

Infrastructure funding statement

1 April 2021 to 31 March 2022

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1. Introduction

- 1.1 Local authorities (LAs) are required to produce an infrastructure funding statement (IFS) on an annual basis as a result of changes to government legislation as required by the [Community Infrastructure Levy \(Amendment\) \(England\) \(No.2\) 2019](#).
- 1.2 The purpose of the IFS is to provide an overview of developer contributions that have been agreed, received, allocated or spent over the latest financial period.
- 1.3 We do not operate a community infrastructure levy (CIL) so therefore this statement will only set out income and expenditure relating to section 106 (S106) agreements over the 2021/22 financial year, providing a summary of:
- S106 obligations and processes
 - S106 agreements made – contributions that have been agreed under a S106 planning agreement
 - S106 contributions received – financial and non-financial contributions that have been paid and received by the Council
 - S106 funds allocated – financial contributions that have been allocated towards an infrastructure project but have not yet been spent
 - S106 funds spent – contributions that have been spent on the agreed infrastructure and monitoring
- 1.4 The information included within this report will be updated annually and published on our website. This will ensure the most up to date information on the amount of developer contributions received from new developments in addition to information on where these monies have been spent is readily available to members of the public and other interested parties.
- 1.5 The report does not include information on the infrastructure delivered on site as part of new developments in the borough.
- 1.6 The data reported within this document is the most robust and accurate available at the time of publication. However, it represents estimates at a given time and can be subject to change. It is possible that not all the planning approvals with S106 agreements attached to them will be implemented, therefore S106 financial contributions will not be collected in that instance.

Additionally, the requirements for S106 obligations can be subject to change and in the case of outline planning permission, these are often dependant on the approval of subsequent reserved matters applications.

Section 106 planning obligations

- 1.7 Under [section 106 of the Town and Country Planning Act 1990](#) a local planning authority (LPA) can seek obligations, both physically on-site and contributions for off-site, when it's considered that a development will have negative impacts that cannot be dealt with through conditions in the planning permission. S106 (also known as 'planning obligations' or 'developer contributions') is a legal charge on land that aims to mitigate the impact of a development proposal.

- 1.8 Planning applications submitted to us are assessed on a case-by-case basis. The requirements of S106 will vary according to the size, impact and nature of the proposed development to ensure that the proposal delivers a positive contribution to the local area.
- 1.9 Planning obligations can take the form of financial or in-kind contributions towards a range of infrastructure and supporting services within the borough. In some cases, it can be a combination of both on-site provision and off-site financial contributions. Within Luton Council, S106 agreements are used to secure benefits relating to:
- affordable housing
 - transport facilities
 - open space and play facilities
 - education • libraries
 - museums
 - economic development
 - public art
 - monitoring of S106 agreements
- 1.10 Planning regulations outline the tests that should be used to ensure that S106 obligations are applied effectively. The tests are:
- necessary to make the proposed development acceptable in planning terms
 - directly relate to the proposed development
 - fairly and reasonably related in scale and kind to the developments

Process for agreeing S106 obligations

- 1.11 Our requirements for S106 planning obligations are set out in the [planning obligations supplementary planning document \(SPD\)](#) (2007) which is the most recently adopted guidance.
- 1.12 Once the S106 agreement has been signed, it is an obligation, but it will only be released if the planning permission is implemented and reaches the trigger point for payment such as commencement or prior to occupation. When the planning permission is granted, the s106 obligation is registered as a land charge which stays with the land, obligating any future owners until the terms are met.
- 1.13 The SPD notes that all development is likely to impact upon the demand for local facilities and infrastructure to some extent, but the majority of smaller proposals may not warrant major infrastructure investment. However, due to the cumulative impact of smaller developments, we will aim to negotiate a contribution from all developments that are likely to drive demand.
- 1.14 The level of contributions will be based on standard charges for various facilities, as recommended by the government, and are derived from anticipated overall costs of provision, and where appropriate, maintenance of facilities. A summary of these charges is set out in [appendix 2](#). For larger scale developments, we may negotiate additional contributions specific to that project.

