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To: Growth, Economic Development and Communities Cabinet Committee – 1 February 2018

Subject: Developer contributions and Kent's Library Service

Classification: Unrestricted

Past Pathway of Paper: N/A

Future Pathway of Paper: N/A

Electoral Division: All Divisions

Summary: This report explains the background to developer contributions, how contributions are calculated and collected for the Council and how these are then used by the library service.

Recommendation: Cabinet Committee is asked to note the details of this report

1. Introduction to Developer Contributions

- 1.1. When considering whether to grant planning permission for new housing Local Planning Authorities are required to weigh up the effects the development would have on the physical environment as well as assessing the impact from the residents of the development, including their impact on public infrastructure.
- 1.2. Where there is not sufficient capacity in local infrastructure to accommodate the additional demand and a planning authority decides that without adequate capacity it would not grant planning permission the development can mitigate this through a planning obligation, also known as a s106 agreement.
- 1.3. The common uses of s106 agreements are to secure affordable housing and to secure financial contributions from the developer to provide infrastructure. The s106 agreement is a formal document, a deed, which states that it is an obligation for planning purposes, identifies the relevant land, the person entering the obligation; it also becomes a land charge and the relevant local authority can enforce against it as a legal contract. A s106 obligation can:
 - Restrict the development or use of the land in a specified way

- Require specified operations or activities to be carried out in, on, under or over the land
- Require the land to be used in a specified way; and or
- Require a sum or sums to be paid to a local authority on a specified date or dates or periodically.

1.4. Developer contributions are most commonly used by Kent County Council to secure financial contributions towards increasing infrastructure capacity to support services which it has a responsibility to provide. The County Council seeks to secure contributions towards the following services:

- Adult Social Care
- Community Learning
- Highways
- Libraries
- Primary & Secondary Education
- Youth Services

2. How the impact of development is calculated for Libraries

2.1. Each year an average of 200 planning applications for housing are made in the County. Contributions cannot be sought from applications of 10 dwellings or fewer but for all other applications an assessment of the increased demand on Kent's library service is undertaken.

2.2. S106 contributions can only be used towards capital costs and must be used towards a project geographically close to the housing development. In areas where a physical expansion or a refurbishment of a library which will provide additional capacity is envisaged, developers are requested to contribute proportionately to the cost of the capital scheme including for additional book stock. These schemes may incorporate other services through co- location e.g. a 'hub'.

2.3. Contributions are also sought towards book stock in areas where the physical expansion of a local library is not planned. In Kent the average number of people living in a home is 2.4; with 13.28% of residents being active borrowers a development of 100 homes is calculated to result in 32 new borrowers. The annual number of issues per borrower is 28.8: using these and other statistics it can be determined that the cost of providing adequate stock for every new dwelling is £48.02.

3. Success to date

3.1. Since 2006, the County Council has secured a total of £9.8m in library contributions from developers. In addition to these financial contributions s106 agreements have also secured the ability for KCC to occupy or use

space to deliver library services from within the planned community buildings of Kent's largest new communities, including for example Chilmington Green in Ashford.

- 3.2. Because the County Council is not the Local Planning Authority for residential development it does not have the power to obligate developments to contribute financially; this rests with the district authorities. In order to secure contributions the County Council must set out evidence of their need and make a clear case that the development should not proceed without mitigation. KCC Performance Indicator ED08 '*Developer Contributions Secured Against Total Contributions Sought*' for the financial year ending March 2017 shows an achievement rate of 86% against asks for library contributions.
- 3.3. Contributions are secured at the point that planning permission is granted, but the contribution payment is tied to the occupation of the development; typically a larger development will have multiple payment points within its build-out programme, known as trigger points. The lag between when planning permission is granted and the time it takes for new homes to be built and occupied means that contributions secured today may not be paid for several years. This also means that there is little control over when this funding is received; this is dependent upon the housing market.
- 3.4. During the financial year ending March 2017 contributions of £1.32m were secured which will become payable in the future. During the same period £230k was received by the County Council from previous s106 agreements.

4. Challenges to securing developer contributions

- 4.1. A fundamental requirement of s106 contributions is that they are used towards capital projects and cannot be applied as revenue. For many services including libraries this means that the true impact of additional demand from development can never be fully recovered through s106. Additionally s106 monies cannot be used towards replacement or maintenance of existing assets, running costs or staffing. All projects where s106 monies are applied must demonstrate that they are providing additional capacity.
- 4.2. There are three legal tests for determining when a s106 agreement can be used, the s106 must be:
 - Necessary to make the development acceptable in planning terms
 - Directly related to the development; and
 - Fairly and reasonably related in scale and kind
- 4.3. Development viability is the most common reason that the full amount requested by the County Council is not secured, this is when the developer

makes a case to the Planning Authority that they cannot afford all of the requests being made of them, planning regulations allow a prioritisation of requests to then take place.

- 4.4. Regulations relating to s106 agreements have become more complex in recent years; regulation 123 of the Community Infrastructure Levy Regulations came into force in April 2015; the effect of this regulation is to limit to just 5 the number of s106 agreements which can be pooled together to finance an individual project.
- 4.5. Previously the County Council was able to secure contributions when it demonstrated they were required and then fund the infrastructure when it was received. For expensive projects such as secondary schools (£20m+) or those which have a wider geographical spread such as a library project, several contributions would be pooled together.
- 4.6. Now the County Council must explicitly state where the money will be spent before a S106 can be signed and only five developments can contribute to a project. If there are ten developments in one town where a library project is planned, the effect of the regulations mean that the County Council can only seek contributions from five of the developments.
- 4.7. This regulation was introduced by Government to encourage districts to move towards charging the Community Infrastructure Levy; however it has had a significant impact on authorities such as County Councils that deliver strategic infrastructure. The County Council has successfully limited the impact of the pooling restriction through delivering projects in multiple phases.
- 4.8. The Community Infrastructure Levy (CIL) is a tariff-based system introduced by Government in 2010 intended to largely replace the existing s106 regime. Under CIL the Local Planning Authority sets a contribution rate per m² which developers are obliged to pay without negotiation. The tariff is administered by the district authority which can choose to allocate the receipts to related infrastructure; under CIL the County Council will bid for funding from the district CIL funds rather than seeking contributions from individual planning applications. The districts which have adopted CIL are Dartford, Sevenoaks and Shepway. The Government is currently how CIL operates.

