



Annexe B

PROPOSALS FOR ALLOCATING DEVELOPER CONTRIBUTIONS

03 MARCH 2011

KEY ISSUE

Agree the proposals for the allocation of Developer Contributions

SUMMARY

Members have clearly expressed the view that the local allocation of developer contributions is of prime importance to the Local Committee. This workstream looks to find a way to allocate developers contributions most effectively for the benefit of Mole Valley. Developers contribution is the generic phrase used to describe s 106 money, Planning Tariff or, for the future, the Community Infrastructure Levy.

A number of meetings have taken place with officers from SCC and MVDC, with a Member Reference Group and at the Total Place Board. The recommendations below have emerged as a result of those meetings

OFFICER RECOMMENDATIONS

The Local Committee (Mole Valley) is asked to agree that:

Approval is given for the following proposals for the allocation of developer contributions. Those proposals are:

- (i) That officers from MVDC and SCC continue to bring forward an annual report detailing the money that has been raised by these contributions, what the money is earmarked for and provide details of how it has been spent;

- (ii) That the Local Committee sponsors a survey of District and County Members to bring forward ideas for projects Members would like to promote in the area and towards which developer contributions in accordance with the parameters of the scheme might be allocated;
- (iii) That officers similarly contact Parish Councils and Residents Associations
- (iv) That officers compare these ideas against existing, agreed proposals from MVDC and SCC, agreed priorities for the two Councils, the limitations of the regulations surrounding developer contributions, any other commitments made for the sums under discussion and evaluate them, and then return with a proposed list for the Local Committee to agree;
- (v) That this process takes place annually, but with Members and other groups encouraged to update ideas during the course of the year;
- (vi) That feedback on proposals and work in progress be reported twice a year to an Informal Committee meeting of the Local Committee and twice to the Formal Committee meeting (one of which will be the annual review);
- (vii) That, where appropriate, local groups can be responsible for the implementation and delivery of schemes if the appropriate governance frameworks can be demonstrated and the Local Committee approves the transfer of funds to these groups, with officers monitoring expenditure through a partnership agreement.
- (viii) That a further report is brought to Local Committee once the Constitutional changes have been established in order for the Local Committee to allocate Developers Contributions

1 INTRODUCTION AND BACKGROUND

- 1.1 Members of the Mole Valley Local Committee have asked that greater flexibility be woven into the process of collecting and allocating developers contributions so that Members can influence the use of these contributions to best aid local residents
- 1.2 Planning legislation and case law makes it quite clear that, whilst Councils may legitimately request that developers should contribute to certain off site infrastructure improvements and facilities, these contributions should be reasonable and clearly related to the impact which the development will have on the locality.
- 1.3 There are a number of ways in which the Council can collect money for schemes. They are individually negotiated agreements (usually for larger schemes) under s 106 legislation, the Planning Infrastructure Contribution (PIC) or under the Community Infrastructure Levy (which has yet to be implemented). In all cases money that is agreed needs to be, under legislation:
- necessary to make the development acceptable in planning terms
 - directly related to the development and
 - fairly and reasonably related in scale and kind to the development
- 1.4 Agreements for larger schemes are normally s 106 agreements and the spending commitments are normally tied into the agreement itself, which restricts the flexibility to spend the money on alternative investments without the agreement of the developer. Spend on these sums is normally time limited, again subject to the agreement of the developer.
- 1.5 For a number of years now, the District Council has been collecting funds under the Planning Infrastructure Contribution. As part of this scheme the District Council has set out a number of projects that money would be allocated to. It is necessary to do this in order to demonstrate to the developer what the money would be used for. These kind of commitments have been given at the time the agreement is signed, or in correspondence alongside the agreement or by way of evidence given at appeal. In order to address these points MVDC has in the past taken a list of projects and schemes outlining what money would be spent on and this has been agreed by the MVDC Executive.

Developer contributions allocated to the District Council are used in the following areas:

- Equipped playspace (a list of projects are identified across the District)

- Recycling (the money is used to purchase recycling equipment at the property and a contribution to recycling initiatives locally)
- Environmental improvements (a list of projects are identified across the District)

SCC has not taken such an explicit approach down to identifying individual projects although this work is now being done. Money that is collected for SCC is used for:

- Education (primary and secondary)
- Libraries
- Health
- Transport

- 1.6 When identifying specific projects, Members suggestions have been sought to add to a list of projects across the district at different levels of investment. This will produce a list of needed, identifiable projects towards which developer contributions could be channelled. Members have been asked to make further suggestions to add to the list, which will be kept on the Mole Valley Council web site.
- 1.7 As detailed in 1.5, at present a master list of projects for Mole Valley is agreed by the Executive and the Councils Constitution requires certain values of spending to be similarly agreed. At the County Council arrangements for spend of Developers Contributions is not a function delegated to Local Committees. However, a deliverable for this project is to explore whether Local Committee could be responsible for the allocation of Developers Contributions for both authorities. This would require Constitutional changes and officers will report back on progress and the views of both authorities in due course.
- 1.8 Members will also note that of late developers have been increasingly ready to challenge the scope of the developer contributions to such an extent that some authorities have stopped demanding them until such time as they can improve the robustness of the agreement. A composite list and transparent allocation process would help support the authorities against any such claim.
- 1.9 The public are often sceptical about any benefits that development can bring to an area and it would be positive to be able to identify improvements that have been brought about by development and to ensure that there is a local input into the benefits they would like to see in an area. However it must be remembered that the contributions do have three restrictions placed on them as indicated above
- 1.10 If developer contributions were to be devolved to local bodies, there are some who would be able to spend the money raised to support initiatives locally and who might be able to obtain better value for

money than the Council. They may be able to facilitate expenditure of the funds more quickly than the Local Authority where staff resources may be limited. The funding could support Localism projects and wider participation in community events by residents. This concept has been discussed informally with representatives of some groups and there is a great deal of enthusiasm about this approach.

- 1.10 It should be noted that, money is only due once building works start. Therefore there may be some significant time lags between the identification of need and the commencement of the development that will trigger funds to be paid and then allocated to address the need established

2 WHAT HAPPENS NEXT

- 2.1 Officers have produced details of the money that has been collected and is still outstanding from s 106 agreements, as well as those from the PIC scheme. Where expenditure is committed to certain projects this is shown on the papers. However where no expenditure is committed then this is where Members' input is sought to determine how this money should be spent. It should be noted however that there are restrictions on what the money can be spent on, in accordance with the scheme and any general parameters that have been imposed.
- 2.2 The Local Committee's input is required to approve the survey of Members suggestions and thereby establish a list of projects.

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