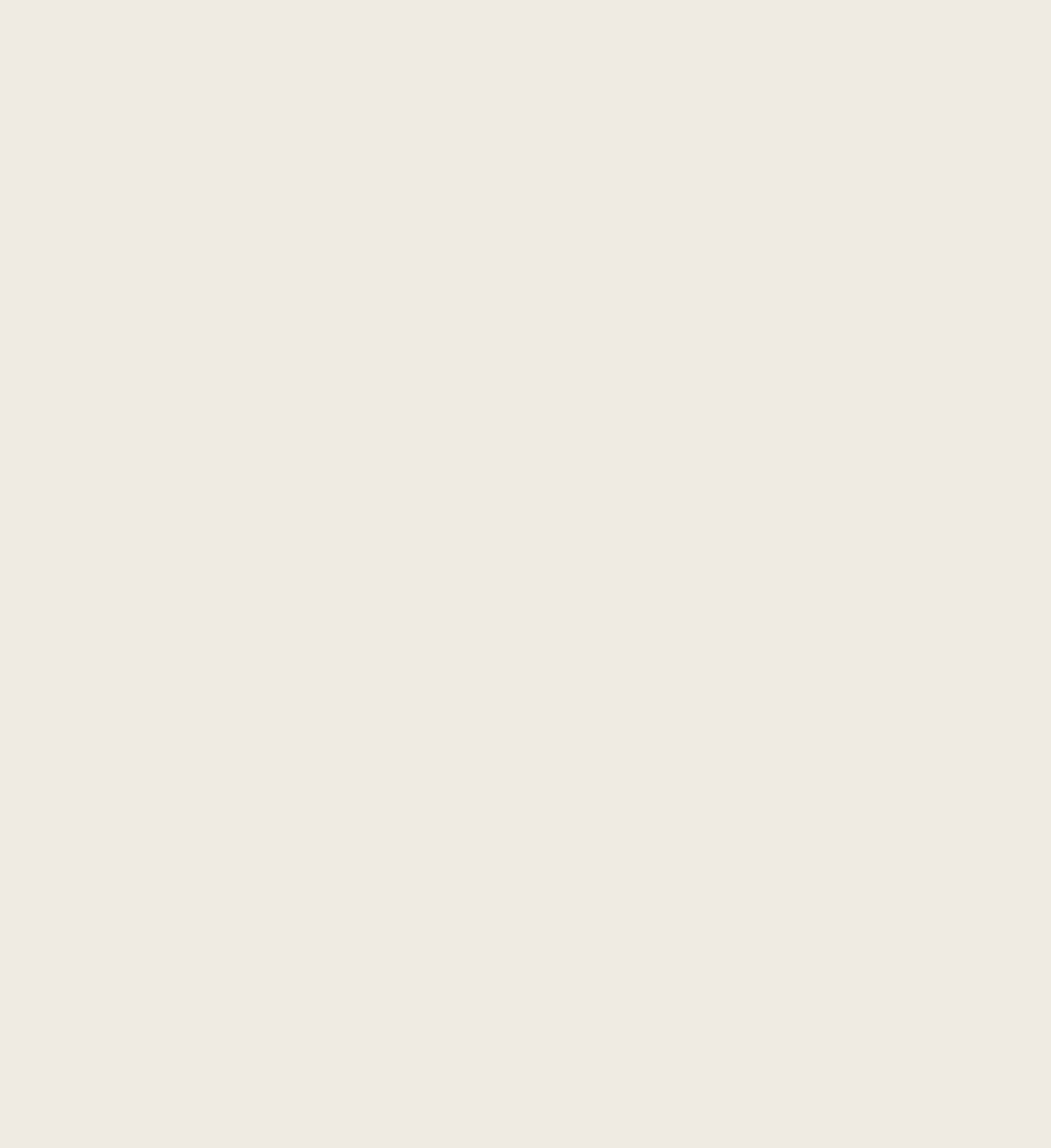


Affordable Housing

Supplementary Planning Guidance Note



Falkirk Council
Development Services



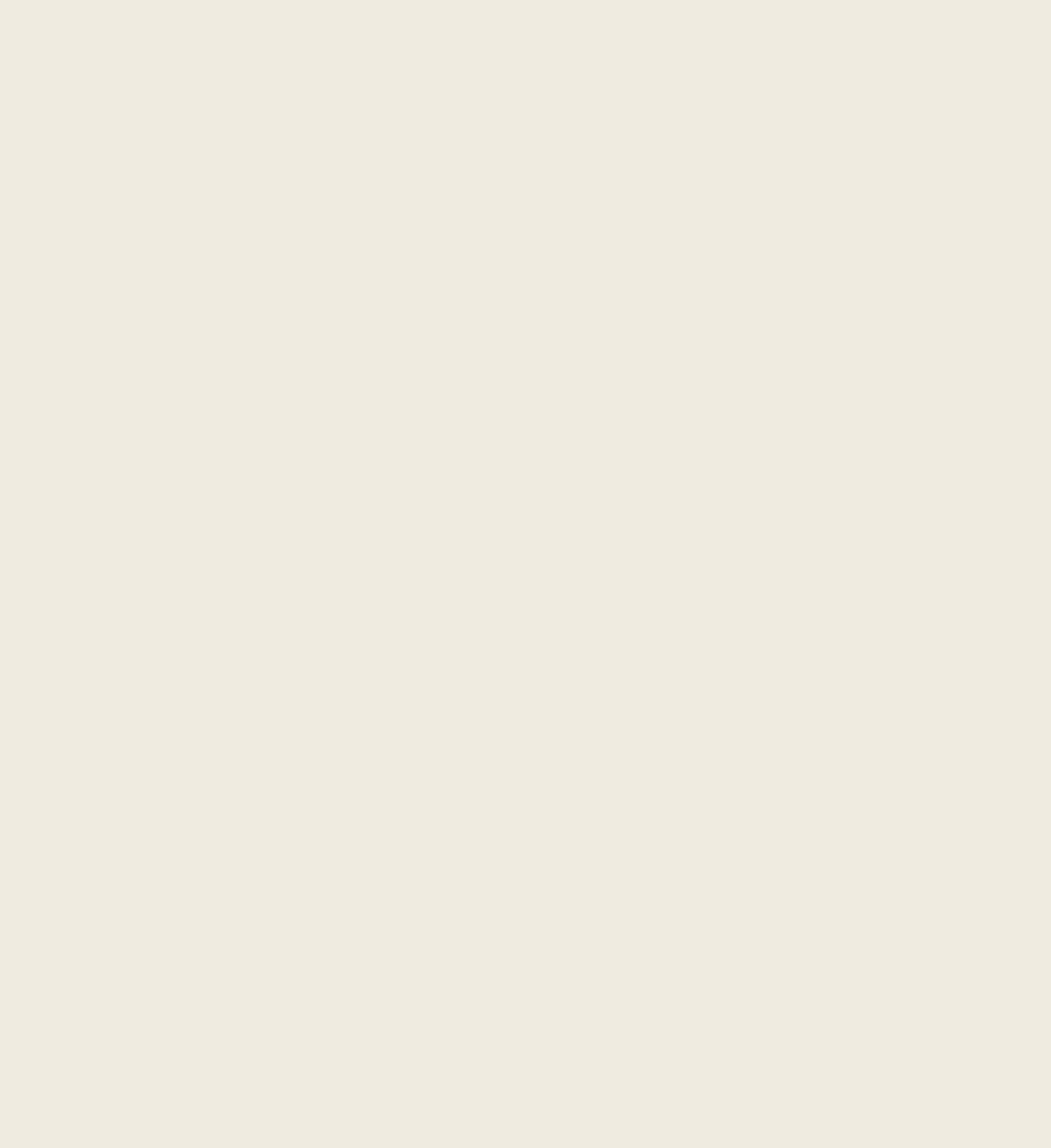


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**Appendix 1 - Scottish Government Housing and Regeneration Directorate:
Valuation of land for affordable housing.**

Appendix 2 - List of Local Plan housing sites to which policy SC4 applies

Appendix 3 - Example of an Affordable Housing Proposal





1.0 Introduction

Falkirk Council approved an affordable housing policy in March 2007. The policy is contained in the Finalised Draft Falkirk Council Local Plan (deposit version) and as such will be a material consideration in making decisions in relation to housing development proposals until that Plan is finally adopted after the Local Plan Inquiry.

The purpose of this planning guidance is to establish a framework for the implementation of Falkirk Council's Special Needs and Affordable Housing policy and set out a procedure for assisting the delivery of affordable housing in Falkirk through the planning system. It is intended to provide clear guidance for all interested parties, including house builders, social housing providers, planning consultants, and the community. In this regard, it will be important to foster a culture of co-operation between all the parties concerned.

The approach to delivering affordable housing through the planning system set out in this SPG will complement the ongoing programme of social housing delivery by RSLs and the Council on publicly owned sites within the Council area.

Falkirk Council's policy for affordable housing is set out below:

SC4 SPECIAL NEEDS AND AFFORDABLE HOUSING

For large new housing developments, the Council will require a diversity of house types and tenures in order to create mixed communities. In particular there will be a requirement across the Council area for new housing sites of 100 units and over to provide 15% of the total number of units as affordable or special needs housing. In the settlement areas of Larbert/Stenhousemuir, Polmont and District and Rural North, where there is an identified shortfall in affordable housing provision, there will be a requirement for sites of 60 units and over to provide 25% of the total number of units as affordable or special needs housing. Acceptable approaches could include:

- (1) Provision of general needs social rented houses;
- (2) Provision of social housing for people with particular needs (specifically the elderly and physically disabled); or
- (3) Provision of shared equity or shared ownership housing

Developers will be expected to work in partnership with the Council, Communities Scotland* and Registered Social Landlords to comply with this policy.

(*Communities Scotland now replaced by Scottish Government Housing and Regeneration Directorate)

The policy, in summary, focuses on larger development sites. When such sites come forward the policy requires a percentage contribution of house units, either 15% or 25%, depending on the particular local plan settlement area in which the site is located. The policy is in accordance with the Scottish Government's Planning Advice Note 74, and the varying percentage contributions have been derived from an affordable housing need assessment which has established the circumstances of local housing need across the council area.

