

Agenda item	15
Report no	EDI 14/17

HIGHLAND COUNCIL

Committee: Environment, Development and Infrastructure Committee

Date: 8 November 2017

Report Title: Draft Developer Contributions Supplementary Guidance

Report By: Report by Director of Development and Infrastructure

1. Purpose/Executive Summary

- 1.1 This report presents the Draft Developer Contributions Supplementary Guidance (DCSG) for approval for consultation. Feedback gathered through the consultation will be taken into consideration and reported to Committee in agreeing the final Supplementary Guidance for adoption. At that stage it will replace the existing Developer Contributions Supplementary Guidance that was adopted in March 2013.

2. Recommendations

2.1 Members are asked to:

- i. agree the Draft Developer Contributions Supplementary Guidance for consultation; and
- ii. note that, from the point of approval by Committee, the Draft Developer Contributions Supplementary Guidance is a material consideration for the determination of planning applications.

3. Context and Background

- 3.1 The development planning system provides opportunities for local authorities to produce Supplementary Guidance which provides additional guidance on particular policies and topics covered by Local Development Plans. Supplementary Guidance carries the same weight in the decision making process as Local Development Plan policies.
- 3.2 The existing Developer Contributions Supplementary Guidance (DCSG) was adopted by the Council in March 2013 to support the implementation of the Highland-wide Local Development Plan, including Policy 31: Developer Contributions and Policy 32: Affordable Housing.
- 3.3 The existing DCSG has now been in place for a number of years and a review has been undertaken aimed at ensuring that the methodology for each type of developer contribution is up to date and accurately reflects the costs for providing the services and infrastructure required to support new development. It also aims to make the document easier to use - particularly for developers, communities and Council officers – when calculating what contributions will be sought for any development proposed.
- 3.4 The review takes account of the Scottish Government's legislation on this issue ([Circular 3/2012: Planning Obligations and Good Neighbour Agreements](#)), including five policy tests that need to be satisfied for any developer contributions sought by the Council.
- 3.5 This Draft DCSG (**Appendix 1**) has been brought forward following partnership working with other services across the Council, including High Life Highland. Some input was also received from Members via the Environment, Development and Infrastructure Policy Development Group and from the development industry at a workshop attended by members of Homes for Scotland. It has also been informed by a review of the approach to developer contributions in other local authority areas across Scotland, including benchmarking of specific types of contribution.
- 3.6 Members will recall that a report on Developer Contributions for Education Infrastructure was presented to this committee on 16 August 2017. This report provided clarification on the approach to be taken to appropriately manage the impact of development on the school estate. It was agreed that developer contributions within the Inverness associated schools group's catchment areas will be subject to new build equivalent rates where there is a clear need for a new school. It clarified the methodology for calculating the requirements for education based contributions in the Inverness area. The Draft DCSG presented today sets out the full methodology for collecting education contributions throughout Highland and confirms the rates to be applied. However it should be noted that indexation has resulted in an increase in certain rates. For example the new build primary school rate (excluding land costs) has risen from £6,983 to £7,289 per home.
- 3.7 To make the document easier to use infrastructure requirements are highlighted within a blue box at the start of each section outlining how and where each type of requirement will be identified.

4. Key Issues

- 4.1 The review of our current approach highlighted that there was no need for widespread

changes across all areas. However, the new Draft DCSG proposes a number of key updates which are summarised below:

- The current threshold, which limits contributions for education and community facilities to housing developments of 4 or more homes only, is proposed to be removed. This would mean that all scales of housing development would be required to make a proportionate contribution towards these infrastructure items where there is insufficient capacity.
- Small scale residential development of 1-3 homes will receive a discount to reflect economies of scale and the need to maintain development viability; these discounts range from 70-80%.
- Improving our approach to understanding and managing the viability of development for cases where a developer considers that planning policy and contribution requirements render development commercially unviable. In such circumstances we are proposing to seek a viability assessment from the developer to enable the Council to determine whether contributions should be amended.
- Following the August Places Committee, which clarified the new-build school costs for developer contributions, the Draft DCSG updates the overall approach for schools by specifying circumstances where classroom extensions and new schools are required and the proposed costs for these. The Draft DCSG now applies the new school build rates (albeit slightly increased to reflect indexation) to the entire Highland area rather than being restricted to the Inverness associated schools groups' catchment areas. It is important to note that new school build rates will only be applied where there is a clear need for a new school as a result of development.
- Review of affordable housing exemption areas, whereby any requirement for affordable housing from developments in the Caithness and Sutherland Housing Market Areas will be assessed on a case by case basis based on an up to date review of local housing needs.
- Introduction of a requirement for up to 15% of affordable housing to be 'wheelchair liveable'. The proportion required will be dependant upon local housing needs and the characteristics of the site.
- The introduction of cumulative transport contributions to mitigate the impact of development on the transport network. This follows the approach outlined in various Development Briefs prepared by the Council where contributions are sought towards projects such as the West Link as well as emerging requirements for transport improvements in East Inverness. The methodology for this approach is set out in the guidance and it is intended that the specific zones, and the projects for which contributions will be sought, will be defined through implementation of the guidance.

4.2 Other sections of the guidance have remained largely unchanged in comparison to the existing DCSG. This includes community facilities, open space, green networks, water, waste and public art.

5 Next Steps

- 5.1 As noted in the recommendations above, upon approval by Committee, the Draft DCSG will become a material consideration for the determination of planning applications.
- 5.2 It is proposed to carry out a minimum 6 week consultation on the Draft DCSG in the New Year. The Draft DCSG will be published online using [the Council's Development Plans Consultation Portal](#). The guidance poses a series of focused questions on the proposed approach and respondents also have the opportunity to comment on any other part of the guidance. The opportunity to contribute to the consultation will be publicised in local and social media, the Council's website and to our database of interested parties.
- 5.3 It is intended to report the findings of the consultation along with the finalised version of the DCSG to Committee in May 2018. Provided the finalised guidance is agreed it will be submitted to Scottish Ministers for a 28 day clearance period. Thereafter it will be adopted as supplementary guidance to the Highland-wide Local Development Plan and as such it will form part of the Council's statutory development plan.

6. Implications

- 6.1 **Resource:** This work aims to ensure that appropriate and proportionate developer contributions can be sought towards infrastructure associated with new development. Separately, resources to undertake a public consultation and finalise the DCSG are incorporated within the service budget.
- 6.2 **Legal:** The approach set out in the Draft DCSG is considered to be compatible with Scottish Government legislation on developer contributions. The draft guidance has undergone internal review and is now subject to scrutiny by Committee and then public consultation.
- 6.3 **Community (Equality, Poverty and Rural):** The approach set out in the Draft DCSG seeks to ensure that development takes place in a sustainable manner and facilitates the provision of timely infrastructure to mitigate any adverse community impacts.
- 6.4 **Climate Change / Carbon Clever:** The draft SG will undergo both Habitats Regulations Appraisal (HRA) record and Strategic Environmental Assessment (SEA) screening. Will be aim to incorporate any changes required as a result of these assessments before the Draft DCSG is published for consultation.
- 6.5 **Risk:** The risks associated with developer contributions are in planning appeals or legal challenges that challenge any contribution sought. Our evidence base, combined with coordination of the capital programme, is critical to mitigate this risk.
- 6.6 **Gaelic:** Gaelic headings and subheadings will be added if and when the DCSG becomes statutorily adopted.

Designation: Director of Development and Infrastructure

Date: 25 October 2017

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Draft Developer Contributions
Supplementary Guidance

November 2017



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Developer Contributions Supplementary Guidance

1 Introduction

This guidance, once adopted, will replace the existing Developer Contributions Supplementary Guidance (DCSG) adopted in March 2013 and will form part of the Council's Development Plan for the determination of planning applications.

This guidance sets out the Council's approach to mitigating the impacts of development on services and infrastructure and seeking fair and realistic developer contributions to the delivery of such facilities. This guidance applies to **all scales and types of development (including single houses)** in the area covered by the Highland-wide Local Development Plan and the associated adopted and emerging area Local Development Plans. In addition, this guidance also used to inform decision making within the Highland area of the Cairngorms National Park.

Following approval by the Environment, Development and Infrastructure Committee in November 2017, this guidance is a material planning consideration and informs any decision and advice given on planning applications.

Have Your Say

The Council is seeking your views on this draft guidance during a X week consultation beginning on X date 2018. Your responses will inform the finalised guidance that will be considered by the Environment, Development and Infrastructure Committee, and adopted following clearance by Scottish Ministers.

A series of questions are set out throughout the document where you will find an 'Add Comments' tab to make comments on each section.

Comments on the draft guidance must be submitted through our consultation portal consult.highland.gov.uk by X date 2018. Comments by letter or email will not be accepted unless otherwise agreed in advance with the Development Plans Team. If you have made an arrangement with the Council to submit a written response, please ensure your comments specifically refer to sections you are sharing your views on.

To contact the Development Plans Team:

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Developer Contributions Supplementary Guidance

Aim of this Guidance

1.1 Infrastructure is key to the delivery of the vision and strategy of the Local Development Plans (LDP) for Highland. The LDP recognises that growth in population, housing, business and industry requires new and improved infrastructure. These infrastructure requirements are set out in the LDPs with delivery progress and updates being reported within the LDP Action Programmes.

1.2 Development should not adversely impact upon existing levels of service provision. Where development, either individually or cumulatively, is identified to have an adverse impact developers can be asked to provide or make financial contributions towards the delivery of new or improved infrastructure.

1.3 The Council's preference is for direct developer provision either on site or off-site. Where this is not possible, proportionate contributions are required to mitigate the impact of the development. Such contributions must however be balanced carefully with site development costs to ensure that development remains viable and can deliver the Council's aspirations for economic growth.

1.4 To support the delivery of the LDPs, this guidance sets out the Council's proposed approach to determining infrastructure requirements associated with development and a framework for the collection and expenditure of contributions to ensure the timely delivery of infrastructure.

1.5 Table 1.1 summarises the types of development which may trigger the need for contributions. This is not an exhaustive list.

Table 1.1 - Contributions Matrix

Development Type	Schools	Community Facilities	Affordable Housing	Transport	Green Infrastructure	Water & Waste	Public Art
Residential	Y	Y	Y - 4 or more homes	Y	Y	Y	Y
Business / Tourism	N	N	N		Y	Y	Y
Industrial (inc. energy)							
Retail							

1.6 Sections 2 to 8 of this guidance sets out how to calculate each type of infrastructure contribution. Section 9 details other voluntary community benefits and emerging policy requirements to be considered and Section 10 provides payment details.

Developer Contributions Supplementary Guidance

Policy Context

1.7 This guidance has been prepared in accordance with Scottish Government policy and the Highland-wide LDP (HwLDP). This guidance should also be read alongside the adopted and emerging:

- Area Local Development Plans (Area LDPs), including site specific development requirements;
- Local Development Plan Action Programmes;
- Other Council policy based Supplementary Guidance; and
- Development Briefs / masterplans.

Existing and Emerging Development Briefs

1.8 Some types of developer contributions for specific sites or areas are also set out within Development Briefs. The most up to date guidance for each type of contribution will usually be applied however advice will be provided at the application stage as to which rates apply depending on the timing and circumstances of the each application. It should be noted that all types of developer contributions in this document and Development Briefs are subject to indexation to allow for inflation.

