

M I D L O T H I A N C O U N C I L

**Supplementary Planning Guidance**

**AFFORDABLE HOUSING**

**A d o p t e d 6 M a r c h 2 0 1 2**

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## **1 Introduction**

- 1.1 Midlothian Council is committed to the delivery of housing to help meet the variety of housing needs arising in Midlothian communities. The Council seeks to work in partnership with the development industry to secure delivery of the allocated and committed housing sites in the Midlothian Local Plan (2008) (MLP). The Council considers it important that the affordable housing requirements set out in the MLP are delivered to help achieve sustainable communities and future sustainable economic growth in Midlothian.
- 1.2 Midlothian Council's own social housing programme is contributing significantly to the provision of affordable housing, with phase 1 of the programme delivering its 700<sup>th</sup> house in January 2012 and a total of 859 being expected by July 2012. A second phase of the new build programme at a further cost of £56 million has been agreed by the Council.
- 1.3 However, even with this contribution there is still substantial unmet need for affordable housing in Midlothian. This is demonstrated in the need identified in the findings of the Lothian Housing Needs and Market Study (2005), its 2008 update, and in the Council's housing list for affordable housing in Midlothian, which was at 4,588 households at the beginning of 2012.
- 1.4 Scottish Planning Policy and advice provides for local authorities to use affordable housing policies in development plans to secure affordable housing where an identified need has been established.
- 1.5 This Supplementary Planning Guidance (SPG) provides information to assist with the delivery of affordable housing required by the MLP. The delivery of affordable housing from the committed and allocated housing sites in the MLP has an important role in helping to meet identified current and future need for this housing in Midlothian.
- 1.6 This SPG does not directly relate to the Council's Social Housing Programme. References in this SPG to the social housing programme are made in order to provide contextual information on affordable housing provision in Midlothian.

## **2 Background and Purpose of the Supplementary Planning Guidance**

- 2.1 This SPG specifically addresses:
  - the requirements of policy HOUS4 Affordable Housing of the MLP and the requirements from existing housing commitments made in the 2003 Midlothian and Shawfair Local Plans;
  - encouragement of a flexible approach between the Council, developers, and affordable housing providers in the delivery of affordable housing;
  - affordable housing tenures that will be supported by the Council; and
  - mechanisms for delivering affordable housing and the use of commuted sums.

- 2.2 This SPG is directed at both housing sites to be primarily developed for private market housing, and at those to be developed largely, or solely, for what national planning policy and advice defines as affordable housing.
- 2.3 While the Midlothian Local Plan (2003) and Shawfair Local Plan (2003) are now superseded, this SPG re-affirms the affordable housing requirements of the housing commitments made in these local plans. These housing commitments were carried forward into the MLP and are shown in Appendix 1A of the MLP.
- 2.4 The affordable housing requirements of MLP policy HOUS4 Affordable Housing are based upon findings of the Lothian Housing Needs and Market Study (2005), and justified by the affordable housing need identified in that study. Both the study and policy HOUS4 were subject to the public local inquiry into unresolved objections to the Finalised Midlothian Local Plan (2006). The study and policy HOUS4 were supported by the Scottish Government Reporter appointed to conduct the inquiry. As referred to in paragraph 1.3 of this SPG, the 2008 update to the 2005 Lothian Housing Needs and Market Study, and the Council's current housing list, identify continuing affordable housing need in Midlothian.
- 2.5 This SPG relates to the MLP, and as stated in paragraph 1.5 of this document, it provides information to assist with the delivery of affordable housing required by the MLP. The MLP is based upon advice contained in the now superseded Planning Advice Note (PAN) 74 *Affordable Housing* rather than the more recent PAN2/2010 *Affordable Housing and Housing Land Audits*. However, this SPG takes into account as much of the advice in PAN 2/2010 as is practicable while still allowing the original aims of the adopted MLP policy HOUS4 *Affordable Housing* to be implemented.
- 2.6 The focus of policy HOUS4 is the delivery of affordable housing units, and this is reflected in the Council's preferred approach to securing such delivery as set out in Section 7 below. Having said that, this SPG has been prepared with a view to the Council responding flexibly to the current economic climate and its impact on development viability and, to that end, options within the Council's preferred approach are provided, and mechanisms such as staged payments for commuted sums are included, where these might assist the development industry to meet the MLP affordable housing requirements.
- 2.7 As stated in section 1 the Council's own social housing programme is making a significant contribution to meeting affordable housing need in Midlothian, however, even taking this into account there will still be an unmet need for affordable housing when the homes from that programme are delivered. This SPG aims to assist in the delivery of affordable housing to meet the remaining identified need and fulfil the requirements of the MLP.

