

## MUNICIPAL YEAR 2014/2015 REPORT NO. 37

### COMMITTEE:

PLANNING COMMITTEE

- 22/07/14

### REPORT OF:

Assistant Director (Regeneration,  
Planning and Economic  
Development)

AGENDA – PART 1	ITEM 12
<b>SUBJECT - S106 AGREEMENTS – MONITORING INFORMATION</b>	
WARDS: ALL	

### Contact Officers:

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## 1. SUMMARY

- 1.1 This report provides an update on the monitoring of Section 106 Agreements (S106) and progress on Section 106 matters for the period November 2013 to the end of March 2014. It summarises the position regarding current S106 Agreements, categorised by constituency, including the type and amount of financial obligations, progress on spend and implementation of schemes. It also provides an overview of new S106 agreements agreed and signed over this period.
- 1.2 This report is for information only; Members are invited to contact the officers listed above for more information on individual schemes.

## 2. RECOMMENDATION

- 2.1 That Planning Committee notes the contents of this Report and its Annexes.

## 3. S106 MONITORING OVERVIEW

- 3.1 At the end of 31 March 2014 there were 187 individual S106 agreements in the programme. Funds have been received under 109 of these agreements and projects are currently being delivered to discharge them. The position regarding the implementation of these S106 agreements at the end of this monitoring period is set out in Annex 1, a copy of which has been placed in the Members Library.

3.2 A summary of the financial information contained in Annex 1 is set out in Table 1 below.

**Table 1 - Summary of S106 Funds Received and Expenditure Programmed 2013/14**

Description	Sub Total(£)	Total Amount(£)
Opening Balance at the start of 2013/14		-3,565,885.01
Total Amount of S106 payments received in 2013/14.		-3,051,767.31
Total Amount of Revenue Drawn Down	343,598.15	
Total Amount of Capital	982,675.41	
		1,326,273.56
In Year Movements		
<ul style="list-style-type: none"> <li>• Refund – (see agreement Ref. 155 P20 in Annex 1)</li> </ul>	10,000.00	
<ul style="list-style-type: none"> <li>• Contingency Adjustment</li> </ul>	-35,927.48	
<ul style="list-style-type: none"> <li>• Interest accrued for 2013/14</li> </ul>	-19,343.56	
		-45,271.04
<b>Total Current Balance at 31 March 2014</b>		<b>-5,336,649.80</b>
Total available balance of which:		
<ul style="list-style-type: none"> <li>• Earmarked/committed to projects</li> </ul>	-3,822,131.00	
<ul style="list-style-type: none"> <li>• Allocated to a department but not yet assigned to a specific project (Approximately 50% was received in 2013/14).</li> </ul>	-1,306,329.00	
<ul style="list-style-type: none"> <li>• S106 Contingency Fund</li> </ul>	-100,940.03	
<ul style="list-style-type: none"> <li>• Pooled carbon fund contributions</li> </ul>	-107,249.77	
		-5,336,649.80

3.3 During the financial year 2013/14, a total of £3,051,767 was received from S106 schemes where planning permission had been implemented. Fifty percent of the receipts received are towards pooled affordable housing and education contributions whilst the remaining amount has largely been received for site specific mitigation measures such as, highways works and the provision or improvement of open spaces. These funds have been allocated to the relevant department accordingly.

