

**Luton**

# Infrastructure Funding Statement

1 April 2022 to 31 March 2023

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# 1. Introduction

- 1.1 Local Authorities 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 Luton Council does not operate a Community Infrastructure Levy (CIL) 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 the Council's 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 is 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 the Council 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 The Council's 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 local authorities 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 2022/23 financial year. **At the end of the 2022/23 financial period, Luton Council held £4,620,537.08 in S106 funds to be spent or allocated.** This includes funds received over 2022/23 and any funds held from previous years.

2.2 A total of **£423,748.77** has been received from planning obligations and **£306,311.58** was spent within the 2022/23 financial year.

### Funds held by each Council department

2.3 Funds held by the Council represents the total amount retained under each infrastructure area, not just for the current financial year but also accrued from earlier years. This includes funds such as those that have not yet been allocated to a project under the specific infrastructure area or if the infrastructure project hasn't come forward yet to create the spend.

- Waste: £56,412.65
- Highways: £ 194,216.81
- Open space: £ 335,522.64
- Education: £ 3,779,136.22
- Libraries: £ 12,202.60
- Museums: £ 19,974.14
- Car club: £ 109,864.65
- Monitoring: £ 94,116.00
- Other: £ 19,091.37

- **Total: £ 4,620,537.08**

Figure 1: S106 Funds held by the Council 2019 - 2023

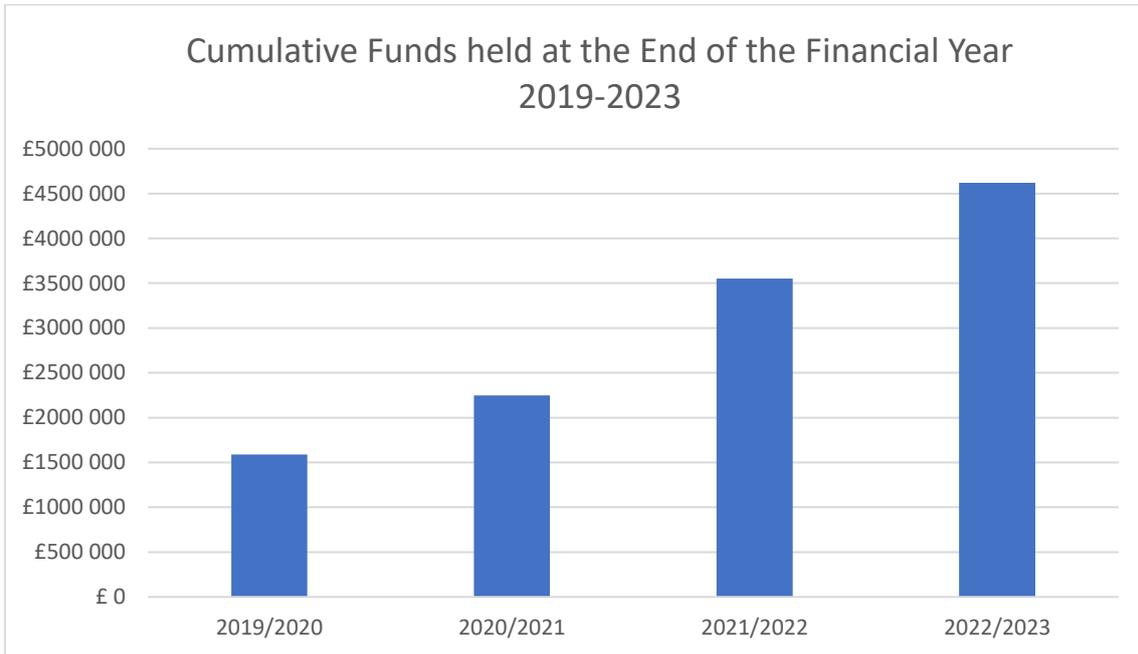


Figure 1

### 3. S106 agreements (2022/23)

3.1 In the 2022/23 reporting period, twelve S106 agreements were made with a total amount of £6,694,427.75 identified for collection. 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 the S106 agreements). Developments with S106 agreements signed in 2022/23 and that require contributions over £500,000.00 include:

- Power Court Luton Bedfordshire (ref. 20/01587/OUTEIA) -S106 contributions of £ 3,906,428.00.
- Land And Buildings R/o 48- 72 Seymour Road and 2-12 Seymour Avenue LU1 3NR (ref. 20/00785/FUL) – S106 contributions of £542,469.00.
- 27-37 Chapel Street Luton LU1 5DA (ref.19/00889/FUL) – S106 contributions of £1,144,440.00.

