

EAST AYRSHIRE COUNCIL

CABINET 17 DECEMBER 2008

DEVELOPER CONTRIBUTIONS – PROJECT LIST

Report by the Depute Chief Executive/Executive Director of Corporate Support

1. PURPOSE OF REPORT

1.1 The purpose of this report is to:

- (1) consider a draft list of projects for inclusion in the Finalised Draft East Ayrshire Local Plan Alteration in support of various policies relating to developer contributions ; and
- (2) seek approval for the projects to be fully costed in-house by appropriate project teams prior to external consultants being appointed to review the projects/costs.

2. BACKGROUND

2.1 A report on developer contributions was approved at a Special Cabinet meeting on 2 July 2008. Cabinet agreed the following refinements to the approach to developer contributions:

- The type and range of essential infrastructure, facilities and amenities required for each investment corridor as a result of new development to 2017 to be listed and fixed in the Local Plan Alteration and Supplementary Planning Guidance (SPG)
- Five developer contribution funds to be established, one for each investment corridor (i.e. Kilmarnock Core Area, Glasgow Link Corridor, Irvine Valley Corridor, Cumnock Corridor and Doon Valley Corridor).
- A proportion of the developer contribution funds to be ring-fenced for projects which meet specific requirements arising from new developments within a defined settlement/locality. The remaining funds to be allocated for corridor wide or Council wide infrastructure projects.
- Developer contributions will not be sought for retail, commercial or commercial leisure developers, however, developers will be expected to assist with individual town centre projects.
- There will be a requirement for the Council (or other external funding sources) to part fund some of the identified projects.

- 2.2 Cabinet also agreed that an initial list of projects to be funded by developer contributions be prepared by the Developer Contributions Officer together with the estimated project costs for consideration by CMT and Cabinet.

3. DEVELOPER CONTRIBUTION PROJECTS

- 3.2 Cabinet also previously agreed on 24 October 2007, that developer contributions should be directed towards the provision of:

- Education infrastructure
- Transportation infrastructure
- Community facilities
- Recreation and green space initiatives; and
- Town centre improvement projects.

- 3.3 Detailed assessment work has been undertaken to assess the implications of the future housing land releases as set out in the Finalised Draft Alteration of the East Ayrshire Local Plan against the above infrastructure provisions. This work included:

- School capacity projections of primary and secondary schools until 2017
- Computerised traffic modelling and consideration of the Local Transport Strategy
- A Leisure Facilities Audit including an assessment of current provision and likely requirements to accommodate future growth; and
- The development of an Open Space Strategy.

- 3.4 As a result of this work, the following projects have been identified for each investment corridor and settlement. It must be acknowledged that some corridors and settlements can more readily accommodate the projected developments as identified in the Finalised Draft East Ayrshire Local Plan Alteration and as such there is a more limited requirement for developer contributions to be sought in those corridors. Further it should be born in mind that Government Circular 12/1996, states that there are four criteria to meet when seeking to secure a financial contribution through a planning agreement namely:

- Planning purpose
- Relationship to proposed development – “...firmly opposed to attempts by planning authorities to extract advantages or benefits or payments from landowners or developers which are unconnected with a proposed development”.
- Scale and kind
- Reasonableness – “The provision of contributions towards public transport or community facilities may be acceptable provided the requirements are directly related to the development proposal with

the need for them arises from its implementation. Agreements should not, however, be sought where connection does not exist or is too remote to be considered reasonable”.

