

Development Management Sub Committee

Wednesday 20 March 2019

**Application for Planning Permission 17/04578/FUL
At 24 - 26 Calton Road, Edinburgh, EH8 8DP
Demolition of existing non-listed buildings and erection of
new residential building to form 24x flats, 1x commercial
office space at ground floor and associated landscaping
works. (as amended)**

Item number	7.1(a)
Report number	
Wards	B11 - City Centre

Summary

The proposals are for a use that is compatible with the surrounding area. However the level of density that is proposed is excessive. The design, form, scale, positioning and materials proposed are not appropriate and will not preserve or enhance the character and appearance of the Old Town Conservation Area or the Edinburgh World Heritage Site. There will be a negative impact on the setting of the A-listed Canongate Kirk and the proposals will have an adverse impact on the privacy of neighbouring properties. It is recommended that the application is refused.

Links

<u>Policies and guidance for this application</u>	LDPP, LDEL01, LDEL02, LDES01, LDES03, LDES04, LDES05, LHOU01, LHOU02, LHOU06, LEN01, LEN05, LEN06, LTRA02, LTRA03, NSGD02, NSLBCA, CRPOLD, LEN03,
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Report

Application for Planning Permission 17/04578/FUL At 24 - 26 Calton Road, Edinburgh, EH8 8DP Demolition of existing non-listed buildings and erection of new residential building to form 24x flats, 1x commercial office space at ground floor and associated landscaping works. (as amended)

Recommendations

1.1 It is recommended that this application be Refused for the reasons below.

Background

2.1 Site description

The site is approximately 735 square metres and includes a traditional two storey stone building fronting onto Calton Road. It is a typical building from the Victorian industrial era when industrial expansion intensified after the construction of the New Town. The rear of the building comprises the two storey remains of the original factory building. Its most recent use was that of a nightclub, but has previously been in use as a studio.

The site is bounded by offices and residential to the west, student accommodation to the east, Dunbar's Close Gardens and the A-listed Canongate Kirk (listing reference: LB26823; listing date: 14/12/1970) to the south.

The site is within the Edinburgh World Heritage Site.

This application site is located within the Old Town Conservation Area.

2.2 Site History

Current - Conservation area consent pending for: Demolition of existing nightclub premises (application reference: 17/04579/CON).

July 2001 - Planning Permission granted for: (24-32 Calton Road) Change of use and demolition of garage/nightclub to form offices/residential (as amended) (application reference: 00/02774/FUL); not implemented; consent lapsed.

July 2001 - Conservation Area Consent granted for: (24-32 Calton Road) Change of use and demolition of garage/nightclub to form offices/residential (as amended) (application reference: 00/02774/CON); not implemented; consent lapsed.

September 1998 - Planning permission refused for: Erect 22 apartments including 1 special needs & 1 class 2 commercial unit, demolish existing building (application reference: 97/01849/FUL).

Main report

3.1 Description Of The Proposal

Planning permission is sought for the erection of 24 flats, with commercial office space at ground floor and associated landscaping works. The proposed building would be four storeys to the front and middle section rising to five storeys at the rear. The building would be flat roofed and it is proposed to finish it in a mixture of sandstone, buff brick and dark grey cladding. No parking or communal space is to be provided.

The scheme proposes 16 one bed flats, five two bed flats and three three bed flats.

A separate application for Conservation Area Consent has been submitted for the demolition of the former nightclub building currently on site.

Supporting Statements

The following information was submitted in support of the application:

- Planning and Design Statement;
- Supplementary Design Statement;
- Supplementary Planning Statement;
- Daylight/Sunlight and Privacy Statement;
- Alternate Scheme; and
- Condition Survey.

These documents are available to view on the Planning and Building Standards Online Services.

Scheme One

The initial scheme was revised to include further cycle parking and increasing the glazing on the ground floor to meet the daylight requirements as set out in the Edinburgh Design Guidance.

