

# Strategy and Resources Committee

## 1 February 2018

### **S106 Update Report**

<b>Report of the:</b>	Chief Finance Officer
<b>Contact:</b>	Lee Duffy, Richard Appiah-Ampofo
<b>Urgent Decision?(yes/no)</b>	No
<b>If yes, reason urgent decision required:</b>	N/A
<b>Annexes/Appendices (attached):</b>	None
<b>Other available papers (not attached):</b>	None

#### **Report Summary**

This report provides an update on the funds held under Section 106 (S106) planning agreements.

#### **Recommendation (s)**

That the Committee:

- (1) Notes the current position on S106 funds;
- (2) Approves the use of S106 funds as set out in paragraph 5 of the report for: for floodlight LED replacement to tennis courts and 3G football pitch at Court Recreation ground,
- (3) Approves the use of S106 funds as set out in paragraph 6 of the report for floodlight LED replacement to the running track and sports areas at Poole Road Recreation ground
- (4) Notes that a Capital Member Group meeting will be convened to discuss potential uses of uncommitted S106 funds.

#### **1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy**

- 1.1 The Capital Strategy Statement was approved by the Council on 14 February 2017 as Appendix 10 to the Budget Report. Section 106 funding supports the achievement of Key Priorities in the Corporate Plan where investment can be funded from developer contributions.

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### 2 Current Position

- 2.1 The Council holds funds from S106 agreements totalling £2.18 million at 30 November 2017. From this balance £0.57 million is committed within the capital programme for such items as affordable housing or earmarked for schemes awaiting further approval. Included within this balance is £103,000 that needs to be transferred to Surrey County Council and other organisations as they are responsible for utilising these funds.
- 2.2 The current position of Section 106 funds held as at the end of November 2017 is summarised below:-

	£'000	£'000
<b>Section 106 funds held as at 1 April 2017</b>		<b>2,285</b>
Section 106 Receipts received in 2017/18		28
Section 106 Payments made in 2017/18		(107)
Section 106 Payments write offs in 2017/18		(22)
<b>Balance of S106 Funds held as 30 November 2017</b>		<b>2,184</b>
Less:		
Funds held due to SCC and other organisations	(103)	
Funds committed and approved for specific schemes in or before 2017/18	(573)	
		<b>(676)</b>
<b>Unallocated S106 funds as at 30 November 2017</b>		<b>1,508</b>

- 2.3 The unallocated funds can be broken down further with £311,000 earmarked against future expenditure awaiting further approval or requiring further negotiation with developer to amend terms of agreement.

	£'000	£'000
<b>Unallocated S106 funds as at 30 November 2017</b>		<b>1,508</b>
Affordable Housing	(213)	
Monitoring Fee	(78)	
TS Foxhounds – Use for footpaths on Longmead estate (needs further approval)	(20)	
<b>Earmarked Funds</b>		<b>(311)</b>
<b>Available S106 Funds</b>		<b>1,197</b>

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### 3 S106 Agreements with Expiry Dates

3.1 Some developers' contributions are time limited. Under the terms of the S106 agreement, if the contribution has not been spent in line with the conditions applied in the agreement, the Council is liable to return the contribution to the developer. The agreements written under the Developer Contribution Supplementary Planning Document (SPD) tend not to have time limits outlined within the legal agreements. The table below shows those agreements that do have time limit and whether they have been earmarked for a specific project.

S106 Dbase Ref	S106 Agreement	Restrictions	Contribution £	Use	Deadline to be used
268	The Lintons Centre, Lintons Lane	Open Space (Children) within the vicinity or serving the Development	4,462	Unallocated	14/12/2024
268	The Lintons Centre, Lintons Lane	Open Space (Parks and Gardens and Amenity Green Space) within the vicinity or serving the Development	12,916	Unallocated	14/12/2024
268	The Lintons Centre, Lintons Lane	Open Space (Outdoor Sports Facilities) within the vicinity or serving the Development	124,364	Section 5 of this report seeks to allocate £18,000 of this sum, the balance of £106,364 is unallocated.	14/12/2024
<b>Total</b>			<b>141,742</b>		

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### 4 Current Uncommitted S106 Contributions Held over £10,000

- 4.1 Of the £1,508,000 of unallocated S106 funds the majority, £1,122,362 is from large contributions (in excess of £10,000). The following significant contributions remain uncommitted against schemes. However, some funds have schemes earmarked against them but have yet to be formally approved.
- 4.2 A Capital Member Group meeting will be convened in the coming months to discuss potential uses of S106 funds.

<b>S106 Ref</b>	<b>S106 Agreement</b>	<b>Restrictions</b>	<b>Contribution £</b>	<b>Current Status</b>
<b>5</b>	TS Foxhound, 1a Blenheim Road, Epsom	Improvements to the open space which adjoins the site and lies between Blenheim Road, Longmead Road and Hook Road	20,000	Officers are negotiating with the developer to agree the use of the contribution to renew paths on the Longmead Estate
<b>132</b>	Wilberforce Court, Heathcote Rd, Epsom	Various under SPD	30,981	No use currently identified
<b>53/304</b>	West Park	Community facilities, monitoring and environmental improvements	768,022	£693,639 Earmarked for Horton Chapel
<b>183</b>	Magistrates & County Court Site, The Parade	Green infrastructure within the borough	20,326	No use currently identified
<b>199</b>	468 Chessington Road	Various under SPD	12,278	No use currently identified
<b>258</b>	Land rear of 23 Stoneleigh Broadway	Various under SPD	12,512	No use currently identified
<b>293</b>	Pine Lodge, Horton Lane	Various under SPD	31,701	No use currently identified

