

South Ayrshire Council

**Report by Depute Chief Executive and Director of Housing,
Operations and Development
to Service and Partnerships Performance Panel
of 20 August 2025**

**Subject: Developer Contributions Update Relative to Planning
Permissions 2024/2025**

1. Purpose

- 1.1 The purpose of this report is to provide an update to Panel on the Developer contributions, obtained through legal agreements, gathered and utilised during the period 2024/2025.

2. Recommendation

- 2.1 **It is recommended that the Panel notes the developer contributions collected from developers relative to their Planning Permissions and utilised to mitigate the impact of their development within the reporting period April 2024 to March 2025;**

3. Background

- 3.1 As Members will be aware, when considering planning applications the Council can enter into a legal agreement with a developer, requiring them to make a financial contribution to mitigate the impact of their development.
- 3.2 The Leadership Panel on 18 January 2022, approved the reporting and governance processes for the monitoring of developer contributions. Panel agreed that the Service would provide a report to Cabinet on a six-monthly basis on developer contributions received and spent. This decision was subsequently amended to require a report to be presented to the Service and Performance Panel.
- 3.3 It is noted that the funds gathered from developer contributions are held in a ledger account specifically identified as developer contributions. These contributions require to be utilised for the delivery of identified Capital projects to mitigate the impact of the ongoing housing developments.

4. Proposals

- 4.1 The information provided in Table 1 details the financial contributions received through legal agreements of each development for this reporting period (2024-25),

Table 1 Developer Contributions Received and Spent 2024-25

Site	Income2024/25	Expenditure 2024/25	Balance in Reserves
Greenan	£501,555.74	£527,544.91	£5,371,483.84
North East Troon	£197,390.95	£174,764.00	£2,174,802.83
Monkton	£359,913.00	£1,822.37	£1,231,702.02
Symington	£0.00	£0.00	£16,098.00
Total	£1,058,859.69	£704,131.28	£8,794,086.69

- 4.2 Developer's contribution projects completed in 2024/25 include: external works at Doonfoot Primary to form additional car parking within the school grounds and final spend on the construction of a two-classroom extension at Doonfoot Primary, Ayr. Progress of these Council projects is reported within Quarterly Monitoring Reports to Cabinet.
- 4.3 A further project is currently out to tender for a four-classroom extension to Struthers Primary School, Troon. The spend in 2024/25 for this project comprised professional fees.
- 4.4 Legal agreements specify the purpose for which developer contributions require to be set. This is to ensure that contributions are utilised to mitigate the impact of development rather than, for example, the Council utilising the money to invest in improvements that are not related to the development.
- 4.5 Legal agreements also set timescales for when contributions require to be spent. Developer contributions unspent within specified time periods require to be returned to the developer. Planning, Education and Professional Design Services are working together to ensure that the balances noted in Table 1 will be utilised to mitigate the impact of the developer as intended in respective legal agreements. As reported previously to this Panel on 20 August 2024, there is a risk that some of the contributions from the Greenan development will not be able to be justifiably utilised, due to the school rolls for Kyle Academy and St. Johns being lower than projected.
- 4.6 The Council has received, from Mactaggart and Mickel, a formal application to amend the legal agreement for the Greenan development. The assessment of this formal application will involve consideration of the contributions that the Council has received gathered against specified legal criteria. If it is concluded that the contributions received do not meet with specified legal criteria, then this could result in some of the developer contributions for the Greenan development being returned to the Developer.
- 4.7 There are currently no other identified further cases of this risk.

5. Legal and Procurement Implications

- 5.1 There are no legal implications arising directly from this report. Developer contributions require to be spent in accordance with the specific terms of their respective legal agreement. The expenditure in Table 1 accords with relevant legal agreements.

5.2 There are no procurement implications arising from this report.

6. Financial Implications

6.1 There are no financial implications arising from this report. The balance of funds carried forward to 2025/26 is **£8,794,086.69**

7. Human Resources Implications

7.1 There are no immediate human resources implications from this report.

8. Risk

8.1 *Risk Implications of Adopting the Recommendations*

8.1.1 There are no risks associated with adopting the recommendations.

8.2 *Risk Implications of Rejecting the Recommendations*

8.2.1 The risks associated with rejecting the recommendations are that the transparency of the Developer Contribution process will be negatively impacted.

9. Integrated Impact Assessment (incorporating Equalities)

9.1 Our Integrated Impact Assessment (IIA) considers the following areas:

- Public Sector Equality Duty, Human Rights and Fairer Scotland Duty;
- United Nations Convention on the Rights of the Child (UNCRC);
- Sustainability, climate change and biodiversity;
- Potential impact on older people;
- Rural communities;
- Health and wellbeing;
- A trauma informed organisation; and
- The Promise.

9.2 The proposal is in relation to day-to-day operations; therefore an Integrated Impact Assessment is not required.

10. Sustainable Development Implications

10.1 ***Considering Strategic Environmental Assessment (SEA)*** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

11. Options Appraisal

11.1 An options appraisal has not been carried out in relation to the subject matter of this report as it is a factual report.

12. Link to Council Plan

12.1 The matters referred to in this report contribute to Priority Two of the Council Plan: South Ayrshire:

- Education and lifelong learning – Everyone benefits from high quality education and lifelong learning and is supported to learn and fulfil their potential;
- Work and economy and housing - Everyone benefits from a local economy that provides opportunities for people and helps our businesses to flourish; and
- Housing – Everyone can find a good quality home that they can afford, that meets their needs and is in an area where they feel safe and connected.

13. Link to Shaping Our Future Council Yes No

13.1 Not applicable.

14. Results of Consultation

14.1 There has been no public consultation on the contents of this report.

14.2 Consultation has taken place with Councillor Chris Cullen, Portfolio Holder for Economic Development, and Councillor Ian Davis, Portfolio Holder for Finance, Human Resources and ICT, and the contents of this report reflect any feedback provided.

Background Papers **Report to Leadership Panel of 18 January 2022 – [Developer Contribution Governance and Reporting Arrangements](#)**

Report to Service and Partnerships Performance Panel of 13 June 2023 - [Developer Contributions Update Relative to Planning Permissions \(2022/23\)](#)

Person to Contact **Craig Iles, Service Lead – Planning and Building Standards
Country Buildings Wellington Square Ayr
Phone 01292 616217
E-mail Craig.iles@south-ayrshire.gov.uk**

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