

2011 Planning Obligations Implementation Scheme (POIS) First Review
as approved by CMDN dated 30 August 2011

Key changes

- The first review of POIS has resulted in no changes to the tariffs
- The only change is to the table under paragraph 5.4 (shown below for ease of reference) whereby the percentage splits of POIS contributions that service departments receive has been amended so that Education & Learning (Children’s Services) receive a higher percentage due to recent reductions in Education funding
- The S106 Calculator on the Council’s website has been updated to reflect the changes following the first review

The revised Table (2011 POIS First Review) is shown below:-

<i>Infrastructure Type</i>	<i>Strategic ‘Pool’</i>	<i>Neighbourhood ‘Pools’</i>
<i>Transport & Communications</i>	25%	5%
<i>Community & Leisure</i>	5%	5%
<i>Education & Learning</i>	20%	20%
<i>Emergency Services</i>	5%	
<i>Environment</i>	5%	5%
<i>Health & Adult Social Care</i>		5%
<i>Total</i>	60%	40%

NB: Paragraph 5.5 is no longer relevant and hence should be ignored.

The original (February 2010) table under paragraph 5.4 of the POIS is reproduced below for ease of reference:-

<i>Infrastructure Type</i>	<i>Strategic 'Pool'</i>	<i>Neighbourhood 'Pools'</i>
<i>Transport & Communications</i>	25%	5%
<i>Community & Leisure</i>	7%	7%
<i>Education & Learning</i>	10%	10%
<i>Emergency Services</i>	8%	
<i>Environment</i>	15%	5%
<i>Health & Adult Social Care</i>		8%
<i>Total</i>	65%	35%

NB: POIS currently states in paragraph 5.5 of the document that "recognising the critical need to provide school places in step with development, and the lead role that Children's Services are currently playing in developing sustainable school buildings and extensions, in addition to contributions identified for Education & Learning, they will have first call on 10% of all contributions in the Planning Obligation pools identified for Environment.", i.e. Education currently receives 30% of POIS.

Reasons for the decision

Cabinet adopted the Planning Obligations Implementation Scheme (POIS) as a Supplementary Planning Document in February 2010. As part of the framework of the POIS, officers are required to assess it's viability on an annual basis.

Consultants, Drivers Jonas Deloitte (DJD), were appointed to undertake the first annual review of POIS to ascertain whether the current standard charges should be adjusted. The results of the review were that the overall POIS rates should not be changed due to the Council's ability to negotiate the POIS on viability grounds.

However, as part of this review was to reconsider the percentage splits, as well as the contribution figures, to ensure that the splits meet with Local Authority need and corporate objectives, this annual review provides an opportunity to reassess and where appropriate adjust the current percentage splits of the POIS funding that service departments and other partners receive. There is significant pressure on school places

in the City at both primary and secondary level and reduced Education funding, particularly through the recent abolition of the Building Schools for the Future (BSF) programme, is a significant material planning consideration that needs to be taken into account in this review. For example, there is a forecast shortfall of 745 primary school places by 2015 and 2,512 secondary school places by 2020 equating to a currently identified shortfall in funding of c.£43,000,000. There is a clear capital programme for the extension and replacement of schools in the City and it is widely recognised that this is an important contributing factor to increasing educational attainment. This forms part of the skills development agenda and is linked to the need to diversify the economic base of the City. Under a number of other POIS headings, such as Health & Adult Social Care and Emergency Services there is far less capital programme certainty as service providers are assessing how they will respond to Government funding reductions.

It should be recognised that contributions from POIS represent only a fraction of the capital cost of infrastructure across delivery headings and that POIS itself becomes legislatively time expired in 2014. Officers have begun work on the replacement Community Infrastructure Levy (CIL) which will necessitate a full review of development viability and the evidence base of service provider needs.

In recognition of the above, officers recommend that the percentage of POIS allotted to education is increased as set out below.

In order to achieve this, the existing Table under paragraph 5.4 of the POIS document would require amending. The existing Table which shows the percentage splits of POIS funding between service departments is reproduced below:-

<i>Infrastructure Type</i>	<i>Strategic 'Pool'</i>	<i>Neighbourhood 'Pools'</i>
<i>Transport & Communications</i>	25%	5%
<i>Community & Leisure</i>	7%	7%
<i>Education & Learning</i>	10%	10%
<i>Emergency Services</i>	8%	
<i>Environment</i>	15%	5%
<i>Health & Adult Social Care</i>		8%
<i>Total</i>	65%	35%

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In order to increase the Education contribution from 30% to 40% some of the other service areas would face reductions in POIS funding. Recommended changes are shown below:-

- Transport & Communications - No change
- Community & Leisure - -4%
- Emergency Services - -3%
- Environment - No change
- Health & Adult Social Care - 3%

Education & Learning, Transport & Communications and Environment are priorities and recognise the need to deliver school places, a strategic highway network and Environment Capital status. This is why the 10% cut has come from the other service areas.

Worked Example of Financial Implication:-

Based on a current POIS contribution of £6,000 for a 3 bed dwelling Education receive 30%

$$£6,000 \times 30\% = £1,800$$

If the Education percentage is increased by 10% to 40% Education would receive

$$£6,000 \times 40\% = £2,400$$

This is an increase of £600 per 3 bedroom dwelling.

The average annual build completion rate is approximately 700 dwellings per year.

As POIS will be replaced by the Community Infrastructure Levy within the next 2 years, there would be an additional 1,400 dwellings completed over the next 2 years (700 dwellings x 2 years).

In order to see what the additional financial implication is we simply multiply the additional £600 per dwelling (which represents the 10% additional education sum) by 1,400 dwellings:-

$$£600 \times 1,400 = £840,000$$

£840,000 is therefore the additional funding that Education would receive if their share of the POIS contribution is increased by 10%.

The reasons for recommending the revised Table are:-

- To provide additional funding to Children's Services due to recent reductions in Government funding
- To update the POIS following its first annual review.

As soon as the revised table comes into effect it will supersede the original one. A copy will be made available on the Council's website and local developers and agents will be updated accordingly of the changes.

The revised table is shown below:-

<i>Infrastructure Type</i>	<i>Strategic 'Pool'</i>	<i>Neighbourhood 'Pools'</i>
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<i>Community & Leisure</i>	5%	5%
<i>Education & Learning</i>	20%	20%
<i>Emergency Services</i>	5%	
<i>Environment</i>	5%	5%
<i>Health & Adult Social Care</i>		5%
<i>Total</i>	60%	40%

NB: Paragraph 5.5 will no longer be relevant and hence deleted, if the revised table is approved.

The [POIS SPD](#) can be found on the Council's website.