# **The Highland Council**

# **Supplementary Guidance: Developer Contributions**

Version that is recommended to the Planning, Environment and Development Committee (13 March 2013) to be statutorily adopted and issued

# Developer Contributions: Supplementary Guidance Tabhartasan Leasachairean: Stiùireadh Leasachail

# March 2013 Am Màrt 2013

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# Introduction Ro-ràdh

- 1.1 The Highland Council is committed to the creation of sustainable communities and economic development within the Highland area. However, to ensure that the quality of life enjoyed in the area is not compromised by new development The Highland Council consider that it is essential to ensure that new and existing communities are supported by an appropriate level of services, infrastructure and facilities. In order to facilitate development and preserve the quality of life in Highland it is necessary to apply a consistent and equitable policy for delivering and/or providing developer contributions towards these new or improved services.
- 1.2 This Supplementary Guidance sets out the basis for a consistent and transparent approach to implementing the Council's policy on developer contributions. The information provided will be of particular interest to landowners, developers and other stakeholders engaging with the planning process. It provides details of the instances where improvements or financial contributions are likely to be sought and, where possible, an indication of the scale of those contributions. Please note that the list of contributions is not exhaustive and precise levels of contributions and improvements will need to be agreed through the masterplan, pre-application and planning application stages.
- 1.3 The provision of a financial payment or other "in kind" contribution will never be used as a reason to approve a development proposal that is contrary to planning policy and is unacceptable on planning grounds. However, where a development is otherwise acceptable in policy terms, developer contributions can provide a mechanism for applicants to fund or contribute to the provision, enhancement and/or maintenance of services, infrastructure and facilities to overcome constraints to facilitate development.
- 1.4 A key objective of this guidance is to enable decision making by those involved in the development process. This allows potential financial implications to be factored into development appraisals prior to commercial decisions and actions being undertaken.

# **Purpose**

- 1.5 To deliver greater certainty to developers and the community The Highland Council is taking a comprehensive approach to developer contributions. We work with partners and key agencies to assess likely infrastructure requirements and/or contributions and ensure that these are proportionate to the impact of any development proposed. We recognise that there will always be variables as development proposals emerge. However, we will work closely with developers and other partners to ensure that we have the information necessary to make decisions on planning obligations.
- Through the preparation and implementation of the <u>Highland-wide Local Development Plan</u> and area Local Development Plans The Highland Council will seek to identify the infrastructure likely to be required for each site, and/or within each settlement, to create high quality, sustainable development. The Council aim to provide this information at an early stage in the preparation of these LDPs. The Highland-wide Local Development Plan also sets out the Council's general approach to developer contributions. As such this

Supplementary Guidance should be read alongside the relevant Local Development Plans.

- 1.7 The purpose of this Supplementary Guidance is to provide:
  - clear guidance on the methodology used to identify infrastructure requirements; and
  - the criteria that should be used to calculate mitigation requirements, including developer contributions, to support new development.
- 1.8 This Supplementary Guidance provide the methodology for determining infrastructure requirements for both allocated and windfall development, along with indicative costs where possible. It seeks to provide greater transparency with regard to internal processes for dealing with developer contributions.

#### **Structure of the Guidance**

- 1.9 The Council strongly recommends that applicants read the whole of this Supplementary Guidance. This guidance is in three main sections:
  - The Council's Approach to Infrastructure Delivery Section 2 provides details of the methodology which will be followed in determining a reasonable level of planning obligations including developer contributions both through the Local Development Plan and for individual planning applications.
  - Methodology for Infrastructure Requirements and Developer Contributions – Section 3 explains the process undertaken by The Highland Council to calculate the infrastructure requirements for all sites. This section includes indicative contributions levels where possible.
  - **Developer Contribution Procedures** Section 4 clearly sets out what procedures will be followed by The Highland Council with regard to developer contributions.

# Status of the Guidance

1.10 The guidance reflects the policy advice given in <u>Scottish Planning Policy</u>, <u>Circular 3/2012 – Planning Obligations and Good Neighbour Agreements</u> and will supplement Policy 31 of The Highland Council's <u>Highland-wide Local Development Plan</u> which states:

### Policy 31 Developer Contributions

For development proposals which create a need for new or improved public services, facilities or infrastructure, the Council will seek from the developer a fair and reasonable contribution in cash or kind towards these additional costs or requirements. Such contributions will be proportionate to the scale and nature of the development proposed and may be secured through a Section 75 obligation or other legal agreement as necessary. Other potential adverse impacts of any development proposal will normally be addressed by planning condition but may also require a contribution secured by agreement.

The principles that guide the preparation of the Developer Contributions: Supplementary Guidance are:

 Fair and proportionate developer contributions for all developments on sites allocated in either the Highland wide Local Development Plan or one of the area local development plans or in terms of windfall development;

- Developer contributions will be sought where a need for new or improved services, facilities or infrastructure has been identified that relates directly to the proposed development;
- Flexibility in approach to ensure that development can be brought forward in difficult economic circumstances while ensuring that the development has no net detriment:
- Facilitate informed decision making by those involved in the development process, allowing potential financial implications to be factored into development appraisals prior to commercial decisions and actions being undertaken.
- 1.11 The Council will continue to monitor the effectiveness of this guidance and update and review the guidance at regular intervals. This guidance as a whole will be reviewed every 5 years.
- 1.12 This guidance will be applicable to all applications under consideration at the date of the adoption of this guidance and any future applications validated either on or from the date of adoption. This guidance will not be applied retrospectively to applications which have already received planning consent (unless a new applications is brought forward for the site in whole, or part, in the future) or those which are currently approved subject to the conclusion of a legal agreement.

**Note:** Detailed developer contributions protocols may be brought forward in areas identified for strategic growth in the <u>Highland-wide Local Development Plan</u> or any area which may need co-ordinated action on strategic infrastructure improvements to facilitate delivery of development.

# 2. The Council's Approach to Infrastructure Delivery

- 2.1 New development should not adversely impact upon existing levels of service provision. Developments identified as being potentially responsible for any increased burdens upon services, infrastructure or facilities should provide contributions towards the delivery of enhancing them to a level commensurate with the increased burdens, where necessary.
- 2.2 The Council will seek contributions either through the delivery of infrastructure on site or through financial contributions to the provision of new/improved infrastructure when a proposed development is going to have an impact on the capacity of said infrastructure.
- 2.3 The table below sets out the broad circumstances when we will seek developer contributions either through direct provision or financial contribution for different types of development, however each case will be assessed on its merits and other uses may be required to contribute:

Type of Infrastructure	Type of Development			
Imrastructure	Residential	Business/ Tourism	Retail	Industrial (including renewable energy developments)
Affordable Housing	✓ 4 or more units	x	х	Х
Education	✓ 4 or more units	Х	Х	Х
Infrastructure (including Transport, Flooding and Waste Management)	✓ 4 or more units	All developments*	All developments*	All developments*
Green Infrastructure	✓ 4 or more units	All developments*	All developments*	All developments*
Community Infrastructure	✓ 4 or more units	х	х	Х
Public Art	✓ 4 or more units	All developments*	All developments*	All developments*

<sup>\*</sup> where there is an increase in gross floor area

2.4 In order to give greater understanding to the development industry, the community and other partners, The Council have set out the procedures it follows with regard to developer contributions in the final section of this guidance.

2.5 To aid in the understanding of the application of this guidance, Appendix 3 sets out how the guidance can be used on typical developments which may be brought forward.

# Assessing the current level of infrastructure provision

- 2.6 By following a consistent and transparent process we are able, through partnership working, identify the impact new development will have on existing services, facilities and infrastructure and in turn identify when and at what time any mitigation is likely to be required.
- 2.7 The Development Plan cannot anticipate every situation where the need for a planning obligation will arise. Where the potential need for an obligation emerges during the development management process The Council will assess the case using the process in this guidance albeit to a shorter timescale.
- 2.8 In order to assess the impact of future developments on the current infrastructure network through the Local Development Plan we need to make a number of assumptions such as:
  - Density of development based upon projected levels of growth, historic densities and context of the development site;
  - Rate of development based upon the projected build out rate, historic build out rate and current market conditions;
  - Mix of development where a site is identified for a mix of uses this is based upon the average mix of development and the current market conditions.
- 2.9 These assumptions will vary in each area Local Development Plan area and they will be published alongside the relevant stage of each plan.
- 2.10 The process for determining the reasonable level of infrastructure provision for development is as follows:

# Stage 1 – Assessing the current capacity

•The Council start by gaining an understanding of the existing and future capacity of existing services and infrastructure to accommodate additional development. At this point The Council also will take into consideration any improvements which are planned and funded to address anv existing capacity issues.

# Stage 2 – Examining the impact

•Here The Council examine the results of Stage 1 and then, drawing upon specialist knowledge, are able to identify infrastructure requirements for new developments.

# Stage 3 – Mitigating the impact

•The Council then assess the results of Stage 2 and consider what developer requirements are necessary to address infrastructure deficiencies service which are a direct result the proposed development. Depending on the context, the Stage 3 assessment may examine mitigation requirements for a single site or, where necessary, cumulatively with other development sites falling within а defined catchment area of the infrastructure or service which, due to the level of development being brought forward, requires improvement.