3.2 Determining Issues

Section 25 of the Town and Country Planning (Scotland) Act 1997 states - Where, in making any determination under the planning Acts, regard is to be had to the development plan, the determination shall be made in accordance with the plan unless material considerations indicate otherwise.

Do the proposals harm the character or appearance of the conservation area? If they do, there is a strong presumption against granting of consent.

In considering whether to grant consent, special regard must be had to the desirability of preserving the building or its setting or any features of special architectural or historic interest which it possesses. For the purposes of this issue, preserve, in relation to the building, means preserve it either in its existing state or subject only to such alterations or extensions as can be carried out without serious detriment to its character.

Do the proposals comply with the development plan?

If the proposals do comply with the development plan, are there any compelling reasons for not approving them?

If the proposals do not comply with the development plan, are there any compelling reasons for approving them?

3.3 Assessment

To address these determining issues, the Committee needs to consider whether:

- a) the principle of development is acceptable;
- b) the impact on the character and appearance of the Conservation Area, the Edinburgh World Heritage Site and setting of the Listed Building is acceptable;
- c) the proposed scale, design and massing are acceptable;
- d) the proposals have an adverse impact on residential amenity;
- e) the proposals have a detrimental impact on road safety or infrastructure;
- f) the proposal is providing an acceptable level of affordable housing;
- g) any impacts on equalities or human rights are acceptable; and
- h) public comments have been addressed.

a) Principle

The site is identified as an Urban Area in the Edinburgh Local Development Plan (LDP) where housing development in principle is acceptable. Housing is supported within the urban area by LDP Policy Hou 1 where it is compatible with other policies in the local plan.

Housing is an acceptable land use at this location, subject to compliance with other policies.

The commercial unit is located within the ground floor of the block. Under LDP Policy Emp 1 office development is acceptable in this location.

b) Impact on the Old Town Conservation Area, World Heritage Site and setting of the Listed Building

It is proposed to demolish the existing building on site. This element is considered under a separate conservation area consent application 17/04579/CON.

The Old Town Conservation Area Character Appraisal identifies that the conservation area includes numerous buildings of outstanding architectural and historic importance, and international significance. The appraisal reinforces that there is a considerable wealth of important land marks, reflecting its long role as the location for the complete range of Edinburgh's institutions. These buildings from different eras set against a backdrop of tenements contribute to an appearance of density, a close knit character and cohesive groupings associated with a medieval town. Policy Env 6 states that development within a conservation area will be permitted if it preserves or enhances the special character or appearance of the conservation area and is consistent with the relevant conservation area character appraisal and demonstrates high standards of design and utilises materials appropriate to the historic environment. Applications for demolition will be permitted only where this does not erode the character and appearance of the conservation area, with the presumption being in favour of retaining buildings that make a positive contribution.

Although the area has undergone significant change over the last few years, with the vicinity being characterised by modern developments, the existing building fronting onto Calton Road is one of the last few remaining markers of the industrial past of the area and makes a positive contribution to the character of the area. It has not been demonstrated that it would be unviable to retain this building. The proposed design does not draw on any positive features of the site's industrial past, nor has it sought to incorporate any features from the existing site. The introduction of a modern flat roofed building does not demonstrate a high standard of design. The proposal covers too much of the site and fails to provide a sympathetic treatment that respects the relative openness of this part of the conservation area, between Calton Road and the Canongate. The proposal will not preserve or enhance the special character and appearance of the Old Town Conservation Area and does not comply with LDP Policy Env 6.

The Outstanding Universal Value of the Edinburgh World Heritage Site is defined as the remarkable juxtaposition of two clearly articulated urban planning phenomena: the contrast between the organic medieval Old Town and the planned Georgian New Town which provides a clarity of urban structure unrivalled in Europe. LDP Policy Env 1 requires development to respect and protect the outstanding universal values of the World Heritage Sites and their settings. LDP Policy Env 3 does not allow for development that would affect the setting of a listed building and will only be permitted if not detrimental to the architectural character, appearance or historic interest of the building, or to its setting.