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

- 3.1 This SPG uses the Scottish Government definition of affordable housing set out in Scottish Planning Policy (2010). It is broadly defined as "***housing of a reasonable quality that is affordable to people on modest incomes***".

3.2 PAN 2/2010 Affordable Housing and Housing Land Audits sets out that a range of tenures can contribute to affordable housing. These are:

Social rented:

- Housing provided at an affordable rent and usually managed locally by a Registered Social Landlord (RSL) such as a housing association, housing co-operative, local authority or other housing body regulated by the Scottish Housing Regulator.

Subsidised low cost housing for sale:

- Subsidised low cost sale - a subsidised dwelling sold at an affordable level. Discounted serviced plots for self build can contribute. A legal agreement can be used to ensure that subsequent buyers are also eligible buyers. In rural areas this may be achieved through a rural housing burden.
- Shared ownership - the owner purchases part of the dwelling and pays an occupancy payment to an RSL on the remainder.
- Shared equity - the owner pays for the majority share in the property with the RSL, local authority or Scottish Government holding the remaining share under a shared equity agreement. Unlike shared ownership, the owner pays no rent and owns the property outright.

Unsubsidised low cost housing for sale:

- Entry level housing for sale - a dwelling without public subsidy sold at an affordable level. Conditions may be attached to the missives in order to maintain the house as an affordable unit for subsequent purchasers.
- Shared equity - the owner purchases part of the dwelling, with the remaining stake held by a developer.

Mid-market or intermediate rent:

- Private rented accommodation available at rents below market rent levels in the area and which may be provided either over the medium or long term.

## **4 Requirement for Affordable Housing in Midlothian**

4.1 The Lothian Housing Needs and Market Study (2005) identified a total need for nearly 1800 extra affordable homes across Midlothian. The 2008 update study, referred to earlier in this SPG, demonstrated a continuing need for affordable housing for at least the next 10 year period which it covered.

4.2 The identified need in the 2005 study is compounded by a number of factors which contribute to the difficulties of meeting demand for affordable housing in Midlothian, notably: the reduction in housing owned by Midlothian Council, for example it fell from 8,200 homes in 1998 to 6,400 in early 2011, a drop of 22%, though the Council's Social Housing Programme is significantly increasing the amount of Council owned housing stock; the difficulties of housing associations and other affordable housing providers to secure land to deliver housing for rent and low cost home ownership; and the relatively low turnover rates of existing council and housing association properties.

- 4.3 The availability of housing which is affordable to many residents in Midlothian has been significantly reduced due to strong demand and shortage of supply. This strong demand for affordable housing is partly associated with Midlothian's proximity to Edinburgh and the higher average prices paid in the capital city for housing. This has led to some people who are unable to afford their preferred housing in Edinburgh, buying lower priced housing in Midlothian instead and being willing and able to pay more than Midlothian residents, in general, for housing, and thereby having a knock on effect on the ability of local residents to compete for housing within Midlothian's communities.
- 4.4 Demand for affordable housing is also reflected in the Council's housing list. At the beginning of 2012 there were 4,588 households on the list, which represents an 86% increase from March 2006 when there were 2,465 applicants on the list. This demand is spread across Midlothian's settlements, with the communities of Penicuik, Bonnyrigg/ Lasswade/ Poltonhall, and Dalkeith amongst the locations with highest demand. As at the end of 2011 demand was highest for smaller properties, typically 1 and 2 bedroom properties.

#### Rural Housing

- 4.5 The Lothian Housing Needs and Market Study (2005) considered need across all of Midlothian. The housing need figures identified in the study cover both need in towns and also in rural areas. As the SPG relates to MLP policies, it can only assist in providing affordable housing in rural areas through Local Plan allocations, and from windfall development where the requirements of policy HOUS4 are applicable. Most rural housing development is typically of a scale to which MLP policy HOUS4 Affordable Housing would not apply. However, the village housing allocations at sites VH1 Pathhead (35 houses) and VH2 North Middleton (15 houses) may provide potential for a small number of affordable homes to be provided in these communities through the requirements of policy HOUS4.

