



## **Local Development Plan 2017: Draft Amended Supplementary Guidance**

### **Supplementary Guidance No. 7**

#### **Developer Obligations: Methods for Calculation**

To comply with Policies RD1: Providing suitable services and RD2: Developers' obligations, set out in the "Responsibilities of Developers" section of the Plan, a Developer Obligations package may be required. This will be detailed in a Developer Obligations Assessment Report, carried out by the Developer Obligations team, which assesses the level of proportional contributions required towards developer contributions and affordable housing.

Requirements in respect of affordable housing are set out in Policy H2 Affordable Housing.

#### ***Reasoned Justification***

The aim of this Supplementary Guidance is to set out the methodology employed in calculating the level of Developer Obligations which may be required as a result of new development.

In order to provide transparency, standardised charges and formulae form the framework for calculations dependent on site specific requirements. The Settlement Statements set out the key requirements for facilities and likely infrastructure which development is required to contribute to proportionally.

Any Developer Obligations sought must be linked to the specific development and meet the tests set out on Circular 3/2012

**Necessary** To make the proposed development acceptable in planning terms.

**Serve a planning purpose** and where it is possible to identify infrastructure provision requirements in advance, should relate to development plans.

**Relate to the proposed development** either as a direct consequence of the development *or* arising from the cumulative impact of development in the area.

**Fairly and reasonably relate in scale and kind-** to the proposed development.

**Be reasonable-** in all other respects.

#### ***What are Developer Obligations sought for, and how will these be assessed?***

Proportional contributions may be sought from all types of development creating new housing units or commercial floor space to address the cumulative impact on infrastructure. The developer is not expected to account for existing deficiencies, but to ensure that any proposed development does not generate additional pressures on existing infrastructure to the detriment of the amenity of existing residents.

Proportional contributions are based on the impact of the development on existing infrastructure and amenity of the settlement in which the development is based. This also applies to infrastructure which although not located within the settlement, directly serves the development elsewhere.

Infrastructure requirements for each proposal vary, and in some instances it may be more cost effective for the developer to mitigate the impact of their development on such infrastructure through works in kind. If further infrastructure requirements are discovered through the planning process additional to elements identified through initial assessment, these will also be taken into account.

Infrastructure requirements to support proposed developments are assessed on a case by case basis, as each site is considered on its individual merit. Infrastructure requirements are generally set out in the Settlement Statements.

Providing infrastructure necessary to allow a development to proceed may require the Council to incur costs while working in partnership with developers, or through upfront investment by the Council. Council expenditure to support development requires to be recouped at a later date. This accords with Circular 3/2012, which indicates that Local Authorities can consider requesting proportional payments from subsequent developments that benefit from that investment until the costs have been recovered in line with the agreed planning obligation/legal agreement.

Developer Obligations Assessments are carried out for each qualifying planning application by the Developer Obligations Team, through consultation from the Development Management Case Officer. Qualifying applications are those that create new housing units or commercial floor space. The Developer Obligations team establishes where mitigation is required, working with internal and external agencies to ensure evidence is provided to support any required contribution. Consideration is made to any concurrent applications pending to ensure mitigation is proportionate to the level of development proposed. During the assessment process, each policy test is considered and where all policy tests are met, and sufficient evidence is provided this will result in a requirement for a contribution. Developers are encouraged to engage with the Team as part of pre-application discussions prior to the submission of an application for planning permission. This will enable developers to ascertain the likely level of contribution required by a proposed development.

For Planning Permission in Principle applications, where specific details of development are unknown, rates are based on location either per standard house unit, or per sqm for commercial/retail premises.

A summary of the types of development and possible obligations is outlined below:

- Residential Development: All proposals which involve the creation of a new dwellinghouse. *(In cases where multiple related applications may be received, consideration will be given to the cumulative impact of the developments and contributions sought for the infrastructure impact)*
- Commercial Development: All development which requires identified Local Transportation mitigation measures.
- Other applications where the Development Management service considers the proposal to be of a scale or type of development approach to consult with the Developer Obligations team

TYPE OF OBLIGATION	RESIDENTIAL	COMMERCIAL
Local Transportation	✓	✓
Education	✓	
Healthcare	✓	
Community Facilities	✓	
Sports & Recreation	✓	
Waste	✓	

### ***Development Viability***

Aberdeenshire Council acknowledges that unforeseen costs can affect development viability and may take this into account dependent upon circumstances. There is an expectation for all developers to undertake a full viability appraisal at the outset of their development which takes into account all likely costs including developer obligations and affordable housing in accordance with Policy RD2: Developers' Obligations and Policy H2: Affordable Housing. Aberdeenshire Council cannot take into account issues of viability where this has not been prepared.

