

EAST AYRSHIRE COUNCIL

EAST AYRSHIRE LOCAL PLAN 2010

SUPPLEMENTARY PLANNING GUIDANCE

DEVELOPER CONTRIBUTIONS

JANUARY 2013

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1. INTRODUCTION AND PURPOSE

Definition

- 1.1 Developer Contributions, insofar as they relate to residential developments, are defined in the East Ayrshire Local Plan 2010 as:

‘Contributions made by developers to provide, or help provide, new infrastructure, facilities or amenities, or to supplement existing provision, where these are required as a consequence of the development being proposed, on its own, or as a result of the cumulative impact of development in the area.’

Developer Contributions will also be used to pay for the administration costs of the Council.

Purpose of the Guidance

- 1.2 This Supplementary Planning Guidance sets out the basis for a comprehensive, consistent and transparent approach to implementing the Council's Developer Contribution Policies relating to residential developments as set out in the East Ayrshire Local Plan. It does not set out a basis for the provision of affordable housing within such developments.
- 1.3 This Supplementary Planning Guidance provides guidance to landowners, developers and other organisations involved in the planning process as to when and where developer contributions will be required and identifies a selective number of projects towards which such contributions will be directed.
- 1.4 The East Ayrshire Local Plan sets out ambitious proposals for the future development and regeneration of East Ayrshire with some 7,300 new homes, as identified in the Ayrshire Joint Structure Plan, to be provided by 2017. The underlying aim of the Developer Contributions Policies within the context of this Supplementary Planning Guidance is to ensure that existing levels and quality of infrastructure, amenities and facilities enjoyed by existing residents are not compromised by new development and, equally, that residents of proposed new developments have access to infrastructure, amenities and facilities of the highest possible standards.
- 1.5 The planning system seeks to ensure that all new developments are sensitively designed and have minimum environmental and amenity impacts. Where development proposals place a strain on existing infrastructure, amenities or facilities, then developer contributions in the form of financial payments or non-financial contributions can be sought in whole or in part towards their improvement/replacement.
- 1.6 The requirement for developers to make developer contributions in the form of financial payments or non-financial contributions will not be used by the Council as a reason to approve a residential development proposal that not only contravenes planning policy but is also unacceptable on planning grounds. However, as stated above, where a development is otherwise acceptable, developer contributions can

provide a valuable mechanism for developers to directly fund or contribute funding towards or provide or improve necessary associated infrastructure, amenities and facilities. This supplementary planning guidance is intended to inform developers and all other parties involved in the planning process of the Council's approach to developer contributions and to assist developers in the formulation, consideration and costing of their development proposals.

- 1.7 The Council expects all its staff and Elected Members to observe the highest ethical standards when carrying out its business. It accordingly undertakes to treat all developers fairly and will ensure that all negotiations between developers and Council officers will be treated in the utmost confidence. It is intended that separate guidance will be prepared by the Council in order to develop and formalise a protocol that will define procedures for Council officers involved in the process of securing developer contributions.

2. LEGAL AND POLICY BACKGROUND

Legal Background

2.1 Section 75 of the Town & Country Planning (Scotland) Act 1997 states that;

‘(1) A planning authority may enter into an agreement with any person interested in land in their district (in so far as the interest of that person enables him to bind the land) for the purposes of restricting or regulating the development or use of the land; either permanently or during such period as may be prescribed by the agreement.

(2) Any such agreement may contain such incidental and consequential provisions (including financial ones) as appear to the planning authority to be necessary or expedient for the purposes of the agreement.’

2.2 The use of an Agreement under Section 75 of the Town and Country Planning (Scotland) Act 1997 (hereinafter referred to as a “Section 75 Agreement”) to achieve contributions towards the provision of necessary infrastructure, facilities and amenities is considered a legitimate planning objective by the Scottish Government. However, current legislation clearly states that Section 75 Agreements should only be sought where they are required to make a proposal acceptable in land use planning terms and where the use of a planning condition, including a suspensive condition, is not appropriate. Conditions, including suspensive conditions, should be used wherever possible. The criteria upon which a Section 75 Agreement should be based are that the agreement should:

- be necessary to make the proposed development acceptable in planning terms
- serve a planning purpose
- have a relationship to the proposed development
- be related in scale and kind to the proposed development
- be reasonable in all other respects.

2.3 It is acknowledged that Section 75 Agreements can at times, cause delays in the planning process and place an additional financial burden on developers.

2.4 In light of this the use of an Agreement under Section 69 of the Local Government (Scotland) Act 1973 (hereinafter referred to as a “Section 69 Agreement”) may also be utilised by the Council to achieve contributions towards provision of necessary infrastructure, facilities and amenities. Section 69 of the Local Government (Scotland) Act 1973 states that:

‘(1)...a local authority shall have power to do any thing (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.’