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<b>S106 Ref</b>	<b>S106 Agreement</b>	<b>Restrictions</b>	<b>Contribution £</b>	<b>Current Status</b>
<b>298</b>	Highridge Court, Highridge Close, Epsom	Various under SPD	13,864	No use currently identified
<b>344</b>	Ryebrook Studios, Woodcote Side, Epsom	Affordable Housing	104,147	No use currently identified
<b>349</b>	School Bungalow, Longmead Road, Epsom	Affordable Housing	87,000	No use currently identified
<b>353</b>	37-37a Cheam Road	Affordable Housing	21,531	No use currently identified
<b>Total</b>			<b>1,122,362</b>	

**5 Court Recreation Ground Energy Improvements - Flood light LED Replacement to tennis courts and 3G football pitch**

- 5.1 The existing lighting is approximately 20 years old and located in difficult positions to access. Maintenance of the existing lights is expensive as certain vehicles cannot fit through the gates of the 3G pitch and any large vehicles may damage the surface of the pitch. Towers have to be manually constructed.
- 5.2 Officers are proposing the installation of new LED high level, low energy flood lighting. The benefits of carrying out the project are energy savings, a reduction in maintenance costs and improved quality of light. The revenue savings as a direct result of the project are estimated at £2,000 per annum.
- 5.3 The total cost of the project is estimated at £18,000, consisting of £12,000 for fittings and brackets, £5,000 for labour and £1,000 for contingency.
- 5.4 This report seeks approval to fund the cost of this project from the following S106 funds:

<b>S106 Ref</b>	<b>S106 Agreement</b>	<b>Conditions</b>	<b>Contribution Required £</b>
<b>268</b>	The Lintons Centre, Lintons Lane	Open Space- Outdoor Sports Facilities (£124,364)	18,000

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5.5 Linton's Lane is located 0.7 miles from Court Recreation Ground.

### 6 Poole Road Recreation Ground Energy Improvements - Flood light LED Replacement to running track and sports areas

6.1 The existing flood lights at Poole Road Recreation ground are also approximately 20 years old and are located in difficult positions to access. Maintenance has been a problem as vehicular access is not possible therefore tower scaffolding has to be manually constructed.

6.2 Officers are proposing the installation of low energy LED lighting to replace the existing lights. This will also result in energy savings and a reduction in access and maintenance costs. Annual ongoing revenue savings are estimated at £1,000 per annum.

6.3 The total cost of the project is estimated at £18,000, consisting of £12,000 for fittings and brackets, £5,000 for labour and £1,000 for contingency.

6.4 This report seeks approval to fund the cost of this project from the following S106 funds:

<b>S106 Ref</b>	<b>S106 Agreement</b>	<b>Conditions</b>	<b>Contribution Required £</b>
<b>167</b>	42 Meadow Walk	Open Space - Outdoor Sports Facilities	1,054
<b>250</b>	1A Corner House Parade, Ewell	Open Space - Outdoor Sports Facilities	1,315
<b>273</b>	379 - 393 Kingston Road, Ewell	Open Space - Outdoor Sports Facilities	3,832
<b>275</b>	The Lane House, 33 Epsom Rd, Ewell	Open Space - Outdoor Sports Facilities	873
<b>297</b>	413A Kingston Road, Ewell	Open Space - Outdoor Sports Facilities	1,573
<b>285</b>	Public Convenience High St Ewell	Open Space - Outdoor Sports Facilities	2,630
<b>283</b>	178A Kingston Road, Ewell	Open Space - Outdoor Sports Facilities	1,383
<b>270</b>	31 High Street, Epsom	Open Space - Outdoor Sports Facilities	3,146
<b>271</b>	31 High Street, Epsom	Open Space - Outdoor Sports Facilities	2,160
<b>Total</b>			<b>17,967</b>

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### 7 Financial and Manpower Implications

- 7.1 S106 receipts provide an opportunity for additional investment. There may be no budget impact on new schemes so long as schemes funded do not result in additional on-going running costs. Some may even reduce future maintenance liabilities.
- 7.2 The relevant policy committee will need to ensure that there are no additional resource implications for new schemes that would have an adverse impact on budgets for other services.
- 7.3 **Chief Finance Officer's comments:** *All financial implications are reflected in the body of this report.*

### 8 Legal Implications (including implications for matters relating to equality)

- 8.1 **Monitoring Officer's comments:** *Before any money is committed, Officers must ensure that the terms of individual S106 agreements are compiled with for each project.*

### 9 Risk Assessment

- 9.1 This report forms part of on-going work on S106 planning agreements that will lead to better management of expenditure funded from these monies.
- 9.2 The main risks at present are that investment funded from agreements is not properly prioritised, that investment is not made in a timely manner or that receipts are not claimed against agreements.

### 10 Conclusion and Recommendations

- 10.1 The report gives details of the current position of S106 funding.
- 10.2 This report seeks approval for S106 funding to be applied to:
- Court Recreation Ground Energy Improvements - Flood light LED Replacement to tennis courts and 3G football pitch
  - Poole road Recreation Ground Energy Improvements - Flood light LED Replacement to running track and sports areas
- 10.3 Officers will continue to prioritise the investigation of opportunities to apply time-barred funds within the deadline and conditions of the agreement as appropriate.

**Ward(s) Affected: (All Wards);**