

Securing developer contributions for Arts and Museums using a Standard Charge Approach

Advice Note for Corporate and Directorate Management in Local Authorities

This summary paper provides an introduction to the current planning context and explains how arts and museums can fit into local planning developments, and the basis on which developer contributions could be calculated for new or improved facilities as a result of housing growth or regeneration plans. It is important to discuss these opportunities with both your planning department and culture/heritage managers and to ensure that they understand their roles within the process. You may have a role to play in helping dialogue and joint working between the two departments.

Local planning

Local authorities are now charged with implementing a systematic process of infrastructure planning and delivery to accompany their Local Development Frameworks [LDF]. LDF's are the spatial expression of local community needs and priorities, identified in local community, or sustainable community strategies.

Communities and Local Government [CLG] guidance in PPS 12 *Local Spatial Planning* (2008) states that the LDF core strategy is a means for '*orchestrating the necessary social, physical and green infrastructure required to ensure that sustainable communities are created*' [See Annex G].

In order to secure approval of their LDFs, local authorities will need to have a delivery strategy, designed to deliver the policies in the Plan, and which includes **evidence**, *inter alia*, of social and community needs. Arts and museums fall into this category. This evidence of need forms part of the delivery strategy which includes regularly updated infrastructure schedules.

Service providers, including those responsible for arts and museums, will therefore be challenged to list their requirements in the context of spatial plans for their areas. This is further discussed in Planning Advisory Service advice on *Infrastructure Planning and Delivery* (PAS 2009). The range of relevant actions in the context of growth and regeneration may include:

- Providing new or enhanced (conversion, extension or refurbishment) arts and museum facilities to cater for additional use and demands;
- Improving the size and/or quality of existing arts and museums buildings to cater for additional use and/or to address environmental efficiency;
- Taking opportunities to make joint provisions on school, FE or HE sites; and/or
- Promoting other joint use provisions as public service needs evolve.

Developer contributions – what are they?

These can take two forms: planning obligations related to specific site impacts, and the Community Infrastructure Levy (CIL), where, if adopted by the local authority, the charges relate to the development of the area more generally.

Section 106 planning obligations take the form of legal agreements negotiated between local authorities and those with an interest in a piece of land with the intention to make development acceptable in planning terms. They may be used to help mitigate the specific impact of a development where it would generate additional needs e.g. on community infrastructure including arts facilities and museums. The rules governing their operation are set out in DCLG Circular 5/05.

CIL is a new charge which local authorities will be empowered, but not required, to charge on most types of new development. CIL proposals allow for charging schedules to be drawn up which will cover the infrastructure requirements to deliver the policies in their Local Development Framework (LDF). These are likely to include standard charge

formulae and proposals relating to £ per new dwelling or £ per bedroom for different types of infrastructure. In contrast to the system of planning obligations CIL therefore relates to the development of an area rather than to impacts of individual developments thereby opening up the opportunity for more holistic infrastructure planning and funding.

What is a standard charge?

Formulae and standard charges in the context of planning obligations are quantitative calculations and measurements of the level of contribution likely to be sought by a local planning authority towards infrastructure necessitated by new development. The Government has encouraged the use of formulae and standard charges to help expedite Section 106 negotiations.

Arts and Museums in Sustainable Communities

Arts and museums are already a key part of sustainable communities – offering community interaction, building a sense of place, inspiring learning and supporting skills - but they have not featured as fully as they could have in the existing planning system: developer contributions have often been limited to Section 106 agreements. Arts Council England [ACE] and the Museums Libraries and Archives Council [MLA] wish to ensure that the needs of arts and museums are taken more fully into account in the planning of new development and in regeneration. Through the Living Places Partnership they have been involved in developing advice on the links between culture and spatial planning. The resulting *Culture and Sport Planning Toolkit* has recently been completed and can be accessed at: www.living-places.org.uk.

The Toolkit demonstrates how needs for cultural facilities can be assessed, benchmarks and standards for provision set, and finance secured. The aim is to encourage and develop standard charge approaches to collecting developer contributions through the planning system.

Arts and Museum Provision

Community-based arts and museum provision takes many forms. Four main categories of provision, within which there are broadly similar cost and space requirements, have been identified. These are:

- Type 1: Galleries housing permanent collections and temporary exhibitions;
- Type 2: Multi-use arts venues and theatres;
- Type 3: Production, rehearsal and education space for arts; and
- Type 4: Museums.

Benchmarks for Arts and Museums Provision

The two main parameters defining a benchmark for arts and museum provision are a space standard for arts and museum facilities expressed as metre squared by 1,000 population, and a construction and fit out cost per metre squared for each type of facility. Extensive survey work established the following benchmarks which could be used to develop a standard charge for securing developer contributions:

- **The benchmark for space**
 - ⇒ for arts facilities is 45 square metres per 1,000 population.
 - ⇒ for museums is 28 square metres per 1,000 population.
- **The benchmark for construction and fit out costs**
 - ⇒ for galleries with permanent collections and temporary exhibitions is £3,400 /m²;

- ⇒ for multi-use arts venues and theatres is £3,700 /m²;
- ⇒ for education, production and rehearsal space for arts is £2,280 /m²;
- ⇒ for museums is £3,250 /m².

The benchmarks are estimates based on an average of a range of authorities. The figures cover directly publicly supported facilities and Accredited museums, not every local facility, and do not dictate any form of provision.

The benchmarks can be used if you are planning: mixed use facilities; an arts space within a building with a different primary function, such as a school; or facilities which have an impact across local authority boundaries, such as growth point areas.

Examples:

Use of the whole benchmark for **multi-use arts venues or theatres** would result in a cost estimate of £166,500 (45 x £3,700) per 1,000 population, or £166.50 per person in new housing. For a scheme of 500 dwellings therefore, with a total assumed occupancy of 1,350 people the developer contributions would be calculated as 1,350 persons x £166.50 per person = £224,775.

For **museums**, a calculation using the benchmark figure above gives a cost of £91,000 (28 x £3,250) per 1,000 population or £91 per person in new housing. For a scheme of 500 dwellings therefore, with a total assumed occupancy of 1,350 people the developer contributions would be calculated as 1,350 x £91 per person = £122,850.

Assessing needs and listing infrastructure

ACE and MLA will use the benchmarks defined above as a broad indication of likely needs for arts and museum infrastructure associated with growth. The benchmarks outlined above should be seen as starting points for negotiation with developers. They should be translated into local benchmarks by local authorities, supported by local evidence of need, and the derivation of local costs. This will include an assessment of:

- the location, size, and services offered by arts venues and quantitative and qualitative assessments of their current adequacy; and
- an assessment of needs and opportunities taking account of estimated population increases or changes in the distribution of population in areas.

Further details on these benchmarks and the full guidance 'Arts, Museums and New Development: A standard charge approach' can be found at: www.living-places.org.uk.

March 2009