

Agenda Item	8
Report No	EDI/44/18

HIGHLAND COUNCIL

Committee: Environment, Development and Infrastructure Committee

Date: 16 August 2018

Report Title: Finalised Developer Contributions Supplementary Guidance

Report By: Director of Development and Infrastructure

1 Purpose / Executive Summary

- 1.1 This paper presents the finalised Developer Contributions Supplementary Guidance (DCSG) for adoption. This follows consultation on a draft version in early 2017 and having considered the comments received, this finalised DCSG sets out the Council's approach to mitigating the impacts of development on services and infrastructure.
- 1.2 Where development will have an impact, the developer can be asked to provide or make financial contributions towards the delivery of new and / or improved services and infrastructure. All scales and types of development can give rise to infrastructure needs. The DCSG proposes that all development, including single house developments, make proportionate developer contributions towards meeting service and infrastructure needs in areas of Highland where clear deficiencies are identified.
- 1.3 The DCSG sets out an updated methodology for assessing service and infrastructure needs and provides developers with financial costs which should be budgeted for when buying land for development and working out project costs ahead of the submission of any planning application.

2 Recommendations

- 2.1 Members are asked to:
 - i. consider the comments received on the draft DCSG, agree the Council responses and the resultant amendments made in finalising the guidance as summarised at **Appendix 1**;
 - ii. agree to adopt the DCSG at **Appendix 2** as statutory Supplementary Guidance to the Highland-wide Local Development Plan (2012) subject to incorporating any feedback from Scottish Ministers during the statutory referral process for adoption and to make any incidental, factual or presentational amendments; and
 - iii. note that following its adoption the new DCSG will supersede the existing 2013 DCSG and form part of the Development Plan.

3 Context and Public Consultation

- 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 Following approval by this committee at its meeting on 8 November 2017, a replacement draft DCSG was published. The draft DCSG was prepared to ensure that the methodology for each type of developer contribution remains up to date and accurately reflects the costs for providing the services and infrastructure required to support new development. Consultation on the draft DCSG ran for eight weeks from 12 January 2018 to 9 March 2018. 21 organisations / individuals submitted representations, raising 208 comments.
- 3.4 To maximise public awareness of the draft DCSG, the Council contacted all organisations and individuals on the development plans consultation portal who previously registered an interest in planning policy. All Highland MSPs and MPs, councillors, ward managers, community councils, key agencies, disability groups / access panels, libraries and service points were also contacted and public notices were placed in the Inverness Courier and Press and Journal newspapers. Promoted posts were also placed on Facebook with each post reaching an average of 7,300 users, and 131 users actively engaged with it (clicked on the link).
- 3.5 **Appendix 1** of this report provides a list of respondents with a summary of all comments received on the draft DCSG. This appendix also provides recommended Council responses to the feedback received and details resultant amendments made in finalising the DCSG. Other notable amendments made in finalising the guidance are also set out towards the end of this appendix.
- 3.6 Since consulting on the draft DCSG, the Council hosted a customer engagement workshop on the 22 May 2018 where details of the emerging developer contribution requirements were available. A further workshop with representation from Homes for Scotland took place on 10 July 2018 to explain the emerging likely content of the finalised DCSG. Since consulting on the draft DCSG the financial implications of the emerging guidance have also been set out for developers on a regular basis through planning application and pre-application consultation responses to raise awareness.
- 3.7 **Appendix 2** of this report is the finalised DCSG for Committee's consideration and approval. This finalised DCSG has been refined following partnership working with other services across the Council, including High Life Highland. It has been informed by a review of recent planning case law and the approach to developer contributions taken in other local authority areas across Scotland. Input to the draft DCSG was also previously received from Members via the Environment, Development and Infrastructure Policy Development Group.

3.8 Members may recall that a report on Developer Contributions for Education Infrastructure was presented to this Committee on 16 August 2017. This report agreed that developer contributions within the Inverness associated schools groups' catchment areas will be subject to new build equivalent rates where there is a clear need for a new school. The finalised DCSG presented today now applies this approach universally across Highland in areas where there are school capacity issues.

4 Main Points Raised Through Consultation and Changes to the Guidance

4.1 **Appendix 1** provides an extensive summary of comments received by issue on the draft DCSG, the recommended Council response and details of resultant amendments made to the guidance. This section presents only the most pertinent points raised and changes made in finalising the DCSG.

4.2 Contributions Being Perceived as a Levy on Development

Some comments raised concerns that the guidance essentially amounts to a levy on development regardless of actual impacts on services or infrastructure. This is not accepted. The guidance explains that in areas where there are clear services or infrastructure deficiencies, developer contributions will be sought in line with the methodologies and costs set out. This is not a levy based approach as developer contribution requirements are based on mitigating the particular impacts of a development and will vary across Highland. For example, in some remote areas there may not be any contribution requirements.

4.3 Types of Planning Applications Requiring Developer Contributions

4.3.1 Some concerns were raised by the development industry with the guidance being applicable to all types and scales of planning application, including planning permission renewals, changes in land uses or changes to the layout, density or house types. Similar concerns were also raised with applying the updated guidance to sites where developers have already purchased land or have pre-existing land deals in place to develop. The house building industry noted that the guidance could potentially delay / impede development in the short term.

4.3.2 In response, the introductory section of the DCSG now makes clear that the guidance will be applicable in the determination of all planning applications as it is essential that all applications are determined by applying the most up to date provisions of the Development Plan. It has also been made clear that the DCSG could have cost implications which need to be factored into any land purchase or reflected in the terms of any land deal to ensure that the developer contribution costs are borne by the landowner, recoverable through the uplift in land value associated with securing planning permission, rather than all of these costs being passed onto the developer and potentially, the house purchaser / property occupier.

4.3.3 Where pre-existing land deals have made insufficient provision or sites have remained undeveloped for a number of years, increased developer contribution requirements may be essential to mitigate the unique implications of each development and to reflect up to date service and infrastructure requirements. Any increased developer contribution requirements are therefore reasonable and are not materially different to other development cost variations, for example construction costs, finance costs or property sales values. In cases where developer contributions impede development viability, the guidance makes provision for such cases to be independently assessed before the Council considers reducing any developer

contributions.

4.4 **Small Scale Housing Site Discounts and Contribution Variations by Household Size / No. of Proposed Bedrooms**

- 4.4.1 The draft DCSG made provision for significant discounts of up to 80% for small scale developments of one, two and three homes. The discounts proposed seek to aid small scale development viability, reflect economies of scale and were benchmarked against approaches taken by other local authorities. Whilst some respondents considered these discounts to be overly generous, others agreed with the proposals. No changes to the discounts are proposed as these are considered appropriate to achieve these aims.
- 4.4.2 The draft DCSG also proposed that larger houses pay marginally more developer contributions and smaller houses pay less. However, a number of queries were raised with the definition of a bedroom for calculating the contribution amount. Some respondents viewed this approach as a bedroom tax with the size of property not necessarily reflecting the number of people who may reside there. Others questioned why home offices, hobby rooms or other habitable rooms should be counted as potential bedrooms. In the interest of fairness, the Council considered moving to calculating contributions on a gross floorspace basis, however, applying and administering this approach was found to be overly onerous. Assessment of the issues involved concluded that a **fixed rate per house** was on balance the most practical and reasonable approach.

4.5 **Viability Assessment Procedures**

- 4.5.1 The development industry raised a number of development viability related issues and queried if the new proposed rates were achievable. It was also suggested that these be introduced on a phased basis over time. As a result, the development viability advice set out within DCSG Section 1 has been supplemented to clearly explain the development viability process and how the Council will consider this issue when determining planning applications.
- 4.5.2 Where a developer seeks a reduction in developer contribution requirements on grounds of maintaining development viability, they will be required to commission the preparation of a Viability Assessment. This assessment will then undergo independent verification by the District Valuation Service to corroborate the developer's case. Importantly, where an independently verified Viability Assessment demonstrates that a development is not viable due to developer contribution requirements, the Council will have the opportunity to decide on whether developer contributions can be reduced or, where planning permission should be refused. For such cases, any decision to accept reduced contributions should be weighed up against the future prospects of more favourable development market conditions, changes in land values or an alternative revised development proposal coming forward which could significantly improve the viability of developing the site.
- 4.5.3 The Council also considers that the draft DCSG has provided sufficient warning of the introduction of the new contribution requirements and as such there is no clear justification for their phased introduction.

4.6 **School Build Costs**

Developers requested further background information to interrogate the school build costs and school contributions proposed. **Appendix 3** provides background supporting evidence to explain how school build costs have been calculated. Major school extension and new school costs have been based upon recently completed

school projects in Highland, school projects recorded on the Scottish Futures Trust database and costs have been benchmarked against other local authority rates. The proposed school costs are considered to be accurate and reliable. This background report will also be made available to developers upon further request when discussing school contribution requirements.

- 4.7 **School Contributions Expenditure Across Five Inverness Secondary Schools**
The draft DCSG proposed that for the purposes of the guidance, the five Inverness secondary school catchment areas would be regarded as a single catchment for the expenditure of both primary and secondary school contributions. This proposal was strongly contested by the development industry who considered that this would result in situations where there was no clear connection between the development, its impacts and where school contributions would be spent. To ensure that a strong relationship remains between development and any necessary school capacity enhancements, the proposed approach now reverts back to the approach set out in the adopted 2013 DCSG whereby school contributions are spent within the area schools group, i.e. within the relevant single secondary school catchment.
- 4.8 **Community Facility Contributions**
The development industry challenged the necessity for contributing towards community facilities, questioned how these costs were calculated and raised some concerns with the lack of clarity with these requirements. In response, this section of the DCSG has been revised to give additional clarity over the combined maximum indoor and outdoor community facility costs. **Appendix 1** also provides details of how community facility costs have been calculated and benchmarked. Although the draft DCSG considered the option of requiring community facility contributions from all scales of residential development, the proposed approach now reverts back to the approach set out in the adopted 2013 DCSG whereby developments of **four or more homes** require to contribute towards community facilities in areas where there are identified deficiencies. This is to limit the administrative burden associated with collecting contributions for small scale housing sites, including single houses.
- 4.9 **Wheelchair Liveable Housing and Affordable Housing Commuted Sums**
The development industry generally agreed with the requirement for wheelchair liveable housing to form 15% of the 25% affordable housing requirement as these needs are clearly evidenced by the Housing Need and Demand Assessment and the Highland Housing Register. The draft DCSG also suggested the potential requirement for a proportion of private open market housing to be wheelchair liveable. However, this received a strong level of objection and has not been carried forward in the finalised DCSG due to a lack of evidenced open market demand, the potential impact on development viability due to the requirement for more floorspace per home, and a lack of current central government planning or building regulations to insist upon this provision.
- 4.10 **Refunds**
The proposed 20 year period for the expenditure of most types of developer contribution was resisted by developers. By way of a compromise, to reflect a longer build out period for major developments (50 or more homes) which usually make developer contributions on a phased basis, this refund period has been reduced to 15 years following receipt of the last payment. For local developments (1 to 49 homes) which are usually built out over a shorter timescale, a 20 year refund period is to be maintained. These are longer timescales than those applied by some other local authorities, however, these periods are not excessive. It is critical that the refund

period adequately reflects the time it takes to accrue sufficient contributions from a number of phased developments to help deliver major infrastructure projects and to ensure that these are planned for, and sized appropriately.

5 Next Steps

- 5.1 Approval of the DCSG enables the guidance to progress to the final stage of adoption as Supplementary Guidance. This involves the DCSG being submitted to Scottish Ministers for a minimum 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 complete the process of adopting the DCSG are incorporated within the service budget and arrangements have been made to improve the administration and monitoring of developer contributions through the recent appointment of a dedicated Developer Contributions Officer.
- 6.2 Legal: The guidance could be subject to legal challenge, but due process has been followed in its preparation and the Council therefore have a defensible position.
- 6.3 Community (Equality, Poverty and Rural): The approach set out in the 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 DCSG has undergone Habitats Regulations Appraisal (HRA) and Strategic Environmental Assessment (SEA) screening. Positive feedback on the content of the guidance has been received from SNH and SEPA.
- 6.5 Risk: Any developer contribution requirements can be challenged by developers through planning appeals or a legal challenge. The Council's evidence base, combined with coordination of the capital programme, is critical to mitigate this risk.
- 6.6 Gaelic: Gaelic headings have been added to each section of the DCSG.

Designation: Director of Development and Infrastructure

Date: 1 August 2018

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Appendix 1

Summary of Comments on Draft Developer Contributions Supplementary Guidance and Recommended Council Responses

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Preamble

This report provided a summary of the pertinent points raised in the feedback received to the DCSG consultation together with the Council's recommended response and resultant changes made to the guidance (highlighted in **bold**). It does not attempt to summarise and address every comment received. All verbatim comments received are available to view by clicking on the consultation question text at the top of each table within the document. Alternatively, all comments can be viewed on the consultation portal at consult.highland.gov.uk via the closed consultation document or by selecting the 'Who Said What?' tab and searching by consultee or agent.

In addition, with the exception of minor presentational amendments, factual changes or points of clarification, other notable amendments made in finalising the guidance are set out at the end of this report together with the reasons for these amendments.

A total of **208** comments from **21** consultees were received.

List of Respondents

Community Councils
Conon Bridge Community Council Fortrose and Rosemarkie Community Council Newtonmore and Vicinity Community Council Wick Community Council
Government/Statutory Bodies
Scottish Environmental Protection Agency (SEPA) Scottish Government Scottish Natural Heritage (SNH) Scottish Water
Business / Industry
An Camas Mor Development LLP Ark Estates GFG Alliance Highland Housing Hub Homes for Scotland Robertson Group Scotia Homes Ltd Springfield Properties PLC [Late Representations] Tulloch Homes Tornagrain Ltd
NGO (Interest Groups)
Enterprise Car Club
Individuals
Mr Charles Chisholm Mrs Norah Munro [Late Representations]

1 Introduction

Question 1 Do you have any comments on the aims and purpose of this guidance? Please reference the section / paragraph number where appropriate.		No. of Respondents: 11
Summary of Comments Received	Proposed Response	
Community Councils		
<ul style="list-style-type: none"> - <u>Conon Bridge Community Council</u>: Aims and purpose of the Guidance seem fair and reasonable. - <u>Newtonmore & Vicinity Community Council</u>: Table 1.1 re-format to remove lines between residential and other types of development for a number of infrastructure requirements. - <u>Fortrose & Rosemarkie Community Council</u>: Query why it matters if the development has an adverse impact and requests that contributions towards infrastructure should always sought. Wording suggests that development must remain viable irrespective of impacts. Query why other employment uses should not contribute to community facilities to meet their workers needs. 	<p>No changes proposed to DCSG (hereafter referred to as 'no changes'). Support noted.</p> <p>Accepted. Table 1.1 reformatted accordingly.</p> <p>No changes. In line with Circular 3/2013, contributions can only be sought where development will result in an unacceptable impact and there is no existing service or infrastructure capacity to support it. Para 1.33 explains that regardless of development viability assessment findings, contribution variations remain at the Council's discretion. Employment land uses do not require to contribute towards community facilities on the basis that they are not considered to generate sufficient need for these facilities. As such contributions are to be sought from residential uses, apply this to employment uses could result in double counting.</p>	
Government / Statutory Bodies		
<ul style="list-style-type: none"> - No comments. 		
Business / Industry		
<ul style="list-style-type: none"> - <u>Homes for Scotland & Others</u>: Policy context and aims of the guidance are clear and welcome an opportunity to discuss the implications of the draft SG ahead of the document's adoption. - Concerned that the aim of the guidance is to secure contributions from all developments regardless of the actual impact of the development. Concerned that the draft guidance includes what amounts to a levy on development. 	<p>No changes. Support noted. Ahead of consultation on the draft, a workshop was undertaken with representatives of Homes for Scotland. The Council has since hosted a Customer Engagement Workshop on the 22 May 2018 which covered developer contributions and a further meeting with Homes for Scotland was also held on 10 July 2018. The implications of the guidance has also been regularly highlighted through formal pre-application planning advice.</p> <p>No changes. Not accepted. The introductory section and all other sections of the guidance makes clear where a service or infrastructure deficiency is clearly identified, contributions are required to mitigate the impact of the development. The guidance does therefore not act as a levy, but sets out a clear methodology for calculating contributions which are proportionate in scale and kind to the</p>	

Question 1 Do you have any comments on the aims and purpose of this guidance? Please reference the section / paragraph number where appropriate.	No. of Respondents: 11
Summary of Comments Received	Proposed Response
<ul style="list-style-type: none"> - Unlikely that a single house, or a small number of houses or other type of development, will have more than a <i>de minimis</i> impact on infrastructure. Requiring contributions in those circumstances would breach one of the tests for planning obligations identified by the Supreme Court in Aberdeen and Aberdeenshire Strategic Development Plan Authority v Elsick Development Company Ltd. - Para 1.1 and 1.2 - Minor wording amendment request to recognise that not all development will have unacceptable impacts that require additional investment. - Homes for Scotland & Others: Table 1.1 - Request that under 'Development Type - Residential' that this also clarifies that this includes 'affordable'. - Table 1.1 - Request that community facilities are inclusive of health care requirements. - Para 1.3 - Welcome approach and importance given to maintaining development viability. Need for flexibility in the application of the guidance is stressed to reflect site values and site specific situations. - Highlight relatedly low residential market values in Highland making placemaking more challenging, particularly if there is less finance available for design and materials as a result of developer contributions. Request that higher costs associated with quality placemaking can be acknowledged when undertaking a viability assessment. - Request an economic impact assessment is undertaken to inform the review of the 	<p>development proposed.</p> <p>No changes. As set out within the HwLDP MIR, Para 5.6, over the past 10 years, small 1 to 3 house developments out with land use allocations have accounted for around 2,900 homes, 24% of all housing completions in Highland. In some Housing Market Areas, these smaller developments account for over half of all homes built and in the Inverness Housing Market Area these developments equate to over 50 home completions per annum. Under the current approach these are not subject to any planning contributions. As new Area Local Development Plans (LDPs) are identifying fewer settlements with defined boundaries and site allocations, this means the proportion of these smaller scale developments is likely to increase. The cumulative impacts of these developments is considered to be significant and it is not accepted that these developments will have a '<i>de minimis</i>' impact on infrastructure.</p> <p>Accepted. Minor wording amendments undertaken to Para 1.1 and 1.2.</p> <p>Accepted. Table 1.1 amended to clarify that this includes affordable housing.</p> <p>Refer to response provided at Question 10.</p> <p>No changes. Support noted.</p> <p>No changes. Refer to response provided at Question 4.</p> <p>No changes. The DCSG has been informed by significant research and best</p>

Question 1 Do you have any comments on the aims and purpose of this guidance? Please reference the section / paragraph number where appropriate.		No. of Respondents: 11
Summary of Comments Received	Proposed Response	
<p>guidance.</p> <ul style="list-style-type: none"> - Request that for historic long term strategic approvals which have pause and review points, the arrangements already put in place are taken into consideration at each review point by THC. - Para 1.8 should be reworded to state that where land deals and purchases have been made in the context of previously prepared briefs/guidance, that careful consideration is given on whether or not it is fair and reasonable to apply the rates in these circumstances. - Highlight the long lead in timescales from planning approval to the first house completion for larger development sites. 	<p>practice elsewhere. Development viability remains an important planning consideration and therefore scope has been made within the guidance for developers to provide open book viability assessments.</p> <p>No changes. As per Para 1.8, at each review point within any existing legal agreement, the most up to date guidance for each contribution would usually be applied, however advice will be provided depending upon the timing and circumstances of each application.</p> <p>No changes. This scenario is broadly covered in Para 1.8 which includes provision to assess the timing and circumstances of each application. Provision is also made within the brief for the submission of a development viability assessment which should inform if applying the new rates will be fair and reasonable. Developer contribution requirements change over time and this is an acceptable risk and one which is reflected in the developer's return for their investment. To minimise such risks, the Council undertakes an annual Housing Land Audit, annual School Roll Forecasts and undertakes regular updates to LDP Delivery Programmes. The onus remains on the developer to track progress with these publications and contribute to the production of the Housing Land Audit through regular Council consultations.</p> <p>No changes. Developers have an opportunity to provide site specific development lead in timescales and the anticipated build out rates when responding to the Housing Land Audit. This information helps to identify and prioritise the timely delivery of services and infrastructure as well as the necessity to review and allocate land for housing in LDPs.</p>	
Comments from Individuals		
- No comments.		

Question 2 Do you agree with the small scale housing site discounts and thresholds proposed? If you do not agree please tell us why.		No. of Respondents: 8
Summary of Comments Received	Proposed Response	
Community Councils		
- <u>Conon Bridge Community Council</u> : Agree with proposal.	No changes. Support noted.	
- <u>Newtonmore & Vicinity Community Council</u> : Request that the guidance and assessment of planning applications covers the potential of subdivision of land for the development of several small scale developments which cumulatively give rise to pressure on existing facilities.	No changes. Exemptions to small scale discounts are listed at Para 1.22 which covers landholding subdivision (1 st bullet point).	
Government / Statutory Bodies		
- <u>Scottish Government</u> : Para 1.23 states that legal agreements may be 'insisted' upon. Recommend replacing this with 'sought' as planning obligations should be by agreement.	Accepted. Para 1.23 amended accordingly.	
Business / Industry		
- Request dimensions are provided of what constitutes an additional bedroom.	Accepted. To remove any confusion over what constitutes an additional bedroom and to simplify the process of calculating developer contribution requirements and monitoring house completions, the guidance now sets out a single rate for all scales of home types , however a separate rate for flats is still proposed for school contributions. Table 1.2 has therefore been deleted accordingly.	
- Suggest that for 3 house developments the contribution be 50%.	No changes. For consistency, discounts to be applied have been informed through benchmarking against other planning authority approaches across the north east of Scotland.	
- Concerned that approach would appear to be a levy and discounts to be applied bears no resemblance to the actual scale and kind of impact which a small development, such as a single house, may have.	No changes. The proposed methodology does not constitute a levy as proportionate contributions, to the scale of development proposed and the kind of impacts it would have, are to be sought only in areas of need where the cumulative impact of development has been demonstrated.	
- Request small scale housing discounts to be removed. In areas of need where there are clear deficiencies, all new homes should contribute at the same level. Viability tests are established to enable a 1, 2 or 3 house development to demonstrate why it might not afford to contribute in full.	No changes. As explained at Para 1.21, the need for small scale housing sites to receive a discount is to maintain development viability and pre-empt any necessity for 1, 2 and 3 house developments to provide a viability assessment. Given the number of small scale housing applications, should a discount (based on economies of scale) not be available, this would disproportionately impact upon timescales associated with the determination of 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.		No. of Respondents: 8
Summary of Comments Received	Proposed Response	
Comments from Individuals		
- No comments.		

Question 3 Do you have any other comments on how to use this guidance? Please reference the section / paragraph number where appropriate.		No. of Respondents: 8
Summary of Comments Received	Proposed Response	
Community Councils		
- No comments.		
Government / Statutory Bodies		
- <u>Scottish Water</u> : Water and drainage infrastructure is not funded via development Contributions. The contribution topic titled “Waste and Water” under section 1.24 may cause confusion and could possibly be renamed along the lines of Waste Management and Water Environment.	Accepted (in part). A footnote has been added for further clarification.	
Business / Industry		
- Support the Council’s encouragement in terms of early engagement for all scales of development.	No changes. Support noted.	
- <u>Homes for Scotland & Others</u> : Para 1.10 - Highlight difficulties in applying guidance to sites where there are existing legal contracts in place which are based on the former adopted guidance. Request provision for appropriate phased implementation of the guidance to ensure that the viability of developments is not impacted and existing land deals are not adversely affected.	No changes. Not accepted. Provision is made within the brief for the submission of a development viability assessment which should inform if applying the new rates will be fair and reasonable.	
- Para 1.13 - Do not support applying the guidance to subsequent planning applications, including applications for the variation to planning conditions submitted under Section 42. This is considered to place further burdens on any pre-existing land deal and will impede the delivery of homes in the short term. Suggest the guidance only applies where an application would cause an increase in the impacts of a proposed development.	Not accepted. However to clarify the position at the end of Para 1.13, the following text has been added: <i>“In the determination of all planning applications, including Section 42 applications and further applications for the renewal of planning permission, proposals will be re-assessed to ascertain the impacts of the development and where necessary, developer contribution requirements will be re-established by applying the most up to date provisions of the LDP, including this guidance, whilst also taking into account any developer contributions made to date. This could result in new, increased or reduced developer contributions taking into account the most up to date information at the time of the planning application’s determination. It is therefore in the developer’s interest to bring any issues with the</i>	

Question 3 <u>Do you have any other comments on how to use this guidance?</u> <u>Please reference the section / paragraph number where appropriate.</u>	No. of Respondents: 8
Summary of Comments Received	Proposed Response
<ul style="list-style-type: none"> - Para 1.19 – Do not support contribution variations based on the no. of proposed bedrooms as this does not support the Scottish Government Policy on home working. - Para 1.19 – Seeks clarification that for large storage rooms, these would only be regarded as additional bedrooms where they are compliant with Building Standards, including the requirement for activity space and not accessed from another apartment. - <u>Homes for Scotland</u>: Para 1.19 – Suggest a common sense approach should be taken to calculating bedroom nos. on a case by case basis. - <u>Homes for Scotland</u>: Para 1.25 – Seek further detail on the exemptions and variations listed, e.g. ‘developments not likely to result in resident children’. 	<p><i>implementation of any planning permission to the Council’s attention at the earliest possible opportunity.”</i></p> <p>The following additional text has also been added at the end of Para 1.31: <i>“Should land acquisition deals / site option legal contracts be entered into ahead of receiving formal pre-application advice, it is strongly advised that adequate contingencies are put in place within such agreements to revisit the quantum of the land offer to cover the finalised developer contribution requirements which are outlined at the pre-application stage and finalised at the point of the planning application’s determination. Such contingencies are also recommended to cover the potential requirement to re-work, refresh or modify planning permissions at later date.”</i></p> <p>Accepted. No variation by bedroom or property house size is now proposed.</p> <p>Accepted. No variation by bedroom or property house size is now proposed.</p> <p>Accepted. No variation by bedroom or property house size is now proposed.</p> <p>Accepted. Details of exemptions are now set out in more detail within the relevant section of the document.</p>
Comments from Individuals	
<ul style="list-style-type: none"> - No comments. 	