(see Further Reading below: Falkirk Council Local Housing Strategy Update 2006 Appendix 5)

The policy also sets out examples of the type of affordable housing which the Council wishes to have provided. Whilst the Council's first preference would generally be for the provision of social rented housing, other options will be considered, depending on local circumstances and housing needs. Other options which may be considered include; shared ownership housing, shared equity housing, discounted low cost sale, mid market rented accommodation and housing without subsidy. Actual provision in respect of specific developments would require to be discussed further with both Housing and Planning officers.

Policy SC4 was approved by Council on 7th March 2007 and, as stated earlier, has the status currently of being a material consideration in any planning application. The policy will apply to all sites that meet the size criteria identified in the policy with the following exceptions:

- 1) The policy will not apply to sites which have full or outline planning consent before this date. Any amended or new application on a site which increases the number of units will be treated as a new proposal which would require to be assessed against SC4.
- 2) It will also not apply to sites with a Masterplan or development brief approved before this date unless there are exceptional circumstances which justify amending the brief/Masterplan such as an up-to-date housing needs assessment.



2.0 Affordable Housing Need in Falkirk Council Area

Until around 2005 it was accepted that there was no major affordability problem in the Falkirk Council area. The average cost of housing in Falkirk Council area was lower than in most other parts of Scotland, there was a ready supply of ex-council houses available at the lower end of the market and the socially rented sector remained relatively large.

Housing tenure has changed within the Council area over the last 25 years, largely reflecting national trends. The proportion of owner occupied houses has increased substantially while the number of Falkirk Council houses has fallen. Overall, social rented housing has fallen from 70% of all properties in 1981 to 28% now. In spring 2007, the Council owned 16,972 social rented properties and Registered Social Landlords (RSLs) owned a further 3,092 self contained social rented properties across Falkirk. At the same time owner occupation has increased from 26% to 65% of all housing. This is within a context of a total housing stock increase from under 54,000 to over 69,500 in the last 25 years, an increase of 29%.

Falkirk Council area has historically been a largely self contained Housing Market Area (HMA). It has therefore been important to ensure through the Local Housing Strategy and Development Plan that those who live in the area are able to obtain good quality housing which meets their housing needs and is within their ability to pay.

Rapidly increasing house prices from around 2004 onwards led to the Council undertaking an Affordable Housing Needs survey in 2005 in order to inform the Finalised Draft Falkirk Council Local Plan and Local Housing Strategy Update 2006. Phase 1 of the study attempted to quantify affordable housing need within Falkirk through analysis of Council and, to a limited extent, RSL waiting lists and letting data. The study concentrated on existing need on housing lists and did not consider future in-migration. However with these exceptions it broadly followed the then recommended ODPM approach (see reference in Further Reading).

In summary, the analysis indicated that Falkirk Council area as a whole had an adequate supply of affordable housing to meet the backlog and future demand from Falkirk residents. However there were sizable shortages in three Local Plan areas (Larbert/Stenhousemuir, Polmont and District, and Rural North).

At the same time Professor Glen Bramley's Local Housing Need and Affordability Model for Scotland Update (2005 based) identified that there was a shortfall of between 25-40 affordable units, Falkirk wide, in the short-term.

Further analysis identified the impact of rising house prices in neighbouring authorities and subsequent in-migration. Relatively higher house prices in neighbouring housing market areas (notably Edinburgh/Lothians, Stirling and North Lanarkshire) were found to be influencing in-migration and were taken into account in Phase 2 of the Affordable Housing Study.

House price trends within Falkirk Council area at Local Plan Settlement Area level have also been analysed, as shown in the table below. The price point deemed as affordable (ref. Housing Need and Demand Guidance) is the lower quartile of the resale market. In Falkirk Council area the lower quartile resale figure in 2002 was £38,000; by 2006 this was £70,500, and the table illustrates the rising trend in prices at the lower end of the market across the various settlement areas of the district.

Lower Quartile Resale House Price Values by area, 2000-2006					
Housing Needs Analysis Area	2000	2002	2004	2005	2006
Bo'ness	£36,000	£38,500	£55,000	£63,000	£77,500
Denny and Bonnybridge	£34,000	£36,275	£53,000	£61,055	£74,250
Falkirk HNA	£36,000	£39,000	£52,000	£60,124	£69,000
Falkirk LP area	£34,000	£35,763	£48,000	£55,000	£63,000
Larbert, Stenhousemuir & Rural North	£40,050	£45,000	£59,993	£72,310	£83,000
Grangemouth	£33,500	£34,350	£44,819	£50,000	£59,500
Polmont and Rural South	£40,000	£44,000	£68,250	£73,000	£82,125
Falkirk LA	£36,000	£38,000	£54,000	£62,000	£70,500
NB sales between £25K and £1 million					

Source: Newhaven Research (2007) 'Falkirk Council Affordable Housing Needs Report'

Recent figures from the Scottish Government (Scottish Housing Market Review - Evidence and Analysis 2007) confirm the trends found locally on rising house prices.

