

**NOTES** of a meeting of the Cabinet Scrutiny Committee's Informal Member Group on "Kent - What Price Growth?" held on Monday, 22 January 2007.

**PRESENT:** Mr D Smyth (Chairman), Mrs T Dean and Mr J E Scholes.

**ALSO PRESENT:** Mr R W Gough, Cabinet Member for Regeneration and Supporting Independence.

**OFFICERS:** Mr N Smith, Head of Development and Investment, Environment and Regeneration Directorate; Ms D Benton, Staff Officer to Mr Gough; and Mr S C Ballard, Head of Democratic Services.

## **1. Notes of Previous Meeting**

The notes of the meeting of the Informal Member Group held on 24 April 2006 were noted.

## **2. Developer Contributions** *(Item 2)*

(1) Mr Smith gave a Powerpoint presentation on Developer Contributions. He explained that, following Cabinet's approval in principle to the draft Developers' Guide last September, it had been the subject of public consultation. The final version of the Guide, taking account of the comments made during the public consultation, would be submitted to Cabinet at its meeting on 12 March 2007 for adoption as part of KCC's Community Strategy. This would mean that District Councils would be required to have regard to it in drafting their own community strategies and planning policies.

(2) Mr Smith said that the guiding philosophy was that developer contributions should be used to create proper communities, not just housing estates, and to protect services to existing communities. This was done by using developer contributions to fund community infrastructure – schools, nurseries and pre-schools, libraries, adult education facilities, youth and community provision, adult social services facilities, highways and public transport.

(3) The key elements of the Guide were methodologies for calculating developer contributions, which meant that developers could estimate the contribution that would be required from them before submitting their planning application. Evidence for the methodologies came from the provision planning teams in each directorate and the accurate demographic information which had been obtained from a MORI survey commissioned by KCC on all new (up to 5 years old) housing developments in the County.

(4) It was important to recognise that this approach did not amount to a simple roof tax. The calculation of developer contributions was site specific and took account of, for example, vacancies in existing local schools.

(5) Up to now, KCC's policy had been to seek developer contributions for all developments over 10 units. However, the new Guide had no minimum figure because, for example in West Kent, most developments were small-scale but had a cumulative impact on demand for KCC services, and so it was right, on the grounds of equity and consistency, that developer contributions should be sought for such developments. Ultimately however, the final decision on the threshold for developer contributions rested

with the District Council concerned, as local planning authority, and a number of District Councils did not feel that they had the necessary resources to be able to collect developer contributions for small sites.

(6) Nevertheless, there was close working with District Councils, particularly on major sites, where it was now normal practice to set up joint KCC/District Council multi-disciplinary teams to negotiate developer contributions, sometimes jointly commissioning legal advisers.

(7) Mr Smith referred to the Barker Report, which proposed a Planning Gain Supplement which would, in effect, be a national tax on the enhancement of the value of land arising from the granting of planning permission. There were concerns that, if the Government adopted the Planning Gain Supplement proposal, not all the money collected would be returned to local authorities to fund site-related community infrastructure. However, KCC's Developers' Guide could be used to demonstrate to Government the level of funding required.

(8) Members' questions covered the following issues:-

#### Capital vs Revenue Funding

Mr Smith explained that developer contributions could only be used to fund capital spending, not revenue spending. For Adult Social Services therefore, the methodology was based on physical provision, which could include multi-agency, integrated community facilities such as health and social care centres, community centres, and extended schools.

#### Contributions to Non-KCC Community Infrastructure

Mr Smith explained that KCC and the District Councils were used to seeking developer contributions, but other public bodies, such as Health PCTs, Fire and Police, were only just becoming aware of this possibility and, even then, tended to react to planning applications after they had been submitted, rather than negotiating with developers in advance.

#### Location of Community Infrastructure

Mr Smith said that the closeness of the community provision to the development concerned varied according to the service. For example, primary schools had to be within 2 miles, and secondary schools within 3. This was particularly important where developer contributions from different but nearby developments were combined to provide one facility.

#### Time Lag Between Receipt of Contribution and Provision of Facility

Mr Smith said that, where a time lag did occur, this was usually because contributions were being collected from a number of developments for the provision of one facility or because a particular facility was to be provided once a certain number of units within a major development had been completed.

#### Involvement of Local Members

There was a discussion about how local Members could find out about and influence decisions about the various facilities, both KCC and District Council, to be

provided from developer contributions. The discussion covered the following issues:-

- Local Boards;
- co-ordination between KCC and relevant District Council, possibly through Joint Local Boards where they existed;
- how agreed developer contributions were shown in KCC budgets (Mr Smith agreed to check this point – **Action: NS**);
- whether planning permission was made conditional on an agreed developer contribution, or the contribution was negotiated after planning permission had been given. The former was to be preferred and heads of terms could then be included in the report on the planning application to the relevant Council's Planning Committee;
- a request that the quarterly schedules of developer contributions obtained by KCC should be circulated to Members. (**Action: NS**)

#### Street Lighting

Mr Smith agreed to check whether developer contributions for highways included the provision of street lighting. (**Action: NS**)

#### Administrative Costs

Mr Smith explained that it was normal accepted practice to require developers to meet the costs of negotiating and preparing the legal agreement covering the developer contributions.

### (9) Conclusions

The IMG:-

- (a) thanked Mr Smith for a helpful and interesting presentation;
- (b) **recommends to the Cabinet Scrutiny Committee that:-**
  - (i) **the KCC Planning Applications Unit should be requested to include heads of terms for developer contributions in reports to the Planning Applications Committee on all relevant planning applications;**
  - (ii) **the Regeneration and Economy Team should be supported in their efforts to encourage District Councils to include heads of terms for developer contributions in reports to their Planning Committees on all relevant planning applications;**
  - (iii) **KCC Directorates should be requested to consult local Members (either individually or through Local Boards) on the details of the facilities to be provided in accordance with their provision planning policies from developer contributions.**

### 3. **Date and Topic for Next Meeting**

The Group agreed that its next meeting should be held as soon as appropriate in order to review progress on “Kent - What Price Growth?”. **(Action: SCB/RH)**

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