



Affordable Housing Supplementary Guidance September 2018

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1.0 Introduction

One of Fife Council's key objectives is to ensure that new housing development meets the needs of the whole community. This guidance aims to further this objective and will replace the third version which was approved in October 2014. It should be read in the context of achieving Fife Council's target of providing 2,700 new affordable homes for rent by 2017.

The Council's overall policy position on affordable housing is set out in the adopted Local Development Plan, FIFEplan 2017. The strategic context is set out by the adopted Strategic Development Plans for Dundee (TAYplan) and Edinburgh (SESplan). This document provides detailed guidance to support these documents. This document will also reflect the priorities of the Fife Local Housing Strategy 2015-2020 (LHS).

This guidance is intended to provide helpful advice for interested parties, including housebuilders, registered social landlords (RSLs), consultants, Tenants' and Residents' Associations and Community Councils. Co-operation between all parties concerned is absolutely crucial. The planning system can make a contribution to the provision of affordable housing in areas of need, but cannot meet the need in entirety. This approach is based upon the concept of reduced land values and should not result in an increase in the final sale price of open market housing.

Affordable housing is a key planning obligation which is primarily dealt with under Policy 1 (Development Principles) and Policy 2 (Homes) of the adopted Local Development Plan (FIFEplan 2017). This is with the exception of exemptions relating solely to affordable housing sites which are dealt with under Policy 1 (Development Principles) and Policy 4 (Planning Obligations) of the adopted Local Development Plan (FIFEplan 2017) along with the Planning Obligations Supplementary Guidance.

2.0 Consultation

Following a five week consultation, which ran between 17 March 2017 and 5 May 2017, a total of 10 representations were received. Each individual comment was carefully assessed and taken into account in finalising this guidance. Respondents fell into the following categories:

Government agencies	4
Industry organisations	4
Community Councils	1
Individuals	1

3.0 Policy Context

3.1 Scottish Planning Policy 2014

Scottish Planning Policy (SPP) was published in 2014. This key document includes a section on affordable housing. Key points include:

- The need for affordable housing should be met, where possible, in the housing market area where it arises.
- Detailed advice on how the affordable housing requirement for an area should be met should be set out in supplementary guidance.
- Affordable housing policies should be realistic, taking into account issues including development viability and funding availability.
- As far as possible housing tenure should not be discernible from its design, quality or appearance.
- Authorities may seek a percentage affordable housing contribution from developers of new housing developments where this is justified by the housing need and demand assessment and is included in the development plan. This should be based on a benchmark of a 25% contribution with any variations being justified in the LHS and development plan.

3.2 Local Housing Strategy

The Housing (Scotland) Act 2001 requires all Local Authorities to produce an LHS for their area, examining housing conditions, needs and demands and providing a long term plan for housing improvement. The current Fife LHS covers the period 2015-2020. Fife Council has delegated responsibility for taking forward the Local Housing Strategy to the Fife Housing Partnership, which provides a single forum to develop and implement measures to improve housing across all tenures.

The strategic aim of the LHS is to “provide housing choices for people in Fife”. The new LHS highlights links between housing and land-use planning. The needs and housing supply targets presented within the new LHS will drive the amount of land available for housing within the Development Plan.

The development of the LHS is supported by research into housing need and demand in Fife. This involves understanding Fife’s local housing markets presented through the Fife, TAYplan and SESplan Housing Need and Demand Assessments, examining issues across all housing sectors, and relating housing indicators to wider demographic, social, economic and health information.

The LHS and the Strategic Housing Investment Plan (SHIP) provide key statements of housing development priorities in Fife. The core purpose of the SHIP is to set out investment priorities in affordable housing over a 5 year

period to achieve the outcomes set out in the LHS. The characteristics of housing need have been matched against the available opportunities and resources on a site specific basis within the SHIP.

3.3 Planning Advice Note 2/2010 - Affordable Housing and Housing Land Audits

Planning Advice Note (PAN) 2/2010 which was published in August 2010 provides advice and information on how the planning system can support the Government's commitment to increase the supply of affordable housing. The key points are as follows:

- *Definition:* affordable housing is defined in the SPP as housing of a reasonable quality that is affordable to people on modest incomes. The following tenure types are included: social rented, subsidised low cost housing for sale, unsubsidised low cost housing for sale and mid-market or intermediate rented.
- *Delivery through the planning system:* where a shortage of affordable housing has been identified through the HNDA and LHS, it should be addressed in the development plan as part of the housing land allocation. The development plan should be clear on the required scale and distribution of affordable housing. Authorities may seek a percentage affordable housing contribution from new housing developments provided this is justified by the HNDA and included in the LHS and development plan. The benchmark figure is that each site should contribute 25% of the total number of housing units as affordable units.
- *Nature of contribution:* this should normally be the provision of serviced land e.g. a proportion of the site which can be developed by or for an RSL or local authority. The land should be transferred at a value appropriate for affordable housing which will be less than the value for mainstream housing for sale. The PAN also states that "Depending on the type of affordable housing required, there will be a variety of other ways in which developers can provide affordable housing on-site".
- *Flexibility:* PAN 2/2010 stresses that its advice has to be applied constructively and with flexibility in response to financial and market conditions. The key matters where flexibility may be exercised include: a range of tenures; the percentage of affordable units identified in the development plan policy and on a specific site; provision on another site; and in some cases the use of a commuted sum. PAN 2/2010 states that "In particular and taking into account the availability of public funding, the wide range of affordable housing tenures means that the inability of a RSL or council to commit to development within a similar timescale to the market housing should not unnecessarily inhibit the timeous delivery of affordable housing.

On the basis of the HNDA, the full range of affordable housing tenures will normally be an acceptable means of delivering the development plan policy”.

- *Site thresholds*: as a guide on-site provision is considered appropriate for developments of 20 or more units with off-site provision or commuted sums a possibility on smaller sites. In rural areas these thresholds could be lower.
- *Off-site provision and commuted sums*: where sites are unsuitable for on-site provision of affordable housing, off-site provision within the same housing market area or commuted payments may be acceptable. Commuted sums should only be used sparingly. Such alternatives should be of a value equivalent to the cost of providing the percentage of serviced land required by the policy. The value should be independently determined by the District Valuer or a suitably experienced chartered valuation surveyor.

3.4 Fife’s Community Plan (2011-20) and Council Plan 2017

The Community Plan is the overarching strategic plan for Fife and it provides a framework for all the other strategies and plans. The Community Plan identifies meeting the need for suitable housing choices as being a long term outcome and delivery will be led by the Fife Housing Partnership. The Council Plan 2017 identifies a target to deliver 2,700 affordable homes in Fife from 2012 to 2017. Following delivery of the 2,700 new affordable homes target the Council will agree a new target and further phase of new affordable housing over the next 5 years. Details will be available on FifeDirect - <https://www.fifedirect.org.uk> - search new build

3.5 Strategic Development Plans

Fife is covered by two Strategic Development Plans which replaced the former Fife Structure Plan. They provide the context for the Fife Local Development Plan, which translates the broad guidance into site specific detail. The two plans are: TAYplan (Dundee city region) covering North Fife and SESplan (Edinburgh city region) covering Mid and South Fife. Together these two plans and the Local Development Plan (FIFEplan) form the Fife Development Plan. Both Strategic Development Plans support affordable housing.

3.6 Local Development Plan

Local Plan policy is now being progressed through a single Local Development Plan for Fife, FIFEplan 2017, which amalgamates the previous three previous local plan areas. Whilst the affordable housing is very similar to previous affordable housing policies, contained within the three individual area Local Plans, minor variations have been made taking account of issues

raised during the Examination process. The revised policy includes percentage requirements based on identified local needs.