The early work of the Affordable Housing Study was based largely on housing waiting lists and on a number of assumptions. These assumptions required further testing/ validation and the estimates needed to be cross-checked against information from other sources. For these reasons, the LHS Update 2006 indicated that further work should be carried out to inform future Updates.

This further work was carried out independently by Newhaven Research on behalf of the Council in the first half of 2007. Based on available data and assumptions used Newhaven Research found that there could be a potential average annual undersupply of affordable housing of around 145 units at the Falkirk wide level.

At the sub-area level the research broadly confirmed the Local Plan settlement areas with the most pressing need as being Polmont and the general Braes area, Larbert/Stenhousemuir and Rural North. In Bo'ness, Denny, Banknock/Bonnybridge and Falkirk there was the prospect of making some inroads towards reducing the number of households in backlog need over time, and there was a potential oversupply problem with respect to Grangemouth in the context of issues with lower demand properties and a declining population locally.



3.0 Forms of Affordable Housing

Scottish Planning Policy 3 (SPP3) Planning for Homes defines affordable housing as **“Housing made available at a cost below full market value, to meet an identified need. It includes social rented accommodation, some private sector rented accommodation, and publicly subsidised housing for sale. It may also include unsubsidised entry-level housing for sale where it can be demonstrated clearly that the homes are affordable to low-income groups of households”**.

Planning Advice Note (PAN) 74 provided a typology of five categories of affordable housing, and, more recently, the revised SPP3 provides a sixth:

- ❖ **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 or other housing body regulated by Communities Scotland (now replaced by the Scottish Housing Regulator). Social rented stock is also owned and managed by local authorities;
- ❖ **Mid market rented accommodation** - housing provided at a rent at levels between full market and normal social rents. A number of RSLs, through specialist affiliates or subsidiaries, already offer houses for mid-market rent in urban areas. They are attractive to people on incomes that are not quite enough to afford owner occupation, or who need or want to rent for a limited period and can afford to pay more than a social rent;
- ❖ **Shared ownership** - the owner purchases part of the dwelling and rents the remainder from an RSL. The owner can buy tranches of 25%, 50% or 75% of the property; Shared ownership generally provides an opportunity for households to access owner-occupation at a lower entry price level than other low cost home ownership initiatives;
- ❖ **Shared equity** - the owner purchases part of the dwelling, with the remaining stake purchased by an RSL using Scottish Government grant. Unlike shared ownership, the owner pays no rent for the equity stake which is retained by the RSL. While the RSL does not receive any rental income in respect of their stake, it benefits from any equity gain when the house is sold. (Some developers offer private shared equity schemes. These schemes require the purchaser to pay the remaining equity stake to the developer at a later predetermined date, normally based on the new capital value of the property. These schemes differ from the Government’s shared equity scheme as they are not grant assisted);
- ❖ **Discounted low cost sale** - a dwelling sold at a percentage discount of its open market value to households in the priority client group. Discounted serviced plots for self build can also contribute, particularly in rural areas. A legal agreement can be used to ensure that subsequent buyers are also eligible buyers;

- ❖ **Housing without subsidy** - non-subsidised affordable housing is likely to take the form of entry level housing for sale, some built at higher densities and with conditions attached to the missives designed to maintain the houses as affordable units to subsequent purchasers. Homes delivered without subsidy may be considered to fulfil part of the overall affordable housing requirement where it can be clearly demonstrated that they will meet the needs of, and be affordable to, groups of households identified through the housing needs assessment.

The Council's first preference for the provision of affordable housing is in the form of socially rented housing. Other options from the above list would be considered, depending on local market circumstances, in a descending order of preference as follows: shared ownership housing, government-backed shared equity housing, discounted low cost sale, mid-market rented accommodation, and housing without subsidy. Private shared equity schemes are regarded as low priority in terms of delivering the Council's affordable housing policy.



4.0 Delivering Affordable Housing

Developers are encouraged to contact the Council at an early stage to discuss the affordable housing requirement for the site and agree an approach to delivery. A sequential approach will be applied to the delivery of affordable housing:

- ❖ On-site provision
- ❖ Off-site provision
- ❖ Commuted sum payment

Falkirk Council's first preference is for on-site provision, either wholly of social rented housing or an appropriate mixture of other preferred forms of affordable housing. The required number and mixture of affordable houses for sale and/or rent will be determined in consultation with the Housing Service and take account of local needs as determined in the findings of the Affordable Housing Needs Assessment and any available additional/updated information.

Where on-site provision is deemed to be not achievable, the Council will consider off-site provision or, as a last resort, the payment of a commuted sum to contribute to the provision of affordable housing by a social housing provider elsewhere in the Local Plan Settlement Area or the wider Falkirk HMA.

On-Site Provision

The preferred method for delivery of affordable housing is on-site provision in the form of either serviced land transferred to the Council or an RSL for development of completed housing units.