For unforeseen costs to be taken into account the developer is required to prepare and submit an independent and verified Development Viability Statement. This allows a comparison of costs to be evaluated against projected value.

The Viability Statement must be prepared by an independent qualified professional and provide the following;

- A dated copy of the original viability appraisal setting out the allowances made for developer obligations.
- Cost plans providing estimates which include a detailed breakdown, produced in accordance with RICS published costing data.
- Detailed specifications (including external works) to provide itemised information on all development costs pertaining to the proposed development produced by a RICS accredited firm.
- Verified site valuation at time of application submission
- Projected market valuations for each property within the development.
- An indication of the timescales within which each property would be marketed and sold and, where appropriate, development phasing information.
- A Report detailing the financial implications of the additional costs and their implications for the viability of the development.

Due to the commercially sensitive nature of viability appraisals information provided will be dealt with in strict confidence. However, the full Developer Obligations Assessment Report shall be publically available once a planning decision has been made.

### ***How will Developer Obligations be secured and managed?***

Developer Obligations may be secured through upfront payments under Section 69 of the Local Government (Scotland) 1973, Section 48 of the Roads (Scotland) Act 1984 or a Planning Obligation under Section 75 of the Town and Country Planning (Scotland) Act 1997 (as amended).

#### **Upfront Payments**

The applicant must enter into an agreement with Aberdeenshire Council in terms of Section 69 of the Local Government (Scotland) Act 1973.

Where an upfront payment is required, this must be concluded before planning permission can be issued, the applicant is advised to ensure this is the final matter to be concluded before planning permission is issued.

## Phased payments

The council will consider phasing payment of Developer Obligations in accordance with the phasing of the development and based on evidenced completions. Phased payments require a legal agreement to set out the terms and conditions of phased payments. Agreement on timing of payment will be included in the legal agreement with the addition of any specific clauses which relate to the proposal. Payments will be index linked in accordance with this guidance and dates as set out in the assessment report with reference to the General Building Cost Index as published by the Building Cost Information Service of the Royal Institute of Chartered Surveyors or such other index as the Council and developer may agree.

## Management of funds

Contributions, identified individually, are currently held in the Council's balance sheet in a unique account to which notional interest, unless otherwise stipulated, is added on a monthly basis. In the event of a repayment of contribution the interest added will be calculated to reflect, in addition, compounding on an annual basis.

The council undertake to spend contributions received in respect of an appropriate project or projects in line with the detail of assessment within 7 years of the date when contributions are paid. For developments involving phased payment of developer obligations the 7 year period for spending contributions shall commence on the date that the final phased payment is made to the Council. In the event of the contribution or part of it not being spent within this time period the contribution or part will be refunded to the applicant or their nominee along with relative interest accrued.

## TYPES OF OBLIGATIONS AND THE METHODOLOGY FOR CALCULATING THE REQUIRED CONTRIBUTION

Some contributions within this Supplementary Guidance are calculated on the basis of a Standard House Unit Equivalent (SHUE). This is to take account of the impact that larger properties may have on infrastructure. The figures below calculate the contribution required. A three bedroomed house is taken as a standard sized unit: SHUE.

1 bed = 0.6
2 bed = 0.8
3 bed = 1 'standard sized unit'
4 bed = 1.2
5 bed = 1.4
6 bed = 1.6

Where an application is received for Planning Permission in Principle and the precise mix of units is not available then a formula may be included within the agreement to allow the contribution to be calculated based on the *final* mix proposed or a subsequent assessment undertaken.

All rates as set out in this guidance are correct as of Q1 2016 and will be reviewed and published on an annual basis in line with the General Building Cost Index as published by the Building Cost Information Service of the Royal Institute of Chartered Surveyors. The published index linked rate for the year the application is submitted will be used in the assessment report.

## LOCAL TRANSPORTATION

All developments, will be assessed in terms of their impact on the local transport network and may be required to mitigate these impacts. All developments, where impacts requiring mitigation have been clearly identified, will make an appropriate contribution towards local transport infrastructure and / or services related to that development, to ensure that the required facilities / infrastructure provision is in place in time to mitigate the impacts of the development.