4.0 Affordable Housing Needs

4.1 Fife Housing Need and Demand Assessment (HNDA)

Following recommendations of guidance issued by the Scottish Government the Fife Housing Need and Demand Assessment (HNDA) was used to inform the strategy for affordable housing investment from 2010 to 2017. The HNDA has been developed on behalf of the Fife Housing Partnership to provide a 'robust and credible' evidence base to allow the definition of housing supply targets for the LHS and to ensure that suitable available land is allocated to meet these targets through the Development Plan. The Fife HNDA was assessed by the Scottish Government as "robust and credible" in December 2010. The LHS 2015-20 highlights that affordable housing programmes after 2017 will be informed by updated Housing Need and Demand Assessments for TAYplan and SESplan.

4.2 Affordable Housing Need

In March 2008, 6.2% of Fife households were estimated as being in housing need. Once housing turnover has been accounted for, there is a net requirement for 5,611 new supply affordable homes over 10 years.

This Fife wide requirement varies geographically. An indicative summary of the percentages of households in need in each Local Housing Strategy Area (LHSA) is shown in table 4.2.1 This suggests that the St Andrews LHSA has the highest level of relative housing need at 10.6% of households within the area. The lowest level of need is in the Cowdenbeath LHSA with 3.1% of households in the area being affected.

For indicative purposes the gross housing need figure has been modelled against the size and type of housing required. See Appendix C for further details. This suggests that over 53% of the Fife affordable housing requirement is for one and two bedroom general needs homes and 21% of the affordable housing requirement is for specific needs housing.

Table 4.2.1 Indicative Percentage of Households in Need by LHSA, 2008

LHSA	Distribution of New Affordable Housing Requirement 2008-2018	Percentage of Households in Need
Cowdenbeath	286	3.1
Cupar & Howe of Fife	505	8.7
Dunfermline & the Coast	1,275	5.9
Glenrothes	412	3.2
Kirkcaldy	1,081	5.8
Largo & East Neuk	307	6.9
Levenmouth	588	6.2
St Andrews	653	10.6
Tay Coast	169	4.8
West Fife Villages	335	7.7
Total	5,611	

Source: Fife Housing Need and Demand Assessment, FHP, Finalised November 2010

4.3 Affordable Housing Supply

The study highlights that there are a number of imbalances in the housing system in Fife. The main imbalances are the mismatch of available supply to housing need, issues of affordability and access to private finance; and the lack of choice and flexibility in the social housing sector. It is accepted that effective implementation of the Affordable Housing Policy can significantly contribute to increasing the numbers of affordable homes and therefore meeting the affordable need.

Further policy interventions are required to increase the supply of affordable housing through a range of measures. In recent years this has included the application of Pressured Area Status (PAS), which aims to restrict the sale of Council Houses in areas with high need, reduced Council Tax discount for second homes and use of Council owned land for affordable new build developments. Future measures include further development of models for affordable housing without subsidy and exploring new sources of funding. Affordable housing supply targets have been agreed by the Fife Housing Partnership and are included in the Local Housing Strategy 2015-2020.

4.4 Affordable Housing Mix

The Council will seek to promote sustainable, mixed communities developing a full range of affordable housing in line with Scottish Government Planning Advice to match local needs.

Recent research informing the Fife HNDA has indicated a requirement for new affordable housing supply to be provided in the ratio of 65% social rented options / 35% other tenures, although there will be individual LHS areas where a different balance will be more appropriate. There will also be individual towns and villages where higher levels of social rented housing will be required and others where higher levels of Low Cost Home Ownership will be appropriate. Fife Council has prepared more detailed analysis for inclusion in the SHIP based on the available funding. See Appendix F.

In addition, the significant need for specific needs housing has been identified through the HNDA (refer to section 9.7 of the HNDA). The Fife Housing Partnership has agreed that all affordable housing developments using Scottish Government funding will have a target of 27% specific needs provision to 2017 and 30% thereafter..

In the current climate of restricted grant levels greater difficulties are faced in the funding of affordable housing. Fife Council recognises that the availability of public subsidy will be important in determining which form of affordable tenure may be provided. Where public funding is not available it may be difficult to deliver housing for social rent. However, the Council will work with developers and registered social landlords (RSLs) to ensure that alternative tenures can be delivered.

The need for affordable housing is therefore a complex one and it is important that what is built addresses the particular demographic / geographical requirements within the context of available subsidy. Fife Council recognises that this can only be achieved through working closely with developers, RSLs and other partners. Developers are requested to engage with Fife Council Housing Services before submitting planning applications to discuss the affordable housing requirement of individual sites including number, tenure, type, design of housing and the method of delivery. Contact details are included within Appendix L. Developers should include detailed proposals on the provision of affordable housing and the delivery mechanism to be utilised as part of any initial planning application, unless it has been agreed by Fife Council that this is not appropriate.

5.0 Affordable Housing Requirements

5.1 Definition of Affordable Housing

Scottish Planning Policy (SPP) broadly defines affordable housing as 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.

A range of tenure types can contribute to affordable housing as detailed in PAN 2/2010 and these are detailed below.

- Social rented
- Subsidised low cost housing for sale including discounted sale, shared ownership and shared equity
- Unsubsidised low cost housing for sale including entry level housing and shared equity
- Mid-market or intermediate rented

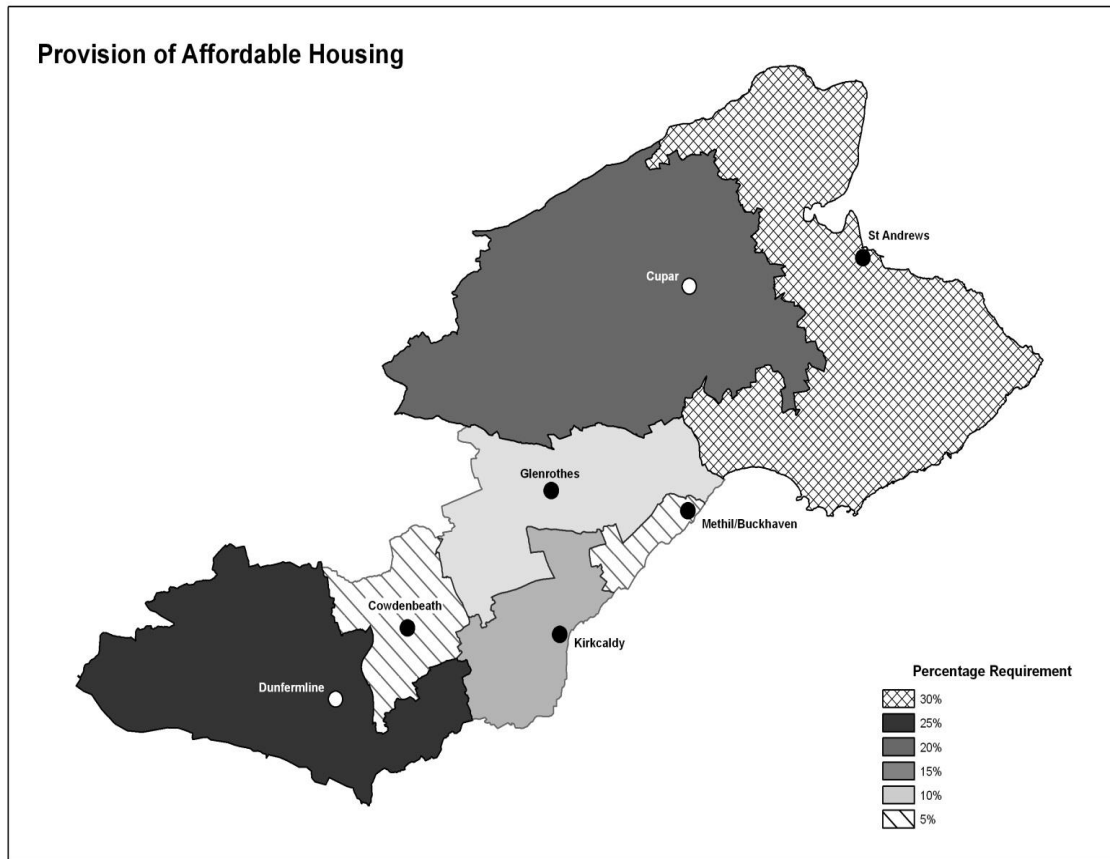
A more detailed list of categories of housing which are recognised as being affordable can be found in Section 8.