3.2 Table A1 in Appendix 1 provides a full breakdown of all S106 agreements signed over the 2022/23 financial period. These agreements and other documents relating to each planning application can be viewed online on [Luton's planning application search page](#).

3.3 The list below outlines the maximum financial contributions that have been agreed through signed S106 agreements for 2022/23 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. Similar to the previous year, it is evident that affordable housing and education are likely to be in receipt of the largest S106 contributions, as well as highways.

## S106 financial contributions agreed in 2022/23

- Affordable Housing: £1,604,042.75
- Car Club: £ 23,150.00
- Education: £ 2,495,181.00
- Highways: £ 2,000,000.00
- Libraries: £ 13,109.00
- Monitoring: £ 60,000.00
- Museums: £ 21,070.00
- Open space (& Parks): £ 180,405.00
- Transport: £ 197,000.00
- Waste: £ 53,970.00
- Other: £ 46,500.00<sup>1</sup>
- **Total: £ 6,694,427.75**

Figure 2: S106 Financial Contributions Agreed 2019 - 2023

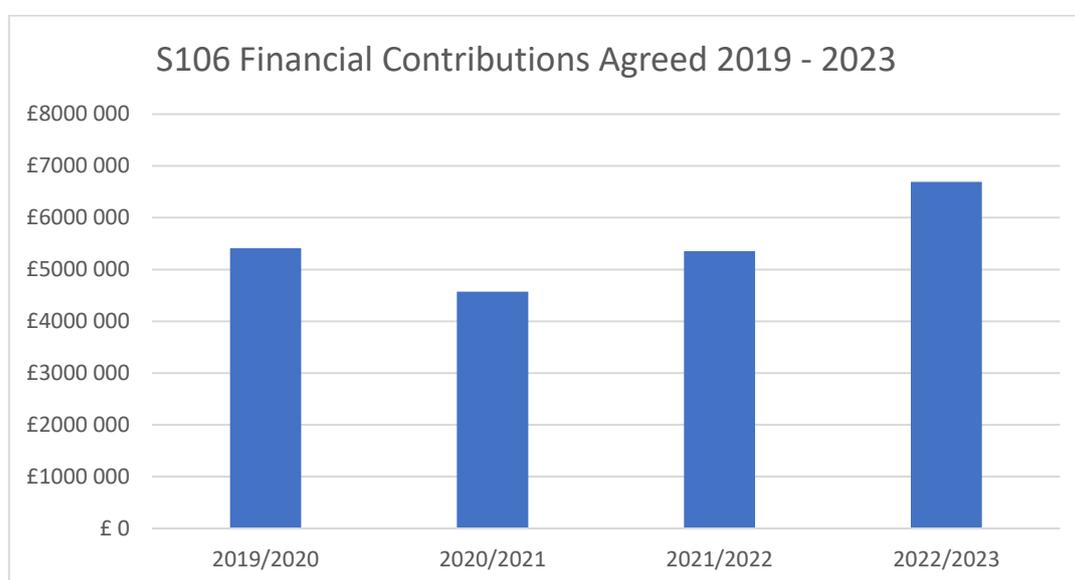


Figure 2

## Non-monetary obligations secured.

3.4 During the 2022/23 financial year, the following non-monetary contributions were agreed under S106 agreements:

- A requirement of 5 Residential properties as affordable rented housing units and 1 residential property as an affordable shared ownership unit were agreed under planning application 21/00047/FUL Car Park 37-41 Cheapside, LU1 2HN.
- The overall 20% requirement of total units for Power Court Luton Bedfordshire (ref. 20/01587/OUTEIA) must include affordable housing. This percentage (20%) has a requirement of being comprised of 72% residential properties for affordable rented housing units and 28% of the residential properties as affordable shared ownership units as agreed under planning application.
- The overall 30% of the total development for The Orchard Centre Strangers Way Bedfordshire LU4 9ND (ref. 17/00791/OUT) must include affordable housing. This