This provision provides the Council with a general power to enter into an Agreement with developers to achieve the above contributions. This type of Agreement would

not have to be limited in its purpose to the restriction or regulation of the development or use of the land subject to the planning application and could also include the payment of money. Further, in cases where there are no other issues requiring the need for a Section 75 or 69 Agreement other than those relating to developer contributions, the Council may consider accepting the payment of the appropriate contributions prior to the release of planning consent. Where legal agreements are entered into, developers will be expected to meet the full costs associated with the legal agreement

2.5 Government advice on the use of planning agreements is contained in Circular 1/2010 Planning Agreements, which states that Section 75 and other Agreements have a limited but useful role to play in the development management process.

2.6 Circular 1/2010 also states that;

‘...the provision of contributions towards public transport or community facilities may be acceptable provided the requirements are directly related to the development proposal and the need for them arises from its implementation.’

All of the above legal provisions (including Circular 1/2010) have been fully taken into account by the Council in the preparation of this supplementary planning guidance document.

Policy Background

2.7 Scottish Planning Policy provides the planning policy context for the preparation of supplementary planning guidance. It states that development plans and supplementary planning guidance should set out the approach to planning agreements, which should be related to the nature and scale of the proposed development.

2.8 The Council's Developer Contributions Strategy was approved by the Council in October 2007, the Council's Cabinet agreeing 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

2.9 Accordingly, a baseline review of its current service and infrastructure provision was undertaken and an assessment of the implications of the future housing land releases as set out in the Local Plan was carried out, against the above infrastructure provision. 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 Study including an assessment of current provision and likely requirements to accommodate future growth; and
 - the development of an Open Space Strategy.
- 2.10 Following the conclusion of this work, a series of projects to which developer contributions will be directed was drawn up by the Council and these were approved by the Council's Cabinet on 17 December 2008. These projects are identified in Section 5 of this Supplementary Planning Guidance.
- 2.11 The Developer Contributions Strategy and projects list has now been incorporated within the Local Plan. In this regard, Policy RES 29, in Part 2 of the plan which deals specifically with developer contributions relating to residential developments states:

RES 29

Where a development of 4 or more houses, either on its own, or in association with existing developments, will place additional demands on community facilities or infrastructure that would necessitate new facilities or exacerbate deficiencies in existing provision, the Council will require the developer to meet or contribute to the cost of providing or improving such infrastructure or facilities. Contributions will relate to the development concerned, including in nature, scale and kind. Where these cannot be secured by planning conditions or other appropriate means, the Council will expect developers to complete a section 75 or other legal agreement. Contributions sought under this policy will be waived or reduced only in exceptional circumstances – for example, where a developer demonstrates that a development would have exceptional development costs, would bring particular economic, social or other benefits, or is 'enabling development' as defined in the plan.

Note

(i) In addition to any contributions made under Policy Res29, developers will require to meet the costs of providing the service infrastructure necessary for their development.

(ii) The Council will monitor and review, in discussion with stakeholders, including representatives of the development industry, supplementary planning guidance relating to developer contributions.

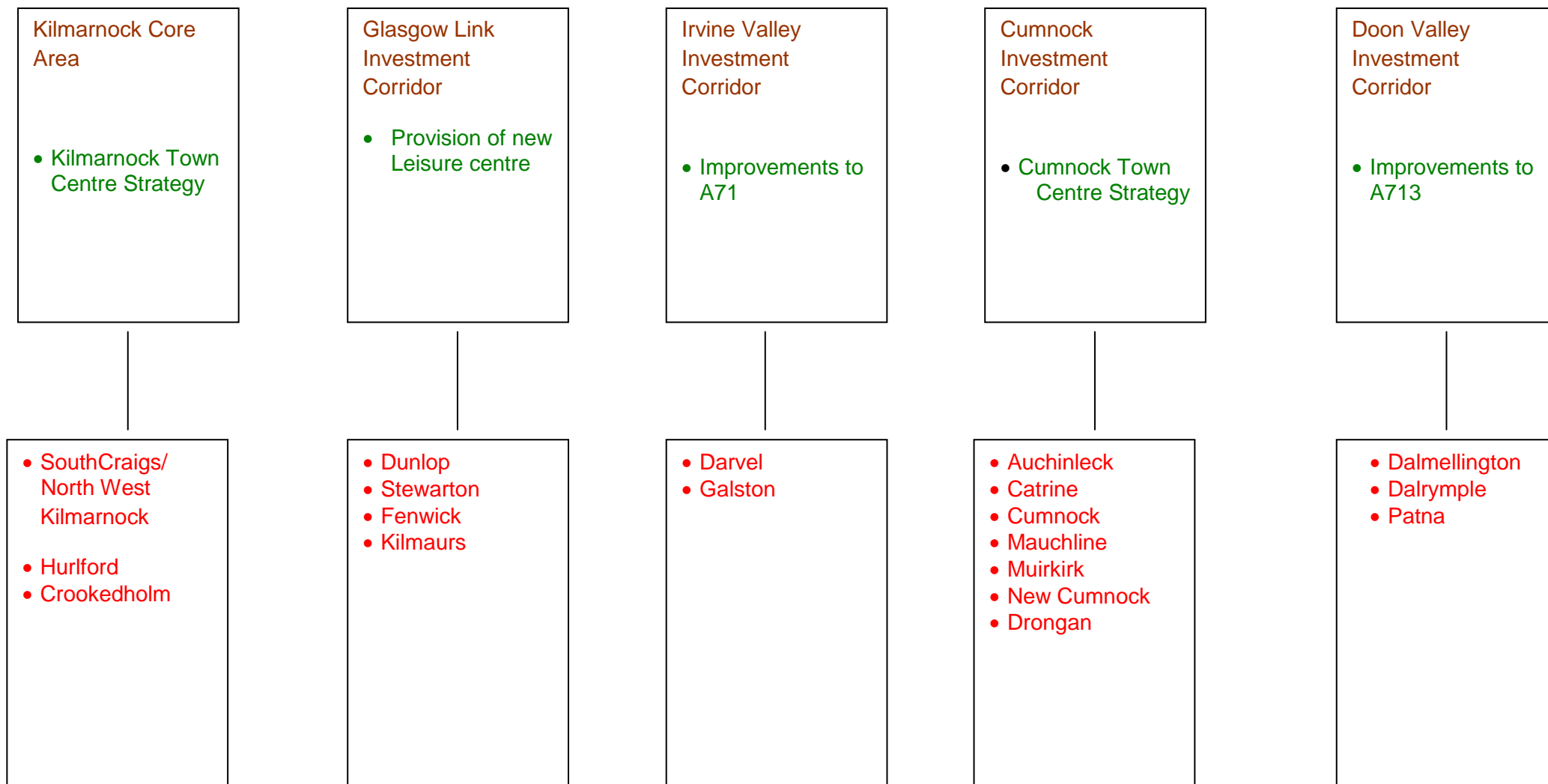
- 2.12 It should be noted that in addition to the above policy, there are also dedicated policies in the local plan relating to developer contributions in respect of windfarm and mineral developments. However, this SPG relates only to policy RES29.