The massing of the proposal, and specifically the five storey section at the rear of the proposed building, will result in an unacceptable impact on the setting of the A-listed Canongate Kirk which is an important feature of the World Heritage Site and the Old Town Conservation Area. The scale of the proposal would interrupt views from Canongate Kirk to Calton Hill. Furthermore the proposal will have an unacceptable impact on the open character of Dunbar's Close Gardens, as it would be approximately 3.4 metres from the site boundary and would create an overdominant and unsympathetic addition. The proposal would adversely impact on the character of the World Heritage Site and negatively impact on the setting of Canongate Kirk. The proposal does not comply with LDP Policies Env 1 and Env 3.

c) Design, scale and massing

LDP Policy Des 1 states that permission will be granted for development that contributes toward a sense of place and draws from the positive characteristics of the surrounding area. Policy Des 3 requires that characteristics and features worthy of retention in the surrounding area be identified, incorporated and enhanced through the design of the proposed development. As previously set out, the front building makes a positive contribution to the character of the area and should be retained as part of any redevelopment of the site. It has not been demonstrated that this would be an unviable option.

There are several examples on Calton Road where an historical building has been incorporated into the new development or reference made. No attempt has been made to include or reference the existing building into the new proposal and it would result in a standalone, modern block which does not contribute to a sense of place with regard to the site's past and the surrounding area.

LDP Policy Des 4 states that development should have a positive impact on its surroundings in terms of height and form, scale and proportions, including the spaces between buildings, positioning of the buildings on site and materials and detailing.

In terms of positioning on the site, the proposal seeks to maximise the footprint and development and does not respond sensitively to the surrounding built form, the setting of the Canongate Kirk or Dunbar's Close Gardens. The overall site area is approximately 735 square metres and of this, approximately 566 square metres will be taken up by the proposed building. The majority of the residual space will be taken up for the private terraces at ground floor level. This is in contrast with the developments to the east and west, where the buildings leave a greater degree of space between them and are not built out to the boundaries of neighbouring properties.

The proposal seeks a four storey building to the front and middle section and five storeys to the rear. The existing building is two storeys to the frontage with Calton Road and does not rise above two storeys to the rear. The proposal would be hard on the boundary to 22 Calton Road and approximately 3.4 metres off the boundary with Dunbar's Close Gardens. The neighbouring developments have the greater massing to the street frontage and, in the case of 22 Calton Road, are stepped down towards the rear to lessen the impact on Canongate Kirk. The proposal would result in five storeys to the rear of the site which would not be in keeping with the surrounding area.

The development is unacceptable in terms of scale, form, design and materials, and fails to comply with LDP Policies Des 1, Des 3, Des 4 and the Edinburgh Design Guidance.

d) Amenity

Amenity of Future Occupiers

The internal floor area of each flat complies with the minimum standards as set out in the Edinburgh Design Guidance and all flats meet the minimum Average Daylight Factor of 1% to bedrooms and 1.5% to living rooms as set out in the Edinburgh Design Guidance. There is no communal open space to be provided on site, aside from the ground floor dwellings having private terraces. However, given the site is in walking distance of Holyrood Park, Calton Hill and Dunbar's Close Gardens, and its central location, this would be considered acceptable.

Neighbouring Amenity

A daylight, sunlight and privacy statement has been submitted assessing the impact of the proposal on the residential properties at 22 Calton Road. Eight out of ten windows on the east elevation of 22 Calton Road have been tested. The statement shows that the Vertical Sky Component requirement of 27% will not be met for any of the tested windows. The Edinburgh Design Guidance states that if the townscape surrounding a development site would not meet these requirements, the council may require information on the likely amount of daylight in affected rooms in existing buildings. This is assessed using the Average Daylight Factor (ADF) methodology. The minimum ADF for bedrooms is 2%, for living rooms 1.5%, and for kitchens 2%. Of the tested windows, the statement concludes that the minimum ADF is met.