Cairngorms National Park

1.9 The statutory development plan within the Cairngorms National Park comprises the Cairngorms National Park Local Development Plan and its associated Supplementary Guidance. These documents are prepared by the Cairngorms National Park Authority and define the items towards which developer contributions will be sought within the Highland area of the Cairngorms National Park. However, the Council is responsible for providing services including education, libraries, waste, and transport in the Park. This guidance will therefore be relevant in determining the rates that development proposals in the National Park will need to contribute towards these Council services.

Question 1

Do you have any comments on the aims and purpose of this guidance? Please reference the section / paragraph number where appropriate.

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How to Use This Guidance

1.10 This guidance will be used in the determination of **all planning applications (including single houses)** where there is judged to be implications for services and infrastructure. **The financial implication of this guidance should be factored into development appraisals prior to land deals and commercial decisions being taken.**

Wherever a blue box such as this appears in this document, these boxes contain the headline contribution requirements and costs which should inform the basis of a development appraisal.

The supporting text provided alongside these boxes explains the rationale for contributions, circumstances when certain contributions apply and the methodology for their calculation.

1.11 Developers of **small scale sites of less than four homes** are guided to:

- Review this section and particularly: Planning Application Process / Household Size / Small Scale Housing Sites / Contribution Variations or Exemptions **before**;
- Calculating developer contribution costs set out in Sections 2 to 8 (Appendix 4 provides worked examples); and
- Consider the up front payment option set out in Section 10.

1.12 Developers of **larger scale sites** should review this guidance in full.

1.13 The guidance cannot be applied retrospectively to an existing planning permission. If a planning application has however lapsed or is incapable of being implemented without variation, this guidance will be applied to any subsequent planning application, including applications for variation to planning conditions submitted under Section 42 of the Act or application for any change in land use.

Planning Application Process

1.14 The Council encourages early engagement by all developers and offers a [pre-application advice service](#) to ensure that the scope of contributions is known from the outset. This service is offered for **all scales of development** and provides comprehensive, reliable and up to date advice.

1.15 To enable accurate contribution estimates to be provided, the following information is required:

- *Residential* - No. homes proposed including a breakdown of:
 - Affordable and open market housing;
 - No. of houses and flats;
 - No. bedrooms proposed; and
 - Any accommodation which is unlikely to accommodate school aged children.
- *Commercial* - Approximate gross floor space and parking nos. proposed.
- *Phasing* - The projected build out rate / year of first completions on site and intended phasing thereafter.
- *Infrastructure* - Any infrastructure proposed to be provided on site.

1.16 In the event that this level of information is still to be finalised, developers that have used the pre-application advice service can receive further contribution advice upon request to inform a planning application submission.

1.17 There may be circumstances where contributions affect the financial viability of development and this will be taken into consideration when determining planning applications. The 'Development Viability' information provided at the end of this section explains on how the Council will consider development viability in decision making.

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Process for Determining and Securing Contributions		
1	Advice Provided on Scope of Contributions	Developer finalises proposals and considers the need to prepare a viability assessment which can be submitted with the planning application.
2	Planning Application Submitted	When a planning application is submitted, the Council will confirm the contribution requirements.
3	Developer Receives Detailed Contribution Requirements	The requirements are based on an assessment of existing facilities and infrastructure to identify any capacity constraints. The developer will be provided with a summary of the contributions required together with details as to how these contributions have been calculated.
4	Developer's Response to Contribution Requirements	If contributions cannot be agreed / met in full, developer to submit a viability assessment to demonstrate need for any contribution variations.
5	Report of Handling Prepared	Contributions should be detailed by this stage and reflected in the report.
6	Application Determined	Developer to make an up front payment or enter a legal agreement to pay later.

Household Size

1.18 Contributions from **all scales of development** will be based on a per residential unit equivalent basis (unless otherwise stated). A three bedroom home is the 'Standard sized Residential Unit Equivalent' (SRUE). Table 1.2 sets out the contribution adjustments to be made when calculating contributions based on the number of bedrooms proposed.

Table 1.2 Standard Sized Residential Unit Equivalent (SRUE)

Size of Home	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed	6+ Bed
Contribution	0.6	0.8	1.0	1.2	1.4	1.6
	(60%)	(80%)	(100%)	(120%)	(140%)	(160%)

1.19 The number of bedrooms proposed will be determined by the Council upon examination of the planning application drawings. Proposals which incorporate any additional rooms which are of a sufficient size to be capable of being used as additional bedrooms (such as a separate office, second dining room or large storage room) will be regarded as additional bedrooms.

1.20 Where a planning permission in principle is sought and the precise mix of units is not available, contributions will be estimated based on a per SRUE basis. Once the mix has been finalised, contributions will be based on the actual mix of units developed.

Small Scale Housing Sites

1.21 **Small scale residential developments (including self-build plots) of one, two or three homes** receive a discount on certain types of contributions to reflect economies of scale and the need to maintain development viability. The rates set out in Table 1.3 are firstly applied before adjusting the contribution based on the household size as set out in Table 1.2. For example, a single three bedroom property pays 20% of the contribution rates for schools, community facilities and cumulative transport projects. Appendix 4 provides further indicative worked examples.

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Table 1.3 - Small Scale Housing Rates

No. of Homes	1	2	3
Contribution:			
Schools	0.2	0.25	0.3
Community Facilities	(20%)	(25%)	(30%)
Cumulative Transport Contributions			

1.22 These rates do not apply where one or more of the following criteria apply:

1. The site lies within a landholding that has been subdivided;
2. The site lies within an area of wider development potential; or
3. Where additional units are added to a wider housing site that already benefits from planning permission.

1.23 A legal agreement may be insisted upon to ensure that any further residential development on the site or landholding makes an appropriate contribution. Where such a legal agreement is not in place the Council will seek revised contributions taking account of any previous development across the landholding or site. This approach is being carried forward from the DCSG adopted in March 2013, and any developments since then will therefore be considered in cases where historic planning permissions need to be considered in combination with undetermined planning applications.

Question 2

Do you agree with the small scale housing site discounts and thresholds proposed? If you do not agree please tell us why.

Commercial Sites

1.24 For all other types of development, contributions are site specific and calculated as follows:

- **Transport:** Informed through Development Briefs, Cumulative Transport Contribution zones and Standard Requirements for Transport. Larger developments may require a Transport Assessment to help inform the need and extent of mitigation required;
- **Green Infrastructure:** Green network / outdoor access contributions are based upon a per house equivalent figure (1 SRUE);
- **Waste & Water:** Infrastructure is expected to be integral part of the design of a development; and
- **Public Art:** Expected to be integral part of the development's design and account for around 1% of the project's capital budget.

Contribution Variations or Exemptions

1.25 Contribution variations or exemptions will be considered for:

- **House extensions** - Exempt.
- **Re-development resulting a reduction in floorspace or number of homes** - Contributions not normally required.
- **Developments not likely to result in resident children** - School contributions not required.
- **Derelict or contaminated sites** - Contribution variations or exemptions likely to be viewed favourably. The known costs associated with derelict and contaminated sites should however be reflected in the site purchase price and a viability assessment is required.

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Question 3

Do you have any other comments on how to use this guidance? Please reference the section / paragraph number where appropriate.

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Development Viability

1.26 It is acknowledged that full infrastructure costs cannot always be met by the developer.

1.27 Where a developer considers that planning policy and contribution requirements renders an otherwise commercially viable development commercially unviable, then the developer must justify this to the Council in a viability assessment to enable the Council to determine whether contributions should be reduced.

1.28 The developer must demonstrate on an 'open book' confidential basis that the requirement for contributions makes the development commercially unviable. All viability assessments must be carried out at the developer's expense by an independent practitioner and suitably qualified chartered surveyor.

1.29 Appendix 1 sets out the information required to be contained within a viability assessment. Further advice is available from the Royal Institute of Chartered Surveyors (RICS) website www.rics.org/uk where a [Financial Viability in Planning Guidance Note](#) (1st Edition, August 2012) is available to download.

Viability Assessment Process

1.30 The process the Council will follow for assessing viability of developments is set out below:

Step 1: Prepare a Viability Assessment

1.31 Pre-application advice should be sought **prior to land deals and commercial decisions being taken**. This advice should inform the need to prepare and submit a viability assessment with a planning application. Developers that have recently purchased land or agreed options without factoring the need for sufficient contributions will be considered to have acted unreasonably / without sufficient due diligence. In the event that the Council is faced with several sites in this position, the decision to continually allocate these sites will be assessed when reviewing the LDP.

Step 2: Review of the Viability Assessment

1.32 If an applicant decides to submit a viability assessment taking account of the matters referred to above, the viability assessment is reviewed to determine a viable level of contribution. External advice will usually be sought to undertake this review and corroborate any commercial non-viability. This independent third party advisor is appointed by the Council at the applicant's expense. The cost is dependant upon the quality of the information provided by the developer and the Council will rely upon the advice provided by the Council's independent third party advisor in determining the planning application.

Step 3: The Council's Decision

1.33 Regardless of the agreed viability assessment findings, contribution variations remain at the Council's discretion. For planning applications requiring a committee decision, the type and amount of contributions (including any reductions) will be included in the committee report. The viability assessment will be made available to committee members as a separate confidential report upon request. For planning applications determined under delegated powers, the type and amount of contributions (including any reductions) will be included in the report of handling.

Question 4

Do you think our proposals allow for a fair assessment of the impact of proposed contributions on development viability? If you do not, please tell us why, or suggest an alternative.

Freedom of Information

1.34 Viability assessments and any associated confidential information will not normally be made publicly available, however, the contribution amounts secured will be documented in planning reports and legal agreements. The Council may disclose information where it is obliged to do so, including where it is subject to

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request under the Freedom of Information (Scotland) Act 2002 (FOI) or the Environmental Information (Scotland) Regulations 2004 (EIR). In such circumstances, the Council will out of courtesy, notify the developer of the FOI/EIR request.

Question 5

Do you have any other comments on development viability? Please reference the section / paragraph number where appropriate.

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2 Schools

2.1 School capacity is a high priority for the Council and is required to support planned population and housing growth. The quality of school provision contributes significantly towards making Highland an attractive place to live and assists with the marketability of new homes. Developments are assessed with regard to their impact on the school estate using the [School Roll Forecasts](#) (SRFs). This is based upon the existing and forecast school infrastructure capacity and the ability to accommodate pupils generated by development.

2.2 Developer contributions for schools are outlined in the box below. Appendix 2 provides further detail on the Council's methodology for assessing the impact of development on school capacities and determining the requirement for contributions towards new or extended schools.

All residential development (including affordable homes) are required to contribute towards new school infrastructure where insufficient capacity is identified. Tables 2.1 to 2.3 set out the contributions required towards meeting the cost of school provision that is necessary as a direct consequence of development.