1.15 Additionally, we may require in-kind obligations where the developer builds or directly provides infrastructure or services, for example, the provision of affordable homes, highways improvements and open spaces.

Monitoring fees

1.16 The [Community Infrastructure Levy \(Amendment\)\(England\)\(No.2\) Regulations 2019](#) allow LAs to charge a monitoring fee through section 106 planning obligations, to cover the cost of monitoring and reporting on delivery of obligations.

1.17 The regulations state that fees can be a fixed percentage to the total value of the S106 agreement or a fixed monetary amount per agreement, provided that they are proportionate and reflect the actual cost of monitoring.

1.18 We are required to report on monitoring fees within the IFS each year.

1.19 Since the introduction of the [First Homes scheme](#), we collect additional monitoring fees to oversee and monitor restrictive covenants as part of this process.

2. S106 contributions summary

Summary of S106 funds

2.1 This section provides a summary of funds held, received, and spent in the 2021/22 financial year. **At the end of the 2021/22 financial period, Luton Council held £3,551,082.40 in S106 funds to be spent or allocated.** This includes funds received over 2021/22 and any funds held from previous years.

2.2 A total of **£1,853,025.20** has been received from planning obligations and **£550,162.80** was spent over the same period.

Funds held by each council department

- Affordable housing: £117,499.00
- Waste: £48,109.91
- Highways: £107,423.63
- Open space: £292,774.49
- Education: £2,871,257.46
- Libraries: £10,265.26
- Museums: £8,399.69
- Car club: £84,718.13
- Monitoring: £0.00
- Other: £10,634.83
- **Total: £3,551,082.40**

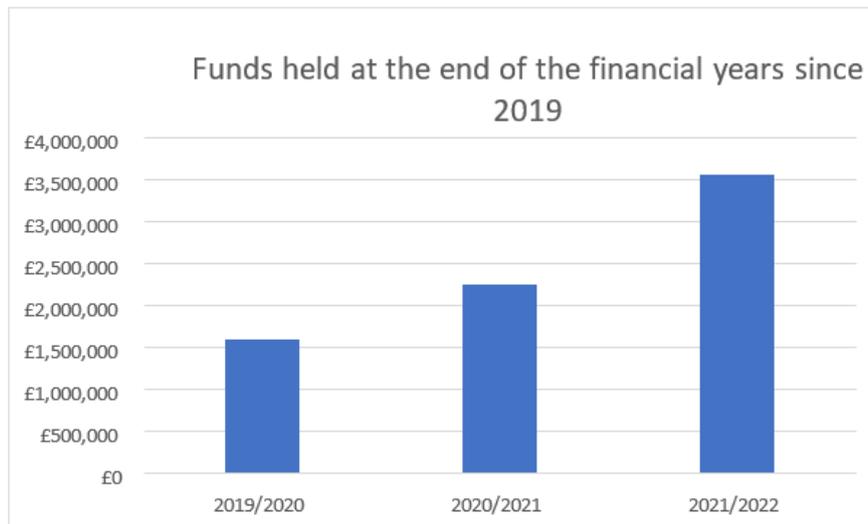


Figure 1

3. S106 agreements (2021/22)

In the 2021/22 reporting period, ten S106 agreements were made in the total amount of £5,352,366.60. The contributions that come from these agreements will be paid to the council by the developer once development has commenced on site or when a particular development milestone has been met (in accordance with S106 agreements).

Developments with S106 agreements signed in 2021/22 and that require contributions over £500,000 include:

- Former Vauxhall Motors Site Kimpton Road Luton (ref: 21/00989/MMAMD) – S106 contributions - **£2,509,782**
- 4 to 11 Burr Street Luton LU2 0HN (ref: 21/01726/MMAMD) – S106 contributions - **£1,404,729.64**
- The Bramingham Centre, Weltmore Road, Luton LU3 2TN (ref: 17/00768/OUT) - S106 contributions - **£582,893**

3.1 [Table A1 in appendix 1](#) provides a full breakdown of all S106 agreements signed over the 2021/22 financial period. These agreements and other documents relating to each planning application can be viewed online on [Luton's planning application search page](#).

