

DERBYSHIRE COUNTY COUNCIL

CABINET MEETING

17 June 2014

Report of the Strategic Director – Economy, Transport and Environment

**DEVELOPER CONTRIBUTIONS MONITORING (JOBS, ECONOMY
AND TRANSPORT)**

- (1) **Purpose of the Report** To provide an update on the implementation of the Developer Contributions Protocol (DCP).
- (2) **Information and Analysis** Infrastructure planning has a critical role in ensuring the timely provision of strategic services and infrastructure that will enable economic growth to take place across Derbyshire and so assist in the delivery of sustainable development. In response to this need, Cabinet approved publication of the refreshed Derbyshire Infrastructure Plan (DIP) and DCP on 12 November 2013 (Minute No. 305/13 refers).

The DIP identifies approximately £312 million of strategic infrastructure required over the 15-year period covered by Local Plans. This infrastructure is crucial for delivering the economic growth envisaged by the Local Enterprise Partnerships and the emerging draft Derbyshire Economic Strategy Statement. The DCP sets out how the County Council responds to pre-application enquiries and consultations on planning applications for residential development of 10 dwellings or more to secure developer contributions for infrastructure delivery.

Since the DCP was published in May 2012, Local Planning Authorities (LPAs) have helpfully updated their working practices to consult the County Council on a more consistent basis. In addition, there has been increased activity in the housing market and construction industry over the last year. As a result, the County Council has received a much greater number of consultations on planning applications than last year.

Monitoring data from the first full year of implementation of the DCP highlights a substantial mismatch between the level of funding required to accommodate housing growth (£40.1 million) and the level of funding actually secured via

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developer contributions (£3.757 million) between 1 April 2013 and 31 March 2014.

Whilst LPAs secured over £3.757 million of developer contributions for County Council infrastructure and services from 10 applications for 960 dwellings, a further 33 applications for 1,058 dwellings were granted planning permission with no financial contribution towards County Council services.

The breakdown of requests for developer contributions and funding secured for the year ending 31 March 2014 is set out at Appendix A.

The funding gap is a concern because it means that new dwellings will be built with no additional funding in place for strategic infrastructure. This is particularly worrying where the County Council has a statutory duty to deliver services (for example school places) but is not receiving the additional funding required from developers.

Feedback from some LPAs suggests that the County Council's request for Planning Obligations to secure funding for household waste recycling, strategic green infrastructure and libraries do not always comply with the relevant legislation. In the absence of Community Infrastructure Levies across Derbyshire, however, Section 106 Planning Obligations remain the only mechanism available to the County Council to secure funding for infrastructure required as a result of housing growth, therefore, the County Council needs to provide robust evidence to adequately justify its requests.

Officers will continue to use the evidence set out in the DIP and work in partnership with LPAs to assess the impact of proposed housing development on strategic infrastructure and secure funding from developers on behalf of the County Council to mitigate this impact and make proposed development acceptable and sustainable.

Where County Councillors are also District and Borough Councillors, it would be helpful to highlight, for example at Planning Committee meetings, the impact that new housing growth is having on strategic infrastructure and service delivery.

(3) Financial Considerations The DCP provides a coordinated approach to help the County Council maximise funds towards the cost of delivering infrastructure and services required to support new development. However, the level of funding will vary across the County and depends on successful implementation of the DCP through joint working with LPAs.

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(4) **Legal Considerations** The recommendations in this report are made in the context of the County Council's responsibilities and services under the Localism Act 2011.

In preparing this report the relevance of the following factors have been considered: prevention of crime and disorder, equality and diversity, human resources, environmental, health, property and transport considerations.

(5) **Key Decision** No.

(6) **Call-in** Is it required that call-in be waived in respect of the decisions proposed in this report? No.

(7) **Background Papers** Held on file Developer Contributions by the Planning Services Manager. Officer contact details – Harriet Fisher, 39551.

(8) **OFFICER'S RECOMMENDATIONS** That Cabinet:

- 8.1 Welcomes the £3.757 million of additional funding secured from developer contributions in 2013/14.
- 8.2 Notes the continuing funding gap for strategic infrastructure.
- 8.3 Endorses on-going engagement with Local Planning Authorities to work towards securing the necessary investment for strategic infrastructure.

Mike Ashworth
Strategic Director – Economy, Transport and Environment

Appendix A

In the year 2012/13, the County Council responded to 71 consultations on residential planning applications.

During the last financial year 2013/14, the County Council responded to 114 major planning applications proposing a total of 10,940 dwellings.

In response to these 114 applications, requests were made for financial contributions from developers totalling £40,141,511 as follows:

- £123,157 - Waste management
- £2,790,412 - Public Rights of Way and Greenways
- £1,569,948 - Derbyshire Libraries Service
- £17,508,394 - Primary school places
- £12,177,492 - Secondary school places
- £2,943,208 - Post-16 school places
- £3,028,900 - Transport and highways

Requests were also made for the design of new homes to Lifetime Homes standards, the on-site provision of Sustainable Drainage Systems (SUDS), design amendments to enable the provision of broadband services in support of Digital Derbyshire, and design amendments to ensure highway safety and access.

Of the 114 applications that the County Council responded to during 2013/14, 10 applications for a total of 960 dwellings were granted planning permission with Section 106 Planning Obligations securing developer contributions towards County Council services. The Obligations from those 10 planning permissions total £3.757 million. In comparison, the total secured in 2012/13 was £736,760.20. The 2013/14 total consisted of the following contributions:

- £0 - Waste management
- £0 – Public Rights of Way and Greenways
- £24,480 - Derbyshire Libraries Service
- £2,387,882 - Primary school places
- £326,451 - Secondary school places
- £149,023 - Post-16 education places
- £869,200 - Transport and highways

These contributions have not yet been passed to the County Council. This is because the permissions have not yet been implemented so the trigger points in

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the Section 106 Agreements have not been reached. It is normal for there to be a time lag between the granting of planning permission and the construction and occupation of dwellings.

In addition, the County Council as the Highway Authority received £12.5 million for highway works in fees via Section 38 and Section 278 Agreements.

Eighteen applications were refused planning permission, 6 applications were withdrawn by the applicant and 47 applications are still to be determined by the Local Planning Authority (LPA). This is because these applications are for major development proposals with complex issues to be considered.

Thirty three applications proposing a total of 1,058 dwellings were granted planning permission with no developer contribution towards the delivery of County Council services. In these cases, no contributions were secured because the LPA did not feel that contributions towards mitigation were required, local priorities (namely affordable housing or public open space) took priority over strategic infrastructure and services, or because the marginal viability of the proposed development resulted in no funding being available for developer contributions.