Table 2.1 - Developer Contribution Rates - Per SRUE

Mitigation Measure	Primary	Secondary
1 Classroom Extension	£2,547	£1,315
2 Classroom Extension	£2,022	£1,044
New School (excluding land costs)	£7,289	£3,449

Table 2.2 - Developer Contribution Rates - Per Flat*

Mitigation Measure	Primary	Secondary
1 Classroom Extension	£1,443	£708
2 Classroom Extension	£1,146	£562
New School (excluding land costs)	£4,131	£1,857

The new school equivalent rate also applies where a large scale extension of more than two classrooms is required. New school land costs are not however usually required for large scale extensions where they can be accommodated on existing school grounds.

Table 2.3 - New School Land Costs

Settlement	Prevailing Unserviced Land Value	Primary		Secondary	
		Per SRUE	Per Flat*	Per SRUE	Per Flat*
Inverness	£1m - Based on information on recent land purchases	£2,074	£1,175	£531	£286
Other Areas	Inverness land costs should be used as a maximum guide. Land costs may be less and require to be confirmed using this methodology.				

* This rate relates to a two bedroom flat. Three or more bedroom flats (or two bedroom flats with an additional room capable of conversion to a bedroom) are subject to the SRUE rate.

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Question 6

Do you agree with the methodology for calculating school contributions and associated land costs? Please tell us why, or suggest alternatives.

Exemptions

2.3 The following types of development are exempt from school contributions:

- One bedroom homes, where it is clear that no additional rooms could be used as bedrooms.
- Residential institutions i.e. residential care home, hospital, residential school, college or training centre, prison, etc.
- Sheltered housing provided for elderly people who require occasional support and assistance from a resident warden. Homes with an age related occupancy condition will not be exempt.
- Developments with occupancy restrictions, secured by title or planning condition, that would prevent or reasonably restrict opportunity for children of school age to live there. For example, student accommodation, houses in multiple occupation (HMO) or tourist accommodation where the layout and design precludes permanent occupancy.

2.4 Applicants claiming an exemption should raise this with the Council at the earliest possible opportunity. Affordable housing developments are required to contribute towards school provision and it is intended that this will continue.

Question 7

Do you agree that affordable homes should contribute to school costs?

Nursery Provision

2.5 The new primary school build costs incorporate an element of nursery provision. In all other areas, nursery provision will be assessed on a case by case basis. Emerging nursery legislative requirements may result in the need for a material increase in nursery provision and therefore contributions maybe required to resolve capacity constrains. Prescribed rates will be set out once further research has been commissioned. Additional guidance on nursery provision and associated developer contributions may therefore form a future appendix or section of this guidance.

Use of School Contributions

2.6 School contributions will typically be invested within the relevant schools' catchment areas. Parental choice has introduced the right to make placing requests to alternative schools which makes it more difficult to forecast in detail where impacts will be felt. For the overall management of the school estate, the Council reserves the right to invest the contributions received within any primary or secondary school within the corresponding secondary school catchment area (known as the Associated School Group or ASG) to manage the capacity and catchment areas for new and existing schools. For the purposes of this guidance, the five Inverness secondary school catchment areas are treated as a single catchment area for the expenditure of both primary and secondary school contributions.

Question 8

Do you agree with the flexibility proposed in the use of school contributions to manage the school estate?

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Question 9

Do you have any comments on our approach to assessing the impact of development on schools and determining the requirement for contributions as set out in Appendix 2?

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3 Community Facilities

All residential development requires to contribute towards the enhancement or creation of new community and healthcare facilities where insufficient capacity is identified.

Contributions for indoor facilities are £1,009 per SRUE.

Contributions for outdoor facilities and healthcare facilities are calculated on a case by case basis.

Where a upgraded or new facility is required contributions are required from all residential developments within the relevant secondary school catchment area.

3.1 The need for contributions is determined by the capacity of the existing facilities and their ability to serve development. In some circumstances there will be no contribution required if the facilities are of an adequate size to cope with both existing and anticipated increase in usage.

3.2 Community facilities that require upgraded or new facilities as a result of planned development are contained within the LDP and/or the LDP Action Programme as well as Development Briefs. The specified community facilities maybe subject to change during reviews of these documents.

3.3 Early engagement as part of the pre-application process is essential to obtaining a fuller understanding of infrastructure requirements and up to date costs.

Indoor Facilities

3.4 Contributions for indoor community facilities may be sought towards the following types of facilities: libraries, village/town halls, leisure or community centres. Contributions are calculated on the requirement of 0.69sqm of community facility per dwelling unit, using a build cost of £1,461 per sqm.

Outdoor Facilities

3.5 Contributions for outdoor community facilities may be sought towards sports pitches and associated changing facilities, lighting, spectator areas and parking. Contributions will be calculated on a case by case basis if not already set out in a LDP Action Programme or Development Brief.

Healthcare

3.6 NHS Highland is in the process of identifying where individual healthcare facilities are reaching or are at capacity. It is known that there is particular pressure on GP surgeries in Inverness. Contributions may be sought for a new build facility, permanent extension or reconfiguration of internal space to provide additional capacity.

Question 10

Do you agree with the methodology for calculating contributions for community facilities?

Developer Contributions Supplementary Guidance

4 Affordable Housing

Developments of four or more homes are required to contribute 25% equivalent of affordable housing in areas of need. 15% of the 25% affordable housing requirement must be 'wheelchair livable'.

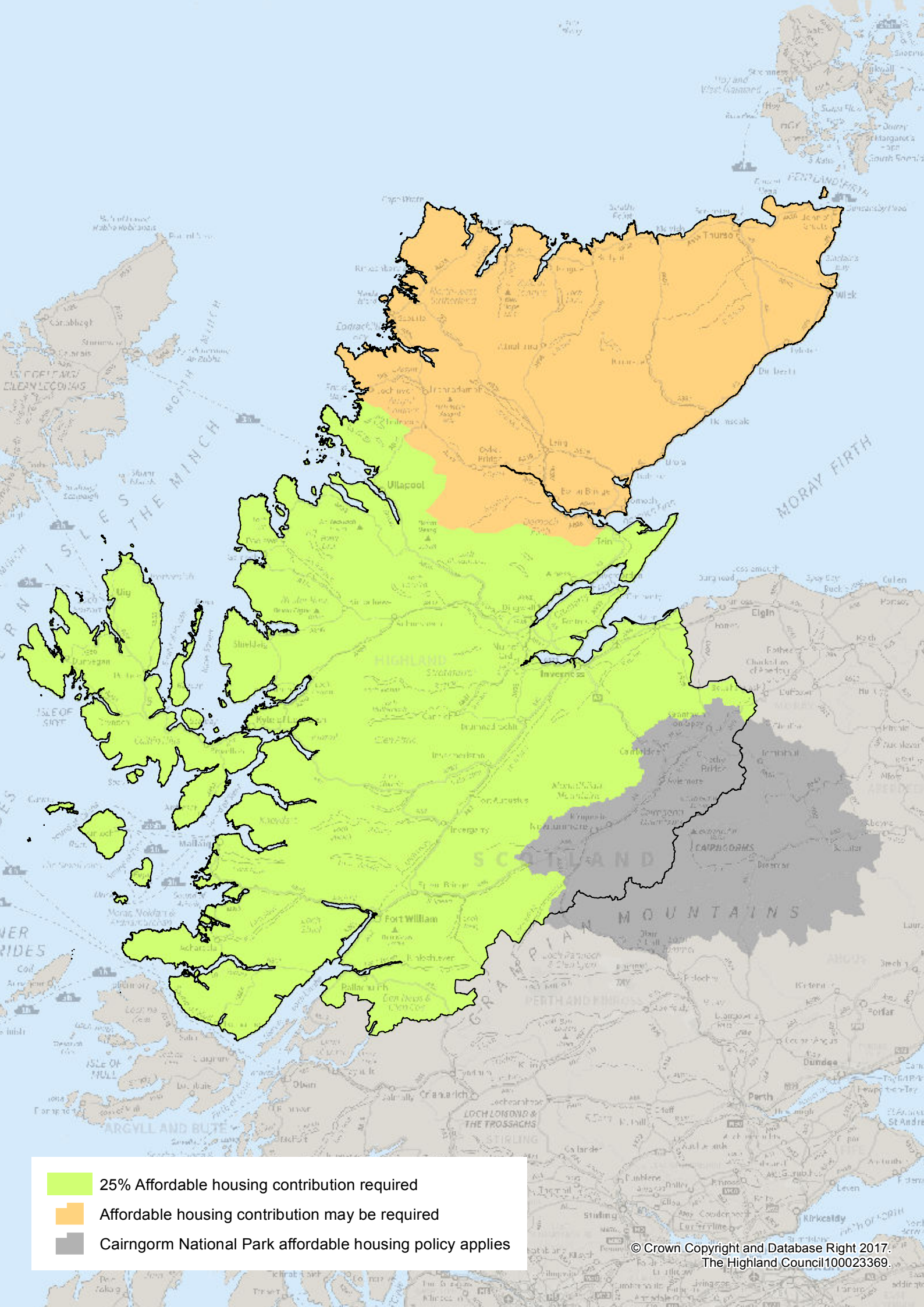
Commuted sums may be acceptable in exceptional circumstances and will be assessed on a case by case basis.

4.1 [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. The Council's policy approach to affordable housing provision is set out in the [Highland-wide Local Development Plan](#) Policy 32: Affordable Housing.

Affordable and Accessible Housing Requirements

4.2 Studies of housing need and affordable housing requirements have been carried out across the Council area as part of the preparation of the Housing Need and Demand Assessment (HNDA) 2015. The HNDA gives long run estimates of housing need, and provides an evidence base for the Council's [Local Housing Strategy](#) and LDPs.

4.3 In line with national guidance, the Highland-wide Local Development Plan and on the basis of the findings of the HNDA all housing market areas in Highland with the exception of Caithness Housing Market Area and Sutherland Housing Market Area are required to provide 25% affordable housing. This requirement applies to all sites, including both allocated and windfall regardless of whether they fall within a defined settlement development area. It is acknowledged that there is a lower demand for affordable housing in Caithness and Sutherland. Map 4.1 illustrates where affordable housing requirements in these areas will be assessed on a case by case basis informed by local housing needs. The Local Housing Strategy for example identifies Dornoch, Embo and Lochinver as priority communities where there is demand for affordable housing. When calculating the level of contribution required the contribution will be rounded up to the nearest whole number of units.



- 25% Affordable housing contribution required
- Affordable housing contribution may be required
- Cairngorm National Park affordable housing policy applies

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4.4 Currently affordable housing contributions are taken for developments of four or more houses. In the future, the Council intends to reduce this threshold to all sizes of housing developments. This change can only happen following a review of the Highland-wide Local Development Plan.

4.5 The HNDA also found that long term demographic and health changes are likely to require additional provision of wheelchair housing. To help meet this demand the Council may require up to 15% of the 25% affordable housing to be 'wheelchair livable'. The Council is also considering introducing a similar requirement for the open market housing element of developments, this is common with other local authorities in Scotland. This is on the basis that the public sector will not be able to meet demand forecast and there is also open market demand for this type of housing.

4.6 The proportion of wheelchair livable housing required will be dependant on local housing needs, and also on the suitability of a site in terms of accessibility to services and topography. Wheelchair housing is expected to be provided in the form of detached and semi-detached bungalows or flats. Upper floor flats which are wheelchair livable must have a lift. Wheelchair housing must also comply with Housing for Varying Needs Standard, including the standards specific to 'dwellings for wheelchair users'. Advice should be sought in early in the process from the Council's Housing Service to determine requirements.