The study on sunlight indicates there will be minimal impact to the parking area and gardens of 22 Calton Road, 32 Calton Road and Lochend Close. In terms of privacy and outlook, there are kitchen windows proposed on the boundary to 22 Calton Road which would face directly into the neighbouring properties. The statement indicates that these would be fitted with louvred screens or obscure film; however this would not be accepted as appropriate mitigation and would have a detrimental impact on the privacy of neighbouring properties.

The proposed development will not have an adverse impact in terms of daylight and sunlight but will have an unacceptable impact in terms of privacy for neighbouring properties and does not comply with LDP Policy Des 5 or the Edinburgh Design Guidance.

e) Road Safety

The Council's Parking Standards require no parking provision within the Central Area. The applicant has proposed 48 cycle spaces which complies with the Council's Parking Standards. If approval was recommended, Transport has requested a contribution of £12,500 towards the provision of two car club vehicles in the area.

f) Affordable Housing

LDP Policy Hou 6 - Affordable Housing states that planning permission for residential development, including conversions, consisting of 12 or more units should include provision for affordable housing amounting to 25% of the total number of units proposed. For proposals of 20 or more dwellings, the provision should normally be on-site. Whenever practical, the affordable housing should be integrated with the market housing.

As the proposal is for 24 units, there is a requirement for 6 affordable units on site. The Council approached Registered Social Landlords (RSL) to take on the affordable units; however, given the proposed high build costs (£189,000 per unit against the typical RSL average of £140,000) and that there would be no majority ownership of a block of properties, the offer was not taken up.

For a property to be considered as viable for Golden Share it cannot exceed a Market Value of £268,495 to achieve the £214,796 cap for Golden Share housing. The anticipated sales prices of £285,000 for the smallest property confirms that there are no units approaching this price range and a recommendation cannot be made for Golden Share Housing.

The Council considers that options for onsite delivery have been explored and that, if the application was approved, it would accept a commuted sum payment in lieu of onsite affordable housing. The amount of the commuted sum is based upon the land value and on this basis, the commuted sum payment is likely to be in the region of £50,000 per unit. The final figure should be agreed prior to the application being determined, however this was not deemed appropriate as the recommendation is for refusal. Should the application be approved, this figure will be required to be independently assessed by the District Valuer and would be required to be paid prior to any development starting on site.

g) Impact on Equalities and Human Rights

The application has been assessed and has no apparent impact in terms of equalities or human rights.

h) Public Comments

Material Considerations:

- Traffic and car parking: This has been addressed in section 3.3(e).
- Appearance of area: This has been addressed in sections 3.3(b) and (c).
- Overshadowing and loss of sunlight/daylight and privacy: This has been addressed in section 3.3(d).
- Height of building: This has been addressed in section 3.3(c).

Non-material Considerations:

- Impact on trees and nesting birds: No trees on site and no impact has been identified.
- Construction noise and traffic.
- That a memorial plaque at the site is incorporated into the proposed build.

Conclusion

The proposals are for a use that is compatible with the surrounding area. However the level of density that is proposed is excessive. The design, form, scale, positioning and materials proposed are not appropriate and will not preserve or enhance the character and appearance of the Old Town Conservation Area or the Edinburgh World Heritage Site. There will be a negative impact on the setting of the A-listed Canongate Kirk and the proposals will have an adverse impact on the privacy of neighbouring properties. It is recommended that the application is refused.

It is recommended that this application be Refused for the reasons below.