3.2 The list below outlines the maximum financial contributions that have been agreed through signed S106 agreements for 2021/22 for each council department. A number of these S106 agreements will be subject to a viability assessment, therefore it is possible that some of these contributions will be calculated as less on development viability grounds.

The amount detailed below is the maximum amount of S106 funds due. It is evident that affordable housing and education are likely to be in receipt of the largest S106 contributions.

S106 financial contributions agreed in 2021/22

- Affordable Housing: £127,566
- Car Club: £9,500

- Education: £5,012,139
- Highways: £3,500
- Libraries: £6,319
- Monitoring: £33,873.80
- Museums: £4,305
- Open space: £12,157
- Transport: £115,850
- Waste: £26,156.80
- Other: £1,000
- **Total: £5,352,366.60**

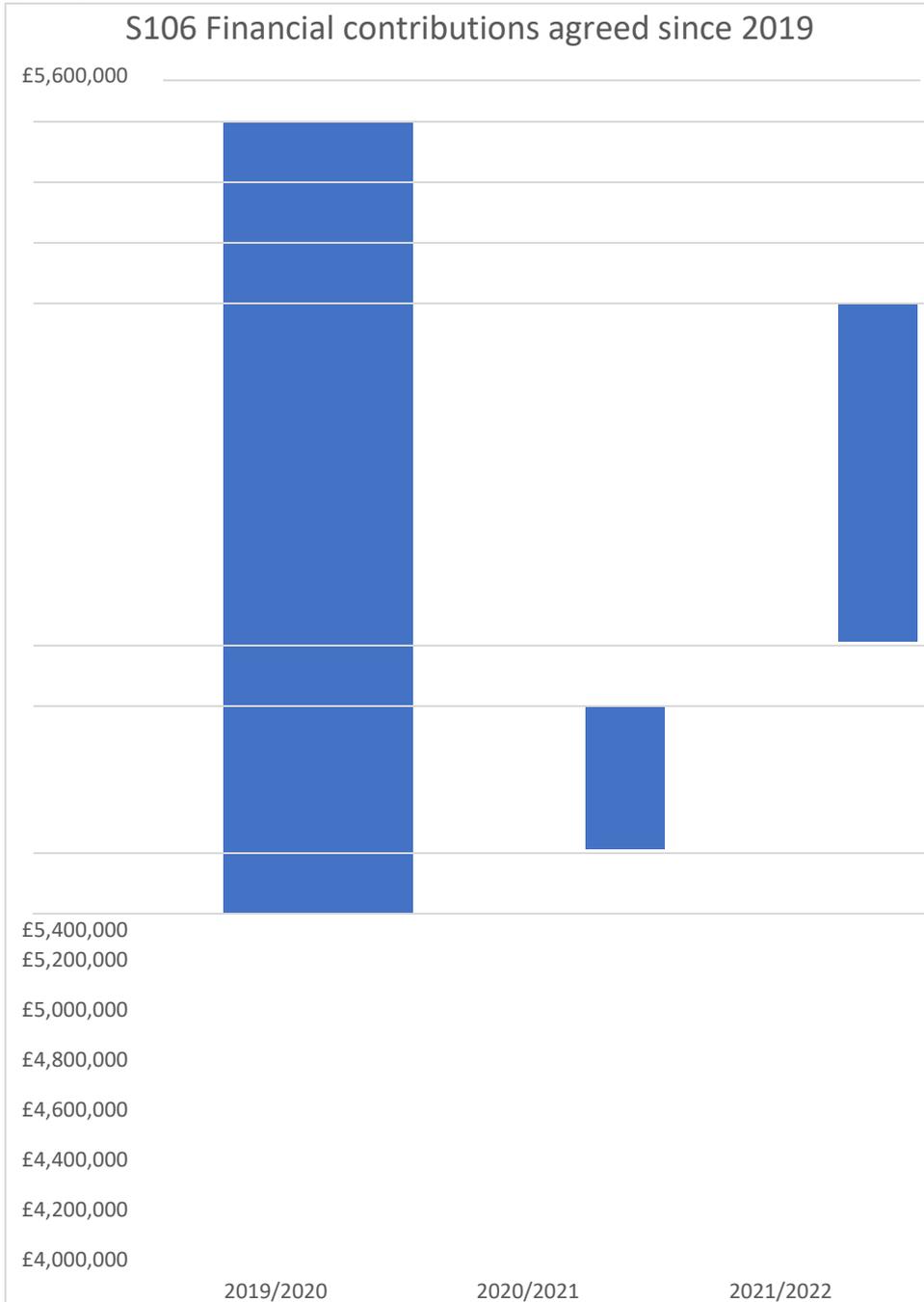


Figure 2

Non-monetary obligations secured

3.3 During the 2021/22 financial year, the following non-monetary contributions were agreed under S106 agreements:

- A requirement of 7 affordable rented housing units and 2 affordable shared ownership units were agreed under planning application 19/01630/OUT- Oakley House, LU4 9QH ○ Employment, skills, procurement and training strategy secured under planning application 19/01630/OUT - Former Honda Site, Cumberland Street. This strategy seeks to advertise, recruit and train local people in construction and operation jobs, as well as procure local goods and services.
- A requirement of 2 affordable rented housing units were agreed under planning application 21/00074/FUL- Land adjacent to 62 New Bedford Road