<sup>1</sup> Other category includes Air Quality Monitoring, CCTV and provision of a Fire Hydrant.

percentage (30%) must consist of 100% affordable units to be provided and ready for occupation to be comprised of a total of 14 dwellings including 8 x 2-bed dwellings and 6 x 3-bed dwellings.

- Employment, skills, procurement, and training strategy seeks to advertise, recruit and train local people in construction and operation jobs, as well as procure local goods and services saved under various Luton planning references as listed in table below:

| <b>Employment, skills, procurement, and training strategy required under S106 agreements</b> |  |
|--|--|
| <b>Planning App Ref.</b>   | <b>Address</b>   |
| 20/00785/FUL   | R/o 48- 72 Seymour Road And 2-12 Seymour Avenue LU1 3NR.             |
| 21/00047/FUL   | Car Park 37-41 LU1 2HN Cheapside                                     |
| 21/01668/OUT   | Land adjacent to Progress Way Vauxhall Aftersales Warehouse LU4 9TR. |
| 20/01587/OUTEIA  | Power Court Luton Bedfordshire                                       |
| 22/00141/FUL   | East Of Aldi and B&Q At Laporte Retail Park Dallow Road Luton        |
| 22/00240/FUL   | Barnfield College New Bedford Road LU2 7BF                           |
| 19/00019/FUL   | Land Rear Of 45 - 63 Ridgway Road Luton                              |
| 21/00702/FUL   | 144 - 148 Marsh Road Luton LU3 2NL                                   |
| 22/00058/FUL   | 7 North Street Luton LU2 7QD.  |

Table 1

## 4. S106 Contributions received

- 4.1 Six applications attributed to a total of £269,748.77 received in S106 financial contributions in the 2022/23 monitoring period, as shown in Table 2.

### Summary of S106 receipts 2022/23

| <b>Planning Application Ref</b> | <b>Site Address</b>                  | <b>S106 funds received (2022/23)</b> |
|---------------------------------|--------------------------------------|--------------------------------------|
| 19/00025/FUL                    | 89-93 Park Street                    | £21,404.00                           |
| 20/00542/MMAMD                  | 22-42 Gordon Street                  | £112,495.00                          |
| 21/00944/FUL                    | 106 Oakley House, 213 Oakley Road    | £4,418.13                            |
| 22/00201/MMAMD                  | Vauxhall Motors Site, Kimpton Road   | £1,488.20                            |
| 07/01423/FUL                    | 8 Sarum Road                         | £69,943.44                           |
| 19/01646/FUL                    | Land at Freeman's Green, Sherd Close | £60,000.00                           |

Table 2

### S106 Monitoring Fees

- 4.2 In addition to the receipts above, £154,000.00 was received in S106 monitoring fees in the 2022/23 financial year.

### S106 funds received in 2022/23 broken down by Council department

- Highways: £ 15,702.14
- Open Space: £ 63,455.14
- Education: £ 150,748.96
- Libraries: £ 1,699.30
- Museums: £ 5,742.96
- Waste: £ 8,176.27
- Car club: £ 24,224.00
- Monitoring: £ 154,000.00

**Total: £ 423,748.77**

4.3 The breakdown by category below shows that education and monitoring were in receipt of the largest contributions.

4.4 Figure 3 shows income and expenditure over the last five years. Money collected as income is not necessarily spent in year, as there is often a time-lag in terms of the infrastructure project commencing. There may also be occasions where the Council will need to forward-pay for infrastructure to be delivered as income is received on S106 agreements based on triggers, such as the development commencement or completion but timing of infrastructure may not necessarily align. Money that isn't spent in year will therefore be held in Council funds until it is required (ie. outlined in Section 2).

