

# FUNDING



## Introduction

8.1 The Council's role in securing development is now a much more complex process than that addressed by previous Development Plans. Then, many of the issues of land-use planning and community provision could be funded by the local authority itself, and the Plan focused on the prioritising of the Council's capital programme. It is essential now to maximise the potential of limited resources and therefore the Structure Plan aims for funding are:

- to encourage partnership funding and to promote development which can draw down external funding sources
- to seek developer contributions from development.

## PARTNERSHIP FUNDING AND EXTERNAL FINANCE

**Aim: To encourage partnership funding and to promote development which can draw down external funding sources.**

8.2 Continuing Government curtailment of finance to local authorities, and the diversion of funds to quasi-public agencies to provide subsidised housing, support to business, and, most recently, water and waste water treatment, has meant that Councils have to work more in partnerships to achieve their objectives. Increasingly, partnerships with the private sector are promoted, through Joint Ventures and Private Finance Initiatives. This approach is advocated in Proposal S/IMP3 in the Implementation Section.

8.3 It is a principal strategy of this Structure Plan to "secure, and target resources for economic development and employment opportunities." It also sets objectives of "sustainable development" and environmental safeguard. The Council will therefore, operate policies which draw in funds from the widest range of European, national Government, public agency, lottery or private sources. It will seek to balance these aims, and the criterion used to determine the benefits of "drawn down" funds against the impact of development will be "the best interests of the whole community of Moray."

*On location in Burghead:  
Moray is a partner in The Scottish Highlands and Islands  
Film Commission which was successful in drawing down  
investment in excess of £3 million to the area in 2000.*

STRUCTURE PLAN

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DRAWN DOWN FUNDS

**Policy S/F1:  
External Finance**

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**The Council will seek to direct major investment to areas of Moray which benefit most from external sources of finance maximising the potential for partnership investment with public agencies and the private sector.**

**DEVELOPER CONTRIBUTIONS**

**Aim: To seek developer contributions from development**

8.4 Most investment is secured through development. Consequently it is the role of the Structure Plan (and the Local Plan) to set the criteria by which permission for development can secure benefit to the community. The Plan follows Government guidance (including Circular 12/1996) on securing developer contributions towards community infrastructure occasioned by their proposals. Since this funding is precipitated by planning permissions, the detailed operation of these policies is stipulated in the Local Plan.

**Policy S/F2:  
Developer Contributions**

**The Council will seek to secure from developers, contributions which provide a community benefit commensurate with the potential impact of their development on public facilities and amenities.**

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The Scottish Executive provided guidance on the use of Planning Agreements in Circular 12/1996. The guidance sets down the criteria that the Scottish Executive requires to be met when negotiating planning agreements related to development. The criteria that any planning agreement should

- serve a planning purpose,
- demonstrate a relationship to the proposed development,
- be related in scale and kind to the development
- and be reasonable.

The guidance also clarifies a number of issues. Agreements can relate to land, roads and buildings outwith the proposed site providing there is a direct relationship with the proposal. They can include appropriate community facilities and public transport provision. In addition, the guidance clearly states that contributions may reasonably be required to make good existing deficiencies in community facility or infrastructure provision where a development would exacerbate the situation. On greenfield sites, developer contributions will be stipulated as minimum requirements, however in the interests of promoting sustainable development, investment in 'brownfield' sites, and encouraging; developer contributions for proposals on brownfield sites will take account of the potential environmental upgrading created, and the Council may seek a lesser contribution than would be applied to an equivalent 'greenfield' site. As an indicative guide on housing proposals, the Council will apply policy L/F1 to proposals for 10 or more houses.

The Local Plan will operate a strategy of partnership between the community and developer, in relation to the determination of planning applications, through the following policies.

**Where a development proposal is considered to have a measurable and potentially negative impact on the infrastructure, community facilities or amenities related to that development, the Council will seek an agreement with the developer that he redress the elements of impact by funding the provision of, or contributing towards, such mitigating works as are reasonably necessary to enable the development to proceed.**

**If this cannot be achieved by conditions of consent, then agreements must be concluded before a consent is granted.**

In some instances, a deficiency in facilities may already have been identified by the Council and a budget put in place for facilities (such as car parking spaces in town centres - see policy L/T7), contributions may be made in the form of a payment towards future provision in association with the Council's plans. Commuted payments may be used to make re-development of a constrained site more viable and, in planning terms, more acceptable.

**Where the Council has planned proposals to provide facilities related to, and in the neighbourhood of a proposed development, contributions by a developer justified under the terms of Policy L/F1 may be made in the form of a commuted payment to a Bond set up for that purpose.**

**Where feasible, the Council will alert developers to the likelihood and scale of developer contributions related to the development designations contained in the Local Plan Proposals Maps.**

### **Policy L/F1: Developer Contributions**

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### **Policy L/F2: Commuted Payments**

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### **Policy L/F3: Local Plan Designations**

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