5.2 Percentage Requirements

The Affordable Housing Policy requirements will apply to all applications for planning permission for housing development. It is Fife Council's intention that this Guidance and the Development Plan policies should speed up the planning application process by clarifying the affordable housing requirements in order that they form an integral part of development proposals from the outset.

Policy 2 (Homes) of the Local Development Plan sets out the Council's main policy requirements for the provision of affordable housing through the land use planning system.

Map 1 below shows the geographic application of the various percentage requirements in Fife by Local Housing Strategy Area.



5.3 Site Thresholds

No contribution will be sought on sites with fewer than 10 total housing units for both urban and rural areas. The total housing units comprise the market housing units and the affordable housing units. Sites with fewer than 10 units are exempted on the basis that affordable housing contributions are impractical to negotiate.

As well as percentage requirements, site thresholds are set in line with the provisions of PAN 2/2010.

- **For urban areas the threshold for on-site provision will be 20 total housing units and above with off-site provision for sites of between 10 and 19 total units inclusive.**
- **For rural areas the threshold for on-site provision will be 15 total housing units and above with off-site provision for sites of between 10 and 14 units inclusive.**

In addition, in situations where 3 or less affordable units are required then the developer will normally be required to provide the serviced land on another site or pay a commuted sum in lieu of the on-site provision.

Many rural sites tend to be small scale and therefore lower site thresholds have been set to help to facilitate affordable housing outwith urban areas. Rural areas are classified as settlements of 3,000 persons or less as defined in the former Scottish Planning Policy 15: “Planning for Rural Development”. Appendix A details whether settlements are classed as either urban or rural and the affordable housing requirement for each settlement.

Exceptions will only apply where there are extraordinary circumstances, which clearly demonstrate that this is not possible. In order for exceptions to be considered the developer must submit a development appraisal, this is covered in detail in section 6.5 and Appendix K. Where on-site provision is not possible the contribution should normally be provided within the same Local Housing Strategy Area (LHSA), or failing that within the same Housing Market Area (HMA).

5.4 Application of the Affordable Housing Policy

A process map showing how the affordable housing requirements are applied to individual developments is attached at Appendix B.

5.5 Exemptions

Examples of when and how the Affordable Housing Policy would apply or not are detailed below:

- a. If a valid Planning consent exists which did not require an affordable housing contribution and the new application has fewer than 10 additional units in total then the policy will not apply.
- b. Where a Planning Application seeks to provide temporary accommodation, then the development will be exempt from the Affordable Housing Policy, although a Section 75 legal agreement will be required to ensure that these properties remain as temporary accommodation or if not, would attract a commuted sum as a contribution in the future. Examples of this would include holiday accommodation.
- c. Purpose built student accommodation will be exempt from the Affordable Housing Policy; however, a Section 75 clause will be required to ensure that the properties would attract a financial contribution in the future, should they then be used as mainstream accommodation. For the avoidance of doubt student accommodation will not be considered as affordable housing as it is classed as temporary accommodation and is not available to let to the mainstream population. To avoid any doubt, student accommodation includes both under graduate and post graduate accommodation.

- d. In terms of conversions, if one existing dwelling house is split into 10 units, then the Affordable Housing Policy will not apply as there is a net gain of 9 dwellings.
- e. If one existing dwelling house is split into 11 or more units then the Affordable Housing Policy will apply and will be calculated on the additional units only e.g. where one existing dwelling is split into 11 flats then the commuted sum will be calculated based on 10 units. *(The Affordable Housing Policy requirements will apply to planning applications which seek to increase the capacity of sites which have an existing planning consent.)*
- f. If an application is for 10 or more units and one (or more) of the units is for self-occupation (or occupation by family member), then the Affordable Housing Policy will apply but the affordable housing requirement is calculated waiving the self-occupied units. For example if a planning application is for 10 units in a 30% area and one of the units is for self-occupation then the 30% is only applied to 9 of the units. It should be noted that a clause will be included in the Section 75 specifying that the self-occupied units cannot be sold without attracting an affordable housing contribution within a specific time period.
- g. Building conversions where it can be demonstrated that the contribution to affordable housing would make the conversion unviable. Where the conversion of derelict buildings needs planning permission to bring it back into residential use (and there are other new build/rehab properties on the site) then the derelict property will be counted in calculating the Affordable Housing Policy requirement. For the avoidance of doubt the dwelling will be counted in respect of the affordable housing requirement where a substantial amount of works (roof replacement and major internal or external works) are needed to bring the building back into housing use. If only minor works (roof repair, internal works such as rewiring etc.) are required then the property will be deemed to be an existing dwelling and therefore discounted from the calculation.
- h. The re-use of long term vacant or derelict land within a defined settlement (excluding former mine workings; and naturalised previously developed land).
- i. Rehabilitation of contaminated land (excluding mine workings) within a defined settlement. This is land covered by or containing any substance which is:
 - causing or is presenting a significant possibility of causing harm; or
 - likely to be causing pollution of controlled waters

5.6 Subdivision of Sites

Where Fife Council considers that developers have submitted multiple planning applications for housing on the same or adjacent sites in order to reduce the provision of affordable housing required in terms of the Affordable Housing Policy, then the Council will process these applications as a single application. It should also be noted that sites that are clearly sub-divided or reduced unrealistically to avoid site thresholds will still be expected to provide an element of affordable housing.

6.0 Delivering the Affordable Housing Contribution

Early discussions with Fife Council are vital to agree the form of the affordable housing contribution to be provided. Developers should seek early negotiations with Fife Council on aspects of site transfer/development including method of delivery and availability of funding, as well as, number, type and design of housing. Where it has been decided that a developer will develop units for an RSL or Fife Council accessing Scottish Government subsidy, discussions should begin with the preferred RSL/Council at the earliest opportunity possible. The Council and Scottish Government reserve the right to nominate an RSL.

Developers should note that when applying percentage requirements the calculation showing the number of affordable units to be provided will be rounded to the nearest whole number. Where a commuted sum is requested then the calculation will use the number of affordable units required shown to one decimal place.

There are three main ways for developers to fulfil their affordable housing obligations as detailed below.

6.1 On-site Provision (Land or Units)

There are two principal mechanisms through which developers may fulfil their affordable housing obligations on-site.

Land: Depending on local circumstances, the Councils preference will be for the transfer of fully serviced land (see Section 14 Glossary for definition) to the Council or RSL in order for a RSL or Fife Council to carry out the development of the affordable units themselves. PAN 2/2010 (Paragraph 19) states “Such land can be transferred either at a value relating to its end use for affordable housing or by agreement between the developer and RSL or local authority, at a lower value”. Care should be taken to ensure that the affordable element of land is not subject to any particular development constraints. The affordable and non-affordable elements of the development should ideally be completed within similar timescales, although, it is recognised that in the current financial climate this is not likely to be possible. In determining an appropriate value for such land the Council will take into account any possible extraordinary servicing costs associated with the site.