3 DEVELOPER CONTRIBUTION FRAMEWORK

- 3.1 A two-tiered approach has been adopted by the Council in the preparation of its Developer Contribution Strategy as it relates to residential development, with projects being identified both at a Core Area / Investment Corridor level and at a local settlement level. This approach has ensured that the impacts of residential developments can be fully considered at all levels. A diagram is attached which provides an overview of the Strategy (see page 12).
- 3.2 Five investment corridors / core areas have been identified in the local plan which aligns with the provisions of the Ayrshire Joint Structure Plan. An assessment has been made of the pressures likely to be placed on services, facilities, amenities and infrastructure provision within these investment corridors / core area as a result of the housing development opportunity sites identified in the local plan and developer contributions projects have been identified accordingly on a settlement and corridor / core area wide basis, together with estimated implementation costs to address the issues that are likely to arise. The core area / investment corridors identified in the local plan alteration are:
- the Kilmarnock Core Area;
 - the Glasgow Link Investment Corridor;
 - the Irvine Valley Investment Corridor;
 - the Cumnock Investment Corridor; and
 - the Doon Valley Investment Corridor.
- 3.3 The impact of new residential developments on individual settlements and the relevant core area / investment corridor within which they are located has also been given due consideration in the preparation of this Supplementary Planning Guidance. An assessment has also been made of the impact on services, facilities, amenities and infrastructure provision anticipated as a direct result of particular residential developments and, where appropriate, developer contribution projects have been identified together with estimated costs for their implementation. Depending on the proposed location of a particular development, a developer may be required to make a contribution to both a settlement based project and the Core Area / Investment Corridor project identified for the particular area concerned. The developer will also require to make a contribution to the Council for the implementation and management of the Developer Contributions Fund as detailed more fully in paragraph 3.7 below.
- 3.4 As stated in paragraph 1.5 above, the requirement for a developer to make appropriate developer contributions will be mandatory and treated as a material planning consideration in the assessment and determination of planning applications and contributions will be sought in respect of all residential developments of four or more dwellings. Contribution rates will, however, vary to take cognisance of the different requirements of individual settlements and investment corridors / core area. The Council will also ensure that all developer contributions are proportionate to the scale of the development proposed and, accordingly, many projects identified for implementation may not require to be fully funded by the developer; additional

funding being obtained or generated from either the Council or other funding sources. In this regard, the Council will ensure that the developer contribution projects identified in the local plan are closely aligned with, but not substitutes for, projects identified for implementation in the Council's Capital Plan.