**Figure 3: S106 income and expenditure since 2017**

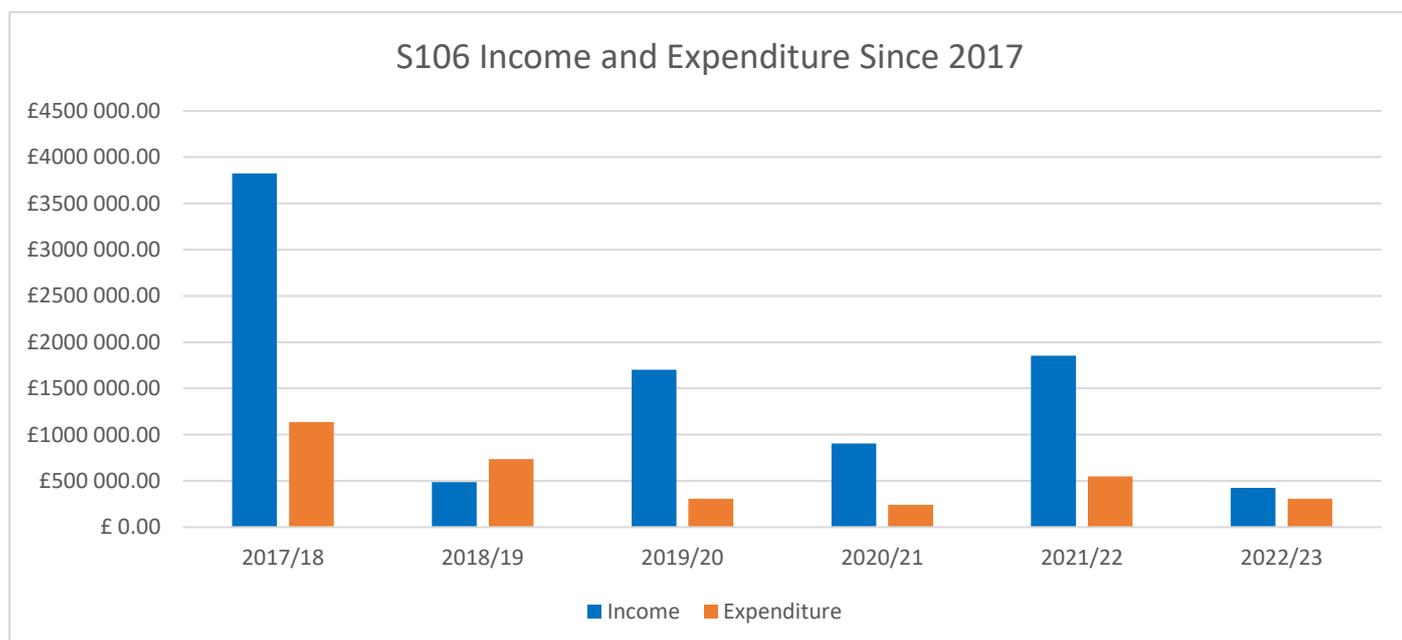


Figure 3

| 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        |
| <b>2022/23</b> | <b>£423,748.77</b>          | <b>£306,311.58</b> |

Table 3

## 5. S106 spend in 2022/23

5.1 Over the 2022/23 monitoring period, a total of £246,427.58 was spent on committed projects. The list below provides a breakdown of S106 expenditure over the 2022/23

financial year across each service area. Highways accounted for the largest proportion of expenditure, including Napier Park S106 Sustainable Transport.

## Total S106 expenditure over 2022/23

- Highways: £200,574.08
- Monitoring £59,884.00
- Other: £45,853.50<sup>2</sup>

**Total: £306,311.58**

## 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 2022/23 financial period was **£4,620,537.08**. 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 a decrease in the amount of S106 contributions received and spent compared to the last 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 will 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 will 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.

