

FALKIRK COUNCIL

Subject: DENNY EASTERN ACCESS ROAD (DEAR)
Meeting: EXECUTIVE
Date: 19 AUGUST 2014
Author: DIRECTOR OF DEVELOPMENT SERVICES

1. BACKGROUND

- 1.1 The Executive approved the Denny Eastern Access Road (DEAR) Supplementary Planning Guidance (SPG) at its meeting on 18 June 2013. The suite of SPG documents are intended to supplement the provisions of the Local Plan. The SPG sets out the mechanism for the delivery of DEAR.
- 1.2 The first section of DEAR, between the A883 Broad Street and the new Denny High School was constructed by Falkirk Council in 2006/07 at a cost of £867,000. The remainder of DEAR will be funded through planning obligations placed on planning consents granted to relevant development sites based on the cumulative impact on the local roads network of each of the sites listed in the SPG. The SPG is attached for information as an appendix to this report.
- 1.3 The current levels of funding for DEAR were based on the overall costs of the scheme with the funding contribution to be provided by the developer of the site at Carrongrove Mill being deducted (this funding had been previously agreed through a Section 75 agreement). The relative level of contribution was based on the impact each development site has on Denny Cross or its reliance on DEAR to access their development. The relevant percentages are listed in Table 1 of the SPG.
- 1.4 The Planning Committee decided on 28 May 2014 that it was minded to grant planning permission for the Mydub Farm site in Denny. The developer contribution for DEAR as a result of this development is £3,383,900. This payment will be made up partly by construction of a section of DEAR with the residual balance on the completion of 251st dwelling (including 46 affordable housing units) or the 210th mainstream dwelling (excluding 46 affordable housing units). The relevant length of DEAR to be constructed and consequent residual payment will be agreed with the Council through a Section 75 legal agreement.
- 1.5 The SPG will be updated and revised once the current emerging Local Development Plan (LDP) is adopted. The LDP is likely to include three major new housing allocations in the Denny and Dunipace area.
 - Mydub 2, with an allocation of 270 dwellings
 - Rosebank, Dunipace; an allocation of 110 dwellings
 - Broad Street extension, with an allocation of 100 additional dwellings.
- 1.6 The emerging LDP highlights the need for these development sites to contribute towards DEAR which strengthens the Council's case for any appeal against

developer contributions. The LDP is scheduled for adoption in March of next year.

2. DELIVERY OPTIONS

- 2.1 The cost of the outstanding section of DEAR is currently estimated at around £7m. As previously stated the current delivery mechanism for DEAR is through developer contributions as part of the planning permissions issued for the development sites contained within Table 1 of the SPG. However, there is no delivery timetable attached to the sites contained within Table 1 and, as such, there is no delivery timetable for DEAR.
- 2.2 Paragraph 5.3 of the DEAR SPG highlights the fragility of the current housing market and the uncertainty of when the various housing sites will make their relative contributions. To ensure the delivery of DEAR the Council could front fund project and retrospectively apply Table 1 of the SPG to each development site as they are delivered. However, to achieve this the Council would need to delay and re-prioritise other major capital projects within the capital programme. Further there is no certainty that the developer contributions could be retrospectively applied.
- 2.3 Paragraph 5.4 of the DEAR SPG considers the possibility of the Council using prudential borrowing to deliver DEAR. Any prudential borrowing would be paid in full retrospectively to the sites listed in Table 1 of the approved SPG. prudential borrowing is likely to cost the Council £500,000 per year for a 20 year borrowing period, and it needs to be sustainable and affordable and generally requires a secure income stream to manage the repayments. Given the uncertainty that comes with developer contributions and the additional risk described above, there is no guaranteed covering revenue stream that would allow the borrowing to be by prudential means.

3. POLICY, LEGAL, FINANCIAL AND PERSONNEL IMPLICATIONS

- 3.1 The Council owns some of the sites listed in Table 1 of the SPG. Therefore, there will be financial implications for the Council with the delivery of DEAR. However, the overall cost to the Council will depend on which of the delivery options the Council decides to pursue.

4. RECOMMENDATIONS

- 4.1 It is recommended that the Council await the adoption of the Local Development Plan in order that the Supplementary Planning Guidance for DEAR can be updated to reflect any inclusion of the additional housing sites of Mydub 2, Rosebank, Dunipace and the extension to the site in Broad Street. At that point matters can be reconsidered.

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Director of Development Services

Date: 6 August 2014

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File Ref.: TP05/07

LIST OF BACKGROUND PAPERS

None