- 3.5 The projects identified are a list of service/infrastructure provision required should **all** housing sites be developed to the capacities as contained in the emerging Local Plan Alteration to 2017. The list is not an acknowledgement of any current deficiencies in service/infrastructure provision.
- 3.6 It must also be acknowledged that is not possible to anticipate, at the settlement level, the rate of new housing construction and where it will be built from year to year with any degree of accuracy. Which specific projects from the list below that will be progressed to implementation will be considered by the Council in future years on the basis of need as the developer contribution funds are aligned with the Capital Plan, taking on board future development rates and patterns of development. However, the Council reserves the right to transfer any developer contribution funds received for a specific, settlement based or localised project to the appropriate corridor wide project if it is considered unlikely, as result of the rate and distribution of new development, that the project will proceed. Should there be a requirement to review the project list during the life of the local plan this will be formally undertaken via a formal local plan alteration.
- 3.7 Project costs will require to be kept in line with inflation. Costs will be revised on the 1st April each year using the British Construction Standard Index.
- 3.8 It should be borne in mind that in respect of school projects, there are statutory consultation requirements which require to be met. Inclusion of education projects on the list below (or in any future list) in no way obviates the need for future consultation nor does it prevent the Council from taking decisions following such consultation about the provision of future education facilities. In the event that planning consent is approved for housing beyond the allocation identified in the Alteration to East Ayrshire Local Plan, the Council will expect the appropriate developers to fully fund additional education provision as is required in addition to contributing to the projects as set out in this Supplementary Planning Guidance.
- 3.9 The tables in the following pages provide project details, the number of proposed units within the relevant corridor/settlement and indicative project costs. For the majority of projects, developers will be required to make a proportionate contribution and in order to establish a rate for each project, an indicative cost per unit has also been established. The existing dwelling units figure in the settlement/corridor is based on the 2008 Scottish Neighbourhood Statistics figure. The rate has been established by dividing the indicative total cost by the proposed housing units to be developed to 2017 added to the number of dwellings in the appropriate corridor/settlement/catchment area in 2008 where appropriate. Charges for windfall sites will be made in accord with the appropriate corridor/settlement/catchment area and will be directed to the

project listed in the table below or to the corridor wide project as appropriate. However an additional contribution of £200 per house will be levied on all developments to pay for personnel, administrative and all associated costs in implementing the developer contribution policy.

Mauchline

- 3.10 The approved Ayrshire Structure Plan identifies Mauchline as a strategic expansion location. Strategic expansion locations are those locations "...where strategic land release is considered to be best able to stimulate the overall housing market, contribute to meeting local shortfalls and provide an opportunity for early land assembly and any potential infrastructure upgrading." The plan requires sites for 800 houses to be allocated to 2025 in Mauchline and states that these should be in addition to the effective land supply and other brownfield opportunities. However in addition paragraph 75 states, "A number of the locations proposed will require to have agreements for significant strategic infrastructure improvements in place prior to approval; this may involve partnership agreements between developers and the relevant planning authority extending in some cases beyond the plan period." The Council is of the opinion that Mauchline falls into this category.
- 3.11 The key developer contribution funded infrastructure project that is required to be put in place in the immediate short term to accommodate the approved level of growth in Mauchline is a bypass. In the medium (i.e. to 2017) term there is a need for a rail halt and in the medium to longer term possibly a need for educational and other community facilities. The Council does acknowledge that it is unlikely that the bypass and rail halt can be funded by developer contributions from the 2017 allocations identified in the local plan alteration and accordingly would wish to negotiate an agreement with the main developer at Mauchline extending beyond the local plan or structure plan period (in accord with the provisions of paragraph 75 of the Structure Plan) to ensure that the infrastructure is put in place timeously. The Council also acknowledges that the scale of the development required to meet the identified and possible infrastructure requirements (if funded from developer contributions exclusively) will require to be fully considered as part of this process. The figure therefore listed in the table below for the scale of future housing development in Mauchline is based on information provided to the Council but the scale of development as well as the charges that may be levied through developer contributions will be subject to any future agreement that the Council may negotiate with the main developer. The main provisions of any agreement will require to be incorporated into the Local Plan Alteration and be subject to consultation.

Kilmarnock Core Area

Area/District	Project	Comment	No of Units Proposed within Settlement/ Corridor	Existing Units in Settlement/ Corridor	Indicative Total Cost	Indicative Cost per Unit
Core Area	Kilmarnock Town Centre	<p>Identified in the Local Plan and the Local Transport Strategy (Ref TWN02). Projects:</p> <ul style="list-style-type: none"> • Enhanced Park n Ride facilities • Improved car parking • Improvements to public transport provision • Enhancement to roads, junctions and SCOOT UTC system as needed to accommodate additional generated traffic <p>Developer contribution rates must be proportionate to the number of units being developed.</p>	2488	23594	<p>£1.8m £2.0m £1.3m £0.1m</p>	
					£5.2	£199
Northcraig/ Southcraigs, Kilmarnock	Provision of a community centre, library, and outdoor recreation space	<p>Site identified in the Local Plan. Developer costs would be proportionate to residential development.</p> <p>Developer contribution rates must be proportionate to the number of units being developed.</p>	500	685	£4,580,000	£3,865
Hurlford	Improvement to Richardson Park pavilion.	<p>Project identified in the Leisure Facilities Audit.</p> <p>Developer contribution rates must be proportionate to the number of units being developed.</p>	118	1823	£100,000	£52
Crookedholm	Improvements to Crookedholm Park	<p>Project identified in the Leisure Facilities Audit.</p> <p>Developer contribution rates must be proportionate to the number of units being developed.</p>	70	331	£500,000	£1247