Question 11

Do you think it would be reasonable for the Council introduce a requirement for a proportion of private open market housing to be wheelchair livable?

Exemptions

4.7 A number of types of housing developments do not require provision of affordable housing. These are listed below:

- Residential institutions i.e. residential care home, hospital, residential school, college or training centre, prison, etc;
- Developments with occupancy restrictions for example, student accommodation, houses in multiple occupation (HMO) or tourist accommodation; and
- Conversion of buildings to provide up to 10 homes within Inverness City Centre.

Definition of Affordable Housing

4.8 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.

4.9 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.
- **Mid market rented accommodation** – *properties that are let at a maximum of 80% of current average private rented housing in the local housing market area.*
- **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 remainder from a Registered Social Landlord or alternative approved

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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.

Mechanisms for Securing Affordable Housing

4.10 Table 4.1 sets out the sequential approach applied to the delivery of affordable housing, subject to the availability of public subsidy. 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.

Table 4.1 - Sequential Approach

1. On Site	Provision of affordable housing on-site; or
	Transfer of an area of serviced land on-site
2. Off Site	Provision of affordable housing off-site; or
	Transfer of an area of serviced land off-site
3. Commuted Payment	

Small Scale Developments

4.11 The practical difficulties of managing the delivery of very small numbers of affordable units on-site (usually one - three units) have been highlighted by both the private and public sector. The options for the delivery of affordable housing contributions for smaller schemes is set out below, subject to the availability of public subsidy:

- Transfer of an area of serviced land on-site;
- Transfer of an area of serviced land off-site; or
- Commuted payment.

On Site Provision

Provision of Affordable Housing On-site

4.12 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.

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4.13 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.

4.14 The developer will be required to build an agreed number, type and mix of affordable housing units on site, including any required wheelchair housing (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 (refer to Table 4.2) 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.

Table 4.2 - Benchmark Affordable Housing Costs 2017 (£)

Area	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person
East Mainland	113,850	126,500	132,825	139,150	145,475	151,800
West Mainland and Skye	118,800	132,000	138,600	145,200	151,800	158,40

Notes on Table 4.2

- 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

Transfer of an area of serviced land on-site

4.15 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

Provision of affordable housing off-site

4.16 In cases where on-site provision cannot be achieved, 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.

4.17 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.

Transfer of an area of serviced land off-site

4.18 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).**

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Commuted Payments

4.19 Commuted Payments may be acceptable only if there are no suitable 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 RSL on other sites. Where 16 or more units are proposed the affordable provision must be delivered within that settlement provided it is an area of need. Where no suitable sites can be found within that settlement the provision must be provided as close as possible to the settlement and ideally within a five mile radius. For developments of less than 16 units the commuted sum may be spent within the local housing market area.

4.20 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.

4.21 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.

4.22 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 cost-neutral 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.

Securing Affordable Housing

4.23 The Council's preferred method of delivery will be through the use of a Section 75 obligation. In exceptional circumstances other mechanisms may be used to secure affordable housing this includes when a developer has legally agreed to enter into a contract with a RSL prior to the determination of the planning application.

Type, Design and Layout of Affordable Housing

4.24 The tenure split and range of house types of affordable housing required will be informed by the Housing Need and Demand Assessment, Local Housing Strategy, common housing register and current local housing needs surveys. Outwith these assessments the tenure split and 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 Service.

4.25 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.

4.26 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. Affordable houses should be similar in design and materials to market housing and there should not be a significant outward difference in the style of units or layouts. They should be indistinguishable from the general mix of other houses on the site in terms of architectural quality and detail.

4.27 The whole development should be completed within a similar timescale unless otherwise agreed with the Council. Furthermore unless agreed, the land transferred for affordable housing should not be subject to any particular development constraints.

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Retention of Affordable Housing

4.28 Affordable housing will normally be expected to remain affordable in perpetuity (to subsequent and future households, not just the first). The most common mechanism for securing housing as affordable in perpetuity is for the house/s to be managed by a Registered Social Landlord (RSL) or local housing authority. Where there is no RSL or local housing authority involvement and where no other form of public subsidy is being used to provide the affordable housing the applicant/landowner may be required to enter into a planning obligation or condition to ensure the house/housing is retained as affordable in perpetuity.

4.29 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 RHB to the title of land sold, the Burden is applicable throughout all of the Highland Council area.

Question 12

Do you agree with the approach to affordable housing? Please reference the section / paragraph number where appropriate.

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5 Transport

5.1 Development can often have implications for the transport network. To mitigate any impacts financial contributions and/or the direct provision of transport infrastructure and services may be required to support the delivery of development.

5.2 To assess the implications of and infrastructure requirements for development, background reports and modelling has been undertaken to identify key transport issues to be addressed through new development. This has informed the developer requirements set out in the LDP and area specific Development Briefs. The LDP Action Programmes also play a vital roll in providing regular updates on transport infrastructure projects, delivery timescales, funding commitments and developer contribution requirements.

5.3 This guidance complements the items already identified in LDPs, Development Briefs and the Action Programmes by setting out further detail on how the mitigation requirements for transport will be identified.

All development is assessed in terms of its impact on the transport network. For the following types of transport infrastructure and services developer contributions and/or direct provision may be required to mitigate the impacts of a proposed development. These are described in further detail in this section.

- **Standard Requirements for Transport** - including:
 - Walking / cycling provision and paths;
 - Safer routes to schools and road safety measures;
 - Public realm and wayfinding;
 - Public transport services and facilities;
 - Road improvements (including access and service requirements for single house developments); and
 - Parking, electronic vehicle charging, signals, lighting and road traffic orders.
- **Cumulative Transport Contributions.**

Standard Requirements for Transport

5.4 All developments will be assessed in terms of their impact on the transport network. For larger developments the requirements are informed primarily on the findings of an agreed Transport Assessment. For smaller developments, proposals will be assessed against the Council's and/or Transport Scotland's prevailing standards. Transport infrastructure requirements and costs will vary from site to site. Developers are expected to meet in full the cost of all on and off site works required to facilitate development as identified through the planning application determination process. Depending on circumstances, contributions may be required towards improvements being constructed by the Council or others. Specific guidance that will inform the requirements for transport contributions and/or provision include:

- The refreshed draft [Regional Transport Strategy](#), May 2017 and the existing [Local Transport Strategy](#), August 2010 which both set the direction in policy terms for the transport network investment in Highland;
- [Active Travel Audits and Masterplans](#) which identify and assist in delivering walking, cycling and access to public transport improvements;
- [Guidelines for Transport Assessments](#), November 2014 which sets out the process required for scoping and undertaking site specific Transport Assessments on local roads in the Highlands
- [Roads and Transport Guidelines for New Development](#), May 2013 which sets the standards for the provision of transport infrastructure;
- [Access to Single Houses and Small House Developments](#), May 2011 which sets out access, road safety and drainage requirements for smaller developments;
- [The Road Asset Management Plan](#), November 2016 which sets out the Councils operational plan for maintenance of road asset for the period 2016 – 2019; and
- [National Roads Development Guide](#), February 2014 published by SCOTS and endorsed by the Council.

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5.5 Appendix 3 provides examples of necessary transport mitigation measures which are considered during the assessment of a proposed development. To obtain a fuller understanding of transport mitigation requirements early engagement with the Council's Transport Planning team as part of the pre-application process is essential.

Question 13

Do you agree with the standard requirements for transport infrastructure? Tell us why.

Cumulative Transport Contributions

5.6 In certain locations across Highland a number of different development sites contribute to the need for a strategic transport project or intervention. The Southern Distributor Road in Inverness is a good example of where multiple development sites delivered over many years have been required to make a financial contribution to transport infrastructure. More recently we have set similar requirements for development adjacent to the West Link road to make contributions towards its delivery through the Torvean and Ness-side Development Brief. The emerging Development Brief for Inverness East will also identify infrastructure requirements for wider transport projects in this area. The Inner Moray Firth Local Development Plan also refers to transport projects such as the upgrade to Tomich junction at Invergordon, where a framework for developer contributions is required.

5.7 To formalise this established approach, and to provide the framework for contributions alongside those outlined in Development Briefs, the Council proposes Cumulative Transport Contribution zones to mitigate cumulative impact of development. Each zone will support the delivery of a package of measures which are essential to the delivery of the LDP. Transport improvements which may be set out for each zone include:

- Walking and cycling improvements;
- Improved access to public transport;
- New and improved roads and bridges; and
- Traffic management, including junction improvements.

5.8 The zones will focus on areas of Highland where the majority of development is anticipated to take place. Contribution Zone coverage, and the transport projects identified within each zone, are not however anticipated to be comprehensive with these only accounting for some of the potential development which could occur in Highland. Development proposals may still therefore require Transport Assessments which could identify further strategic transport mitigation requirements.

5.9 A methodology is being developed to apportion contributions which requires further engagement with Transport Scotland for certain Trunk Road related projects and investigation of the following:

- Existing and forecast traffic flows from development;
- Relationship / proximity to transport network interventions;
- Estimated costs for interventions and likely sources of funding;
- Catchment(s) for which proportionate contributions maybe sought (potentially based on a gravity model with development closer to congestion hot spots having a greater impact and need for mitigation);
- Scale of development and range of land uses to be included; and
- Implications for development viability.

5.10 Once prepared this information may be incorporated in a future appendix to this guidance. In the interim, emerging zones are intended to help inform the Council's investment priorities, future Capital Programme updates and funding bid initiatives. Once formed, the zones and their associated strategic transport projects will be subject to committee scrutiny and if approved, will be regarded as an important material consideration in planning decision making.

5.11 Until the Contribution Zones have been prepared, each planning application will be assessed on its merits against the provisions of the LDP and the associated LDP Action Programmes.

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Question 14

What aspects of the cumulative transport contributions proposal do you agree and disagree with? Which locations or parts of the transport network should the Transport Contribution Zones cover?

Transport Infrastructure Delivery

5.12 The Council plays a key role in the collection and administration of financial contributions and coordinating these with any other funding available to deliver transport projects that mitigate the impact of development. The priority for the Council is to invest transport contributions towards the project or intervention for which contributions are sought. In certain circumstances, transport contributions may need to be directed towards other transport infrastructure projects or enhancements within the locality of a development providing that such measures provide similar levels of mitigation for the development in question. In considering how best to utilise transport contributions, the Council will take into consideration the projects that could benefit from other Council and/or external sources of funding.

Question 15

Do you have any other comments on transport contributions? Please reference the section / paragraph number where appropriate.

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6 Green Infrastructure

Open Space

Residential developments of four or more homes require to contribute towards the provision of new/improved off-site open space and/or play areas where on site provision is not possible.

Contributions towards off-site provision will be calculated on a case by case basis.

6.1 The Council's [Open Space in New Residential Development Supplementary Guidance](#) sets out the open space requirements for new residential development including the quantity standard of 40 sqm per person in specified regional, sub-regional and local centres (see open space guidance) and 25 sqm per person elsewhere. Average occupancy rates differ across Highland, these are set out in the open space guidance and the [Inverness City Centre Development Brief](#). Open space should be delivered on-site and only in exceptional circumstances will contributions be sought to the provision of new/improved open spaces and/or play areas off-site.

