

EAST AYRSHIRE COUNCIL

CABINET: 26 OCTOBER 2011

**DEVELOPER CONTRIBUTIONS FUND, PROJECT COSTS
AND CHARGES**

**Report by Depute Chief Executive / Executive Director of
Neighbourhood Services**

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek approval to transfer or release the remaining ring fenced developer contributions which have been in-gathered under the previous Local Plan and to review the indexation and the administration charge for project costs.

2. BACKGROUND INFORMATION

- 2.1 On 23 June 2010, Cabinet considered a report on the Developer Contributions Fund. Amongst other matters, Cabinet agreed revised governance arrangements for the operation of the Fund including, following appropriate assessment of the project application and consultation, that applications for grant funding in excess of £15,000 would be referred to Cabinet for determination and that applications below £15,000 would be delegated to senior officers to determine. The necessary revisions to the Scheme of Delegation to manage the Developer Contributions Fund were approved by Council at its meeting on 23 September 2010.
- 2.2 In relation to delegated applications the views of appropriate elected members are communicated to officers at meetings held on a four weekly cycle.
- 2.3 Officers have also been examining the arrangements for holding Developer Contributions funds to:
- determine what funds could potentially be used to support projects in the Capital Programme; and
 - check the detail of ring fenced funds and investigate if the balances could be freed up for general use within the Northern Area.

3 BUDGETARY POSITION OF DEVELOPER CONTRIBUTIONS TLR5 FUND

- 3.1 The undernoted table details the budgetary position of the TLR5 Fund: -

Area	Monies Received to Date	Awards Issued	Monies Committed	Monies Provisionally Allocated	Balance of Monies
Northern	£953,609	£628,537	£50,753	£216,369	£57,950
Southern	£205,238	£118,146	£29,400	£25,000	£32,692
TOTAL	£1,158,847	£746,683	£80,153	£241,369	£90,642

4 OPPORTUNITIES TO USE EXISTING TLR5 FUNDS TO SUPPORT ELIGIBLE PROJECTS WITHIN THE CAPITAL PROGRAMME

- 4.1 Appendix 1 identifies TLR5 ring fenced monies that could be utilised to support, but not be a substitute for, projects in the Capital Programme. It is proposed that £56,730 be transferred to Leisure Services to support the identified projects.
- 4.2 A grant award of £29,400 was offered to Mauchline Community Council in February 2010 from TLR5 funds for the upgrading of Alexander Terrace Play Park. This money was never drawn down and the Secretary of the Community Council has enquired as to the possibility of these funds being paid directly to Leisure Services who were working with the Community Council. It is proposed the £29,400 be transferred to Leisure Services to support the costs of the upgrading of Alexander Terrace Play Park.

5. AMENDMENT TO RING FENCED DECISIONS TO FREE UP TLR5 FUNDS FOR USE IN THE NORTHERN AREA

- 5.1 Appendix 2 details applications where funds have been ring fenced for specific settlements or specific uses within settlements in the Northern Area. These funds are not bound by legal agreement but have been ring fenced by an agreement made by either Cabinet, the Northern Local Planning Committee or by a Planning Officer's Delegated Report. As no project applications have been received to utilise these funds within their given settlement, it is proposed that applications totalling £48,439.72 be freed up for use by sports, leisure and recreation projects within the Northern Area. It is also proposed that monies that were ring fenced for specific projects, that have not been realised, be freed up for sports, leisure and recreation projects within the given settlement.

6. THE BUILDING COSTS INFORMATION SERVICE, GENERAL BUILDING COST INDEX AND ADMINISTRATION CHARGE

- 6.1 As part of the approved policy there is a requirement to link project costs of developing a site to the British Construction Standard index (BCS). This index is no longer used and it is suggested that the most appropriate source would now be the British Costs Information Service. This service provides a

similar index to the BCS by generating an index that reflects nationally agreed wage rates, material prices and plant costs.

- 6.2 Whilst the index has increased by 4.3% since September 2008 it is considered that increasing developer contributions at this time would not be helpful as this could be viewed as a disincentive to development in East Ayrshire. For the same reason, it is suggested that the £60 administration fee per house should remain unchanged.
- 6.3 All of this will be further considered as part of the new Local Development Plan.

7 FINANCIAL IMPLICATIONS

- 7.1 In light of the difficulties being faced by the house building industry at this time, it is recommended that the developer contribution for each project remains unchanged. It should be noted, however, that most of the projects listed in the SPG require only a proportionate contribution from developers and that the Council would require to meet or identify alternative sources to fund the balance.

8 LEGAL IMPLICATIONS

- 8.1 Any proposal to utilise monies paid to the Council in terms of Policy TLR5 of the East Ayrshire Local Plan 2003 will be required to support sport, leisure and recreational projects, having regard to the terms of the agreement which gave rise to the payment to the Council, in order to minimise any potential challenge.

9 RISK MANAGEMENT IMPLICATIONS

- 9.1 There are no risk management implications arising from this report.

10 COMMUNITY PLANNING AND POLICY IMPLICATIONS

- 10.1 The projects supported through the Developer Contributions Funds contribute to the achievement of the objectives of the Delivering Community Regeneration and Improving Health and Wellbeing of the East Ayrshire Community Plan.