GLASGOW LINK INVESTMENT CORRIDOR

Corridor/ Settlement	Project	Comment	No of Units Proposed within Settlement/ Corridor	Existing Units in Settlement/ Corridor	Indicative Total Cost	Indicative Cost Per Unit
Corridor Wide	Provision of new leisure facility in Stewarton to serve the entire Corridor	Leisure provision for Stewarton and the Nothern Area has long been identified as an issue (included within the Leisure Facilities Audit and the Local Plan) and is now included within the Council's Capital Programme. Developer contribution rates must be proportionate to the number of units being developed.	579	4940	£3,676,000	£666
Stewarton, Dunlop, Kilmaurs (exception Fenwick & Waterside)	Stewarton Academy Extension	A further extension to the Academy is likely to be required. Developers to meet the full cost of this project.	495	(4524)	£2,584,625	£5,221
Stewarton & Dunlop	Up-grade of B778 Fenwick to Stewarton Road, improved links to M77	As identified in the Local Transport Strategy (TLP10). Developer contribution rates must be proportionate to the number of units being developed.	350	3348	£1,400,000	£379
Fenwick	Improvements to Fenwick Sports Pavilion	Project identified in Leisure Facilities Audit. Project would accommodate additional useage. Developer contribution rates must be proportionate to the number of units being developed.	76	416	£150,000	£305
Kilmaurs	Extension/new Park and Ride facility	As identified in the Local Transport Strategy (PTR20) Developer contribution rates must be proportionate to the number of units being developed.	145	1176	£300,000	£227

IRVINE VALLEY INVESTMENT CORRIDOR

Corridor/ Settlement	Project	Justification/Issues	No of Units Proposed within Settlement/ Corridor	Existing Units in Settlement/ Corridor	Indicative Total Cost	Indicative Cost per Unit
Corridor Wide	Improvements to A71	<p>Main transport artery in Irvine Valley. Need for improvements to improve safety and reliability of journey times identified in the Local Transport Strategy.</p> <p>Developer contribution rates must be proportionate to the number of units being developed.</p>	196	5623	£1m	£172
Darvel	Refurbishment of Morton Park including improvements to drainage.	<p>Morton Park Development Plan is identified as a project in the Leisure Facilities Audit.</p> <p>Developer contribution rates must be proportionate to the number of units being developed.</p>	59	1770	£250,000	£137
Galston	Extension/up-grade to Western Road Pavilion	<p>Project identified in the Leisure Facilities Audit.</p> <p>Developer contribution rates must be proportionate to the number of units being developed.</p>	117	2261	£400,000	£168

CUMNOCK INVESTMENT CORRIDOR TABLE

Corridor/ Settlement	Project	Justification/Issues	No of Units Proposed within Settlement/ Corridor	Existing Units in Settlement/ Corridor	Indicative Total Cost	Indicative Cost per Unit
Corridor Wide	Cumnock Town Centre	<p>Projects identified in Local Plan and Local Transport Strategy (TWN05). Projects could include improvements to car parking, public transport provision etc.</p> <p>Developer contribution rates must be proportionate to the number of units being developed.</p>	1345	12,949	£1,120,000	£78
Auchinleck	Up-grading of school sports facilities to allow improved public access	<p>Project identified in the Leisure Facilities Audit. Detailed project design yet to be undertaken.</p> <p>Developer contribution rates must be proportionate to the number of units being developed.</p>	172	1681	£500,000	£270
Catrine	Refurbishment of sports pavilion	<p>Project identified in Leisure Facilities Audit. Project would accommodate additional useage.</p> <p>Developer contribution rates must be proportionate to the number of units being developed.</p>	95	1089	£500,000	£422
Cumnock	Refurbishment of Woodroad Park	<p>Project identified in Leisure Facilities Audit. Woodroad Park Group (community organisation) has secured funding for Phase 1 of the project and seeking funding for Phase 2.</p>	398	4038	£500,000	£113
Drongan	Expansion/refurbish ment of games hall	<p>Project identified in Leisure Facilities Audit. Games Hall requires to be reconfigured/extended to accommodate additional useage.</p> <p>Developer contribution rates must be proportionate to the number of units being developed.</p>	139	1293	£500,000	£349