6.2 In 2010 The Highland Council published its first [Green Space Audit](#) and findings of this will be taken into account in assessments. The audit provides an assessment of open spaces within Inverness and larger Highland towns and villages. It provides a high level assessment of the quantity, quality and accessibility of open space in settlements and is a useful source of where opportunities for improvements to the quantity and quality of open space arise.

Green Networks

All development is required to protect and enhance the green network. **Major developments** in the A96 Corridor require to contribute towards the specific priority enhancement projects set out in the Green Networks Supplementary Guidance. Elsewhere, the green network is expected to be delivered through the design and layout of development.

6.3 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. We will seek the protection and enhancement of the green network both within the site and linking to the wider green network.

6.4 The Green Networks Supplementary Guidance identifies priority projects, in particular the A96 Green Network. Developments in A96 Corridor increases pressure on access resources and creates the need for new trails. Therefore direct on site provision and/or contributions towards these are required. The protocol for collecting these contributions is set out in the Green Networks Supplementary Guidance. In all other areas, the principles set out in the Green Network Supplementary Guidance must be applied when considering the design and layout of development.

Built and Natural Heritage

All development is required to mitigate any impact on the built and natural environment. Off site contributions are required where on site mitigation measures to avoid or minimise adverse effects do not fully address impacts. Contributions will be assessed on a case by case basis.

6.5 Applicants are required to give due consideration to the built and natural heritage when formulating their proposals. It is not expected that that financial contributions for the natural or built heritage should be an acceptable starting point for a proposal. This type of contribution would be a last resort taken as compensation where on site mitigation measures to avoid or minimise adverse effects do not fully address the unacceptable impacts on the natural and built heritage interest. Any financial contributions are likely to be off site and should be an equivalent level of those natural or built heritage interests lost or adversely affected.

Developer Contributions Supplementary Guidance

Question 16

Do you agree with the methodology for calculating Green Infrastructure contributions?

Developer Contributions Supplementary Guidance

7 Water and Waste

Water

All development that could have an adverse impact on the water environment requires to off-set that impact and financial or in-kind contribution are occasionally required.

7.1 The adopted [Flood Risk and Drainage Impact Assessment Supplementary Guidance](#) sets out the detail of the Council's assessment and mitigation requirements. The Council intends to review this document to reflect evolving best practice. This section outlines instances when the Council may require water infrastructure related contributions.

Strategic Flood Schemes

7.2 In cases where a flood protection schemes has been listed as an agreed action within a Flood Risk Management Plan / Strategy and subsequently, a planning application is proposed on land that will derive direct benefit from that scheme (i.e. the application would have been or would be refused on flood risk grounds land in the absence of the scheme) then the developer shall be required to contribute towards the flood prevention works.

7.3 The most effective form of contribution will comprise the prior transfer of land within the developer's control to the Council (at nil consideration) required to construct the scheme. Where this does not happen and the developer opts to wait until completion of the scheme before lodging a planning application, a financial contribution will be required to recover the Council's initial cost of acquiring land under the developer / landowners control to construct the scheme.

7.4 Where a developer has no land interest that can assist implementation of the scheme, a contribution towards the scheme's construction costs will be required. This will be proportionate to the capital cost of the scheme and the uplift in development value of the application site post completion of the scheme.

Maintenance and Repair of SuDS

7.5 The Council's first preference is that Sustainable urban Drainage Systems (SuDS) are constructed by the developer to a standard that will allow for future vesting (adoption) by Scottish Water.

7.6 As a second preference, developers should set in place a maintenance and repair regime undertaken by a factor and financed by the owners or occupiers of the development. This should follow the approach for open space maintenance detailed in the Council's Supplementary Guidance: Open Space in New Residential Developments. The factor must have the technical knowledge and competence necessary to maintain and repair SuDS infrastructure.

7.7 If a solution using the first and second preferences cannot be found then the Council will consider the adoption of a SuDS device / area in exchange for payment by the developer of a capital sum that will yield the annual maintenance cost of that infrastructure. In the absence of Scottish Water vesting, the Council will also consider the need for a developer to lodge a financial bond sufficient to cover the cost of rectifying deficient construction of a SuDS device or area.

Question 17

Do you have any other comments on water related contributions? Please reference the section / paragraph number where appropriate.

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Waste

All development requires to make sufficient provision for waste management (such as provision of bins and recycling points) set out in the [Managing Waste in New Developments Supplementary Guidance](#). The following standard planning condition will usually apply:

A suitable and sufficient off-street storage area shall be maintained at all times for refuse containers associated with this development. All refuse and recycling materials associated with the development shall be stored within the approved area detailed on the site plan REF X. No refuse or recycling material shall be stored or placed for collection on the public highway or pavement, except on day of collection.

Recycling Points

All commercial convenience retail developments and residential developments of 100 or more homes (or which significantly expand a settlement), create a need for new or improved recycling point provision with a recycling point expected to be provided on site or in the immediate vicinity.

Smaller scale residential developments of 4 or more homes may also need to contribute towards enhanced provision. Contributions in the Inner Moray Firth Area are £7 per SRUE and £5 per SRUE elsewhere in Highland.

7.8 It is expected that residential developments will have access to a recycling point within 1km. On site provision is always the Council's first preference, however where this is not possible, commuted sums may be required towards provision. The land required is 20sqm per recycling point to accommodate 3 colour separated glass banks which cost around £1,500.

7.9 For the Inner Moray Firth Area, based on serviced housing land value of £500,000 per acre in Inverness, the land cost is around £2,500, equating to a total of £4,000 per recycling point. Each point has capacity to serve around 600 homes, resulting in a commuted sum of £7 per SRUE. In other areas, land costs are generally less and contributions will be £5 per SRUE. Alternative solutions which demand for example higher quality design or underground storage, may cost considerably more and areas of need are established through consultation with the Council's Community Services Team. Any commuted sums received will be invested within the nearest settlement wherever possible or within the relevant Housing Market Area.

Question 18

Do you have any comments on waste and recycling contributions?

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8 Public Art

National and major developments and developments on prominent sites or sites of historic or cultural significance require to provide public art on site. Contributions towards off site provision may in exceptional circumstances be acceptable.

8.1 As set out in the [Public Art Strategy: Supplementary Guidance](#), the Council's preference is for Public Art to be an integral part of the overall design of a development. The preferred approach is to integrate public art into the design of fixtures and fittings in the public realm to promote neighbourhood identity and a distinctive sense of place. As such, in all but exceptional circumstances, public art should be provided on site.

8.2 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.

8.3 As an exception, the 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 work with the developer to agree the most appropriate method for the management, implementation and maintenance of off-site public art.

Question 19

Do you agree with the approach to delivering public art as an integral part of developments?

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9 Community Benefit and Emerging Policy Requirements

Community Benefit

9.1 Community benefit is a goodwill contribution voluntarily donated by a developer. It is for the benefit of communities affected by development where this will have a long-term impact on local resources and the local environment.

9.2 There is no legal requirement on a developer to offer a community benefit donation and Scottish Government planning guidance prevents this type of payment from becoming a condition of planning permission. The Council have no powers of enforcement if a developer is unwilling to make a contribution and community benefits cannot be regarded a material consideration in planning application decision making.

9.3 Planning obligations differ from community benefits in that they are required to address the impact of any development and are not voluntary in nature. They should not be viewed as abnormal costs by developers or seen as 'community benefit', but integral to delivering the development.

9.4 Regardless if contributions or a planning obligation is required, the Council supports developers in considering the provision of other community benefits as part of their development proposals. The Council want to make sure that local communities benefit directly from the use of their local resources and are compensated for the disruption and inconvenience associated with large scale development work.

9.5 The Council's [Community Benefit Policy](#) provides further information which is particularly relevant for large scale developments such as renewable energy schemes.

Emerging Policy Requirements

9.6 Other emerging policy requirements which the Council expects developer to consider when preparing development schemes are set out below. These infrastructure items are likely to be incorporated within future revisions of this guidance once parent policies have been prescribed and agreed through emerging LDPs.

Broadband and Digital Infrastructure

9.7 The Council encourages the provision of fibre broadband direct to the home and business premises as an integral part of development. Investment in digital infrastructure including the "Digital Fibre Network" (a National Development defined by [NPF3](#)) is vital to sustainable economic growth and is essential part of development.

Question 20

Although not a planning or building regulation requirement, do you think it is reasonable for the Council to insist upon the provision of fibre broadband to the home or business premises?

Efficient Use of Heat

9.8 The LDP encourages maximising energy efficiency and renewable sources of energy as part of sustainable design. This includes consideration of low or zero carbon heating and district heating schemes by making use of the Scotland Heat Map which provides information on heat demand and supply opportunities.

9.9 A strategic identification and analysis of district heating network opportunities has also been undertaken for the WestPlan area, documented in the Background Paper [WestPlan Heat Network Opportunities Assessment](#). That work has been undertaken to inform the WestPlan and the Highland HERO (Heat Energy & Renewable Opportunities) which is the approach that the Council are taking towards heat and energy solutions in the Highlands.

9.10 Future District Heating Networks may serve existing and/or new development and consideration of potential for networks is strongly encouraged. The Council will look for appropriate opportunities through pre-application discussions with landowners and prospective developers, considering options for the Council's own property and housing stock and working with partners.

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9.11 Heat network on-site infrastructure provision or contributions may be required in the future as a result of strategy and policy development, availability of incentives and any new regulatory requirements.

Question 21

Do you have any comments on community benefit and/or other emerging contributions? Are there any other types of infrastructure for which contributions should be sought?

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10 Payments and Administration

10.1 Contributions will be secured through payments under:

- Section 69 of the Local Government (Scotland) Act 1973;
- Section 48 of the Roads (Scotland) Act 1984; or
- Section 75 of the Town and Country Planning (Scotland) Act 1997 as amended by the Planning Etc. (Scotland) Act 2006.

10.2 A legally binding Section 75 agreement (also referred to as a planning obligation) is likely to be required for larger contributions to secure through phased payments and in perpetuity with each successor in title. The need for a legal agreement may be removed where developers choose to pay financial contributions in full prior to planning consent being issued. For small scale Planning Permission in Principle applications where the detailed site layout and design is yet to be established, developers can choose to make an up front payment in full prior to any Matters Specified in Conditions consent being issued.

Up Front Payment

10.3 **An up front payment is encouraged wherever possible and for small scale developments, it is often desirable for when the legal costs to set up an agreement are disproportionate to the level of contribution required.** Once the precise amount of contribution has been confirmed by the Planning Case Officer, an up front payment can be made online as per the following instructions. If required, an invoice for the amount payable can be issued which also details alternative accepted methods of payment:

www.highland.gov.uk/pay

- Select Planning & Building Standards.
- Complete 'your details' and once on the 'payment' screen.
 - > For Payment Category – select 'Other'.
 - > For Payment Type – select 'Developer Contributions'.
 - > For Application Reference Number – insert your planning reference number.
- Once a payment has been made, please email Income.Section@highland.gov.uk detailing the date and amount of the payment.