#### Midlothian Council Local Housing Strategy

- 4.6 The Housing (Scotland) Act 2001 requires all Scottish local authorities to develop a Local Housing Strategy (LHS) to assess the need for housing within their boundary and seek to address identified need. As part of the LHS process, councils must also develop a Strategic Housing Investment Plan (SHIP). The SHIP is used to inform the Scottish Government's Affordable Housing Investment Programme, which supports the delivery of affordable housing via RSLs through grant allocations. The Council will be able to provide assistance with identifying funding sources for the development of affordable housing. The SHIP is an important driver for the development of affordable housing within a local authority area and its main aims are to:
- set out the investment priorities for affordable housing over a five year period to achieve the outcomes set out in the LHS;
  - demonstrate how these investment priorities will be delivered;

- identify resources to help deliver the investment priorities with key partners; and
- inform the allocation of resources from national government to local authorities.

4.7 The first LHS produced by Midlothian Council with key stakeholders in 2004 set out a number of objectives. The Council and its partners are currently working on the development of a replacement LHS, to cover the period 2011–2016. The outcomes for the new LHS will include:

- development of affordable housing;
- homelessness prevention;
- helping to prevent households living in fuel poverty and contribute towards addressing climate change;
- improving the property condition of all housing tenures; and
- ensuring households with particular needs receive appropriate support.

## **5 Affordable Housing Requirements of the Midlothian Local Plan (2008)**

5.1 The MLP sets out the affordable housing requirements for sites allocated in the plan, for windfall developments, and also for sites allocated and identified, but not yet consented, in both the Midlothian Local Plan (2003) and the Shawfair Local Plan (2003). In summary:

- housing sites allocated in proposals HOUS1 and HOUS2 of the MLP will have to fulfil the requirements of MLP policy HOUS4 Affordable Housing;
- proposals for windfall housing development identified while the MLP is operative will be assessed against the requirements of MLP policy HOUS4 Affordable Housing. Policy HOUS4 will not be relevant where a proposal's size or scale do not meet the policy's threshold criteria; and
- the affordable housing requirement for sites allocated or identified in either the Midlothian Local Plan (2003) or the Shawfair Local Plan (2003), but not yet consented, is set out in policy COMD1 Committed Development and Appendix 1A of the MLP.

### Midlothian Local Plan (2008) Policy HOUS4 Affordable Housing

5.2 The MLP allocates land in proposals HOUS1 and HOUS2 to meet the housing requirements identified in the Edinburgh and the Lothians Structure Plan 2015 as approved by Scottish Ministers in 2004. This SPG and the MLP are consistent with the 25% benchmark for affordable housing provision from housing development set out in Scottish Planning Policy (2010) and PAN 2/2010 Affordable Housing and Housing Land Audits.

- 5.3 Where a proposal is submitted with no number of houses identified, the size threshold criteria of policy HOUS4 will be used to identify the affordable housing requirement. The policy allows for lower levels of provision where this has been fully justified, but also does not limit the number of affordable houses that can be provided on a site.

Superseded Midlothian Local Plan (2003) and Shawfair Local Plan (2003)

- 5.4 Appendix 1A of the MLP contains details of the housing allocations made in two previous local plans, the Midlothian Local Plan (2003) and the Shawfair Local Plan (2003). While these local plans have been superseded by the MLP, the allocations remain as committed housing sites carried forward to the MLP and the affordable housing requirements of these local plans will still apply to the allocations as confirmed in the MLP. The MLP identifies these sites for information and because not all of them have been developed yet.
- 5.5 Sites allocated in the Midlothian Local Plan (2003) will be required to provide between 5-10% of the site's capacity for affordable housing. Where affordable units will be built, the requirement will normally be for 5% of the site capacity to be affordable units. Where a land transfer or commuted sum is to be used to meet affordable housing requirements, then the requirement will normally be equivalent to either the quantity or value of serviced land capable of providing 10% of the site capacity. Section 8 of this SPG should be consulted for further information on the use of commuted sums.
- 5.6 The requirement from sites allocated in the Shawfair Local Plan (2003) is that approximately 20% of the site's total capacity will be for affordable housing.
- 5.7 The requirements of policy HOUS4 of the MLP will not apply to housing sites allocated or identified in the 2003 Local Plans.