Transfer of Serviced Land to the Council or an RSL

The area of land transferred must be sufficient to accommodate the number of affordable housing units required under the terms of Policy SC4: Special Needs and Affordable Housing or as specified in any relevant Local Plan proposal or Planning Brief. Land must also be in a condition suitable for housing development, with any constraints, e.g. drainage, having been removed. Particular attention should be paid to ensure that the area of land transferred will allow for the development of affordable housing which is an integral part of the overall development e.g. the affordable houses should be similar in design and materials to the development of which it forms part to ensure that it is not easy to tell the different tenures apart from the external appearance of the houses. (see section 8 below for further advice on designing integration of affordable housing).

All land should be transferred to an appropriate social housing provider at a value relating to its end use for affordable housing, or at a lower value subject to agreement between the developer and the RSL. The value should be determined by the District Valuer in accordance with current guidance on the valuation of affordable housing issued by the Scottish Government Housing Directorate.



Completed Housing Units

Developers should not assume that funding from the Scottish Government's Housing and Regeneration Directorate will be available, as resources are limited and are allocated to specific projects in advance in line with the Council's Strategic Housing Investment Plan (SHIP). Early contact should be made with Falkirk Council to establish the availability of subsidy funding.

Where a social housing provider is unable to access funding to develop land transferred by a developer, with the agreement of Falkirk Council the developer may alternatively retain the land and provide completed housing units as an integral part of a larger development for subsequent transfer to an RSL. These units will then be dealt with as shown in the following table:

1. Transferred to an appropriate social housing provider for management and maintenance.	Under 1-3 the housing units should be transferred to a social housing provider at a value which reflects their end use as affordable housing. In instances 2 and 3, subsequent sale of housing units to individual purchasers will be at a price agreed with the District Valuer which reflects their end use as affordable housing.
2. Transferred to an appropriate social housing provider for onward sale on a shared equity basis.	
3. Transferred to an appropriate appropriate social housing provider for onward sale under the terms of a shared ownership scheme.	
4. Sold by the developer on a shared equity basis to purchasers, meeting criteria agreed with Falkirk Council in relation to the specific development.	Under 4 and 5 the properties will be sold at a price agreed with the District Valuer which reflects their end use as affordable housing. A Section 75 Agreement should be used to ensure that the houses remain affordable to subsequent purchasers.
5. Sold outright by the developer to purchasers, meeting criteria agreed with Falkirk Council in relation to the specific development.	

In all instances (1-5) valuations will be determined by the District Valuer in accordance with Scottish Government guidance.

Off-Site Provision

In certain circumstances, a developer may offer to transfer land to an RSL which is not part of the original site under consideration. This is an off-site contribution, and is only appropriate where the original site under consideration is unsuitable for affordable housing because of, for example, location or local circumstances. Developers, however, should not seek to reduce their obligation on the disclosure of development constraints which should reasonably have been investigated at the site acquisition stage.

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.

Where Falkirk Council Housing and Planning Services are satisfied that on-site provision is not appropriate, the developer will be required to make provision for the affordable housing requirement on another site in the Local Plan Settlement area or, exceptionally, elsewhere in the Falkirk HMA. The use of land on an alternative site must meet the following criteria:

- ❖ The alternative site should be capable of incorporating the requirement from the first site in addition to its own requirement from the alternative site (if any) – i.e. it should not form a substitute for any requirement on the alternative site.
- ❖ Off-site provision should take the form of fully serviced land or built units, with planning permission transferred to an RSL.

The transfer of land must meet the following criteria:

- ❖ The area of land must equal the percentage of serviced land required under policy SC4, e.g. a 100 unit site in Larbert and Stenhousemuir would require an off site provision of land to accommodate 25 units.
- ❖ Land should be allocated within the same Local Plan settlement area or exceptionally elsewhere within the Falkirk HMA (Housing Market Area).
- ❖ Land identified for an off site contribution should be allocated as an opportunity site for housing development in the Finalised Falkirk Council Local Plan, have a current outline consent for residential development or meet the criteria in Policy SC2: Windfall Housing Development within the Urban/Village Limit of the Finalised Falkirk Council Local Plan.
- ❖ The land should be free from significant constraint.

Commuted Payments

In instances where sites are unsuitable for affordable housing, for example because of location or local/site circumstances and there is no alternative site available for transfer to a RSL, Falkirk Council may accept a commuted payment from a developer instead of an on-site or off-site contribution.

It is important to note that it will only be in limited circumstances that the Council will accept the payment of a developer contribution in lieu of the provision of affordable housing. One of the primary obstacles to the delivery of affordable housing in Falkirk Council area is the difficulty which social housing providers experience in being able to compete with private developers to acquire land. This coupled with the importance of creating socially inclusive and mixed communities, means that the Council will generally always seek the provision of affordable housing on-site or on an alternative site within the Local Plan Settlement Area and that the payment of a developer contribution will be a last resort.

Commuted payments must be paid by the developer at an appropriate phase of the site's construction period, as agreed through a Section 75 agreement. If the payment is not used within five years of the completion of the last private house within the development concerned, it will be repaid to the developer.