11 RECOMMENDATIONS

11.1 That Cabinet agrees:-

- (i) **To note the content of the current budgetary position for the Developer Contributions Fund;**

- (ii) The transfer of funds to the Council's Leisure Services for support of the capital projects identified in Appendix 1 and at 4.2 of this report;
- (iii) An amendment to free up ring fenced funds, as identified at 5.1 of the report;
- (iv) That no changes are made to the Developer Contributions administration fee of £60 per house constructed;
- (v) That no changes are made to the contributions to be requested from developers at the present time; but that project costs be amended in line with the General Building Cost Index between September 2008 and April 2011.
- (vi) To authorise the Head of Planning & Economic Development to update the Supplementary Planning Guidance on Developer Contributions in terms of this report as per paragraph 6.1.

Elizabeth Morton

Depute Chief Executive / Executive Director of Neighbourhood Services

20 October 2011 (LS/EF/KD)

FV-AN

LIST OF BACKGROUND PAPERS

Report to Cabinet on 17 December 2008 entitled Developer Contributions Project List

Report to Council on 26 February 2009 entitled Draft Supplementary Planning Guidance

Report to Council on 8 October 2009 entitled Alteration to the East Ayrshire Local Plan: Outstanding Objections to the Local Plan and Objections received in respect of agreed modifications

Members wishing further information on the Developer Contributions Fund and Administration should contact Lynn Smith, Administration Officer, on 01563 503234.

Members wishing further information on Developer Contribution Policy and Supplementary Planning Guidance should contact Emma Fyvie, Principal Planning Officer, on 01563 576756.

Implementation Officer: Alan Neish, Head of Planning and Economic Development (01563) 576767.

**RING FENCED EXERCISE
 NORTHERN AREA FUNDS - DEVELOPER CONTRIBUTIONS
 PROPOSED FUNDS TRANSFER TO LEISURE SERVICES TO SUPPORT CAPITAL PROJECTS**

Appendix 1

Discussions with Leisure Services have identified the following capital projects that could be supported from the ring fenced monies.					
APPLICATION NO:	NAME OF DEVELOPER	SITE ADDRESS	WHAT FOR	BALANCE AVAILABLE FOR TRANSFER TO CAPITAL PROJECT	IDENTIFIED CAPITAL PROJECTS
05/0681/FL	Rockwood Homes	Rigg Street/Brown Street, Stewarston	The money shall be safeguarded for Stewarston	6,200.00	Strand Head Park project
05/0694/FL	Mr Menzies	Chapeltoun Mains Farm, Stewarston	the financial contribution to the TLR5 Fund be expended within the Stewarston area	3,530.00	Strand Head Park project
05/1273/FL	Dawn Homes Ltd	New Mill Road, Kilmarnock	identified deficiencies in such facilities within the given area.	25,000.00	Scott Ellis Playing fields
05/0087/FL	Abbey Scotland Ltd	Land off Kilmaurs Road, Knockentiber	for Recreational equipment, Knockentiber	22,000.00	Recreational Facilities, Knockentiber
				56,730.00	

**RING FENCED EXERCISE
NORTHERN AREA FUNDS - DEVELOPER CONTRIBUTIONS
PROPOSED FREEING UP OF UNDERNOTED FUNDS**

Appendix 2

Developer Contributions for the applications detailed below are not supported by a legal agreement but were ring fenced by a decision made by either by Cabinet, the Northern Local Planning Committee or contained in the Planning Officer's Delegated Report					
Application Number	Name of Developer	Site Address	What For	Route	Amount to be Freed up
03/1054/FL	James Cuthbert	Former Moscow Leisure Centre	Moscow Community Hall Project	Cabinet, 23.06.10	14,361.80
05/0967/RM	Drumbow Homes	Jamieson Road, Darvel	For further play areas in Darvel	Cabinet, 23.06.10 for further play areas in Darvel	3,342.67
05/1146/FL	Strathmore Holding	19 Titchfield Street, Galston	within Galston	NALPC, 06/02/01	4,500.00
06/0569/FL	ATD Developments Ltd	East Rave Farm, By Moscow	Moscow Community Hall Fund	NALPC, 04.08.06	2,010.00
06/0630/FL	Dickie and Moore Ltd	Newmill Road, Dunlop	That the TLR5 fund contribution be expended in Dunlop	NALPC, 16.03.07	384.00
06/0735/FL	Lumax Homes	33-37 Wallace Street, Galston	that the contribution for the TLR5 fund be expended in the Galston area.	NALPC, 16.03.07	1,068.50
06/0970/FL	Barratt West of Scotland	Belvedere View, Galston	within Galston	Cabinet, 23.06.10	692.75
07/0185/FL	Mr McMullen	The Fieldings, Dunlop	A formal agreement will ringfence the voluntary financial contribution for the Dunlop area.	Head of Planning & Economic Development in consultation with appropriate Elected Members, 26.08.08	8,080.00
07/0302/FL	Murdoch Property Developments	Cessnock Road, Galston	that the voluntary contribution be expended on the existing play park at Bumhouse Walk Galston	NALPC, 17.08.07	3,000.00
07/0359/FL	CCG Homes Ltd	Campbeltown Drive, Kilmamock	Adjacent Play Area in line with the content of policy RES21	Planning Officer's delegated report.	5,000.00
07/0466/FL	KG Building Ltd	Brewlands Street, Galston	St Mary's Playfields, Galston	**	6,000.00
					48,439.72

** The funds for St Mary's Playfields were to upgrade a small bridge leading from the development to the playing fields. Consultation with David McPherson in Roads has indicated that the developer never completed the development and the road and footpath leading to the bridge has not been constructed. The Developer has now gone bust. There is currently a large grass entrance to the playing fields to the left of the bridge area so there is no access issue. It is being recommended therefore that these funds are freed up for use in the Northern Area.