## **6 Affordable Housing Tenure Requirements in Midlothian**

- 6.1 Social rented accommodation provided by Midlothian Council and RSLs is the predominant tenure of affordable housing in Midlothian, and it is the affordable housing tenure which is in most demand. The Council will consider all tenures of affordable housing and supports, in principle, all of the tenures outlined in section 3 of this SPG to meet affordable housing requirements. The Council's aim from its decision taken in June 2006 has been to deliver 80% of the housing need identified in the 2005 Lothian Housing Needs and Market Study as social rented tenure, and the remaining 20% as other affordable housing tenures.
- 6.2 The Council's Social Housing Programme has delivered a substantial quantity of social rented accommodation, but the Council anticipates there will be an on-going requirement for this tenure of housing. The Council retains a preference for a substantial proportion of the affordable housing delivered through the MLP to be of social rented tenure, and recognises the Scottish Government's aspiration for at least two thirds of the 30,000 affordable homes it is seeking to be completed by the end of the current Parliament to be of social rented tenure.



- 6.3 The Council will negotiate with relevant parties including landowners, developers, and RSLs to secure the most appropriate solution and tenure split for individual sites.
- 6.4 The 2010 SHIP made a commitment that up to 5% of all new affordable houses will be particular needs housing. An internal Council review of this figure has been carried out and the Council is hoping to increase this up to 10% in the new LHS to be comparable with commitments made in other parts of Scotland. This requirement may not be applicable to every site, but this matter, and the location of these properties within a development, should be raised in pre-application discussions with the Council.

## **7 Securing Delivery of Affordable Housing**

- 7.1 The Council will take a flexible approach as to how affordable housing is delivered and is open to considering a wide variety of affordable housing types, and mechanisms for their delivery. While the Council's requirements from affordable housing will still need to be met, it does support in principle, all of the tenures of affordable housing outlined in PAN 2/2010 Affordable Housing and Housing Land Audit (section 3 of this SPG provides further details).
- 7.2 Where it has been demonstrated to the satisfaction of the Council that funding for tenures of affordable housing requiring public subsidy is very limited, or none existent, the Council will consider other tenures of affordable housing requiring less or no public subsidy to meet MLP requirements. This though would not prevent an applicant coming forward in the first instance with a proposal to meet affordable housing requirements that did not involve the use of public subsidy. For both subsidised and unsubsidised low cost housing for sale, the sale price will normally be calculated as being up to 4 times the median income level for full time workers in Midlothian at the time the property is first advertised on the housing market. The value of median income levels for full time workers in Midlothian will be taken from the [nomisweb.co.uk](http://nomisweb.co.uk) website of the Office for National Statistics. The Council will be able to provide further relevant information and guidance on possible types of affordable housing and their delivery.
- 7.3 Midlothian Council strongly encourages developers to enter into discussions with the Council and approved affordable housing providers as early as possible to help deliver affordable housing requirements. Early discussions will assist with identifying the scale of affordable housing requirements; available funding sources; possible affordable housing providers; and mechanisms for the delivery of the housing. It will also help promote the integration and phasing of the development.
- 7.4 The Council's preferred options for meeting the affordable housing requirements of the MLP are ranked below in order of its preference. However, for clarity these preferences do not prejudice support for any other options.

1<sup>st</sup> The delivery of affordable housing units, preferably on the site of the proposal.

A developer can enter into agreement with an RSL (approved by the Council) to enable the delivery of the required affordable housing, or the developer can enter into agreement with another body and/ or use a model approved by the Council to enable the delivery of affordable housing to the requirements of the Council.

These options might include, for example, the transfer of land necessary to provide the required affordable housing at a negotiated value, the developer building the affordable units themselves, and/ or the use of a variety of subsidised/ unsubsidised affordable housing tenures approved by the Council to meet affordable housing requirements.

Unless agreed differently with the Council, construction of the affordable housing requirement will be expected to have started by the time 45% of any market housing has been constructed.

2<sup>nd</sup> Transfer of land capable of providing at least 25% of the proposed residential units on the site for no monetary value to the Council, or a third party nominated by the Council.

This land will normally be proven and verified to be fully remediated and consolidated in accordance with the findings of a comprehensive Site Investigation, and possess the required planning consent(s), essential services and road access to the land subject of the transfer. The costs of the Site Investigation and the required planning consent(s), essential services and road access to the land subject of the transfer will normally all be met by the developer/ land owner.

Planning obligations, where relevant, will clearly set out when land is to be transferred. The Council envisages the transfer would take place before 30% of the market units are completed.