- 3.4 From April 2013 to the end of March 2014, a total of 59 projects were funded by S106 receipts, some of the larger projects are noted in Annex 2 and include improvements to the Meridian Business Park and feasibility work to support rail improvements in the Upper Lea Valley. A total of £343,598.15 revenue expenditure and £982,675.41 capital expenditure has been drawn down in the year 2013/14.
- 3.5 At the end of March 2014, the current balance after in year receipts, movements and drawdowns was £5,336,649.80 Of this amount £3,822,131 is allocated to projects or activities and £1,306,329 is allocated to the relevant department but has yet to be committed to a specific project. Approximately 50% of this figure includes S106 financial contributions received during the year itself. The balance figure includes £100,940.03 contingency monies and carbon fund contributions amounting to £107,249.77
- 3.6 The S106 contingency consists of project underspends and interest accrued and is available to support other related S106 funded projects as required.
- 3.7 The carbon fund contributions can be used for a wide range of energy efficiency or carbon saving projects across the borough. These can include but are not limited to:
- Retrofit projects (both residential and commercial and usually as a top-up from other funding streams including the Energy Companies Obligation);
  - Local renewable technology initiatives;
  - Electric Vehicle charging;
  - New build specification enhancements; and
  - Selected estate renewal projects.
- 3.8 The Council is currently considering an application to this fund for the delivery of four residential properties to a Code for Sustainable Homes Level 5 standard as part of the wider Ponders End regeneration, which will be the first of their type in the borough and the first to achieve the zero carbon emissions for regulated energy uses representing exemplary building practice.

#### **4. S106 FUNDS AGREED BUT NOT YET RECEIVED**

- 4.1 At the end of March 2014, there were 78 S106 agreements, which although agreed with the Council, payments have not been received as the relevant trigger points for payment have not been reached. Trigger points tend to be on commencement or occupation of the development. Further details of these

S106 agreements are included in Annex 3. A copy of which has been placed in the Member's library.

- 4.2 Table 2 below summarises the financial contributions that have been negotiated and included in these S106 agreements. It shows that approximately £9,165,459.86 could potentially be received by the Council, largely for affordable housing and education facilities, once planning permission has been implemented. This figure is in addition to the £5,336,649.80 current balance contained in Table 1.
- 4.3 The significant increase in this figure negotiated but not yet received, compared to previous years is due, in part, to the implementation of the Council's Core Strategy, particularly Core Policy 3, which requires a contribution towards affordable housing from all new housing developments (either on site or via a monetary contribution). The increase in negotiated sums can also be attributed to the impact of the S106 Supplementary Planning Document adopted in November 2011, which provides information on the range, form and scale of planning obligations likely to be sought.
- 4.4 It should be noted that not all financial contributions secured via signed planning agreements will ultimately be received by the Council. For example, the landowner/developer may choose not to progress development, or another application and agreement may supersede an earlier agreement.

Table 2 - Summary of S106 Funds not yet received – awaiting implementation of planning consent

<b>Type of Obligation</b>	<b>Total Amount Negotiated/ Expected to be received once payment is triggered.</b>
Education	£3,180,902.39
Affordable Housing	£3,018,011.41
Health Care	£1,092,976.00
Highways/Traffic and Transportation	£738,546.50
Parks	£554,402.00
Employment and Training	£133,000.00
Community Safety & Facilities	£112,500.00
Sustainability (carbon fund and air quality monitoring)	£94,475.00
Public Art	£30,000.00
Other Obligations	£210,646.56
<b>Total</b>	<b>£9,165,459.86</b>

**6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS**

**6.1 Financial Implications**

The financial position as described in the report has been discussed with Finance staff and reflects the year end position for 2013-14.

Annex 1 contains proposals for the allocation of approved S106 monies to specific work programmes. Approvals of individual schemes within the proposed programme are subject to separate reports and full financial appraisal.

Expenditure incurred on these schemes will be reported as part of the regular monitoring process and drawn down from available S106 funds at year-end.

Amounts committed to projects including the nature of potential expenditure have been updated following advice from officers leading on individual schemes.

## **6.2 Legal Implications**

By virtue of s.106 of the Town and Country Planning Act 1990 as amended the Council may secure planning obligations which may make development acceptable, which would not otherwise be acceptable in planning terms.

These obligations, which may be financial in nature, must comply with Regulation 122 of the Community Infrastructure Regulations 2010 and the Council's SPD on planning obligations.

The planning obligations may be bi-lateral or unilateral in nature and the terms of the obligation dictate the manner in which any financial obligation held by the Council may be spent. Planning Obligations must be registered as a local land charge.

## **7. BACKGROUND PAPERS**

None.

**Annex 1**

S106 Monitoring Spreadsheet – as at 01.04.2014. A copy has been placed in the Members Library