- Employment, skills, procurement and training strategy secured under planning application 21/00989/MMAMD - Former Vauxhall Motors Site Kimpton Road. This strategy seeks to advertise, recruit and train local people in construction and operation jobs, as well as procure local goods and services. ○ 81 affordable housing units were agreed under planning application 21/00989/MMAMD - Former Vauxhall Motors Site Kimpton Road ○ A requirement of 4 affordable rented housing units and 4 affordable shared ownership units were agreed under planning application 21/01726/MMAMD – 4-11 Burr Street, LU2 0HN ○ Employment, skills, procurement and training strategy secured under planning application 21/00944/FUL - Oakley House, 213 Oakley Road. This strategy seeks to advertise, recruit and train local people in construction and operation jobs, as well as procure local goods and services.
- A requirement of 9 affordable rented housing units and 4 affordable shared ownership units were agreed under planning application 21/00944/FUL - Oakley House, 213 Oakley Road ○ Employment, skills, procurement and training strategy secured under planning application 20/00514/FUL - Cresta House, Alma Street. This strategy seeks to advertise, recruit and train local people in construction and operation jobs, as well as procure local goods and services.
- 20% of the total number of residential properties as affordable rented housing units were agreed to be provided under planning application 17/00768/OUT - Site of the Former Barmingham Centre, Weltmore Road

4. S106 Contributions received

4.1 As highlighted in Section 1, a total of £1,853,025.20 was received in S106 financial contributions in the 2021/22 monitoring period, which is an increase from the previous year. Figure 3 shows income and expenditure over the last five years. **Figure 3: S106 income and expenditure since 2017**