- 2.11 The results of this work will be included in the proposed area Local Development Plan for each area, with headline information such as capacity issues with new schools set out in the Main Issues Report.
- 2.12 The Council intend to undertake this work at a settlement level although there may be instances where we need to consider the cumulative impact of development across a wider area, for example the A96 growth corridor between Inverness and Nairn. This work will be led by the Council's Development Plans Team and has been developed using a partnership working approach with a variety of stakeholders who deliver and maintain infrastructure across the public and private sector. This will also involve a partnership approach with the development industry to share information up front.
- 2.13 When determining planning applications the Council will follow the same 3 stage approach, albeit to a shorter timescale, to determine the level of infrastructure, service or facility provision, if any, required for each new development. The further through the process the development is and the greater level of detail provided to the Council with regard to impact, a greater level of certainty will be able to be provided on likely developer contributions.
- 2.14 The Highland Council run Pre-Application Advice Services for both major and local scale of development. The level of likely mitigation of the impacts of the development may be discussed with the Planning Authority at this time. For more information on the Pre-Application Advice Services please visit:

http://www.highland.gov.uk/planning

# **Key Guiding Principles**

- 2.15 The following general principles will apply to all development in the Highland Council area (except that covered by the Cairngorms National Park Authority who are a separate Planning Authority):
  - The Highland Council will always base decisions on infrastructure requirements on the best available information.
  - The Council will work in partnership with every developer to ensure the speed, efficiency and transparency of preparing and agreeing planning obligations.
  - Requirements will vary from site to site. The developer will be expected to provide and meet, in full, the cost of all works outwith the site boundary identified as requirements through the planning process.
  - All developments will make an appropriate contribution towards the necessary infrastructure and/or services related to that development to ensure that the required facilities/infrastructure provision is in place in time to mitigate the impacts of development.
  - Developers should take account of the requirements to provide such contributions and should be reflected within any masterplan and/or planning application for development unless there is evidence that proves it is not required. The Highland Council encourage preapplication discussions with the appropriate Council officers at the earliest possible stage.
  - The principles set out in this guidance do not negate the requirement for supporting studies, assessments or masterplans/development brief/development framework where they are required.
  - The Highland Council encourages the use of masterplanning and collaborative working between all parties involved in delivering development (including landowners and developers) to enable the delivery of the appropriate level of infrastructure to support developments.
  - Developers should use this guidance in conjunction with the policies and principles set out in the <u>Highland-wide Local Development Plan</u>, the area Local Development Plans and all relevant <u>Supplementary</u> <u>Guidance</u>.
  - Requirements for developer contributions do not exclusively result from large scale developments and the cumulative impacts of small and medium scale developments may also require mitigation through developer contributions and/or new and/or improved infrastructure.
  - Where land is allocated for development and is subject to proposals other than the use identified in the Development Plan then the developer contributions associated with the use for which it was allocated may also apply. The contribution will be calculated in relation to the notional use being developed at a density level comparable with other developments of its type in the area. Where partial development of an allocated site is proposed, on site provision of the necessary infrastructure may be the preferred form of delivery, subject to the continued suitability of the site for its allocated use. If this is deemed unacceptable then a sequential approach will be used to the form of

- delivery. Where the full extent of the allocated site is utilised by the proposal the contribution will either be off-site or a commuted sum.
- The guidance will not be applied retrospectively to a site which had full or planning permission in principle or was the subject an approved masterplan or development brief prior to the policy coming into effect (Highland-wide Local Development Plan Policy 31 Developer Contributions). If a revised application is submitted which seeks to alter the number of units specified in planning permission in principle which pre-dated the policy, in general terms if the application is for an equal or smaller number of units/density of development then the policy will not be applied. If, however, the application is for a greater number of units/density of development then it will be treated as a new proposal and the policy applied. Revised planning applications and those for renewal of planning permissions will be subject to the provisions of the policy.
- To prevent the subdivision of larger sites, where an application is made for less than the relevant threshold, developers may be expected to provide a contribution in proportion to the size of development which the site would be expected to accommodate at density levels consistent with the existing settlement pattern. A Section 75 obligation (or other mechanism) will be required to ensure that any further development on the site will include an appropriate contribution.
- Where a number of landowners with an interest in the development of required infrastructure, assurance will be sought that the infrastructure will be jointly funded and access will be available to all developers. This will be secured by a Deed of Conditions.
- If part of a proposal includes the conversion or subdivision of an existing building and the number of new units/floor space created as a result is a more intensive use than the previous use then this policy will be applied. Only the additional units/floor space created will be the subject to the developer contributions requirement.
- Planning obligations stipulate not only the service, infrastructure or facility to be provided or enhanced, but also the timeframe within which they should be provided. If the timeframe is not met, the contribution (or any unspent part thereof) will be returned. In obligations where contributions are phased, time limit for spend deadlines will not commence until the full payment of each contribution has been made.
- Contribution requests are derived from an analysis of costs identified for the satisfaction of policy compliance and are assessed by the service provider.
- To facilitate the delivery of development The Highland Council are, in principle, open to phased payments of contributions and other more flexible methods of infrastructure delivery. This should be discussed with the Council at the earliest possible opportunity.

### The Highland Council's Capital Programme

2.16 The Council acknowledges that in many circumstances a combination of public and private investment is required in order to provide the necessary infrastructure, facilities and service to support the scale of development proposed. With that said where a project has been identified in The Highland Council's Capital Programme and where the project is not yet fully funded, the

development is to take place in the area in which the project will have an impact and there is a demonstrable link to the proposed development, the development will be expected to contribute.

# **Administration and Legal Costs**

- 2.17 Any financial contributions sought will include up to 5% towards the associated cost of the negotiations to the Council and the efficient administration and management of the contribution.
- 2.18 It will be the responsibility of the developer to pay all the legal costs of the Council as well as their own legal costs which are resultant of entering any legal agreement associated with a planning obligation.

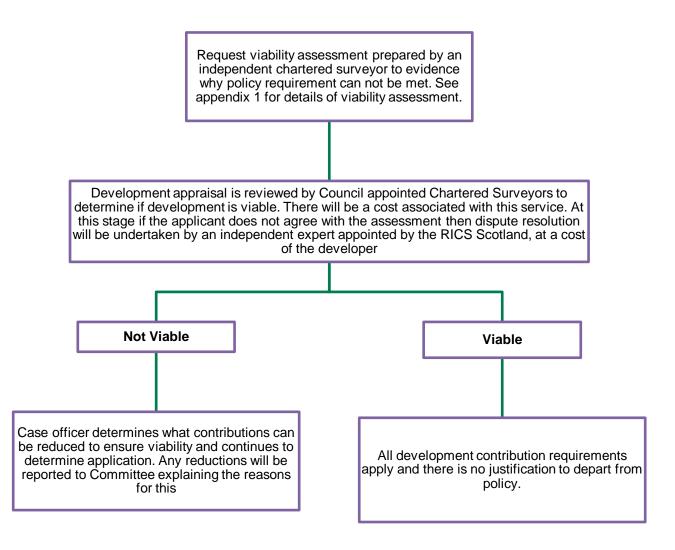
#### **Exemptions**

- 2.19 Any exemption from developer contributions, either in whole or in part is at the discretion of the Council. The Council has identified the following circumstances when it would consider exemptions from contributions.
  - Exemptions relating to redevelopment involving lower level of development - Contributions to service/infrastructure/facilities will not normally be sought from redevelopment schemes which result in a net decrease in development.
  - Exemptions for developments not likely to result in resident children Contributions towards educational capacity will not be expected from housing
    or other developments not capable of use as family housing, such as
    sheltered housing or student housing.
  - Concession for derelict and contaminated brownfield sites The removal
    of dereliction and contamination is seen as a significant planning benefit.
    Exceptionally, where it can be demonstrated that the cost of such removal
    would render the development economically unviable, the Council will
    consider relaxing contributions for facilities. The Council will require
    independent verification of the site development costs, prior to agreeing any
    such relaxation.

#### **Development Viability**

- 2.20 The Council accepts that there may be circumstances when the application of contributions is not necessary, reasonable and/or may adversely affect the viability of the proposed development.
- 2.21 Depending on the prevailing economic climate, housing markets and availability of development finance commercial project viability can be significantly affected and as such the effective co-ordination of development costs with revenues can be critical to project viability. The contribution settlement point(s) within anticipated development programmes will be negotiated, agreed and factored into S.75 legal agreements in a manner which will assist with facilitating the build out of proposed projects where it can be clearly demonstrated that the developer contributions would render the development commercially unviable
- 2.22 If an applicant can demonstrate to The Highland Council on a confidential "open book" basis that a strict application of policy would render an otherwise commercially viable development commercially unviable, then contribution requests may, where appropriate, be negotiated and varied. Any variation would be at the discretion of The Council. Where there is a dispute between the Council and the applicant the Council may require the appraisal to be tested by an independent third party, appointed by the Council (and subject to

- client confidentiality), at the applicant's expense, in order to corroborate any commercial non-viability.
- 2.23 To assist in the assessment of development viability, applications must be supported by a viability assessment and it is important that these are supported by adequate comparable evidence. For this reason it is important that these are prepared by a suitably qualified practitioner. This ensures that appropriate assumptions are adopted and judgement formulated in respect of inputs such as yields, rents, sales periods, costs, profit levels, and finance rates to be assumed in the appraisal. This should be carried out by an independent practitioner and a suitable qualified surveyor.
- 2.24 In the event a planning application needs to be reported to the relevant area Planning Applications Committee (or if it is considered a significant departure from policy then Full Council), any Viability Assessment would be available to committee members as a private report. The Committee will determine the application on the basis of its specific merits and benefits of facilitating its delivery, weighed against the costs to The Highland Council of reducing development contribution liability.
- 2.25 The process the Council will follow for assessing viability of developments is set out below:



# Methodology for Infrastructure Requirements and Developer Contributions

- 3.1 This section explains the process undertaken by The Highland Council to calculate the infrastructure requirements for all sites allocated in the area Local Development Plans. It also sets out details on the criteria that will be used to assess the level of infrastructure requirements and developer contributions for all development proposals.
- 3.2 These criteria will need to be used when considering the infrastructure and developer contributions required in connection with any development proposal. The precise level of infrastructure provision and developer contributions required for any development will need to be agreed with the Council, in consultation with other statutory agencies. Any costs for infrastructure will be reviewed annually and adjusted accordingly to an agreed indexation.
- 3.3 The methodology seeks to ensure that appropriate contributions are secured from developers to support new communities and to make a fair and proportionate contribution to the cumulative impact of development across the City, towns and villages in Highland. The Council has been careful to avoid deterring development by not making unreasonable demands and emphasise that any infrastructure or developer contributions are proportionate to the development proposed.

#### **Affordable Housing**

All developments of 4 or more dwellings will be required to contribute 25% equivalent of affordable housing in areas of need

- 3.4 Scottish Planning Policy (SPP) and Planning Advice Note 2/2010 Affordable Housing and Housing Land Audits offer the most recent national guidance on the role of planning authorities in the provision of affordable housing.
- 3.5 SPP indicates that the provision and retention of affordable housing is a legitimate planning concern where justified by a Housing Need and Demand Assessment. Clear guidance must be given on what constitutes affordable housing and the appropriate mechanism for securing it. Where it is considered that housing built to meet identified need should remain as such in perpetuity, the measures to achieve this should be set out in Supplementary Guidance. SPP encourages the development of "places with a distinct character and identity, promoting a well integrated mix of land uses including well designed homes of different types and tenures. Suitable delivery mechanisms include the selective use of planning conditions, Section 75 and other Legal Agreements and through partnership working with private developers, for example, by promoting land in public ownership or schemes that benefit from grant support.
- 3.6 The Council's policy approach to affordable housing provision is set out in the <u>Highland-wide Local Development Plan</u> Policy 32 Affordable Housing.