The Council will have a time limit of 60 months from the date of transfer of land to agree contracts for the delivery of the affordable housing. If within that timescale the Council cannot arrange for a delivery on-site, or for another arrangement to be agreed with the developer, the land will revert to the applicant for market housing.

- 7.5 The Council will consider commuted sums from a developer in-lieu of delivery of affordable housing or transfer of serviced land. Section 8 of this SPG provides further information on the use of commuted sums.

#### Planning Applications

- 7.6 The onus will be on the applicant to demonstrate how the affordable housing requirement will be met in a proposal. The Council will be able to assist in identifying potential public subsidy funding sources for affordable housing, but will not be responsible for securing such funding.

#### Planning Consents

- 7.7 The Council will use planning obligations to secure the delivery and phasing of affordable housing in a development and identify its geographic location in a development. Also, where relevant, the use of this type of agreement is likely for delivering land transfers, off site provision of affordable housing,

commuted sums in lieu of affordable housing provision and developer contributions. Where relevant, planning obligations will be used to retain in perpetuity the use of affordable housing delivered through the MLP as affordable housing. The costs of preparing planning obligations will be met by the developer/ land owner.

- 7.8 The affordable housing requirement from a site will be identified in a planning consent and any related planning obligations.

#### Land Values

- 7.9 In all circumstances the Council will expect affordable housing requirements to have been a relevant factor in the assessment of the value of land, and for the affordable housing requirement to be met in full. The Council's preferred position is for the full affordable housing requirement of the MLP to be met on site, irrespective of the site's current market value.

#### Developer Contributions

- 7.10 This SPG addresses only affordable housing. The Council has prepared SPG on Developer Contributions which replaces the Council's existing supplementary planning guidance on the topic and also the Statement on Developer Contributions. The document reflects the requirements of the MLP and identifies the full range of developer contributions that will be required by the Council from all residential development, irrespective of tenure. Affordable housing will not be exempt from developer contributions where it creates a need for a service or function for which a contribution would be expected from private market housing.
- 7.11 Land owners and developers should ensure they are fully aware of the developer contributions identified in the MLP and required by the Council for the development of sites in Midlothian. In this respect the Council recommends that this SPG and the Developer Contributions SPG are read concurrently, and that land owners and developers are fully aware of the content of the Developer Contributions SPG.
- 7.12 Developer contributions required from a site will be clearly identified in the development plan and can be confirmed through pre-application discussions with the Council. It is recommended that contact is made with the Council at the earliest opportunity on this matter.

## **8 Commuted Sums**

- 8.1 For sites of 50 homes or more, or larger than 1.6 hectares in size, the Council will normally expect delivery of affordable housing units. In some circumstances the Council may consider accepting commuted sums for developments between 15 and 49 homes, or from sites between 0.5 and 1.6 hectares in size. In deciding on whether commuted sums are appropriate and will be acceptable instead of the provision of affordable homes, the Council will consider the proximity of the site to local services (e.g. schools, shops) and/ or whether the site has convenient access to a regular public transport service giving access to such facilities. Where sites are not in close proximity to local services and/ or public transport facilities, commuted sums are more

likely to be viewed favourably by the Council as the appropriate method of securing the affordable housing requirement, rather than the delivery of actual homes in that development.

- 8.2 The acceptance of commuted sums is at the Council's discretion and their use will be subject to the agreement of the Council. Commuted sums will only be accepted where they will help achieve an enhanced solution for the delivery of affordable housing. In accordance with PAN 2/2010 Affordable Housing and Housing Land Audits where commuted sums are accepted by the Council, the value of that sum will be a value equivalent to the cost of providing the percentage of serviced land required by the MLP.
- 8.3 The commuted sum for a development will normally be calculated on the following basis:
1. The market value of the site subject of the planning application will be calculated and established. This calculation will assume that the land has the necessary full planning consent(s) for the number of residential units proposed in the development, is fully serviced and there is no affordable housing requirement.
  2. A land value rate per unit will be determined by dividing the above site market value figure by the number of units proposed on the site (as determined above). This value is the calculated land value per unit.
  3. The affordable housing requirement from the proposal will be calculated using the MLP policy framework. This is will represent "the number of affordable housing units required".
  4. The commuted sum will be the "the number of affordable units required" by the MLP multiplied by the above calculated land value per unit. For windfall sites where no number of units on the site is known, or provided, the commuted sum value will be 25% of the calculated land value. For sites allocated or identified in the 2003 Midlothian Local Plan the figure will be 10%, rather than 25%.

