


<p style="text-align: center;"><b>London Borough of Hammersmith &amp; Fulham</b></p> <p style="text-align: center;"><b>CABINET</b></p> <p style="text-align: center;"><b>11 APRIL 2016</b></p>	
<p><b>2015/16 SECTION 106 EXPENDITURE</b></p>	
<p><b>Report of the Cabinet Member for Finance: Councillor Max Schmid</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification</b> - For Decision</p> <p><b>Key Decision: Yes</b></p>	
<p><b>Wards Affected: ALL</b></p>	
<p><b>Accountable Director:</b> Juliemma McLoughlin, Director for Planning and Growth</p>	
<p><b>Report Author:</b> Peter Kemp, Planning Change Manager</p>	<p><b>Contact Details:</b>  Tel: 0208 753 6970  E-mail:  <a href="mailto:peter.kemp@lbhf.gov.uk">peter.kemp@lbhf.gov.uk</a></p>

## 1. EXECUTIVE SUMMARY

- 1.1. This report seeks approval for the allocation of Section 106 funds to cover expenditure incurred in the current financial year 2015/16 including the cost of enhanced policing.
- 1.2. In total authority is sought for £4.5M expenditure.

## 2. RECOMMENDATIONS

- 2.1. That officers be authorised to spend Section 106 monies as set out in section 5.

## 3. INTRODUCTION AND BACKGROUND

- 3.1 The Council enters into agreements with developers and land owners under Section 106 of the Town and Country Planning Act 1990 to enable mitigation of impacts of development and to enable delivery of necessary social and physical infrastructure.

- 3.2 For a Council to enter into an agreement under S106 of the Town and Country Planning Act, the obligations need to comply with the tests set out in Regulation 122 of the Community Infrastructure Regulations 2010. All obligations must be:
- i. Necessary to make the development acceptable in planning terms;
  - ii. Relevant to the development being permitted; and
  - iii. Reasonably in all other respects.
- 3.3 Funds received pursuant to S106 agreements must be used for the purposes specified in those agreements or, where there is flexibility within the terms of the agreement, for purposes that comply with the tests set out above. The Council will have increased flexibility in future years in how it spends money it collects as Community Infrastructure Levy (CIL).
- 3.4 This report seeks authority for the allocation of S106 funds to cover activity which has been taking place in the past year, from S106 obligations to address the needs generated by new development and population growth in the borough.

#### 4. SPENDING PLAN PROJECTS

The numbers in brackets refer to the reference of the S106 legal agreement.

- 5.1 **Air Quality Monitoring Work** – a combination of £18.5K from Westfield, £9.25K from Sovereign Court (173) £9.25K from 51 Townmead Road agreements (117) which include provision for environmental monitoring, will be used to provide monitoring stations.
- 5.2 **Phased Replacement of Street Lighting, South Fulham** – £20K would be met from the Social and Physical Infrastructure Contribution from 51 Townmead Road (117). This scheme is the start of a larger project replacing lamps with low energy bulbs.
- 5.3 **Housing and Regeneration Division** – up to £200,000 funded from the contribution in the Watson House agreement (8), which secures monies that enable housing regeneration schemes to proceed in the Borough.
- 5.4 **Parks Maintenance** – £55K from the Social and Physical Infrastructure contribution in Chelsea Creek, Lots Road agreement (128) will provide funding to support the increased level of necessary maintenance of the parks in South Fulham.
- 5.5 **Adult Services** –£65K from the Social and Physical Infrastructure contribution of the Chelsea Creek, Lots Road (128),
- 5.6 **Fulham Town Centre Manager** – A contribution of £5K from the Social and Physical Infrastructure contribution in the Chelsea Creek, Lots Road

agreement (128), equivalent to 13% of the cost of providing the service in the Town Centre.