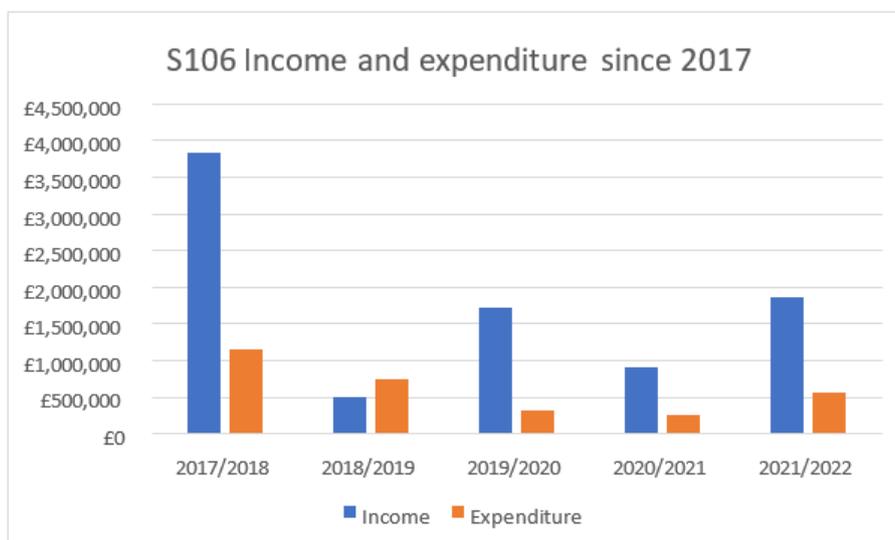


Figure 3

Year	S106 funds received in year	Spent in year
2017/18	£3,824,745.00	£1,136,642.15
2018/19	£485,673.00	£734,888.36
2019/20	£1,702,876.21	£307,615.79
2020/21	£903,002.44	£242,510.00
2021/22	£1,853,025.20	£550,163.80

Table 1

4.2 Total receipts came from 13 applications in the reporting financial year as outlined in table 1. The breakdown by category below shows that education and affordable housing were in receipt of the largest contributions.

Table 2: Summary of S106 receipts 2021/22

S106 funds received (2021/22)	Planning application ref	Site address
£16,808.72	10/01304/FUL	Land adjacent 33 Anstee Road
£15,000.00	15/00950/VARCON	London Luton Airport Airport Way Luton Bedfordshire
£582,893.00	17/00768/OUT	The Bramington Centre
£138,027.79	17/01040/FUL	Caleb Close
£13,764.80	19/00651/MMAMD	Land Adjacent To Caddington Road & Newlands Road
£36,181.35	19/00748/FUL	123 - 135 Castle Street
£128,502.44	19/00926/COU	Cresta House
£85,000.00	20/00108/OUT	Barnfield College

£65,456.00	20/00386/FUL	106 Old Bedford Road
£127,566.00	20/00539/SECMOD	41-43 Dudley Street
£5,000.00	20/00567/FUL	4 - 11 Burr Street Luton LU2 0HN
£633,951.30	21/00989/MMAMD	Luton Napier Gateway
£4,873.80	21/00074/FUL	Land Adjacent To 62 New Bedford Road Luton LU1 1SH
Total: £1,853,025.20		

Table 2

S106 funds received in 2021/22 broken down by council department

- Affordable housing: £127,566
- Highways: £2,460.39
- Open Space: £80,311.49
- Education: £1,547,960.45
- Libraries: £3,305.26
- Museums: £2,665.69
- Waste: £24,787.91
- Car club: £13,478.13
- Monitoring: £39,873.80
- Other: £10,616.08 (late fee penalty)
- **Total: £1,853,025.20**

S106 monitoring fees

4.3 In the 2021/22 financial period, we received **£39,873.80** in S106 monitoring fees.

5. S106 spend in 2021/22

5.1 Over the 2021/22 monitoring period, a total of **£550,162.80** was spent on committed projects. The list below provides a breakdown of S106 expenditure over the 2021/22 financial year across each service area. Education accounted for the largest proportion of expenditure.

Education	Planning application reference and development site	S106 amount spent (£)	S106 project
	15/01600/FUL Former Sherd Lodge Sherd Close	38,152.00	Provision of a Science Lab at Cardinal Newman High School
	13/01577/OUT Land Rear Of 23-29 Farley Hill	5,586.00	Beech hill security fencing
	14/00116/FUL 43 Ridgway Road	63,721.00	External play facilities at York Street Primary School
	19/00926/COU Cresta House 8 Alma Street	106,868.00	Nursery works at Surrey Street Primary School (b) Secondary: Expansion of Pupil Referral Unit at Cutenhoe Road

18/01280/MMAMD Former Vauxhall Motors Site Kimpton Road	27,555.00	Ashcroft High School expansion and SEN provision
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Table 3