3.4 Conditions/reasons/informatives

Reason for Refusal:-

1. The proposal is contrary to the Local Development Plan Policy Des 1 in respect of Design Quality and Context, as the proposals would damage the character and appearance of the area and would not contribute towards a sense of place.
2. The proposal is contrary to the Local Development Plan Policy Des 3 in respect of Development Design - Incorporating and Enhancing Existing and Potential Features, as the proposals do not enhance existing characteristics of the site or the area.
3. The proposal is contrary to the Local Development Plan Policy Des 4 in respect of Development Design - Impact on Setting, as the proposals, in terms of height, form, scale, positioning and materials, will not have a positive impact on the area.
4. The proposal is contrary to the Local Development Plan Policy Des 5 in respect of Development Design - Amenity and the Edinburgh Design Guidance, as it will adversely impact privacy for neighbouring properties.
5. The proposal is contrary to the Local Development Plan Policy Env 6 in respect of Conservation Areas - Development, as the proposals fail to preserve the special character and appearance of the Old Town Conservation Area.
6. The proposal is contrary to the Local Development Plan Policy Env 3 in respect of Listed Buildings - Settings, as the proposals will adversely impact the setting of the A-listed Canongate Kirk.

Financial impact

4.1 The financial impact has been assessed as follows:

There are no financial implications to the Council.

Risk, Policy, compliance and governance impact

5.1 Provided planning applications are determined in accordance with statutory legislation, the level of risk is low.

Equalities impact

6.1 The equalities impact has been assessed as follows:

The application has been assessed and has no impact in terms of equalities or human rights.

Sustainability impact

7.1 The sustainability impact has been assessed as follows:

This application meets the sustainability requirements of the Edinburgh Design Guidance.

Consultation and engagement

8.1 Pre-Application Process

Pre-application discussions took place on this application.

8.2 Publicity summary of representations and Community Council comments

The application was advertised on 20 October 2017 and statutory neighbour notification was carried out on 12 October 2017 and 7 February 2019. Following this six letters of representation have been received.

Background reading/external references

- To view details of the application go to
- [Planning and Building Standards online services](#)
- [Planning guidelines](#)
- [Conservation Area Character Appraisals](#)
- [Edinburgh Local Development Plan](#)
- [Scottish Planning Policy](#)

Statutory Development

Plan Provision

The site is within the City Centre, Edinburgh World Heritage Site and Old Town Conservation Area as defined by the Edinburgh Local Development Plan.

Date registered

5 October 2017

Drawing numbers/Scheme

01-07, 08A, 9-18,

David R. Leslie

Chief Planning Officer

PLACE

The City of Edinburgh Council

Contact: Murray Couston, Planning Officer

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Links - Policies

Relevant Policies:

Relevant policies of the Local Development Plan.

LDP Policy Del 1 (Developer Contributions and Infrastructure Delivery) identifies the circumstances in which developer contributions will be required.

LDP Policy Del 2 (City Centre) sets criteria for assessing development in the city centre.

LDP Policy Des 1 (Design Quality and Context) sets general criteria for assessing design quality and requires an overall design concept to be demonstrated.

LDP Policy Des 3 (Development Design - Incorporating and Enhancing Existing and Potential Features) supports development where it is demonstrated that existing and potential features have been incorporated into the design.

LDP Policy Des 4 (Development Design - Impact on Setting) sets criteria for assessing the impact of development design against its setting.

LDP Policy Des 5 (Development Design - Amenity) sets criteria for assessing amenity.

LDP Policy Hou 1 (Housing Development) sets criteria for assessing the principle of housing proposals.

LDP Policy Hou 2 (Housing Mix) requires provision of a mix of house types and sizes in new housing developments to meet a range of housing needs.

LDP Policy Hou 6 (Affordable Housing) requires 25% affordable housing provision in residential development of twelve or more units.

LDP Policy Env 1 (World Heritage Site) protects the quality of the World Heritage Site and its setting.

LDP Policy Env 5 (Conservation Areas - Demolition of Buildings) sets out criteria for assessing proposals involving the demolition of buildings within a conservation area.

LDP Policy Env 6 (Conservation Areas - Development) sets out criteria for assessing development in a conservation area.