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.	No. of Respondents: 12
Summary of Comments Received	Proposed Response
Community Councils	
<ul style="list-style-type: none"> - <u>Conon Bridge Community Council</u>: Proposals do allow for a fair assessment. - <u>Newtonmore & Vicinity Community Council</u>: See no reason to reduce contributions based on development viability difficulties. Developments should fully mitigate their impacts and should not make a development unviable. 	<p>No changes. Support noted.</p> <p>No changes. A degree of flexibility is required to allow for development proposals to be assessed on their overall merits against the provisions of the LDP as a whole, and any other material considerations.</p>
Government / Statutory Bodies	
<ul style="list-style-type: none"> - No comments. 	
Business / Industry	
<ul style="list-style-type: none"> - Para 1.27 - Support expressed for the principle of a viability assessment and the weight placed upon it. This is a welcome provision. - Request that the approach to developer contributions is linked to overall development viability and request that a blanket approach is avoided. Contributions should vary depending upon the status and condition of sites. Concerns expressed with THC progressing the guidance until the impact on development viability is understood. - Para 1.28 - Concerns with the information required to demonstrate development viability and the Council's use of the information. - Para 1.29 - Concerned that no detail is given as to what deems a development commercially viable – e.g. acceptable level of developers profit or acceptable level of land value uplift for the landowner. - Para 1.29 - The Highland Housing Hub raises concerns with the application of RICS viability assessment which may result in low or negative residual land values for larger affordable housing schemes. Suggest that the Council have an alternative assessment for such schemes based on affordable housing benchmark values. 	<p>No changes. Support noted.</p> <p>No changes. Through the provision of viability assessments, provision is made for site specific flexibility. Therefore the guidance will not have a significant impact on the development viability.</p> <p>No changes. The guidance provides a fair and reasonable process for developers to seek variations to developer contributions. Reasonable costs associated with preparing a development viability assessment are expected to be itemised within the assessment itself so that the developer is not disproportionately burdened. Viability assessments are to remain confidential (refer to Para 1.34).</p> <p>No changes. This may change over time and industry / practice will dictate what is acceptable in any given market area and this will vary from developer to developer.</p> <p>No changes. No alternative assessment process is proposed. The Council cannot treat affordable housing schemes preferentially as these developments can result in the same service and infrastructure impacts as open market housing. Upon the provision and verification of a viability assessment, the Council will however consider the merits of development as a whole, including what percentage of</p>

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.	No. of Respondents: 12
Summary of Comments Received	Proposed Response
<ul style="list-style-type: none"> - Para 1.29 - Highlight relatively low residential market values in Highland making placemaking more challenging, particularly if there is less finance available for design and materials as a result of developer contributions. Request that higher costs associated with quality placemaking can be acknowledged when undertaking a viability assessment. - Para 1.31 - Concerned with the Council re-assessing developer contribution requirements after pre-application advice has been provided. - Para 1.31 – Concerned with potential for de-allocating LDP sites based upon development viability constraints. - Para 1.31 – Concerned with requirement for formal pre-application advice to be sought ahead of land deals and commercial decisions being taken. Consider that this information should be made freely available, either through the LDP or on a case by case basis. - Para 1.32 - Unreasonable and unjustifiable to expect the applicant to pay for the Council’s advisors. - Para 1.33 - Clarity sought on the process for the Council considering reduced contributions. If the Council’s advisors advice will be upheld by Planning and if this could still be overturned at Committee. - 	<p>affordable housing will be provided.</p> <p>No changes. As per Appendix 1, professional fess and expected build costs can be itemised within a viability assessment. If required, a full QS cost report can be provided which should detail any higher specification material costs.</p> <p>No changes. The Council reserves the right to make informed decisions using the most up to date information available.</p> <p>No changes. Development viability is a key consideration when determining which sites are effective and deliverable within the plan period. The Council must ensure that an effective housing land supply is maintained.</p> <p>Not accepted. If land deals require to conclude ahead of formal pre-application consultation being sought, there is sufficient information set out in the guidance for developers to do so. For clarity, further advice on this matter has now been provided at Para 1.31.</p> <p>Reasonable upfront costs associated with preparing a development viability assessment and costs associated with it’s independent verification by a third party will be accounted for when verifying viability assessments so that the developer is not disproportionately burdened. These additional costs have been added in Appendix 4 which outlies information requirements for undertaking a viability assessment. In the interest of avoiding any delays in the processing of planning applications, Section 1 of the guidance now clearly sets out the steps involved in preparing, reviewing and determining planning applications with viability assessments.</p> <p>No changes. As stated within the guidance, the independent viability assessment findings are not binding. Any variations in contribution requirements remain at the discretion of the Council.</p>

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.		No. of Respondents: 12
Summary of Comments Received	Proposed Response	
<ul style="list-style-type: none"> - <u>Homes for Scotland & Others</u>: Para 1.33 - Consider that an independently verified viability assessment's findings should be binding. Any deviation from this position undermines the process. - Appendix 1 requires to be updated to reflect that SDLT has been replaced by LBTT. 	<p>Not accepted. Addition text added to explain that regardless of the agreed viability assessment findings, these are not binding. Any contribution variations remain at the Council's discretion and regardless of the viability assessment's findings, planning permission may still be refused. This is critical as the Council must not automatically accept varied contributions as these may be insufficient to mitigate the service and infrastructure needs of development. In such circumstances any decision to accept any contribution variations should be weighed up against the future prospects of more favourable development market conditions, changes in land values or an alternative revised development proposal coming forward which could significantly improve the viability of developing the site.</p> <p>Accepted. DCSG Appendix 1 updated accordingly.</p>	
Comments from Individuals		
- No comments.		

Question 5 Do you have any other comments on development viability? Please reference the section / paragraph number where appropriate.		No. of Respondents: 8
Summary of Comments Received	Proposed Response	
Community Councils		
- No comments.		
Government / Statutory Bodies		
- <u>Scottish Water</u> : Recommend that the developer submits a Pre Development Enquiry form so that they are fully aware of any mitigation they will be required to carry out on our network and budget for.	Accepted. Footnote has been added.	
Business / Industry		
<ul style="list-style-type: none"> - Para 1.26 Support expressed for the specific inclusion of the acknowledgement that full infrastructure costs cannot always be met by the developer. - Para 1.30 – 1.33 request that these steps are re-written and re-structured based on the text set out earlier in this section to help guide the developer through the Council's accepted process. Request a better step by step guide through the process. 	<p>No changes. Support noted.</p> <p>Accepted. Section structure amended accordingly and additional detail of steps involved added to provide more clarity.</p>	

Question 5 Do you have any other comments on development viability? Please reference the section / paragraph number where appropriate.	No. of Respondents: 8
Summary of Comments Received	Proposed Response
<ul style="list-style-type: none"> - Para 1.31 - This statement should be clarified to make clear that it is not expected that the full planning permission pre-application process with associated fee is undertaken as this is not practical in terms of the timescales involved in doing a land deal. - Para 1.32 - Unreasonable and unjustifiable to expect the applicant to pay for the Council's advisors. Guidance should provide an estimate of this cost. - Not clear how conflicts of interest will be managed if external advice is being sought. Developer should be able to comment on the proposed advisor's appointment to check for conflicts of interest. - Paras 1.33 and 1.34 – In a competitive market, making information on a developer's costs and profit in a development publicly available could have considerable commercial implications. More emphasis is required on the need to retain the confidentiality of viability assessments. Viability assessments should not be publically available via the planning portal or through handling/committee reports. - Request that developer contribution requirements are specified through the LDP allocation process to make landowners aware of these costs before promoting their land for development. 	<p>Not accepted. Refer to response provided at Q4.</p> <p>Not accepted. In reviewing viability assessments, the costs associated with independent verification by a third party will be factored in when assessing any varied developer contributions so that the developer is not disproportionately burdened. These costs have been itemised at DCSG Appendix 1. Verification costs will also vary based on the quality of the original viability assessment undertaken and estimates will be provided on a case by case basis.</p> <p>Accepted. Section 1 now clearly explains how potential conflicts of interest will be carefully managed to ensure viability assessments remain confidential.</p> <p>Accepted. Para 1.34 amended to state that viability assessments and any associated confidential information will not be made publicly available, although the contribution amounts secured will be documented in planning reports and legal agreements. Due to commercial sensitivity / the potential for adverse impacts on commercial interests, any FOI / EIR requests will also be strenuously opposed.</p> <p>No changes. The LDP, the associated Delivery Programmes and the DCSG provide the necessary guidance for landowners and developers to gain an understanding of potential developer contribution requirements which can be clarified through the pre-application advice service ahead of incurring significant costs of preparing planning application(s) and concluding land deals. The review of the Planning System may also introduce more up front site viability assessment requirements at the LDP site allocation stage.</p>
Comments from Individuals	
<ul style="list-style-type: none"> - Developer contributions can often be the reason why effective sites are not taken forward and the costs associated with preparing viability assessments adds to this problem. Over-zealous expectations of developer contributions can stifle development. The developer has many outlays, procurement of land, consultants 	<p>No changes. The approach set out is considered to be fair and reasonable. The developer contribution requirements set out are consistent with approaches taken across several other local authorities.</p>

Question 5 Do you have any other comments on development viability? Please reference the section / paragraph number where appropriate.		No. of Respondents: 8
Summary of Comments Received	Proposed Response	
fees, planning application fees and developer contributions are only finalised at the end of the process which can be too late with significant investment already committed by that point. Request a fair and reasonable approach to make sure that land is released for housing and that the cost of housing is not inflated / prohibitively expensive for communities.		

2 Schools

Question 6 Do you agree with the methodology for calculating school contributions and associated land costs? Please tell us why, or suggest alternatives.		No. of Respondents: 11
Summary of Comments Received	Proposed Response	
Community Councils		
<ul style="list-style-type: none"> - Conon Bridge Community Council: Classroom extensions also give rise to the need for additional dining, toilet, cloakroom, gym hall provision. Request that developer contributions for all scales of extension cover these additional costs. - Newtonmore & Vicinity Community Council: This is OK in theory. Concerned that school roll forecasts underestimate future development impacts. 	<p>No changes. The guidance sets a fair and realistic threshold for when such additional provision will be required, beyond the 1 and 2 classroom extension level. Setting this any lower would be unrealistic as it is highly unlikely that such additional provision would be made for this scale of school capacity increase.</p> <p>No changes. The methodology used for school roll forecasting is reliable and accurate. If developments generate more children and impacts are being underestimated, there is scope to review this when re-visiting this guidance in future years.</p>	
Government / Statutory Bodies		
<ul style="list-style-type: none"> - No comments. 		
Business / Industry		
<ul style="list-style-type: none"> - Homes for Scotland and Others: Request that the school contributions for allocated sites should be made clearer and for these to be set out in a table by school catchment and allocation reference with indicative development site capacities detailed. LDPs should establish school requirements and locations of new schools to allow for this to be consulted upon. 	<p>Agreed (in part). HwLDP 31 Developer Contributions highlights the need for potential education contributions. School contribution requirements are also to be set out within the LDP Delivery Programme which will allow for this information to be updated alongside the annual School Roll Forecasts, rather than being in the DCSG itself which would be fixed to a point in time. Details of indicative site capacities are not however entirely relevant for this exercise and will not be included as these are set out within the LDP allocations themselves.</p>	
School Capacities		
<ul style="list-style-type: none"> - The developer contribution should only be sought where there are capacity constraints and school capacities must reflect any planned capacity increases arising from other developer contributions. 	<p>No changes. Guidance makes clear contributions will only be sought where there are existing or forecast capacity deficiencies. Future school capacity increases are not intended to be detailed in the school roll forecast until these have been delivered. All Council commitments will be set out in LDP Delivery Programmes which will also identify any school capacity increases being forward funded by the Council to accommodate future planned housing developments. As and when new schools are developed, these will however be identified in future School Roll Forecasts with details of where retrospective developer contributions may be required.</p>	

Question 6 Do you agree with the methodology for calculating school contributions and associated land costs? Please tell us why, or suggest alternatives.	No. of Respondents: 11
Summary of Comments Received	Proposed Response
<ul style="list-style-type: none"> - Concerned that school capacities have been reduced due to Scottish Government pre-school placement policy and Highland Council have since utilised schools to accommodate this requirement placing a disproportionate burden on housing developers. - Appendix 2, Para 2.7 – Concerned with multiplying the no. of homes with the Pupil Product Ratio (PPR) as this ignores that there may be capacity within different year groups to accommodate additional children. Concerned that for larger developments which are phased over many years, children from a development may pass through the school system and free up places within the school which can be used by later children in the development. - Appendix 2, Para 2.4 – Concerns with contributions being sought where a school is operating at or above 90% of its physical capacity. This residual 10% capacity amounts to 43 spaces in a two stream primary school and 147 spaces in a new secondary school. On this basis it is difficult to understand how contributions are justified and concerned that the Council is therefore imposing a levy. - Appendix 2, Para 2.4 - Unclear if the development from which the contribution is sought requires to be built out over that 15 year period. If longer, not clear how it is fair or reasonable to require contribution beyond this 15 year period. - Appendix 2, Para 2.4 - Seek clarity if the school goes over 90% capacity for 5 years of the 15 year school roll forecast, to trigger contributions should this be consecutive? 	<p>No changes. Existing school capacities have not been revised to cover existing pre-school services. In any event, this should have no bearing on the need for school contributions which should be assessed based on the overall school estate needs, whether this be for pre-school, primary or secondary provision. If pre-school provision was omitted from new school requirements, separate contributions towards new pre-school provision would be required.</p> <p>No changes. Not accepted. The PPR is divided across all year groups and this methodology is standardised across Scotland. The PPRs study examines the phased development of Milton of Leys of a 14 year period which has found these PPRs to be accurate and reliable. For developments phased over a longer period, any cyclical changes in the school roll will be evidenced by the annual school roll forecast which could be used to inform future phased planning application requirements.</p> <p>No changes. As explained within DCSG Appendix 2, Para 2.4 a degree of flexibility is required to manage year to year class size variations and a 10% allowance is considered reasonable. For larger schools, particularly secondaries, this also vital to maintaining subject choices and sufficient teaching space. This 90% capacity threshold has been applied in other local authority areas, including East Renfrewshire’s Supplementary Guidance, Adopted June 2015.</p> <p>No changes. In circumstances such as this, for development proposals which are to be built out beyond the 15 year forecast, the developer could accept a development phasing pause and review clause to allow for re-assessment of the proposed development and the school roll forecast, taking into account the most up to date developer contributions guidance and LDP provisions at that time. Alternatively, the likely impact of the development can be estimated based on prevailing trends and school contributions can be agreed from the outset.</p> <p>DCSG Appendix 2 now clarifies that these five or more years do not require to be consecutive.</p>

Question 6 Do you agree with the methodology for calculating school contributions and associated land costs? Please tell us why, or suggest alternatives.	No. of Respondents: 11
Summary of Comments Received	Proposed Response
<p>School Costs</p> <ul style="list-style-type: none"> - Table 2.2 - Unclear why school extension rates for flats have significantly increased, circa 5.5 times for primary and 11 times for secondary. - Appendix 2, Para 2.15 – Requests that retrospective contributions will only be sought towards recently completed new/extended schools where front funding was carried out to facilitate the planned impact of the development. - Appendix 2, Para 2.16 – Request further background information to interrogate the school build costs and compare these to the sizes and costs adopted by Scottish Futures Trust for construction of schools. Developer should not be penalised because the Council chooses to set their construction costs relative to enhanced school accommodation provision and sizing beyond the standards set at Government level via Scottish Futures Trust. - Could be argued that Schools could be delivered for less cost. - Unclear why the costs for 1 and 2 classroom extensions are taken from a 2008 base date when the 2013 Guidance on Developer Contributions used Q2 of 2012 as the base date. - Request that base date for indexation be set out in this section and throughout the document. <p>School Land Costs</p> <ul style="list-style-type: none"> - Unclear if the overall school size defined by the Council is in line with Scottish Futures Trust accepted standards. 	<p>No changes. The increase in flat rates is justified and directly relates to the new PPRs associated with two bedroom flats, evidenced by the School Pupil Product Ratio Review background paper available at: http://consult.highland.gov.uk/portal/dcsg?tab=files</p> <p>Accepted. DCSG Appendix 2, Para 2.15 has been amended to state that details of recently completed new / extended schools where retrospective contributions are required are reported in the LDP Delivery Programmes. Contributions are required where front funding was carried out to facilitate the planned impact of development. 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.</p> <p>No changes. Further details are set out within the New School Build Costs Background Paper which has been appended to this committee report. This report provides in depth analysis of the proposed contribution rates. This concludes that for secondary, the proposed new school cost are 22% less than the average Scottish Futures Trust database costs and for primary, the proposed costs are in line with the average Scottish Futures Trust database rates.</p> <p>No changes. These costs are based on a 2008 study with 1 and 2 classroom extension costs being indexed forward in Q2 2012 as reported in the adopted DCSG.</p> <p>Accepted (in part). To aid the reader, the first highlighted blue box text in Section 1, after Para 1.10 has been amended to explain that all costs are subject to indexation (unless otherwise stated in Section 10).</p> <p>No changes. The Council’s school land requirements are informed by experience in delivering a number of new schools, both primary and secondary in Highland. The Council’s new school land requirements meet with both the Scottish Futures</p>

Question 6 Do you agree with the methodology for calculating school contributions and associated land costs? Please tell us why, or suggest alternatives.		No. of Respondents: 11
Summary of Comments Received	Proposed Response	
<ul style="list-style-type: none"> - Lack of evidence of how £1M per hectare as a residential land value for new schools has been determined and it is argued that this should be based on community land use values, not residential. - Query if this is a gross land value or a net land value. - Concerns with using Inverness land costs for other areas in Highland. - The status and ownership of the land for school sites should be stated. It may be that the Council already owns the land or it is not allocated for residential development and as such the land value could be significantly less. - School land contributions should be calculated on a market value basis. - If the developer is providing land for a school, the guidance should make clear if they are liable for any school contributions for residential uses. It is assumed that the landowner/developer will be paid a land value on a per hectare basis for a school site and then they may be require to pay a proportion of this back if they then develop any residential units across other areas of land. - Para 2.3 - Request exemption for 'key worker housing' is included within the definition of 'developments with occupancy restrictions.' 	<p>Trust and Sport Scotland's standards.</p> <p>Accepted. The Council has commissioned an independent chartered valuer to identify major extension / new school land costs for different areas in Highland where there is a clear need for additional school sites / land. This valuation is based an estimate of gross serviced new school site costs. These costs will be provided on the Council's LDP Delivery Programmes. These costs require be updated on a regular basis to reflect any new school site acquisitions or changes in prevailing market land values.</p> <p>No changes. Sufficient guidance is provided at DCSG Appendix 2, Paras 2.17 to 2.20. In determining education contributions, the provision of a school site and the value of that site will be used to inform the exact new school build costs on a per home basis.</p> <p>No changes. The Council is concerned with the ability to enforce occupancy restrictions by title or condition, hence why no exemptions are proposed for developments only with an age related occupancy condition. Exceptions to this are HMOs, student accommodation or tourist accommodation where the layout and design precludes permanent occupancy. If the layout comprises single bedroom properties, no school contributions are required.</p>	
Comments from Individuals		
- No comments.		

Question 7 Do you agree that affordable homes should contribute to school costs?		No. of Respondents: 12
Summary of Comments Received	Proposed Response	
Community Councils		
<ul style="list-style-type: none"> - <u>Newtonmore & Vicinity Community Council</u>: Yes, as the housing is most likely to be attractive to younger families. - <u>Conon Bridge Community Council</u>: Affordable homes must contribute to school costs due to their younger family demographic. 	No changes. Support noted.	
Government / Statutory Bodies		
<ul style="list-style-type: none"> - No comments 		
Business / Industry		
<p>Agree</p> <ul style="list-style-type: none"> - <u>Homes for Scotland</u>: Agrees that affordable homes should contribute to school costs as they generate pupils in the same way that market homes do. - If affordable homes generate children they should contribute. <p>Disagree</p> <ul style="list-style-type: none"> - Development viability concerns raised for the release of land and development of 100% affordable housing sites. With a rising deficit of affordable housing provision year on year, discounted levels of contribution for affordable housing should be considered. Approach will also deter on-site affordable housing provision. - Request that the guidance is not adopted until an economic impact/viability is fully understood. - Lack of Scottish Government grant funding to pay for developer contributions and therefore these contributions are borne by the mainstream open market housing units. For affordable housing provision is delivered by Scottish Government and borrowing from developers which is recouped through rental. If contributions are required this cost will require to be recovered through increase rents. - Contributions will decrease the quantum of affordable housing delivery which will place additional pressure on the Council's homeless budget through more people being housed in expensive and unsustainable temporary accommodation. - Vast majority of people living in homeless accommodation already live within the area which has no impact on school roll. 	<p>No changes. Support noted.</p> <p>No changes. Through the provision of viability assessments, provision is made for site specific flexibility. The Council do not therefore believe that the guidance will have a significant impact on development viability.</p> <p>No changes. Development proposals, regardless of their funding arrangements, are required to mitigate their impacts.</p> <p>No changes. No evidence has been presented to demonstrate what proportion of affordable housing occupiers originate from the same school catchment or what their current living arrangements are (which may be temporary in nature and not conducive to starting a family) or what proportion already have children.</p>	

Question 7 Do you agree that affordable homes should contribute to school costs?		No. of Respondents: 12
Summary of Comments Received	Proposed Response	
- Para 2.3 - Disagree with “Homes with an age related occupancy condition will not be exempt.”	The Council are concerned with the ability to enforce occupancy restrictions by title or condition and therefore the exemption now stipulates that this includes sheltered housing – provided for elderly people who require occasional support and assistance from a resident warden. Further clarity has also been provided with regard to exemptions for tourist accommodation which is not likely to be suitable for permanent residential accommodation.	
Comments from Individuals		
- Single response provided: ‘No’.	No changes.	

Question 8 Do you agree with the flexibility proposed in the use of school contributions to manage the school estate?		No. of Respondents: 12
Summary of Comments Received	Proposed Response	
Community Councils		
- <u>Conon Bridge Community Council</u> : If emerging nursery legislative requirements come to fruition, these must be fully funded by the Scottish Government.	No changes. As with other education service requirements, it is reasonable to expect that the needs of existing communities will be met by public service funding, however, it remains reasonable that the developers should contribute towards provision to service new development.	
- <u>Conon Bridge Community Council</u> : Developer contributions for schools should remain within the catchment area of the school.	Accepted. Refer to amended Para 2.6 as detailed in response to the Scottish Government’s comments below.	
- <u>Newtonmore & Vicinity Community Council</u> : This is difficult. The monies need to be earmarked for schools, but then if there is a conflict between a regional secondary school and a village primary school and the pot is too small, who will get priority?	Accepted (in part). It is for the Council to determine the best use of contributions to mitigate the impact of development, however it is accepted that primary school contributions should be spent on primary provision and likewise for secondary school provision. For primary schools, investment in another nearby primary school may resolve capacity issues for the development site’s catchment and catchment boundaries could change over time. Therefore flexibility is required to invest contributions within any neighbouring primary school within the ASG. To meet the Circular 3/2012 relationship test, Para 2.6 has been amended to include the following text: “For the overall management of the school estate, and in order to suitably mitigate the impact of development and address capacity issues it may be necessary to create or amend catchment	

Question 8 Do you agree with the flexibility proposed in the use of school contributions to manage the school estate?		No. of Respondents: 12
Summary of Comments Received	Proposed Response	
	<p><i>areas and / or invest developer contributions in neighbouring nursery / primary school catchment areas. This will only take place within the relevant secondary school catchment (known as the Associated School Group or ASG) and is on the condition that any spend of developer contributions mitigates the impact of the development for which the contribution was originally sought.</i>—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.</p>	
Government / Statutory Bodies		
<ul style="list-style-type: none"> - <u>Scottish Government</u>: Para 2.5 states that additional guidance on nursery provision and associated developer contributions may therefore form a future appendix or section of this guidance. Please note, there is no provision in legislation to update supplementary guidance in future without carrying out the necessary consultation. - <u>Scottish Government</u>: The guidance should be clear that where seeking contributions through section 75, the tests of Circular 3/2012 should be met. We note the Council’s intention to combine five Inverness catchment areas. The justification for doing this will be important in establishing a relationship between the development and the contribution. 	<p>Accepted. Para 2.5 amended to state: “Once prepared, this information will be subject to appropriate public consultation being undertaken.”</p> <p>Accepted. To ensure that that there is a clear relationship between the proposed development and the contribution, Para 2.6 has been amended with the deletion of the following text to ensure contributions received are spend within the relevant area schools group: This 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.</p>	
Business / Industry		
<ul style="list-style-type: none"> - Para 2.5 – Concerned that additional contributions will be sought arising from additional nursery provision or towards additional primary/secondary provision because capacity which would have been available within the school is subsequently used for nursery accommodation. This approach undermines the Council’s earlier requirements for developers to seek pre-application advice on the level of contributions from a development. If nursery provisions alter during the determination of an application, this should not affect the contributions required from that development. - <u>Homes for Scotland and Others</u>: Para 2.6 – Consider that it is unlawful to obtain contributions on a town / area wide basis and that the proposals fails to meet the 	<p>No changes. Existing school capacities have not been revised to cover existing pre-school services. In any event, this should have no bearing on the need for school contributions which should be assessed based on the overall school estate needs, whether this be for pre-school, primary or secondary provision. If pre-school provision was omitted from new school requirements, separate contributions towards new pre-school provision would be required. The Council reserves the right to re-appraise developer contribution at the point of making the decision on the planning application which will be based on the most up to date information available.</p> <p>Accepted. Refer to amendments for Para 2.6 as described above.</p>	

Question 8 Do you agree with the flexibility proposed in the use of school contributions to manage the school estate?		No. of Respondents: 12
Summary of Comments Received	Proposed Response	
<p>Circular 3/2012 tests in that the contributions could be used for needs that do not fairly or reasonably relate to the development.</p> <ul style="list-style-type: none"> - Treating the five Inverness secondary school catchment areas as a single catchment for the expenditure of both primary and secondary school contributions is akin to the pooling of contributions which was proposed in the Aberdeenshire Strategic Transport Fund and which the Supreme Court found to be unlawful. This pooling approach is regarded as simply imposing a levy. - If contributions are simply paid into an education fund and used anywhere within the overall area, there would be no direct relationship between the contribution which has been ingathered and the use of the monies. Contributions require to be used to address specific impacts on specific infrastructure arising from specific developments. - To justify the need for the developer contribution in a particular area the contributions should be spent in that catchment area. - Council should demonstrate that it has managed the overall capacity of the school estate and policy of out of area place requests before requiring developer contributions. 	<p>No changes. Analysis of inward and outward school catchment placement requests has demonstrated that in the vast majority of cases, placement requests are relatively low in number with the vast majority of pupils arising within a catchment attending the local catchment school. Parental choice over which school pupils attend is a policy matter which Care and Learning manage in line with legislative requirements.</p>	
Comments from Individuals		
No comments.		