Highways	Planning application reference and development site	S106 amount spent (£)	S106 project
	Data not available	82,379.00	Capital financing
	15/00437/FUL 26 - 38 John Street	58,462.00	To be spent on the provision or improvement of highways or public transportation infrastructure or facilities within the Borough of Luton
	18/01793/FUL 40 - 58 Collingdon Street		
	11/01046/OUT Rear Of 96 Shelley Road		
	11/000127/FUL		
	10/00448/FUL Land Adj 4 Hill Close		
	12/01053/FUL 278 Dunstable Road		
	11/00639/FUL 97 High Street		
	11/00211/FUL 46 - 52 Park Street		
	08/00773/RENEW Garages Adjacent 2 Dawlish Road		

Table 4

Affordable housing	Planning application reference and development site	S106 amount spent (£)	S106 project
	16/00172/FUL 41-43 Dudley Street	127,566.00	Contribution in lieu towards Affordable Housing
	20/00539/SECMOD 41-43 Dudley Street		

Figure 5

Total S106 expenditure over 2021/22

- Education: £241,882
- Highways: £140,841
- Affordable housing: £127,566
- Monitoring: £39,873.80

- **Total: £550,162.80**

6. S106 balances

- 6.1 S106 funds are deemed to be ‘allocated’ where there is a specific project they will be used for, or where it has been assigned to a specific Council department or purpose to fulfil this. For example, open space contributions are often required to be used towards enhancing or improving a defined area of space.

Where funds are deemed to be ‘unallocated’, the S106 agreement they relate to often require the money to be spent in a certain way or contribute towards a specific project. This could be that funds have to be used on infrastructure within the vicinity of the development or within the Luton Council area.

- 6.2 As a result of the income and expenditure set out in section 4 and 5, the S106 balance at the end of the 2021/22 financial period was **£3,551,082.40**. Specific plans are in place to spend these funds as agreed in each S106 agreement, in line with the specified purpose for each contribution.

7. Conclusion

- 7.1 The IFS has provided an overview of the current financial and non-financial contributions secured through recent S106 agreements, as well as funding currently held by the council and spend in the coming financial period.
- 7.2 The data has highlighted that there has been an increase in the amount of S106 contributions received and spent compared to the last financial year; however, it is likely that the Covid-19 pandemic has continued to have an impact on S106 processes due to delays in commencement and completion of sites in the previous financial year.
- 7.3 The funds generated from S106 agreements make a valuable contribution to securing infrastructure and services for local communities within Luton.
- 7.4 We’ll work with internal service areas and other stakeholders to ensure that S106 funds which have not yet been spent are used effectively to maximise benefits for local communities.
- 7.5 We’ll also work to continually improve the systems under which planning obligations operate, including the collection, monitoring and spend of funds. Steps are being undertaken to further develop this process. Each reporting year the summary list below will provide an overview of key figures.

Key figures 2021/22

- Total amount agreed: £5,352,366.60
- Total amount received: £1,853,025.20
- Total amount spent: £550,162.80
- Total balance: £3,551,082.40

Appendix 1: S106 agreements 2021/22

Table A1: S106 signed over the 2021/22 financial period

Application number	Site address	Development proposal	Maximum S106 funds expected
19/01630/OUT	Oakley House 213 Oakley Road Luton LU4 9QH	Development of Land for Residential Purposes- Erection of 49 dwellings comprising of 28 flats (7 one-bed and 18 two-bed and 3 three-bed) and 21 dwelling houses (6 two-bed, 8 three-bed and 7 fourbeds).	Affordable units: 9 Education: £386,694 Library: £5,429 Monitoring: £5000 Museum: £3,585 Open space and leisure: £10,267 Waste: £2,692
21/00074/FUL	Land Adjacent To 62 New Bedford Road Luton LU1 1SH	Erection of six-storey building comprising of 11 flats (seven two-bedroom, three three-bedroom and one four-bedroom).	Affordable units: 2 Education: £93,626 Monitoring: £4,873.80 Transport: £3,850

