



SOUTH EAST DEVON
HABITAT REGULATIONS
PARTNERSHIP

South East Devon Habitat Regulations Executive Committee

Financial Report

Neil Harris, Habitat Regulations Delivery Manager
September 2016



Exeter
City Council



Legal comment/advice

Notwithstanding the comments of Natural England, whose comments will need to be considered, the report is purely a financial update report and therefore there are no legal implications arising.

Finance comment/advice:

The report contains a financial update for members. Natural England have raised areas that do need consideration on some key financial issues that do need addressing in future reports.

Public Document:	Yes
Exemption:	None
Review date for release	None

Recommendations

It is proposed that the Executive Committee:

- 1. Notes the quarterly update on the overall financial position including contributions received, contributions not received because arrangements may be in place for contributions to be with-held, expenditure and anticipated contributions (from signed S106).**
- 2. Receives an update on 5 year income forecasts of developer contribution receipts at the next HREC meeting on 18/01/2017. This will clearly identify where these have been retained by the collecting authority where any agreement is in place for contributions to be with-held.**

Equalities impact: Low

Risk: Low

This is an update, repeated quarterly, on the current financial position of developer contributions (both collected and anticipated) for Habitat Regulations mitigation across the three partner authorities.

1. Summary

1.1 The purpose of this report is to update members of the Executive Committee on the overall financial position of developer contributions received by all 3 Local Authorities as mitigation payments towards measures identified in the South East Devon European Site Mitigation Strategy (“the Strategy”).

1.2 The report set out details of the contributions received from inception until the end of the first quarter of the 2016 financial year.

1.3 The report also contains details of anticipated income from contributions where planning permission has been granted but the contribution has not yet been paid. Details of expenditure in the first quarter of the 2016 financial year are also provided.

1.4 Table 1, below, sets out the position of developer contributions as at the end of the first quarter of the 2016 financial year.

Table 1 Developer contributions received (less expenditure) to end Q1 2016, according to the charging schedule, wording of S106 obligations and Community Infrastructure Levy charges:

Charging zone/period	Carried forward from end Q4 2015	Received in Q1 2016	Expenditure during Q1 2016	Balance as at end Q1 2016
SANGS	£575,588.29	£42,995.64	£0	£618,583.93
JIA On site	£323,699.31	£615.87	-£10,767.80	£313,547.38
Dawlish Warren On site	£113,175.85	£6,408.40	£0	£119,584.25
Exe Estuary On site	£23,916.58	£6,599.60	£0	£30,516.18
Pebblebed Heaths On-site	£11,055.54	£13,261.00	£0	£24,316.54
Total	£1,047,435.57	£69,880.51	-£10,767.80	£1,106,548.28

2. Expenditure in the first quarter of the 2016-17 financial year:

Joint Interim Approach – On site

2.1 In order to secure part of the website element of the Devon Dogs project, the domain name www.devondogs.org.uk has been registered for 10 years. This cost £63.80 and will be allocated to the Joint Interim Approach funds.

2.2 Salary and associated costs for the Delivery Manager until the end of the first quarter of the 2016-17 financial year is £10,704 which will be shared equally between the Joint Interim Approach funds.

2.3 As of Q2 2016, costs for onsite mitigation will be apportioned according to the amount on account for each partner authority, where project costs are shared. For example, if £10,000 had been collected across the three authorities, where one had collected £5,000 and the others £2,500 each, a project costing £5,000 would be apportioned accordingly: £2,500, £1,250 and £1,250. Expenditure is then proportionate in relation to the amount collected 50:25:25.

3. Permissions granted but not yet received

3.1 Table 3, below, shows the position of all developer contributions from planning consents granted but not yet received, as at the end of Q1 2016.

3.2 The substantial increase in JIA on-site funds relates to the inclusion of two major planning permissions at Exeter City Council which were not included in the calculation for the previous financial report. This was due to uncertainties of how the contributions should be allocated, which have now been resolved.

3.3 The apparent reductions relating to income not yet received for SANGS, Exe Estuary on-site and the Pebblebed Heaths on-site largely relate to a recalculation at Exeter City Council for planning application 14/1375/03. There has been a reduction of 68 dwellings reported, which equates to -£32,436 for SANGS, -£8,364 for the Exe Estuary and -£10,132 for the Pebblebed Heaths. The amounts do not exactly correlate to the apparent reduction, due to other applications across the Partnership either expiring or being paid (and therefore being removed from the record) in the same period.

Table 3 Position of all developer contributions from planning consents granted but not yet received, as at the end of Q1 2016.

	<i>As at end Q4 2015</i>	<i>During Q1 2016</i>	<i>Total end Q1 2016</i>
SANGS	£947,694	-£15,037	£932,656
JIA On-site	£640,689	£205,050	£845,740
Dawlish Warren On-site	£90,857	-£1,047	£89,810
Exe Estuary On-site	£118,011	-£13,563	£104,448
Pebblebed Heaths On-site	£123,675	£5,715	£129,390
<i>Total</i>	<i>£1,920,929</i>	<i>£181,118</i>	<i>£2,102,047</i>

4. Checking financial records

4.1 Accountants at EDDC will be undertaking quarterly checks on financial records supplied by the partner authorities. This will ensure that the information contained within the financial reports has been verified by both the host authority and the Delivery Manager.

Natural England comment:

Natural England notes the current and projected income and expenditure.

Our principle concern remains that expenditure, and hence delivery, at the proposed levels can be achieved, in order that the current “deficit” in mitigation delivery is addressed. We have previously suggested that flexibility in allocation of funds to different elements of mitigation would help with this but this is not reflected in Table 1 where all funds are allocated to specific “lines” of mitigation.

A further problem with this approach is that it does not identify a funding line for the “cross-site” mitigation (i.e. wardens, Delivery Manager and dog project) which is currently funded through the “JIA” receipts. This funding stream is likely to come to an end ahead of the others, leaving a question over how the cross-site measures will be funded after this time.

It would be useful to clarify where funding for “monitoring” sits within these lines as this is an important element of the strategy.

There appear to be inconsistencies in the rates being charged (whether through CIL or S106) between authorities and zones. We therefore repeat our request, made at the last meeting, that this should be rectified ASAP and we therefore recommend that a review of current charging rates be undertaken prior to the next meeting of this committee.

Funding in perpetuity – We would like to repeat our suggestion, made at the last meeting, that a more detailed paper considering options for funding of mitigation measures “in perpetuity” is brought to a future meeting of this committee.

Neil Harris
Habitat Regulations Delivery Manager

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