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?		No. of Respondents: 7
Summary of Comments Received	Proposed Response	
Community Councils		
<ul style="list-style-type: none"> - <u>Conon Bridge Community Council</u>: School roll forecasts appear to have been set too low in the past judging by the number of schools who are having their rolls capped. Forecasting must be improved to avoid this in the future. - <u>Newtonmore & Vicinity Community Council</u>: For Newtonmore Primary School, we do not think the forecasts are accurate. More clarity on how the underlying forecasts were constructed would help. The danger is they underestimate the 	<p>No changes. Significant cross service efforts have been made to improve the accuracy and presentation of the latest 2017/18 School Roll Forecasts.</p> <p>No changes. The School Roll Forecasts are sufficiently accurate and for transparency, a methodology statement on how these are prepared by the Council has been made available online at:</p>	

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?		No. of Respondents: 7
Summary of Comments Received	Proposed Response	
potential pressure on space.	https://www.highland.gov.uk/downloads/file/19257/school_roll_forecast_methodology_september_2017	
Government / Statutory Bodies		
Business / Industry		
<ul style="list-style-type: none"> - Still a question over projections being based on new housing being for new families as opposed to families within existing area, increased projections in one school should release capacity in other schools. Anecdotally from developers, 80% of housing in Inverness is sold to people living within the area. - Agree with the proposed PPRs for Inverness (based on the 14 year Milton of Leys development study area) but concerned that this captures an initial peak with a request that the Council's study is extended to cover housing stock from the 1990s. Without this longer term analysis the concern is that applying the Milton of Leys Study PPRs may significantly over estimate what is required beyond initial development occupation. - Blanket application of the PPR set out in the Guidance and Background Paper is inappropriate. Out with Inverness, populations in other parts of Highland are declining and an average PPRs for Highland as a whole should be approximately 50% of the proposed primary school rate with the secondary school rate remaining broadly accurate. - Question school costs, based on previous high quality projects where there could be more simplified designs. - <u>Homes for Scotland and Others</u>: Concerned with approach which looks to pool contributions towards the funding of a new Inverness secondary school with the risk that contributions will be sought from developments which have no or a trivial direct link to this new school. 	<p>No changes. No evidence has been presented to demonstrate what proportion of home occupiers originate from the same school catchment. Moreover, an intra catchment house move frees up a house that will be occupied by another household. Therefore an increase in the housing stock within a catchment (if the number or proportion of vacant houses remains constant) leads to an increase in pupil numbers. Releasing capacity in schools which do not have capacity issues does not offset impacts on schools which are experiencing capacity issues.</p> <p>No changes. The study undertaken was carefully considered to capture the school requirements to service new development which is what the Council are interested in assessing – the impact of new development on the school estate to determine infrastructure requirements.</p> <p>No changes. The study findings are also reflective of several other local authority PPRs that are being applied. In areas of Highland which are experiencing population decline, these areas are not experiencing school roll pressures and as such, applying the PPR study findings across Highland will not materially affect developer contributions in these areas.</p> <p>No changes. For transparency, appended to this committee report is a detailed assessment of how the new school equivalent rates have been determined. These have been found to be accurate and reliable.</p> <p>Accepted. Refer to amendments for Para 2.6 as described above.</p>	

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?		No. of Respondents: 7
Summary of Comments Received	Proposed Response	
- More clarity of contribution rates required for LDP site allocations.	Accepted (in part). Details of any likely school contributions to be set out within the LDP Delivery Programmes to allow for updates alongside the annual School Roll Forecasts.	
Comments from Individuals		
- No comments.		

3 Community Facilities

Question 10 Do you agree with the methodology for calculating contributions for community facilities?		No. of Respondents: 10
Summary of Comments Received	Proposed Response	
Community Councils		
<p><u>Conon Bridge Community Council</u>: The methodology is reasonable but there must be a greater level of engagement with the local community in the determination of the type of facilities required and their design.</p> <p><u>Newtonmore & Vicinity Community Council</u>: In our community, there are no indoor facilities that the Council maintains. It would be good to see how they can therefore spend that contribution in this community, rather than in a neighbouring one which is difficult to access by the limited public transport.</p>	<p>No changes. Facility needs should be identified by communities during Area LDP preparation stages for these then to be detailed within LDP Delivery Programmes.</p> <p>Accepted (in part). Additional text to be added to Para 3.3: <i>“Community facility contributions will be invested within the relevant secondary school catchment area. In order to respond to emerging alternative community facility projects, contributions will not usually be tied to the delivery of any given project. In allocating contributions, the Council will however give due regard to where these contributions have come from to help mitigate the impact of development.”</i></p>	
Government / Statutory Bodies		
No comments.		
Business / Industry		
<ul style="list-style-type: none"> - The guidance does not recognise that some developments are able to deliver their own community facilities. Reference should be made that where proposals include for community facilities, no contribution would be required. - Concerned with approach which appears to be levy and does not necessarily reflect the cost of mitigating the impact of development. Concerned how 0.69sqm of indoor space per dwelling has been calculated. 	<p>Accepted. Text amended to include the following within the introductory blue box: <i>“For large scale developments, the requirement for on or off site community facility provision will be assessed on a case by case basis.”</i></p> <p>No changes. Not accepted. The amount of indoor space required per dwelling has not been altered from the adopted DCSG. No evidence has been presented to suggest that this is unreasonable and other north east Local Authorities have set similar requirements, for example:</p> <ul style="list-style-type: none"> - Aberdeen City, January 2017: Community Halls - 0.69sqm per home at a build cost of £1,836 per sqm = £1,267 per home. - Aberdeenshire, April 2017: Community Centres, learning centres and Libraries - 0.75sqm per home at a build cost of £2,260 per sqm = £1,829 per home. <p>Comparably, the proposed Highland construction build rate which has been indexed forward from the adopted DCSG remains lower, at £1,461 per sqm, however this remains adequate as this is still within the range of BCIS reported average costs per sqm for community centres of up to 500 sqm (Generally: Lower Quartiles-£1,450 / Median-£1,997 / Upper quartiles-£2,625) at Q3 2017.</p>	

Question 10 Do you agree with the methodology for calculating contributions for community facilities?	No. of Respondents: 10
Summary of Comments Received	Proposed Response
<ul style="list-style-type: none"> - Disagree that developers should fund community facilities which are services that the Council provides such as libraries, and village halls. - Lack of clarity over outdoor facility requirements and what a development may be liable to contribute. - <u>Homes for Scotland and Others</u>: Unclear how these contributions relate to school contributions which cover provision of playing pitches. Given that a number of community facilities are now incorporated into schools, how are community facilities required accurately calculated to ensure that there is not an element of duplication of contributions between education and community facility requirements? Clarification sought if the New Secondary School costs for the IRA are inclusive of the community facilities provided. 	<p>The requirement for developer contributions towards community facilities is clearly set out within the supporting text for parent HwLDP Policy 31 Developer Contributions. Although the Council considered the option of requiring developer contributions for community facilities from all scales of development, the guidance has been amended to set a threshold of such contributions only being required for four or more homes. This is to limit the administrative burden associated with collecting contributions for small scale housing sites, including single houses. The administrative burden would be especially disproportionate in areas where no other developer contributions are required and the amount to be secured would be limited due to the application of the small scale housing sites discounts of up to 80%.</p> <p>Accepted (in part). The introductory blue box within this section has been amended to make clear that outdoor facility costs are calculated on a case by case basis but the indoor facility rate should be used as a guide. It also now makes clear that community facility contributions will either be required for indoor or outdoor provision, but not typically for both. Outdoor sports facility provision requirements and associated costs will vary on a settlement by settlement / project by project basis and therefore no prescriptive costs can be set out. The indoor contribution rate is considered to be appropriate given that this only represents a limited contribution to the overall cost of outdoor sports facility provision; typical facility costs for which are set out by Sport England and are available at: https://www.sportengland.org/facilities-planning/design-and-cost-guidance/cost-guidance/</p> <p>Accepted (in part). The following clarification has been provided: <i>“In areas subject to major extension / new school equivalent rates, an element of community meeting space and leisure provision is likely to be incorporated within the school. These facilities are however usually only available to the public on a restricted timetabled basis with priority given to teaching and after school groups. As such, provision within schools alone does not normally negate the need for contributions towards other indoor or outdoor community facility requirements.”</i></p>

Question 10 Do you agree with the methodology for calculating contributions for community facilities?		No. of Respondents: 10
Summary of Comments Received	Proposed Response	
<ul style="list-style-type: none"> - <u>Homes for Scotland and Others</u>: This should be deleted. Not appropriate for contributions to be sought towards healthcare provision and lack of detail provided to provide meaningful comments. - Question the validity of inclusion of healthcare which is provided direct by Scottish Government and that GP surgeries are run as private business and no direct link to development. Provision of GP services in not a function of the Council it is unclear how contributions for these services could be collected and distributed. - If the Council seeks to introduce healthcare contributions, these should be set out in a transparent way within the guidance and not added at a later date. - Suggest that developer contributions / commitments in terms of community facilities or initiatives out with those required by the planning system should be taken into consideration and given significant weight when considering the requirement for and undertaking calculations under the SG. 	<p>Accepted. Due to insufficient information being available from the NHS to determine the circumstances when healthcare contributions should be sought, the requirement for contributions towards healthcare provision has been removed from the guidance.</p> <p>Accepted (in part). The definition of for what constitutes outdoor sports provision has been widened to cover a range of outdoor sports facilities. However, as explained in Section 9, there is no legal basis for other community benefits to be insisted upon and these remain voluntary. As such community benefits cannot be regarded as material considerations in decision making. When considering the need for community facilities, regard will however be given to any onsite provision which meets the indoor and outdoor facility requirements which are set out within the LDP Delivery Programme. Should additional community infrastructure needs arise, these could be added to the LDP Delivery Programme which can be updated on a regular basis.</p>	
Comments from Individuals		
<ul style="list-style-type: none"> - No comments. 		

4 Affordable Housing

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?		No. of Respondents: 10
Summary of Comments Received	Proposed Response	
Community Councils		
<ul style="list-style-type: none"> - <u>Conon Bridge Community Council</u>: Agrees approach is reasonable but asks for consideration to be given to increasing the requirement for wheelchair liveable housing to above 15%. - <u>Newtonmore & Vicinity Community Council</u>: Questions if all housing is already required to be wheelchair friendly and if so is it realistic to expect some housing to go further than that requirement? 	<p>No changes. Support noted. The requirement for a minimum of 15% of the 25% affordable housing requirement to be wheelchair liveable is considered reasonable based on the findings of the Council’s Housing Need and Demand Assessment and the current Highland Housing Register.</p> <p>No changes. It is acknowledged that current building standard regulations do require all new homes to be wheelchair accessible. However, these are not necessarily designed to be wheelchair liveable as per the Housing for Varying Needs Standard specific to ‘dwellings for wheelchair users’. These present additional design specifications, for example wider hallways and door frames and bathrooms/wet rooms with adequate space for a wheelchair turning circle.</p>	
Government / Statutory Bodies		
<ul style="list-style-type: none"> - No comments. 		
Business / Industry		
<ul style="list-style-type: none"> - Requests for a detailed definition of ‘wheelchair liveable’ housing. - Generally agrees with requirement for up to 15% of 25% affordable housing requirement to be wheelchair liveable but requests recognition that wheelchair liveable affordable units would require a greater amount of land therefore reducing the overall unit numbers of the development, subsequently reducing the affordable housing allocation numbers provided. - Requests clarity as to what is to be expected of developers, for example if the wheelchair liveable homes are required in addition to the 25% affordable housing requirement, and would these homes be required to be above the Housing for 	<p>Accepted. A definition has now been provided at Section 4.</p> <p>Accepted. By stipulating a requirement for a proportion of housing to be wheelchair liveable this is likely to result in greater land take than mainstream affordable housing given that wheelchair housing is expected to be provided in the form of detached and semi-detached bungalows and flats. In this event, any reduction in the overall number of units required to be affordable would be dealt with on a case by case basis dependant upon individual site requirements. This arrangement reflects current practice for the delivery of specialist units and has now been detailed in the guidance which states: “Where wheelchair liveable housing is required, this may result in a reduction of the overall number of affordable homes provided, however, this will only be considered in exceptional circumstances and remains at the Council’s discretion.”</p> <p>Accepted. This requirement has been made clearer and this section now states: “To help meet this demand the Council will require a minimum of 15% of the 25% affordable housing to be wheelchair livable. When calculating the</p>	

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?	No. of Respondents: 10
Summary of Comments Received	Proposed Response
<p>Varying Needs Standards requirements, therefore potentially impacting the viability of the site and deliverability of homes.</p> <ul style="list-style-type: none"> - <u>Homes for Scotland and others</u>: strongly object to a proportion of private open market housing to be wheelchair liveable for the following reasons: <ul style="list-style-type: none"> o No parent policy to support for this requirement in the LDP; o Percentage requirement is arbitrary - request for provision of baseline evidence to justify requirement, including research on market demand; o Result in further viability issues; would reduce the developable area and decrease the unit numbers for the developments; increased build costs as likely units will be larger and/or have a higher specification; o No evidence provided that there is any demand for wheelchair liveable private open market housing; difficult to market due to higher sale price and niche market – may lead empty units and applications to vary house types; if there is market demand for wheelchair accessible housing and it is a viable development proposition would be developed inline with market forces. o Vast majority of new homes are adaptable to become accessible properties, including many providers homes being complainant with the Housing for Varying Needs Standards; o Private house builders occasionally accommodate modifications if customers have a specific need; o Implementing a change in the space standards for housing should be channelled through building standards regulations and Government policy and not via developer obligations supplementary guidance and consequential changes to developers’ standard products; o Each scheme could be assessed on a site by site basis to determine the suitability for the inclusion of specialist housing products; and o Requests that if there is requirement to provide mainstream wheelchair liveable units, the affordable housing requirement from the development should be proportionally reduced or no developer contributions should be applied. 	<p><i>requirement for wheelchair housing, this will be rounded to the nearest whole number of homes. For example, a 16 house development would require to deliver 4 affordable homes and 0.6 (1) of these affordable homes may require to be wheelchair liveable.”</i></p> <p>Accepted. The suggested introduction of a proportion of private open market housing to be wheelchair liveable received a strong level of objection and the reasons for not introducing this requirement by business/industry have been accepted. As such, in an effort to help maintaining development viability, at this time it is not considered appropriate to introduce this requirement and in the interim, the Council accepts that market forces will dictate any requirement private wheelchair liveable housing in Highland.</p>

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?		No. of Respondents: 10
Summary of Comments Received	Proposed Response	
- <u>Homes for Scotland</u> : Suggest that this section of the draft guidance is removed as it does not provide specific requirements that are evidence based; consider it could be revisited at the next time the guidance is reviewed.	No changes. Not accepted. The wheelchair livable requirement is evidence based on the finding of the Council's Housing Need and Demand Assessment and the current Highland Housing Register.	
Comments from Individuals		
- No comments.		

Question 12 Do you agree with the approach to affordable housing? Please reference the section / paragraph number where appropriate.		No. of Respondents: 12
Summary of Comments Received	Proposed Response	
Community Councils		
- <u>Newtonmore and Vicinity Community Council</u> : - Yes, as it allows the quantity of affordable housing available in rural communities to increase.	No changes. Support noted.	
Government / Statutory Bodies		
- No comments.		
Business / Industry		
- Broadly agree with principle of approach.	No changes. Support noted.	
- Para 4.3 – Considers rounding up to nearest whole number of affordable units is unfair and not standard practice. Suggests that that rather than rounding up, any fraction of a whole unit should be commuted to a monetary calculation.	Accepted (in part). It is more reasonable for standard rounding practices to be used rather than always rounding up to the nearest whole number. Para 4.3 amended to state: ... <i>“When calculating the level of contribution required the contribution will be rounded up to the nearest whole number of units.”</i>	
- Para. 4.7 – Key worker housing should be included as an exemption to affordable housing requirements.	No changes. Not accepted that key worker housing should be included as an exemption to affordable housing requirements. No definition has been provided to explain the format that key worker housing would take, for example if it relates to family homes or individual rooms for only key workers. As such this is no clear justification as to why consideration should be given to making key worker housing exempt.	
- Para 4.9 –		
o Welcome clear setting out of homes that are categorised as affordable;	No changes. Support noted.	
o Requests key worker housing should be included as a category of affordable housing subject to suitable justification as part of a mix of tenures / housing	No changes. Not accepted as explained above.	

Question 12 Do you agree with the approach to affordable housing? Please reference the section / paragraph number where appropriate.	No. of Respondents: 12
Summary of Comments Received	Proposed Response
<p>models for specific employee requirements; and</p> <ul style="list-style-type: none"> ○ Requests bullet point 4 (the sub-bullet point 4 <i>Discounted Serviced Plots or house sale prices</i>) is clarified to make clear that the products listed are all subsidised products to allow clearer differentiation between bullet point 4 and bullet point 5 which is concerned with <i>Unsubsidised Low Cost Home Ownership or serviced plots</i>. - Para 4.10/Table 4.1 – <ul style="list-style-type: none"> ○ Welcomes clear sequential approach set out in table and described thereafter; and requests that in reference to the sequential approach emphasis should be placed upon affordable housing being provided on site. - Para 4.13 – Concerned that the provision of Registered Social Landlords (RSL) is restricted to those nominated by the Council and that is not clear whether the nomination is site specific or if the Council has a list of RSLs. Also questions at what point the Council nominates a RSL. Argues that there is no justification for the Council nominating a RSL because: most developers already have relationships with RSLs and the approach is anti-competitive. - Para 4.14 – <ul style="list-style-type: none"> ○ Comments relating to benchmark costs suggest that: figures require to be reviewed due to revised policy; costs should be have a clear base date and be subject to the index linking approach taken to other specified contributions in the guidance; costs should be subject to annual review to remain fair and take account of: changes in Building Regulations, other regulatory standards, 	<p>Accepted. Given the similarities between Para 4.9, bullet point 4 (4) and bullet point 5, bullet point 4 (4) has been deleted as this type of affordable housing is covered within bullet point 5.</p> <p>Accepted. Table 4.1 has been amended to reflect this and outlines that only with agreement from the Council would off site provision or commuted payment options be considered.</p> <p>No changes. The Council’s has established the Highland Housing Hub (HHH) which comprises the Council’s Housing Service, their housing association partners and the Scottish Government. The HHH meet regularly to discuss the affordable housing investment programme and agree site priorities based on the Council’s Housing Strategy and the Strategic Housing Investment Programme. The HHH take decisions on which RSL (or the Council themselves) should deliver the affordable element of private housing sites. The HHH wish to continue to be in control of nominating the Council or a RSL as this provides certainty that the specific affordable requirements of a site are met and that on-going maintenance and management requirements are adequately addressed. Should a private housing developer wish to involve a RSL that is not currently part of the HHH there is an opportunity for that RSL to express an interest in joining the HHH. If that RSL joined the HHH they may be able to deliver housing on specific sites subject to satisfactory arrangements for delivery and ongoing maintenance being in place. Further advice can be provided by the HHH upon request.</p> <p>Accepted (in part). Table 4.2 has been retitled “Benchmark Affordable Housing Values, April 2017 (£)” and note added which states: “Benchmark affordable housing values are subject to regular review in line with Scottish Government grant funding; as such, these figures together with affordable housing commuted payments are not subject to indexation and up to date benchmark</p>

Question 12 Do you agree with the approach to affordable housing? Please reference the section / paragraph number where appropriate.	No. of Respondents: 12
Summary of Comments Received	Proposed Response
<p>revisions to RSL specification requirements and increased developer contributions.</p> <ul style="list-style-type: none"> ○ Suggests text change to ‘developer will be required prior to submission of proposals, to meet with the Council to agree the number, type and mix of affordable housing on site, in accordance with the Highland Standard Design Brief. Normally to provide – family houses, ground floor flats and wheelchair housing, there may be specific requirements for bespoke units for particular needs, any requirement for one off bespoke houses may result in a reduction of the overall number of houses provided.’ - Para 4.16 – suggests first sentence is changed to ‘In cases where the Council determines that on-site provision cannot be achieved, the Council will accept the affordable provision off site.’ - Para 4.20 – <ul style="list-style-type: none"> ○ Considers that the stated approach to calculating commuted sums is flawed. Asserts that the purpose of the commuted sum is to enable the Council to provide affordable housing elsewhere and therefore should be based on the value of affordable housing land in the area. ○ Wishes the Council to demonstrate that the commuted sum has been used in the area or if unable to be used within the area and affordable housing delivered elsewhere of a lesser value the saving should be returned to the developer. 	<p><i>values and fixed commuted sums will be published on the Council’s website https://www.highland.gov.uk/directory_record/712087/developer_contributions</i></p> <p>Accepted. To provide a clearer explanation of the likely requirements of the Council, this section has been amended to include: <i>“Where the Council requires specialist housing for particular needs, this may result in a reduction of the overall number of affordable homes provided, however, this will only be considered in exceptional circumstances and remains at the Council’s discretion.”</i></p> <p>Accepted. Para 4.16 amended to state: <i>“In cases where the Council determines that on-site provision cannot be achieved, the Council will accept the affordable provision off site or the transfer of an area of serviced land off-site.”</i></p> <p>No changes. Not accepted. Unless already in the hands of the Council, a RSL or by prior agreement with a landowner the Council does not allocate sites solely for affordable housing. In practice very few sites are allocated specifically for affordable housing; those that are, are limited to the Council’s older local plans which will soon be replaced by LDPs. In the absence of land specifically for affordable housing throughout Highland this makes it difficult to assess the value of affordable housing land. As such the current approach of the commuted payment being equivalent to the difference between the value of the affordable housing unit and the value of the equivalent private unit continues to be considered the most appropriate approach.</p> <p>No changes. The location requirements for the expenditure of commuted sums is set out at Para 4.19. This explains that 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 maybe spent within the local housing market area. As such it is considered</p>

Question 12 Do you agree with the approach to affordable housing? Please reference the section / paragraph number where appropriate.	No. of Respondents: 12
Summary of Comments Received	Proposed Response
<ul style="list-style-type: none"> ○ Expressed preference for a fixed commuted sum/s to provide clarity and reflect approach used widely by other local authorities for example Aberdeenshire, Perth and Kinross and Stirling. Inclusion of figures would allow land deal negotiations to be more informed. - Para 4.21 – Requests amendment to state that if funding is not secured for affordable housing before the completion of the last private house then the developer has the option to pay a commuted sum and build out the remainder of the site for private housing. This would allow for circumstances where a site is completed within that 5 year time frame as it is unrealistic to expect a developer to leave a site partially developed and return to complete the remaining plots as private after 5 years. - Para 4.22 – add ‘through negotiation’ - Para 4.25 – Considers limiting clusters of affordable housing to 15 units within a single development is inappropriate for the following reasons: no clear justification; some affordable housing only developments are larger than 15 units; overly prescriptive; will impact on site layouts; affect RSLs’ ability to provide affordable housing; difficult to build in terms of health and safety for individual construction projects if affordable housing was being delivered in more than one area; unviable in terms of constructions projects in isolation and does not take into account different circumstances and sites. Suggestions for change include: number of units 	<p>that the matter of the location of the spend of commuted sums is adequately clear. On the basis that the Council have derived fixed affordable housing commuted sums (see below), clawback provision of any savings is not considered to be fair or reasonable on the basis that values have been independently determined and the Council are taking on the risk / burden of delivery.</p> <p>Accepted. It is agreed that this would be beneficial to both applicants and the Council in terms of providing up front costs and speeding up the decision making process. As such the Council commissioned an independent chartered valuer to establish commuted sum values for different parts of Highland. These will be provided on the Council’s website and be updated on a regular basis.</p> <p>Accepted. In response to allowing for a commuted sum to be paid to a developer if the area to used for affordable housing has not yet been built out following the completion of the private element of the development this is a situation that has never been faced by the Council. As such, in the unlikely event this scenario did occur it would be dealt with fairly and on a case by case basis. As this clawback provision is set out in Section 10, Para 10.6, Para 4.21 has been deleted.</p> <p>Accepted (in part). Given that fixed commuted sums are now provided via the Council’s website, no negotiation will be required. The following text within Para 4.22 has therefore been deleted: <i>“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.”</i></p> <p>Accepted (in part). Para 4.25 requires that on larger developments affordable housing should be dispersed throughout the development or in any event clusters of no more that 15 <u>rented</u> dwellings. It is important to note that the limit of 15 dwellings is in reference to social rented dwellings rather than affordable housing in general. However, it is accepted that increased flexibility should be provided for the reasons provided by business/industry, as such Para 4.25 has been amended as follows: “For larger developments of 100 homes or more, affordable housing should be dispersed throughout the development or in any</p>

Question 12 Do you agree with the approach to affordable housing? Please reference the section / paragraph number where appropriate.		No. of Respondents: 12
Summary of Comments Received	Proposed Response	
<p>is increased to 30; sites considered on a case by case basis.</p> <p>- General - Considers that where proposals form part of a mixed use / tenure development, no additional affordable requirements should be triggered to avoid double counting.</p>	<p><i>event in clusters of no more than 30 homes. Affordable housing for rent should be concentrated in small groups and the overall mix of house types and tenure will be at the discretion of the Council."</i></p> <p>No changes. Unclear what was meant by this comment; if 25% of the housing proposed meets with the definition of affordable housing, no additional affordable homes are required.</p>	
Comments from Individuals		
No comments		

5 Transport

Question 13 Do you agree with the standard requirements for transport infrastructure? Tell us why.		No. of Respondents: 8
Summary of Comments Received	Proposed Response	
Community Councils		
- <u>Conon Bridge Community Council</u> : Agree with standard requirements but where there are a number of larger developments planned for a community during a relatively short period, this doesn't seem to be taken into consideration in the implications for the transport network.	No changes. Support noted. The guidance reflects this scenario with the guidance introducing scope for Cumulative Transport Contributions in the future.	
Government / Statutory Bodies		
- <u>SNH</u> : Welcome the recognition of active travel routes being items that may require developer contributions. When well designed and implemented, these contribute to placemaking by creating pleasant places to live that are easy for people to move around, as well as contributing to biodiversity by providing places for nature to live. Active travel also reduces carbon emissions, which contributes to tackling climate change.	No changes. Support noted.	
Business / Industry		
- <u>Homes for Scotland and Others</u> : General agreement with the standard requirements and requirement to mitigate impacts. Further clarity could be provided for site allocations.	No changes. LDP allocations, wherever possible, set out known transport related mitigation requirements. These are however often subject to further refinement informed by site specific Transport Assessments.	
- Para 5.3 Content with bus stop / shelter provision, however consider contributions towards the running of public transport services when these are run by private companies who receive the benefit of future bus fares. If developer subsidisation is required, developers should be entitled to a proportion of bus fares received during that period.	No changes. Any subsidy requirements will be calculated on a case by case basis by the Council's Transport Planning Team and will take account of commercial viability associated with running new or extended bus services.	
- Appendix 3 – Concerned with lack of justification or source information for standard requirements for transport costs for items such as cycle parking, bus shelters etc.	No changes. All costs provided at DCSG Appendix 3 of the guidance are approximate estimates provided by Council services and transport stakeholders. These are indicative for budgeting purposes.	
- Contributions towards electronic vehicle charging is challenged based on this being only one form of vehicle energy saving and this infrastructure not being linked to housing development.	Although electronic vehicle charging infrastructure is just one type of vehicle energy saving infrastructure, this does not prohibit developer contributions being sought towards such projects which can help mitigate the transport impacts of any given development. Scottish Planning Policy Para 275 sets out that	