- 3.5 The projects identified comprise a selective series of service / improvements which will require to be implemented should all of the housing development opportunity sites identified in the particular settlement concerned be developed to the capacities indicated in the local plan. However, it is not possible to anticipate the rate of new housing construction over the local plan period or to anticipate precisely where such new housing will be built. This is particularly the case in respect of new windfall housing developments. Accordingly, the need for individual projects, the lodgement of contributions to help fund the projects and the timing for the delivery of the projects concerned will be monitored by the Council on an annual basis and, where considered appropriate, an alignment of the Council's Capital Plan will be made. Should there be a requirement to reassess the identified developer contribution projects during the life of the local plan, this will be undertaken via a review of this supplementary planning guidance. In general, the Council will require developers to make their developer contributions to the Council at an early stage in the development process. However, in certain circumstances where a particular development is programmed over a prolonged time period and it is not possible for the developer to make a full contribution to an essential identified project at an early stage of the development process, the Council will consider funding the early implementation of the project, subject to adequate funding being available. In such a case, the proposed developer will be expected to reimburse the Council at a later date to be agreed by all parties concerned.
- 3.6 It is considered likely that the costs of implementing the developer contribution projects identified in the plan will increase over time and, consequently, it is considered imperative that project costs should be kept in line with inflation. It is therefore proposed that project costs be index linked, with costs being revised on the 1st April each year using the General Building Cost Index (GBCI). Developer contributions will also be index linked to the same standard index to reflect increased project costs as they arise. However, if the GBCI falls then developer contributions will continue at the same rate as in the previous year.
- 3.7 Implementation and management of the Developer Contributions Fund also has financial / cost implications and in all cases, an additional contribution will be required in the sum of £60 per residential dwelling to meet appropriate staffing for the day to day running of the developer contributions fund and any other appropriate costs incurred by the Council. It is considered likely that the costs of managing the Developer Contribution Fund will increase over time and, consequently, it is considered imperative that costs are reviewed on 1 April each year.
- 3.8 It is proposed that an Annual Report on Development Contributions will be presented to the Council for consideration, the report detailing the level of contributions received and the degree to which developer contribution projects identified in the local plan alteration have been implemented.



4 IMPLEMENTATION

- 4.1 When a planning application relating to residential development is submitted to the Council for consideration, the Council will assess the requirement for the prospective developer to make an appropriate developer contribution in accordance with the provisions of this Supplementary Planning Guidance.
- 4.2 Contributions will be sought for developments of 4 or more residential dwellings. For the purposes of clarity, residential dwellings are deemed to comprise detached, semi-detached and terraced houses, flats, conversions and retirement homes. Contributions will be sought in relation to both applications for planning permission and applications for planning permission in principle. In the case of applications for planning permission in principle where the number and composition of the proposed residential units is unknown, the prospective developer will be required to enter into a Section 75 Agreement with the Council to establish the principle of an appropriate developer contribution being made at an agreed future point in time.
- 4.3 Developers will be required to make a contribution at the levels set for the particular settlement and core area / investment corridor within which the development is proposed (see section 5 of this guidance) together with an additional contribution for the administration of the Developer Contributions Fund as stated in paragraph 3.7 above. Two worked examples of Developer Contributions are contained in **Appendix 1** of this guidance. Alternatively, and where considered appropriate by the Council, developers may opt to deliver one (or more) of the projects identified on the relevant project list, in lieu of a financial contribution with ownership of the completed asset being transferred to the appropriate party. The value of the works involved in delivering the particular project concerned will be calculated at the equivalent rate for that settlement. In exceptional circumstances, the Council will consider alternative projects identified by the developer, again to an equivalent rate set for that settlement / corridor. For the avoidance of doubt, in cases where the developer opts to deliver a project in lieu of a financial contribution, the additional contribution for staffing as outlined in paragraph 3.7 above will still be required by the Council. It should be noted that the Council is not obliged to accept any alternative project, offer or other scenario as may be suggested or proposed by a developer.
- 4.4 In addition to making an appropriate developer contribution, prospective developers will be required to meet the full costs of providing the necessary services and infrastructure required to serve their individual developments and to meet the required residential open space provisions of the Local Plan. In only exceptional circumstances will consideration be given to abnormal development costs. In such cases, a development appraisal will require to be submitted to the Council for assessment following which a reduced contribution may be sought where it is considered appropriate.
- 4.5 For the avoidance of doubt, developer contributions are considered to be a mandatory requirement of the Council and will be treated as a material consideration in the Council's assessment of the planning application to which the contribution relates.

- 4.6 At the time of writing, the country is experiencing an economic downturn which is having a knock on effect on land values, house completion rates and house sales. It is also acknowledged that a number of prospective developers may have purchased land for residential development in recent years prior to the introduction of the current requirements for them to make appropriate developer contributions to the Council. Accordingly, prospective developers may be permitted to negotiate a reduced contribution where it can be demonstrated that paying the full contribution would make the development unviable. In such cases, the prospective developer will be required to submit a full development appraisal, including costs, to the Council for consideration in this regard and, for verification purposes, the Council may also seek an assessment of the submitted appraisal from the District Valuer. **Appendix 2** of this guidance gives detail on what level of information will be required in the development appraisal and how this will be assessed by the Council.
- 4.7 In addition to developers being able to negotiate reduced contributions, the Council also proposes to introduce more flexible methods of developer contribution payments until such time as economic conditions improve. Consequently, developers, depending on the particular circumstances of their proposed residential development, may be able to enter into an agreement with the Council in order to arrange for the payment of developer contributions at a later stage in the development process than would previously be considered appropriate, for example once the houses in question have been sold.
- 4.8 Developers of industrial, business and commercial leisure developments will not be subject to a mandatory requirement to make developer contributions at this time. Developers of retail developments will also be exempt from making direct developer contributions although the Council reserves the right to seek financial support for specific related projects as considered appropriate. Such projects will be identified and discussed with prospective developers at pre-application or planning application stage. Notwithstanding the above provisions and exemptions, all developers will continue to be required to meet all costs directly related to their developments e.g. road infrastructure improvements, water and waste infrastructure costs, open space requirements etc. Whilst the requirements of this developer contributions SPG could also form part of a Section 75 Agreement, these requirements are separate from the direct infrastructure costs and open space requirements mentioned above.
- 4.9 In most cases, and as stated previously, developer contributions will be delivered through either a Section 75 or Section 69 Agreement. In some instances, where it is considered appropriate, the Council may consider accepting payment of an appropriate contribution without the necessity of an Agreement prior to the issue of planning consent.
- 4.10 Where it has been agreed that payment will not be made at the time of concluding the legal agreement, i.e. where phased payments have been agreed, the sums involved will be index linked to the General Building Cost Index (GBCI). However, if the GBCI falls then developer contributions will continue at the same rate as in the previous period. In certain instances, the party to the agreement may also be required to guarantee the availability of funds, for example through a bond with a bank or insurance company in order to prevent any default in payment through