#### **Needs Evaluation**

3.7 Studies of housing need and affordable housing requirements have been carried out across the Council area as part of the Highland Housing Strategy 2010 – 2010 process through the preparation of the Housing Need and Demand Assessment. The Highland Housing Strategy has identified the

- overall affordable housing needs in Highland, and demonstrate how the Council intends to deal with it.
- 3.8 Assessment of housing need can also be added to by local housing needs surveys in communities to give a more locally defined analysis of housing need.
- 3.9 <u>Highland-wide Local Development Plan</u> 2012: Table 1 Housing Land Requirement sets out the projected housing land requirement figures for the period 2011-31, this informs the <u>Highland-wide Local Development Plan</u> and forthcoming Local Development Plans as to the levels of housing land allocation required to meet these needs across Highland.

#### **Definition of Affordable Housing**

- 3.10 Affordable housing can be broadly defined as housing of a reasonable quality that is affordable to people on modest incomes. In some places the market can provide some or all of the affordable housing that is needed, but in other places it is necessary to make housing available at a cost below market value to meet an identified need with the support of subsidy.
- 3.11 The Council accepts the following categories of development as affordable:
  - Social rented accommodation owned and/or managed by a Registered Social Landlord (RSL) required to meet bona fide local needs by their charter from the Housing and Regeneration Division of the Scottish Government.
  - **Approved private rented accommodation** owned and /or managed by a private sector landlord to approved management and maintenance standards with equivalent to Registered Social Landlord rents.
  - Low cost owner occupation which can be met in a variety of ways subject to negotiation of Agreements providing for occupants to be drawn from target client groups, such as existing social tenancies or approved waiting list applicants. Low cost home ownership is housing which is provided at a price substantially below open market values. Low cost owner occupation can be delivered by one or more of the following:
    - shared ownership, accommodation where occupiers may purchase part of the property (usually 25%, 50% or 75%) and rent the reminder from a Registered Social Landlord or alternative approved landlord. Occupiers have the right to buy further 25% tranches of the equity up to and including 100%.
    - shared equity (LIFT) model where occupiers may purchase part of a freehold (up to 80%) and a Registered Social Landlord retains the remaining share. The owner generally pays between 60 and 80% of the price of a property with the remainder held by a Registered Social Landlord using grant funding from the Housing and Regeneration Division of the Scottish Government. The Registered Social Landlord as well as the owner will benefit from any equity gain when the property is sold.
    - subsidised home ownership, possibly involving public sector subsidy to developers (such as the Housing and Regeneration Division of the Scottish Government GRO grant or similar), with clawback mechanisms applying to the owner-occupier for a proportion of any increased value accruing in the event of early disposal; or
    - discounted serviced plots or house sale prices that are offered to qualified persons directly by the landowner or developer concerned.

• unsubsidised Low Cost Home Ownership or serviced plots – other owner occupied housing may be accepted where the Council and a developer agree this type of housing meets an identified substantial housing need, e.g. discounted sales by a developer with restricted initial and subsequent sales of the homes by Section 75 obligations or Deed Restricted Housing. Also discounted serviced plots that are offered to qualified persons directly by the landowner or developer concerned may prove appropriate. Each case will be required to be considered on its merits with regard to the particular need of the community.

# **Affordable Housing Policy**

- 3.12 In line with national guidance as contained in Scottish Planning Policy and Planning Advice Note 2/2010 Affordable Housing and Housing Land Audits, The Council expect the level of affordable housing to be generally no less than 25% of the total number of units proposed. When calculating the level of contribution required the contribution will be rounded up to the nearest whole number of units. For example a development of 23 houses will be required to deliver 6 units.
- 3.13 The Council may allocate land within Local Development Plans specifically for affordable housing. Generally these sites will be within the ownership of a social housing agency or where agreement has been reached with a private landowner. The use of compulsory purchase orders, however, may be required to support the delivery of social rented housing. The Council will seek to work with major landowners to identify opportunities to convert surplus properties or develop new housing.
- 3.14 Open market housing schemes for the elderly generally meet the requirements of the more active elderly population and as such can be seen to be addressing general housing needs, not affordable housing needs. The Council will continue to seek the provision of a wide range of accommodation for elderly people and recognise that it will not be appropriate to require an affordable housing contribution from some types of specialist accommodation, for example, nursing homes or other residential institution. The Council will consider each proposal on its merits and will seek a formal view on applications of this nature from its Social Work Service. Registration with the Scottish Care Commission will form a key aspect of consideration of any application However, where proposals are adjudged to provide for open market housing, these will be subject to the affordable housing policy.
- 3.15 The Council's preferred method of delivery will be through the use of a Section 75 obligation unless the developer has legally agreed to enter into a contract with a housing association prior to the determination of the planning application.

#### **Mechanisms for Securing Affordable Housing**

- 3.16 Developers are encouraged to contact the Council at an early stage to discuss the affordable housing requirement for their site and agree an approach to delivery. The map on page 16 shows where the Council will and will not seek contributions towards the delivery of affordable housing by settlement zone. The following sets out the mechanisms for delivery.
- 3.17 A sequential approach will be applied to the delivery of affordable housing, in the following order, subject to the availability of public subsidy:
  - a) the provision of affordable housing <u>on-site</u>; or
     b) transfer of an area of serviced land <u>on-site</u>.

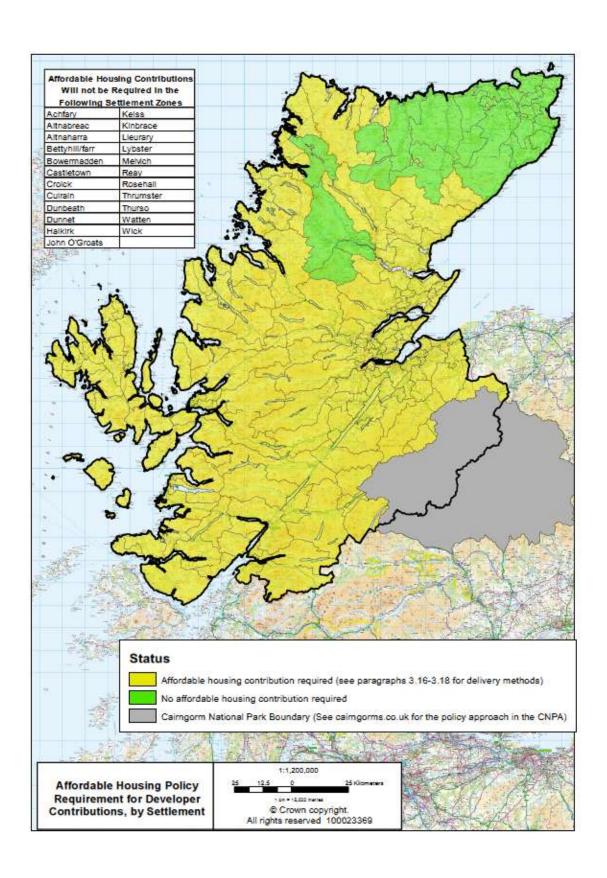
- 2. a) the provision of affordable housing <u>off-site</u>; or b) the transfer of an area of serviced land <u>off-site</u>.
- 3. Commuted Payment
- 3.18 The practical difficulties of managing the delivery of single affordable units have been highlighted by both the private and public sector. The options for the delivery of affordable housing contributions for such smaller schemes is set out below, subject to the availability of public subsidy:-
  - 1. Transfer of an area of serviced land on-site
  - 2. Transfer of an area of serviced land off-site
  - 3. Commuted Payment

#### On site provision

Where affordable housing is being provided on-site the units will either be built by or transferred to an Registered Social Landlord (RSL) or the Council with the exception of discounted for sale, unsubsidised houses, student accommodation and approved private rented accommodation. In such circumstances care should be taken to integrate the different parts of the development. The affordable houses should be similar in design and materials to the development of which it forms part – the objective will be that it is not possible to tell the different tenures apart from the external appearance of the houses. The whole development should be completed within a similar timescale, unless otherwise agreed and the land transferred for affordable housing should not be subject to any particular development constraints.

Where a RSL (to be nominated by the Council) or the Council is involved, developers should enter into partnership / discussion with them at an early stage to ensure that the development will provide the type and size of affordable housing required to meet the needs in the area and how the Housing and Regeneration Division of the Scottish Government funding requirements can be met.

The developer will be required to build an agreed number, type and mix of affordable housing units on site (to *Housing for Varying Needs* standards issued by the Housing and Regeneration Division of the Scottish Government for subsidised sale or rent through an approved RSL. The housing must be sold at a price equal to benchmark costs as defined by the Council (see Table 1) and in force at that time. Where the affordable element is to be delivered by the developer deadlines must be set for the delivery of the affordable housing relative to the timescale of delivery of the private housing.



	2	3	4	5	6	7
Area	person 90%	person 100%	person 105%	person 110%	person 115%	person 120%
East Mainland	103500	115000	120750	126500	132250	138000
West Mainland and Skye	108000	120000	126000	132000	138000	144000

Table 4 – Benchmark Affordable Housing Costs (£)

#### Notes on Table 4

- costs shown are the overall costs payable to a developer (including all land, constructions and fees)
- costs exclude any fees payable to the affordable housing provider .
- costs are based on the average cost to deliver affordable housing over the previous 2 years as assessed by the Highland Council officers
- 1b) Alternatively the land for the affordable housing element can be transferred to the Council or a RSL for them to develop. Developers will agree to transfer an area of serviced land to a RSL or the Council for a valuation based on affordable housing only (as agreed by the District Valuer or an agreed chartered valuation surveyor).

#### Off-site provision

2a) In cases where on-site provision is unacceptable, the Council may be willing then to accept the provision of affordable housing off-site or the transfer of an area of serviced land off-site. The judgement as to whether off-site provision is acceptable will be based on a number of factors including the desire to achieve balanced communities, the individual site circumstances in terms of the location and accessibility and any difficulties associated with its development.

If the Council is prepared to accept the provision of the affordable housing contribution off-site the developer will be required to build an agreed number, type and mix of affordable housing units on another site in the community that is under their control (to *Housing for Varying Needs* standards issued by the Housing and Regeneration Division of the Scottish Government) for subsidised sale or rent through an approved RSL or the Council. The housing must be sold at a price equal to the Highland Council benchmark costs in force at that time. Where the affordable element is to be delivered by the developer, deadlines must be set for the delivery of the affordable housing relative to the timescale of the private housing. For the avoidance of doubt any provision of affordable housing off-site will be in addition to the affordable housing requirement relating to the alternative site, or:

2b) Alternatively the land for the affordable housing element can be transferred to the Council or a RSL for them to develop. Developers will agree to transfer an area of serviced land for a valuation based on affordable housing only (as agreed by the District Valuer or an agreed chartered valuation surveyor)..