Mauchline	Provision of new indoor sports facilities	<p>Project identified in Leisure Facilities Audit to relocate and expand the existing games hall to meet projected need.</p> <p>Developer contribution rates must be proportionate to the number of units being developed.</p>	350	1766	£2,625,000	£1241
	Mauchline By-pass	<p>As identified in the Ayrshire Joint Structure Plan, Local Plan and Local Transport Strategy (TLP05). Indicative line shown on Local Plan map. Initial discussions held with developers and STAG appraisal underway (inc rail halt). Full cost to be met by developer.</p> <p>*figure refers to 2035 total – refer to paragraph 75 of approved Ayrshire Structure Plan and is subject to any future agreement with the developer and EAC. #Further infrastructure requirements given the scale of the proposed developments to 2035 are required (see paragraphs 3.10 and 3.11 above) and will be referred to in the local plan alteration, subject to any agreement. Further contributions are likely to be requested over and above the £7,317 figure to meet these infrastructure requirements and the final figure will be subject to agreement between the developer and EAC.</p>	1230*	1766	£9,000,000	£7,317#
Muirkirk	Improvements to pitches at Victory Park	<p>Project identified in Leisure Settlement Study. Drainage improvements required to the pitch to accommodate additional usage.</p> <p>Developer contribution rates must be proportionate to the number of units being developed.</p>	58	736	£50,000	£63
New Cumnock	Provision of community facilities.	<p>New and improved community facilities are required in the village.</p> <p>Developer contribution rates must be proportionate to the number of units being developed.</p>	35	1437	£3,500,000	£2378

DOON VALLEY INVESTMENT CORRIDOR

Corridor/ Settlement	Project	Justification/Issues	No of Units Proposed within Settlement/ Corridor	Existing Units in Settlement/ Corridor	Indicative Total Cost	Indicative Cost per Unit
Corridor Wide	Improvements to A713	<p>Main transport artery in Doon Valley. Need for improvements to improve safety and reliability of journey times identified in the Local Transport Strategy.</p> <p>Developer contribution rates must be proportionate to the number of units being developed.</p>	302	2286	£700,000	£270
Dalmellington	Replace Pavilion	<p>Project identified in Leisure Facilities Audit. Initial consultation undertaken with the community.</p> <p>Developer contribution rates must be proportionate to the number of units being developed.</p>	86	675	£250,000	£329
Dalrymple	New indoor sports facilities	<p>Project identified in Leisure Facilities Audit. Requirement for new facilities.</p> <p>Developer contribution rates must be proportionate to the number of units being developed.</p>	45	668	£2,625,000	£3,682
Patna	Improvements to leisure facilities	<p>Project identified in Leisure Facility Audit.</p> <p>Developer contribution rates must be proportionate to the number of units being developed.</p>	171	943	£150,000	£135

4. CURRENT ECONOMIC CONDITIONS

- 4.1 As is stated in paragraph 3.6 above, it is not possible to determine future rates of construction with any degree of accuracy. Future rates will be even more difficult to forecast because of the current economic downturn which has had a knock on effect on house building rates and house sales. It is not known at what point in time the housing market will recover and, whilst the Council is sympathetic to the plight of the house building industry, it is considered that the new system of developer contributions should nevertheless be progressed. Consultation with several other local authorities has shown that this is a commonly held view. In order to assist the development industry as far as possible, the Supplementary Planning Guidance on developer contributions that will be prepared by the Council is likely to include measures such as flexible methods of payment (i.e. developers will not necessarily be asked to pay developer contributions in advance of houses being constructed and sold) and will allow developers to make a request for non payment/reduced levels of developer contributions should it be proven, to the satisfaction of the Council, that their sites would be rendered non commercially viable by the requirements.