LDP Policy Tra 2 (Private Car Parking) requires private car parking provision to comply with the parking levels set out in Council guidance, and sets criteria for assessing lower provision.

LDP Policy Tra 3 (Private Cycle Parking) requires cycle parking provision in accordance with standards set out in Council guidance.

Non-Statutory guidelines Edinburgh Design Guidance supports development of the highest design quality and that integrates well with the existing city. It sets out the Council's expectations for the design of new development, including buildings, parking, streets and landscape, in Edinburgh.

Non-statutory guidelines 'LISTED BUILDINGS AND CONSERVATION AREAS' provides guidance on repairing, altering or extending listed buildings and unlisted buildings in conservation areas.

The Old Town Conservation Area Character Appraisal emphasises the survival of the original medieval street pattern; the wealth of important landmark buildings; the survival of an outstanding collection of archaeological remains, medieval buildings, and 17th-century town houses; the consistent and harmonious height and mass of buildings; the importance of stone as a construction material for both buildings and the public realm; the vitality and variety of different uses; and the continuing presence of a residential community.

LDP Policy Env 3 (Listed Buildings - Setting) identifies the circumstances in which development within the curtilage or affecting the setting of a listed building will be permitted.

Appendix 1

Application for Planning Permission 17/04578/FUL At 24 - 26 Calton Road, Edinburgh, EH8 8DP Demolition of existing non-listed buildings and erection of new residential building to form 24x flats, 1x commercial office space at ground floor and associated landscaping works. (as amended)

Consultations

Transport

1. In support of the Council's LTS Cars1 policy, the applicant should contribute the sum £12,500 (£1500 per order plus £5,500 per car) towards the provision of car 2 club vehicles in the area;
2. In accordance with the Council's LTS Travplan3 policy, the applicant should consider developing a Travel Plan including provision of pedal cycles (inc. electric cycles), secure cycle parking, public transport travel passes, a Welcome Pack, a high-quality map of the neighbourhood (showing cycling, walking and public transport routes to key local facilities), timetables for local public transport;
3. The applicant should be advised that as the development is located in Zones 1 to 8, they will not be eligible for residential parking permits in accordance with the Transport and Environment Committee decision of 4 June 2013. See http://www.edinburgh.gov.uk/download/meetings/id/39382/item_7_7 (Category A - New Build);
4. Any works affecting an adopted road must be carried out under permit and in accordance with the specifications. See Road Occupation Permits http://www.edinburgh.gov.uk/downloads/file/1263/apply_for_permission_to_create_or_alter_a_driveway_or_other_access_point

Note:

The application has been assessed under the Council's 2017 parking standards and allows for no parking provision and up to a maximum of 24 parking spaces. However, the applicant's justification of no parking provision was based on the site's public transport accessibility level. It is considered that provision of 2 car club in the area is appropriate.

Children & Families

The Council's Supplementary Guidance on 'Developer Contributions and Infrastructure Delivery' states that no contribution towards education infrastructure is required from developments that are not expected to generate at least one additional primary school pupil.

16 of the 24 flats only have one bedrooms or are studios and have been excluded from this assessment. Using the pupil generation rates set out in the Supplementary Guidance, the eight flats of two or more bedrooms are not expected to generate at least one additional pupil. A contribution towards education infrastructure is therefore not required.

Environmental Health

The proposed development is on the site of a former engineering factory used most recently as a night-club venue. Environmental Protection has concerns over the historic use of the site, as this may have resulted in ground contamination. A condition is recommended to ensure the site is suitable for the proposed use.

Environmental Protection has no objection to the application, subject to the following condition:

Prior to the commencement of construction works on site:

(a) A site survey (including intrusive investigation where necessary) must be carried out to establish to the satisfaction of the Head of Planning, either that the level of risk posed to human health and the wider environment by contaminants in, on or under the land is acceptable, or that remedial and/or protective measures could be undertaken to bring the risks to an acceptable level in relation to the development; and

(b) Where necessary, a detailed schedule of any remedial and /or protective measures, including their programming, must be submitted to and approved in writing by the Head of Planning. Any required remedial and/or protective measures shall be implemented in accordance with the approved schedule and documentary evidence to certify those works shall be provided to the satisfaction of the Head of Planning.