## EDUCATION

### When and where do they apply?

In order to ensure the necessary infrastructure is delivered timeously to meet the required need, mitigation will be sought from all residential development where the primary and/ or secondary school roll cumulatively along with other identified development is projected to exceed 100% of the published school capacity in the 5 years following the submission of a planning application for housing.

The required additional capacity will be provided by the most appropriate method by either a permanent extension, reconfiguration of the existing building to provide additional classroom space, or through the erection of a new build school. As these separate methods have differing associated costs, separate rates will be applied. These rates are identified in the tables below. If the necessary capacity required by a development can be delivered through a rezoning exercise then a contribution will be sought towards the cost of the rezoning consultation.

### How is the contribution calculated?

Calculations for each development are based upon the content of the Housing Land Audit (HLA) and school roll forecasts (SRF) for Aberdeenshire using the following formula:

$$\text{Average Number of Pupils Over Capacity} * \text{Rate of Mitigation} = \text{Contribution}$$

Contributions are calculated on the basis of the average number of pupils over capacity over the 5 year period following the submission of a planning application.

\*The average number of pupils over capacity shall be expressed as a percentage of the number of houses proposed by a development against the total number of houses built during the 5 year period.

Contributions relating to applications for Full Planning Permission and Matters Specified in Conditions shall be calculated using Standard House Unit Equivalent. This shall ensure that contributions are proportionate and related in scale and kind to the development proposed.

Where the phasing of development increases the build out period beyond 5 years, contributions for the extended period of development and remaining housing units shall be calculated using the following formula:

$$\text{Number of Houses Remaining} * \text{Relevant Pupil Product Ratio} * \text{Rate of Mitigation}$$

## Rates

The rates per pupil as set out below are in line with the Scottish Futures Trust space standards and rates per sqm, index linked.

### Primary Education

TYPE OF MITIGATION	RATE PER PUPIL
New Build (232-462 capacity)	£21,375.00
New Build (463+ capacity)	£18,525.00
Permanent Extension	£18,525.00
Reconfiguration	£7,833.00
Rezoning	£3,820.00

### Secondary Education

TYPE OF MITIGATION	RATE PER PUPIL
New Build (801-1200)	£26,147.00
New Build (1200+)	£23,770.00
Permanent Extension	£23,770.00
Reconfiguration	£10,444.00
Rezoning	£3,820.00

## Land Requirements

On larger developments, where the development as a whole or as part of a masterplan, generates the need for a new school, the developer will be required to reserve and provide an appropriate sized area of land for a school based on the following:

### Primary School:

5.5 acres (2.2 hectares) (based on a 232-460 place community school)

7 acres (2.8 hectares) (based on a 460+ place community school)

### Secondary School:

26 acres (10.5 hectares) (based on a 1200 place community school)

The area of land required for secondary school provision is dependent upon the capacity of the proposed school.

Consultation should be undertaken with the Council in respect of the location of any school sites as part of a development. The provision of reasonably flat serviced land at market value shall be incorporated into the level of education contribution generated by the proposed development.

## HEALTHCARE FACILITIES

Healthcare facilities can include General Medical Services (GMS), Dental Services and Community Pharmacies.

Scottish Health Planning Notes provide national guidance on standards and specification for healthcare facilities.

### When and where does it apply?

Applies to all residential developments where the capacity of existing facilities will be exceeded as a result of the development. Site specific requirements are identified in the Settlement Statements.

The baseline is identified as the recommended number of patients of 1500 per General Practitioner (GP). Contributions may be sought for a new build facility, permanent extension or internal reconfiguration works to provide additional capacity.

### How is the contribution calculated?

$\text{No of SHUE} \times \text{Relevant Rate} = \text{Contribution}$
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The Scottish Health Planning Notes identify a floorspace requirement per GP of 271sqm, with each GP capable of accommodating a maximum of 1500 patients. Primary healthcare provision now also includes a number of Community Health Partnership (CHP) facilities located within the same facility. Additional floorspace is therefore included for this element.

The total project cost is based on information provided within the Quality & Efficiency document produced by Scottish Futures Trust, updated to Q1 2016. The Build Cost per Square metre is then multiplied by floor area, patients per GP, and the average household size which results in the relevant contribution.