A commuted payment will be based on an assessment of the cost of providing the land required for provision of affordable housing. The developer contribution will be equivalent to the difference in the site's land value for open market housing and the value for affordable housing. i.e. the additional amount the RSL will have to pay over and above the affordable land value to obtain the plot. This methodology is considered to be in line with PAN 74 which states that payments should be "of a value equivalent to the cost of providing the percentage of serviced land required by the policy" (paragraph 49).

These calculations will provide a transparent means of calculating commuted sums which will enable the provision of affordable housing off-site.

All commuted payments will be agreed via a Section 75 Agreement with the developer.

5.0 Impact of other developer contributions from site

Developers should be well aware that they may be asked to make a financial contribution towards a range of physical, environmental and community infrastructure which is required to mitigate the impact of new development. The range of issues which would come within the scope of these developer contributions is set out in Schedule COM5 of the Falkirk Council Structure Plan 2007, and local plan policy related to developer contributions is set out in policies SC11, SC13 and SC14 of the Finalised Falkirk Council Local Plan in respect of community infrastructure, open space provision and education capacity (specific advice on which is contained in separate SPGs).

Developers are advised to check at an early date with the Council what items may be required to mitigate the impact of development at specific sites in order to build the costs of these contributions, in addition to any affordable housing requirement, into their process of financial appraisal and purchase of development sites. The provision of affordable housing will be accorded a high priority but the relative weight given to each element will be the subject of negotiation on a site by site basis.

'Abnormals'

Developers should also be aware of potential constraints on sites, such as flood risk or ground conditions, which may affect development costs. It will be for the developer to demonstrate to the Council's satisfaction that other requirements or abnormal development costs, in conjunction with the requirement for affordable housing, will render the development unviable. These should be set out through the submission of a 'Development Viability Statement' at the earliest opportunity in the pre-application discussion process. Abnormal costs should be reflected in the purchase price of land and in this respect the developer may be asked to demonstrate that abnormal costs were not known at the time the site was purchased.

Only in very exceptional circumstances where there are excessive, previously unknown, abnormal costs and/or other development requirements for community infrastructure to which the Council wish to give priority will it be likely that the Council will agree to reduce or give exemption from the requirement to provide an affordable housing contribution.



6.0 Procedure

As with all significant development proposals, Falkirk Council encourages pre-application discussions between developers, planning officers and housing officers on affordable housing provision. In the case of proposed development where an affordable housing requirement will arise, officers from the Council's Development Services will refer the technical aspects of such discussions on affordable housing provision to colleagues in Housing Services, particularly in respect of type of affordable housing provision, specification and land valuation issues.

Developers should understand, however, that referral to Housing for these discussions to take place is not to be seen as tacit approval of development proposals and that discussions with Housing officials are without prejudice to the determination of any planning application following thereon by the Council as planning authority (either at official or elected member level).

Pre-Application Discussions

Development Services

All prospective applicants or developers should be informed of the Council's policy on affordable housing at an early stage in any discussions relating to potential residential development. Planning Officers should indicate to prospective applicants whether an affordable housing requirement applies to a potential residential development, including guidance on the percentage of affordable housing likely to be sought (e.g. 25% on sites in the Larbert/Stenhousemuir Local Plan Settlement Area). Development Services would advise/notify Housing Services that the site will require to provide affordable housing in line with Policy SC4. Prospective applicant/developers will be referred to Housing Services to establish the specific requirements for the site in question and the preferred method of delivery.

Policy SC4 should be applied to all sites meeting the site size and unit number thresholds as follows:-

- ❖ All sites allocated/identified in the Finalised Falkirk Council Local Plan and any subsequent Local Development Plan (see appendix 2);
- ❖ All windfall sites.

Although Policy SC4 cannot be applied retrospectively to sites with planning permission, where permission lapses the policy should be applied to any subsequent reapplication or where renewal of planning permission is sought.

Housing Services

All prospective applicants will be provided with guidance on the number, size, property type and tenure mix of affordable housing units sought from a specific site. Some of the factors which will be taken into account in the determination of the required type of affordable housing include:

- ❖ Size of site;
- ❖ Location of site;
- ❖ The requirements of the Local Housing Strategy and Housing Need and Demand Assessment
- ❖ Physical characteristics of the site which mean that it is suited to certain forms of construction which may in turn influence the type of affordable housing.

Following these pre-application discussions developers should complete a pro-forma (see appendix 3) which will set out their draft proposals for meeting the affordable housing requirements for the site.

Planning Applications

Development Services

The Development Management case officers will assess all relevant planning applications against the Affordable Housing Policy requirements. All planning applications deemed to require a contribution towards meeting the identified need for affordable housing will be referred to Housing Services for consultation and comment.

In considering the application of the policy to secure affordable housing on individual sites the following material considerations will also be taken into account:-

- ❖ Site location, characteristics and local market conditions;
- ❖ Suitability of the site to accommodate mixed tenure development;
- ❖ Overall project viability; and
- ❖ Availability and timing of grant assistance/subsidy.

Where a developer/applicant intends to challenge the target contribution specified in policy SC4 of the Finalised Falkirk Council Local Plan, a development viability statement will require to be submitted during pre-application discussions or in support of a planning application (as discussed earlier in section 5 on 'abnormals').