#### Example

A hypothetical 60 unit site allocated in the Midlothian Local Plan (2008) will normally be expected to generate an affordable housing contribution of 15 units from the stated 25% Local Plan requirement. The commuted sum will be 15 multiplied by the calculated land value per unit.

- 8.4 The Council will round up or round down housing unit figures accordingly, e.g. 1.49 units would be rounded down to 1 unit and 1.5 units would be rounded up to 2 units. Where a land valuation cannot be agreed the District Valuer, or another mutually agreed independent valuer, shall be appointed at the expense of the developer to determine the financial value to be placed on the land.
- 8.5 In line with its Corporate objective to provide quality, affordable housing, the Council's preferred option is the delivery of affordable housing units. If a commuted sum is accepted, the basis for calculating the commuted sum will be the full market value of the area of land (unencumbered) required to meet the affordable housing requirement of the development (based on the process

identified in paragraph 8.3). The rationale for this approach is that by accepting a commuted sum the requirement to provide affordable houses, or land for affordable housing, is removed from the site, thereby allowing its use for open market housing with a consequential removal of a restriction in value.

- 8.6 The Council considers this consequential increase in value to be a reasonable basis for determining the commuted sum. Basing the calculation on any less than full market value would undermine the Council's ability to acquire land on the open market to make provision for the affordable housing requirement of the development.
- 8.7 Planning obligations will be used to secure financial commuted sums. It would normally be expected that payment of commuted sums will be required before the Council releases a planning consent. However, the Council will consider staged payment arrangements in response to a proven site viability submission. The monies received will be ring fenced by the Council for delivery of affordable housing.
- 8.8 The Council regards Midlothian as a single housing market area within which affordable housing is required. In order to make best use of commuted sums the Council will seek to ensure received commuted sums are spent in those parts of Midlothian with greatest need for affordable housing. This reflects the Council's 2008 decision that allowed people to select locations and communities across Midlothian for which they wished to be placed on the Council's housing list.

## **9 Off-Site Provision**

- 9.1 The Council's primary position is that the affordable housing requirement of a development should be provided on the same site as the proposal, unless the applicant demonstrates to the satisfaction of the Council why this should not be done. In circumstances where an affordable housing requirement is to be provided in an off-site location, the Council will require to be satisfied of the delivery mechanism for this housing and of the location to be used.

## **10 Site Viability Considerations**

- 10.1 In the case of enabling development to proceed, the Council recognises there may be grounds for a reduction in the affordable housing requirement from a development. This will require to be clearly demonstrated to the satisfaction of the Council. MLP policy HOUS4 does allow for a reduction in the level of requirement for affordable housing provision where this has been fully justified.
- 10.2 Where the affordable housing requirement would affect the viability of the development and would prevent it from proceeding and/ or where unforeseen abnormal costs have arisen, the Council will consider reducing the affordable housing requirement. In order for this to happen the Council will require an "open book" approach from developers that presents sufficient and comprehensive supporting information to the satisfaction of the Council and its advisers to allow an assessment of the viability of the proposal to be made.

This will include construction costs and bill of quantities, estimated sale price, site purchase cost, and purchase fees/ taxes.

10.3 If required the Council will consider appointing, at the expense of the developer, an independent external third party to verify costs and land values in order to establish the viability of development proposals.

10.4 The Council will not normally consider the following costs as abnormal:

- site purchase/ acquisition;
- site clearance works;
- removal of known contamination\*;
- provision of access;
- the use of appropriate materials as directed by the Council;
- works and materials required to satisfy the needs of a development brief, or such requirement; and
- meeting the infrastructure costs and developer contributions identified by the MLP.

This list is not exclusive.

\*Note: The Council will expect appropriate and satisfactory due diligence to have been undertaken in the acquisition of the land, and will require appropriate evidence that this was carried out.

10.5 Site viability is a relevant consideration and it is a matter for applicants to demonstrate to the Council that costs are abnormal and/ or are a difficulty for site viability.

## **11 Design and Layout**

11.1 The MLP, and in particular policy DP2 Development Guidelines, sets out the requirements expected from all housing developments. Pre-application discussions with the Council's Development Management team will be important for establishing the potential affordable housing requirement from a site, and the overall design and layout requirements of a development. This will include the requirements for building materials, finishes, open space and the location of affordable housing in a development. Early discussions will help in speeding up the process of obtaining a planning consent on allocated and accepted windfall sites, and in the delivery of the development. Where available, development briefs for sites should be consulted.