5. Library Service Use of Developer Contributions

- 5.1. The library service has used developer contributions to ;
 - Fund additional materials that customers can use or borrow
 - provide additional capacity

5.2. The use of S106 funding has been key to service modernised and increasing the capacity of its service points. The most recent capital projects has included the libraries that have been part of Ashford Gateway Plus and Swanley link as well as a programme of library modernisation at Deal, Gravesend and Canterbury Beaneys .

5.3. Dartford Library and Snodland library modernisations were completed in the last financial year and summary information is included below with some further information included in Appendix 1.

a) Dartford library modernisation and co-location

5.4. S106 funding contributed towards the modernisation of Dartford library which involved creating a knock through between the library and the museum to make the latter DDA compliant, providing facilities for Families and Social Care Good Day Programme. Public consultation, and customer engagement was undertaken, and public and customer feedback influenced the footprint of the building, decoration and furniture fit out. The newly refurbished library, open access to the Museum and Good Day programme facility was launched in autumn 2016.

Breakdown of Project Funding

Income	£000's	£000's
Library S106 developer contributions	179	179
Modernisation of assets	120	120
FSC ¹	125	125
Dartford District Council contribution	10	10
Total	434	434

b) Snodland library modernisation and access improvements

5.5. S106 contributions were used to enhance services at Snodland library. The project included the installation of an automated entrance to make the library accessible to wheelchair users; removal of some internal walls to open up the public space and improve circulation; creation of a community meeting space, new improved lighting system, and new bookshelves to allow for better display of stock and to accommodate new stock.

5.6. Customers were directly engaged in shaping the improvements. The newly refurbished library was launched in February 2017.

Breakdown of Project Funding

¹ Funding confirmed through PAG

Income	£000's	£000's
LRA S106 dev cons	70.8	70.8
LRA service improvements	7.2	7.2
Total	78.0	78.0

6. Looking Ahead

6.1. Kent has a growing population and the Library Service continues to pursue projects to meet that future demand, including Tunbridge Wells Cultural Hub, Southborough Hub, Herne Bay library modernisation, Faversham library co-location with the Good Day programme. A priority will be to work to maximise use of KCC's building assets and explore all opportunities to bring services together to maximise the outcomes that can be delivered for the people and communities of Kent.

6.2. We also consider projects which meet the need of new growth communities such as Chilmington Green in Ashford. LRA is exploring more innovative approaches to meet this future need to mitigate additional revenue pressures so to ensure sustainability in the future.

7. Recommendation

Recommendation: Cabinet Committee is asked to note the details of this report

8. Appendices and Background Documents:

Appendix 1: Case Studies

9. Report Author

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Dartford Library refurbishment update

"My son was so excited when he first walked into the newly renovated library. He didn't quite know where to start first! The new children's area is open and an accessible space with lots of light streaming in from the park. The selection of children's books appears to have doubled in size. Every other book we take out is brand new! There is so much more additional seating (both sofas and desk) for the kids".

- Jen, Dartford resident via dartfordliving.com



"Very impressed—well done and didn't take that long either!!"

Matthew says:

Colleagues in the Day Service who, are now co-located within the library, have given positive feedback on the working relationship between library staff and social services staff.

There is evidence of good partnership working with Dartford Borough Council, not least by the newly set up Friends of Peter Blake Gallery group, containing local councillors and officers from KCC LRA and DBC.

Customer comments have shown a positive response to the new décor and layout of the library. Staff are enthused by their new surroundings which again is reflected in the customer feedback.

- Service Manager for Dartford



"A mountain of children reading!"
 Remarked a teacher commenting on the pupils sitting on the pyramid seating in the new children's library.



"Beautiful—fresh but still retained the essence of the building"

"Money well spent"

"The library looks lovely, with lots of new books available. Found all the books very easily for my sons project for school."

Snodland's refit

Snodland has received a much needed refit this quarter.

The library reopened on 21 December and was well attended by members of the local community. The redesign is a success with customers reporting that they love Snodland's new look.

The library was opened by Cllr Mike Hill and Cllr Sarah Hohler.

The new library has improved disability access and a new community meeting space. It is set to offer a range of activities from Baby Rhyme to Crafting sessions to Computer access.

Issues up by
14% in Q4
compared to
same period



Jennifer says:

We are so pleased to have refurbished Snodland Library in recent months. The library is now enjoyed by all and has a bright new look with improved access. We gathered as much input on the design from the local community in advance of the works and we are thrilled to see the new space being used by so many customers.

"Sometimes I feel like the book is coming to life and sometimes I sit there for hours. Sometimes I feel like they are real. I can't take my eyes off them. Sometimes the book is so good that I sneakily read under the covers because I want to read on. My imagination has gone wild."

Lacie, one of Snodland's younger borrowers



Snodland's refit: The seal of approval from some of Snodland's older and younger borrowers!

Excellent service, always very helpful. New refurbishment is excellent, appears more spacious and a good library system. The elderly have been considered with the personal service.

Carol, One of Snodland's adult users