Waste Management Service

Waste and cleansing services takes no stance either for or against the proposed development but as a consultee would make the following comments:

Waste and Fleet Services would expect to be the service provider for the collection of waste as this appears to be a development of 24 residential flats on Calton Road. The application form refers to Refuse storage and collection point is included in the Northern Block, with access for collection being provided from Calton Road. The store meets the council's refuse requirements as outlined in section 2.10 of The City of Edinburgh Design Guidance and is indicated on the Plans as Proposed submitted as part of this application. Please provide drawings of the location of the bins store, types and quantity of bins and refuse vehicle collection point from Calton Road. Please provide estimated timescales of when this development will be complete and habited.

It is imperative that adequate provision is made for the storage of waste off street, and that cognisance is taken of the need to provide adequate space for the storage of segregated waste streams in line with the Waste (Scotland) Regulations which require the source separation of dry recyclable materials, glass, food, etc.

Adequate provision should also be made for the effective segregation of materials within the building not just at the point of collection. Adequate access must also be provided to allow uplift of waste safely from the collection point taking into consideration the traffic flows at this busy location.

In view of these factors the developer must contact Waste Services on 0131 469 5667 or hema.herkes@edinburgh.gov.uk at the earliest point for advice relating to their options so that all aspects of the waste & recycling service are considered i.e. access for vehicles, health & safety, presentation points for kerbside bins and/or boxes and size of storage areas required in residential gardens for all bins & boxes etc.

Affordable Housing

1. Introduction

I refer to the consultation request from the Planning Department about this planning application.

Housing and Regulatory Services have developed a methodology for assessing housing requirements by tenure, which supports an Affordable Housing Policy (AHP) for the city.

- o The AHP makes the provision of affordable housing a planning condition for sites over a particular size. The proportion of affordable housing required is set at 25% (of total units) for all proposals of 12 units or more.

- o This is consistent with Policy Hou 6 Affordable Housing in the Edinburgh City Local Plan.

2. Affordable Housing Provision

This application is for a development consisting of 24 homes and as such the AHP will apply. There will be an AHP requirement for a minimum of 25% (6) homes of approved affordable tenures.

In all instances the Council expects the 25% affordable housing contribution to be delivered on-site, in a manner that is well-integrated. It is only in exceptional circumstances, where the Council is satisfied that the affordable housing could not be viably delivered by a housing association, that we consider alternative proposals.

Both Dunedin Canmore HA and Castle Rock Edinvar have looked at this opportunity and do not want to take affordable units on this site for two reasons:

1. High Build Costs

The developer's submitted build costs to the Council's housing team and to RSLs. To verify the accuracy of the costs, these were assessed by a chartered surveyor from the Council's Estates Section. This analysis of costs has verified the build cost to be an average of £189,000 per unit. Consequently this falls far out with a sum that is acceptable for an RSL to deliver on site. RSLs typically build at an average of £140,000 per unit. The main reason identified by the developer for the high build costs are due to the difficulty accessing into the site with the neighbouring buildings being so close and also higher cost materials associated with planning requirements of this location.

2. Consolidation of Ownership

RSLs were approached with the proposal once the design was finalised. However, the properties are of a size which would meet RSL requirements in terms of space standards and without being excessively large for an RSL to afford to purchase. However, the design is for 24 flats split over two stairwells. With this design, the proposal would see the RSL taking minority ownership of six flats within a common stairwell of 12. Affordable housing providers across the city, including the Council, are looking to acquire and dispose of properties where they are in minority ownership within their existing housing stock. Consequently they do not want to enter into new scenarios where this will arise. Both RSLs and the Housing department view of this project, is that it is difficult to see how the project could be designed to provide an RSL with a single block for outright ownership.