#### **Commuted payments**

3) Commuted Payments may be acceptable only if there are no acceptable sites brought forward after following the sequential tests above or there are restrictions to the availability of public subsidy. These payments will be used to enable off-site provision to make an equal and equivalent financial contribution to an affordable housing accumulator fund managed by The Council to promote the direct provision of affordable accommodation with an approved Registered Social Landlord on other sites in the local housing market area. Income from this source will be identified in the local authority's Strategic Housing Investment Plan (SHIP). The commuted payment should be equivalent to the difference between the value of the affordable housing unit and the value of the equivalent private unit to ensure that the financial impact to the developer is the same as if the developer developed the affordable units on site. Where commuted payments are agreed, they should normally be payable as early as possible in the development to ensure that there is no time lag between completion of the private housing and the supply of the affordable housing.

If the Council is unable to attract public funding for the provision of affordable housing within a five year period (from completion of the first private house) in the form of on-site or off-site provision, then the provision in relation to commuted payments will be invoked and the developer will be entitled to develop the remainder of the site for non-affordable housing.

Detailed proposals for each development area/housing site will be the subject of advice from the District Valuer or an agreed chartered valuation surveyor to ensure that the pro rata financial burden is comparable and costneutral for all forms of provision. Landowners and developers will not be permitted to evade the terms of this policy by artificial sub-division of landholdings since the terms of the Section 75 obligation will be made binding on successive proprietors. Agreements will require the transfer of land, erection of dwellings or financial payments for affordable housing purposes to be completed to a similar time scale to the non-affordable housing unless otherwise agreed with the Planning Authority.

#### Type, Design and Layout of Affordable Housing

- 3.19 The tenure split of affordable housing required will be informed by Housing Need and Demand Assessment and the Highland Housing Strategy. Outwith these assessments the type of affordable housing required will be determined on a site-by-site basis and developers are encouraged to enter into early discussions with the Council's Housing and Property Service who will advise on the type of affordable housing required.
- 3.20 The affordable housing component should be well-integrated with the overall development and have good linkages to surrounding services including public transport and usable public open space. The range of house types included within the affordable element should reflect the composition of households in need identified through the Highland Housing Strategy, common housing register and current local housing needs surveys. A reasonable proportion of the affordable element is likely to be composed of family housing.
- 3.21 There should be overall visual integration of affordable and market housing. There should not be a significant outward difference in the style of units or layouts between affordable and market housing. Affordable housing should

- wherever possible be indistinguishable from the general mix of other houses on the site in terms of architectural quality and detail.
- 3.22 Affordable housing for rent should be concentrated in small groups. On larger developments the affordable housing should be dispersed throughout the development or in any event in clusters of no more than 15 rented dwellings.

#### **Retention of Affordable Housing**

- 3.23 The retention of affordable housing stock within this sector is a factor that also requires consideration when securing affordable housing as a contribution from development proposals. Housing Associations and the Council will continue to provide the main mechanism for the delivery of affordable housing developments and the charitable status of many of these organisations is important in securing the long term availability of affordable housing.
- 3.24 Pressured Area Status Since 13 October 2010, all of Highland's communities are covered by the Pressured Area Status designation except for some communities in Caithness. In Caithness, only Thurso and its small neighbouring communities of Forss; Geise; Glengolly; Janetstown; Scrabster; and Weydale are covered by the Pressured Area Status designation. This means that tenants who started their current tenancies on or after 30 September 2002 in the designated "Pressured Areas" have their Right to Buy (RTB) suspended until October 2020.
- 3.25 The Scottish Government's shared equity schemes enable people to buy a home in partnership with a registered social landlord. An owner generally pays between 60 and 80 per cent of the price of a home with the remainder held by a registered social landlord using a Government grant. Shared Equity scheme and the Open Market Shared Equity scheme aim to help people on low incomes who wish to own their home but who cannot afford to pay the full price for a house. They are part of the range of assistance from the Scottish Government under its Low-cost Initiative for First-Time Buyers, LIFT.
- 3.26 The <u>Highland Housing Strategy</u> recognises that affordable housing for sale can be provided without grant subsidy and would generally consider that to, be regarded as affordable, the sale price of such houses should be 80% of their market value and fall within the bottom 25% of market prices. They should be sold to households regarded as being in housing need who are 1st time buyers.
- 3.27 Low cost home ownership opportunities are also being retained through the application of a rural housing burden to the resale of these properties. The Rural Housing Burden (RHB) retains a pre-emption right to secure the affordability of land bought and the houses then built on it, so that successive local purchasers on modest incomes, who could not otherwise afford to compete on the open housing market, will be able to access a form of low cost home ownership in which the "subsidy" remained locked in forever. Local Housing Associations and Trusts are registered rural housing bodies which means they are allowed to attach Rural Housing Burdens to the title of land sold, the Burden is applicable throughout all of the Highland Council area.

#### Education

All residential developments (including affordable housing) of 4 or more dwellings will be required to contribute to an increase in school provision where the development is likely to lead to the capacity of the school being breached as a result of the proposed development

- 3.28 Working in partnership with The Highland Council's Education, Culture and Sport Service an assessment of the impact of proposed development on the provision of education services and the need for new and extended schools. This work has involved reviewing the <a href="School Roll Forecasts">School Roll Forecasts</a>, published yearly, which includes the most up to date information on current school capacities and the likely spare capacity in the future.
- 3.29 This guidance is intended to cover relatively straightforward situations where additional temporary teaching classrooms are all that is required. In more complex cases the scale of contribution will be calculated on a case by case basis, i.e. when a major development will require delivery of a new school.
- 3.30 There may be school specific factors, such as space, quality of ancillary accommodation, etc. which mean that increasing capacity is not a practical proposition. In such circumstances suspensive conditions or phasing of the development will be necessary. In extremis, the Council may refuse planning permission.
- 3.31 Normally, impacts will be cumulative, and no one development will cause the difficulty. In these circumstances a financial contribution based on the provision of additional classrooms will be applied on a per housing unit basis.
- 3.32 The Highland Council has developed a standard modular design for permanent classroom extensions which provide a cost effective alternative to temporary demountable units. They comprise one or two classrooms, toilets, a cloakroom area and storage cupboards, and the costs for these modules are used to derive the unit costs given below. This approach gives construction costs which are typically 75% (or less) of the industry standard average costs given by the Building Cost Information Service (BCIS).
- 3.33 The impact of development will be judged based on the available capacity at the schools affected, the school roll projections, and the ratio of pupils per housing unit from new housing developments that are applicable at the time of the planning application. This process is described in more detail later.
- 3.34 In 2008 the Council looked at the pupil list and identified pupils living in 60 recently built developments across Highland (although larger developments tend to be clustered in and around Inverness). This gave the pupil product ratios set out below.

Area / Type	Primary Pupils per New House	Secondary Pupils per New House
Major Family Friendly Edge of Town Developments and New Townships	0.25	0.13
General Developments in all Areas Apart From Sutherland	0.20	0.10
Sutherland	0.12	0.08

Table 5: Pupil-per-household ratios

Pupils from new housing are allocated to year groups using standard factors as follows:

Primary Year Group	Factor	Secondary Year Group	Factor
P1	0.17	S1	0.25
P2	0.16	S2	0.25
P3	0.16	S3	0.25
P4	0.14	S4	0.25
P5	0.13		
P6	0.12		
P7	0.12		

Table 6: Pupil allocation factors

- 3.35 In the autumn of each year The Highland Council produces a school roll projection for the next 10 years for every primary and secondary school. (Available on-line at
  - <u>www.highland.gov.uk/yourcouncil/highlandfactsandfigures</u>). This takes into account:
  - Actual school enrolment figures from the September roll census;
  - Future Primary 1 intakes based on birth data and projected birth rates;
  - New housing made up of developers estimates of likely build rates on sites allocated in the Local Plan (collected as part of our annual Housing Land Audit), and an assessment of likely windfall development based on historic rates, the prevailing economic climate and any policy changes; and
  - The current school capacity.
- 3.36 As set out earlier in this guidance new housing sites and mixed use sites which contain an element of housing allocated in The Highland Council's Development Plan will either already have been taken into account in the projections or the allocation is conditional on addressing school capacity constraints. Any planning application for new development over and above existing commitments will therefore be tested by re-running the school roll projections for the relevant school. If these reveal capacity issues which can be technically overcome a financial contribution is likely to be sought.
- 3.37 The techniques used by The Highland Council to estimate future school rolls follow recognised best practice but it should be noted that they are based on a number of trend based and averaging statistical techniques. Whilst the assumptions have proved generally reliable, the nature of the exercise means that they cannot be regarded as a prediction.
- 3.38 Where developer contributions are sought, or refusal is recommended, the background information and assumptions used will be made available.
- 3.39 Developers should also be aware that there may be other issues affecting particular sites that will require development contributions for nursery provision and community infrastructure in addition to education provision. Further (or separate) contributions towards ancillary community facilities or ancillary accommodation may be required in more complex cases.
- 3.40 Table 7 gives the contribution required if the roll which is forecast, when all of the planned development in the catchment takes place exceeds the school capacity by less than 25 pupils.
- 3.41 Table 8 gives the contribution required if the roll which is forecast, when all of the planned development in the catchment takes place exceeds the school capacity by 25 pupils or more.

Based on a Temporary One Classroom Extension

1 Classroom	Primary	Secondary
Houses	£2013	£1039
Flats	£260	£65

Table 7: Contribution per Unit of Open Market Housing

Based on a Temporary Two Classroom Extension

2 Classrooms	Primary	Secondary
Houses	£1598	£825
Flats	£206	£52

Table 8: Contribution per Unit of Open Market Housing

- 3.42 The costs given in Tables 7 and 8 are for quarter 2 of 2012 and will be linked to the rises in BCIS. The exact payment arrangements will be discussed with the developer involved, taking into account the capital planning required by the Council, and the likely build out rates of individual developments.
- 3.43 Where the school roll forecast trend is for it to grow beyond its current capacity or is already above capacity and the additional pupils from the development will add to this over capacity new build accommodation should be provided. This will be dealt with on a case by case basis through discussion with the Planning Gain Negotiator.
- 3.44 On larger residential developments the applicant may be required to provide a school site. For primary provision this should be 3 hectares or thereby and for a secondary school this should be 10 hectares or thereby of services and where possible reasonably flat land, Where both primary and secondary school sites are required the applicant may wish to investigate the possibility of a shared school campus design layout. Where a school site and building is required, the cost of delivering a new single stream primary school for 200 pupils is approximately £8.5 million and the cost for a secondary school for 800 pupils is between £28 million and £32 million dependant on the level of community facilities included.
- 3.45 Where community facilities are provided within schools these are reflected in the rates charged. On occasion the requirements for other community facilities may be reduced where these are to be provided in whole or in part within the school campus.