bankruptcy, liquidation or refusal to pay. Late payments may also incur interest charges which will be calculated at 5% per annum above the base rate of the Bank of England.

- 4.11 Projects for each settlement, investment corridor / core area are set out in the following sections of this guidance. These projects will remain fixed for the life of the local plan (2007 – 2017) with the exception of the Mauchline By-pass referred to in paragraphs 5.22.and 5.23 below. If however, considered necessary, the list of projects may be amended through a review of this SPG. The contribution rates will also be fixed but, as stated previously, will be index-linked each year to ensure that the contribution rate paid by a developer in 2008 will be equivalent to that made in 2017. To maximise developer contributions, the Council will also align projects with its Capital Programme, other Council budgets and external funding sources to ensure, where required, the delivery of projects at the appropriate time.
- 4.12 It should be noted that in December 2011, the Council updated this SPG to increase project costs by 4.3% which reflected the rise in the GBCI which has taken place between 2008 and 2011. However, whilst the Council has increased the indicative project costs by 4.3%, the developer contribution rate per residential unit has not been increased. This recognises the continuing economic downturn and ensures that additional financial burdens are not placed upon the development industry.

5 IDENTIFIED DEVELOPER CONTRIBUTION PROJECTS

- 5.1 The following sections provide project details, details of the number of housing units proposed within each corridor / settlement and indicative costs of delivering each project identified. For the majority of projects, developers will be required to make a proportionate contribution and in order to establish an appropriate rate, an indicative cost per unit has also been established. The number of existing units within a settlement/corridor has been calculated using Scottish Neighbourhood Statistics 2998. The rate per unit is calculated simply by dividing the cost of the project by the sum of the existing and proposed housing units within the settlement/corridor.

KILMARNOCK CORE INVESTMENT AREA

- 5.2 During the period 2007 – 2017, the Local Plan identifies a series of housing development opportunity sites in the Kilmarnock Core Investment Area, which do not have a current planning consent, with an overall indicative capacity of 2488 residential units. An assessment has been made of the implications of this scale of development on the Core Area and a series of locally based projects as well as a single Core Area wide project has been identified to which developer contributions generated by these residential developments will be directed. The Core Area wide project pertains to the various issues identified for implementation in the Council's approved Kilmarnock Town Centre Strategy and details of this are provided below.

Kilmarnock Town Centre Strategy

- 5.3 The Kilmarnock Town Centre Strategy aims to regenerate Kilmarnock Town Centre by developing a robust retail core, improving accessibility into and within the centre, increasing the number of residents living in the central area, diversifying the range of town centre uses, improving the physical character and appearance of the centre and effectively promoting and marketing the centre itself.
- 5.4 A key theme of the strategy is to improve accessibility into and within the town centre and it is considered that improved accessibility could best be achieved through:
- Enhanced park and ride facilities for Kilmarnock Station
 - Increased car parking
 - Improvements to public transport provision, for example a hopper bus between Kilmarnock town centre and the retailing areas to the south of the town centre
 - Enhancements to road, junctions and the SCOOT UTC system as needed to accommodate additional generated traffic.
- 5.5 Developers within the Core Area will be required to make appropriate contributions to the implementation of these particular projects.

Other Parts of the Core Area

- 5.6 An assessment has been undertaken of the more localised impacts of the proposed residential developments in those parts of the Core Area lying outwith Kilmarnock town centre and four distinct projects have been identified. These projects relate specifically to the areas within which the residential developments are proposed and will serve the needs of the communities concerned. Contributions towards these particular projects will therefore only be sought from the developers of sites within these localities. Developments within Kilmarnock but outwith these localities will not be required to make a developer contribution at the local level as it is deemed that there is satisfactory service and infrastructure provision within the local area to accommodate the projected residential developments and resultant growth. In these circumstances, contributions will only be sought for the Core Area project. The following projects have been identified:
- **Provision of a community hall, library and outdoor recreation space at Northcraigs / Southcraigs, Kilmarnock.** Developers will be required to make only a pro-rata contribution towards the provision of the community hall, library and recreation space as these facilities will meet the needs of existing populations in the area as well as residents of the new housing areas to be developed.
 - **Improvements to Richardson Park pavilion, Hurlford.** Developers will be required to part fund improvements to the pavilion as this facility will meet the needs of existing populations in the area as well as residents of the new housing areas to be developed.