Dunedin Canmore housing association and Castle Rock Edinvar considered the proposal but due to the high build costs and the minority ownership within the stairwell, felt their investment was better placed elsewhere and declined the opportunity. RSLs operate within the same financial and management models and can offer the similar amounts for completed units. Therefore no other RSLs are likely to consider the proposal for the reasons identified above.

Where the developer has clearly established that the development would not be viable for a housing association to deliver, then the affordable housing policy allows for alternative methods of delivery to be considered.

For a property to be considered as viable for Golden Share it cannot exceed a Market Value of £268,495 to achieve the £214,796 cap for Golden Share housing. Given the anticipated sales prices of £285,000 for the smallest property there are no units to fall close to this price range and a recommendation cannot be made for Golden Share Housing.

Over 9 out of every 10 applications that fall under the AHP have affordable housing delivered onsite. The housing service considers that options for onsite delivery have been explored and that as a last resort will accept a commuted sum payment in lieu of onsite affordable housing.

The developer will provide the commuted sum through a Section 75 agreement, paying the sum prior to the commencement of construction on the principal site. The amount of the commuted sum is based upon the land value and on this basis, the commuted sum payment is likely to be in the region of £50,000 per unit. However, this figure will be required to be independently assessed by the District Valuer and will be required to be paid prior to the development starting on site.

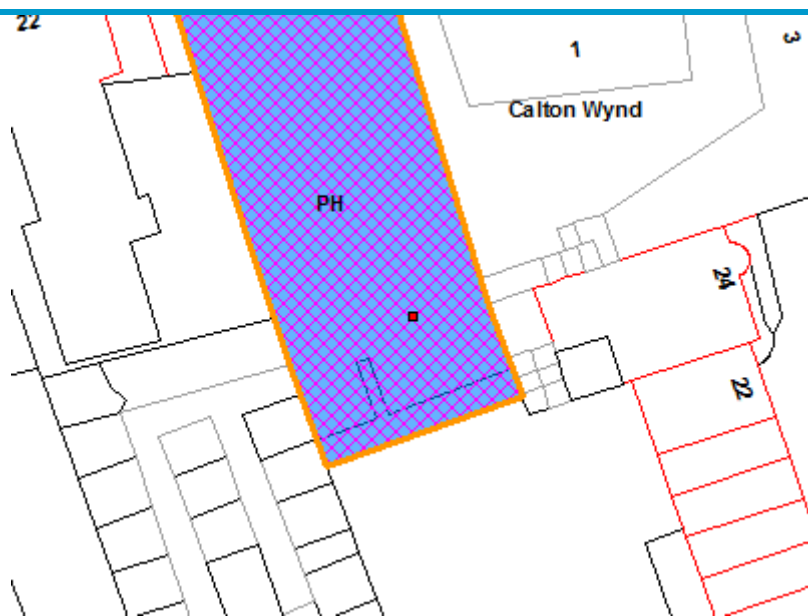
The Housing Department has not identified a suitable project to support with this sum but has 10 years to use the sum. With the expanding housing programme, opportunities will arise within this timeframe to identify a project to support an increased level of social rent. The sum will be used to support the delivery of affordable housing, first of all within the same ward and should a suitable project not be found, then it will be used to support delivery in an adjacent ward.

3. Summary

The applicant has made a commitment to provide 25% (6 units) offsite affordable housing, as a commuted sum. These will be secured by a Section 75 Legal Agreement.

- o Over 9 out of every 10 applications have affordable housing delivered onsite. Commuted Sum are accepted as a last resort, once all other options are explored.
- o RSL partners were requested to assess the project and declined the opportunity due to high build costs and minority ownership within a stairwell.
- o The commuted sum will be verified by the District Valuer, paid prior to commencement of development and used to support delivery in the same ward and should this not be viable, then in an adjacent ward of the city.

Location Plan



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