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<sup>2</sup> Airport Way Highways Improvements

## Key figures 2022/23

- Total amount agreed: £ 6,694,427.75.
- Total amount received: £ 423,748.77.
- Total amount spent: £ 306,311.58.
- Total balance: £ 4,620,537.08.

# Appendix 1: S106 Agreements 2022/23

Table A1: Breakdown of S106 agreed over the 2022/23 financial period

| Application number | Site Address  | Development Proposal  | Maximum S106 funds expected   |
|--------------------|---|---|---|
| 17/00791/OUT       | The Orchard Centre Strangers Way Luton Bedfordshire LU4 9ND                     | Development of Land for Residential Purposes - Erection of 48 residential units after demolition of existing Orchard Centre.  | Affordable units: 14 (30%)<br>Education: £153,594.00<br>Library: £5,760.00<br>Museum: £4,656.00<br>Open Space and Leisure: £120,405.00<br>Waste: £2,365.00<br><b>Total: £286,780.00</b>   |
| 21/00047/FUL       | Car Park 37-41 Cheapside Luton, LU1 2HN   | Erection of a three and five-storey building comprising 28 flats (12 one-bedroom and 16 two-bedroom), six commercial units (Class E), gym (Class E), and basement level (gym, storage and servicing), together with the de-culverting of the River Lea to create a new public thoroughfare and space, following demolition of car park and associated structures. | Affordable units: 6 (A requirement of 5 Residential properties as affordable rented housing units and 1 residential property as an affordable shared ownership unit were agreed under planning application 21/00047/FUL Car Park 37-41 Cheapside, LU1 2HN)<br>Education: £92,444.00<br>Monitoring: £10,000.00<br>Transport: £11,900.00<br><b>Total: £114,344.00</b> |
| 19/01358/FUL       | 7A Old Bedford Road Luton LU2 7NX   | Erection of a seven-storey building comprising of 16 flats, 5 x one bed, and 11 x two bed flats.  | Affordable housing off site: £273,505.00<br>Education: £63,555.00<br>Air Quality Monitoring: £1000.00<br><b>Total: £338,060.00</b>  |
| 20/00785/FUL       | Land And Buildings R/o 48-72 Seymour Road And 2-12 Seymour Avenue Luton LU1 3NR | Erection of 27 flats (10 one-bedroom, 15 two-bedroom and two three-bedroom) together with construction of a new access and associated car parking and   | Affordable Housing: £423,213.00<br>Education: £109,256.00<br>Monitoring:  |

|                 |  |  |   |
|-----------------|--|--|---|
|                 |  | landscaping after demolition of No. 2 Seymour Avenue.  | £10,000.00<br><b>Total: £542,469.00</b>   |
| 19/00889/FUL    | 27-37 Chapel Street Luton LU1 5DA                                    | Erection of 4 and 6 storey building to create 43 two-bedroom flats   | Affordable housing: £805 840,00<br><br>Education: £250,000.00<br><br>Libraries (and Museums): £6,923.00<br><br>Parks (Open Space): £60,000.00<br><br>Car Club: £20,000.00<br><br>Waste: £1,677.00<br><b>Total: £1,144,440.00</b>                        |
| 21/01668/OUT    | Land Adj To Progress Way Vauxhall Aftersales Warehouse Luton LU4 9TR | Hybrid planning application comprising: Outline planning application (all matters reserved except access) for the demolition of the existing buildings and the redevelopment of the site to provide up to 116,000 sqm of flexible industrial, storage and distribution uses (Use Classes E(g)(iii)/B2/B8) and associated access, servicing, parking and landscaping; and Full planning application for the proposed site accesses and landscaping along the site's frontage with Luton Road. | Transport: £83,000.00<br><br>Monitoring: £10,000.00<br><b>Total: £93,000.00</b>   |
| 20/01587/OUTEIA | Power Court Luton Bedfordshire                                       | Outline proposals, with all matters reserved except for access, for a mixed-use development comprising: residential floorspace; appropriate town centre uses including a health centre, retail, community uses, food and drinking  | Affordable housing units: 20%<br>The overall 20% requirement of total units must be for affordable housing. This percentage (20%) has a requirement of being comprised of 72% residential properties for affordable rented housing units and 28% of the |