- **Improvements to Crookedholm Park, Crookedholm.** Developers will be required to part fund a new pavilion as this facility will meet the needs of existing populations in the area as well as residents of the new housing areas to be developed. Improvements to pitches are also required.

5.7 The following Table details the particular projects within the Kilmarnock Core Area to which developer contributions will be directed, giving an indicative cost of the particular projects concerned and the indicative contributions which developers will be expected to make towards the implementation of these projects.

Table 1: Project and Contribution Requirements for the Kilmarnock Core Area

| Area | Project | No. of units proposed within settlement | Existing units in settlement/ corridor | Indicative cost | Indicative cost per unit |
|-------------------------------------|--|---|--|-----------------|--------------------------|
| Core Area | Kilmarnock Town Centre | 2608 | 23594 | £5.43m | £198 |
| Northcraig/ Southcraigs, Kilmarnock | Provision of a community centre, library, and outdoor recreation space | 500 | 685 | £4.79m | £3,865 |
| Hurlford | Improvements to Richardson Park | 118 | 1823 | £104,500 | £52 |
| Crookedholm | Improvements to Crookedholm Park | 70 | 331 | £522,500 | £1247 |

GLASGOW LINK INVESTMENT CORRIDOR

5.8 During the period 2007 – 2017, the Local Plan identifies a series of housing development opportunity sites in the Glasgow Link Investment Corridor which do not have a current planning consent with an overall indicative capacity of 495 residential units. An assessment has been made of the implications of this scale of development on the corridor and one corridor wide project has been identified where contributions will be sought from residential developers:

- Provision of leisure facilities for the Glasgow Link Investment Corridor

Glasgow Link Corridor Leisure Facility

5.11 The Glasgow Link Investment Corridor currently has a limited range of leisure provision and the Council's Capital Programme (2008 – 2013) seeks to address this issue by improving sport facilities within Stewarton, which is the recognised service centre for the corridor. Developers within the Investment Corridor will be required to contribute on a pro-rata basis to the costs of providing a new sporting facility at an

appropriate location for the Corridor. An indicative cost for the project is estimated at £3.84m.

Glasgow Link Investment Corridor Settlements

5.12 An assessment has been undertaken of the more localised impacts of the proposed residential developments in the Glasgow Link Investment Corridor settlements and four distinct projects have been identified. These projects relate specifically to the areas within which the residential developments are proposed and will serve the needs of the communities concerned. Contributions towards these particular projects will therefore only be sought from the developers of sites within these localities.

- **Upgrading of the B778 Fenwick to Stewarton Road.** Contributions will be sought from developers in Stewarton and Dunlop only.
- **Improvements to Fenwick Sports Pavilion**

5.13 The following Table details the particular projects within the Glasgow Link Investment Corridor to which developer contributions will be directed, giving an indicative cost of the particular projects concerned and the indicative contributions which developers will be expected to make towards the implementation of these projects.

Table 2: Project and Contribution Requirements for the Glasgow Link Investment Corridor

| Corridor/ Settlement | Project | No. of units proposed within settlement | Existing units in settlement/ corridor | Indicative cost | Indicative cost per unit |
|---------------------------------|---|--|---|----------------------------|---|
| Corridor Wide | Provision of new leisure facility in Stewarton to serve the entire Corridor | 574 | 4940 | £3,841,000 | £667 |
| Stewarton & Dunlop | Up-grading of B778 Fenwick to Stewarton Road | 350 | 3348 | £1,462,900 | £379 |
| Fenwick | Improvements to Fenwick Sport Pavilion | 76 | 416 | £156,700 | £305 |

IRVINE VALLEY INVESTMENT CORRIDOR

5.14 During the period 2007 – 2017, the Local Plan identifies a series of housing development opportunity sites in the Irvine Valley Investment Corridor which do not have a current planning consent with an overall indicative capacity of 196 residential

units. An assessment has been made of the implications of this scale of development on the corridor and one corridor wide project has been identified where contributions will be sought from residential developers. This project comprises improvements to the A71 route through the valley corridor.

Improvements to the A71

- 5.15 The A71 is the main transport artery through the Irvine Valley and there is a need for improvements to be made to the road to improve safety and reliability of journey times as identified in the Local Transport Strategy. Indicative costs for these improvements are £1.044m and developers will be required to make a proportionate contribution towards meeting this cost.

Irvine Valley Investment Corridor Settlements

- 5.16 An assessment has been undertaken of the more localised impacts of the proposed residential developments in the Irvine Valley Investment Corridor settlements and two distinct projects have been identified. These projects relate specifically to the areas within which the residential developments are proposed and will serve the needs of the communities concerned. Contributions towards these particular projects will therefore only be sought from the developers of sites within these localities. The projects identified are:

- **Refurbishment of Morton Park, Darvel; and**
- **Improvements to Western Road Pavilion, Galston**

- 5.17 The following Table details the particular projects within the Glasgow Link Investment Corridor to which developer contributions will be directed, giving an indicative cost of the particular projects concerned and the indicative contributions which developers will be expected to make towards the implementation of these projects.

