Fife Council
Reducing Planning Obligations to attract town centre investment
Town centres are at the heart of their communities and can be hubs for a range of activities. It is important that planning supports the role of town centres to thrive and meet the needs of their residents, businesses and visitors for the 21\textsuperscript{st} century.

The Town Centre Action Plan (November 2014) sets out various actions to bring a focus on town centres.

One of its key themes is Proactive Planning, the Scottish Government fully embraces the Town Centres Review recommendation for a simple, encouraging and pro-active planning policy in support of town centres.
We committed in the Action Plan that:

**We will identify pilots with interested planning authorities who wish to consider collaboration and test approaches which could help simplify planning processes in town centres.**

The Town Centres Planning Pilots Programme is working with 9 planning authorities and Heads of Planning Scotland (HOPS) supporting 14 pilots based around 7 key areas, as shown on the map.

This case study shows how to incentivise development in towns and get prominent sites reused by removing the need to provide developer contributions.
Reducing Planning Obligations to attract town centre investment

Preparing planning policy to support a ‘town centre first’ approach to development investment and regeneration, by incentivising development in town centres through removing the need to provide developer contributions for developments in town centres.

Project Details: The story behind it all...

Town centres are the focus for our communities’ civic activities and a key driver of the economy. They are centres of employment and provide a diverse range of services including leisure, cultural, commercial activities and, most importantly, shopping. Traditionally, retailing has been fundamental to the concentration of other activities located in town centres.
Individual town centres are, however, only one element of a network of centres, which also includes retail parks.

The role of our town centres has been challenged in recent years and we believe it is important to have a fairly fundamental rethink about how planning policy deals with our town centres. Traditional planning policy, concentrating only on the retail role of town centres, is no longer enough to address the issues these places are facing.

Planning policy must now take a more proactive approach to revitalise the traditional high streets and encourage a broader definition of town centres to reinvigorate their role beyond simply being a centre for shopping to one which re-establishes them as our communities’ main service centres.

These issues were raised through the development plan process, in the FIFEplan Local Development Plan Main Issues Report. The responses to the Main Issues Report informed the Proposed Local Development Plan and associated policies, including planning obligations, and led to the Council introducing a Town Centres First policy and removing obligations on developers which would undermine the objective of regenerating Fife’s town centres.
Development plan position

Fife’s Local Plans were adopted in 2012. The policies applying to town centres were fairly traditional and focused on their retail function.

In terms of planning obligations or developer requirements, the Council had prepared financial frameworks to complement the Development Plan policies. These referred to town centre regeneration and sought contributions from developers to contribute to town and village centre improvements to mitigate impact on local services and facilities.

Interest in town centres

Public interest and concerns about our town centres were indicated by the high turnout and participation in two town centre seminars held in June 2012 at Dunfermline and Kirkcaldy.
What was done...

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<td>The concerns raised in the town centre seminars and the priorities of Fife Council’s administration to support town centres, set the direction for a planning policy review with the intention of:</td>
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<td>• protecting town centres to strengthen their role as the heart of communities and restricting development in out of town retail areas which would undermine their role; and</td>
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<td>• promoting development on brownfield land to make best use of land and encourage regeneration.</td>
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<td>Since the three existing financial frameworks (associated with the three adopted Fife Local Plans) were written, the Fife Structure Plan has been replaced by the introduction of the new Strategic Development Plans, TAYplan and SESplan, and revised Scottish Planning Policy have been published.</td>
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<th>Options &amp; New Approach</th>
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<td>This led to a proposition to make a radical shift in development plan policies aimed at re-establishing the roles and functions of Fife’s major town centres. Consideration was given to different approaches to town centre policy, including investigating whether town centre boundaries should be redrawn more tightly to reflect a declining retail offer on the peripheries. Further context on this issue for Kirkcaldy and Dunfermline Town Centres is available in the Settlement/Area Profiles <a href="http://bit.ly/1Gk0ur">http://bit.ly/1Gk0ur</a></td>
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<td>The new approach was trialed and consulted on in the Main Issues Report (January 2013). When the Proposed Local Development Plan (LDP) was published for consultation in October 2014, it included:</td>
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<td>• a new Town Centres First policy (Policy 6);</td>
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<td>• a new policy on Planning Obligations (Policy 4); and</td>
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<td>• a proposal to prepare supplementary guidance on planning obligations which together provide a positive and enabling planning framework to encourage new investment in Fife’s town centres.</td>
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What was done...