#### Infrastructure

#### **Transport**

All developments will be required to contribute to ensure no net detriment to both the strategic and local transport network where the development will result in an impact on the transport network.

- 3.46 The Local Transport Strategy sets the direction for transport in the Highlands at a local level for the next 3 years covering financial years 2011/12, 2012/13 and 2013/14. The strategy guides policy and investment on transport within Highland Council and also within partner bodies involved in the delivery of transport infrastructure and transport services throughout the Highland area. Standards for the provision of transport infrastructure is contained in the Highland Council's Roads and Transport Guidelines for New Development.
- 3.47 A Transport Infrastructure for Growth process will support the production of each area Local Development Plan. This will help to identify the transport infrastructure likely to be required to support new development. A number of transport related projects are being developed by the council in partnership with key agencies and other partners to improve the regional transport network to bring significant benefits to people living and working in Highland.
- 3.48 Transport schemes associated with new development in the area Local Development Plans are separated into two categories:
  - Strategic Transport Infrastructure (including both trunk and non-trunk roads) these projects have been identified by a partnership group as being important to the sustainable economic growth of Highland.
  - Local Infrastructure these transport projects are expected to be provided as part of new development and should be reflected in associated planning applications.

### Strategic Transport Infrastructure

- 3.49 Transport modelling has been carried out to assess the cumulative impact of development proposed across Highland and to consider the scale of strategic transport interventions likely to be required to support the level of development identified in the Highland-wide Local Development Plan. This modelling work has identified key points on the transport network where interventions are likely to be required to address the cumulative impact of development.
- 3.50 The following sets out the process for identifying the opportunity sites within the LDP that will contribute towards the provision of strategic infrastructure.
  - Any 'new' developments allocated for the first time in the Local Development Plan or, previously allocated in an adopted Local Plan which has been continued in force, but not developed, would make a strategic transport contribution.
  - 'Windfall' sites that have not been allocated in the Local Development Plan will also be liable to make a contribution towards the delivery of strategic transport infrastructure. For some brownfield developments, there may be instances where the transport impact of the development proposal is equivalent to or less than the impact of its most recent operational use. Such factors would need to be taken into account in the consideration of transport impacts and, where applicable, the negotiation of mitigation measures and developer contributions.

3.51 Contributions for strategic transport related infrastructure will be held for a 20 year period to enable the provision of appropriate infrastructure.

### Local Transport Infrastructure

- 3.52 All development, regardless of the impact on the strategic transport infrastructure, will be assessed in terms of their impact on the local transport network and may be required to mitigate these impacts. Indicative cost associated with the most frequently required mitigation measures are outlined in this document, where possible. Developers will normally be required to undertake the mitigation work required eithr on land in their ownership or controlled by the Council. Alternatively, the developer may be required to make an appropriate contribution towards one or several of the mitigation measures outlined in this document or any other measure that the Council deem appropriate.
- 3.53 The full impact of the development on the local transport network will be taken into account when assessing the required levels of local mitigation. The following mitigation measures are examples of some of the factors which will be considered during the assessment of any development. This list is not exhaustive but provides a clear starting point for discussions between the developer and the Council.
- 3.54 The requirements and costs will vary from site to site and developers are expected to meet in full the cost of all external works identified in the Transport Assessment (TA) and/or through the planning process. It is recommended that developers take account of these estimates when costing development proposals to avoid difficulties later in the planning process. However, a guarantee cannot be given as to the actual costs arising from the assessment of individual proposals. Early discussion with the Council is encouraged.

#### **Road Improvements and Public Realm**

3.55 A key priority in the assessment of any development proposal is to ensure that sufficient infrastructure is in place to accommodate the development. This means the provision of or upgrading of roads (including edge widening of single track roads), bridges and other infrastructure, including carriageways, footways and passing places. This may be required either within or outwith the development site, or both, and planning conditions/legal agreements will be applied accordingly. The developer will be required to undertake these works to a specification acceptable to the Roads Authority. The costs will vary significantly depending on the scale of works required. Depending on circumstances, the developer may be required to contribute funds to improvements being constructed by the Council or others.

# **Alterations to Existing Roads**

3.56 Any alterations to existing roads (including those required to alter an existing private road into an adoptable public road) that are required as part of a development will normally be undertaken as part of the development construction and progressed as part of a Section 56 Consent or a Roads Construction Consent application. However, there may be instances where the Council may wish to take on such works, and if this is the case, it will be fully funded by the developer. The costs will vary significantly depending on the scale of works required. Dependant on circumstances, the developer may be required to contribute funds to improvements being constructed by the Council or others. The developer will be required to undertake these works to a specification acceptable to the Roads Authority.

# **Public Transport Priority**

3.57 In order to ensure that public transport services can adequately gain access to and serve a development and to ensure that existing services are not adversely impacted by the development, developers may be required to provide or fund public transport priority measures. These include, but are not limited to, bus lanes, bus-only sections of road, bus priority traffic signals, park and ride schemes, and supporting rail infrastructure. This may be a requirement for major retail, residential or commercial developments, dependant on the extent and nature of existing priority arrangements and how well this could address the impact of development.

# **Supported Bus Services**

3.58 Developers may be required to enter into a legal agreement which enables the up front payments to fund new bus services or to underwrite a new service for an agreed period of time (usually 3 years). This may involve a completely new service or extending/improving an existing service. New and upgraded facilities may be required in order to deal with increased demand on public transport services, these may include the provision of or upgrade of bus stops, bus shelters and Real Time Information systems. It is not possible to provide costs for the extension of existing bus services or the introduction of a new service as this will depend entirely on the service/area in question and the magnitude of change.

# **School Transport**

3.59 The Highland Council have a statutory duty to provide transport to school from a pupil's home if they are under 8 years old and live more than 2 miles from their closest school or over 8 years old and live more than 2 miles from their nearest primary school and 3 miles from their nearest secondary school. Where developments are brought forward beyond these distances contributions may be sought in the form of a commuted sum towards provision of school transport. This should be negotiated between the applicant and the Council.

#### **Traffic Signals**

3.60 Development of any kind has the potential to impact on the road network. As a result of this impact, developers may be required to provide for the installation of new traffic signals, controlled pedestrian crossings and the upgrading/refurbishment of existing traffic signal infrastructure. The cost of mitigation will vary depending on what is required for example a single pedestrian crossing costs approximately £30,000 whereas signalling a four arm junction costs approximately £100,000.

#### Lighting

- 3.61 Any development which requires new roads or the upgrading of existing roads within urban areas will be expected to fund the installation of new street lighting or the upgrading of existing lighting infrastructure where appropriate. For rural areas, street lighting will be assessed on a case-by-case basis.
- 3.62 Funding for new, or upgrades to existing, safety and/or traffic sign-related lighting will be required irrespective of urban or rural location. Where this is a requirement the cost will be determined by the work required.

#### **Traffic Calming Measures**

3.63 Development may generate the need for traffic calming measures such as speed humps, chicanes, kerb extensions and shared space schemes. Where deemed necessary in the context of a proposed development, the developer

will be liable financially or in kind. The cost of delivery of some standard pieces of mitigation include: a road hump or set of cushions costs approximately £1000 per feature and they are required at 75m intervals; and an entrance treatment for a 20mph zone costs approximately £1500 but can vary.

#### **Cycling/Walking Routes**

In accordance with the Residential Design and Layout: Supplementary Guidance and The Scottish Government's <a href="Designing Streets">Designing Streets</a> standards for access and permeability, developers will be required to provide safe routes for cyclists and walkers which are planned in accordance with the 5 C's – connected, convenient, comfortable, convivial and conspicuous. This may include both on site and off site cycle parking infrastructure. The requirement to provide cycle/walking routes is set out in the Residential Design and Layout Supplementary Guidance. In addition, developers will be required to fund external links to connect with the wider cycle/walking network and this may include both onsite and offsite cycle parking infrastructure. The developer will normally be required to provide these improvements. Developers should refer to the 'Outdoor Access' section of this document for guidance on likely requirements related to path provision. The approximate cost of a cycle parking stand (Sheffield standard) is £150. The approximate cost of a cycle locker is £400. The approximate cost of a covered cycle shelter is £2500.

#### Safer Routes to Schools

3.65 Developers of residential sites and developments of new educational facilities will be required to provide safe routes to schools through the provision of measures including dropped kerbs, crossing points, speed cushions, central refuges and exclusive cycle/pedestrian paths as well as making payments towards mapping of routes, cycle training and walking bus initiatives For all other developments, Safer Routes to School provision or improvement will be considered on a case-by-case basis. Where this is a requirement the cost will be determined by the work required.

#### **Travel Plans**

3.66 Travel Plans contain a package of measures aimed at promoting sustainable transport choices to and from developments. All developments are encouraged to prepare Travel Plans in support of planning applications. For major applications, and larger scale local developments, it will be necessary for the developer to enter into a legal agreement detailing target aspirations, monitoring and actions for the revision of Travel Plans.

# **Active Travel Masterplans**

3.67 Active Travel Masterplans have been produced by the Council for Alness/Invergordon, Dingwall, Fort William, Inverness, Tain, Nairn, Thurso and Wick, it is expected that all new developments contribute to their delivery through the design of their development and, if required the provision of infrastructure to support their delivery either through direct provision or through a financial contribution..

#### Traffic Regulation Orders (TROs)/Stopping -Up Orders

3.68 Where Orders are required in order to facilitate development, the developer will be required to pay the Council's administration costs in addition to paying for the infrastructure to support the Order. This may include bollards, road markings and signage. This requirement may apply to all developments The cost per Order is approximately £1500 which must be paid regardless of

whether the Order is successful or not. The developer would also be required to pay the costs of the work.

# **Parking**

3.69 Within the commercial centre of settlements identified in the Settlement Hierarchy of the Highland-wide Local Development Plan some sites may not be able to deliver parking required to the standards set out by the Council in the Roads and Transportation Guidelines given the size and location of sites. On these sites the Council may agree a reduced parking requirement based on the accessibility of the sites by public transport and on foot and bicycle. If a development is not able to deliver these reduced requirements the Council may seek contributions towards the provision of public parking facilities and sustainable transport in the locality. The contributions required will be based upon the shortfall in the number of parking spaces provided.