5. NEXT STEPS

- 5.1 On approval of the project list by Cabinet, the project list (subject to any future agreement for Mauchline) with estimated costs will be incorporated into volume 3 of the Finalised Draft Local Plan and submitted formally as a modification along with all other proposed modifications to the Finalised Draft Local Plan Alteration to a future Cabinet meeting. Specific Supplementary Planning Guidance for developer contributions will also be prepared. Incorporation of the project list and developer contribution rates into the Local Plan Alteration will enable the project list and rates to be subject to full consultation/objection and for any objections to be discussed at any future local plan inquiry or examination. Cabinet will, of course, have the opportunity to agree responses to any objections received to the modifications. Adoption by the Council of the Local Plan Alteration will help to secure planning agreements for developer contributions because they will be a requirement for conformity with the Plan.
- 5.2 In addition, once the developer contribution projects are approved by Cabinet, more detailed costings will immediately be sought. It is suggested that in-house project teams be established to work up the projects and costings in more detail, however, for reasons of transparency and independence from the Council and to ensure full co-operation by developers, it is recommended that external cost consultants be appointed in due course to review the projects and costs.
- 5.3 Once projects have been fully costed, Corporate Management Team and Cabinet will have a final opportunity to consider the project list within the context of any objections received to the proposed modifications and any agreement in relation to Mauchline.

5.4 Once the Local Plan Alteration (as modified) is approved by Cabinet in line with paragraph 4.1 above, it will be used with the existing Development Plan and other material considerations as an assessment tool in the determination of all planning applications.

6. LEGAL IMPLICATIONS

6.1 Legal Services have been actively involved in discussions over the Developer Contribution Policy. Subject to the outcome of a Public Examination or Public Local Inquiry into the Local Plan Alteration, they are currently satisfied that it complies with planning law and policy.

7. FINANCIAL AND PERSONNEL IMPLICATIONS

7.1 The financial obligations (both capital and revenue) of the developer contribution projects require to be fully considered by Cabinet once the project list has been finalised and costed and as stated in paragraph 4.3 above, there is a requirement to align the Developer Contribution projects with the future capital investment programme.

7.2 It is intended that appropriate personnel, administration and support costs associated with the development contribution process following approval of the Finalised Draft Local Plan Alteration with modifications will be met from contributions received from developers. This will be clearly set out in the Supplementary Planning Guidance.

8. RISK MANAGEMENT IMPLICATIONS

8.1 Incorporation of the project list into the Local Plan Alteration will enable the Council, to ensure compliance with the Local Plan, to request contributions from developers for any of the specified projects.

9. COMMUNITY PLANNING ISSUES

9.1 It is considered that with the scope of developer contributions, the resultant projects will assist in meeting the themes of the Community Plan.

10. RECOMMENDATIONS

It is recommended that Cabinet agrees:

- i) the Developer Contribution project list subject to detailed costings, consideration of the future capital investment programme and the requirements of the agreement referred to below;
- ii) that an agreement be negotiated with the main developers at Mauchline to ensure that the infrastructure required as a result of

the allocated development is provided timeously and that the main provisions of that agreement is incorporated into the Local Plan Alteration;

- iii) to the incorporation of the project list and rates into the Finalised Draft Local Plan Alteration as a modification subject to the agreement under (ii) above;
- iv) that the projects be fully costed in-house by appropriate project teams prior to external consultants being appointed to review the projects/costs; and
- v) that an additional charge of £200 per house be levied to cover the various administrative and other costs associated with the operation of the fund.

Elizabeth Morton

Depute Chief Executive/Executive Director of Corporate Support

11 December 2008 (AB/EF/KD/SA)

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BACKGROUND PAPERS

Developer Contributions – Special Cabinet – 2 July 2008

Finalised Alteration to East Ayrshire Local Plan – December 2007

Developer Contributions - Cabinet Paper – 24 October 2007

Any person wishing further information on this report should contact Karl Doroszenko on Tel No. (01563) 576751.

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