Question 13 Do you agree with the standard requirements for transport infrastructure? Tell us why.		No. of Respondents: 8
Summary of Comments Received	Proposed Response	
<ul style="list-style-type: none"> - School transport provision is a statutory Council service duty which should not be passed onto the developer to fund. - No need for Appendix 3, Para 3.16 which requires contributions for wear and tear on the road network. The Council already has powers under the Roads (Scotland) Act 1984 to seek extraordinary costs for damage caused to roads and to seek to use powers provided under the Planning Acts to achieve the same end is not justifiable nor appropriate. - Further consultation on Cumulative Transport Contributions is required. - Concerned that contributions would be used for road maintenance which would be unreasonable as developers have no control over how the network is used or managed. 	<p><i>“Development plans should support the provision of infrastructure necessary to support positive changes in transport technologies, such as charging points for electric vehicles.”</i> In this regard, DCSG Appendix 3 has been amended and supplemented to state that the Council expects all developers to contribute towards the delivery of e-vehicle charging provision and for developments which meet Scottish Planning Policy’s Parking Restraint Policy – National Maximum Parking Standards for New Development (Annex B), the Council requires such developments to provide no less than two E-Vehicle parking spaces with associated charging infrastructure.</p> <p>No changes. Development places additional pressure on a wide range of Council services, many of which are statutory. In order to fulfil these duties the Council can require developer contributions.</p> <p>No changes. Not accepted. This is simply a cross reference in the guidance to the Council’s ability to require Wear and Team Agreements to be entered into.</p> <p>Accepted. Refer to response at Q14.</p> <p>No changes. Concerns noted however the guidance does not require contributions towards general road maintenance.</p>	
Comments from Individuals		

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?		No. of Respondents: 12
Summary of Comments Received	Proposed Response	
Community Councils		
<ul style="list-style-type: none"> - <u>Conon Bridge Community Council</u>: Transport Contribution Zones are an excellent idea but should not be restricted to areas of major development. Junctions such as the A835/B9163 at Conon Bridge, Munloch junction with the A9 and the Tomich junction with the A9 should all be given high priority and further development in these areas should not be permitted until such time as the existing infrastructure problems have been addressed and resolved. 	<p>Support noted, however, the intended transport contributions zones should focus on areas of Highland where the majority of development is anticipated to take place as these are the areas where a clear relationship between development and necessary transport infrastructure improvements can be proven. In other areas, other site specific mitigation measures may still be required, informed by Transport Assessments. This has been made clear with the provision of the following paragraph:</p> <p><i>“Whether a development falls within a cumulative transport area or not, development proposals will still require Transport Assessments to identify the need for site specific transport mitigation measures and quantify the impacts, including trip rates, on the wider strategic transport network. The Council will use this information to assess proposals on a case by case basis to determine if development impacts require to be mitigated through contributions towards strategic transport interventions which are set out in the LDP, Development Briefs and LDP Delivery Programmes. Contributions would however be considered towards such strategic schemes which have been designed to accommodate past and future development to mitigate cumulative impacts.”</i></p>	
Government / Statutory Bodies		
<ul style="list-style-type: none"> - <u>Scottish Government</u>: Para 5.10 refers to incorporating a future appendix to this guidance. Please note there is no provision in legislation to update supplementary guidance in future without carrying out the necessary consultation. Appropriate public consultation would be important, for example, if contribution zones are to be introduced. - <u>Transport Scotland</u>: Welcome further dialogue with the Council as the document and associated appraisal work progresses. Noted that the Council is proposing the formation of ‘Cumulative Transport Contribution Zones’, which will focus on mitigating the cumulative impact of development. The Guidance details that in relation to these zones, a methodology is being developed to apportion contributions outlining that further engagement with Transport Scotland will be required for trunk road related projects. Further information and collaboration on this would be welcomed. 	<p>Accepted. Para 5.10 amended to state: <i>“Once prepared this information may be incorporated in a future appendix to this guidance, <u>subject to appropriate public consultation being undertaken.</u>”</i></p> <p>No changes. Support noted.</p>	

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?		No. of Respondents: 12
Summary of Comments Received	Proposed Response	
Business / Industry		
<ul style="list-style-type: none"> - <u>Homes for Scotland and others</u>: Contribution zones should not form part of the guidance until fully worked up with clear requirements, zones and costings to comment on. - Lack of detail on future proposals which require further consultation to be undertaken. - Essential that any contribution zones are clearly set out to meet the policy tests of the Circular, ensuring that any contributions are fairly and reasonably related to the specific development in scale and kind. Contributions should not be sought where a Transport Assessment shows that there is minimal or no link between the intervention and the development in question. - Any proposals for cumulative contributions need to be tested against the judgement of the Supreme Court in the Aberdeen City and Shire Strategic Development Planning Authority (Appellant) v Elsick Development Company Limited (Respondent) (Scotland) - 25 Oct 2017. There requires to be a direct relationship, which is more than trivial, between any development and a transport intervention, and even then, the level of contribution must be proportionate to the impact which the particular development will have on the intervention. - Concerns with contributions being sought on an area wide basis. - Greater clarity sought as to the definition of a 'Cumulative Transport Zone'. 	<p>Accepted. Once prepared, this information may be incorporated in a future appendix to this guidance, subject to appropriate public consultation being undertaken.</p> <p>Accepted (in part). The preparation of cumulative transport contribution zones will be informed by the findings of this recent Supreme Court decision.</p> <p>No changes. Not accepted as it is anticipated that zones will focus on areas of Highland where the majority of development is anticipated to take place.</p> <p>No changes. Para 5.7 explains that Cumulative Transport Contribution zones are intended to mitigate the cumulative impact of development with each zone supporting the delivery of a package of transport mitigation measures which are essential to the delivery of the LDP.</p>	
NGOs (Interest Groups)		
<ul style="list-style-type: none"> - <u>Enterprise Car Club</u>: Council should consider similar supplementary guidance to Edinburgh in regard to contributions to car clubs to mitigate the transport impacts of proposed new developments. This has benefits to the Council, the general public and developers. - Car clubs can help to expand opportunities for developers to bring forward land in cities which otherwise might not have been commercially viable by facilitating planning permission in high density developments that have insufficient land for 	<p>Accepted (in part). DCSG Appendix 3, Para 3.21 has been amended to include the possibility of utilising contributions obtained in lieu of on site parking provision towards 'car clubs' and 'electric vehicle charging' as these forms of mitigation fall within the objective of supporting sustainable travel. That said, the Council shall maintain control over which transport intervention will be best suited to mitigation the transport impacts of development and does not guarantee any proportion of the contributions received to go towards car clubs.</p>	

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?		No. of Respondents: 12
Summary of Comments Received	Proposed Response	
<p>parking or would need to build underground parking at high cost; and/or helping to achieve planning permission for developments with limited off street space for car parking in high/medium density urban areas.</p> <ul style="list-style-type: none"> - Enterprise Car Club operates a small, but growing car club, in Inverness established in March 2017. Keen to work with Council to grow the car club in the Highland Region and help deliver a genuine alternative to the current unsustainable model of car ownership. - The car club scheme in Edinburgh has been operating for over 15 years has been under pinned by Council participation and support through planning allowing the car club to expand at a faster rate than it would have been possible without this planning policy support. - Edinburgh Council's Development Contributions and Infrastructure Delivery Supplementary Guidance, Adopted January 2018, recommends contributions towards City Car Club (or equivalent). The scale of charges is recommended in Annex 2 of this document. 	<p>Whilst the Council is supportive of car clubs and has provided a number of parking spaces for car clubs, these are usually commercial enterprises that do not necessarily require developer contributions to operate successfully.</p>	
Comments from Individuals		
- No comments.		

Question 15 Do you have any other comments on transport contributions? Please reference the section / paragraph number where appropriate.		No. of Respondents: 6
Summary of Comments Received	Proposed Response	
Community Councils		
- <u>Conon Bridge Community Council</u> : Transport contributions from whatever source should only be used in the locality for which they have been sought and provided.	No changes. This approach set out is not unlawful. As stated, contributions would only be used on projects which mitigate the impact of development.	
Government / Statutory Bodies		
- No comments.		
Business / Industry		
- Must be mindful of the recent Aberdeenshire Supreme Court decision that any contribution must mitigate the impacts the development.	No changes. Noted.	
- Para 5.12 raises concerns that directing contributions towards providing " <i>similar levels of mitigation</i> " is another example of pooling contributions which would be unlawful as there would be no direct link relationship with the development.	Accepted. This paragraph has been deleted as contributions would only be used on transport projects which help to mitigate the impact of development.	
Comments from Individuals		

Question 15 Do you have any other comments on transport contributions? Please reference the section / paragraph number where appropriate.		No. of Respondents: 6
Summary of Comments Received	Proposed Response	
- No comments.		

6 Green Infrastructure

Question 16 Do you agree with the methodology for calculating Green Infrastructure contributions?		No. of Respondents: 8
Summary of Comments Received	Proposed Response	
Community Councils		
<u>Conon Bridge Community Council</u> – Agree with methodology but consider that resources must be provided for the maintenance of Green Space including such as Core Paths and cycle routes.	No changes. Support Noted, however, the long term maintenance burden for footpaths / cycle routes, as with publically adopted roads, should not fall to the developer. To minimise future maintenance requirements, as set out in DCSG Appendix 3, Para 3.6, the Council’s standard specification for foot / cycle paths has been set at a high standard, comprising the provision of a 3m wide shared surface kerbed, bitmac path, with drainage, signposts, lighting and waymarkers at a cost of up to £300,000 per km.	
Government / Statutory Bodies		
<u>SEPA</u> <ul style="list-style-type: none"> - Welcomes inclusion of Green Networks because these can often help facilitate the development of blue networks and sustainable drainage systems. - Welcome the proposal for off site contributions towards natural heritage where on site mitigation measures do not fully address impacts as this can be a good mechanism for achieving environmental enhancements. 	No changes. Support noted.	
<u>SNH</u> <ul style="list-style-type: none"> - Welcome the recognition of Green Networks and open space as being items that may require developer contributions. When well designed and implemented, these items contribute to placemaking by creating pleasant places to live that are easy for people to move around, as well as contributing to biodiversity by providing places for nature to live. 	No changes. Support noted.	
Business / Industry		
<ul style="list-style-type: none"> - Disagrees that contributions should be sought towards Green Networks as they are priority projects already planned irrespective of new development. Considers that seeking contributions towards Green Network projects is unlawful unless the Council can demonstrate more than a <i>de minimis</i> link between the development and the need for the project, which is consistent with the Supreme Court ruling in the Elswick case. - Obligation must be shown to relate to the impact of the proposed development. 	No changes. Not accepted. The principle of seeking contributions towards the Green Network is established in the Council’s Green Networks Supplementary Guidance which was adopted by the Council in 2013. As such the principle of seeking contributions towards Green Networks is not being debated in Developer Contributions Supplementary Guidance; its purpose is to provide a sign post to the protocol for contributions set out in the Green Networks Supplementary Guidance.	
Comments from Individuals		
<ul style="list-style-type: none"> - No comments. 		

7 Water and Waste

Question 17 Do you have any other comments on water related contributions? Please reference the section / paragraph number where appropriate.	No. of Respondents: 9
Summary of Comments Received	Proposed Response
Community Councils	
<ul style="list-style-type: none"> - <u>Conon Bridge Community Council</u>: All developers (including single property developers) must be made to contribute to the cost of flood prevention works if their development is taking place within an area of flood risk. - <u>Conon Bridge Community Council</u>: Creation and maintenance and repair of SuDS should be the responsibility of the developer but the Council should not grant planning permission for development in areas where it is known that there are drainage problems and where the size of existing SuDS is inadequate for any increase in the size of a development. 	<p>No changes. Support noted.</p> <p>Agreement noted and planning permission will only be granted for proposals which demonstrate, through technical assessment, the adequacy of their site drainage arrangements. The water environment section has also been updated to incorporate further comments received from the Council’s Flood Risk Management Team.</p>
Government / Statutory Bodies	
<ul style="list-style-type: none"> - <u>Scottish Water</u>: Para 7.5 - Further guidance on SUDS and Asset Vesting can be found at www.scottishwater.co.uk. Scottish Water is also very much in support of a “financial bond” being made to cover any deficient SUDS and, therefore, protect residents affected. - <u>Scottish Water</u>: At present water and drainage infrastructure is not funded via Development Contributions and that this point should be made to avoid any confusion. Local bulk infrastructure, such as trunk mains and trunk sewers, water service reservoirs, wastewater pumping systems and some SUDS are known as Part 3 Assets. Should these Part 3 Assets need to be upgraded as the result of new development then the responsibility will be with the developer, however they will be entitled to a Reasonable Cost Contribution from Scottish Water. Strategic assets such as raw water intakes, water impounding reservoirs, raw water pumping stations, aqueducts and water and wastewater treatment works are termed as Part 4 Assets. Scottish Water is funded to upgrade Part 4 Assets when there is growth requirement, initiated by a development meeting our 5 Growth Criteria. - <u>Scottish Water</u>: To ensure the developer is fully aware of any mitigation required to develop their site, Scottish Water would always recommend that a Pre Development Enquiry form is submitted as early as possible. It is free service and can assist with the budgeting of the site, which could play a part in ascertaining development viability. 	<p>Accepted. Support noted and footnote has been added stating: “Guidance on SuDS and asset vesting is available online at: www.scottishwater.co.uk”.</p> <p>Accepted. Section has been amended to incorporate this additional suggested detail and to make clear that there may be other water and drainage infrastructure / connection costs which are not funded by developer contributions.</p> <p>No changes. Support noted.</p>

Question 17 <u>Do you have any other comments on water related contributions?</u> <u>Please reference the section / paragraph number where appropriate.</u>	No. of Respondents: 9
Summary of Comments Received	Proposed Response
- <u>SEPA</u> : We support all the developer contributions guidance on water and waste.	No changes. Support noted.
Business / Industry	
<ul style="list-style-type: none"> - It is noted that contributions may be sought retrospectively towards flood alleviation works - clarification is sought as to whether such works are designed to accommodate allocated development sites. It is currently understood that such works are currently designed to only take account of existing development. - Retrospective contributions can only be sought towards completed flood protection schemes if the front funding of the scheme was done to facilitate the development of the land in question. It is only then that the Council will be able to satisfy the test on linkage between the intervention and the development. - It is also submitted that the developer of the land should have been involved in the design of the flood prevention scheme to ensure that it has been designed to address the specific nature of development on the land and not wider issues as this will undoubtedly impact on the cost of the works and thus the level of contributions sought from the developer. - Para 7.4 - Further clarity is required to the substance of contribution as this is left with no data to understand the requirements and seek clarity. - Para 7.7 - Unreasonable financial penalty on the developer. 	<p>Accepted. This section has been amended accordingly and now states:</p> <p><i>....“It is now standard practice that strategic flood schemes should not generally be designed to facilitate additional development potential but the principal design consideration should be to protect existing properties. In developing a Flood Protection Scheme, the Council will determine the appropriate level of protection that can be provided relative to the potential damages incurred by existing properties and infrastructure. This ‘standard of protection’ may not be sufficient to meet the test required for new development...”</i></p> <p><i>.....“In exceptional cases, where an agreement is reached with a developer or landowner to enhance or augment a strategic flood scheme to a higher standard of protection that would allow new development, and that change results in an enhancement of development potential / increase in land value, any resultant increase in scheme project costs requires to be fully recovered from the developer or landowner on a proportionate basis. For example, where existing properties, land uses or other potential development sites would also benefit, the additional scheme costs should be proportionately split. Such additional scheme costs can be recovered by the Council through developer contributions and/or the prior transfer of land within the developer’s control to the Council (at nil consideration) to assist with the delivery of the wider scheme. Any alterations to a strategic flood scheme remains at the discretion of the Council and will only be considered where there is a demonstrable wider public benefit.”</i></p> <p>Accepted (in part). This section now makes clear that the Council are not prepared to vest SuDS for housing developments where Scottish Water has refused to vest, unless the SuDS receive only roads drainage and are designed to the satisfaction of the Roads Authority.</p>
Comments from Individuals	
- No comments.	

Question 18 Do you have any comments on waste and recycling contributions?		No. of Respondents: 4
Summary of Comments Received	Proposed Response	
Community Councils		
- <u>Conon Bridge Community Council</u> : If residential developments of 100 or more homes have not previously been required to have a recycling point, they should be made to provide this retrospectively.	No changes. Retrospective contributions cannot be secured once planning permission has been issued.	
Government / Statutory Bodies		
- No comments.		
Business / Industry		
- Figures on the capacity of existing waste and recycling facilities is required to support this. There is no baseline information from which to request contributions whilst meeting the tests. This is a recurring theme.	Recycling point capacity details can be provided at the planning application stage upon further request. Given the quantum of contributions required, this should not materially affect development viability and as such, it is not critical that this detail, which changes over time, is set out in the guidance. In the interest of expedience in determining planning applications, the threshold for when recycling point provision must be contributed towards has also increased from four or more homes to 100 or more homes, or residential developments which significantly expand a settlement.	
- Para 7.8 states that residential developments should have access to a recycling point within 1km. On this basis commuted sums received must be spent within 1km of the development site not as per Para 7.9, sentence 5 that states “ <i>Any commuted sums received will be invested within the nearest settlement wherever possible or within the relevant Housing Market Area.</i> ” This should be amended.	Accepted. The requirement for commuted sums towards waste provision has been removed from the guidance with the expectation that recycling point provision will be made on site or in the immediate vicinity.	
- No evidence base to support the level of contributions sought. The Council appears to be using land values in Inverness to inflate the level of contribution elsewhere. Concerns over the assumed land value of £1M and the quantum of land to which such a value relates. As this value is then referenced in the values attributed to the contributions towards waste, we reserve the right on behalf of our clients to make further representations on the level of waste contributions once the land values have been clarified.	Accepted. The requirement for commuted sums has been removed, although where a recycling point is required and is not deliverable on site, developer contributions may be required towards the cost of land acquisition and associated servicing costs.	
- Our clients would also challenge the requirement for a development within an existing settlement to bear the full costs of providing a waste recycling point where the need arises because the Council has failed to provide a waste recycling point within the stated 1km zone around the settlement. In those	Accepted (in part). This section has been amended to state that new recycling point provision is only required in areas where an existing deficiency exists. In such areas, new provision is essential to serve the proposed development, regardless if this new provision will serve a wider area.	

Question 18 Do you have any comments on waste and recycling contributions?		No. of Respondents: 4
Summary of Comments Received	Proposed Response	
circumstances that is an existing deficiency not a need created by the development.		
Comments from Individuals		
- No comments.		

8 Public Art

Question 19 Do you agree with the approach to delivering public art as an integral part of developments?		No. of Respondents: 11
Summary of Comments Received	Proposed Response	
Community Councils		
<ul style="list-style-type: none"> - Royal Burgh of Wick Community Council: Concerns about the 1% developer charge for art projects and considers this would be better spent on infrastructure improvements. Questions if it is within the Council's power to change the art contribution to an increased general infrastructure contribution or if this is under central government control; if it is the latter then wish to lobby MSP. Considers that priority should be given to infrastructure improvements rather than arts projects at a time when funds are severely restricted. - Conon Bridge Community Council: Agrees with approach but considers the necessity for public art is debateable. 	<p>Accepted (in part). Refer to modified section text as described below. For clarity however, public art requirements do not constitute a levy and there is no provision for such a levy under current legislation. Developer contributions are also not interchangeable between service and infrastructure needs, but are based upon the requirements to mitigate the impact of the development, either in design and placemaking terms, or otherwise.</p> <p>Accepted (in part). Support noted, refer to modified section text set out below.</p>	
Government / Statutory Bodies		
<ul style="list-style-type: none"> - No comments. 		
Business / Industry		
<ul style="list-style-type: none"> - Homes for Scotland and others: Para 8.2 - Support the placemaking aspirations of the Council, and see the value that public art can add to a development to help to integrate the development into the existing environment and add to the sense of place. However do not support the requirement for around 1% of the capital budget to be used for public art because: <ul style="list-style-type: none"> o Requirement is too generic; o Amount is excessive, particularly on for larger projects, and is not required to achieve the aspirations of the contribution; o Should be considered on a site by site basis; o Requirement is levy based as it is not related to the specific impact of each development; o Breaches tests for planning obligations as it is questioned whether it is legitimate to require public art where it is not necessary to make a scheme acceptable in planning terms; o Requirement would be better utilised other aspects of the development including masterplanning, tree avenues, streetscape improvements etc; o Proposals should include some form of public art agreed with the Council 	<p>Accepted (in part). The draft guidance sign posts the Council's Public Art Strategy Supplementary Guidance which was adopted by the Council in March 2013. It explains that <i>'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'</i>. The strong opposition to this statement by business/industry representatives has led to a change of stance and all paragraphs in this section have therefore been reworded as follows:</p> <p><i><u>"In all but exceptional circumstances, public art should be provided on site and it is rare that developer contributions towards off site public art provision are required. As set out in the Public Art Strategy: Supplementary Guidance⁽²³⁾, 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.</u></i></p>	

Question 19 Do you agree with the approach to delivering public art as an integral part of developments?		No. of Respondents: 11
Summary of Comments Received	Proposed Response	
<ul style="list-style-type: none"> rather than being of a specified value; and o Development viability should be considered. - Request for there to be scope for negotiation larger scale developments based on the wider benefits of a proposal, and level of public accessibility to appreciate on-site provision. 	<p><i>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 and the Council do not insist upon any set percentage 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.</i></p> <p><i>In rare exceptional circumstances As an exception, the Council may agree that a developer is unable to deliver public art of a sufficiently high quality on site <u>or delivery on site is not the most desirable option due to limited public accessibility to appreciate on site provision.</u> 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 This enables the Council to collect contributions for public art from several development projects for the delivery of public art in the wider area, for example, in locations of maximum public benefit. The Council will work with the developer to agree the most appropriate method for the management, implementation and maintenance of off-site public art, ensuring that the public art to be provided maintains a strong relationship with the developments which contribute towards its' provision."</i></p>	
Comments from Individuals		
- No comments.		

9 Community Benefit and Emerging Policy Requirements

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?		No. of Respondents: 9
Summary of Comments Received	Proposed Response	
Community Councils		
<ul style="list-style-type: none"> - <u>Conon Bridge Community Council</u>: Yes, should be made a requirement for planning and building regulations. Provides example of Conon Bridge where residents of a new development have very limited internet speeds. Planning permission was granted before fibre broadband was available and now neither the developer or Highlands and Islands Enterprise will accept responsibility for upgrading infrastructure to support fibre broadband. - <u>Newtonmore & Vicinity Community Council</u>: Yes, it has become like water or electricity, almost a norm to expect connectivity. 	<p>No changes. Support noted, however, the Council cannot insist upon provision of fibre broadband until planning or building regulations change.</p> <p>No changes. Support noted, however, the Council cannot insist upon provision of fibre broadband until planning or building regulations change.</p>	
Government / Statutory Bodies		
<ul style="list-style-type: none"> - <u>Scottish Government</u>: Para 9.3 states that planning obligations are not voluntary in nature. Suggest that this is reworded, as paragraph 12 of Circular 3/2012 states that: 'Planning obligations should be agreed between the parties involved; developers should not be required to enter into a planning obligation.' 	<p>Accepted. Para 9.3 modified as follows: "<i>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.</i>"</p>	
Business / Industry		
<ul style="list-style-type: none"> - Developments should not be required to provide fibre broadband to home and business premises for the following reasons: <ul style="list-style-type: none"> o Would lead to development only taking place in areas already served by fibre broadband; o Provision of fibre broadband is a national objective and should be funded by Scottish or local government; o In some places it is unachievable in the short term; the Scottish Government's superfast broadband project identifies a number of areas that are not yet fibre enabled this includes parts of west, north and southern Highland; and o Only reasonable to insist that the infrastructure required to meet Scottish Government aspirations are in place, but the Council should lobby BT for development of less than 30 units. - Some support for requirement but only where provision is financially viable and account is taken of the practicalities of providing the necessary networks. Where provision is not practical the requirement should not be insisted upon. 	<p>No changes. The Council cannot insist upon provision of fibre broadband until planning or building regulations change. This is also considered to be primarily a potential future planning policy requirement, rather than a developer obligation and there is insufficient information available to calculate any necessary contribution rate.</p>	

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?		No. of Respondents: 9
Summary of Comments Received	Proposed Response	
Comments from Individuals		
- No comments.		

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?		No. of Respondents: 6
Summary of Comments Received	Proposed Response	
Community Councils		
- <u>Conon Bridge Community Council</u> : Considers that developers should be strongly encouraged to provide community benefit. Where this is agreed by the developer the relevant Community Council or Community Development Trust should be the responsible organisation for dialogue with the developer.	No changes. Community benefits remain voluntary in nature and cannot be insisted upon.	
Government / Statutory Bodies		
- No comments.		
Business / Industry		
- Some concern regarding any requirement/encouragement of district heating networks as they have not yet been demonstrated to be financially viable and will result in inadequate delivery options. Consider district heating networks should be part of a broader infrastructure appraisal.	No changes. HwLDP Policy 28 Sustainable Design already requires proposal to be assessed on the extent to which they ' <i>maximise energy efficiency in terms of location, layout and design, including the utilisation of renewable energy sources of energy and heat.</i> ' The information set out at Paras 9.8 to 9.11 sets out the Council's encouragement for consideration of energy network options and the efficient use of heat which remains appropriate.	
- References to Community Benefit should be removed from this guidance.	No changes. It is important to explain the difference between community benefit and developer contributions in the guidance and how these matters are considered in planning decision making.	
Comments from Individuals		
- No comments.		