# Flood Risk Management and Watercourse Improvement

A contribution will be sought from all developments if flood risk management infrastructure is considered necessary to prevent a consequential increase in flood risk to properties or land outwith the development area.

- 3.70 Scottish Planning Policy (SPP) notes that flooding from watercourses is a natural process which cannot be entirely prevented, but which can be managed to reduce the social and economic consequences and to safeguard the continued functioning of services and infrastructure.
- 3.71 The risk of localised flooding affecting new development can be influenced by a number of factors, including the existing condition of the watercourse bed and banks, and the presence of manmade infrastructure such as culverts or bridges. Where a development takes place adjacent to a watercourse(s) (outwith its redline boundary), a developer contribution may be required for local watercourse improvements. Alternatively a contribution towards ongoing maintenance costs throughout the life of the development may be requested. The improvement area may extend upstream or downstream of the development site depending upon the issues identified. Each site and each watercourse will be considered in isolation and guidance as to the required works will be provided as early as possible in the planning process. Examples of improvement works may include but not be limited to:
  - upgrading a trash screen on an existing culvert;
  - dredging channel beds to remove sediment;
  - local bank stabilisation works to prevent future scour and sediment removal;
  - CCTV inspection and clearance of sections of culverted watercourses;
  - cutting back vegetation on banks;
  - installation of river level monitors:
  - upsizing culverts; and
  - riparian planting.
- 3.72 The works requested will be proportional to the value and / or size of the development. Where the watercourse improvement has connectivity to a Natura site it must be established that the improvement will have no adverse effect on the integrity of the connected Natura site.

3.73 Under the Flood Risk Management (Scotland) Act 2009, the Council has duties to prepare maps of bodies of water and undertake assessments of bodies of water in terms of inspection, clearance and repair works. The Council therefore need to ensure access to watercourses and culverts is available at all times. To this end the Council would request that where culverts are installed beneath roads which are intended to be adopted by the Council, a suitable area of land surrounding the culvert inlet be transferred to the Council at nil value to allow its duties to be fulfilled. Where this is achieved the Developer's long term responsibility towards that culvert would be absolved.

#### Flood Alleviation

- 3.74 Any increase in built development within a floodplain can increase the risk of flooding from all sources; of particular concern to new developments should be fluvial and coastal flooding, and overland flows (pluvial).
- 3.75 Where a proposed development is granted planning permission in an area at risk of flooding, any flood defence or flood alleviation works required because of the development will form part of that development. They should normally be fully funded by the developer. Future maintenance commitments and costs would need to be agreed with the Council.
- 3.76 The Council may require developer contributions to sustainable flood management, including but not limited to, increased flood storage capacity, flood defence improvement works or other mitigation measures elsewhere within the floodplain, if considered necessary to prevent a consequential increase in flood risk to properties or land outwith the development area. The works requested will be proportional to the value and / or size of the development. Where the watercourse improvement has connectivity to a Natura site it must be established that the improvement will have no adverse effect on the integrity of the connected Natura site.

#### **Waste Management**

All developments will be required to contribute to the Council's move towards Zero waste.

- 3.77 If a waste management site has been identified as being at or near 90% working capacity and a new development is likely to add further pressure to that facility the Council may seek development developer contributions towards the upgrade of that facility. This will facilitate the Council's move toward zero waste inline with the Scottish Government Policy and The Highland Council's Waste Strategy.
- 3.78 The level of contribution required will be assessed on a case-by-case basis.

#### Recycling

3.79 All new developments will be required to contribute towards delivery of the Zero Waste Plan by providing the appropriate level of local recycling facilities within new developments. Further detail on how this policy will be implemented is set out in the <a href="Managing Waste in New Developments: Supplementary Guidance">Managing Waste in New Developments: Supplementary Guidance</a>.

#### **Green Infrastructure**

#### Open Space (including play areas)

A contribution will be sought from all residential developments of 4 or more houses to the provision of new/improved off-site open space, where on site provision of open space is not possible.

- 3.80 In 2010, The Highland Council published its first Highland-wide Greenspace Audit. This provides a detailed assessment of open spaces across Highland and supports the quantity, quality and accessibility standards as set out in the Open Space in New Residential Development: Supplementary Guidance.
- 3.81 The Open Space in New Residential Development: Supplementary Guidance sets out the open space requirements for new residential development including the quantity standard of 40m² per person. This should be delivered on-site and only in exceptional circumstances will contributions be sought to the provision or new/improved open spaces. The figure for a development will be calculated using the average occupancies set out in Appendix 1 and assessed on a case-by-case basis.
- 3.82 The <u>Highland Greenspace Audit</u> and the <u>Open Space in New Residential Developments: Supplementary Guidance</u> will be used to identify the level of provision in the local area, using quantity, quality and accessibility standards. For further details on this approach see the <u>Open Space in New Residential Developments: Supplementary Guidance</u>.

# **Strategic Landscaping**

All strategic landscaping should be delivered on-site by the developer except in the most exceptional circumstances.

3.83 Strategic landscaping should be designed to help all developments fit with their surroundings. It is expected that strategic landscaping will be delivered as part of the development itself and therefore it is unlikely that the Council will seek separate developer contributions towards its delivery. In exceptional circumstances where the development of strategic landscaping is to be undertaken by the Council the total cost of delivery will be worked out and each development will be expected to make a fair and equitable contribution to delivery of the landscaping prior to the occupation of their development.

#### **Green Networks**

All developments will be required to contribute to the protection and enhancement of the green network, through the design of the development. Protocols for the delivery of Green Network priority projects will be set out in the Green Networks: Supplementary Guidance.

- 3.84 Green Networks are a recognised form of infrastructure which make growth in Highland sustainable and respond to climate change, maintaining and, where identified, improving environmental quality and performance of the green network is required. The development of a green network is an ambitious programme, which will link green spaces, walks, woodlands, other habitats and countryside along miles of paths and cycle routes bringing a range of social, economic and environmental benefits to The Highland Council area.
- 3.85 We will seek the protection and enhancement of the green network both within the site and linking into the wider green network.
- 3.86 The <u>Green Networks: Supplementary Guidance</u> identifies priority projects towards which developer contributions may be sought. In all other instances the contribution to the green network will be expected through the adherence to the principles of the Green Network, as set out in the Supplementary Guidance, in the design of a proposed development. This may include, but not be limited to:
  - Woodland expansion
  - The creation of a high quality landscape structure which supports the spatial strategy of the Local Development Plan;
  - Strategic routes for active travel and recreation;
  - Strategic habitats and habitat development projects;
  - Enhancement or creation of greenspaces;
  - The restoration of vacant and derelict land for green network purposes; and the integration of woodland, habitat, greenspace and access development with water catchment and coastal zone management.

#### **Outdoor Access**

Any new development which will affect outdoor access [e.g. that needs temporary or permanent diversions to core paths or public rights of way or which increases the demand for outdoor access] will be expected to pay for those diversions and upgrades.

- 3.87 Core Paths Plans identify the location of all the core paths across Highland while access officers will be able to provide information on other significant access features. Any new development which will affect outdoor access [e.g. that needs temporary or permanent diversions to core paths or public rights of way or which increases the demand for outdoor access] will be expected to pay for those diversions and upgrades. The criteria for assessing whether a proposed development needs to contribute to access opportunities is as follows:
- 3.88 Development which incorporates new and enhanced access opportunities linked to the core paths and wider access networks will not require any

- financial contribution providing that the measures proposed are appropriate for the level of proposed development and agreed with The Highland Council.
- 3.89 Where there is no provision of new paths or links to the core path or wider access networks, developers will be required to make a financial contribution at a rate of £66,025 per km of path to be provided or £375 per-house-equivalent for non-residential developments (see Table 2). These costs are based on costs for the provision of the Council's standard specification for the provision of a 3m wide shared surface aggregate path, with the appropriate level of drainage, signposts and waymarkers taking account of the level of provision across a number of communities.
- 3.90 Where a developer proposes inadequate new or limited enhanced access opportunities a financial contribution will be sought to facilitate and mitigate the level of development proposed.
- 3.91 The consultations on the <a href="Core Paths Plans">Core Paths Plans</a> provided an opportunity to identify community aspirations for paths and trails in their local area. Where appropriate The Council will seek contributions towards the provision of these aspirational paths. If these paths are of a more strategic/long distance nature then they may be brought forward as part of the Green Network for the area. In these instances the provisions of the <a href="Green Network">Green Network</a>: Supplementary <a href="Guidance">Guidance</a> will apply. Where any aspirational path could have a likely significant effect on a Natura site, any provision will be subject to the Council concluding that there would be no adverse effect on the integrity of that site

#### **Community Infrastructure**

#### Libraries

A contribution will be sought from all residential developments of 4 or more houses where there is deemed to be a detrimental impact on the amenity level enjoyed by current users of the facility as result of the proposed development.

- 3.92 Library provision is managed on behalf of The Highland Council by Highlife Highland. Where there is deemed to be an impact on current provision from new development the Council will seek contributions towards the creation of libraries. The guideline requirement of at least of at least 42m² per 1,000 residents (this is the square metre need). As population criteria are exceeded only by continued expansion of the settlement by developers the need for a contribution towards such facilities is therefore reasonable and justifiable. The Highland Council will plan for any contributions towards improvements to the service provision in the most effective manner.
- 3.93 Contributions are calculated at a build cost of £1,175 per m², required by the population arising from the development. This is based upon the average occupancies for each area of Highland as set out in Table 1 above.

# **Community Facilities**

A contribution will be sought from all residential developments of 4 or more houses where there is deemed to be a detrimental impact on the amenity level enjoyed by current users of the facility as result of the proposed development.

- 3.94 Where there is deemed to be an impact on current provision from new development, the Council will seek contributions toward the enhancement or creation of new community facilities. This is calculated on the requirement of 0.69m² of community facility per dwelling unit as determined for small to medium sized developments. This is to ensure that existing residents are not disadvantaged by an increase in usage from additional residents the proposed new development would generate. The level of contribution is determined by the size of the existing facilities and current population served by the facilities together with the anticipated increase in the population served by new development. In some circumstances there will be no contribution required if the facilities are of adequate size to cope with both existing and anticipated usage.
- 3.95 Contributions are calculated on the basis of the requirement for 0.69m² of community facilities per household, using a build cost of £1,175 per m².