Phased Payments

10.4 Where a planning obligation is entered into, developers have the option to phase payments over the lifetime of a development. For residential developments it is the Council's preference that twice yearly payments are made on the **1st April** and **1st October** each year based on the number of homes completed in the 6 months preceding these dates. Invoices are issued by the Council to request payment shortly after these dates. For non-residential developments any phasing of payments will be agreed on a case by case basis.

10.5 A developer may unilaterally propose and draft a planning obligation in respect of land which they own or control. This does not preclude the Council from requiring a further obligation to address issues that are not covered by the unilateral agreement. The Council welcome the preparation of unilateral agreements where they meet the requirements of Circular 3/2012, however we encourage early engagement with the Council regarding it's contents.

Refunds

10.6 Developers that make up front payments will receive a letter confirming receipt together with details of how to apply for a refund in the event that contributions are not spent by the Council. Where a contribution has been made, developers will be able to reclaim any money not invested in the infrastructure it was required for after expiry of the following time periods from the date of last payment to the Council:

- Affordable housing commuted payments - 5 years.
- All other types of infrastructure - 20 years.

Developer Contributions Supplementary Guidance

10.7 Developers must request a refund within 28 days of these time periods expiring. The Council will then return the relevant unspent contributions with interest calculated by the Council to have accrued within 28 days of an agreed request. Details of contributions, planning obligations and other legal agreements are stored in a dedicated computer system and updated regularly. Income and expenditure is monitored and reported to committee as and when required.

Legal & Admin Fees

It is 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. The Council's standard rate for preparing legal fees is £1,000, however costs for more complex agreements are likely to be higher. All legal fees paid to the Council are non refundable.

The Council may utilise up to 5% of all contributions received towards the effective administration and management of contributions.

Indexation

10.8 Contributions will be index linked to the Building Cost Information Service All in Tender Price Index (BCIS All-in TPI) published by the Royal Institute of Chartered Surveyors. Contributions will be index linked from the base dates specified for each type of infrastructure in this guidance. All rates set out in existing Development Briefs are also subject to indexation. All costs quoted in this guidance reflect Q3 2017.

Question 22

Do you have any other comments on payments and the administration of contributions? Please reference the section / paragraph number where appropriate.

Contact Us

10.9 To find out more about this consultation, including how to access or use the online portal, contact the Development Plans Team:

Table 10.1

Email: devplans@highland.gov.uk

Telephone: 01349 886608

Address: Development Plans Team
Development & Infrastructure Service
The Highland Council
Glenurquhart Road
INVERNESS
IV3 5NX

Question 23

Do you have any other comments on this document? Please reference the section / paragraph number where appropriate.

Developer Contributions Supplementary Guidance

Appendix 1 Viability Assessment Outline Information Requirements**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

Developer Contributions Supplementary Guidance

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

Developer Contributions Supplementary Guidance

Appendix 2 Schools Assessment Methodology

School Capacities

2.1 The Council monitors and assesses the cumulative impact of housing growth on the education estate through undertaking School Roll Forecasts (SRFs) which are published annually in Autumn. The SRFs present the most up to date information on current and future school capacities for over the next 15 years. The SRFs are available online at:

<https://www.highland.gov.uk/schoolrollforecasts>

2.2 The SRFs take account of:

- Current school capacity.
- Actual school enrolment figures from the September roll census.
- Future primary one intake based on birth data and projected birth rates.
- New housing build out rates which are based on developers estimates for sites allocated in the LDP (collated as part of the Council's annual Housing Land Audit) and an assessment of likely windfall development based on historic rates, the economic conditions and any policy changes.

2.3 Importantly, the SRFs are a snapshot in time and can change significantly from year to year based on planning permissions and construction activity. Although a proportion of Development Plan allocated housing and mixed use sites (which contain an element of housing) are accounted for in the SRFs, a significant number of allocated sites do not contribute to the SRFs figures. This is because a number of Development Plan allocated sites are not progressed for a number of years due to various phasing, infrastructure and delivery issues. For these reasons, housing planning applications on allocated sites or windfall sites for 10 or more homes will be assessed by re-running the SRFs to take account of the proposed development, existing SRFs commitments and any significant housing planning permissions / minded to grant decisions post the SRFs' publication. Any housing planning applications for less than 10 homes will be assessed against the SRFs as published.

2.4 Contributions are required where a school is operating, or is forecast to be operating at or above 90% capacity following completion of the proposed development and other extant planning permissions. Above this level, efficient operation of the school is significantly compromised. It is highly unlikely that a school can operate at its maximum physical capacity given that the level of pupil numbers vary in each year group. To allow for year to year fluctuations, contributions are required where the school capacity threshold is anticipated to be breached for five of the 15 years forecast.

2.5 In some cases the school capacity 90% trigger point will have already been reached with the base numbers in the forecast. Therefore contributions are required from all additional pupils arising from development. In other cases the number of pupils that can be accommodated in the school, without reaching this trigger point will be calculated. Then, **the number of additional pupils over the trigger point** will be calculated, with these additional pupil numbers informing the contributions required. Thereafter, development is assessed against Table A.2.1 which sets out the school capacity interventions required and the associated trigger points. Note that in order to adequately scale the size of the school intervention required, where the 50 pupil threshold is breached, new school rates apply to every additional pupil over the 90% school capacity threshold. The new school equivalent rate also applies where a large scale extension of more than two classrooms is required.

Table A.2.1 - School Capacity Mitigation Measures

Mitigation Measure	Forecast No. Pupils (Above 90% of the School's Capacity)
1 Classroom Modular Extension	1 to 25
2 Classroom Modular Extension	26 to 50
New School	Over 50

Developer Contributions Supplementary Guidance

2.6 To prevent the subdivision of larger sites or landholdings, where an application is made for less than the relevant thresholds set out in Table A.2.1, developers are required to provide contributions proportionate to the size of development which the site or landholding would be expected to accommodate. This will be informed by the indicative housing capacity for allocated sites and the existing settlement pattern for windfall sites. In cases of subdivision, the Council will seek revised contributions taking account of any previous development across the landholding or site.

Pupil Product Ratio

2.7 Table A.2.2 sets out the number of school age children which are anticipated to be generated per residential home, referred to as the Pupil Product Ratio (PPR).

Table A.2.2 - Pupil Product Ratio

	SRUE	Flats (2 Bedroom)
Primary	0.30	0.17
Secondary	0.13	0.07

2.8 An audit of recent and established developments has proven these PPRs to be accurate and reliable and a background Paper on PPRs will be published alongside the SRFs. These PPRs have informed the latest SRFs which distribute pupils evenly across each year group.

2.9 The audit revealed that two bedroom flats had reduced PPR with these homes having an averaging GEA of 69sqm. If no two bedroom flat rate was provided, such properties would be subject to the standard 2 bedroom home rate (0.8 SRUE) and would only receive a 20% discount. This is considered to be disproportionate to the number of pupils expected to be generated from these flats and therefore, based on their actual PPR, a discount of circa 43% for primary and 46% for secondary schools apply. Flats are defined as properties with vertical division of occupancy.

2.10 In calculating contributions any adjustment to the PPR will only be considered in exceptional circumstances, for example where it can be demonstrated that there is a high prevailing rate of second home ownership. In such instances, the PPRs to be applied on a catchment wide basis should not be altered but instead, consideration should be given to applying a proportionate reduction to the total number of homes proposed to be developed when re-running SRFs.

School Catchments

2.11 The need for education contributions will be determined through the assessment of existing and forecast individual primary and secondary school capacities based on existing school catchments. There is however also a need to look at the school estate in totality, as a constraint within one school catchment area can, on occasions, be resolved by either the creation of a new school elsewhere or the expansion of a nearby school.

2.12 For example, the emerging draft 2017/18 SRFs indicate that three of the five secondary schools in Inverness are already experiencing capacity issues with school rolls at or in excess of 90% capacity and four of the five secondary schools forecast to go over 100% capacity by 2032/33. To address this cumulative pressure, a new secondary school is forecast to be required which could result in several secondary school catchments being re-drawn to balance out pressures across the school estate. Several developments across Inverness will therefore directly benefit from this investment.

2.13 There are also considerable primary school roll pressures across the Inverness associated school's groups. 13 of the 31 main stream Inverness primary school rolls are currently at or in excess of 90% capacity. This is forecast to rise to 21 primary schools by 2032/33, of which 15 will be over 100% capacity. Several new primary schools and catchments are therefore needed to enable the continued growth of the City and additional primary schools are also required elsewhere in Highland.

Re-Drawn Catchments and School Completions (For New and Extended Schools)

Developer Contributions Supplementary Guidance

2.14 Where new schools or extension to existing schools result in the need for new or re-drawn school catchments, developments both within the new / extended school's catchment, as well as anywhere within the neighbouring re-drawn and reduced neighbouring school catchments, require to contribute towards the cost of the new / extended school. The extent to which neighbouring catchments are affected will be dependant upon the likely school draw and factors such geography, physical barriers and prevailing pupil placing requests.

2.15 Details of recently completed new / extended schools where retrospective contributions are required are reported in the LDP Action Programmes. Contributions are required towards these school investments until the level of Council upfront funding, proportionate to the scale of new housing development, has been recovered. Alongside each new / extended school set out in LDP Action Programme, the affected school catchments are identified with the requirement for contributions also being highlighted in the SRFs.

School Costs

2.16 The rates per home are based on recovering proportionate school infrastructure costs for providing permanent modular extensions or new schools. Extension costs are based on December 2008 construction cost estimates which have been index linked to account for inflation. New primary school costs are based on undertaking analysis of a sample of other planning authorities rates which average at £24,298 per primary school pupil. New secondary school costs are based on the recent redevelopment cost for the Inverness Royal Academy (£39m). This school has capacity for 1,470 pupils which equates to a cost of £26,530 per secondary school pupil. Taking the school cost per pupil costs, multiplied by the development's relevant PPRs provides the cost per home.

New School Land Costs

2.17 Land costs must also be factored into the final calculation of developer contributions. In all cases developers will be expected to safeguard and make available the land agreed with the Council for school provision. It is proposed that the cost of land acquisition for education be spread across the relevant catchment in the same way as the cost of the school facilities will be. In so doing, no particular landowner or developer should be disproportionately disadvantaged by the school site being required on his/her land.

2.18 The area of land required to accommodate a new two stream primary school with a 434 pupil capacity is 3 hectares.

2.19 For a new secondary school with a 1,470 pupil capacity, the area of land required is 6 hectares.

2.20 Where new school sites have already been secured by THC and land costs are therefore already known, these actual cost will be used to calculate proportionate developer contributions and will be set out in the LDP Action Programme. In all other areas, the prevailing land costs set out in Section 2, Table 2.3 will apply. Where land values are disputed, external advice may be sought to undertake a review of land values. This independent third party advisor is appointed by the Council at the applicant's expense.

Appendix 3 Standard Requirements for Transport

3.1 Examples of transport mitigation measures which are considered during the assessment of developments are outlined within this appendix together with indicative costs. This is not an exhaustive list but provides a starting point for undertaking site appraisals. For housing developments, most transport mitigation measures are not influenced by household size and contributions are therefore based on actual mitigation costs.

