



To: Executive Councillor for Arts, Sport and Public Places: Councillor Rod Cantrill; and  
Executive Councillor for Community Development and Health: Councillor Mike Pitt

Report by: Director of Environment

Relevant scrutiny committee: Community Services 28/6/2012  
Scrutiny Committee

Wards affected: All Wards

## DEVELOPER CONTRIBUTIONS AND DEVOLVED DECISION-MAKING

### Key Decision

#### 1. Executive summary

- 1.1 Previously, most proposed projects to be funded from developer contributions have been reported to Scrutiny Committees and approved by the relevant Executive Councillor. Now, the Council has agreed to devolve to area committees decisions on how certain types of developer contributions can be used. This report provides more details on how this devolved decision-making is being implemented.
- 1.2 Devolved decision-making provides a real opportunity for area committees to engage local communities in identifying how best to address the impact of development in their areas (hence the links to the Local Government Association's 'Keep it REAL' initiative). The aim is for each area to deliver several projects within the next couple of years. Alongside this, the Council is looking to put into place a number of large projects that make a difference to the city as a whole.

#### 2. Recommendations

The Executive Councillors for Arts, Sport and Public Places and for Community Development and Health are asked to endorse the arrangements for implementing devolved decision-making for developer contributions, including the development of needs assessments and priority projects.

#### 3. Background

- 3.1 The Council enters into legal (or Section 106) agreements with developers setting out their obligations for addressing the impact of the development in the city. This can include developers making

financial contributions to provide or improve facilities. Developer contributions are used in line with the conditions set out in specific S106 agreements (eg. about where and on what it can be spent), Council planning policy and national planning policy and guidance.

- 3.2 Following the report to this Scrutiny Committee last January, the Executive Councillors agreed to devolve decision-making for public art, public realm, community facilities, play and open space projects funded by developer contributions. The key points of this approach are
- a. From 1 April 2012, funding for devolved decision-making by an area committee will normally be based on
    - 100% of relevant contributions arising from planning applications from that area determined by the area committee, and
    - 50% of the contributions arising from major applications from that area determined by the Council's Planning Committee.
  - b. The other 50% of contributions from major planning applications from the area that are determined by the Planning Committee will normally be for city-wide projects, to be considered by the Scrutiny Committee and approved by relevant Executive Councillor.
  - c. Devolved decisions by area committees on the use of contributions will be made in line with Area Needs Assessments (ANA) and Council policy. An ANA will be a desk-top study of: the area's population; the impact of expected development in the area over 3 years; and existing facilities and scope for new provision. There will be consultation before an area committee approves its ANA.
  - d. Once ANAs have been finalised, costed proposals for projects in each area will be worked up and linked to predicted contributions and those received but not yet allocated. Each area committee will prioritise the projects in its area to be delivered.

#### **4. Funding for Devolved Decision-Making**

- 4.1 It is proposed that funding for devolved decisions include unallocated contributions received before April 2012 as well as contributions received after that date. Table 1 sets out the funding available for each area based on estimates of how unallocated contributions received by the end of March 2012 would be split between the area committees and the budget for city-wide projects. An update on the funding available (including additional contributions received since April 2012) will be reported to this committee in January 2013.
- 4.2 The 'indoor/outdoor sports' category in Table 1 includes 'formal open space' contributions collected under the Council's previous Planning Obligations Strategy, which was in place until March 2010.

**Table 1: Availability of existing/unallocated developer contributions**

Contribution type	Under £15k	£15k-£50k	£50k-£150k	Over £150k
<b>For East Area</b>				
Community facilities			✓	
Informal open space				✓
Indoor/outdoor sports*			✓	
Provision for children	✓			
Public art			✓	
Public realm			✓	
<b>For North area</b>				
Community facilities			✓	
Informal open space			✓	
Indoor/outdoor sports*	✓			
Provision for children	✓			
Public art		✓		
Public realm	✓			
<b>For South area</b>				
Community facilities				✓
Informal open space				✓
Indoor/outdoor sports*			✓	
Provision for children			✓	
Public art		✓		
Public realm	✓			
<b>For West/Central area</b>				
Community facilities			✓	
Informal open space			✓	
Indoor/outdoor sports*	✓			
Provision for children		✓		
Public art			✓	
Public realm		✓		
<b>For city-wide projects</b>				
Community facilities				✓
Informal open space				✓
Indoor/outdoor sports*		✓		
Provision for children		✓		
Public art			✓	
Public realm			✓	

## 5. Development of Area Needs Assessments and priority projects

5.1 Whilst last January's committee report referred to devolved decision-making coming into effect from April 2012, it is important to reiterate that there will be a transition period to embed the new arrangements.