#### **Care in the Community**

A contribution will be sought from all residential developments of 4 or more houses which are built specifically for those with varying needs, where there is deemed to be a detrimental impact on the amenity level enjoyed by current users of the facility as a result of the proposed development.

3.96 The Highland Council have adopted the Care in the Community approach to helping those with varying needs including the elderly. The Council recognises that there is an ageing population in Highland, which is putting additional pressure on services and facilities associated with care for those with variable needs. If a new development is brought forward which is likely to increase pressures on these services and facilities the Council will seek developer contributions towards their provision. Further guidance on this Policy will be set out in Planning for an Ageing Population: Supplementary Guidance.

#### **Sports Facilities**

A contribution will be sought from all residential developments of 4 or more houses where there is deemed to be a detrimental impact on the amenity level enjoyed by current users of the facility as result of the proposed development.

- 3.97 The Facilities Planning Model identifies all sports facilities in Highland and their condition.
- 3.98 The Facilities Planning Model provides an objective assessment of the relationship between the likely demand for sports facilities in an area and the actual supply. It takes into account the distribution of the local population and its demographic structure, as well as the capacity and availability of facilities in the area and their catchment areas.
- 3.99 Sports facilities which require works other than ground works for playing fields, for example, lighting, changing facilities, spectator areas, car and coach parking, attract contributions based upon a cost per square metre basis for building works. The requirements are assesses and determined so not to degrade the level of amenity already enjoyed by existing residents. The size and condition of the facilities (as identified through the sports facility planning model) will be taken into account and adjustments to the overall rate will be made on a site by site basis.

#### **Healthcare Facilities**

All residential developments of 4 or more houses will be required to contribute to the provision of primary health care, if the development will lead to the capacity of the current facility being exceeded.

3.100 NHS Highland is in the process of identifying where individual healthcare facilities are reaching or are at capacity. This work will be based upon national

- health standards and by estimating the likely new patients generated by each proposed development.
- 3.101 The area Local Development Plans will identify where there is a need for a new or improved primary health care facility based upon projected levels of development.
- 3.102 Contributions will be calculated using nationally recognised space standards and build costs, based upon the population requirements for GP surgeries, dental chairs and community pharmacies.

#### **Public Art**

All public art should be delivered on-site by the developer except in the most exceptional circumstances.

- 3.103 The Council's preference is for Public Art to be an integral part of the overall design of a development. As such, in all but exceptional circumstances, public art should be provided on site.
- 3.104 Developments required to incorporate public art should set aside a proportion of the capital budget of a building for commissioning public art. The scale and characteristics of new developments will determine what proportion of the capital budget is appropriate, however it is expected that around 1% of the capital budget is appropriate for most developments. Once planning permission has been granted, the developer will take responsibility for funding and managing the approved public art project; this will include its commissioning, manufacturing, installation and maintenance it.
- 3.105 As an exception The Highland Council may agree that a developer is unable to deliver public art of a sufficiently high quality on site. In these circumstances the Council may secure public art by planning condition or legal agreement where the developer is taking responsibility for the management and delivery of the installation. Alternatively a contribution up to the value of 1% of the capital budget could be collected by Council and secured by means of a legal agreement. There is potential for the Council to collect contributions for public art from several development projects for the delivery of public art in the wider area. The Council will negotiate with the developer to agree which is the most appropriate method for the management, implementation and maintenance of off-site public art.
- 3.106 For further information on this policy see the <u>Public Art Strategy:</u> <u>Supplementary Guidance</u>.

## **Developer Contributions Procedures**

- 4.1 The process of negotiating and agreeing planning obligations and other legal agreements takes place in tandem with the Development Management procedures adopted by the Council in the determination of planning applications.
- 4.2 The Council has a dedicated Planning Gain Negotiator, located within the Housing and Property Service, who oversees, the process for dealing with developer contributions within The Highland Council area.
- 4.3 Details of planning obligations and other legal agreements are stored in a dedicated computer system and updated regularly
- 4.4 The aim of the Council's approach is to provide certainty and transparency to all parties including:
  - Developers they will know what they will be required to provide and, if possible, when and at what cost;
  - Community they will understand what new facilities, services and infrastructure that may be delivered to offset the impact of new development;
  - The Highland Council the Council will have a much clearer evidence base for any infrastructure or developer contributions sought in the future and. It will also help the Council to plan capital spending and could save resources when responding to planning application consultations.

#### Governance

- 4.5 The Council have a steering group made up of representatives from Planning and Development, Finance, Housing and Property and Legal Services who co-ordinate, manage, monitor and report progress on planning obligations and other legal agreements to the Council's Administration. Where appropriate officers responsible for spending developer contributions are also brought into the group on a consultative basis to enable a better understanding of the use of certain contributions.
- 4.6 Financial contributions from developers will be accounted for separately from the Council's other finances. The terms of the planning obligations (and other legal agreements) will ensure that such contributions will be used only for the purposes originally intended. Likewise where the Council is required to make contributions, these will be ring fenced for the identified purpose.
- 4.7 Alongside the principles set out in Circular 3/2012 Planning Obligations and Good Neighbour Agreements, the Council will adopt and observe the following principles;
  - **Need for contribution** all developer contributions will be assessed on the basis that the development either alone or in-combination gives rise to the need, contributes in part or whole to meeting that need.
  - Need for a planning obligation the Council will follow the sequential approach as set out in Circular 3/2012 to ensure the use of the most appropriate mechanism for securing necessary mitigation arising from the development of any site.
  - **Equity** Developer contributions will be based on the number of sites and the number of proposed housing units within a given settlement and

calculated on a pro-rata share of the cost of the infrastructure and/or facility requirements identified in the development plan.

Where the Council owns land identified for housing in the development plan or proposes development on a windfall site, its contribution towards infrastructure requirements will be determined in the same way as for other developers. Contributions will be separately accounted for in the Council's finances.

Where costs are to be shared between or among sites a planning obligation will be required to state how this will be apportioned. The assumption is that they will be shared on a pro-rata basis unless it is demonstrated or justified, and agreed between all parties involved, that an alternative approach is fair and equitable.

- Costs All costs will be agreed with the Council and will be indexed using the BCIS All-In Trade Price Index which is updated on a monthly basis. Unless otherwise stated all costs exclude: VAT, off-site works, ground remediation, fees and surveys, land acquisition, statutory permissions and warrants.
- Openness Financial contributions from developers will be accounted for separately from the Council's other finances. The terms of the planning obligations will secure that developer contributions are used only for the purposes originally intended. Where the Council is required to make contributions, these will be ring fenced for the identified purpose.
- Co-operation The principles, extent and mechanisms for addressing developer contributions have been identified and agreed through the adopted development plan. In this context the Council expects all parties to enter the obligation process with an understanding of the issues and a willingness to conclude matters in a timeous fashion.
- Variation In some instances the development plan specifies the number of houses to be built in each settlement. Developer contributions will be based initially on these figures. The Council expects these to be achieved but acknowledges that numbers can fluctuate. Where the Council has agreed to forward fund infrastructure based on the indicative figure in the development plan, any additional houses proposed will be accompanied by a commensurate increase in the expected contribution for any additional capacity requirements arising. If there is a reduction in the number of houses and corresponding requirements then the Council will consider a similar reduction of the required contribution. In the event that the Council has concluded the procurement process for the necessary infrastructure and/or facility (based on the higher figure) then it is at the Council's discretion as to whether it reduces the contribution accordingly.

New sites that come forward through the planning process and give rise to infrastructure/facilities and associated requirements over and above that planned for in the development plan will be assessed by the Council for contributions in line with the tests of Circular 3/2012.

 Viability –It is the responsibility of the applicant/developer to bring to the Council's attention any issue that they consider materially affects the viability of their development proposal. The Council will, through an open book process, require evidence to support this assertion. The Council will then remove, reduce or re-affirm the requirement for developer contributions.

## **Good Neighbour Agreements (GNAs)**

A GNA is entered into between a person (such as a landowner or developer) and a community body (such as a community council or a body or trust with a substantial connection to the land and whose function is to preserve or enhance the amenity of the local area).

A GNA may govern operations or activities relating to the use of land, either permanently or during such period as may be specified in the agreement. This could include that information is provided to the community body regarding the nature and progress of development on a site. A GNA will never require any payment of monies or be a requirement of granting planning permission.

## **Unilateral Obligations**

4.8 A person may unilaterally propose and draft a planning obligation in respect of land which they own or control. This would not preclude The Council from seeking a further obligation which may be required to address issues that are not covered by the unilateral agreement. The Council welcome the preparation of Unilateral Agreements where they meet the tests for planning obligations as set out in Circular 3/2013, however we encourage early engagement with the Council regarding it's contents.

### **Modification of Section 75 Obligations**

- 4.9 The 2006 Act introduced a right for parties to apply to the Council to have planning obligations modified or discharged. In such cases the Council has to issue a notice of their decision within 2 months of the date of validation of the application. The approach to modifications/discharge of planning obligations is set out in Figure 1.
- 4.10 There is a right of appeal where an application is refused or not determined in the prescribed timescale. Appeals are required to be lodged with the DPEA<sup>1</sup> and must be made within 3 months beginning either with the date of the planning authority's decision or the end of the 2 month determination period (if no decision is issued).

## **Enforcement of Planning Obligations**

4.11 The 2006 Act introduced powers for Councils to enforce planning obligation requirements. The obligation process remains a discretionary one and, notwithstanding changed circumstances affecting the viability of the proposal, the Council expects all parties to abide by the terms of the agreement and implement their obligation(s) accordingly. The Council considers enforcement to be a last resort, however, will take action if required. The approach to enforcement of planning agreements is set out in Figure 2.