- 5.7 **CPZ reviews in South Fulham** – £20K from the Social and Physical Infrastructure contribution of the Chelsea Creek, Lots Road (128) agreement to add to contributions already made, for annual review and monitoring in South Fulham.
- 5.8 **Cleaner Greener, Refuse Collection and Environmental Witness work** – South Fulham – £205,000 from the Social and Physical Infrastructure contribution of the 75K Chelsea Creek, Lots Road (128) 75K Imperial Wharf (13) and 55K 51 Townmead Road (117) agreements.
- 5.9 **Schools Maintenance and Educational Strategy Officer** – £75,000 from the Social and Physical Infrastructure Contributions from 20K Chelsea Creek, Lots Road (128), 20K Imperial Wharf (13) and 35K 51 Townmead Road (117) agreements.
- 5.10 **Monitoring and Management Costs** - The Cost to planning of monitoring and managing S106 and CIL contributions. Authority is sought to draw down £73,850 from S106 fund interest and the remainder being the administration costs from CIL.
- 5.11 **Contribution to London Mayoral Bike Scheme** The Council entered into an agreement with TFL in 2012 to contribute towards the funding of the Mayors bike scheme in the borough. The total being £2m. The council was given three years to secure and collect funding from developers. The payment is now due, and the Council has already paid TFL 75K as the result of a particular site issue. The remaining 1.925M has now fallen due. The Council has collected 1.502M and with the remainder being due over coming months. In order to pay the sum due authority is sought to pay TFL the full amount due, of which 423K will be funded from reserves and be repaid as soon as it is paid to the Council in coming months in accordance with the original agreement.
- 5.12 **Enhanced Policing** - The Council has committed to funding enhanced policing across the borough to support the Council's strategy of to reduce crime resulting from increased population in the borough. The total contribution to this for 2015/16 is £1,578,333. Combined contributions of 40K from 51 Townmead (117), 33K Sewarts Garage (740), 190K Westfield (683), 240K West 12 (413), 88K BBC White City (459), 200K Chelsea Creek (722), 200K 26 Sullivan Road (723), 50K 313 – 321 North End Road (74) 100K 258 – 264 Goldhawk Road (805) 150K Sovereign Court (173), 150K Woodlands (91), 33K North End Road (17), 33K Stuarts Garages (135), 33K 313 North End Road (136) £40K Westfield agreements.
- 5.13 **Parks Improvement Work** - The council is bound to spend monies improving play facilities around Fulham Reach, so it is proposed to spend £412K from Fulham Reach on reopening Frank Banfield play park and £21K on parks in South Fulham from 26 Sullivan Road (723)

- 5.14 **Old Oak Joint Vision** – The work on promoting a suitable economic vision from Old Oak as part of the White City improvement being £26,465 funded from the Westfield scheme.
- 5.15 **Arts Strategy Work** - work funded to improve the relationships of development with the community £8K funded from Sovereign Court (173)

## **5. EQUALITY IMPLICATIONS**

- 5.1. The report seeks authority for funding of projects that are contained in other service area plans, which are each subject to their own Equality Impact Assessments.

## **6. LEGAL IMPLICATIONS**

- 6.1 Section 106 agreements containing planning obligations are entered into between developers and the Council as the Local Planning Authority.
- 6.2 The use of such obligations is controlled by legislation, including regulation 122 of the Community Infrastructure Regulations 2010 which requires planning obligations to be:
- (i) Necessary to make the development acceptable in planning terms;
  - (ii) Directly related to the development; and
  - (iii) Fairly and reasonably related in scale and kind to the development.
- 6.3 The Council has entered into a significant number of Section 106 agreements. Section 106 Funds can only lawfully be applied in accordance with the terms of each specific agreement, as approved by the Planning Applications Committee. Officers will need to ensure that the funding proposals as set out in this Report are permitted under the terms of each individual Section 106 agreement.
- 6.4 Implications verified/completed by: Adesuwa Omoregie, Planning Highways and Licensing Solicitor, Tel: 0208 753 2297.

## **7. FINANCIAL AND RESOURCES IMPLICATIONS**

- 7.1. When the 2015/16 budget was set by the Council it was anticipated that s106 sources totalling £600K would be identified to meet revenue expenditure in place of general fund to reflect the needs generated by the new population in the borough this is included in this report. The funding for enhanced policing is also included in this report.
- 7.2. All of the funding identified above has been included in this year's budget.
- 7.3. Every year the Planning Division incurs costs in managing S106 agreements; for 2015/16 this will be £73,850 and authority is also sought to draw down all of the retained CIL administration costs retained.

7.4. Implications verified/completed by: Mark Jones, Director for Finance, Ext 3600

**8. COMMENTS OF THE DIRECTOR FOR PLANNING AND GROWTH**

8.1. The contributions outlined in this report are all part of the Council's annual budget for 2015/16 and accounted for.

8.2. All of the projects outlined meet the statutory tests set out in regulation 122 of the community infrastructure regulations, and would be used within the contractual and geographical constraints stated in the relevant agreements. Therefore the recommendations are considered acceptable

8.3. Implications verified/completed by: Juliemma McLoughlin, Director for Planning and Growth, Ext 3000

**LOCAL GOVERNMENT ACT 2000**

**LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	None		