Housing Services

Applications will be assessed against the needs information set out in the Falkirk LHS and Housing Need & Demand Assessment and any additional/updated information available on local housing needs.

Section 75 Agreements

Where an affordable housing contribution is to be provided, the developer will, where appropriate, be required to enter into a Section 75 Agreement which will set out the necessary affordable housing contribution and detail the arrangements for its delivery.

Where a Section 75 Agreement is required the Council will seek to control:

- (a) the extent of the land that is to be conveyed;
- (b) the level of service provision;
- (c) the category (or tenure) of affordable housing built;
- (d) if built units are to be provided, the type of housing required;
- (e) if an RSL is involved, its identity;
- (f) the timing of the transfer of the serviced land or, as the case may be, land and built units;
- (g) the use to which the service land can be put i.e. affordable housing;
- (h) the marketing of the completed units (other than in circumstances where the land/units have been transferred to an RSL to priority client groups, and
- (i) if a developer contribution is to be paid, the amount and timing of the payment.

The type of housing (in terms of design and location) that is eventually delivered on the affordable housing land will be controlled through planning conditions.

It is anticipated that a Section 75 Agreement will normally be required for all applications where affordable housing forms part of the proposal except in the following circumstances:

- ❖ where the application is submitted by an RSL;
- ❖ where the affordable requirement is met through a commuted sum developer contribution and this is paid in advance of planning consent being issued.



7.0 Eligibility – Priority Groups

Priority will be given to following groups:

1. Applicants on Council or RSL waiting lists
2. Council/RSL tenants
3. Local first time buyers

Marketing and Identification of Priority Client Groups

Where the affordable housing proposed is unsubsidised or discounted there will be further requirements in terms of the marketing of the affordable housing and the identification of the priority client groups. Developers are asked to contact the Council for further details on this.

8.0 Density, Design and Integration of Affordable Housing Units

Density

A developer may seek to build less than 60 or 100 houses on a site which clearly has capacity for that scale of development in an attempt to avoid meeting the obligations of the affordable housing policy. On sites allocated within the Local Plan, where site capacity is clearly indicated, planning permission will be refused for developments proposing less than the number of houses indicated. On windfall sites the determination on whether a smaller number of dwellings is acceptable will take account of standard housing densities, the location of the site, the character of the surrounding area, and the type of houses proposed (see Policy SC6 of Finalised Draft Falkirk Council Local Plan - Deposit Version for further guidance on density).

Making applications to develop a large site in phases of less than 60 or 100 units specifically to avoid the application of the affordable policy will not be acceptable. It is acknowledged that in some cases a developer may have a valid market reason for developing in smaller phases, in which case this should be discussed with the Council at the outset in order to ensure that the affordable housing contribution can be properly planned.

Design and Integration

Design quality is not an add-on but needs to be embedded in a development scheme from its inception. Scottish Government policy was established in 2001 through its publication 'Designing Places' which identified a typology for creating successful places – identity, safe and pleasant spaces, ease of movement, sense of welcome, adaptability and good use of resources. Since then further research has been carried out into the specific issues of creating mixed tenure communities, and was published in 2006 by the Joseph Rowntree Foundation and others under the title 'Creating and Sustaining Mixed Income Communities in Scotland'. Key parts of this guidance are summarised here but more detailed guidance can be found within the full document (see section 10).

The Rowntree research argues that the priority for social and mixing strategies should be those areas currently undergoing change or development, therefore including windfall brownfield sites or those on the urban fringe, as well as areas of social housing undergoing restructuring.

The interaction between residents from different income bands may be a desirable outcome of mixed tenure developments but the overall economic and social sustainability of a development is also dependent on the ease with which its inhabitants can gain access to the wider settlement beyond its boundaries, and the availability of facilities and services near their houses. The production of an attractive neighbourhood with open spaces, local services, leisure facilities and a range of external links is therefore just as important as the tenure mix.

Urban design quality is especially important in two ways for mixed income communities:

- ❖ The overall urban design quality of a neighbourhood is one of the factors essential to its future sustainability as an attractive area to live in.
- ❖ Consistency of a high quality public realm and external architectural treatment across tenures ensures 'tenure blindness'.

The research emphasises the importance of the pattern of spatial dispersal of social rented housing within the overall development in dealing with stigmatisation. If the social rented housing is dispersed throughout the development, stigmatisation is far less likely to happen. Various classifications of dispersal have been suggested; perhaps the most useful is the following simple set of categories:

- ❖ **Integrated:** different tenures are side by side in the same street,
- ❖ **Segmented:** different tenures are in separate blocks,
- ❖ **Ssegregated:** different tenures are in concentrations.

Integrated

Contemporary advice is that the greatest integration between tenures is achieved when the social rented or shared housing units are dispersed evenly throughout the development. This has been described as 'pepper-potting' and implies that the units should be dispersed singly. However, such dispersal need not be in single units, but can be in small clusters. The Scottish Executive (as was) recommend in 2005 that "concentrating affordable housing in small groups rather than 'pepper-potting' individual houses will ease the subsequent management of homes by an RSL".