Units: Alternatively in some instances, built units on-site will be required. This is where developers build units of affordable housing as an integral part of a mixed residential development. The objective of a mixed residential development is to make it impossible to tell the tenure of a particular property from its external appearance. This approach achieves integration of different tenures. Built units on-site could take the form of either subsidised or unsubsidised units.

Subsidised units may be for rent or low cost sale. Rented units would be transferred at an agreed price to a RSL or Fife Council for onward management and maintenance. Houses for sale under shared equity or shared ownership would also normally be transferred to a RSL which would be responsible for the onward sale of the houses. Where funding allows, on-site affordable housing should be completed within a similar timescale to the non-affordable housing unless otherwise agreed by the Council. It should be noted that RSLs operating in Fife have their own design standards.

Unsubsidised units would be marketed and either rented or sold by the developer or by a RSL. Where unsubsidised properties are being provided the timescales will be agreed within the Section 75 Legal Agreement.

An overall phasing strategy should be provided as part of the planning application.

6.2 Off-Site Provision

Where Fife Council agrees that on-site provision is inappropriate, the provision of affordable housing within the same Local Housing Strategy Area or if this is not possible, within the same Housing Market Area (wherever possible) will be expected. Where the site is of a sufficient size for an on-site contribution, off-site provision will only be considered in limited circumstances where, for example, the site size, location, topography, nature of the development or tenure mix mean that off-site provision on a nearby site is preferable.

Where the provision is on an alternative site then this should include the provision of affordable housing required from the first development site plus the contribution that would be required from the alternative site (as if it were to be developed in its own right for mainstream housing). Any such proposals will be required to be discussed fully with Fife Council's Housing Services and various issues including the timing of the alternative site would need to be agreed. Off-site provision should preferably take the form of fully serviced land at a reduced value or built units. Any alternative site being considered would need to have the appropriate planning permission. Where provision is off-site, the provision should be of a value equivalent to the cost of providing the percentage of serviced land on-site required by the relevant policies in the Local Development Plan

6.3 Affordable Housing Credit System

A 'credit system' is where a developer can group together the affordable contributions from a number of sites. It means that some sites, where the need for affordable housing is greatest, could be developed wholly for affordable housing. This also has advantages for RSLs/ the council as housing authority from a management point of view and can bring forward affordable housing earlier.

The Council is therefore prepared to consider 'credit proposals' from developers. The preferred method will be where a developer puts forward a complete package of sites indicating those which are to be developed wholly for affordable housing or which will have an increased affordable housing percentage, and those which are to be developed wholly for private housing or with a reduced affordable percentage. This will enable the Council to assess the merits of the complete package. The number of affordable units proposed overall should be at least equivalent to the required % affordable housing contribution specified in the policy for the HMA. Specifically in working up credit proposals, but also in more general terms, developers are urged to take a wide view of their landbanks and potential development opportunities to assemble projects that provide best fit in terms of site location and project viability.

It is recognised that it will not always be possible for a developer to identify at the outset those sites which will be included in a credits package and may instead wish to proceed on a site by site basis. In such circumstances the affordable housing credits **must** be built up in advance of the private sector development. Proposals to build the affordable housing element retrospectively will not be permitted. In addition the following will apply:

- The policy indicates that on-site provision will be preferred on sites of 20 or more houses in the larger settlements. However, in order to give more flexibility where a developer has already built up affordable housing credits it is proposed that they will normally be permitted to be used on sites of up to 50 houses (a mix of tenures will still be required on sites of 50 or more houses);
- The Council will define the area within which credits can be used – this will be assessed on a site-by-site basis but will generally be within the same Local Housing Strategy Area as the credits were accrued;
- Credits accrued will be valid for a period of 10 years, in appropriate circumstances this period may be extended by Council permission;
- Only those additional affordable houses (over and above the % required by the affordable housing policy) which are granted planning consent from September 2014 onwards will be counted as affordable housing credits;

- The Council's written agreement to units being counted as affordable credits will be required;
- The Council will need to be satisfied that the houses being put forward as credits are affordable and / or the land transferred to an RSL/ the council for the credits is done so on the basis of affordable land value not at market value;
- The acceptability of an alteration to the normal % private/ affordable split as required by the affordable housing policy will depend on the location of the site and need for affordable housing within the area as well as all other planning requirements.

It is acknowledged that the affordable housing credit system has the potential to benefit developers in terms of increased flexibility, and RSLs/ the council in terms of better and more efficient management of houses. However, the council has to ensure that the situation does not arise whereby developers are able to 'pick and choose' where to locate affordable housing rather than this being informed by the HNDA as this could ultimately lead to a lack of affordable housing in some areas where it is most needed.

In this respect the building up of credits will be at a developer's own risk and it must be accepted that having credits does not necessarily mean that it will be acceptable to build a larger number of private houses on any site of their choosing.

6.4 Commuted Sums

When planning applications are submitted which are for a smaller number of units, the Council will accept payments in lieu of on-site or off-site provision, these payments will be known as commuted sums for affordable housing. See sections 5.4 and 6.0 for further details on site thresholds. Commuted sum payments will be used for the provision of affordable housing as set out in the Section 75 legal agreement.

For more details on commuted sums please refer to Section 11 of this document.

6.5 Land Values

Regardless of how the provision will be supplied, it is anticipated that the affordable housing requirement will be made viable through a reduced land value. Developers should take the requirement for affordable housing into account in negotiating a land value with site owners in order to minimise the loss of potential income. PAN 2/2010 (Paragraph 25) states "Where non-market housing is to be provided as part of the development, or part of the site is to be purchased by a RSL or council at a value lower than market

housing, this will affect the price which can be paid for the land and will require to be negotiated with the site owner”

As per RICS Professional Guidance, Scotland (Valuation of land for affordable housing Scotland (2013), the valuation of the land transferred is likely to depend on such factors as the proposed tenure of the affordable development as well as the capital available for the scheme and the development costs. As land costs will not be eligible for subsidy; such value will be minimal.

In the event of any dispute over land values, Fife Council’s preference would be to appoint the District Valuer. This would provide an independent and consistent approach throughout Fife. The use of other suitable qualified chartered valuation surveyors will not be ruled out. The Developer and the Council would need to agree on a suitable Valuer **in advance** of one being appointed. The cost of seeking this advice would be borne by the developer.

6.6 Development Costs

Where Developers consider that the provision of affordable housing on-site would render the development uneconomic, Fife Council will require them to submit a development appraisal. Such appraisals will be reviewed as set out in Paragraph 6.4 at the Developers expense. It should be noted that the Developer is expected to reflect the affordable housing contribution where appropriate in their appraisals.

Guidance on the minimum requirements to include in a development appraisal is included in Section 11.2 and Appendix K.

6.7 Development of sites solely for provision of affordable housing

Proposals solely for the provision of affordable housing may be supported where they:

- are made available for local need, identified in partnership with Fife Council (with earnings below an agreed threshold value), and will continue to be available for that need; and
- are on non-brownfield sites within or adjacent to the identified settlement limits and no alternative brownfield site is available and viable; and
- do not prejudice the implementation of Development Plan policies

In line with FIFEplan Policy 2 (Homes), the development of sites adjacent to settlement boundaries, excluding green belt areas, solely for the provision of small scale affordable housing, may be supported where there is established and unmet local need and if no alternative site is available within a settlement boundary. In such instances, priority will be given to the redevelopment of

brownfield sites. The scale of such adjacent development will reflect the character of the settlement – a maximum of 20 units for settlements with fewer than 200 households; a maximum of 30 units for settlements of between 200 and 1,000 households; and a maximum of 49 units for settlements of greater than 1,000 households.