**Table 2:** Timetable for needs assessments and project prioritisation

Month	Area-specific preparations	Other preparations
June 2012	Explore dates/venues for area workshops	Develop new Developer Contributions web page
July 2012	Send workshop invitations. Complete desk-top studies. Brief Area Committee chairs.	Launch e-consultation via new web page on area/city-wide needs & project ideas
August 2012	Finalise arrangements for Area workshops. Hold Area briefings for councillors	Include area and city-wide programme budgets in draft Medium Term Strategy. Analyse survey feedback.
September 2012	Hold four area workshops. Calculate costs for suggested area-specific project proposals	Executive (17/9) considers / approves draft Medium Term Strategy (MTS)
October 2012	Report back to East Area Committee (18/10)	Council (25/10) approves Medium Term Strategy
November 2012	Report back to other area committees: West/Central, (1/11); South (12/11); North, (22/11). Then, develop/consult on initial area-specific project proposals	Develop City-wide Needs Assessment and costed proposals for large city-wide projects.
December 2012		
January 2013	Report first area-specific project appraisals to area committees: East (10/1); West/Central (10/1); South (14/1) and North (31/1)	Report to CS Scrutiny Committee City-wide Needs Assessment and project proposals, for Executive Councillor approval.

- a. Area committees will be asked to approve their needs assessments and priority projects in autumn 2012. Project appraisals for area-specific priority projects will follow from January 2013.
- b. The development of a City-wide Needs Assessment will follow the approval of ANAs (in order to pick up any key cross-cutting issues) and will be reported to this Scrutiny Committee next January along with outline proposals for around five large, city-wide projects. Project appraisals for city-wide projects will follow from spring 2013.

5.2 The thinking behind the timetable in Table 2 is as follows.

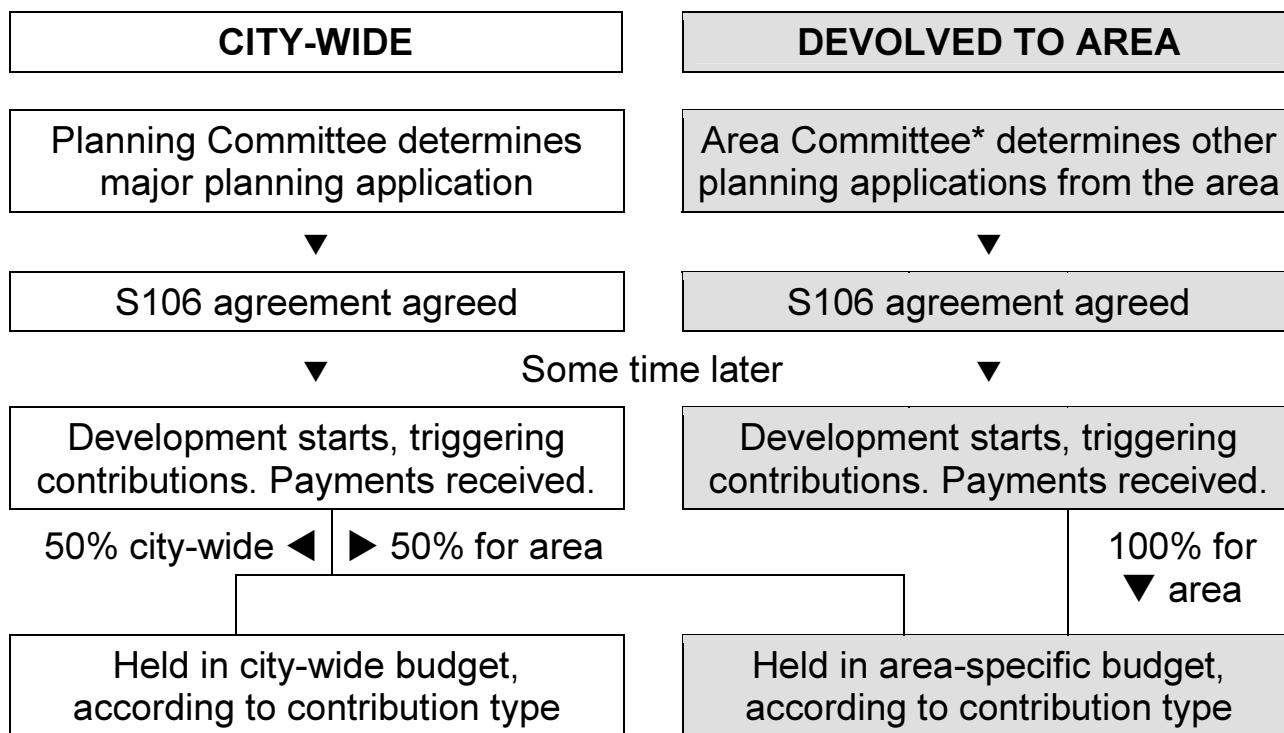
- a. **Preparations for area workshops:** Provisional bookings are being made for workshops to be held in September in each area. The aim is to invite representation from a range of residents associations and community groups, as well as local councillors. Officers will discuss the arrangements with area committee chairs (or Group spokes where the chair is yet to be agreed) before finalising bookings and issuing invitations.
- b. **Web page and e-consultation:** Prior to the workshops, a new feature will be added to the Council's website to raise awareness of developer contributions and projects funded in each area. A 6-week e-consultation will run, via the new web page, from early July to mid August to seek residents' views on needs within the city (and specific areas) and how they could be addressed.
- c. **Links to financial planning:** Area-specific and city-wide programme budgets will be included in the Council's Medium Term Strategy in August/September, ahead of the identification of priority projects, to enable project appraisals to come forward as soon as possible in 2013.
- d. **Area workshops:** Informed by the desk-top study for the ANAs, feedback from the e-consultation and analysis of unallocated contributions available for each area, the workshops will enable the participants to come forward with ideas for new/improved facilities. Following the workshops, officers will calculate the likely costs of proposed projects and report back to the area committees.