Segmented

Here the social rented housing is arranged in whole street blocks or, for flats, around a separate courtyard within the development. Here it is regarded as being very important that the housing for sale looks the same as the housing for rent. There is no visual separation between the two housing tenures.

There are management factors that promote a segmented solution; for example, a preference for an RSL to manage a back court in its entirety. A better solution is for the housing association to take over the management of the semi-public and public spaces, thereby blurring the boundaries between tenures.

Segregated

Although concentrations of different tenures are generally to be avoided, in difficult housing markets this may prove the only way in which a scheme will be viable. The site masterplan should ensure that residents from different tenures share streets and public spaces.

The Council's preference would be for social rented housing to be located in small groups across a site (a combination of Integrated and Segmented), to facilitate subsequent management, but the final distribution will be determined on a site by site basis.

9.0 Useful Contacts

For pre-application discussion and planning policy advice:

Planning and Environment Unit
Development Services
Abbotsford House
Falkirk FK2 7YZ
Tel 01324 504720
Email: planenv@falkirk.gov.uk

To discuss progress of applications:

Development Management Unit
Development Services
Abbotsford House
Falkirk FK2 7YZ
Tel 01324 504978

For advice on Falkirk SHIP, tenure mix, partner RSLs, etc:

Strategic Support Unit
Corporate and Neighbourhood Services
Suite 4/5, The Forum
Callendar Business Park
Falkirk FK1 1XR
Tel 01324 590800

For advice on subsidy funding, etc:

Scottish Government Housing and
Regeneration Directorate
Endeavour House
1 Greenmarket
Dundee DD1 4QB
Tel 01382 427500

10.0 Further Reading

Falkirk Council (2006), 'Local Housing Strategy Update 2006 – Appendix 5: Affordable Housing Needs Study Phase 1'

Falkirk Council (2005) 'Local Housing Strategy Update 2005 - Affordability: House Price Trends'

Newhaven Research (2007) 'Falkirk Council Affordable Housing Needs Report'

DTLR (2000) 'Local Housing Needs Assessment: A Guide to Good Practice' (the ODPM model)

Communities Scotland (2006) 'Local housing need and affordability model for Scotland Update (2005 based)' Report 72 (the Bramley Report)

Joseph Rowntree Foundation et al (2007) 'Creating and Sustaining Mixed Income Communities in Scotland – A Good Practice Guide'

Appendix 1 : Scottish Government Housing and Regeneration Directorate: Valuation of land for Affordable Housing.

Previous detailed guidance was withdrawn earlier this year. The most up to date position (August 2008) intimated by the Housing and Regeneration Directorate (HARD) to Falkirk Council is as follows:

If a site is being purchase using HAG funding, and therefore part of the Affordable Housing Investment Programme, HARD would expect that the site is purchased for the balance of monies left over (residual value) after calculating the current HAG benchmark - adding to this benchmark figure the standard private finance and then deducting the development costs of the project. Whatever is left over is available to purchase the site.

Appendix 2 :

List of Local Plan Sites to which Policy SC4 Applies

H.B&B13	Bankier Distillery
H.B&B19	Cannerton Brickworks
H.B&B20	West of Banknock
H.B&B21	Longcroft / Dennyloanhead
H.DEN7	Denny High School
H.DEN12	Mydub
ED.DEN6	Carrongrove Mill
H.FAL10	Merchiston Road
H.FAL16	Etna Road 2
H.FAL17	Tamfourhill
H.GRA1	Tinto Drive
H.AIR7	Castle View
H.SLA1	Hillend Farm
H.SLA4	Blinkbonny Terrace South
H.SLA7	Southfield Farm
H.WHT1	Whitecross New Settlement

Appendix 3: Example of an Affordable Housing Proposal

Number of houses in complete development _____

Number of affordable houses _____

Details of affordable houses

Type of Affordable Houses (as defined in the Affordable Housing Policy)

Type	Number & Size of flats eg 3x2 Bedroomed	Number & size of houses eg 2x3 Bedroomed
Social Rented Housing (with RSL)		
Shared Ownership (with RSL)		
Shared Equity (with RSL) e.g. Homestake		
Discounted for Sale*		
Unsubsidised Low Cost* Housing		

Details of RSL involvement _____

Has an RSL been approached? (please delete as appropriate) YES / NO

If yes, name of RSL _____

Contact Name in RSL _____

Level of grant required to deliver the site: _____

Year grant required: _____

Details of Agreement with RSL e.g. indicative time period for development, design and build contract, 'off the shelf' purchase of houses, or other agreement.

Appendix 3: Example of an Affordable Housing Proposal

*If no RSL involvement, further details of sale price of affordable houses and proposed marketing strategy and means of ensuring they remain affordable.

Has the type of affordable units been agreed with the Housing Service? (please delete as appropriate) YES/NO

What is the proposed means of delivery of the affordable housing? (please circle)

On-site (sale of land to RSL) On-site (design and build)

Off-site Developer Contribution

Has the means of delivery been agreed with the Housing Service? (please delete as appropriate) YES/NO