|              |                              |  |  |
|--------------|------------------------------|--|--|
|              |                              | <p>establishments; car and cycle parking; and associated access, highways, utilities, public realm, landscaping, riverworks and associated ancillary works and structures.</p> | <p>residential properties as affordable shared ownership units as agreed under planning application 20/01587/OUTEIA Power Court Luton Bedfordshire</p> <p>Education:<br/>£1,700, 000.00</p> <p>Fire Hydrant:<br/>£12,000.00</p> <p>CCTV Monitoring:<br/>£28,500.00</p> <p>Highways<br/>(Total: £2,000,000.00)</p> <ul style="list-style-type: none"> <li>• General Highway Improvements:<br/>£300,000.00</li> <li>• Hucklesby Way/Hitchin Road Junction Improvements:<br/>£400,000.00</li> <li>• Kimpton/Windmill Junction Improvements:<br/>£300,000.00</li> <li>• St Mary's Road and Roundabout Improvements:<br/>£700,000.00</li> <li>• Crawley Green Road / Crescent Road Junction<br/>£300,000.00</li> </ul> <p>Transport:<br/>£100,000.00</p> <p>Museums:<br/>£16,000.00</p> <p>Waste:<br/>£49,928.00</p> <p><b>Total: £3,906,428.00</b></p> |
| 22/00141/FUL | Land East Of Aldi And B&Q At | Erection of a commercial unit  |  |

|              |  |  |   |
|--------------|--|--|---|
|              | Laporte Retail Park Dallow Road Luton            | comprising 3159sqm of B8 (industrial warehouse) floorspace, together with associated access, car parking, external areas, yards and associated engineering works.  | Ecology (Other):<br>£5,000.00<br><b>Total: £5,000.00</b>  |
| 22/00240/FUL | Barnfield College New Bedford Road Luton LU2 7BF | The Phase 2 and 3 redevelopment of Barnfield College. Demolition of existing buildings within the application boundary and erection of college accommodation (Use Class F1) and associated access, car parking and landscaping.          | Monitoring:<br>£5,000.00<br><b>Total: £5,000.00</b>   |
| 18/01306/FUL | Land Rear Of 45-63 Ridgway Road Luton            | Erection of 6 two bedroom flats in a three storey building together with associated parking, bin and cycle storage.  | Refer to 19/00019/FUL below:  |
| 19/00019/FUL | Land Rear Of 45 - 63 Ridgway Road Luton          | Erection of 3 storey building comprising of 6 two bedroom flats together with associated parking, bin and cycle storage.   | Affordable Housing:<br>£101,484.75<br><br>Education:<br>£28,371.00<br><br>Libraries:<br>£426.00<br><br>Museum:<br>£414.00<br><br>Monitoring:<br>£10,000.00<br><b>Total: £140,695.75</b> |
| 21/00702/FUL | 144 - 148 Marsh Road Luton LU3 2NL               | Erection of a three to five storey building comprising of 18 flats (5 x three bed, 11 x two bed & 2 x one bed) and two ground floor Class E units together with car parking and associated works after demolition of existing buildings. | Education:<br>£11,295.00<br><br>Car Club:<br>£3,150.00<br><br>Monitoring:<br>£10,000.00<br><b>Total: £24,445.00</b>   |

|              |                                 |   |  |
|--------------|---------------------------------|---|--|
| 22/00058/FUL | 7 North Street<br>Luton LU2 7QD | Erection of a three-storey building containing 15 two bed flats after demolition of existing building | Education:<br>£86,666.00<br><br>Transport:<br>£2,100.00<br><br>Monitoring:<br>£5,000.00<br><br><b>Total: £93, 766.00</b> |
|--------------|---------------------------------|---|--|

*Table A*