## 6. How devolved decision-making will work

- 6.1 Table 3 provides an updated process map, now that the development of needs assessments and project priorities has been covered in Table 2. This also makes a clearer distinction between the process for new contributions coming in and the process for taking forward priority projects when/where sufficient funding is/becomes available.

**Table 3:** Normal decision-making process for contributions being devolved

**Stage 1: How the new developer contributions come in**



**Stage 2: How the projects to be funded by contributions are developed**



\* 100% of contributions from planning approvals determined by officers under delegated authority also accrue to area-specific budgets for devolved decision-making.

- 6.2 Good progress has been made in putting into place the necessary arrangements for devolved decision-making, but a number of issues are still being addressed and will be resolved. These include:
- a. setting a devolved decision-making threshold for projects (under £15k) below which appraisals would not need to be reported to area committees – this reflects existing project appraisal practice and would help to keep area committee workloads manageable;
  - b. reviewing the decision-making arrangements for city-wide Public Art projects;
  - c. establishing how the development of the Area and City-wide Needs Assessments for the use of developer contributions can best inform the development (including consultation in 2013) of the Council's the Community Infrastructure Levy system for new developer contributions agreed after April 2014.

## 7. Implications

- a. **Financial Implications:** The venue hire costs for the area workshops will be met within existing resources. Whilst the development and delivery of around five large city-wide projects and several projects in each area over the next two years will lead to a significant increase in workload, the costs of additional fixed-term staff needed will be drawn from the relevant S106 contributions used to fund those projects.

Officers are in the process of:

- i. devising a mechanism to provide the option for a contribution in the city-wide budget to be returned to the area from which it came in order to fund an area-specific project that could otherwise be delayed or not afforded;
  - ii. working up proposals for area and city-wide programme budgets in more detail and clarifying how to anticipate any revenue implications from projects to be funded by S106 contributions in the Medium Term Strategy and the budget process.
- b. **Staffing Implications:** Officer time involved in the consultation exercises (and the in-house facilitation of the area workshops) will be met within existing resources. As mentioned under 7[a], the costs of developing and delivering the priority projects will be drawn from the relevant S106 contributions that will fund those projects.
  - c. **Equal Opportunities Implications:** This issue was addressed in the report to this Scrutiny Committee last January (see section 9 below).

- d. **Environmental Implications:** The ‘very low or nil impact’ was identified in the report to this Scrutiny Committee last January.
- e. **Consultation:** This report has highlighted: a 6-week e-consultation in July/August 2012 and four area workshops in September. The Council’s code of best practice on consultation is guiding the choice of venues for the area workshops and the approach to publicising the consultations, reporting the findings and demonstrating how feedback is taken into account. The earlier report to this committee last January had also suggested a third consultation on project priorities following approval of Area Needs Assessment, but on reflection, the existing two exercises will provide sufficient feedback about the issues that local communities consider most important.
- f. **Community Safety:** None in relation to the devolved decision-making process itself, although community safety considerations will be factored into the design of new/ improved facilities arising from projects to be funded by developer contributions.

## 8. Appendices

None

## 9. Inspection of papers

These background papers were used in the preparation of this report:

- Report on [Devolving Decisions to Area Committees](#), Community Services Scrutiny Committee on 12 January 2012 (12/13/CS)
- [Planning Obligations Strategy SPD](#)
- Report on the Review of the Area Working: Participation Pilot Project - to be reported to [Strategy & Resources Scrutiny Committee](#) on 9 July 2012.
- [Council code of best practice on consultation and community engagement](#), June 2011

To inspect the background papers or if you have a query on the report please contact:

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