10 Payments and Administration

Question 22 Do you have any other comments on payments and the administration of contributions? Please reference the section / paragraph number where appropriate.		No. of Respondents: 11
Summary of Comments Received	Proposed Response	
Community Councils		
<ul style="list-style-type: none"> - <u>Conon Bridge Community Council</u>: Payments and administration of contribution section seems fair and reasonable. - <u>Newtonmore & Vicinity Community Council</u>: Questions the timing of payments, for example if a development has a significant impact on a local school could the Council expect the monies up-front so that the developer is incentivised to complete the development and the Council doesn't have to fund any school expansion upfront. 	<p>No changes. Support noted.</p> <p>Accepted (in part). Contributions on a phased basis for larger developments as and when homes are complete is fair and reasonable reflecting the developer's cash flow and this phased approach is consistent with other planning authority practices. This section however now makes clear that phased payments will not usually be agreed by the Council for small scale housing developments of less than four homes. This is due to the significant discounts which are available for one, two and three house developments, making up front payments more manageable. This also limits the administrative burden associated with securing payments on a phased basis.</p>	
Government / Statutory Bodies		
<ul style="list-style-type: none"> - <u>Scottish Government</u>: Requires the Council to reassure themselves that where a fee is being charged (e.g. for legal fees, administration of obligations etc.), that there is legislative provision for such a charge. 	<p>Accepted. Whilst the Council firmly believes that the developer should be responsible for the Council's legal, management and administration costs associated with legal agreements, it is accepted that there is currently no legislative provision for such charges at present. Therefore, the 'Legal and Admin Fees' section has been deleted from the guidance.</p>	
Business / Industry		
Refunds		
<ul style="list-style-type: none"> - <u>Homes for Scotland and others</u>: Consider that a 20 year refund period from the date of last payment for all infrastructure other than affordable housing is unreasonable for the following reasons: <ul style="list-style-type: none"> o Approach is fundamentally flawed and unfair; o Is an excessive period, especially given the long lead in timescales from planning approval to the first house completion for larger development sites; o Infrastructure to mitigate the impact of a development must be in place within 5-10 years at most - calls into question whether the intervention was actually needed to enable the development to proceed. This was an issue highlighted by the Supreme Court in striking down the Strategic Transport Fund guidance; 	<p>Accepted (in part). Due to the longer lead in and delivery timescales associated with major developments, by way of a compromise the guidance has been amended to reflect a 15 year clawback period for all major developments (50 or more homes). However, for local development (1 – 49 homes), the 20 year clawback period is to be maintained. These 15-20 year periods are necessary due to the number of relatively small contributions which need to be accrued by the Council to help fund the delivery of service and infrastructure to mitigate the impact of development. These clawback periods are not considered to be excessive as it is critical that these repayment periods reflect the time it takes to accrue sufficient funds to help deliver the necessary infrastructure and to ensure that it is planned for and sized appropriately. Whilst clawback period differ across</p>	

Question 22 Do you have any other comments on payments and the administration of contributions? Please reference the section / paragraph number where appropriate.	No. of Respondents: 11
Summary of Comments Received	Proposed Response
<ul style="list-style-type: none"> ○ If a development is phased over a number of years the infrastructure may not be provided for up to 40 or more years after development commences, by this time the developer will be gone; houses will have been bought and sold several times; it may be outwith many timescale for funding of infrastructure and officer and developer career lengths; ○ Exacerbates the criticism raised regularly by communities for development preceding the infrastructure required to support it; ○ The developer has no control over when the Council provides the infrastructure; ○ In excess of other planning authority clawback periods with 10 years being the norm; and ○ 5-7 years of the date of payment of each contribution was suggested to maintain the relationship between the development and the intervention. <p>- Requirement to request a refund within 28 days of the refund period expiring is unreasonable. Requests for:</p> <ul style="list-style-type: none"> ○ Council to be obliged to monitor the return of unspent monies and return these automatically if refund period has been reached as it would be unlawful for the Council to use the money for other, unrelated purposes; and ○ at any time beyond the expiry of the periods including interest accrued. <p>- Guidance should explicitly set out how funds will be held and arrangements for accruing interest which should be applied monthly based on the Bank of England base rate.</p> <p>Legal and Admin Fees</p> <ul style="list-style-type: none"> - <u>Homes for Scotland and others</u>: Do not support the requirement for the developer to pay all legal costs to the Council for the following reasons: <ul style="list-style-type: none"> ○ It is a function of the Council's legal team to enter into such agreements and the in house costs associated with such agreements should be borne by the 	<p>each local authority, the Council are aware that a 30 year clawback period is being applied for school infrastructure provision in Edinburgh.</p> <p>Accepted (in part). Given the duration of the clawback period, the period during which a developer can request a refund from the Council has been extended from 28 days to 6 months. For parity, the period for which the Council has to repay refunds has also been increased from 28 days to 3 months. This is considered reasonable to allow for changes in staff / project handovers where this period may be overlooked.</p> <p>No Changes. The draft guidance states that the Council will return unspent contributions with interest calculated by the Council and that details of contributions, planning obligations and other legal agreements are stored in a dedicated computer system and updated regularly. These arrangements are sufficiently clear and it is not appropriate to state any specific interest rate as the Council can only commit to repaying the contribution, plus the amount of interest that has actually accrued, which is not linked to the Bank of England base rate.</p> <p>Accepted. Whilst the Council firmly believes that the developer should be responsible for the Council's legal, management and administration costs associated with legal agreements, it is accepted that there is currently no legislative provision for such charges at present. Therefore, the 'Legal and Admin Fees' section has been deleted from the guidance.</p>

Question 22 Do you have any other comments on payments and the administration of contributions? Please reference the section / paragraph number where appropriate.	No. of Respondents: 11
Summary of Comments Received	Proposed Response
<p>Council, particularly in instances where the applicant's solicitors has been responsible for drafting the agreement.</p> <ul style="list-style-type: none"> ○ Should be covered by the planning application fee as it is part of the application process, particularly given that planning application fees have recently significantly increased. ○ There is no justification for seeking further fees for completion of a legal agreement to enable release of planning permission. ○ Scottish Ministers have struck out any requirement for developers to pay the Council's legal fees in supplementary guidance on planning obligations prepared by other authorities, such as Angus Council and Aberdeen City Council. ○ Conflicts with the decision in Oxfordshire CC v Secretary of State for Communities and Local Government, Cala Management Limited, Freeman, and Cherwell DC [2015] EWHC 186 (Admin) which found that payment of a monitoring/administration fee was not necessary to make a development acceptable in planning terms and that it is part of a planning authority's function to administer, monitor and enforce planning obligations and legal agreements. <p>- Unreasonable for the Council to use up to 5% of contributions collected to pay for their own admin and management costs for the following reasons:</p> <ul style="list-style-type: none"> ○ Far too high to cover the sort of expense required to pay for a dedicated officer to manage developer contributions as would amount to millions of pounds; ○ Considering Appendix 4 Example C calculation for a 40 house scheme in this respect 5% of the total contribution would amount to almost £18,000, almost three times the contribution for primary school infrastructure; and ○ Any amount required to cover costs would be very minimal and therefore 5% requirement should be reviewed. ○ Requests for this provision should be deleted. <p>Indexation</p> <ul style="list-style-type: none"> - <u>Homes for Scotland</u>: Concerned about the use of BCIS as the indexation for the following reasons: <ul style="list-style-type: none"> ○ CPI/RPI are the generally accepted approaches, the use of BCIS does not align 	<p>Accepted. Provision has been deleted.</p> <p>No changes. Whilst CPI/RPI are generally less volatile, the Council have always found that the BCIS All-In Tender Price Index more accurately reflects actual construction costs. The construction market by its very nature fluctuates</p>

Question 22 Do you have any other comments on payments and the administration of contributions? Please reference the section / paragraph number where appropriate.	No. of Respondents: 11
Summary of Comments Received	Proposed Response
<p>with house price increases and BCIS is a volatile index that increases and decreases;</p> <ul style="list-style-type: none"> ○ BCIS index is not publically accessible as it has a cost implication; ○ Important that original sums are based on tender prices to ensure it is appropriate to use BCIS; and ○ Only reasonable to apply BCIS indexation to contributions that are linked to construction works, other contributions should be indexed using the Consumer Price Index. <p>- Concern raised about general approach of index linking contributions because:</p> <ul style="list-style-type: none"> ○ It may have potential impacts on development viability at a later date, given the unknown quantum by which the originally agreed contributions may have increased by the point of payment; ○ Makes it difficult for a developer to accurately factor in developer contributions when negotiating land deals; ○ Early developer contribution advice can be subject to uncontrollable or unforeseen indexation methodologies alongside the wider market condition risks which a developer can face, it will have the potential to render project viabilities meaningless and developments potentially unviable; and ○ A developer requires cost certainty and typically purchases land at the point of securing planning and technical consents and can only acquire on the basis of the prior agreed developer contributions and has no means by which to recover subsequent unquantifiable indexation linked additional contribution sums. 	<p>considerably and is dependant on the state of the industry at any given time with variability based on supply and demand of materials and workload. The use of BCIS All-In Tender Price Index is also commonly used across other planning authorities, although it is accepted that practice does vary.</p> <p>No changes. Whilst not publically available, extracts can be provided upon further request when a developer is querying any developer contribution cost.</p> <p>No changes. Original sums are based on tender prices or actual costs of infrastructure delivery wherever possible.</p> <p>No changes. For simplicity and expedience in concluding legal agreements, with the exception of school land costs, benchmark affordable housing values and associated affordable housing commuted sums, the Council will continue to index link developer contributions in line with the BCIS All-In Tender Price Index. This is because the vast majority of infrastructure provision secured through developer contributions is construction related. If disputed, developers also have the option of paying up front for any non-construction related costs.</p> <p>No changes. Not accepted as it is entirely reasonable to index link contributions. This is a common approach taken by other local authorities and reflects construction costs at time of payment. Inflation risks must therefore be accounted for in the developer’s return for their investment and are no different to any other project cost. To limit this risk, Developers always have the option of making up front payments (either in part or full).</p>

Question 22 Do you have any other comments on payments and the administration of contributions? Please reference the section / paragraph number where appropriate.		No. of Respondents: 11
Summary of Comments Received	Proposed Response	
- Request that the Council make a commitment in the guidance to negotiate and conclude s75 agreements within a set period, 4 months would seem reasonable.	Accepted. The following text has been added: <i>“The Council are committed to concluding legal agreements within four months of a decision being made to grant planning permission. Failing to conclude within this timescale may result in a planning application being refused.”</i>	
Comments from Individuals		
- No comments.		

Question 23 Do you have any other comments on this document? Please reference the section / paragraph number where appropriate.		No. of Respondents: 3
Summary of Comments Received	Proposed Response	
Community Councils		
- No comments.		
Government / Statutory Bodies		
- No comments.		
Business / Industry		
- Considers that the guidance pays insufficient attention to investment in place-making and it is essential it is evidenced by a viability or impact report which should consider this issue as part of its impact assessment.	No changes. Not accepted. Placemaking is strongly supported and governed by several other HwLDP policies and supplementary guidance documents. Investment in place-making alone does not however, negate the need for developer contributions.	
- A Strategic Environmental Assessment has been prepared as part of the evidence base in support of the draft Planning Guidance. However, this SEA is flawed as it does not assess economic impacts which are fundamental to ensuring the deliverability of developments across the Highlands is not adversely affected by this Planning Guidance.	No changes. When preparing supplementary guidance, there is no provision in current legislative requirements for undertaking an economic impact assessment and similarly this is not required to form part of the SEA process. An SEA Screening Report has been prepared and the Council has determined that full SEA is not required. This determination was informed through consultation with the consultation authorities (HES / SNH / SEPA) all being in agreement that it was unlikely for the guidance to result in significant environmental effects. The economic implications of the DCSG will therefore be tested through the consideration of planning applications and in reviewing any forthcoming development viability assessments.	
- In its current form, the draft Planning Guidance does not meet the statutory tests. The above points should be considered and addressed in order for the document to meet its own objectives of seeking fair and realistic developer contributions to mitigate the impacts of development on services and infrastructure, as set out by Section 1.		
- Considers the guidance should be fixed in terms of exactly what will be required because there are too many unknowns where the guidance says contributions may be sought in the future; guidance does not give enough certainty to enable	Not accepted. The guidance provides as many known costs as possible and in response to the comments raised through consultation, the guidance has been finalised to limit the number of unknown developer contribution costs wherever	

Question 23 Do you have any other comments on this document? Please reference the section / paragraph number where appropriate.		No. of Respondents: 3
Summary of Comments Received	Proposed Response	
<p>land deals to be done with confidence and it is unreasonable to state that <i>“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”</i> if proper certainty is not provided by the guidance. Therefore there is a need to consider the circumstance of each development site and the context within which it was bought / option taken on it when negotiating legal agreements.</p> <p>- Full review of the guidance needed to consider what content could be dealt with via planning conditions rather than through legal agreements.</p>	<p>possible. Formal Pre-Application Advice can also be provided to provide more certainty on a site by site basis. The text within this section of the guidance has been amended to state: <i>“Likely developer contribution requirements should be calculated by the developer and confirmed through the pre-application advice service prior to land deals and commercial decisions being taken. Where appropriate, this advice should inform the preparation and submission of a Viability Assessment with a planning application. Developers should avoid the purchase of land or agreeing options without factoring the need for sufficient developer contributions to ensure due diligence and to avoid complications at the planning application stage.”</i></p> <p>No changes. The content of the guidance is intended to focus predominantly on developer contributions to be secured via legal agreement, however, this does not preclude some matters from being handled via planning condition / through onsite physical provision. The content is considered to provide developers, communities and decision makers with sufficient clarity on the options available and the various circumstances of when developer contributions may be the most appropriate way forward.</p>	
Comments from Individuals		
- No comments.		

Other Notable Amendments to the Draft Guidance

Summary of Change	Council's Reasoning
Section 1	
None.	
Section 2	
Indexation does not apply to school land costs which will be set out in the LDP Delivery Programmes.	New school land costs are informed by independent valuation. Whilst land costs could vary over time, these do not necessarily increase in line with inflation and can vary depending upon prevailing market conditions. As such, these cost need to be reviewed regularly and immediately following the Council purchase of a new school site.
Section 3	
None.	
Section 4 Affordable Housing	
<p>With regard to developments which are exempt from affordable housing provision, the following clarification has been added:</p> <p>“Exemptions</p> <p><i>Currently affordable housing contributions are required for developments of four or more houses, or for small scale housing sites in certain circumstances as set out below. In the future, the Council intends to remove this four or more threshold to enable affordable housing contributions from all scales of residential development. This change can however only happen following a review of the HwLDP.</i></p> <p><u>Small Scale Housing Sites</u></p> <p>Residential developments of less than four homes usually do not require to contribute towards affordable housing provision. This is not however the case for Highland areas within the Cairngorms National Park where the National Park LDP specifies the need for affordable housing contributions. In all other areas of Highland, the requirement for affordable housing contributions from small scale housing sites is triggered where any of the following apply:</p> <ol style="list-style-type: none"> 1. The development would result in the fourth home to be developed on the original (primary) landholding; 2. The site lies within an area of wider development potential; or 	<p>This is required by the parent HwLDP Policy 32 Affordable Housing which states: <i>“Details of how this policy will be applied and enforced will be included in the supplementary guidance on affordable housing”</i>.</p>

Summary of Change	Council's Reasoning
<p>3. <i>Where additional home(s) are added to a wider housing site that has planning permission.</i></p> <p><i>HwLDP Policy 32 states: 'Outwith settlement development areas, a contribution towards affordable homes attributed against the primary landholding, will apply in respect of every fourth dwelling granted planning permission.' It also states: 'This policy applies to dwellings granted planning permission on or after the date of adoption of this local development plan.' This was April 2012. In order for the Council to determine the need for affordable housing contribution, developers may be required to provide a plan identifying the extent of their entire land holding and the original landholding at the time of any historic planning permissions since April 2012.</i></p> <p><i>The wider development potential of the site to accommodate four or more homes will be informed by the indicative housing capacity set for allocated sites. For non-allocated (windfall) sites, this will be informed by the existing settlement pattern / prevailing housing densities in the locality, as well as any site development constraints.</i></p> <p><i>Where an application is made for less than four homes, a legal agreement may be sought to ensure that any further residential development on the site or landholding makes an appropriate contribution."</i></p>	
Section 5	
None.	
Section 6	
<p>Further clarification has been provided to explain how district park provision will be regarded:</p> <p><i>"Where the need for a district park has been identified in the LDP, Development Briefs or LDP Delivery Programmes, a district park is principally regarded as outdoor community facility space. As such, open space requirements for residential development apply over and above any prescribed district park contribution."</i></p>	<p>This is required to clarify the principal function of district parks and how these will be considered when determining open space requirements for residential development. This is important to reflect the emerging district park to serve the east of Inverness.</p>
Section 7	
None.	
Section 8	
None.	
Section 9	
None.	
Section 10	
<p>The following text has been amended / supplemented and relocated from Section 1 to Section 10:</p> <p><i>"Which Payment Option Should be Used?"</i></p>	<p>To clarify at what stage in the planning process and by what means contributions will be secured for various types of planning application.</p>

Summary of Change	Council's Reasoning
<p><i>The developer contribution payment options and the likely requirement for entering into a planning obligation will be influenced by the scale of the development proposed and the amount of contribution required.</i></p> <p>Developments of less than four homes (including single houses): <i><u>Detailed planning applications and Planning Permission In Principle (PPIP) applications</u> are encouraged to making an up front payment.</i></p> <p><i>Alternatively, if desired, a planning obligation can be entered into, however, the Council still requires developer contributions to be paid in full prior to the commencement of development. Phased payments will therefore not usually be agreed by the Council due to the significant discounts which are available for small scale housing developments, making up front payments more manageable. This also limits the administrative burden associated with securing payments on a phased basis.</i></p> <p><i>For land that is sold with the benefit of PPIP, the purchaser / developer can either choose to prepare and submit either:</i></p> <ul style="list-style-type: none"> - <i>a <u>Matters Specified in Condition (MSC) application</u> for a development which fully accords with the development description and conditions of the PPIP. In this scenario, providing that no planning obligation is attached to the PPIP, no developer contributions would be required at the MSC stage; or</i> - <i>a fresh <u>detailed planning application</u>, however, the developer contribution requirements will be re-assessed against the most up to date provisions of the LDP. This could result in new developer contribution costs which may not have been covered by the original PPIP.</i> <p>Developments of four or more homes and non-residential applications: <i>The Council are open to securing developer contributions on a phased basis.</i></p> <p><i>If a planning obligation is required for any <u>detailed application</u>, the Council will determine the total amount of developer contributions due for the development as a whole. For residential developments the rate per house and rate per flat will be calculated and then multiplied by the number of properties proposed. This combined total will then be equally divided by the number of homes proposed, resulting in one fixed developer contribution rate per home. Phased contributions will therefore be payable based on the number of home completions with the amount due not varying by which specific house or flat built out.</i></p> <p><i>If a planning obligation is required for any <u>PPIP application</u>, the precise mix of house and flat types is not usually available and it is therefore not possible to accurately determine an up front payment amount. As such, PPIP applications of this nature are likely to require a planning obligation. Such planning obligations will set out the developer contribution rates on a per house and per flat basis, with these figures informing a combined</i></p>	

Summary of Change	Council's Reasoning
<p><i>fixed developer contribution rate per home which will be finalised once the mix of property types are set out at the subsequent MSC application stage. Phased contributions will then be payable based on the number of home completions.</i></p> <p>Re-worked / Re-Mix Applications: <i>Any planning permission which is not capable of being implemented may require a fresh planning application to be submitted. Following the receipt of any such application, the Council will re-assess the developer contribution requirements against the most up to date provisions of the LDP. This could result in new or increased developer contributions. In assessing the need for revised developer contributions, the Council will always take into consideration any developer contribution payments received for the development site in question to date.</i></p> <p><i>In the event that the mix of proposed property types change during the build of site, the developer contribution requirements and amount payable per property will be re-calculated / re-averaged based on:</i></p> <ul style="list-style-type: none"> - <i>property completions to date;</i> - <i>contributions received to date; and</i> - <i>the remaining balance of properties still to be build out.”</i> 	
<p>Indexation With the exception of affordable housing benchmark values, related affordable housing commuted payments and new school land costs, all other contributions in the guidance will be indexed linked to the BCIS All-in TPI. Therefore all costs quoted in the draft DCSG have been updated and index forward from Q3 2017 (Index Value = 312) to Q2 2018 (Index Value = 315) using June 2018 published indices.</p>	<p>To ensure that contributions accurately reflect the costs associated with the delivery of services and infrastructure and remain up to date.</p>

END

Peter Wheelan – Planner, Development Plans Team, Development & Infrastructure, August 2018

Developer Contributions Supplementary Guidance

Iùl Leasachail Thabhartasan Luchd-leasachaidh

Finalised Committee Version
August 2018



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1 Introduction

Ro-ràdh

- 1.1 This guidance sets out Highland Council's approach to mitigating the impacts of development on services and infrastructure by seeking fair and realistic developer contributions to the delivery of such facilities. This guidance forms part of the Council's development plan which is used in the determination of planning applications.
- 1.2 **This guidance applies to all forms and types of development, including single house developments.**
- 1.3 This guidance relates to the area covered by the Highland-wide Local Development Plan (HwLDP) and the associated adopted and emerging Area Local Development Plans (Area LDPs). This guidance is also used to inform decision making within the Highland area of the Cairngorms National Park.

Aim of This Guidance

- 1.4 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 may require new and improved infrastructure. These infrastructure requirements are set out in the LDPs with delivery progress and updates being reported within [LDP Delivery Programmes](#)⁽¹⁾.
- 1.5 Development should not unacceptably 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.
- 1.6 The Council's preference is for direct developer provision either on-site or off-site. Where this is not possible, proportionate contributions paid to the Council 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.
- 1.7 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.
- 1.8 Table 1.1 summarises the types of development which may trigger the need for contributions. This is not an exhaustive list.

1 https://www.highland.gov.uk/info/178/local_and_statutory_development_plans/809/delivery_programmes

Table 1.1 - Contributions Matrix

Development Type	Schools	Community Facilities	Affordable Housing	Transport	Green Infrastructure	Water and Waste (1)	Public Art
Residential (2)	Yes	Yes - 4 or more homes (3)	Yes - 4 or more homes (4)	Yes	Yes - 4 or more homes	Yes	Yes
Business	No			Yes			
Industrial (inc. energy)							
Retail							

1. For all scales of projects, water/waste connections are required and these utility costs are not usually covered by developer contributions. These should be budgeted for separately, forming part of the developer's project costs. Scottish Water recommends that the developer submits a Pre Development Enquiry Form so that these network costs can be budget for.
2. Including affordable housing and any tourist accommodation suitable for permanent residential occupancy.
3. Developments of less than 4 homes which form part of a wider site are required to contribute towards community facilities - refer to Section 3.
4. Developments of less than 4 homes which form part of a wider site, and all homes in the Cairngorms National Park, are required to contribute - refer to Section 4.

1.9 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 and Section 10 provides payment details.

1 Introduction

Policy Context

1.10 This guidance has been prepared in accordance with Scottish Government policy and the HwLDP. It should be read alongside the adopted and emerging:

- Area LDPs, specifically settlement and site specific development requirements;
- LDP Delivery Programmes;
- Other policy based Supplementary Guidance; and
- Development Briefs / masterplans and other planning guidance.

Existing and Emerging Development Briefs

1.11 Some types of developer contributions for specific sites or areas are also set out within Development Briefs and other planning guidance. The most up to date guidance for each type of contribution will usually apply however the Council will advise at the pre-application stage as to which rates apply depending on the timing and circumstances of each planning application. Unless stated otherwise, all developer contributions in this document, Development Briefs and other planning guidance are subject to indexation to allow for inflation.

Cairngorms National Park

1.12 The statutory development plan within the Cairngorms National Park comprises the Cairngorms National Park LDP 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 is therefore relevant in determining developer contribution requirements for proposals in the National Park towards these services.

How to Use This Guidance

1.13 This guidance is used in the determination of **all planning applications (including single houses)** where there is judged to be implications for services and infrastructure. It applies to all undetermined planning applications at the point of the document's adoption. **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. All costs set out in this document are subject to indexation (unless otherwise stated in Section 10).

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

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

- Review this section of the guidance in full and particularly: Planning Application Process, Small Scale Housing Sites and 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.

1.15 Developers of **large scale sites** should review this guidance in full.

1.16 The guidance cannot be applied retrospectively to an existing detailed planning permission or planning permission in principle. 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.

1.17 In the determination of all planning applications, including Section 42 applications and further applications for the renewal of planning permission, proposals will be reassessed to ascertain the impacts of the development and where necessary, developer contribution requirements will be re-established by applying the most up to date provisions of the LDP, including this guidance, whilst also taking into account any developer contributions made to date. This could result in new, increased or reduced developer contributions taking into account the most up to date information at the time of the planning application's determination. It is therefore in the developer's interest to bring any issues with the implementation of any planning permission to the Council's attention at the earliest possible opportunity.

1 Introduction

Planning Application Process

1.18 To ensure that the scope of contributions are known from the outset the Council encourages early engagement by all developers and offers a [pre-application advice service](#)⁽²⁾. This service is offered for **all scales of development** and provides comprehensive, reliable and up to date advice.

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

- *Residential* - No. houses and flats proposed including a breakdown of:
 - One bedroom houses / flats;
 - Two bedroom flats;
 - Affordable and open market housing; and
 - Any accommodation which is not likely to result in permanent residential occupancy or accommodate resident school aged children (refer to Section 2 - Exemptions).
- *Business / Industrial / Retail* - 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.

1.20 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.

1.21 There may be circumstances where contributions affect the financial viability of development and this will be taken into consideration when determining planning applications as set out at the end of this section.

2 https://www.highland.gov.uk/info/205/planning_-_policies_advice_and_service_levels/785/planning_advice_-_pre-application_advice

Process for Determining and Securing Contributions		
1	Pre-Application Advice Outlines Contribution Requirements	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	Contribution 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 of how these 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 to be detailed this stage and included in the report.
6	Application Determined	Developer to make an up front payment or enter a legal agreement to pay later. The contribution rates will be frozen at this point providing the application receives a minded to grant decision and an up front payment / legal agreement is concluded within four months.

1 Introduction

Household Size

1.22 The contribution rates set out within this guidance do not vary by household size and are on a fixed per home basis⁽³⁾. The only exception to this is for school contributions where a separate rate is set out for two bedroom flats.

Small Scale Housing Sites

1.23 Small scale residential developments (including self-build plots) of one, two or three homes will receive a discount on catchment / zonal based contributions (schools and, if identified, cumulative transport) to reflect economies of scale and the need to maintain development viability. Table 1.2 details the applicable discounted rates per home. For example, a single house developer pays 20% of the contribution rates for schools and cumulative transport projects. Appendix 4 provides further indicative worked examples.

Table 1.2 - Small Scale Housing Rates

No. of Houses	1	2	3
Discounted developer contribution rate for schools and cumulative transport (<i>including any transport requirements identified in Development Briefs</i>)	0.2 / 20%	0.25 / 25%	0.3 / 30%

1.24 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 home(s) are added to a wider housing site that already has planning permission.