21/00989/MMAMD	Former Vauxhall Motors Site Kimpton Road Luton	Mixed-use redevelopment, including Residential apartments (C3), Retail and Leisure (Class A1-A5 / D2), Hotel with conferencing and banqueting facilities (Class C1), Medical Wellbeing Centre (Class D1) together with landscaping, car parking, new access and associated works. - Minor Material Amendment of planning permission 18/01280/MMAMD dated 16th January 2019 - Amendment required to make internal changes, design alterations and car parking changes (including erection of multi-level car park to the rear of Block RBB) etc. Minor Material Amendment of planning permission 19/00586/MMAMD dated 16th December 2019 - Amendment required to make changes to increase height of towers A, B and C of block RBB resulting in additional apartments (C3), external design changes, internal changes at ground floor (reduction in retail floor space by 238 sqm GIA) and	Affordable units: 81 Education: £2,509,782 Monitoring: £9,000
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Application number	Site address	Development proposal	Maximum S106 funds expected
		provision of internal residential amenity space.	

21/01726/MMAMD	4 - 11 Burr Street Luton LU2 0HN	Erection of four residential blocks comprising 1, 2 and 3 bedroom homes together with car parking, cycle parking, refuse/recycling storage, plant and associated landscaping (grade and roof level) following demolition of existing buildings - Minor Material Amendment of planning permission 21/00306/FUL dated 18th August 2021 - alterations to the approved plans, resulting in additional apartments, external and internal design changes, and removal of underground car parking.	Affordable units: 8 Education: £1,275,365 Transport: £112,000 Waste: £17,364.64
21/00944/FUL	Oakley House 213 Oakley Road Luton LU4 9QH	Redevelopment of site to provide 65 dwellings comprising 26 houses (5 four bed, 13 three bed and 8 two bed) and 39 flats (30 two bed and 9 one bed) and associated works after demolition of existing building and car park.	Affordable units: 13 Fire hydrant: £1,000 Monitoring: £10,000 Waste: £3,098.16
17/00768/OUT	The Bramingham Centre Weltmore Road Luton LU3 2TN	Development of Land for residential purposes - Erection of 51 residential units comprising of 39 houses (9No. 2 beds, 15 No. 3 beds and 15 No. 4 beds) and 12No. 2 bedroom apartments, associated car parking and external works.	Affordable units: 20% Education: £580,211 Waste: £2,682
20/00514/FUL	Cresta House 8 Alma Street Luton LU1 2PL	Erection of a three storey roof extension to provide 28 flats (nine one-bedroom, 17 two-bedroom and two three-bedroom) and alterations to the existing building, together with associated amenity areas, cycle parking, refuse/recycling provisions and associated works.	Car club: £9,500 Education: £108,684 Monitoring: £5,000

20/00539/SECMOD	41-43 Dudley Street Luton	Modification of original Section 106 Agreement	£127,566
Application number	Site address	Development proposal	Maximum S106 funds expected
	Bedfordshire LU2 0NP	dated 17 th May 2017 for (affordable housing) to planning application reference 16/00172/FUL dated 18 th May 2017	
20/00696/FUL	2 -12 Bolton Road Luton LU1 3HR	Erection of six storey mixed use development comprising of 2 office suites on ground floor and 10 two bedroom flats on upper 5 floors with associated landscaping, parking and amenity areas, after demolition of existing building	£65,097

Table A1

Appendix 2: Summary of S106 charges

Affordable housing	Transport	Open space and play facilities	Education
20% on requisite sites, of which: 72% for affordable rent + 28% for intermediate tenures.	As necessary to facilitate acceptable form of development + Contributions on basis of trip cost (refer to table 6 in Planning obligations SPD)	Formal play space + Children's play space + Neighbourhood equipped areas for play + Local equipped areas for play + Landscaping and replacement	Pupil yield (per number /type of dwelling) X DCSF cost multiplier X Regional allowance X scale factor

Table 2a: summary of S106 charges

Size of property (no of bedrooms)	Open space (maintenance)	Libraries	Museums	Waste	Economic development	Public art	Officer time / monitoring
	£150	£76	£61	£33	As appropriate – assessed on a case by case basis	As appropriate – assessed on a case by case basis	£1,000 down payment towards councils' costs (with any excess refunded) + cost of any independent mediator in advance.