Unmet local need will be defined on a settlement basis using information from the Housing Need and Demand Assessment and Fife Housing Register.

Fife Council will implement the Affordable Housing Policy on these sites and ensure that the affordable housing policy quota is met. However, the exact nature of the affordable housing provision on such sites will be negotiated on a case by case basis. A greater degree of flexibility may be placed on the balance of units once the affordable housing quota has been met.

On sites developed entirely for affordable housing, the units provided in excess of the policy requirement can be used in conjunction with the Credit System specified under section 6.3.

7.0 Partnership Working & Availability of Subsidy

7.1 The Importance of Partnership Working

Success in meeting affordable housing needs will be dependent on co-operation between all parties involved and the Council will work hard to ensure a partnership approach, as promoted by the Fife Housing Partnership. The theme of partnership working is promoted by SPP, the Community Plan for Fife and the LHS. In this respect, the Council will seek to be flexible, and work closely with developers, RSLs, land owners, community planning partners and others to maximise the number and quality of affordable homes achieved. The Fife Housing Partnership, set up in late 2002, has played a key role in partnership working although much remains to be done.

7.2 Community Benefits

Partnership working is likely to result in wider community benefits that can flow from the contractual arrangements which will be necessary to deliver affordable housing. Such benefits include employment and educational opportunities; environmental and renewable energy gains; or other measures which give added value to individual developments. Developers are expected to work in partnership with RSLs or Fife Council to capture such community benefits as are deemed appropriate.

7.3 Availability of Subsidy

Developers should note that subsidy for the provision of affordable housing is not guaranteed. Where subsidy is not available, the Council's requirement to deliver affordable housing remains. The priority areas for funding are outlined in the Strategic Housing Investment Plan (SHIP) for Fife, which is a five year planning document and is subject to annual review. Further details on the SHIP can be obtained from Housing Services officers.

It is expected that developers will work closely with RSLs or Fife Council to deliver the policy objective such as transferring an area of land (at the appropriate end use value) to a RSL or Fife Council so that they carry out the development of affordable units. Developers and RSLs/Fife Council should enter into discussions at an early stage. Where developers are building social rented units in partnership with RSLs/Fife Council, rather than providing land, it is vital that they should engage with the RSL/Fife Council concerned from the outset to ensure that the housing meets Scottish Government's funding criteria and RSL design standards.

For potential planning applications where units on-site will be required it is important that discussions regarding the provision of the affordable housing should take place at the earliest possible opportunity. This should be done in advance of the submission of planning applications, to agree an appropriate tenure mix and identify the practical delivery mechanism to meet the

identified need. Whilst confidentiality is an important issue, discussions should be open and constructive if they are to lead to a greater understanding of all the issues involved. Effective partnership working will assist in avoiding delays to development which, if they occur, are of no benefit to the parties involved.

As previously stated, where units on-site are being provided, the Council's priority is the delivery of social rented housing. The rationale for this is that social rented housing:

- is the greatest identified need
- is the first priority of the Affordable Housing Policy and will best meet the objectives of the Local Housing Strategy
- will be kept affordable in perpetuity as rented housing (unless there is a change in legislation)

If it is clear that development is not likely to be achieved within a maximum 5 year period (to co-ordinate with the SHIP), discussions need to take place with Fife Council and alternative means of providing the affordable housing requirement should be agreed and written into the Section 75 Agreement.

It is recognised that without subsidy it may be difficult to deliver social rented housing. Where subsidy is not available unsubsidised intermediate tenures, including low cost housing for sale and mid-market rental will be considered. The agreed form of tenure will need to be informed by the characteristics of the housing market in the area concerned.

7.4 When Subsidy is Unavailable

Fife Council recognises that intermediate tenures i.e. mid-market rent, shared equity and discounted sale provided without subsidy have an important role to play in the provision of affordable housing. Firstly they can be provided where no Scottish Government subsidy for affordable housing is available. Secondly they broaden the choice of affordable housing options available to those households in need. This is required to address the variance between households' ability to contribute to their housing costs.

In areas where providing the affordable housing requirement without subsidy is not viable, the following approach will be followed: The Council will accept serviced land at a value for affordable housing to be established by an independent valuer which could be developed in the future by either the council or RSL.

If funding has not been established or development not commenced within five years, then the price paid shall be refunded to the Council and the land in question shall be returned to the relevant developer / landowner."

8.0 Tenure

As previously stated Fife Council's and Fife Housing Partnership's preference and first priority is for the provision of social rented housing through an RSL/Fife Council. However, it is recognised that all of the tenures listed below have a role to play in the provision of affordable housing in Fife. Appendix L provides further tenure details. Early negotiations with Housing Services' officers are important in clarifying the number of units and tenure type(s) that developers would be required to provide. Pre application discussions can help to avoid delays in processing planning applications.

The Council's preference is for on-site fully serviced land, however, where this is deemed to be inappropriate, built units on site provision or in particular circumstances the Council will accept serviced land or built units (off site) or a payment of an appropriate financial contribution towards the provision of affordable housing (see Section 5.4, Section 6.3 and Section 11 for further information on Site Thresholds and Commuted Sums).

With all of the tenure types discussed in Appendix L below, developers will need to ensure that the affordable housing provided is targeted to the appropriate client groups and that allocation procedures are in place to ensure equality of access. Social rented housing will be allocated using the Fife Housing Register based on housing need priority. Other forms of subsidised affordable housing will be subject to the participating RSL's eligibility criteria and marketing strategies. Where the type of affordable housing being developed is unsubsidised then the houses need to be marketed in such a way to assist priority client groups, therefore the procedures detailed in Appendices I and J should be adhered to.

Fife Council recognises the following categories of housing as being affordable:

- Social Rent
- Mid-Market Rent (MMR)
- Shared Ownership
- Shared Equity
- Discounted Sale

9.0 Quality, Design & Type

9.1 Quality and Design of Housing

The provision of affordable housing is about more than just numbers. It is also about the quality of what is provided, irrespective of tenure or type. Government guidance in the form of SPP stresses the need for good quality mixed development. Design is, in fact, a material consideration when determining planning applications. Good design can contribute to quality of

life. New housing should be innovative in terms of design, layout, open space provision, construction and energy efficiency. It should also aim to use land efficiently through appropriate densities, particularly near or adjacent to public transport nodes.

Integration of affordable housing with other tenures will be encouraged and, as far as possible, developments should be tenure blind.

Planning Advice Note (PAN) 67 specifically promotes the issue of housing quality. Affordable housing should be designed and built to a good standard and should, as far as possible, be visually indistinguishable from all other forms of housing. Both 'pepper potting' of individual affordable houses throughout a development and large groupings of houses of the same tenure are best avoided. Concentrating affordable housing for rent in small groups will ease the subsequent management of the homes by an RSL/Fife Council and contribute towards providing mixed communities. Fife Council and Fife Housing Association Alliance can provide guidance on the development of planning applications; see Appendix L for a list of contacts.

One of the priorities of the LHS is to promote improvement in housing standards. Consistent with this is the promotion of "Making Fife's Places" Planning Policy guidance, which replaces Fife Urban Design Guide "Creating a Better Fife", Design Standards and Creating Sustainable Communities and Buildings Sustainability Checklist (September 2010), by the Council in order to encourage and promote high design standards.