Table 3: Project and Contribution Requirements for the Irvine Valley Investment Corridor

| Corridor/ Settlement | Project | No. of units proposed within settlement | Existing units in settlement/ corridor | Indicative cost | Indicative cost per unit |
|---------------------------------|---|--|---|----------------------------|-------------------------------------|
| Corridor Wide | Improvements to A71 | 196 | 5623 | £1,044,900 | £172 |
| Darvel | Refurbishment of Morton Park | 59 | 1770 | £261,200 | £137 |
| Galston | Improvements to Western Road Pavilion | 117 | 2261 | £418,000 | £168 |

CUMNOCK INVESTMENT CORRIDOR

- 5.18 During the period 2007 – 2017, the Local Plan identifies a series of housing development opportunity sites in the Cumnock Investment Corridor which do not have current planning consent with an overall indicative capacity of 1345 residential units. An assessment has been made of the implications of this scale of development on the corridor and one project has been identified as having a Corridor wide catchment (with exception of Mauchline and Drongan). This project comprises improvements to Cumnock Town Centre in line with the Cumnock Town Centre Regeneration Strategy.

Cumnock Town Centre

- 5.19 The Cumnock Town Centre Regeneration (CTCR) Project has been developed primarily to increase the viability, vitality and sustainability of Cumnock Town Centre. A number of further strategic objectives of the project include:
- to increase employment opportunities within the Town Centre;
 - to enhance the Town Centre as a place in which to shop, work and live;
 - to restore Cumnock as a “market town” for the surrounding communities in East Ayrshire and also in the northern part of Dumfries & Galloway;
 - to co-ordinate and enhance the delivery of services provided by East Ayrshire Council and other partners in the local area.
- 5.20 One of the key elements of the strategy is improvements to town centre access, traffic flows, parking and pedestrian movements and it is to these that developers within the Cumnock Investment Corridor will be required to make appropriate contributions to.

Cumnock Investment Corridor Settlements

- 5.21 An assessment has been undertaken of the more localised impacts of the proposed residential developments in the Cumnock Investment Corridor settlements and a number of distinct projects have been identified. These projects relate specifically to the areas within which the residential developments are proposed and will serve the needs of the communities concerned. Contributions towards these particular projects will therefore only be sought from the developers of sites within these localities. The projects identified are:
- **Up-grading of school sports facilities in Auchinleck to allow improved public access**
 - **Refurbishment of Catrine Sports Pavilion**
 - **Refurbishment of Woodroad Park, Cumnock**

- Expansion / refurbishment of games hall in Drongan
- Provision of new indoor sports facilities in Mauchline
- Provision of Mauchline By-pass
- Improvements to pitches at Victory Park, Muirkirk
- Provision of community facilities, New Cumnock

Table 4: Project and Contribution Requirements for the Cumnock Investment Corridor

| Corridor/ Settlement | Project | No. of units proposed within settlement / corridor | Existing units in settlement/ corridor | Indicative cost | Indicative cost per unit |
|---|--|--|--|--------------------|-----------------------------|
| Corridor Wide (excluding Mauchline & Drongan) | Cumnock Town Centre | 1345 | 12,949 | £1,170,300 | £78 |
| Auchinleck | Up-grading of school sports facilities | 172 | 1681 | £522,500 | £270 |
| Catrine | Refurbishment of sports pavilion | 95 | 1089 | £522,500 | £422 |
| Cumnock | Refurbishment of Woodroad Park | 398 | 4038 | £522,500 | £113 |
| Drongan | Expansion/ refurbishment of games hall | 155 | 1293 | £522,500 | £345 |
| Mauchline* | Provision of Mauchline By- pass | 1230 | 1766 | £9,404,400 | £7,317 |
| Mauchline | Provision of new indoor sports facilities | 350 | 1766 | £2,743,000 | £1,241 |
| Muirkirk | Improvements to pitches at Victory Park | 58 | 736 | £52,250 | £63 |
| New Cumnock | Provision of community facilities | 35 | 1437 | £3,657,300 | £2,378 |

Mauchline *

5.22 The approved Ayrshire Structure Plan identifies Mauchline as a Strategic Expansion Location 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.

- 5.23 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 for the town. 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 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 Table 4 above 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.

DOON VALLEY INVESTMENT CORRIDOR

- 5.24 During the period 2007 – 2017, the Local Plan identifies a series of housing development opportunity sites in the Doon Valley Investment Corridor which do not have a current planning consent with an overall indicative capacity of 302 residential units. An assessment has been made of the implications of this scale of development on the corridor and one corridor wide project has been identified where contributions will be sought from residential developers. This project comprises improvements to the A713 route through the valley corridor.