Travel Plans

3.2 Travel Plans contain a package of measures aimed at promoting sustainable travel choices and can be a cost effective way of limiting or avoiding the adverse impacts of developments on existing transport networks. Their effectiveness in limiting such adverse impacts is not however guaranteed and regular reviews and monitoring are required to understand and, where necessary, make improvements to them. As part of developing a Travel Plan, the Council will expect the Plan to include contingency mitigation measures, should the Travel Plan fail to deliver some or all of its' anticipated benefits. These contingency measures require to be costed and prior to the development coming into operation, the developer is expected to provide the Council with a financial guarantee to secure their delivery. As a direct result of the annual Travel Plan Monitoring Reports to be produced by the Developer, the Council will either draw down or release some or all of the financial guarantee to the developer. The mitigation measures, associated costs and the mechanisms for their use or release will be agreed when a Travel Plan is being assessed by the Council.

Active Travel

Walking / Cycling and Active Travel Masterplans

3.3 Developers are required to provide safe routes for cyclists and walkers in accordance with Designing Streets standards for access and permeability. Developers must also consider each site within the context of the wider walking / cycling network with developers being expected to fund the provision or enhancement of external links to enable the successful integration of development. A study area of 5km beyond the boundary of the development site (a typical cycle commute distance) should be considered with developers utilising Active Travel Masterplans which have been produced by the Council for a number of settlements in Highland. All developments are expected to have due regard to the delivery of the Active Travel Masterplans and where a development is situated in close proximity to, or interacts with, an identified walking / cycling network deficiency or opportunity for improvement, contributions may be required where mitigation is necessary to establish active travel patterns to and from the development site.

3.4 The standards required for all walking / cycling route improvements and associated infrastructure such as cycle parking is set out within the Council's [Roads and Transport Guidelines for New Development](#). This includes provision for residents, visitors and staff, including suitable changing facilities. Typical cycle parking approximate costs are £190 per cycle parking stand (Sheffield standard), £500 per cycle locker and £3,500 for a covered cycle shelter.

Outdoor Access - Path Networks

3.5 All development is required to contribute towards links to the path network where direct developer provision on and/or off-site is not possible. The path network in Highland comprises a combination of Core Paths, Public Rights of Way, Long Distance Trails and other paths and tracks. Developments are normally required to retain the existing path network or provide adequate alternative access and where appropriate, provide links to the wider path network. The criteria for assessing whether contributions are required is as follows:

- Developments which incorporate new / enhanced access opportunities linked to the path network do not require any financial contribution providing that the measures proposed are appropriate and agreed with the Council.
- Where a developer proposes limited new paths linking to the path network and such connections are required by the Council, a financial contribution may be sought towards their provision.

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3.6 The level of contributions sought are up to £300,000 per km of path. The cost per km is based on the provision of the Council's standard specification for the provision of a 3m wide shared surface kerbed, bitmac path, with the appropriate level of drainage, signposts, lighting and waymarkers taking account of the level of provision across a number of communities. Development which requires temporary or permanent diversions to Core Paths or Public Rights of Way also require to pay for those diversions and upgrades.

Safer Routes to Schools, Road Safety Measures and 20mph Zones

3.7 Residential developments of 5 or more homes and education developments required to provide safe routes to schools through measures including dropped kerbs, crossing points, speed cushions, central refuges and exclusive cycle/pedestrian paths, as well as making contributions towards mapping of routes, cycle training and walking bus initiatives. Developer contributions may also be required for on and off-site traffic calming measures such as shared space schemes in accordance with the principles set out in Designing Streets. Where developments are accessed through existing residential area, developers maybe required to contribute towards the introduction of 20mph zones. The cost of mitigation measures vary depending upon the degree of mitigation required, however, a typical road hump or set of cushions cost approximately £1,250 per feature and are usually required at 75m intervals and an entrance treatment for a 20mph zone costs approximately £2,250.

Public Realm and Wayfinding

3.8 Public realm improvements are to be delivered on site and in the immediate vicinity of the development, including all pavements adjacent to application site red line boundary. For off site resurfacing public realm works, any commuted sum will be calculated based on the streetscape works previously carried out for Church Street, Inverness equating to around £520 per sqm (sum based on index linking the £440 per sqm quoted in the [21 Jan 2014 South Planning Applications Committee Report](#) for 92-94 Academy Street, planning permission reference 13/03720/FUL).

3.9 An Inverness city centre wayfinding information strategy is also in preparation. Commercial and footfall generating developments in Inverness City Centre are expected to help implement this strategy. Whilst still in preparation, initial proposals involve the creation of new signposting, including around 10 wayfinding monoliths with an overall expected project cost of around £250,000. Contributions maybe sought where developments will benefit from the new signposting proposed.

Public Transport

Bus Services and Facilities

3.10 In order to ensure that development can be adequately accessed and serviced by a suitable level of public transport and that existing services are not adversely impacted by the development, developers may be required to provide or fund public transport services and infrastructure. This may include, but are not limited to:

- Bus services: provision for typically three years but longer (five or more years) for larger developments and may include:
 - route extensions;
 - frequency enhancements;
 - increased capacity (i.e. larger buses);
 - new routes / lanes / bus-only sections of road or priority traffic signals; and
 - demand-responsive services.
- Park and ride schemes.
- Rail infrastructure / station parking.

3.11 Such requirements usually relate to all major residential or commercial developments and contributions are dependent on the extent and nature of arrangements required to address the impact of development. New and upgraded public transport facilities may also be required in order to deal with increased demand arising from all scales of development. This includes provision / upgrades of bus stops / bus shelters. New bus shelters cost around £5,000 - £6,500 each. Real Time Information Systems may also be required at a cost of around £5,000 per bus stop display, plus £300 per annum for 5 years of maintenance per site. HITRANS can advise on the necessary display locations and requirements.

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School Transport

3.12 The Council has a statutory duty to provide school transport from a pupil's home if they are:

- Under eight years old and live more than two miles from their catchment area primary school; or
- Over eight years old and live more than three miles from their catchment area primary school or secondary school.

3.13 To maintain existing levels of school transport provision, developments of **four or more homes** to be located in excess of three miles from the catchment area primary school or secondary school may require to contribute towards school transport and/or school transport hub provision.

3.14 The Council requires contributions towards safer walking/cycling routes, whether they maybe to school, or to a transport hub (if school transport is to be provided). In both cases, contributions are to improve safety and reduce reliance on private car journeys. School transport hubs avoid the need to provide school transport on safety grounds and usually comprise a bus service bay, shelter with cycle parking and a limited number of car parking spaces for the drop off / collection of school children.

Roads

Road Improvements

3.15 A key priority in the assessment of any development proposal is to ensure that sufficient infrastructure is in place to accommodate the development. All developments will be assessed based on the capacity and condition of the existing road network. Twin tracking the road network is considered to be the most effective way to cater for modern day traffic, improve road safety and 'future-proof' the road as a local asset. Single track road improvements are not considered a viable, long-term option to deliver a 'fit-for purpose' road network due to the volume and type of traffic now using the road network. Proposals which accelerate or contribute towards the Council's programme of priority road network improvements will be considered favourably. Such projects are anticipated to be set out with the emerging Transportation Contribution Zones.

3.16 Development which significantly accelerates wear and tear on the network will be expected to contribute proportionately towards it's ongoing upkeep. Wear and Tear Agreements, as well as routing agreements, are typically required for major developments which place significant pressure on the road network. Before, during and after monitoring surveys maybe required.

3.17 Other improvements which maybe require contributions include the provision of or upgrading private accesses / roads (including edge widening of single track roads), passing places, bridges, footways, traffic management, improving vehicle flows and other drop off / pick up provision.

3.18 **For small scale developments, including single house proposals, where a private access or single track road it to be utilised, the development is expected to provide a service bay at the site access junction.** As set out within the [Access to Single Houses and Small Housing Development guidance](#), the provision of a service bay is usually conditioned prior to the commencement of development and further mitigation, such as the provision of an additional passing place, maybe required to overcome road capacity or safety constraints.

3.19 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. The developer will be required to undertake all road improvement works to the Roads Authorities specification. As a last resort, contributions maybe required to enable the Council to undertake local road improvements to mitigate the impact of development.

Parking

3.20 Parking standards for different types of development are set out in the [Roads and Transportation Guidelines for New Development](#). Nearby off-site provision may also be acceptable. Finally, and as a last resort where the parking standards cannot be achieved, reduced levels of parking maybe acceptable for developments located centrally within the Settlement Development Areas (SDAs) set out in Table A.3.1. In such circumstances, proposals must be accompanied by:

Developer Contributions Supplementary Guidance

- a Parking Appraisal carried out by the developer which includes a review of the site's accessibility by public transport and on foot and bicycle; and
- a developer contribution commuted sum in lieu of parking provision.

3.21 Contributions received in lieu of parking provision may be used towards the following transport infrastructure:

- **signage and information:** signage relating to parking availability / online traffic information / directional signage to car parks;
- **supporting sustainable travel:** public transport / walking / cycling parking and infrastructure / wayfinding / public realm;
- **car parks:** CCTV / spaces / motorcycle parking / access improvements / smart metres; and/or
- **traffic management:** deliveries / public transport priority measures / traffic incident information.

Table A.3.1 - SDA Parking Contributions

Inner Moray Firth	West Highland and Islands	Caithness and Sutherland
<ul style="list-style-type: none"> • Dingwall • Invergordon • Inverness (City Centre) • Nairn • Tain 	<ul style="list-style-type: none"> • Fort William • Kyle of Lochalsh • Mallaig • Portree • Ullapool 	<ul style="list-style-type: none"> • Dornoch • Thurso • Wick

Electric Vehicle Charging

3.22 The Council in partnership with Hi-Trans are developing an E-Vehicle Charging Strategy and developers may be expected to contribute towards the delivery of this strategy through the provision of e-vehicle parking spaces and charging point infrastructure.

Traffic Signals

3.23 Developers may be required to provide new traffic signals, controlled pedestrian crossings and the upgrading/refurbishment of existing traffic signal infrastructure. Cost vary depending on the degree of works required. For example, a standalone pedestrian crossing could cost around £37,000 whereas signalling a four arm junction could cost around £180,000.

Lighting

3.24 Development requiring new or improved roads will be expected to fund the installation of new or improved street lighting infrastructure in accordance with the Council's policy for Street Lighting. Contributions towards new or improved safety and/or traffic sign-related lighting may also be required. In rural areas, street lighting will be assessed on a case-by-case basis.

Road Traffic Orders

3.25 Where Road Traffic 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. The cost per Order is approximately £2,500 which must be paid regardless of whether the Order is successful or not. The developer is also required to fund the costs associated with undertaking the works.

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Appendix 4 Worked Examples

4.1 The following illustrative worked examples (A-D) demonstrate how this guidance may be applied. Developer contributions will vary based on the unique circumstances of the proposed development and the indicative costs set out within these examples should not be relied upon in isolation. They provide hypothetical scenarios to demonstrate a range of possible contribution requirements and how these might be calculated. This is not intended to be exhaustive and developers are encouraged to use the [pre-application advice service](#) to obtain site specific advice.