Policy 3 (Infrastructure and Services) of the adopted Local Development Plan (FIFEplan 2017) requires housing developments to provide new green infrastructure to serve the residents of the development and in particular to provide any specific green network requirements as identified in FIFEplan on the proposals maps and in the settlement plans. The guidance contained within "Making Fife's Places" Planning Policy Guidance sets out how this policy will be applied on a place based basis, taking into account any existing greenspaces, play areas and sports facilities that may serve the new development. This approach provides an opportunity to improve the quality of existing community assets that are located close to new development. The open space requirement for new housing development will be determined by considering the elements set out within the guidance (distance, route and size) and sets out how planning obligations towards green infrastructure will be assessed.

Development briefs will be prepared for large sites and the provision of affordable housing will play an important and integral role in this.

9.2 Housing Types

Provision of housing, including affordable housing, is not just a matter of quantity it is also about achieving the correct type and size of housing, including special needs. This should reflect demographic profiles in terms of

families, the elderly and those with disabilities. For example the numbers of Fife residents aged 65 and over is projected to increase by 55% between 2010 and 2035. This will have significant implications for the provision of public services, including affordable housing. In terms of new housing this will involve matching needs to house type. New affordable housing provision is likely to include a range of house types including provision in the private sector. Many existing elderly households for example may wish to remain in private sector accommodation. At the time of application, the types and mix of housing to be provided should be agreed between the Council and the RSL or developers. This will be determined by Housing Services, based on a housing needs analysis for the Local Housing Strategy Area and the local area.

Fife Council and the Fife Housing Associations Alliance will not support the delivery of one-bedroom affordable homes for social rent. Houses rather than flats are preferred; only where provision of flats can be justified on reasonable grounds by the developer and where such provision appropriately reflects an overall mix will Fife Council agree to provision of flats for affordable housing; if flats are deemed appropriate by Fife Council then four-in-a-block own-door flats should be provided rather than common access flats where practicable.

10.0 Securing Affordable Contribution & Lenders Interests

10.1 Securing Affordable Contributions

Affordable Housing will be secured, where appropriate, by Section 75 Agreements or the use of planning conditions binding on successive proprietors. Such Agreements or conditions represent key mechanisms under Section 75 of the Town and Country Planning (Scotland) Act 1997 which allows planning authorities to enter into agreements with parties having an interest in the land in their area for the purposes of restricting or regulating the use of land. Draft Section 75 Agreements can be obtained from Legal Services.

However, in the case of social rented housing provided and managed by a Registered Social Landlord (RSL) or Fife Council, the restriction of the housing to affordable housing will be secured by way of a condition in the planning permission rather than by way of a Section 75 Agreement. If the RSL intends to provide some of the affordable housing as shared equity, an Agreement will be required to ensure that if the housing is sold it is to occupiers who meet the eligibility criteria for affordable housing.

Where affordable housing is provided by the private sector as part of a larger development, the Council will try to ensure that housing remains affordable, where possible in perpetuity, or at least for a reasonable period, by the use of Section 75 Agreements or other mechanisms to regulate the resale price of individual houses and the type of purchasers entitled to buy them. A resale price covenant will be incorporated into the Agreement to the effect that the

initial percentage discount received by the first purchaser is passed on through future resales to subsequent purchasers. This will relate to the open market value as opposed to any other index. The Agreement will also provide that the initial and future sales are restricted to purchasers who meet the specific affordability requirements referred to in Appendix G normally by means of reference to the then current median income levels.

10.2 Lender Interests

Care will be taken when drawing up legal agreements to ensure that lenders' interests are taken into consideration.

The requirements of the lender will be taken into account when agreeing the marketing strategy for Low Cost Home Ownership properties. The Lender will need to be involved in early discussions regarding occupancy controls restricting current and future client groups and restrictions relating to resale prices. In general resale prices should relate to open market value and occupancy controls should be applied through a cascade approach. Refer to Appendix G for further details.

11.0 Commuted Sums

For planning applications which are below the on-site thresholds (see Section 5.4) Fife Council will accept a commuted sum payment in lieu of on-site or off-site provision. It needs to be recognised however that commuted sums do not promote the creation of mixed communities or developments.

11.1 Calculation of Commuted Sums

Fife Council has sought independent advice from the District Valuer over a methodology and amounts for commuted sums in lieu of affordable housing for Fife. This methodology is based on national guidance in the form of PAN 2/2010 in particular. The District Valuer carried out a consultation on the methodology and the commuted sum figures at the time of the first report. A list of the most recent commuted sum levels can be found at Appendix I. It is the intention of Fife Council that the commuted sum levels will be updated annually, if appropriate, using the District Valuer.

Commuted sums are based on the difference between market value for land and end use value for an affordable housing plot and have been calculated for each LHS area within Fife.

The District Valuer has provided commuted sum levels for both houses and flats. New build land values are calculated using estimated selling prices and build costs. The District Valuer has consulted with the main firms of Chartered Surveyors operating in the residential market in Fife on new build figures, construction costs, builders' profits and methodology.

For houses, the notional new build value for a 3 bedroom semi-detached house of 85 square metres with no garage has been used. Flats are based on a notional flatted development in a 3 storey block containing 2 bedroom flats with an area of 60 square metres, without lift or en-suite facilities. The value of the land is calculated by deducting the build costs and profit from the final sale price which leaves the value that the developer can afford to pay for a plot of land. An affordable house plot value is then subtracted from this to give the commuted sum per affordable unit.

Below are two examples of commuted sum calculations using the 2015 figures:

Example 1:

A development for 18 houses in Cupar.

The Affordable Housing requirement in Cupar is 20%

$18 \times 20\% = 3.6$ units of affordable housing

Commuted Sum = $3.6 \times £18,000$
= **£64,800**

See table at I: £18,000 is the per unit commuted sum for Cupar LHSA (house)

Example 2:

A development for 12 flats in Levenmouth.

The Affordable Housing requirement in Levenmouth is 10%

$12 \times 10\% = 1.2$ units of affordable housing

Commuted Sum = $1.2 \times £2,000$ =
£2,400

See table at Appendix I: £2,000 is the per unit commuted sum for Levenmouth LHSA (flats)

When calculating the commuted sum level the percentage requirement to 1 decimal point is used in the calculation, however, when units are being requested on-site the numbers are rounded to the nearest whole number e.g. 5.4 units for commuted sum calculation and 5 units on-site.

Arrangements for paying commuted sums may be agreed through a planning condition, letter of undertaking or a Section 75 Legal Agreement. Where a Section 75 agreement is being used, payments will be detailed in accordance with the site, scale and phasing of the development.

11.2 Development Appraisals

There are instances where a developer indicates to Fife Council that the affordable housing requirement (usually the commuted sum for affordable housing) is making a development economically unviable. In these cases, the developer can submit development costs (a development appraisal) and request that these are assessed independently (usually by the District Valuer, or in some circumstances by another mutually agreed Chartered Valuation Surveyor). Any such appraisal of development costs will be borne by the

developer. For the most part this will be on sites below the on-site threshold, 5-14 in rural areas and 5-19 in urban areas although not in all cases.

In the instances where the District Valuer is used, the process for dealing with such circumstances is outlined below:-

- Housing Services respond to a planning application consultation request and this will detail the amount of affordable housing (commuted sum) required. Should the developer request a reduction / waiver of the affordable housing requirement (commuted sum) amount then the developer will submit their appraisal information to Fife Council (Planning case officer) for consideration by the District Valuer. Development appraisal pro-formas are available on request.
- Fife Council will request a fee quote from the Valuation Office Agency which will be passed to the developer. (Standard Rate VAT will apply.)
- The developer will have to instruct the Council in writing to proceed.
- The Council will commission the District Valuer.
- The District Valuer will provide the report and confirm the fee to be paid.
- The Council will arrange for an invoice to be issued to the Developer.
- Upon payment of the invoice the report will be sent to the Developer.
- The Council will confirm the outcome of the Development Appraisal in writing.

