarter 4 2009/10 £
H/2/160B	9-15 Harefield Road, Uxbridge	240,000
PT/107/149F	Hayes Goods Yard	132,209
PPR/40/147G	DERA Site, Kingston Lane, West Drayton – Town Centre	69,213
CSL/3/140I	MOD Records Office, Stockley Road / Bourne Avenue, Hayes	69,190
CSL/2/147E	DERA Site, Kingston Lane, West Drayton – Community Facility	53,830
PPR/48/190C	Armstrong House & The Pavilions	50,000
EYL/103/197A	Windmill Public House, Pembroke Road, Ruislip	34,981
EYL/19/44	The Springs, Springwell Lane, Rickmansworth	32,596
PPR/49/174C	Terminal 2, Heathrow	27,000
CSL/8/194B	Frays Adult Education Centre, Harefield Road, Uxbridge	24,050
E/51/186C	92-104 High Street, Yiewsley	23,993
CSL/4/152A	Middlesex Lodge, 189 Harlington Road, Hillingdon	20,630

EYL/39/65A	Land at North Works, Summerhouse Lane, Harefield	19,070
PPR/44/161E	Honeywell Site, Trout Road, Yiewsley	18,512
PT/71/99	UB1 Vine Street, Uxbridge	10,969
PPR/45/186B	92-104 High Street, Yiewsley	10,557
PPR/26/84	Land at Former Sadia Works, High Street, Yiewsley	10,000
PT/41/94B	Land to the west of Stone Close, Horton Road, Yiewsley	4,922
E/54/194D	Frays Adult Education Centre, Harefield Road, Uxbridge	4,585
PT/76/119	Land at 64 Ducks Hill Road, Northwood	3,500
E/24/62	Land at Lyon Industrial Estate, High Road, Cowley	3,054
E/29/94D	Land to the west of Stone Close, Horton Road, Yiewsley	2,938
PPR/53/149H	Former Hayes Goodsyrd Site	2,000
PT278/57/140A	MOD Records Office, Stockley Road, Hayes	1,746
PT/78/10B	Land at Sanderson Site and Braybourn	1,468
E/02/18	Old Mill House, Thorney Mill Road, West Drayton	626
E/32/01	Sainsbury Minet Site – Grapes Junction	597
PT84/87B-D	Brunel	585
	<b>Total Movement in Expenditure Quarter 4</b>	<b>872,822</b>

## **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 the report and the financial status of Section 106 and Section 278 agreements up to 31 March 2010 contained within it. The recommendation to note this monitoring information report has no financial implications.

### **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 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.