REQUIRED MITIGATION	CONTRIBUTION PER SHUE
Permanent Accommodation	£1,340.00
Internal Reconfiguration	£788.00

For development sites where a new build facility is proposed then a proportionate land contribution may also be required. This shall be in the form of flat serviced or a financial contribution. The provision of land shall be incorporated into the level of healthcare contribution generated by the proposed development. The market value of the land shall be based upon its use as a site for a healthcare facility only.

## WASTE AND RECYCLING FACILITIES

Development may generate a need for new or additional waste and recycling facilities to service the growing population. Schedule 3 and the Supplementary Guidance Settlement Statements identify where there is a requirement for new or replacement facilities to serve communities in line with the Updated Integrated Sustainable Waste Management Strategy for Aberdeenshire 2001-2020.

Contributions are calculated at a cost per standard house unit equivalent and will be spent on facilities that serve the local population. Costs per household for each type of facility are based are set out in the table below.

TYPE OF FACILITY	CONTRIBUTION PER SHUE
Household Waste & Recycling Centre	£233.00
Waste Transfer Station/Bulking Point	£128.00

## COMMUNITY HALLS

Community halls include provision such as town, community and village halls.

### When and where do they apply?

In order to ensure the necessary infrastructure is provided to meet the needs of residents, mitigation will be sought from all residential development where it has been identified that as a result of new development additional capacity within existing facilities or the creation of new facilities would be required.

As guided by Circular 3/2012, contributions will not be used to resolve existing deficiencies in infrastructure provision or to the achievement of wider planning objectives which are not strictly necessary to allow permission to be granted for the particular development.

Contributions may be required where the capacity of existing facilities shall be impacted by new development, subsequently detracting from the amenity of existing residents unless mitigation is implemented. Financial contributions may be secured towards internal reconfiguration works to enhance the capacity of the building, additional works in the form of an extension, or a new build facility. During the assessment process detailed consultation is undertaken with relevant services.

The required additional capacity will be provided by the most appropriate method, by either re-configuration of existing community halls where possible, or through the erection of an extension or a new community hall. As these separate methods have different associated costs, separate rates will be applied. These rates are identified in the table below.

### How is the contribution calculated?

The level of contribution is calculated on the requirement of 0.75sqm of community hall per dwellinghouse for developments of all sizes in line with recommended standards.

$\text{No of SHUE} \times \text{Relevant Rate} = \text{Contribution}$
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REQUIRED MITIGATION	CONTRIBUTION PER SHUE
Permanent Accommodation	£1,267.00
Internal Reconfiguration	£709.00

## **SPORTS & RECREATION FACILITIES**

Sports & Recreation facilities include both indoor and outdoor facilities including sports halls, football pitches, rugby pitches, all weather pitches, multi-use games areas, cricket pitches and any supporting facilities.

### **When and where do they apply?**

In order to ensure the necessary infrastructure is provided to meet resident's needs, mitigation will be sought from all residential development where it has been identified that as a result of new development an impact on existing facilities would occur.

As guided by Circular 3/2012, contributions will not be used to resolve existing deficiencies in infrastructure provision or to the achievement of wider planning objectives which are not strictly necessary to allow permission to be granted for the particular development.

### **How is the contribution calculated?**

A requirement for Sports & Recreation contributions is determined based on population numbers, current provision, usage, and the impact of the proposed development. As Sports & Recreation facilities usage serves the wider community, assessment is undertaken on the basis of academy catchment, which relates directly to the proposed development. Any contributions secured will be expended within the relevant academy catchment.

Where development is likely to have an impact on indoor and or/outdoor sports facilities resulting in a requirement of mitigation, it will usually be identified in the Settlement Statements, and relevant Community Action Plan. Further consultation may also be required with internal services to establish how each facility is impacted by the proposed development to further evidence any required contributions.

The required mitigation will be provided by the most appropriate method, by either re-configuration where possible to maximise use, extension to existing provision, or through the erection of new Sports & Recreation facilities. Furthermore, indoor and outdoor rates will differ and as these separate methods have different associated costs, separate rates will be applied. These rates are identified in the table below.

<b>TYPE OF FACILITY</b>	<b>CONTRIBUTION PER SHUE</b>
Outdoor Sports Facilities(New Build)	£863.00
Indoor Sports Facilities & Community Learning Hubs (New Build)	£1,303.00
Outdoor Sports Facilities (Reconfiguration)	£483.00
Indoor Sports Facilities & Community Learning Hubs (Reconfiguration)	£729.00