1.25 Eligibility for a small scale housing site discount will be determined by the Council based on the above criteria. To inform this assessment, developers may be required to provide a plan identifying the extent of their entire land holding and the original landholding at the time of any historic planning permission.

1.26 The wider development potential of the site will also be informed by the indicative housing capacity set for allocated sites. For non-allocated (windfall) sites, this will be informed by the existing settlement pattern / prevailing housing densities in the locality, as well as any site development constraints.

3 For clarity, a home is the same as a 'Standard sized Residential Unit Equivalent' (SRUE) as referenced in the the Inverness East Development Brief.

1.27 Where an application is made for less than four homes, a legal agreement may be required to ensure that any further residential development on the site or landholding makes an appropriate contribution.

1.28 This approach is being carried forward from the previous DCSG adopted in March 2013, and any land subdivision, extant planning permissions or developments since then will therefore be considered.

Commercial Sites

1.29 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 Transport Requirements. Larger developments may require a Transport Assessment to help inform the need and extent of mitigation required;
- *Green Infrastructure* - Green network impacts to be mitigated on case by case basis;
- *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.

Contribution Variations or Exemptions

1.30 Contribution variations or exemptions will be considered for:

- *House extensions* - Exempt.
- *Re-development resulting in a reduction in floorspace or number of homes* - Contributions not normally required.
- *Re-development or sub-division resulting in additional homes* - Contributions are based on the net number of additional homes proposed. If less than four additional homes, a small scale housing site discount may apply.
- *Other* - Certain service and infrastructure specific exemptions are set out within each relevant section of this document.

1 Introduction

Development Viability

- 1.31** It is acknowledged that full infrastructure costs cannot always be met by the landowner / developer. 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.
- 1.32** For development viability to be taken into account by the Council, the developer must demonstrate on an 'open book' confidential basis that the requirement for contributions makes the development commercially unviable.
- 1.33** Likely developer contribution requirements should be calculated by the developer and confirmed through the pre-application advice service **prior to land deals and commercial decisions being taken**. Where appropriate, this advice should inform the preparation and submission of a Viability Assessment with a planning application. Developers should avoid the purchase of land or agreeing options without factoring the need for sufficient developer contributions to ensure due diligence and to avoid complications at the planning application stage.
- 1.34** Should land acquisition deals / site option legal contracts be entered into ahead of receiving formal pre-application advice, it is strongly advised that adequate contingencies are put in place within such agreements to revisit the quantum of the land offer to cover the finalised developer contribution requirements which are outlined at the pre-application stage and finalised at the point of the planning application's determination. Such contingencies are also recommended to cover the potential requirement to re-work, refresh or modify planning permissions at later date.

Viability Assessment Process

- 1.35** The process of preparing a Viability Assessment and how this will be considered by the Council is set out below:

Step 1: Notify the Council and Prepare a Viability Assessment

- 1.36** Any developer / landowner which is unable to meet the developer requirements set out within pre-application advice should **notify the Council of their intention to commission the preparation of a Viability Assessment**. All Viability Assessments must be carried out at the developer's expense by an independent practitioner and suitably qualified chartered valuation surveyor. Details of [chartered valuation surveyors](#)⁽⁴⁾ can be found online.
- 1.37** A Viability Assessment allows comparison of costs to be evaluated against the projected development value and assessments must set out:

4 <https://www.ricsfirms.com>

- Proposed scheme details, including the number, size, type and tenure of homes / amount of commercial floorspace proposed;
- Projected market valuations for each home, including comparable local market sales information to demonstrate the Gross Development Value of the development;
- Indication of the timescales for marketing and sale of homes / development phasing details;
- Detailed breakdown of expected construction costs with specifications (including external works), finance costs, professional / marketing fees and any abnormal costs;
- Planning developer contribution requirements (to be finalised at the planning application stage);
- Verified site valuation (land costs) at time of the planning application submission; and
- The residual developer's profit margin on Gross Development Value.

1.38 Appendix 1 sets out further information requirements to be contained within a Viability Assessment. Further advice is available from the Royal Institute of Chartered Surveyors (RICS) website where a [Financial Viability in Planning Guidance Note](#)⁽⁵⁾ (1st Edition, August 2012) is available to download. Although the RICS guidance does not strictly apply in Scotland, there is currently no Scottish equivalent and the principles set out within this guidance remain valid. For small scale developers with limited Viability Assessment knowledge, through the formal pre-application service, the Council / District Valuer Service (or an agreed alternative independent third party advisor agreed by, and acting on behalf of, the Council) may be able to advise further regarding assessment information requirements.

Step 2: Submission and Review of the Viability Assessment

1.39 If an applicant decides to prepare a Viability Assessment taking account of the matters referred to above, this must be submitted to the Council with the planning application. If a planning application is submitted without a comprehensive Viability Assessment of sufficient quality, this will affect the ability and timescale for the Council to consider and determine the planning application.

1.40 Following receipt, **Viability Assessments require to be independently reviewed by the District Valuer Service (DVS)**⁽⁶⁾ or an alternative independent third party advisor agreed by, and acting on behalf of, the Council. This is required to corroborate any commercial non-viability and this advisor shall be appointed by the Council at the developer's expense. The costs associated with this verification process will be dependent upon the quality of the information provided and a quotation will be provided on a case by case basis.

5 <http://www.rics.org/uk/knowledge/professional-guidance/guidance-notes/financial-viability-in-planning-1st-edition/>

6 <https://www.gov.uk/government/organisations/district-valuer-services-dvs/about>

1 Introduction

- 1.41** A report of the DVS's findings will be provided to the Council to corroborate any commercial non-viability. The Council will rely upon the advice provided by the DVS in determining the planning application.
- 1.42** In the event that the DVS is unable to undertake the verification process, the Council will raise this with the applicant ahead of considering the appointment of any other specialist property consultant - chartered valuation surveyor. When looking to appoint this independent advisor, the Council will firstly check with the applicant and the specialist property consultant to identify / declare any conflicts of interest. This check must be completed ahead of any development Viability Assessment being shared.
- 1.43** The only instances where the Council will not require independent verification of a Viability Assessment is where the cost / time associated with this process is disproportionate to the amount of developer contributions required. This will be determined by the Council on a case by case basis.

Step 3: The Council's Decision

- 1.44** Regardless of the agreed Viability Assessment findings, these are not binding. Any contribution variations remain at the Council's discretion and regardless of the Viability Assessment's findings, planning permission may still be refused. This is critical as the Council must not automatically accept varied contributions as these may be insufficient to mitigate the service and infrastructure needs of development. In such circumstances any decision to accept any contribution variations should be weighed up against the future prospects of more favourable development market conditions, changes in land values or an alternative revised development proposal coming forward which could significantly improve the viability of developing the site. 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.
- 1.45** For planning applications requiring a committee decision, the type and amount of contributions (including any reductions) will be included in the committee report. For planning applications determined under delegated powers, the type and amount of contributions (including any reductions) required to be agreed by the Area Planning Manager and detailed in the report of handling.

Freedom of Information

- 1.46** Viability Assessments and any associated information will be treated as confidential and will not be made publicly available. The contribution amounts to be secured will however be documented in planning reports and legal agreements. The Council may also be obliged to disclose information, including where it is subject to request under the Freedom of Information (Scotland) Act 2002 (FOI) or the Environmental Information (Scotland) Regulations 2004 (EIR). **Due to commercial sensitivity / the potential for adverse impacts on commercial interests, such requests will however be strenuously opposed** and the Council will out of courtesy, notify the developer of the FOI/EIR request.

Sgoiltean

- 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](#)⁽⁷⁾ (SRFs). This is based upon the existing and forecast school infrastructure capacity and the ability to accommodate pupils generated by development. Developer contributions for schools are outlined in the box below.

All residential development (including affordable homes) require to contribute towards new school infrastructure where insufficient capacity is identified. Tables 2.1 and 2.2 set out the contributions required towards meeting the cost of school provision that is necessary as a direct consequence of development.

Table 2.1 Primary School Developer Contribution Rates

Primary School Requirement	Per House	Per Flat*
1 Classroom Extension	£2,571	£1,457
2 Classroom Extension	£2,041	£1,157
Major Extension / New School - Build Costs	£7,359	£4,171
Major Extension / New School - Land Costs	Area Specific - See LDP Delivery Programmes	

Table 2.2 Secondary School Developer Contribution Rates

Secondary School Requirement	Per House	Per Flat*
1 Classroom Extension	£1,328	£715
2 Classroom Extension	£1,054	£567
Major Extension / New School - Build Costs	£3,482	£1,875
Major Extension / New School - Land Costs	Area Specific - See LDP Delivery Programmes	

*Flat rates relate to a two bedroom flat. Three or more bedroom flats (or two bedroom flats with an additional room, other than the living room, which is capable of conversion to a habitable bedroom) are subject to the house rate.

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

2 Schools

- 2.2** The applicable school contribution requirements for each catchment area are set out within the [LDP Delivery Programmes](#)⁽⁸⁾.
- 2.3** Major extension / new school equivalent rates are required where more than two additional classrooms are required. Associated land costs may also be required in locations where major extensions can not be accommodated on existing school grounds. School land costs are not subject to inflation and should not be index linked (refer to Section 10).
- 2.4** 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 extended or new schools.

Nursery Provision

- 2.5** New primary school build costs incorporate an element of nursery provision. In all other areas, where there are no new primary school requirements, 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 may be required to resolve capacity constraints. 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. Once prepared, this information will be subject to appropriate consultation being undertaken.

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, and in order to suitably mitigate the impact of development and address capacity issues it may be necessary to create or amend catchment areas and / or invest developer contributions in neighbouring nursery / primary school catchment areas. This will only take place within the relevant secondary school catchment (known as the Associated School Group or ASG) and is on the condition that any spend of developer contributions mitigates the impact of the development for which the contribution was originally sought.

8 https://www.highland.gov.uk/info/178/local_and_statutory_development_plans/809/delivery_programmes

Exemptions

2.7 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.
- *Tourist accommodation* - Which is not likely to be suitable for permanent residential accommodation. Proposals will be assessed based on design and layout with consideration being given to the requirement for an onsite management office, communal facilities including parking and recycling, limited plot separation and removal of permitted development rights to avoid the creation of private garden ground. Such proposals will also be subject to occupancy restrictions, secured by title or planning condition. All other forms of tourist accommodation which is suitable for permanent residential occupation will be treated the same as any other form of residential home and will not be exempt.
- *Residential institutions* - I.e. residential care home, hospital, residential school, college or training centre, prison, etc.
- *Sheltered housing* - provided for people who require occasional support and assistance from a resident warden.
- *Student accommodation or houses in multiple occupation (HMO)* - With occupancy restrictions, secured by title or planning condition.

2.8 Developers seeking an exemption should raise this with the Council at the earliest possible opportunity. Affordable housing developments are required to contribute towards school provision.

3 Community Facilities

Goireasan Coimhearsnachd

Developments of four or more homes require to contribute towards the enhancement or creation of new community facilities in areas where a deficiency has been identified.

Contributions for indoor facilities are £1,019 per home, unless the development falls within an area covered by a Development Brief which specifies a higher rate.

Contributions for outdoor facilities are calculated on a case by case basis and the indoor facility contribution rate should be used as a guide.

Community facility contributions will either be required for indoor or outdoor facilities, but not typically for both. Where the need for both occurs, the higher of the two contribution rates applies.

In areas where community facility deficiencies have been identified, contributions will be required from development within the relevant secondary school catchment area. For large scale developments, the requirement for on or off-site community facility provision will be assessed on a case by case basis.

- 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** The areas where community facility contributions are required is set out within the LDP, Development Briefs and [LDP Delivery Programmes](#)⁽⁹⁾. The areas with community facility deficiencies may be subject to change during reviews of these documents and early engagement as part of the pre-application process is essential to obtaining a fuller understanding of requirements.

Indoor Facilities

- 3.3** Contributions for indoor community facilities may be required for leisure / community centres, community halls or libraries. Contributions are calculated on the requirement of 0.69sqm of community hall space per home, using a build cost of £1,477 per sqm.

Outdoor Facilities

- 3.4** Contributions for outdoor community facilities may be required for district parks or any specially designed playing surface, used primarily for designated sports and typically (but not exclusively) include: pitches for football; cricket; rugby; shinty; hockey; bowling greens;

9 https://www.highland.gov.uk/info/178/local_and_statutory_development_plans/809/delivery_programmes

tennis courts; multi-sports courts; skate parks; cycle / athletics tracks; and associated land acquisition, ground enabling works, changing facilities, lighting, fencing, spectator areas and parking.

Provision within Schools

3.5 In areas subject to major extension / new school equivalent rates, an element of community meeting space and leisure provision is likely to be incorporated within the school. These facilities are however usually only available to the public on a restricted timetabled basis with priority given to teaching and after school groups. As such, provision within schools alone does not normally negate the need for contributions towards other indoor or outdoor community facility requirements.

Use of Community Facility Contributions

3.6 Community facility contributions will be invested within the relevant secondary school catchment area. In order to respond to emerging alternative community facility projects, contributions will not usually be tied to the delivery of any given project. In allocating contributions, the Council will give due regard to where these contributions have come from to ensure that the investment mitigates the impact of development.

Exemptions

3.7 Developments of less than four homes will usually be exempt from community facility contributions unless the proposal is not eligible for a 'Small Scale Housing Site' discount (refer to criteria in Section 1).

4 Affordable Housing

Taigheadas aig Prìs Ruigsinneach

Developments of four or more homes require to contribute 25% equivalent of affordable housing in areas of need. 15% of the 25% affordable housing requirement must be wheelchair liveable.

Developments of less than four homes (Small Scale Housing Sites) also require to make an equivalent affordable housing contribution in areas of need and in certain other circumstances.

Commuted affordable housing payments will only be acceptable on an exceptional basis and will be assessed on a case by case basis.

Developers are required to enter into early discussions with the Housing Authority to agree the tenure split and type of affordable housing required on a case by case basis.

- 4.1** The Council's policy approach to affordable housing provision is set out in HwLDP Policy 32: Affordable Housing. Scottish Planning Policy, Planning Advice Note 2/2010 Affordable Housing and [Housing Land Audits](#)⁽¹⁰⁾ provide further guidance and information on the provision of affordable housing.

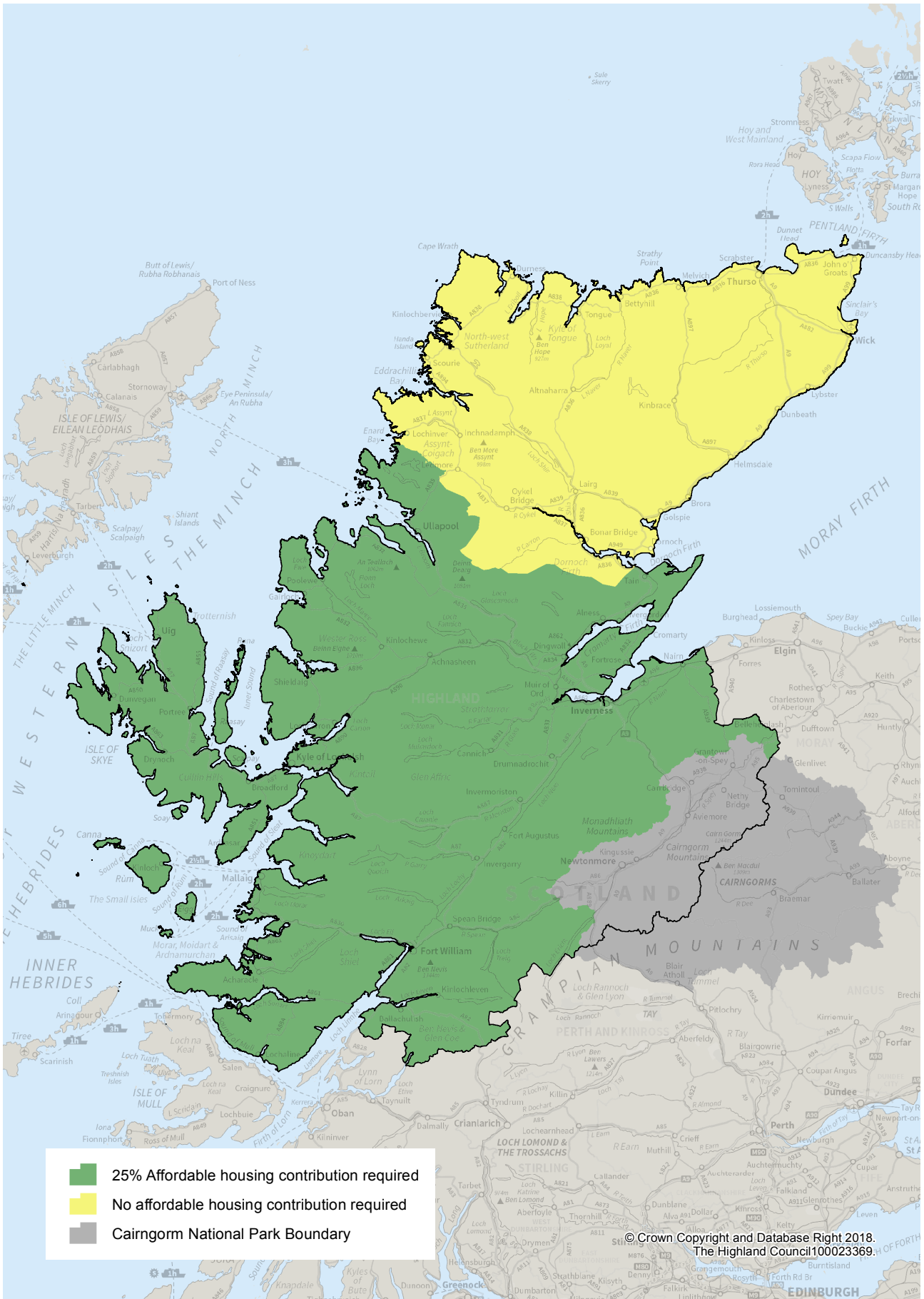
Affordable and Accessible Housing Requirements

- 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](#)⁽¹¹⁾ and LDPs.
- 4.3** In line with national guidance, the HwLDP 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.
- 4.4** 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 to the nearest whole number of homes.

10 https://www.highland.gov.uk/info/205/planning_-_policies_advice_and_service_levels/556/housing_land_information

11 https://www.highland.gov.uk/info/917/housing/658/housing_strategy

4 Affordable Housing



4 Affordable Housing

- 4.5** The HNDA also found that long term demographic and health changes, in particular the growth of an elderly population, is likely to require additional provision of wheelchair housing. To help meet this demand the Council will require a minimum of 15% of the 25% affordable housing to be wheelchair liveable. When calculating the requirement for wheelchair housing, this will be rounded to the nearest whole number of homes. For example, a 16 house development would require to deliver 4 affordable homes and 0.6 (1) of these affordable homes will require to be wheelchair liveable.
- 4.6** Wheelchair liveable is defined as a wheelchair accessible home which can be easily adapted for residents who are wheelchair users or have mobility difficulties. That is a home which is designed to fully comply with the required standard, but which may not be fully fitted out with specialist kitchen and bathroom fittings and grab rails. The fit-out may be delayed until the allocation of a resident and a discussion between them and their Occupational Therapist. Further details of the required standard are set out at Section 10 of [Firm Foundations, Design Brief: Building Homes for the Highlands](#)⁽¹²⁾.
- 4.7** The proportion of wheelchair liveable housing required will be dependent 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 liveable must have a lift. Wheelchair housing must also comply with Housing for Varying Needs Standard, including the standards specific to 'dwellings for wheelchair users'. Early advice should be sought from the Council's Housing Service to determine requirements. Where wheelchair liveable housing is required, this may result in a reduction of the overall number of affordable homes provided, however, this will only be considered in exceptional circumstances and remains at the Council's discretion.

Exemptions

- 4.8** Currently affordable housing contributions are required for developments of four or more houses, or for small scale housing sites in certain circumstances as set out below. In the future, the Council intends to remove this four or more threshold to enable affordable housing contributions from all scales of residential development. This change can however only happen following a review of the HwLDP.

Small Scale Housing Sites

- 4.9 Residential developments of less than four homes** usually do not require to contribute towards affordable housing provision. This is not however the case for Highland areas within the Cairngorms National Park where the National Park LDP specifies the need for affordable housing contributions. In all other areas of Highland, the requirement for affordable housing contributions from small scale housing sites is triggered where any of the following apply:

12 https://www.highland.gov.uk/downloads/file/19461/firm_foundations_design_brief_-_building_homes_for_the_highlands

1. The development would result in the fourth home to be developed on the original (primary) landholding;
2. The site lies within an area of wider development potential; or
3. Where additional home(s) are added to a wider housing site that has planning permission.

4.10 HwLDP Policy 32 states: *'Outwith settlement development areas, a contribution towards affordable homes attributed against the primary landholding, will apply in respect of every fourth dwelling granted planning permission.'* It also states: *'This policy applies to dwellings granted planning permission on or after the date of adoption of this local development plan.'* This was April 2012. In order for the Council to determine the need for affordable housing contribution, developers may be required to provide a plan identifying the extent of their entire land holding and the original landholding at the time of any historic planning permissions since April 2012.

4.11 The wider development potential of the site to accommodate four or more homes will be informed by the indicative housing capacity set for allocated sites. For non-allocated (windfall) sites, this will be informed by the existing settlement pattern / prevailing housing densities in the locality, as well as any site development constraints.

4.12 Where an application is made for less than four homes, a legal agreement may be sought to ensure that any further residential development on the site or landholding makes an appropriate contribution.

Other Exemptions

4.13 The following types of development are also exempt from affordable housing contributions:

- *Tourist accommodation* - Which is not likely to be suitable for permanent residential accommodation. Proposals will be assessed based on design and layout with consideration being given to the requirement for an onsite management office, communal facilities including parking and recycling, limited plot separation and removal of permitted development rights to avoid the creation of private garden ground. Such proposals will also be subject to occupancy restrictions, secured by title or planning condition. All other forms of tourist accommodation which is suitable for permanent residential occupation will be treated the same as any other form of residential home and will not be exempt.
- *Residential institutions* - i.e. residential care home, hospital, residential school, college or training centre, prison, etc. Sheltered housing / accommodation provided for elderly people will however be regarded as open market housing and will not be exempt as this form of housing caters for general housing needs, not affordable housing needs.

4 Affordable Housing

- *Student accommodation or houses in multiple occupation (HMO)* - With occupancy restrictions, secured by title or planning condition.
- *Conversions of existing properties in Inverness City Centre* - Exemption applies for up to 10 homes within Inverness City Centre (as defined by the Inner Moray Firth LDP).

Definition of Affordable Housing

4.14 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.

4.15 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 RSL 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 at a maximum of 80% of open market values; at the benchmark value set at Table 4.2. 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 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 property (up to 80%) and a RSL retains the remaining share. The owner generally pays between 60 and 80% of the price of a property with the remainder held by a RSL using grant

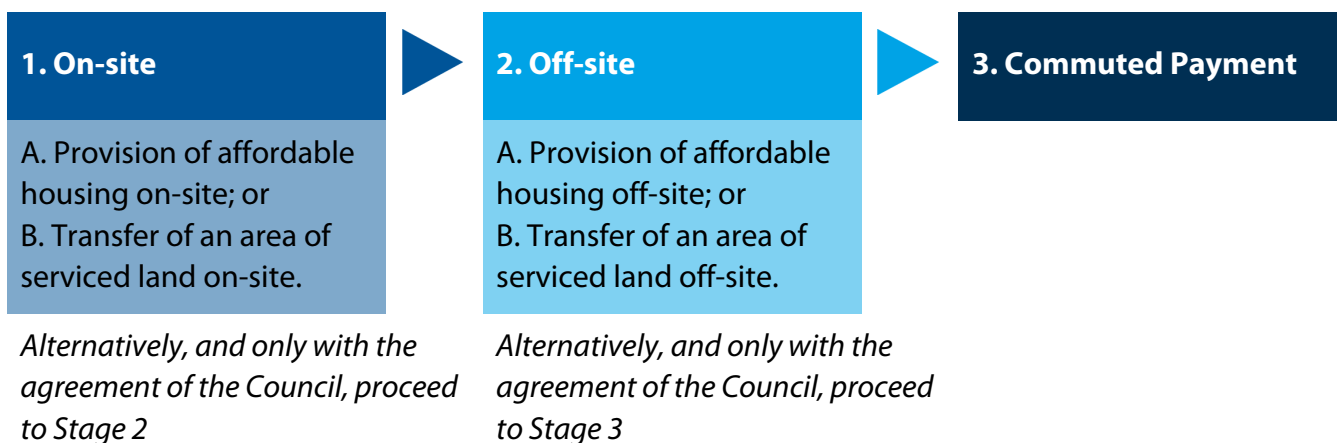
funding from the Housing and Regeneration Division of the Scottish Government. The RSL as well as the owner will benefit from any equity gain when the property is sold.

- *Subsidised home ownership* - possibly involving public sector subsidy to developers (such as the Housing and Regeneration Division of the Scottish Government 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.
- *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

4.16 Table 4.1 sets out the sequential approach applied to the delivery of affordable housing, subject to the availability of public subsidy. Developers are required to deliver affordable housing on-site (1) unless the Council determines that off-site provision is acceptable (2) or as a final resort, the Council determines that a Commuted Payment (3) is acceptable. Prior to the submission of a planning application, developers are strongly encouraged contact the Council's Housing Service to agree the number, type and mix of affordable housing on-site, in accordance with [Firm Foundations, Design Brief: Building Homes for the Highlands](#)⁽¹³⁾.

Table 4.1 Sequential Approach



13 https://www.highland.gov.uk/downloads/file/19461/firm_foundations_design_brief_-_building_homes_for_the_highlands

4 Affordable Housing

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

- 1B - Transfer of an area of serviced land on-site;
- 2B - Transfer of an area of serviced land off-site; or
- 3 - Commuted payment.

1. On-site Provision

A - Provision of Affordable Housing On-site

4.18 Where affordable housing is being provided on-site the homes will either be built by or transferred to a RSL or the Council with the exception of discounted for sale, unsubsidised houses, student accommodation and approved private rented accommodation.

4.19 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.

4.20 The developer will be required to build an agreed number, type and mix of affordable homes 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 value 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 Values, April 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	158,400

Notes on Table 4.2:

- Benchmark affordable housing values are subject to regular review in line with Scottish Government grant funding. As such, these figures together with affordable housing commuted payments are not subject to indexation and up to date benchmark values and fixed commuted sums will be published on the [Council's website](#)⁽¹⁴⁾ on a regular basis.
- Values shown are the overall amounts payable to a developer (including all land, constructions and fees).
- Values exclude any fees payable to the affordable housing provider.

B - Transfer of an Area of Serviced Land On-site

4.21 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 Service or an agreed chartered valuation surveyor).