Where a surveyor other than the District Valuer is being used the process will be agreed between the Developer and Fife Council in advance of the valuation

11.3 Payment Handling

The system for handling payments of commuted sums will be open and transparent. Payments (as detailed in the Section 75 Legal Agreement) should be made to the Council (Finance & Corporate Services – Business Support) by the Developer and held until they can be used for the provision of affordable housing. Commuted sums will be used in the same Local Housing Strategy Area as the original development or if this is not possible then in the same Housing Market Area.

Payments will be released through joint agreement by Fife Council's Housing Services and the Scottish Government. Commuted sum monies will be used to supplement the Scottish Government's funding for the provision of new affordable housing or the Fife Council new build housing programme as detailed within Fife Council's Strategic Housing Investment Plan (SHIP).

12.0 Roles and Responsibilities

As stated in Section 7 early contact between developers and Economy, Planning & Employability Services and Housing Services officers will assist in

limiting possible delays to the determination of applications in regard to affordable housing requirements. A list of current contact details can be found at Appendix L.

12.1 Developers should:

- Ensure that the requirements for affordable housing are reflected in land price negotiations on sites.
- Note that the affordable housing requirement will be delivered through a reduced land value.
- Have pre-application discussions with the Economy, Planning & Employability Services and Housing Services officers where appropriate. Fife Council Housing Services will provide advice with regard to delivery mechanisms and the availability of subsidy.
- Demonstrate that the proposals for affordable housing and delivery mechanisms are clearly set out as part of the initial application.
- Where appropriate have early discussions with Fife Council/RSL development partners. These are required to ensure agreement on the delivery of appropriate units.
- Note that in the event of any dispute over land values, an independent valuation should be commissioned e.g. the District Valuer. The costs of this will be borne by the developer.

12.2 Fife Council – Economy, Planning & Employability Services Officers will:

- Assess planning applications for their compliance with the affordable housing policy.
- Consult with Housing Services officers as part of the planning process.
- Ensure that the affordable component will be secured through Section 75 Agreements, as detailed in Section 10. (The appropriate draft S75s can be obtained by contacting Fife Council Legal Services).

12.3 Fife Council – Housing Services Officers will:

- Provide advice to developers on the detailed mechanisms for delivering affordable housing and the type of housing required to meet the needs specific to the area of the proposed development.
- Advise Economy, Planning & Employability Services as to whether the affordable provision being proposed effectively meets identified local needs.
- Set strategic priorities for affordable housing through Local Housing Strategy and Strategic Housing Investment Plan.
- Monitor the outputs of the Affordable Housing Policy.

12.4 Fife Council – Legal Services Officers will:

- Work with Economy, Planning & Employability Services and developers and in consultation with Housing Services to ensure that legal agreements are in place to deliver the affordable housing element.
- Provide appropriate draft S75 Legal Agreement to developers on request.

12.5 Registered Social Landlords will:

- Have preferred partner status.
- Develop good working relations with developers and coordinate joint development proposals which will take account of affordable housing requirements outlined in the policy.
- Seek early agreement from Housing Services and the Scottish Government on the priority of a development for grant funding in order to avoid abortive work. Although it should be noted that in the current climate this may not be possible

13.0 Monitoring & Review

When finalised this is will be the 3rd edition of the Guidance, the 2nd having been approved in April 2012. It is important to ensure that the Council's approach to delivering affordable housing remains up to date and appropriate and so annual monitoring of completions will be undertaken. This will be carried out as part of the housing land audit process. It will also be useful to monitor the types of houses being built to ensure diversity of provision.

The results of this annual process will inform the LHS, which is itself subject to annual review, the Development Plan and this guidance note. Amendments to these documents will be made as and when appropriate.

It is anticipated that this guidance will also be reviewed at least every two years to reflect changing circumstances, new national guidance or housing needs assessments. This could involve, for example, a review of percentage requirements, and perhaps site thresholds as appropriate.

14.0 Glossary

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.

Brownfield (Previously Developed Land) – land or a site that has been previously been developed. This could include:

- vacant or derelict land (sites on the Scottish Vacant and Derelict Land Register);
- infill sites (sites in a built-up area such as a town or village);
- Land occupied by redundant or unused buildings; and
- Land that has already been developed where the Council considers that the purpose it is currently being used for could be intensified, for example adding shops or houses.

It does not include mineral workings, temporary uses, parks and gardens, sports and recreation grounds, woodlands and amenity open spaces (landscaped areas that improve an area's appearance).

Contaminated Land - Land covered by or containing any substance which is causing or is presenting a significant possibility of causing harm or likely to be causing pollution of controlled waters. This does not include former mine workings.

Vacant or Derelict Land (sites on the Scottish Vacant and Derelict Land Register) - previously developed land that has fallen into a ruinous state and requires treatment or clearance before it can be brought back into beneficial use.

Development Appraisal - A development appraisal involves a cashflow analysis, which uses data (for example revenues and costs over the life of the project) to determine the profitability of the development.

District Valuer: The District Valuer's office is the commercial arm of the Valuation Office Agency, which is an executive agency of HM Revenue & Customs (HMRC). It provides professional property advice across the public sector as well to the private sector.

Fife Development Plan (SESplan, TAYplan and FIFEplan) - The collective term for the strategic and local land use plans currently covering Fife.

Fife Housing Association Alliance (FHAA): Currently the nominated developing Registered Social Landlord selected by Scottish Government Housing Investment Division and Fife Council. The partnership includes Kingdom Housing Association, as lead developer, and Fife, Ore Valley and

Glen Housing Associations. It should be noted that this arrangement will be reviewed in 2014.

Fife Housing Partnership (FHP): is the community planning group responsible for planning and developing effective ways to meet housing and related needs in Fife. Members include investors, planning agencies, housing providers, tenants and other relevant organisations.

Green Networks – connected areas of green infrastructure and open space that together form an integrated and multi-functional network. They will provide most if not all of the following functions: recreational greenspace; habitat; drainage; access and landscape setting.

Housing Land Requirement: the outcome of an assessment of housing demand and need (expressed in house units), which reflects planning strategy and environmental and infrastructure constraints. It includes an element of flexibility to allow for uncertainties.

Housing Market Area (HMA): a geographical area which is relatively self-contained in terms of reflecting people's choice of location for a new home i.e. a large percentage of people buying a house in the area will have sought a house only in that area.

Housing Need: 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. This generally refers to assistance from the public sector but can include assistance that emanates from private sector sources such as discounted land, but not mortgage finance sourced in the market. (Scottish Government 2008)Housing Need and Demand Assessment Guidance).

Housing Needs and Demands Assessment (HNDA): Provides a robust and credible evidence base to allow the definition of housing supply targets for the LHS to allow suitable land allocation through the Strategic Development Plans.

Listed Building – a building of special architectural or historic interest designated by Scottish Ministers. Such buildings are categorised A, B or C to reflect their relative importance.

Local Housing Strategy (LHS): provides the framework for taking forward strategic housing activity in Fife.

Local Housing Strategy Areas (LHSA): Fife Council has divided Fife into 10 sub market areas for the purposes of analysis within the Local Housing Strategy.

Open Space – space within and on the edge of settlements comprising green infrastructure and/or civic areas such as squares, market places and other

paved or hard landscaped areas with a civic function. Detailed typologies of open spec are included in Planning Advice Note 65.

Previously Developed Land – please see Brownfield.

Planning Advice Notes (PANs) – issued by the Scottish Government providing advice on good practice and other relevant information.