Developer Contributions: Supplementary Guidance January 2013

<sup>&</sup>lt;sup>1</sup> Directorate of Planning & Environmental Appeals, 4 The Courtyard, Callendar Business Park, Callendar Road, Falkirk, FK1 1XR

Modification/discharge of Planning Obligations secured through Section 75 Obligations

# **Application**

Made in writing to the Council. The application must include:

Postal address of land;

Plan of land

Copy of obligation to which application relates

Name/address of applicant/agent

Relationship to land coved by obligation

Why obligation is enforceable against applicant

If modification/discharge is sought

What modifications are sought

The grounds for modification(s)

Statement indicating names & contact address of other parties to relevant

instrument

# **Validation**

information is submitted

Date of Validation is the date Na the last item of supporting

# **Notification**

Council notifies all interested parties that application has been made

Notice must include:

Name of applicant

Description of obligation and relevant instrument within which it is contained;

State modification or discharge to be made;

Be accompanied by copy of the application;

State that representation can be made to the Council;

How representation can be made:

Date by which representations must be made (21 days)

# Determination

Depending on a number of factors this will either be by a delegated decision or by the Planning Applications Committee

# Notice of Determination

To be accompanied by: Statement of Council's decision and reasons;

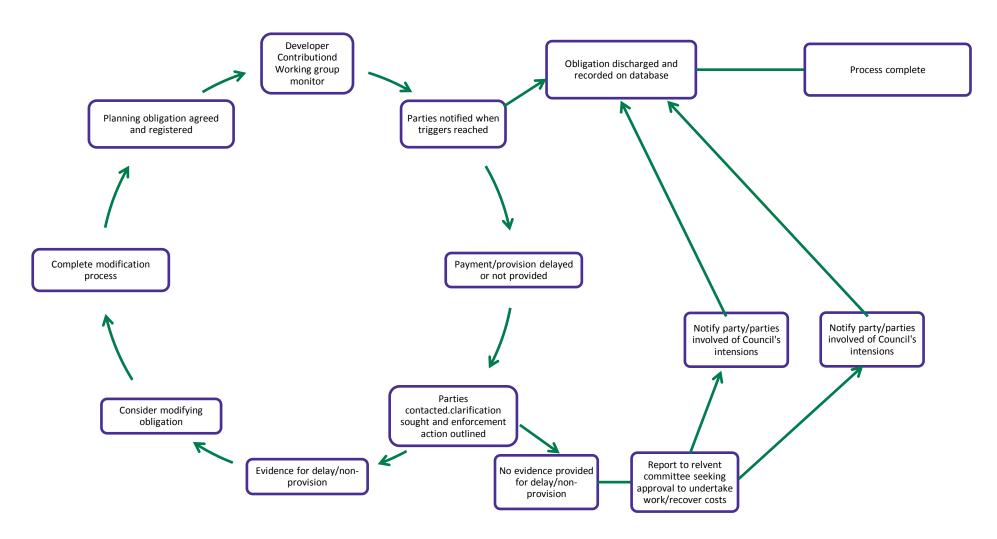
Reference number of application;

Planning application number (where application was part of reference number);

Information on right of appeal if application refused or not determined within 2 months.

Right of Appeal to Scottish Ministers if application refused or not determined within 2 months

## **Planning Obligation Enforcement Process**



## Appendix 1 – Indicative outline of what to include in a viability assessment

## **Proposed scheme details**

- Floor areas:
  - commercial: gross internal area (GIA) and net internal area (NIA)
  - residential: GIA and NSA
- Residential unit numbers and habitable rooms including the split between private and affordable tenures

### **Gross development value (GDV)**

- Any existing income that will continue to be received over the development
- period
- Anticipated residential sales values and ground rents (and supporting)
- evidence including deductions for incentives)
- Anticipated rental values and supporting evidence
- Yields for the commercial elements of the scheme and supporting evidence
- Details of likely incentives, rent-free periods, voids
- Anticipated sales rates (per month)
- Anticipated grant funding for affordable housing
- Anticipated value of affordable units (with supporting evidence/explanation of how these have been valued and assumptions)
- Deductions from commercial GDV to reach NDC (Stamp Duty Land Tax
- (SDLT), agents, legal + VAT).

#### Costs

- Expected build cost (if required, a full QS cost report also showing how costs have been estimated)
- Demolition costs
- Historic costs (as reasonable and appropriate)
- Site preparation costs
- Vacant possession costs
- Planning costs
- Construction timescales, programme and phasing
- Any anticipated abnormal costs
- Rights of light payments / party walls / over sailing rights
- Details of expected funding and finance rates
- Professional fees, including:
  - architect
  - quantity surveyor
  - structural engineer
  - mechanical/electrical engineer
  - project manager
  - letting agent fee
  - letting legal fee
  - Site Value
- Other costs

### Additional details for projection based viability assessments

- Expected sales growth
- Expected rental growth
- Expected cost inflation
- Credit rate

## **Development programme**

- Pre-build
- Construction period
- Marketing period

## Viability cashflow

- Income/value/capital receipt
- Costs
- Phasing (where appropriate)

## Benchmark viability proxies

- Profit on cost
- Profit on value
- Development yield
- Internal rate of return (IRR)

## Planning application details

- Plans/sections/elevations (as relevant)
- Design and access statement

## **Sensitivity Analysis**

- Two way sensitivity analysis
- Scenario analysis
- Simulation analysis

## **Accompanying Report (basic outline)**

- Executive summary
- Contents outline
- Introduction and background
- Description of site location
- Planning policy context
- Description of scheme
- Market information summary
- Build cost and programme
- Methodology and approach
- Outputs and results
- Sensitivity analysis
- Concluding Statement

## Appendix 2 - Assumptions to be used when calculating developer contributions

## **Average Occupancy**

Given the geography and economic profile of The Highland Council area average occupancy varies over the area covered by this guidance. Where average occupancy is used to determine the developer contribution to a particular type of infrastructure, service or facility the following average occupancies will be used:

Local Development Plan area	Average Occupancy
Inner Moray Firth	2.33 people per household
Caithness and Sutherland	2.24 people per household
West Highland and Islands	2.31 people per household

Table 1: Average Occupancies Across Highland

## **Per House Equivalent**

To determine the level of contribution for uses other than residential we will use a per-house-equivalent figure.

The formula for calculating per-house-equivalent is based on the gross floor area (GFA) of the commercial premises plus 50% of concrete/tarmac areas and 25% of hardcore areas (Gross External Area GEA) to give an equivalent number of house units at 10 units per acre that could have been erected on a similar area. Where the number of car parking spaces has been indicated the standard area required for a parking space of 24 m2 will be used.

(GFA+ (GEA/2)) /400 = HUE (House Unit Equivalent) @ 10 per acre.

E.g. 2,000 m2 food store + 4,000 m2 car park = (2,000+2,000)/400 = 10 HUE.

An individual site usage weighting factor (WF) is then applied to reflect the probable occupation level of the site. These are as follows:

Use	Weighting Factor
Bulky Goods- retail	0.25
w/house	
Fast food	0.75
Hotel	0.5
Leisure etc	0.25
Non Food retail	0.5
Office & other	0.75
commercial	
Petrol Station/garage	0.25
Restaurant	0.75
Retail food	1
Showroom	0.1
Warehouse	0.05
Workshops/engineering	0.2

Table 2: Per-House-Equivalent weighting factors

## Appendix 3 - Worked Examples

Housing Development (this example is for indicative purposes only)

Development on the edge of a town in the Inner Moray Firth consisting of:

- 10 x 1 bed flats
- 20 x 3 bed houses
- 10 x 4 bed houses

### Affordable Housing

Following the sequential approach set out in this guidance and inline with policy 25% of the units delivered on site should be affordable homes. 10 affordable homes should be delivered on site.

#### **Education Provision**

For the purposes of this example developer contributions to the 10 1 bed flats would not be considered as child generating therefore no contribution would be sought.

#### Primary School

The development will generate 10 new primary school pupils and the school will exceed its capacity as a result of the development. A contribution is based upon the cost of providing temporary accommodation at £2013 per unit of housing, resulting in a cost of £80,520.

## Secondary School

The development will generate 5 new secondary school pupils and the school will exceed its capacity as a result of the development. A contribution is based upon the cost of providing temporary accommodation at £1039 per unit of housing, resulting in a cost of £41,560.

### **Transport**

Measures in kind may be specified, or specific improvements to existing facilities may be secured through planning conditions.

#### Waste

Waste facilities should be provided on site by the developer no contributions will be sought.

#### **Green Infrastructure**

## Open Space

This development will generate an additional 93 people. On that basis following the methodology in the Open Space in New Residential Developments Supplementary Guidance 3720m² of open space should be delivered on site.

#### Green Networks

This development is at the edge of the settlement but no green network priorities are to be delivered in this area. While no contribution will be sought towards the delivery of a Green Network Priority, the green network should be an integral part of the development.

#### **Outdoor Access**

The development does not currently have any core paths running through the site but just beyond the site boundary linkages to the network are available. Paths should be provided within the site by the developer and contributions to linkages outwith the site. A contribution is based upon the cost of providing these linkages (totalling 150m of path) outwith the site at a cost of £66,025 per Kilometer resulting in a total contribution of £9903.

## **Community Infrastructure**

## Community Facilities

It is considered that this new development will not place pressure on the local community facility (community hall), Therefore no contribution will be required.

### Library provision

The development will generate an additional 93 people. It is not considered that additional library space would be required to accommodate the level of growth from this development.

## Care in the Community

Measures in kind may be specified, or specific improvements to existing facilities may be secured through planning conditions.

## **Sports Facilities**

Measures in kind may be specified, or specific improvements to existing facilities may be secured through planning conditions.

#### **Public Art**

In line with the Public Art Strategy: Supplementary Guidance public art should be an integral part of the overall design of the development and should be delivered by the developer. No contribution will be sought by the Council.

### Non-Food Retail Development (this example is for indicative purposes only)

Development on the edge of a town comprising a non-food retail store with a gross floor area of 6500m<sup>2</sup> non-food retail store with an external area which includes car parking of 28360m<sup>2</sup>.

The following calculation will be used for the calculation of contributions as set out in Appendix 2 of this Supplementary Guidance:

(GFA + (GEA/2) /400 = HUE (House Unit Equivalent) @ 10 per acre

The site weighting factor as set out in Appendix 2 for non-food retail development will apply. This weighting factor is 0.5.

Using the above formula you have

(6500 + (34860 / 2)) / 400 = 59.83

Apply Weighting Factor = 0.5

 $59.83 \times 0.5 = 29.91$  Housing Unit Equivalent (HUE)

#### **Transport**

Measures in kind may be specified, or specific improvements to existing facilities may be secured through planning conditions.

#### Waste

Waste facilities should be provided on site by the developer no contributions will be sought.

#### **Green Infrastructure**

This development is at the edge of the settlement with green network features present within the site boundary. While no contribution will be sought towards off-site improvements linkages to adjacent the green network should be an integral part of the development.

## **Outdoor Access**

The development does not currently have any core paths running through the site but just beyond the site boundary linkages to the network are available. Paths should be provided within the site by the developer and contributions to linkages outwith the site. A contribution is based upon the cost of providing these linkages at £375 per housing unit equivalent, resulting in a cost of £11,216.25.

#### **Public Art**

In line with the Public Art Strategy: Supplementary Guidance public art should be an integral part of the overall design of the development and should be delivered by the developer. No contribution will be sought by the Council.