The Planning Obligations Supplementary Guidance was written to reflect the new national and strategic policy context. The new guidance sets thresholds for contributions through planning obligations for various defined development types.

But there is now a clear statement – supporting the Proposed Local Development Plan Policy – that strategic obligations will not be sought for, among other things:

- town centre redevelopment;
- construction of individual sites of fewer than 10 houses (except as part of a multi-phase development);
- listed building conversions, brownfield sites, or changes of use;
- special needs housing including sheltered housing inclusive of bespoke design and management features; or
- student or holiday accommodation.

(Caveats will apply should mitigating circumstances or individual site characteristics require these contributions to be reassessed.)

The new policy guidance will, once the Local Development Plan has been adopted, be submitted to Ministers as supplementary guidance. In the meantime, it has been published for implementation as non-statutory planning policy guidance and is a material consideration in determining planning applications.
How it works

Example

A development was proposed at Station Court, in central Kirkcaldy for change of use and alterations (including partial demolition) to a care home to form 16 flatted dwellings with associated private parking court and gardens.

Normally this development would have been required to make contributions to affordable housing and education needs arising from the residential development.

- The Council’s Affordable Housing Policy sets out that in an urban area on sites of between 5-19 units, off-site provision of affordable housing or a commuted sum in lieu of on site provision will be required. In the Kirkcaldy Local Housing Strategy Area the percentage quota is 15% and the commuted sum was set at £6,000 per affordable flat. On the basis of the information provided, the commuted sum in this case would have been £14,400.

- The Education Service requirement for a development contribution based on the Council’s previous Financial Framework based on a levy per bedroom would have required a contribution of £87,500.

In total, therefore, contributions of over £100,000 would have been required prejudicing the development proposal.

In this case, in order to secure an appropriate re-use of a prominent stone building in the centre of Kirkcaldy and have a positive impact on the visual appearance of the building, the surrounding area, adjacent listed building, and Conservation Area, the Council applied the policy approach outlined in this case study. By applying the new policy principles, Fife Council determined not to seek the previous requirements for financial contributions in order to encourage development and investment at a key site in Kirkcaldy and planning permission was granted.
Achievements

★ Clearer and updated policy guidance

★ First planning authority in Scotland to publish a *Town Centre First* Development Plan policy (Based on Fife Council’s review of development planning policy in June 2014 and subsequent canvassing of the Heads of Planning Scotland Development Plan Sub-Group).

★ Creation of a more enabling policy framework to promote investment in town centres, broaden the function of these centres to become hubs of activity beyond retailing.
This approach is aligned to the Council’s corporate priorities and has had full support of the Administration and Corporate Directorates.

**Fife Community Plan & Single Outcome Agreement**

**FIFEplan Proposed Local Development Plan**
[http://goo.gl/cgQKII](http://goo.gl/cgQKII)


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<td><strong>Fife Community Plan &amp; Single Outcome Agreement</strong> includes as a stated aim: the promotion of safe, affordable and sustainable transport links around Fife and investing in our town centres – <a href="http://publications.1fife.org.uk/uploadfiles/publications/c64_CommunityPlan2011-2020rev201307Aug.pdf">http://publications.1fife.org.uk/uploadfiles/publications/c64_CommunityPlan2011-2020rev201307Aug.pdf</a></td>
<td>People involved, leadership: Head of Economy, Planning &amp; Employability Services, Senior Manager (Planning), Service Manager (Development Plan), Development Plan Team, Finance and Corporate Services (legal and finance advice). <strong>Policy preparation and publication:</strong> £1,500. <strong>Timing:</strong> The Planning Obligations guidance was prepared and published as part of the Local Development Plan cycle at the Proposed Plan stage.</td>
<td>➢ Secure corporate and political leadership and support for the approach. ➢ Next time, the Council would assess the business impact of the policy as a baseline for monitoring. For example, gather evidence from surveys and feedback on whether the policy and how it is applied has been decisive in making development happen; and establishing where the policy can be refined to assist in achieving its objectives.</td>
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**FIFEplan Proposed Local Development Plan**
[http://goo.gl/cgQKII](http://goo.gl/cgQKII)


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