Improvements to the A713

- 5.25 The A713 is the main transport artery in the Doon Valley and there is a need to improve safety and reliability of journey times as identified in the Local Transport Strategy. Indicative costs for these improvements are £731,500 and developers will be required to make a proportionate contribution towards meeting this cost.
- 5.26 An assessment has been undertaken of the more localised impacts of the proposed residential developments in the Doon Valley Investment Corridor settlements and a number of distinct projects have been identified. These projects relate specifically to the areas within which the residential developments are proposed and will serve the

needs of the communities concerned. Contributions towards these particular projects will therefore only be sought from the developers of sites within these localities. The projects identified are:

- Replacement of sports pavilion in Dalmellington
- Provision of new indoor sports facilities in Dalrymple
- Improvements to leisure facilities in Patna

Table 5: Project and Contribution Requirements for the Doon Valley Investment Corridor

| Corridor/ Settlement | Project | No. of units proposed within settlement | Existing units in settlement/ corridor | Indicative cost | Indicative cost per unit |
|-------------------------|--|---|--|--------------------|-----------------------------|
| Corridor Wide | Improvements to A713 | 302 | 2286 | £731,500 | £270 |
| Dalmellington | Replace sports pavilion | 86 | 675 | £261,200 | £329 |
| Dalrymple | New indoor sports facilities | 45 | 668 | £2,743,000 | £3,682 |
| Patna | Improvements to leisure facilities | 171 | 943 | £156,700 | £135 |

6 MONITORING

6.1 The Council will monitor Policy RES 29: Developer Contributions on an annual basis and will prepare an annual report for consideration by Cabinet which will detail:

- the number of residential units approved in the preceding year
- total amount of developer contributions agreed year by year
- total amount of developer contribution received year by year
- total amount of developer contribution committed to specific projects year by year
- total amount of developer contributions spent year by year
- the number of Section 75 and 69 Agreements executed
- the status of individual projects

Approval to commence new projects (where appropriate levels of funds for existing identified projects have been achieved) will also be sought from Cabinet, as considered appropriate.

It is not the Council's intention to review the project list as part of the annual monitoring process. However, in exceptional circumstances where this is deemed essential, a re-assessment of identified projects will be undertaken as part of a review of this supplementary planning guidance.

APPENDIX 1 – WORKED EXAMPLES OF DEVELOPER CONTRIBUTIONS

Example 1 – A 24 unit flatted development is proposed in Hurlford. The required developer contribution is calculated as follows:-

| | | | |
|-----------------------------------|---------------------------------|--------------|----------|
| Core Area | Kilmarnock Town Centre | £198 | per unit |
| Hurlford | Improvements to Richardson Park | £52 | per unit |
| Administration Fee | | £60 | per unit |
| Total per unit | | £310 | |
| Total Payable (24 x £ 310) | | £7440 | |

Example 2 – A 6 house development in Newmilns which is located within the Irvine Valley Corridor. Whilst there is a corridor wide project for the Irvine Valley, there is no identified project in Newmilns itself. The required developer contribution is therefore calculated as follows:-

| | | | |
|--------------------------------|---------------------|---------------|----------|
| Corridor Wide | Improvements to A71 | £172 | per unit |
| Administration Fee | | £60 | per unit |
| Total per unit | | £232 | |
| Total Payable (6x £232) | | £1,392 | |

Example 3 – A large housing scheme of 200 houses in Stewarton. The required developer contributions is calculated as follows:-

| | | | |
|------------------------------------|-----------------------------------|-----------------|----------|
| Corridor Wide | New leisure facility in Stewarton | £667 | per unit |
| Stewarton & Dunlop | Up-grading of B778 | £379 | per unit |
| Administration Fee | | £60 | per unit |
| Total per unit | | £1106 | |
| Total Payable (200 x £1106) | | £221,200 | |

APPENDIX 2 – INFORMATION REQUIRED IN DEVELOPMENT APPRAISALS

This appendix expands on what applicants should include in their development appraisals when applying for a reduced or waived fee.

The Development Appraisal

The basic calculation for calculating whether a contribution should be waived is as follows:-

A - Estimated Sale Value of Completed Development.

B - Total costs of development including any land purchase. The required developer contribution is also a development cost and should be included here.

A minus B gives the **profit level** expected from the development.

Developers will usually expect a profit of at least 10-20% of development costs (B) before proceeding with a development. Therefore, if the submitted appraisal shows that profit levels fall to an unacceptable level when the developer contribution is included as a cost, the Council will give consideration to waiving or reducing the fee.

A greater level of detail than the top line numbers set out in the basic calculation is required. The estimated sale value of the development (A) should be broken down into house types to allow the figures to be easily verified.

For example:-

12 no. 4 bed detached houses @ £180k = £2.16m

4 no. 2 bed semi-detached houses @ £135k each = £0.54m

Total estimated value of completed development - £2.7million

Total development costs (B) should be broken down into the following general headings:

- (i) Land purchase costs
- (ii) Professional Fees including legal, project management, architect and estate agents
- (iii) Finance Costs i.e. Bank Interest charges
- (iv) Build Costs including all site infrastructure costs
- (v) Developer Contribution Fee

All of the above information should be provided by the developer on an “open book” basis to allow the Council to verify the costs shown by developers if considered necessary. Wherever possible, costs should be confirmed and certified by consultants employed by the developer.

Once all of the above information has been submitted, the Council may seek internal or external expertise to verify it and then a decision about whether the contribution should be reduced or waived will be made.