## **12 Build and Construction**

12.1 The adaptability of homes for the future needs of occupiers, e.g. amenity/ barrier free housing, should be considered at the design stage of affordable housing. This matter may be addressed in the design brief requirements of the affordable housing provider for which the properties are being

constructed. Proposals will be required to satisfy the requirements of the MLP policy framework.

12.2 Reference should be made to paragraph 6.4 of this SPG.

## **13 Contacts**

13.1 Midlothian Council encourages early contact with developers and land owners on affordable housing provision.

13.2 Contact in the first instance should be made with the following Council staff:

### **Negotiations/ Planning Obligations**

Gareth Davies

Property Strategy Manager

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### **Development Management**

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## 14 Glossary of Terms

**Affordable Housing:** Housing of a reasonable quality that is affordable to people on modest incomes. In some places the market provides some or all of the affordable housing needed, while in other places it will be necessary to make housing available at a cost below market value to meet an identified need.

**Commuted Sum:** A financial payment made by a developer or land owner to a local authority, in the context of this document, instead of the provision of built affordable housing units or the transfer of serviced land.

**Developer Contribution:** Contributions made by developers to provide, or help provide, new facilities, or supplement existing facilities required as a result of a new development or the cumulative impact of development area. Typically these will be for infrastructure, amenity facilities, or possibly town centre improvements.

**Development Plan:** The Edinburgh and Lothians Structure Plan (2004) and the Midlothian Local Plan (2008) which together provide the statutory planning framework for Midlothian.

**District Valuer:** The District Valuer's office is part of the Valuation Office Agency, which is an executive agency of HM Revenue & Customs (HMRC). The District Valuer's office is able to provide professional property advice to both the public sector and the private sector.

**Housing Demand:** The quantity and type/quality of housing which households wish to buy or rent and are able to afford.

**Housing Land Requirement:** The amount of land required to be allocated for housing to meet the identified housing requirement.

**Housing Market Area:** A geographical area which is relatively self-contained in terms of housing demand, i.e. a large percentage of people moving house or settling in the area will have sought a dwelling only in that area.

**Housing Need:** Refers to households lacking their own housing or living in housing which is inadequate or unsuitable, who are unlikely to be able to meet their needs in the housing market without some assistance.

**Housing Requirements:** The total amount and type of housing necessary to accommodate a given or projected population at appropriate minimum standards. This includes both housing need and demand.

**Housing Tenure:** Describes the type of ownership of housing. Paragraph 3.1 of this document provides further information on different tenures of affordable housing.

**Midlothian Local Plan 2008 (MLP):** The adopted Local Plan for Midlothian setting out development allocations and the planning policy framework against which development proposals will be assessed.

**Local Housing Strategy (LHS):** Provides the strategic direction to tackle housing need and demand and to inform future investment in housing and related services across the local authority area.

**Planning Advice Note (PAN):** Provide advice and information on technical planning matters.

**Planning Condition:** A condition attached to a planning consent that is enforceable through planning legislation.

**Planning Obligation:** Previously known as Planning Agreements. Legally binding agreements under planning legislation used to control planning matters outwith the scope of planning conditions.

**Off-Site Provision or Off-Site Location:** Where affordable homes provided through the requirements of the Midlothian Local Plan are built on a different site to that of the development proposal from which they were required.

**Registered Social Landlord (RSL):** Landlords such as housing associations and local authorities registered with and regulated by the Scottish Government.

**Scottish Planning Policy (2010) (SPP):** Is the statement of the Scottish Government's policy on nationally important land use planning matters

**Midlothian Council's Social Housing Programme:** A programme of new affordable home building by Midlothian Council.

**Strategic Housing Investment Plan (SHIP):** Details how affordable housing priorities set out in the Local Housing Strategy will be delivered. An important document for targeting affordable housing investment at a local level.

**Windfall Site:** A site not allocated in the forward planning process, and not part of an established land supply, but becomes available for development.

## 15 List of Abbreviations

**LHS** Local Housing Strategy

**MLP** Midlothian Local Plan (2008)

**PAN** Planning Advice Note, produced by the Scottish Government

**RSL** Registered Social Landlord

**SHIP** Strategic Housing Investment Plan

**SPG** Supplementary Planning Guidance