2. Off-site Provision

A - Provision of Affordable Housing Off-site

4.22 In cases where the Council determines that on-site provision cannot be achieved, the Council will accept the affordable provision 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.

4.23 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 homes 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 value in force at that time. Where the affordable element is to be delivered by the developer, deadlines must be set for the

14 https://www.highland.gov.uk/directory_record/712087/developer_contributions

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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.

B - Transfer of an Area of Serviced Land Off-site

4.24 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 Service or an agreed independent chartered valuation surveyor).

3 - Commuted Payment

4.25 Commuted payments are intended to be equivalent to the difference between the value of the affordable home and the value of the equivalent private home to ensure that the financial impact to the developer is the same as if the developer built the affordable homes on-site. Commuted payments may only be acceptable if there are no suitable sites brought forward after following the sequential tests above or there are restrictions to the availability of public subsidy.

4.26 Commuted 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. Income from this source will be identified in the local authority's Strategic Housing Investment Plan (SHIP).

4.27 Where **16 or more homes** 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 homes** the commuted sum may be spent within the local housing market area.

4.28 Where commuted payments are agreed, they should normally be payable as early as possible in the development to ensure that there is no time lag between completion of the private housing and the supply of the affordable housing. If the Council is unable to attract public funding for the provision of affordable housing 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.

Fixed Commuted Sums

4.29 As fixed commuted sums payable to the Council will vary over time and will differ by area, these are updated regularly and published online via the [Council's website](#)⁽¹⁵⁾. These fixed commuted sums are calculated by an independent chartered valuation surveyor to ensure that they reflect the equivalent average cost of providing all different types of affordable housing.

15 https://www.highland.gov.uk/directory_record/712087/developer_contributions

- 4.30** Whilst developers should obtain exact fixed commuted sums online, **for indicative budgeting purposes only** a four house development would be expected to make an affordable housing contribution in the order of £25,000 to £35,000, equating to £6,250 to £8,750 per home.
- 4.31** As benchmark affordable housing values are subject to regular review in line with Scottish Government grant funding, these figures, together with the fixed commuted sums, are not subject to indexation.

Securing Affordable Housing

- 4.32** 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.
- 4.33** Landowners and developers will not be permitted to evade the terms of this policy by artificial sub-division of landholdings since the terms of the Section 75 obligation will be made binding on successive proprietors. Agreements will require the transfer of land, erection of dwellings or financial payments for affordable housing purposes to be completed to a similar time scale to the non-affordable housing unless otherwise agreed with the Planning Authority.

Type, Design and Layout of Affordable Housing

- 4.34** Developers are required to enter into early discussions with the Housing Authority to agree the tenure split and type of affordable housing required on a site by site basis. 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, Highland Housing Register and current local housing needs surveys.
- 4.35** Where the proposed mix of affordable housing has been agreed in advance, these details should be clearly set out within a schedule and provided at the planning application stage together with details of any delivery partner (i.e. a RSL). This helps to ensure that the proposals meet with the aforementioned definition of affordable housing.
- 4.36** Affordable housing for rent should be concentrated in small groups. For larger developments of 100 homes or more, affordable housing should be dispersed throughout the development or in any event, in clusters of no more than 30 homes. Affordable housing for rent should be concentrated in small groups and the overall mix of house types and tenure will be at the discretion of the Council.
- 4.37** 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 homes or layouts. They should be indistinguishable from the general mix of other houses on the site in terms of architectural quality and detail.

4 Affordable Housing

4.38 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.

Retention of Affordable Housing

4.39 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 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.

4.40 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” remains 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.

Còmhdhail

- 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 Delivery 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 LDP Delivery 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 Transport Requirements** - 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.**

5 Transport

Standard Transport Requirements

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.

5.5 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](#)⁽¹⁶⁾, May 2017 and the existing [Local Transport Strategy](#)⁽¹⁷⁾, August 2010 which both set the direction in policy terms for the transport network investment in Highland;
- [Active Travel Audits and Masterplans](#)⁽¹⁸⁾ which identify and assist in delivering walking, cycling and access to public transport improvements;
- [Guidelines for Transport Assessments](#)⁽¹⁹⁾, 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](#)⁽²⁰⁾, May 2013 which sets the standards for the provision of transport infrastructure;
- [Access to Single Houses and Small House Developments](#)⁽²¹⁾, May 2011 which sets out access, road safety and drainage requirements for smaller developments;
- [The Road Asset Management Plan](#)⁽²²⁾, November 2016 which sets out the Councils operational plan for maintenance of road assets for the period 2016 – 2019; and
- [National Roads Development Guide](#)⁽²³⁾, February 2014 published by SCOTS and endorsed by the Council.

16 https://hitrans.org.uk/Strategy/Regional_Transport_Strategy

17 https://www.highland.gov.uk/downloads/download/144/local_transport_strategy

18 https://www.highland.gov.uk/info/1523/transport_and_streets/121/local_transport_planning

19 https://www.highland.gov.uk/downloads/file/12194/guidelines_for_transport_assessments

20 https://www.highland.gov.uk/downloads/file/2652/roads_and_transport_guidelines_for_new_developments

21 https://www.highland.gov.uk/downloads/file/2346/access_to_single_houses_and_small_housing_developments

22 https://www.highland.gov.uk/downloads/download/110/road_asset_management

23 <http://www.scotsnet.org.uk/documents/national-roads-development-guide.pdf>

- 5.6** 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.

Cumulative Transport Contributions

- 5.7** In certain locations across Highland a number of different development sites contribute to the need for a strategic transport project or intervention that helps to mitigate the cumulative impact of development. 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 the Council has 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 Inverness East Development Brief also identifies infrastructure requirements for wider transport projects in this area. The Inner Moray Firth LDP also refers to transport projects such as the upgrade to Tomich junction at Invergordon, and the Kinnairdie Link Road in Dingwall, where developer contributions are required to mitigate cumulative transport impacts.
- 5.8** The Council will continue to prepare Development Briefs and equivalent documents to identify strategic transport interventions and associated developer contribution requirements. Alongside, the Council are considering identifying other areas where cumulative transport contributions would be required to mitigate cumulative development impacts. Such an approach is likely to be focused on areas of Highland where there is a greater scale of development and could support the delivery of a package of measures which are essential to the delivery of development, such as:
- Walking and cycling improvements;
 - Improved access to public transport;
 - New and improved roads and bridges; and
 - Traffic management, including junction improvements.
- 5.9** The methodology for apportioning contributions in each area would require further engagement with affected parties, and Transport Scotland for 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;

5 Transport

- Catchment(s) for which proportionate contributions may be 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 or a Development Brief, as appropriate, subject to appropriate public consultation being undertaken.

5.11 Whether a development falls within a cumulative transport area or not, development proposals will still require Transport Assessments to identify the need for site specific transport mitigation measures and quantify the impacts, including trip rates, on the wider strategic transport network. The Council will use this information to assess proposals on a case by case basis to determine if development impacts require to be mitigated through contributions towards strategic transport interventions which are set out in the LDP, Development Briefs and LDP Delivery Programmes. Contributions would however be considered towards such strategic schemes which have been designed to accommodate past and future development to mitigate cumulative impacts.

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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](#)⁽²⁴⁾ 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 (refer to the 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](#)⁽²⁵⁾. 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 Council published a [Green Space Audit](#)⁽²⁶⁾ which is taken into account in assessing open space requirements in Inverness and larger towns and villages within Highland. It provides a high level assessment of the quantity, quality and accessibility of open space in settlements and is a useful source to identify areas and opportunities for future improvement.

District Parks

- 6.3** Where the need for a district park has been identified in the LDP, Development Briefs or LDP Delivery Programme, this requirement will be regarded as an outdoor community facility space which is additional to any open space requirements for residential development.

24 https://www.highland.gov.uk/directory_record/712037/open_space_in_new_residential_development

25 https://www.highland.gov.uk/directory_record/712053/inverness_city_centre_development_brief

26 https://www.highland.gov.uk/directory_record/712037/open_space_in_new_residential_development

6 Green Infrastructure

Green Networks

All development is required to protect and enhance the green network.

Major residential 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.

- 6.4** The [Green Networks Supplementary Guidance](#) ⁽²⁷⁾ identifies priority projects for the enhancement of the green network, including the A96 Corridor. The guidance sets out the ambition to 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 Highland.
- 6.5** In all areas of Highland, the principles set out in the Green Network Supplementary Guidance must be applied when considering the design and layout of development. The Council requires the protection and enhancement of all features which contribute towards the green network.
- 6.6** In the A96 Corridor, major residential developments increase pressure on access resources and create the need for new trails. Therefore direct on-site provision and/or contributions towards these wider linkages are required. The protocol for quantifying these contributions is set out in the Green Networks Supplementary Guidance.

Built and Natural Heritage

All development is required to safeguard and enhance the built and natural environment. There may be instances where environmental mitigation measures result in the need for off site physical works, developer contributions or financial guarantees to provide sufficient environmental safeguards. In such instances, contribution requirements will be assessed on a case by case basis.

- 6.7** Developers 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 any proposal. This type of contribution would generally be a last resort and contributions may only be necessary where the Council or another public agency requires to intervene to enable development and safeguard the environment.

27 https://www.highland.gov.uk/directory_record/712038/green_networks

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Water

All development may be required to provide contributions that could lead to a net benefit in the condition of and risk from the water environment.

- 7.1** This section outlines instances when the Council may require flooding and drainage related water infrastructure contributions. These contributions would not go towards public sewer network connections or improvements as may be required by Scottish Water. These should be budgeted for separately, forming part of the developer's project costs. Scottish Water recommends that the developer submits a [Pre Development Enquiry Form](#)⁽²⁸⁾ to identify any network costs⁽²⁹⁾. This is a free service which assists with determining development viability.
- 7.2** The adopted [Flood Risk and Drainage Impact Assessment Supplementary Guidance](#)⁽³⁰⁾ sets out the detail of the Council's flood risk and drainage 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.

Catchment Improvement Works

- 7.3** Developers may be required to provide financial contributions towards, or carry out themselves, capital improvement works to reduce the risk of flooding within the catchment where their development is taking place. Measures may be identified by the Council's Flood Risk Management Team which may include (but not be limited to) culvert replacements, headwall/ wingwall improvements, debris screen improvements, and erosion control/ mitigation measures.

Strategic Flood Schemes

- 7.4** Proposed strategic flood schemes are detailed in the Council's Capital Programme and are set out within LDP Delivery Programmes. It is now standard practice that strategic flood schemes should not generally be designed to facilitate additional development potential but the principal design consideration should be to protect existing properties. In developing

28 <http://www.scottishwater.co.uk/assets/business/files/connections%20documents/asset%20vesting/predevelopmentenquiryformapril2017.pdf>

29 Local bulk infrastructure, such as trunk mains and trunk sewers, water service reservoirs, wastewater pumping systems and some SuDS are known as Scottish Water Part 3 Assets. Should these Part 3 Assets need to be upgraded as the result of the development then the responsibility for this rests with the developer, however they will be entitled to a Reasonable Cost Contribution from Scottish Water. Strategic assets such as raw water intakes, water impounding reservoirs, raw water pumping stations, aqueducts and water and wastewater treatment works are termed as Part 4 Assets. Scottish Water is funded to upgrade Part 4 Assets when there are growth requirements, initiated by a development meeting Scottish Water's five Growth Criteria

30 https://www.highland.gov.uk/directory_record/712040/flood_risk_and_drainage

7 Water and Waste

a Flood Protection Scheme, the Council will determine the appropriate level of protection that can be provided relative to the potential damages incurred by existing properties and infrastructure. This standard of protection may not be sufficient to meet the test required for new development. Developers should refer to SEPA's [Planning Information Note 4: SEPA position on development protected by a Flood Protection Scheme](#)⁽³¹⁾ for further guidance.

- 7.5** In exceptional cases, where an agreement is reached with a developer or landowner to enhance or augment a strategic flood scheme to a higher standard of protection that would allow new development, and that change results in an enhancement of development potential / increase in land value, any resultant increase in scheme project costs requires to be fully recovered from the developer or landowner on a proportionate basis. For example, where existing properties, land uses or other potential development sites would also benefit, the additional scheme costs should be proportionately split. Such additional scheme costs can be recovered by the Council through developer contributions and/or the prior transfer of land within the developer's control to the Council (at nil consideration) to assist with the delivery of the wider scheme. Any alterations to a strategic flood scheme remains at the discretion of the Council and will only be considered where there is a demonstrable wider public benefit.

Maintenance and Repair of SuDS

- 7.6** The Council's preference is that Sustainable Drainage Systems (SuDS) are designed and constructed by the developer to a standard that will allow for future vesting (adoption) by Scottish Water. Guidance on [SuDS](#)⁽³²⁾ and [asset vesting](#)⁽³³⁾ is available online. The Council and Scottish Water aspire to develop an agreement under Section 7 of the Sewerage (Scotland) Act 1968 for each drainage scheme.
- 7.7** The Council will not vest SuDS for housing developments where Scottish Water has refused to vest, unless the SuDS receive only roads drainage and are designed and constructed to the satisfaction of the Roads Authority.
- 7.8** A factoring arrangement for the maintenance of communal spaces and SuDS features above ground (financed by the owners or occupiers of the development) may be required. This should follow the approach for open space maintenance detailed in the Council's [Open Space in New Residential Development Supplementary Guidance](#)⁽³⁴⁾. The factor must have the technical knowledge and competence necessary to maintain and repair SuDS infrastructure.

31 <https://www.sepa.org.uk/media/306610/planning-information-note-4-sepa-position-on-development-protected-by-a-flood-protection-scheme.pdf>

32 <http://www.scottishwater.co.uk/business/connections/connecting-your-property/sewers-for-scotland-and-suds>

33 <http://www.scottishwater.co.uk/business/connections/connecting-your-property/asset-vesting>

34 https://www.highland.gov.uk/directory_record/712037/open_space_in_new_residential_development

Waste

All development requires to make provision for waste management, including bins and recycling points as set out in the [Managing Waste in New Developments Supplementary Guidance](#)⁽³⁵⁾. 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 residential developments which significantly expand a settlement, may create a need for new or improved recycling point provision. In areas where an existing deficiency exists, a new recycling point is expected to be provided on-site or in the immediate vicinity.

- 7.9** It is expected that residential developments will have access to a recycling point within 1 km. Each recycling point is typically designed with a capacity to serve around 600 homes and has a serviced land requirement of 20 sqm. Each recycling point shall comprise three colour separated glass banks which developers are required to fund at a cost of around £1,510.
- 7.10** On-site provision is always the Council's preference, however where this is not achievable, the Council may agree that an off-site solution is suitable. In such cases, developer contributions may be required to cover the cost of land acquisition and associated servicing costs.
- 7.11** In certain circumstances, the Council may require a higher quality design of recycle point provision or underground storage. Costs for such facilities are considerably more and the specification for recycle point provision must be established through consultation with the Council's Community Services Team.

35 https://www.highland.gov.uk/directory_record/712036/managing_waste_in_new_developments

Ealain Phoblach

All National and major developments, as well as developments of any scale on a prominent site or on a site of historic or cultural significance, require to provide public art.

- 8.1** As set out in the the [Public Art Strategy: Supplementary Guidance](#)⁽³⁶⁾ public art helps to ensure a high quality of development and can be delivered in a number of ways including street furniture, lighting, fixtures, fittings, landscaping, boundary treatments or sculptural works.
- 8.2** In all but exceptional circumstances, public art should be provided on-site and it is rare that developer contributions towards off-site public art provision are required. The [Public Art Strategy: Supplementary Guidance](#)⁽³⁷⁾ states that the Council's preference is for public art to be an integral part of the overall design of a development integrated to promote neighbourhood identity and a distinctive sense of place.
- 8.3** Developments required to incorporate public art should set aside a proportion of the capital budget of a development for commissioning public art. The scale and characteristics of new developments will determine what proportion of the capital budget is appropriate and the Council does not insist upon any set percentage. 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.
- 8.4** In rare exceptional circumstances, the Council may agree that a developer is unable to deliver public art of a sufficiently high quality on-site or delivery on-site is not the most desirable option due to limited public accessibility to appreciate its provision. In these circumstances the Council may secure public art by planning condition or legal agreement. This enables 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, ensuring that the public art to be provided maintains a strong relationship with the developments which contribute towards its' provision.

36 https://www.highland.gov.uk/directory_record/712041/public_art/category/471/public_art

37 https://www.highland.gov.uk/directory_record/712041/public_art/category/471/public_art

9 Community Benefit and Emerging Policy Requirements

Buannachd Choimhearsnachd agus Riatanasan Poileasaidh a' Tighinn am Bàrr

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 has 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. 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 developer contributions are required, the Council supports developers in considering the provision of other community benefits as part of their development proposal. 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](#)⁽³⁸⁾ 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](#)⁽³⁹⁾) is vital to sustainable economic growth and is essential part of development.

38 https://www.highland.gov.uk/info/198/planning_-_long_term_and_area_policies/639/community_benefit

39 <http://www.gov.scot/Publications/2014/06/3539/downloads>

9 Community Benefit and Emerging Policy Requirements

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** Strategic identification and analysis of district heating network opportunities has also been undertaken for the WestPlan area, documented in the Background Paper [WestPlan District Heating Opportunities Assessment](#)⁽⁴⁰⁾. 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.
- 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.

40 https://www.highland.gov.uk/info/178/local_and_statutory_development_plans/582/west_highland_and_islands_local_development_plan/2

Pàighidhean agus Rianachd

10.1 Contributions will be secured through:

- Up front payment;
- 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 planning obligation or any other type of agreement may be removed where developers choose to pay financial contributions in full prior to planning consent being issued.

Up Front Payment

10.3 An up front payment is encouraged wherever possible, especially for small scale developments of less than four homes (including single houses). This option is often desirable when the time and legal costs to set up a planning obligation are disproportionate to the level of contribution required.

10.4 Once the amount of financial contribution required has been established and confirmed by the Council, the developer will be informed of the payment options. If a developer opts to make an up front payment in full to the Council, an invoice will be issued within 14 days and an up front payment can then be made online as per the instructions below. Once issued, an invoice must be paid within 14 days. Failure to do so may result in a planning application being refused.

Up Front Payment Instructions

- Visit: www.highland.gov.uk/pay
- Select Planning & Building Standards.
- Complete 'your details' and once on the 'payment' screen.
 - For Payment Category – select 'Other'.

10 Payments and Administration

- For Payment Type – select 'Developer Contributions'.
- For Application Reference Number – insert your planning application reference number.
- Once a payment has been made, please email **income.section@highland.gov.uk** detailing the planning application reference number, date and amount of the payment.

10.5 Upon receipt of an up front payment in full, the planning permission decision notice will be issued within 14 days.

Phased Payments

10.6 Where a planning obligation is entered into, developers may have the option to phase payments over the lifetime of a development. For developments of four or more homes it is the Council's standard that twice yearly payments are made on the **1st April** and **1st October** each year based on the number of homes completed⁽⁴¹⁾ in the six 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.

10.7 The Council are committed to concluding planning obligations within four months of a decision being made to grant planning permission. Failing to conclude within this timescale may result in a planning application being refused.

10.8 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 its' contents.

Which Payment Option Should be Used?

10.9 The developer contribution payment options and the likely requirement for entering into a planning obligation will be influenced by the scale of the development proposed and the amount of contribution required.

10.10 Developments of less than four homes (including single houses):

- Detailed planning applications and Planning Permission In Principle (PPIP) applications are encouraged to making an up front payment.

41 Including any homes subject to a temporary occupation certificate.

- Alternatively, if desired, a planning obligation can be entered into, however, the Council still requires developer contributions to be **paid in full prior to the commencement of development**. Phased payments will therefore not usually be agreed by the Council due to the significant discounts which are available for small scale housing developments, making up front payments more manageable. This also limits the administrative burden associated with securing payments on a phased basis.
- For land that is sold with the benefit of PPIP, the purchaser / developer can either choose to prepare and submit either:
 - a Matters Specified in Condition (MSC) application. No developer contributions would be required at the MSC stage providing that no planning obligation is attached to the PPIP and the proposed development fully accords with the development description and conditions of the PPIP; or
 - a fresh detailed planning application, however, the developer contribution requirements will be re-assessed against the most up to date provisions of the LDP, taking account of any developer contribution payments received for the development site in question to date. **This could result in new developer contribution costs which may not have been covered by the original PPIP.**

10.11 Developments of four or more homes and non-residential applications:

- The Council are open to securing developer contributions on a phased basis.
- If a planning obligation is required for any detailed application, the Council will determine the total amount of developer contributions due for the development as a whole. For residential developments the rate per house and rate per flat will be calculated and then multiplied by the number of properties proposed. This combined total will then be equally divided by the number of homes proposed, resulting in **one fixed developer contribution rate per home**. Phased contributions will therefore be payable based on the number of home completions with the amount due not varying by which specific house or flat built out.
- If a planning obligation is required for any PPIP application, the precise mix of house and flat types is not usually available and it is therefore not possible to accurately determine an up front payment amount. As such, **PPIP applications of this nature are likely to require a planning obligation**. Such planning obligations will set out the developer contribution rates on a per house and per flat basis, with these figures informing a combined fixed developer contribution rate per home which will be finalised once the mix of property types are set out at the subsequent MSC application stage. Phased contributions will then be payable based on the number of home completions.

10 Payments and Administration

10.12 Re-worked / Re-Mix Applications:

- Any planning permission which is not capable of being implemented may require a fresh planning application to be submitted. Following the receipt of any such application, the Council will re-assess the developer contribution requirements against the most up to date provisions of the LDP. **This could result in new or increased developer contributions.** In assessing the need for revised developer contributions, the Council will always take into consideration any developer contribution payments received for the development site in question to date.
- In the event that the mix of proposed property types change during the build of site, the developer contribution requirements and amount payable per property will be re-calculated / re-averaged based on:
 - property completions to date;
 - contributions received to date; and
 - the remaining balance of properties still to be build out.

Refunds

10.13 Where a contribution has been secured by a planning obligation and payment 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 the **last payment** to the Council:

- Affordable housing commuted payments: 5 years.
- All other types of infrastructure:
 - Major Developments (50 or more homes) - 15 years
 - Local Developments (1 to 49 homes) - 20 years

10.14 Developers must request a refund within six months of these time periods expiring. The Council will then return the relevant unspent contributions with interest calculated by the Council to have accrued within three months 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.

Indexation

10.15 With the exception of affordable housing benchmark values, affordable housing commuted payments and new school land costs, all other 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 using the BCIS All-in TPI. All costs quoted in this guidance reflect **Q2 2018** using the June 2018 published indices.

Contact Us

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Pàipear-taice 1 – Geàrr-Riathanasan Measadh Ion-obrachais

Proposed Scheme Details

- Floor areas:
 - Commercial: gross floor area (GFA) and net internal area (NIA)
 - Residential: GFA and NIA
- Residential unit numbers and habitable bedrooms, 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 homes (with supporting evidence/explanation of how these have been valued and assumptions)
- Deductions from commercial GDV to reach NDC (Land and Buildings Transaction Tax, 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)

Appendix 1 Viability Assessment Outline Requirements

- 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
 - Independent Viability Assessment fee / District Valuer Service verification fee
- Site Value
- Other costs

Additional Details for Projection Based Viability Assessments

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

Appendix 1 Viability Assessment Outline Requirements

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

Pàipear-taice 2 – Dòigh-obrach Measaidh Sgoiltean

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](#)⁽⁴²⁾ are available online.

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. At and 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 at or above 90% capacity for **five of the 15 years forecast**. These five or more years

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

do not require to be consecutive and for developments / site allocations which are predicted to be built out beyond the 15 year forecast period, this trigger point will be disregarded as such proposals require to be assessed on a case by case basis.

- 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

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

- 2.6** **The areas where new or extended school provision is likely to be required are listed in the LDP Delivery Programmes which will be used to determine planning applications.** The LDP Delivery Programmes will be updated and refined on an annual basis to respond to emerging school pressures and solutions.
- 2.7** 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.

Appendix 2 Schools Assessment Methodology

Pupil Product Ratio

2.8 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

	Home	Flat (2 Bedroom)
Primary	0.30	0.17
Secondary	0.13	0.07

2.9 An audit of recent and established developments has proven these PPRs to be accurate and reliable and a background paper: [School Pupil Product Ratio Review](#)⁽⁴³⁾ was published online alongside the SRFs. These per home PPRs have informed the latest SRFs which distribute pupils evenly across each year group.

2.10 The audit revealed that two bedroom flats had reduced PPR. If no two bedroom flat rate was provided, such properties would be subject to the standard home rate. 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.

2.11 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

2.12 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.

2.13 For example, the 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 would

43 http://www.highland.gov.uk/download/downloads/id/18829/school_pupil_product_ratio_review_september_2017.pdf

result in secondary school catchments being re-drawn to balance out pressures across the school estate. Several developments across Inverness would therefore directly benefit from this investment.

- 2.14** There are also considerable primary school roll pressures across Inverness and elsewhere in Highland. Several new primary schools and new catchments are therefore needed to enable the continued growth of the region.

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

- 2.15** 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 dependent upon the likely school draw and factors such as geography, physical barriers and prevailing pupil placing requests.
- 2.16** Details of recently completed new / extended schools where retrospective contributions are required are reported in the LDP Delivery Programmes. Contributions are required where front funding was carried out to facilitate the planned impact of development. 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.

School Costs

- 2.17** The rates per home are based on recovering proportionate school infrastructure costs for providing permanent extensions or new schools. One and two classroom permanent modular extension costs are based on December 2008 construction cost estimates which have been index linked to account for inflation. Major extension / new primary school costs are based on undertaking analysis of a sample of other planning authorities rates which average at £24,530 per primary school pupil. Major extension / new secondary school costs are based on the recent redevelopment cost for the Inverness Royal Academy (£39,375,000). This school has capacity for 1,470 pupils which equates to a cost of £26,785 per secondary school pupil. Taking the school cost per pupil costs, multiplied by the development's relevant PPRs provides the cost per home / flat.

New School Land Costs

- 2.18** 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.

Appendix 2 Schools Assessment Methodology

- 2.19** The area of land required to accommodate a new two stream primary school with a 434 pupil capacity is three hectares.
- 2.20** For a new secondary school with a 1,470 pupil capacity, the area of land required is six hectares.
- 2.21** Where new school sites have already been secured by the Council and land costs are therefore already known, these actual cost will be used to calculate proportionate developer contributions. In all other areas, the prevailing estimated land costs will apply. Where land values are disputed, external advice may be sought to undertake a review of land values. This independent third party advisor would be appointed by the Council at the developer's expense.

