

# **PLANNING OBLIGATIONS - QUARTERLY FINANCIAL MONITORING REPORT**

<b>Cabinet Member</b>	Councillor Keith Burrows
<b>Cabinet Portfolio</b>	Planning and Transportation
<b>Report Author</b>	Nicola Wyatt, Planning, Environment and Community Services
<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 30th June 2010 against respective portfolio areas.
<b>Contribution to our plans and strategies</b>	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.
<b>Financial Cost</b>	The Council currently holds £13,434,006 relating to s106 and s278 agreements. Of this £6,201,562 is allocated/earmarked for projects and £3,553,178 relates to funds that the Council holds but is unable to spend directly, leaving a residual balance of funds that the Council holds of £3,679,266 that is currently spendable and not yet allocated/earmarked towards specific projects. In Quarter 1, the Council has received additional income of £665,196 and spent £207,535.
<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 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.

### **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 2010 (which was subject of the report in June 2010) as well as up to 30 June 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 30/06/10' 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 2010 of £207,535 (compared to £872,822 during the previous quarter) and income of £665,196 (compared to £298,542 during the previous quarter) within the same period.

2. The balance of s278/106 funds that the Council held at 30 June 2010 is £13,434,006. 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 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 30 June 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 30 June 2010 (£13,434,006), £3,553,178 relates to funds that the Council is unable to spend and £6,201,562 is allocated/earmarked for projects, leaving a residual balance of funds that the Council holds of £3,679,266 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<sup>th</sup> June 2010 is £13,434k. The detail is shown in Table A below. This includes sums (£3,553k) of which the delivery of projects/schemes is dependent on the council's partners, eg PCT/TFL. Of the £ 6,201k earmarked/allocated to projects £1,147k is currently estimated to be spent in 2010/11. The balance of £3,679k is yet to be allocated. Over the last quarter (June) there was a net income of £457k.

Services	Balance b/fwd (1/04/10)	Income Received	Total	Spend	Balance c/fwd (30/06/10)	Allocated balances	To be allocated
	£,000	£'000	£'000	£'000	£'000	£'000	£'000
S278/S106							
S278							
Planning & Transportation	1,380	199	1,579	141	1,438	1,438	0
S106							
Planning & Transportation	2,950	0	2,950	8	2,941	2,763	179
Culture, Sports & Leisure	399	13	412	0	412	389	23
Education & Children Services	5,136	342	5,478	0	5,478	2,311	3,166
Improvements, Partnerships, & Community (PPR)	1,251	0	1,251	14	1,237	1,097	141
Environment	1,049	36	1,086	44	1,041	871	170
Housing, Social Sevices & Health	811	74	885	0	885	885	0
<b>Sub total</b>	<b>12,976</b>	<b>665</b>	<b>13,641</b>	<b>207</b>	<b>13,434</b>	<b>9,755</b>	<b>3,679</b>
Less: Money held on behalf of partners	3,479	74	3,553	0	3,553	3553	0
<b>Total LBH</b>	<b>9,497,</b>	<b>591</b>	<b>10,088</b>	<b>207</b>	<b>9,881</b>	<b>6,201</b>	<b>3,679</b>

6. Further work is being carried out to profile the total sum received (£13,641K to 30 June 2010) shown in Table A above. This will be profiled over a three-year period and be included in a future report.

## **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. A corporate finance officer has reviewed the report and the financial status of Section 106 and Section 278 agreements up to 30 June 2010 contained within it. The recommendation to note this monitoring information report has no financial implications.

### **Legal**

10. 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 the Planning Directorate and Legal Services.

### **Corporate Property**

11. The Corporate Landlord Department 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