Example A - Indicative Development - Single Plot 4 Bedroom House (Urban Area - Inverness)

Summary of Contributions	
Infrastructure	Contribution Rate (Per SRUE)
Schools - Primary	£9,363
Schools - Secondary	£3,980
Community Facilities	-
Cumulative Transport Contributions	-
Small Scale Development Site Discount? <i>(inc. schools / community facilities & cumulative transport contributions only)</i>	Yes (80% discount) - £10,674 reduction
Sub-Total	£2,669
Affordable Housing	N/A - below threshold
Green Infrastructure	-
Water and Waste	-
Public Art	-
Proposed No. of Homes and Household Size (SRUE)	1 x 4 bed house = 1.2 SRUE
Sub-Total	£3,203
Others (No SRUE Variability)	
Standard Requirements for Transport	£750
Council Legal Fees <i>(c.£1,000 to be paid for by the developer)</i>	N/A - Assumes up front payment in full
Total	£3,953
All costs are subject to indexation and reflect Q3 2017	

Developer Contributions Supplementary Guidance

Calculation Breakdown

- **Schools - Primary:** In this case, the Primary School has a capacity of 281 pupils and the School Roll Forecasts (SRFs) indicate that the school roll is currently at 291 pupils. The roll is forecast to continually rise up to 135 pupils over capacity. A contribution towards a new primary school is therefore required, plus associated land costs. This equates to £7,289 + land costs of £2,074 = £9,363 per SRUE.
- **Schools - Secondary:** The Secondary School has a capacity of 968 pupils and the SRFs indicate that the school roll is currently at 1,019 pupils. The roll is forecast to continually rise up to 605 pupils over capacity. A contribution towards a new secondary school is therefore required, plus associated land costs. This equates to £3,449 + land costs of £531 = £3,980 per SRUE.
- **Community Facilities:** In this example provision for community facilities has been incorporated into the new secondary school costs.
- **Cumulative Transport Contributions:** Whilst these apply to all types of development, this hypothetical example falls out with any identified contribution zone.
- **Small Scale Development Site Discount:** The development is eligible for a discount on the basis that the land does not form part of a larger site allocation, no other houses have received planning permission on the associated landholding since March 2013 and there is limited prospect for the development of further houses on the landholding.
- **Affordable Housing:** There is no requirement for a single house development to contribute at present.
- **Standard Requirements for Transport:** In this example adequate provision is in place with the exception of footpath provision where an additional 2.5 metre section of path is required to connect the development to the existing network. Path costs are £300,000 per km / £300 per metre x 2.5m = £750.
- **Green Infrastructure:** In this example the development includes a setback from existing mature trees on site and thereby protects the green network. There is no requirement for a single house development to provide open space.
- **Water and Waste:** In this example there are no flooding or water drainage issues and a connection to the public sewer is proposed.
- **Public Art:** In this example the development is not on a prominent site and therefore public art is not required.

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Example B - Development of a Single Plot - 4 Bedroom Houses (Rural Village)

Summary of Contributions	
Infrastructure	Contribution Rate (Per SRUE)
Schools - Primary	-
Schools - Secondary	-
Community Facilities	£1,009
Cumulative Transport Contributions	-
Small Scale Development Site Discount? <i>(inc. Schools / community facilities & cumulative transport contributions only)</i>	Yes (80% discount) - £807 reduction
Sub-Total	£202
Affordable Housing	N/A - below threshold
Green Infrastructure	-
Water and Waste	-
Public Art	-
Proposed No. of Homes and Household Size (SRUE)	1 x 4 bed house = 1.2 SRUE
Sub-Total	£242
Others (No SRUE Variability)	
Standard Requirements for Transport	-
Council Legal Fees <i>(c.£1,000 to be paid for by the developer)</i>	N/A - Assumes up front payment in full
Total	£242
All costs are subject to indexation and reflect Q3 2017	

Calculation Breakdown

- **Schools - Primary:** In this case, the primary school has a capacity of 50 pupils. The SRFs indicate that the school roll is currently at 29 pupils and is forecast to gradually rise with the school remaining 16 pupils under capacity. As the school will remain under 90% of it's capacity, no primary school contributions are required.
- **Schools - Secondary:** The secondary school has a capacity of 245 pupils. The SRFs indicate that the school roll is currently at 148 pupils and is forecast to marginally increase before returning to current levels. As the school will remain under 90% of it's capacity, no secondary school contributions are required.
- **Community Facilities:** The need for a new community hall is identified in the Area LDP. All residential developments within the settlement require to contribute towards its provision. Contributions are £1,009 per SRUE.

Developer Contributions Supplementary Guidance

- **Cumulative Transport Contributions:** Whilst these apply to all types of development, this hypothetical example falls out with any identified contribution zone.
- **Small Scale Development Site Discount:** The development is eligible for a discount on the basis that the land does not form part of a larger site allocation, no other houses have received planning permission on the associated landholding since March 2013 and there is limited prospect for the development of further houses on the landholding.
- **Affordable Housing:** There is no requirement for a single house development to contribute at present.
- **Standard Requirements for Transport:** In this example adequate provision can be made on land within the developers control and contributions are not necessary.
- **Green Infrastructure:** In this example the development includes a setback from an existing watercourse and associated mature vegetation on site, thereby protects the green network. There is no requirement for a single house development to provide open space.
- **Water and Waste:** In this example flood risk areas have been avoided, a septic tank is proposed and the site drainage measures proposed include a suitable maintenance and repair regime.
- **Public Art:** In this example the development is not on a prominent site and therefore public art is not required.

Developer Contributions Supplementary Guidance

Example C - Development of 40 Homes (Rural Settlement - Allocated Site)

4.2 This hypothetical example comprises a 40 house development on an allocated LDP site. The breakdown of house numbers and types is as follows:

Table 4.1

Property Type	No. of Homes	SRUE
5 Bedroom House	4	1.4
4 Bedroom House	10	1.2
3 Bedroom House	16	1.0
2 Bedroom Flat (Affordable)	10	0.8
Total	40	41.6

Summary of Contributions	
Infrastructure	Contribution Rate (Per SRUE)
Schools - Primary	£6,500
Schools - Secondary	-
Community Facilities	£1,009
Cumulative Transport Contributions	-
Small Scale Development Site Discount? <i>(inc. Schools / community facilities & cumulative transport contributions only)</i>	N/A
Sub-Total	£7,509
Affordable Housing	25% - on site provision proposed
Green Infrastructure	-
Water and Waste	£5
Public Art	On site provision proposed
Proposed No. of Homes and Household Size (SRUE)	41.6
Sub-Total	£312,582
Others (No SRUE Variability)	
Standard Requirements for Transport	£42,000
Council Legal Fees <i>(c.£1,000 to be paid for by the developer)</i>	£1,000 - Assumes a S75 is required
Total	£355,582
All costs are subject to indexation and reflect Q3 2017	

Developer Contributions Supplementary Guidance

Calculation Breakdown

- Schools - Primary:** This example development is on an allocated site which is already accounted for in the SRFs. The Primary School has a capacity of 188 pupils and a current roll of 169 pupils. The roll is forecast to rise, peaking at 235 pupils with the school going 66 pupils over its 90% capacity threshold. As the school is already at 90% capacity and the roll is forecast to rise by more than 50 pupils, contributions are required at new school equivalent rates. In this case, it is not envisaged that a new school would be required but the new school rates would instead be put towards a larger scale extension of more than 2 classrooms. There is adequate land for the extension at the existing school and therefore no additional land costs would apply. Contributions per SRUE comprise:

 - > £7,289 x 30 homes = £218,670; plus
 - > £4,131 x 10 Flats (2 bedroom) = £41,310.
 - > **Total = £259,980 / 40 homes = Average of £6,500 per SRUE.**
- Schools - Secondary:** Again in this example the development is already accounted for in the SRFs. The secondary school has a capacity of 356 pupils and a current roll of 206 pupils. The roll is forecast to marginally increase with the school remaining 107 pupils under capacity. As the school is forecast to remain under 90% of its capacity, no secondary school contributions would be required.
- Community Facilities:** The need for a new sports centre is identified in the LDP and residential developments in the settlement require to contribute towards its provision. Contributions are £1,009 per SRUE. In this example, no healthcare capacity constraints have been established by NHS Highland.
- Cumulative Transport Contributions:** Whilst these apply to all types of development, this hypothetical example falls out with any identified contribution zone.
- Small Scale Development Site Discount:** This scale of development is not eligible for a discount. The necessity for any contribution variations sought by the developer require to be demonstrated through the provision of a development viability assessment.
- Affordable Housing:** There is a requirement for the delivery of 25% affordable housing in the settlement. In this example, this is to be provided on site without the need for contributions. 15% of these affordable homes require to be wheelchair livable. In this case this equates to 1.5 homes (rounded up to 2 homes) which could be provided at the ground floor level of the flats proposed.
- Standard Requirements for Transport:** In this example, adequate provision is being made on site, however, contributions are required for the provision of a new pedestrian crossing. This costs around £37,000 and is required for safer routes to schools. A new bus shelter is also required at a cost of £5,000 (which is based on good ground conditions).
- Green Infrastructure:** In this example the development is setback from important habitat areas across the site, thereby protects the green network and sufficient open space is provided which includes a play area.
- Water and Waste:** In this example there are no flood risk issues and the developer is proposing a connection to the public sewer. The SuDS proposed are also to be constructed by the developer to a standard that will allow for future vesting (adoption) by Scottish Water. The development is not however served by an existing recycling point within 1km and contributions are required at £5 per SRUE towards provision off site by the Council.
- Public Art:** In this example the development is on a prominent site and therefore public art has been incorporated into the overall design and layout of the development.

Developer Contributions Supplementary Guidance

Example D - Food Retail Development (Urban Area - Mixed Use Allocated Site)

4.3 This hypothetical example comprises the development of a food retail development with a GFA of 2,000 sqm and 20 parking spaces on the edge of a Town Centre.

Summary of Contributions	
Infrastructure	Contribution Rate (Per SRUE)
Cumulative Transport Contributions	-
Standard Requirements for Transport	£TBC - informed by site specific Transport Assessment
Green Infrastructure	-
Water and Waste	On site provision
Public Art	On site provision
Council Legal Fees <i>(c.£1,000 to be paid for by the developer)</i>	£1,000 - Assumes a S75 is required
Total	£TBC
All costs are subject to indexation and reflect Q3 2017	

Calculation Breakdown

- **Cumulative Transport Contributions:** Whilst these apply to all types of development, this hypothetical example falls out with any identified contribution zone.
- **Standard Requirements for Transport:** Contributions require to be informed by a Transport Assessment which will help define site specific mitigation measures. A Travel Plan is likely to be required together with a Parking Appraisal to demonstrate why parking standards cannot be achieved and to determine if contributions in lieu of provision may be appropriate.
- **Green Infrastructure:** In this example the development is setback from important habitat areas and structural landscaping is provided to enhance habitat connections along the edge of the site.
- **Water and Waste:** In this example there are no flood risk issues and the developer is proposing a connection to the public sewer. The SuDS proposed are also to be constructed by the developer to a standard that will allow for future vesting (adoption) by Scottish Water. The development is not however served by an existing recycling point within 1km and therefore on site provision is required.
- **Public Art:** In this example the development is on a prominent site and therefore public art has been incorporated into the overall design and layout of the development.