Pàipear-taice 3 – Riatanasan Coitcheann Còmhdhalach

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⁽⁴⁴⁾ is set out within the Council's [Roads and Transport Guidelines for New Development](#). This includes provision for residents, visitors and staff,

44 https://www.highland.gov.uk/info/20005/roads_and_pavements/99/roads_information/2

Appendix 3 Standard Transport Requirements

including suitable changing facilities. Typical cycle parking approximate costs are £190 per cycle parking stand (Sheffield standard), £500 per cycle locker and £3,530 for a covered cycle shelter.

Outdoor Access - Path Networks

3.5 All developments are 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.

3.6 The level of contributions sought are up to £302,880 per km of path. The cost per km is based on the provision of the Council's standard specification for the provision of a three metre 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 five or more homes and education developments are 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 may be 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 £1,260 per feature and are usually required at 75m intervals and an entrance treatment for a 20mph zone costs approximately £2,270.

Appendix 3 Standard Transport Requirements

Public Realm and Wayfinding

- 3.8** Public realm improvements are to be delivered on-site and in the immediate vicinity of the development to the Council's specification. This requires to include all pavements in and 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 £560 per sqm (sum based on index linking the £440 per sqm quoted in the [21 Jan 2014 South Planning Applications Committee Report](#) ⁽⁴⁵⁾ for 92-94 Academy Street, planning permission reference 13/03720/FUL). In future, the Council may revise this methodology to take account of the amount of additional floorspace to be created with further consideration given to the trip rates associated with upper floor uses, in comparison to ground floor uses. Once prepared, this information will be subject to appropriate consultation being undertaken.
- 3.9** In addition, where a costed public realm scheme has been established which delivers benefits to a wider area, development in this wider area may be required to make developer contributions towards the delivery of the scheme. Such schemes will be identified in the LDP Delivery Programmes and approved by committee.
- 3.10** Public realm contributions for off-site works will typically be used in the immediate vicinity of the footprint of the development. However, if the development falls within a public realm scheme for the wider area, contributions may be used towards the delivery of that scheme.
- 3.11** A [Draft Wayfinding Strategy for Inverness City Centre](#) ⁽⁴⁶⁾ 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 may be sought where developments will benefit from the new signposting proposed.

Public Transport

Bus Services and Facilities

- 3.12** 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;

45 https://www.highland.gov.uk/meetings/meeting/968/south_planning_applications_committee

46 http://consult.highland.gov.uk/portal/dp/wayfinding/wayfinding_1

Appendix 3 Standard Transport Requirements

- 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.

3.13 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 £5,050 - £6,560 each. Real Time Information Systems may also be required at a cost of around £5,050 per bus stop display, plus £300 per annum for five years of maintenance per site. HITRANS can advise on the necessary display locations and requirements.

School Transport

3.14 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.

3.15 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. Proposals **within three miles** may also need to contribute to school bus transport provision where sites and their associated routes to schools have inadequate walking or cycling provision.

3.16 The Council requires contributions towards safer walking/cycling routes, whether they may be 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

- 3.17** 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 within any emerging Cumulative Transport Contribution zones or Development Briefs.
- 3.18** Development which significantly accelerates wear and tear on the network will be expected to contribute proportionately towards its 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 may be required.
- 3.19** Other improvements which may 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.
- 3.20** **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](#)⁽⁴⁷⁾ 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, may be required to overcome road capacity or safety constraints.
- 3.21** 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 may be required to enable the Council to undertake local road improvements to mitigate the impact of development.

47 https://www.highland.gov.uk/directory_record/712043/access_to_housing_developments

Appendix 3 Standard Transport Requirements

Parking

3.22 Parking standards for different types of development are set out in the [Roads and Transportation Guidelines for New Development](#)⁽⁴⁸⁾. Nearby off-site provision may also be acceptable. Finally, and as a last resort to help facilitate development, where the Council's parking standards cannot be achieved, reduced levels of parking may be acceptable for developments located centrally within the Settlement Development Areas (SDAs) set out in Table A.3.1. The acceptability or otherwise of any proposed reduction in parking provision within these areas remains at the Council's discretion. This will be considered where a developer provides an up front commuted sum in lieu of on-site parking provision towards mitigating the transport impacts of the development. A contribution (in part or full) may not however be necessary in every instance and this will be dependent upon the transportation impacts of the development. All proposals will therefore be assessed on a case by case basis and it remains the Council's decision to determine:

1. The locations where on-site parking is required;
2. The instances when alternative off-site parking may be acceptable;
3. When a parking commuted sum would provide suitable mitigation; and
4. The contribution amount per parking space shortfall in lieu of on-site provision. For Inverness City Centre, committee agreed a financial contribution of £3,490 per space shortfall⁽⁴⁹⁾. This amount may be applicable in other areas, however, this requires to be informed by a robust appraisal.

3.23 In order to inform this assessment, **development proposals which do not meet the Council's parking standards must be accompanied by a Parking Appraisal**. This must be provided by the developer at the planning application stage and requires to include a review of the site's accessibility by public transport, walking and cycling.

3.24 Contributions received in lieu of parking provision may be used towards the following transport infrastructure in the vicinity of the site or elsewhere in the SDA:

- **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 / electric vehicle charging / car clubs;

48 https://www.highland.gov.uk/info/20005/roads_and_pavements/99/roads_information/2

49 Inverness City Centre Parking Report and Draft Action Plan, 3 December 2015 PDI Committee, page 23.

Appendix 3 Standard Transport Requirements

- **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	Cairngorms National Park
<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 	<ul style="list-style-type: none"> • Aviemore

Electric Vehicle Charging

3.25 HITRANS are developing an E-Vehicle Charging Strategy and developers should expect to contribute towards the delivery of this strategy through the provision of e-vehicle parking spaces and charging point infrastructure. In the interim, all developments are **strongly encouraged** to consider present and emerging E-vehicle charging needs.

3.26 As a minimum, the **Council expects** that ducting / connections from homes and other buildings to parking spaces is provided to allow charging equipment to be installed in the future. For developments which involve Scottish Planning Policy (SPP)'s Parking Restraint Policy – National Maximum Parking Standards for New Development (Annex B), the Council **requires** such developments to provide no less than two E-Vehicle parking spaces with associated charging infrastructure. The location of these spaces requires to be agreed with the Council.

Traffic Signals

3.27 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 £37,360 whereas signalling a four arm junction could cost around £181,730.

Appendix 3 Standard Transport Requirements

Lighting

3.28 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

3.29 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 around £2,520 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.

Pàipear-taice 4 – Eisimpleirean Obraichte

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](#)⁽⁵⁰⁾ to obtain site specific advice.

50 https://www.highland.gov.uk/info/205/planning_-_policies_advice_and_service_levels/785/planning_advice_-_pre-application_advice

Appendix 4 Worked Examples

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

Summary of Developer Contributions		
Infrastructure / Service Type	Answer	Contribution Rate (per house)
Schools - Primary - Build Costs	Major Extension / New School	£7,359
Schools - Primary - Land Costs	Smithton, Inverness (New School at Inverness East)	£1,840
Schools - Secondary - Build Costs	Major extension / new school	£3,482
Schools - Secondary - Land Costs	Culloden Academy (New School at Inverness East)	£871
Cumulative Transport Contributions	Inverness East – Development Brief Area	£2,683
Sub-Total		£16,235
<i>Single House Discount (80% applied to schools & cumulative transport contributions only)</i>		- £12,988
Sub-Total		£3,247
Community Facilities	-	-
Affordable Housing	-	-
Standard Transport Requirements	Extended Footpath	£758
Green Infrastructure	-	-
Water and Waste	-	-
Public Art	-	-
Total		£4,005
All costs are subject to indexation and reflect Q2 2018		

Example A - Calculation Breakdown

- Schools - Primary:** The Primary School has a capacity of 349 pupils and the School Roll Forecasts (SRFs) indicate that the school roll is currently at 317 pupils. The school is already over 90% capacity with the roll forecast to continually rise peaking at 148 pupils over the school's 90% capacity threshold by 2032/33. A contribution towards a major extension / new primary school is therefore required, plus associated land costs. In this worked example a hypothetical land cost at around 25% of the major extension / new school build rate has been applied. Actual land costs on a school catchment area basis are however available via the Council's [LDP Delivery Programmes](https://www.highland.gov.uk/info/178/local_and_statutory_development_plans/809/delivery_programmes) ⁽⁵¹⁾.

51 https://www.highland.gov.uk/info/178/local_and_statutory_development_plans/809/delivery_programmes

- **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 school is already over 90% capacity with the roll forecast to continually rise peaking at 519 pupils over the school's 90% capacity threshold by 2032/33. A contribution towards a major extension / new secondary school is therefore required, plus associated land costs.
- **Cumulative Transport Contributions:** As the development falls within the Inverness East Development Brief area, a contribution is required towards East Link and Inshes Corridor at £2,734 at Q4 2017.
- **Small Scale Development Site Discount:** Whilst the site falls within a Development Brief area, the development is still 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.
- **Community Facilities:** N/A - below contribution threshold of four or more homes.
- **Affordable Housing:** As the original land holding has not been sub-divided, there is no requirement for a single house development to contribute at present.
- **Standard Transport Requirements:** In this example adequate provision is in place with the exception of footpath provision where an additional 2.5 metre section of a 3 metre wide path is required to connect the development to the existing network. Path costs are £302,880 per km / £303 per metre x 2.5m = £758.
- **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.

Appendix 4 Worked Examples

Example B - Indicative Development - Single House (Rural Area)

Summary of Developer Contributions		
Infrastructure / Service Type	Answer	Contribution Rate (per house)
Schools - Primary - Build Costs	2 Classroom Extension	£2,041
Schools - Primary - Land Costs	-	-
Schools - Secondary - Build Costs	No Capacity Constraints	-
Schools - Secondary - Land Costs	-	-
Cumulative Transport Contributions	-	-
Sub-Total		£2,041
<i>Single House Discount (80% applied to schools & cumulative transport contributions only)</i>		- £1,633
Sub-Total		£408
Community Facilities	-	-
Affordable Housing	-	-
Standard Transport Requirements	-	-
Green Infrastructure	-	-
Water and Waste	-	-
Public Art	-	-
Total		£408
All costs are subject to indexation and reflect Q2 2018		

Example B - Calculation Breakdown

- **Schools - Primary:** In this case, the Primary School has a capacity of 188 pupils and the SRFs indicate that the school roll is currently at 169 pupils. The school is already at 90% capacity with the roll forecast to continually rise peaking at 49 pupils over the school's 90% capacity threshold by 2032/33. A contribution towards a two classroom school extension is therefore required.
- **Schools - Secondary:** The secondary school has a capacity of 360 pupils and a current roll of 200 pupils. The roll is forecast to marginally increase with the school remaining 100 pupils under capacity. As the school is forecast to remain under 90% of its capacity, no secondary school contributions would be required.
- **Cumulative Transport Contributions:** Whilst these apply to all types of development, this hypothetical example falls out with any identified contribution zone or Development Brief area.
- **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.
- **Community Facilities:** N/A - below contribution threshold of four or more homes.
- **Affordable Housing:** There is no requirement for a single house development to contribute at present.
- **Standard Transport Requirements:** 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.

Appendix 4 Worked Examples

Example C - Indicative Development - Development of 80 Homes (Large Settlement - Allocated Site)

This hypothetical example comprises a 60 house and 20 Flats (2 bedroom) development on an allocated LDP site.

Summary of Developer Contributions			
Infrastructure / Service Type	Answer	Contribution Rate (per house)	Contribution Rate (per flat)
Schools - Primary - Build Costs	Major Extension / New School	£7,359	£4,171
Schools - Primary - Land Costs	-	-	-
Schools - Secondary - Build Costs	No Capacity Constraints	-	-
Schools - Secondary - Land Costs	-	-	-
Cumulative Transport Contributions	-	-	-
<i>Small scale development discount (applied to schools & cumulative transport contributions only)</i>	N/A	-	-
Community Facilities	Sports Centre	£1,019	
Sub-Total Per Home		£8,378	£5,190
Development Sub-Total	60 x Houses and 20 x Flats	£502,680	£103,800
Affordable Housing	25% - On-site Provision	-	
Standard Transport Requirements	Pedestrian Crossing and Bus Shelter	£42,410	
Green Infrastructure	-	-	
Water and Waste	Recycling Point and Glass Banks	£1,510	
Public Art	On-site Provision	-	
Development Total		£650,400	
Total Per Home		£8,130	
All costs are subject to indexation and reflect Q2 2018			

Example C - Calculation Breakdown

- Schools - Primary:** In this example the development is already accounted for in the SRFs. The Primary School has a capacity of 230 pupils and the SRFs indicate that the school roll is currently at 200 pupils. The school is currently at 87% capacity with the roll forecast to continually rise with the school reaching 90% capacity in 2023/24 and the roll peaking at 75 pupils over the school's 90% capacity threshold by 2032/33. As the school is forecast to be at or above 90% capacity for five or more years forecast, and the

roll peaks at over 50 pupils above the school's 90% capacity threshold, a major extension or new school is required. In this case, there is scope and adequate land for a major extension and therefore no additional land costs would apply.

- **Schools - Secondary:** Again in this example the development is already accounted for in the SRFs. The secondary school has a capacity of 600 pupils and a current roll of 450 pupils. The roll is forecast to marginally increase with the school remaining 100 pupils under capacity. As the school is forecast to remain under 90% of its capacity, no secondary school contributions would be required.
- **Cumulative Transport Contributions:** Whilst these apply to all types of development, this hypothetical example falls out with any identified contribution zone or Development Brief area.
- **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.
- **Community Facilities:** The need for a new sports centre is identified in the LDP Delivery Programme and residential developments in the settlement require to contribute towards its provision.
- **Affordable Housing:** There is a requirement for the delivery of 25% affordable housing in this area. In this example, 20 affordable flats are to be provided on-site. 15% of these affordable homes require to be wheelchair liveable. In this case this equates to 3 homes which could be provided at the ground floor level of the proposed flats.
- **Standard Transport Requirements:** 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 £37,360 and is required for safer routes to schools. A new bus shelter is also required at £5,050 with this cost reflecting favorable 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 considered to significantly expand the settlement and is not served by an existing recycling point within 1km. Onsite recycle point provision is therefore required together with a contribution of £1,510 for glass banks.
- **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.

Appendix 4 Worked Examples

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

4.1 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
Cumulative Transport Contributions	-
Standard Transport Requirements	£TBC - informed by site specific Transport Assessment
Green Infrastructure	-
Water and Waste	On-site provision + £1,510 for glass banks
Public Art	On-site provision
Total	£TBC
All costs are subject to indexation and reflect Q2 2018	

Example D - Calculation Breakdown

- **Cumulative Transport Contributions:** Whilst these apply to all types of development, this hypothetical example falls out with any identified contribution zone or Development Brief area.
- **Standard Transport Requirements:** 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 both pedestrian and 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. Onsite recycle point provision is therefore required together with a contribution of £1,510 for glass banks.
- **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.



**The Highland
Council
Comhairle na
Gàidhealtachd**

New School Build Costs - Background Supporting Evidence

1. Introduction

1.1 In mid-2017 through joint working with the Care and Learning Service, the Development Plans Team undertook a review of new school costs alongside the review of the School Roll Forecasts (SRFs). The SRFs highlighted the need for several new schools in Inverness to support future development. Based on analysis of new school costs in Highland, and benchmarking against other Local Authorities, it was agreed to review and, if necessary, update the costs for new and calculated school infrastructure which inform developer contributions towards school provision. Table 1.1 outlines the school contribution requirements which are based on the information set out at Para 3.49 of the Developer Contributions Supplementary Guidance (DCSG), adopted March 2013.

Table 1.1 - DCSG School Contributions, March 2013				
	Capacity	Cost (ex. land)	Cost per pupil	Cost per house
Primary	200 pupils	£8.5m	£42,500	£12,750
Secondary	800 pupils	£28m-£35m	£35,000 - £43,750	£4,550 - £5,690
<i>*Costs subject to indexation from Q2 of 2012</i>				

1.2 The initial review concluded that within the Inverness associated schools groups new school rates should apply as per Table 1.2.

Table 1.2 - New Build School Rates to be Applied					
	Capacity	Cost (ex. land)	Cost per pupil	Cost per house	Cost per flat
Primary	434 pupils	£10.1m	£23,276	£6,983	£901
Secondary	1,470 pupils	£39m	£26,530	£3,449	£217
<i>*Costs subject to indexation from Q2 of 2017</i>					

1.3 It also concluded that the school extension rates at Table 1.3 should apply.

Table 1.3 – Extension Rates to be Applied				
	As Per Published Guidance <i>(reflecting Q2 2012 costs)</i>		Extension Rates to be Applied <i>(indexed to Q2 2017: factor 1.265)</i>	
	Primary	Secondary	Primary	Secondary
1 Classroom				
Houses	£2,013	£1,039	£2,546	£1,314
Flats	£260	£65	£329	£82
2 Classrooms				
Houses	£1,598	£825	£2,021	£1,044
Flats	£206	£52	£261	£66

- 1.4 A report outlining the initial findings of the review was considered by the [16 August 2017 Places Committee](#)¹ where it was agreed that with immediate effect these new school rates should be applied in areas where there is a demonstrable need for new schools to support development within the Inverness associated schools groups' catchment areas.
- 1.5 The figures quoted in the draft DCSG (consultation January 2018) reflect those reported to the 16 August 2017 Places Committee with the exception that these figures have been index linked (using the BCIS All-In TPI) and new rates are proposed in relation to two bedroom flats, as set out within the [School Pupil Product Ratio Review](#)², September 2017.

2. New Secondary School Costs

- 2.1 The new secondary school costs set out in the draft DCSG are based on the recent redevelopment cost for the Inverness Royal Academy (£39m) which has capacity for 1,470 pupils. This equates to **£26,530** per secondary school pupil.
- 2.2 The Inverness Royal Academy costs were compared with the [Scottish Futures Trusts' Community Infrastructure Benchmark Database](#)³ of six new secondary school completions, as set out in Table 2.1, which highlighted an average cost of **£33,957** per secondary school pupil at Q3 2017 (downloaded on 13/02/18).

Secondary School	Pupils	Cost (Q3 2017)	Cost per Pupil	SQM	Sqm per Pupil	Cost per sqm
Auchmughty	1,300	£42,326,146	£32,559	14,087	10.84	£3,005
Barrhead	800	£27,966,566	£34,958	11,507	14.38	£2,430
Brechin	800	£30,754,722	£38,443	11,292	14.12	£2,724
Eastwood	1,220	£34,812,384	£28,535	13,887	11.38	£2,507
Forfar	1,270	£46,218,704	£36,393	18,038	14.20	£2,562
Lasswade	1,480	£48,622,868	£32,853	18,848	12.74	£2,580
Average	1,145	£38,450,232	£33,957	14,610	12.94	£2,635

- 2.3 The school completions in the database are predominantly central belt based and therefore these construction projects have access to a wider labour market and less travel time for the transportation of materials. The exceptions to this are the more rural completions where the secondary school rates are significantly higher, notably for Brechin and Forfar.
- 2.4 By comparison, the Inverness Royal Academy cost is less than all of the other secondary school costs per pupil in the SFT database and around 22% less than the average Secondary school rates in the SFT database. In light of this analysis it is felt that the Inverness Royal Academy per-pupil costs of £26,530 are suitable to be applied through the DCSG with index linking as appropriate.

¹ https://www.highland.gov.uk/meetings/meeting/3864/places_committee

² <http://consult.highland.gov.uk/file/4874013>

³ <https://benchmarkdata.scottishfuturestrust.org.uk/>

3. New Primary School Costs

3.1 The new primary school costs in the draft DCSG are based on undertaking analysis of a sample of other Local Authority rates. Table 3.1 details the new primary school costs authorities recently published developer contributions guidance which were used for benchmarking.

Planning Authority	Rate Per Pupil (Q3 2016) Excluding Land Costs	Working
Perth & Kinross	£23,923	
East Renfrewshire	£22,693	£20,407 at Q2 2014 indexed to £22,693 at Q3 2016 (288/259 = 1.112) based on BCIS All In TPI published Indices at 31 March 2017.
Moray	£22,523	
Average	£23,046	£23,046 at Q3 2016 indexed to £24,298 at Q3 2017 (291/276 = 1.0543) based on BCIS All In TPI published Indices at 29 September 2017.

3.2 Since running this initial benchmarking exercise in mid/late 2017, Moray Council have consulted on [revised draft guidance](#)⁴ with a new primary school rate of £26,323 per pupil. Aberdeen City Council have also recently adopted their [guidance](#)⁵ with a rate of £32,258 per pupil (2 stream school) and £26,113 per pupil (3 stream school), plus land costs. These rates were however considered not to be representative due to the additional construction costs associated with building in this location (poorer ground conditions / extra travel distance involved).

3.3 In arriving at a Highland-wide rate for primary schools, the Council also considered applying the costs of recent primary school completions in Fort William as per Table 3.2.

Primary School	Cost (M)	Planning Capacity	Cost per Pupil
Gaelic School*	£9	150	£60,000
Lundavra	£12	317	£37,855
Caol/St Columba's	£14	284 + 150	£32,258
Total	£35	901	£38,846 (Average)
<i>* The Gaelic school was designed as a single stream school (up to 8 classrooms) but only four classrooms are built to date. Costs have therefore been amended to be based on adding a four classroom extension to give a more accurate representation of the costs per pupil.</i>			

3.4 The proposed draft DCSG costs were compared with the [Scottish Futures Trusts' Community Infrastructure Benchmark Database](#)⁶ of eight new primary school completions, as set out in Table 3.3, which highlighted an average cost of **£24,281** at Q3 2017 (downloaded on 13/02/18).

⁴ http://www.moray.gov.uk/moray_standard/page_114647.html

⁵ https://www.aberdeencity.gov.uk/sites/aberdeencity-cms/files/Planning%20Obligations_0.pdf

⁶ <https://benchmarkdata.scottishfuturestrust.org.uk/>

Primary School	Pupils	Cost (Q3 2017)	Cost per Pupil	Sqm	Sqm per Pupil	Cost per sqm
Bellsmyre	544	£10,452,544	£19,214	3,510	6.45	£2,978
Burntisland	660	£15,153,825	£22,960	4,931	7.47	£3,073
Crieff	434	£11,837,687	£27,276	4,201	9.68	£2,818
Lenzie Moss	560	£12,731,556	£22,735	3,966	7.08	£3,210
Oakbank	392	£11,179,195	£28,518	4,063	10.36	£2,751
Redwell	440	£11,307,187	£25,698	3,749	8.52	£3,016
St Flannan's	300	£8,570,608	£28,569	2,172	7.24	£3,946
Woodhill	705	£13,592,246	£19,280	4,334	6.15	£3,136
Average	504	£11,853,106	£24,281	3,866	7.87	£3,116

3.5 Again, as per the secondary schools, the primary school completions in the database are predominantly in the central belt where construction projects have access to a wider labour market and less travel time for the transportation of materials. The exceptions to this are the more rural completions where the primary school rates are slightly higher, notably for Crieff and Oakbank (in Perth and Kinross). However these costs are still around 30% less than the recent Fort William school costs.

3.6 In summary, the SFT Database new primary school completion costs reinforce that the initial planning authority benchmarking cost exercise was sufficiently robust with the SFT average cost per pupil (£24,281) being almost identical to the new build equivalent primary school costs set out in the draft DCSG (£24,298 at Q3 2017). It is therefore felt that the draft DCSG new build equivalent primary school costs are appropriate to be applied through the final DCSGs with index linking to be calculated the point an application is determined.

4. Major Extension School Costs

4.1 The draft DCSG proposes that new school equivalent primary and secondary school rates also apply where a major extension of more than two classrooms is required. This is because the provision of a major extension is anticipated to cost the same per m² as a new school provision.

4.2 Details of all large scale extensions of more than two classrooms (with a minimum 276 sqm which equates to three classrooms) recorded in the [Scottish Futures Trusts' Community Infrastructure Benchmark Database](https://benchmarkdata.scottishfuturestrust.org.uk/)⁷ are reported at Table 4.1, reflecting costs at Q3 2017 (downloaded on 13/02/18). These projects relate to primary schools as there are no benchmark examples of major secondary school extension projects.

⁷ <https://benchmarkdata.scottishfuturestrust.org.uk/>

Table 4.1 - SFT Benchmark Database Major Extension School Costs						
Primary School	Pupils	Cost (Q3 2017)	Cost per Pupil	Sqm	Sqm per Pupil	Cost per sqm
Broughton	120	£964,373	£8,036	403	3.36	£2,393
Carnegie	140	£2,220,009	£15,857	521	3.72	£4,261
Clermiston	120	£1,118,944	£9,325	404	3.37	£2,770
Craigour	180	£1,460,226	£8,112	667	3.71	£2,189
Flora Stevenson	90	£1,135,027	£12,611	281	3.12	£4,039
Gilmerton	120	£1,189,818	£9,915	436	3.63	£2,729
James Gillespie's	60	£1,205,533	£20,092	404	6.73	£2,984
Rosewell	90	£1,395,475	£15,505	664	7.38	£2,102
Simpson	60	£2,269,505	£37,825	668	11.13	£3,397
St David's	120	£1,073,424	£8,945	456	3.80	£2,354
Trinity	140	£1,114,428	£7,960	424	3.03	£2,628
Victoria	90	£915,685	£10,174	335	3.72	£2,733
Windygoul	245	£4,393,900	£17,934	1,633	6.67	£2,691
Average	121	£1,573,565	£14,023	561	4.87	£2,867

- 4.3 The findings indicate that the average cost of large scale extensions significantly less per pupil than new build schools. However, these costs are based on lower space standards of around 4.9 sqm in comparison to 7.9 sqm provided within new build schools. This is due to these large scale extensions utilising the existing facilities within the school. It is therefore not clear from the database if these recently extended school capacities meet the Scottish Governments requirements in terms of the number of general practice rooms in addition to standard teaching classrooms.
- 4.4 To help confirm the appropriate costs for school extensions we have reviewed the actual project costs per sqm of additional floorspace provided. For all of the new schools in the SFT database (six secondary schools and eight primary schools), these equate to an average cost of **£2,910** per sqm. Comparably, the 14 major school extensions equate to a marginally lower cost of **£2,867** per sqm, **£43 per sqm / c.1% less**.
- 4.5 In the interest of the Council maintaining the flexibility to provide either a large school extension or a new school to resolve future capacity constraints, this degree of variation is considered to be acceptable and well within usual project cost variations from site to site. These SFT findings therefore provide sufficient justification to apply the flat primary and secondary 'New School Equivalent Rates' proposed in the draft DCSG wherever large school extensions may be required.

5. Conclusion

- 5.1 This paper provides the necessary supporting evidence to justify the Council's proposed 'New School Equivalent Rates' as set out in the draft DCSG. It also provides sufficient justification to apply this rate to schools requiring a major extension of three or more classrooms. The finalised DCSG will therefore take the rates set out in the draft DCSG and index these forward to reflect the current quarter of the BCIS All-In TPI.

END

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