Planning Agreement: see Section 75

Planning Obligations – planning obligations are obligations entered into an agreement or unilateral arrangement made under the terms of Section 75 of the Town and Country Planning (Scotland) Act 1997. They are used to control appropriate planning matters outwith the scope of planning conditions where new impacts arise from proposed development activity. Further information is available within Scottish Government Circular 3/2012.

Planning Permission – this means Fife Council has given its permission for a certain type of development to go ahead, for example new houses or business premises. The planning permission will set down any conditions which must be followed.

Pressured Area Status: the Housing (Scotland) Act 2001 provides for local authorities to apply for suspension of the Right-to-Buy scheme for certain tenancies in designated areas of housing pressure.

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

Scottish Planning Policy (SPP) – guidance issued by the Scottish Government and providing statements of Government policy on nationally important land use issues and other planning matters, supported, where appropriate, by a locational framework. The Scottish Government has produced SPP to replace NPPGs.

Section 75 – legally binding agreement under the terms of Section 75 of the Town and Country Planning (Scotland) Act 1997 as amended by the Planning etc. (Scotland) Act 2006 used to control appropriate planning matters outwith the scope of planning conditions. See Circular 3/2012.

SESplan – the name of the Strategic Development Planning Authority (SDPA) for Edinburgh and South East Scotland. Membership comprises the City of Edinburgh Council, East Lothian Council, Fife Council (southern area), Midlothian Council, the Scottish Borders Council and West Lothian Council. The north of Fife is a member of TAYplan SDPA.

Serviced Land: land which has to the boundary of one part of the site access to electricity, telecommunications, gas, water, drainage (sewer and surface water) and frontage to an adopted public road(s) (including any interim

means of pedestrian and vehicular access over other constructed roadways, of the standard required by the roads authority for a residential development, connected to the adopted public road network).

Scottish Government Funding: The Scottish Government provides grants through the Affordable Housing Supply Programme (AHSP) to registered social landlords and others to help them build affordable homes for both renting and home ownership. This comprises: Council house building; Registered Social Landlord (RSL) building; and other grants to private developers.

Special Needs Housing – housing specifically intended for use by particular groups (e.g. older people with additional needs, those with disabilities, people with learning difficulties).

Strategic Housing Investment Plan (SHIP): details how the affordable housing investment priorities outlined in the LHS will be delivered in practice. It is the key document for targeting investment at a local level.

Supplementary Guidance – additional information on a particular subject.

TAYplan – the name of the Strategic Development Planning Authority (SDPA) for Dundee, Perth, Angus and North Fife. Membership comprises Dundee City Council, Angus Council, Fife Council and Perth & Kinross Council. The south of Fife is a member of the SESplan SDPA.

Appendix A: Settlement Tables (Affordable Housing Requirement and Urban/Rural Classification)

CUPAR & HOWE OF FIFE		20%
Settlement	Urban/ Rural	Affordable Hsg Req.
Auchtermuchty	R	20%
Balmalcolm	R	20%
Bow of Fife	R	20%
Charlottetown	R	20%
Coaltown of Burnturk	R	20%
Collessie	R	20%
Cults	R	20%
Cupar	U	20%
Cupar Muir	R	20%
Dunshalt	R	20%
Edentown	R	20%
Falkland	R	20%
Foodieash	R	20%
Freuchie	R	20%
Gateside	R	20%
Giffordtown	R	20%
Kettlebridge	R	20%
Kettlehill	R	20%
Kingskettle	R	20%
Ladybank	R	20%

LARGO & EAST NEUK		30%
Settlement	Urban/ Rural	Affordable Hsg Req.
Abercrombie	R	30%
Anstruther	U	30%
Arncroach	R	30%
Carnbee	R	30%
Cellardyke	U	30%
Colinsburgh	R	30%
Crail	R	30%
Earlsferry	R	30%
Elie	R	30%
Kilconquhar	R	30%
Kilrenny	R	30%
Kingsbarns	R	30%
Largoward	R	30%
Lower Largo	R	30%
Lundin Links	R	30%
New Gilston	R	30%
Pittenweem	R	30%
St Monans	R	30%
Upper Largo	R	30%

Appendix A Cont'd: Settlement Tables (Affordable Housing Requirement and Urban/Rural Classification)

ST ANDREWS		30%
Settlement	Urban/ Rural	AHP Req.
Balmullo	R	30%
Blebocraigs	R	20%
Boarhills	R	30%
Cameron	R	30%
Ceres	R	20%
Chance Inn	R	20%
Craigrothie	R	20%
Craigtoun	R	30%
Dairsie	R	20%
Denhead	R	30%
Dunino	R	30%
Dura Den	R	20%
Guardbridge	R	30%
Kemback	R	20%
Kincaple	R	30%
Leuchars	R	30%
Peat Inn	R	20%
Pitscottie	R	20%
Radernie	R	30%
St Andrews	U	30%
St Michaels	R	30%
Strathkinness	R	30%
Stravithie	R	30%

TAY COAST		20 OR 30%
Settlement	Urban / Rural	AHP Req.
Balmerino	R	30%
Brunton	R	20%
Den of Lindores	R	20%
Forgan	R	30%
Gauldry	R	30%
Grange of Lindores	R	20%
Kilmany	R	20%
Kirkton of Balmerino	R	30%
Lindores	R	20%
Logie	R	30%
Luthrie	R	20%
Moonzie	R	20%
Newburgh	R	20%
Newport on Tay	U	30%
Rathillet	R	20%
Scotsraig	R	30%
Tayport	U	30%
Wormit	U	30%

Appendix A Cont'd: Settlement Tables (Affordable Housing Requirement and Urban/Rural Classification)

DUNFERMLINE & THE COAST		25%
Settlement	Urban/Rural	AHP Req.
Aberdour	R	25%
Charlestown	R	25%
Crossford	R	25%
Dalgaty Bay	U	25%
Dunfermline	U	25%
Halbeath	U	25%
Hillend	R	25%
Inverkeithing	U	25%
Kingseat	R	25%
Limekilns	R	25%
Milesmark	U	25%
North Queensferry	R	25%
Rosyth	U	25%
Townhill	R	25%
Wellwood	U	25%

WEST FIFE VILLAGES		25%
Settlement	Urban/Rural	AHP Req.
Blairhall	R	25%
Bogside	R	25%
Cairneyhill	R	25%
Carnock	R	25%
Comrie	U	25%
Crombie	R	25%
Culross	R	25%
Gowkhall	R	25%
High Valleyfield	R	25%
Kilbagie	R	25%
Kincardine	U	25%
Low Valleyfield	R	25%
Newmills	R	25%
Oakley	U	25%
Saline	R	25%
Steelend	R	25%
Torryburn	R	25%

Appendix A Cont'd: Settlement Tables (Affordable Housing Requirement and Urban/Rural Classification)

COWDENBEATH		5%
Settlement	Urban/Rural	AHP Req.
Ballingry	U	5%
Cowdenbeath	U	5%
Crossgates	R	5%
Crosshill	U	5%
Fordell	R	5%
GlenCraig	R	5%
Hill of Beath	U	5%
Kelty	U	5%
Lassodie	R	5%
Lathalmond	R	5%
Lochgelly	U	5%
Lochore	U	5%
Lumphinnans	U	5%

KIRKCALDY		10%
Settlement	Urban/Rural	AHP Req.
Auchtertool	R	15%
Burntisland	U	15%
Cardenden	U	10%
Cluny	R	10%
Coaltown of Wemyss	R	5%
Dysart	U	15%
Kirkcaldy	U	15%
Kinghorn	R	15%
Kinglassie	R	10%
West Wemyss	R	5%

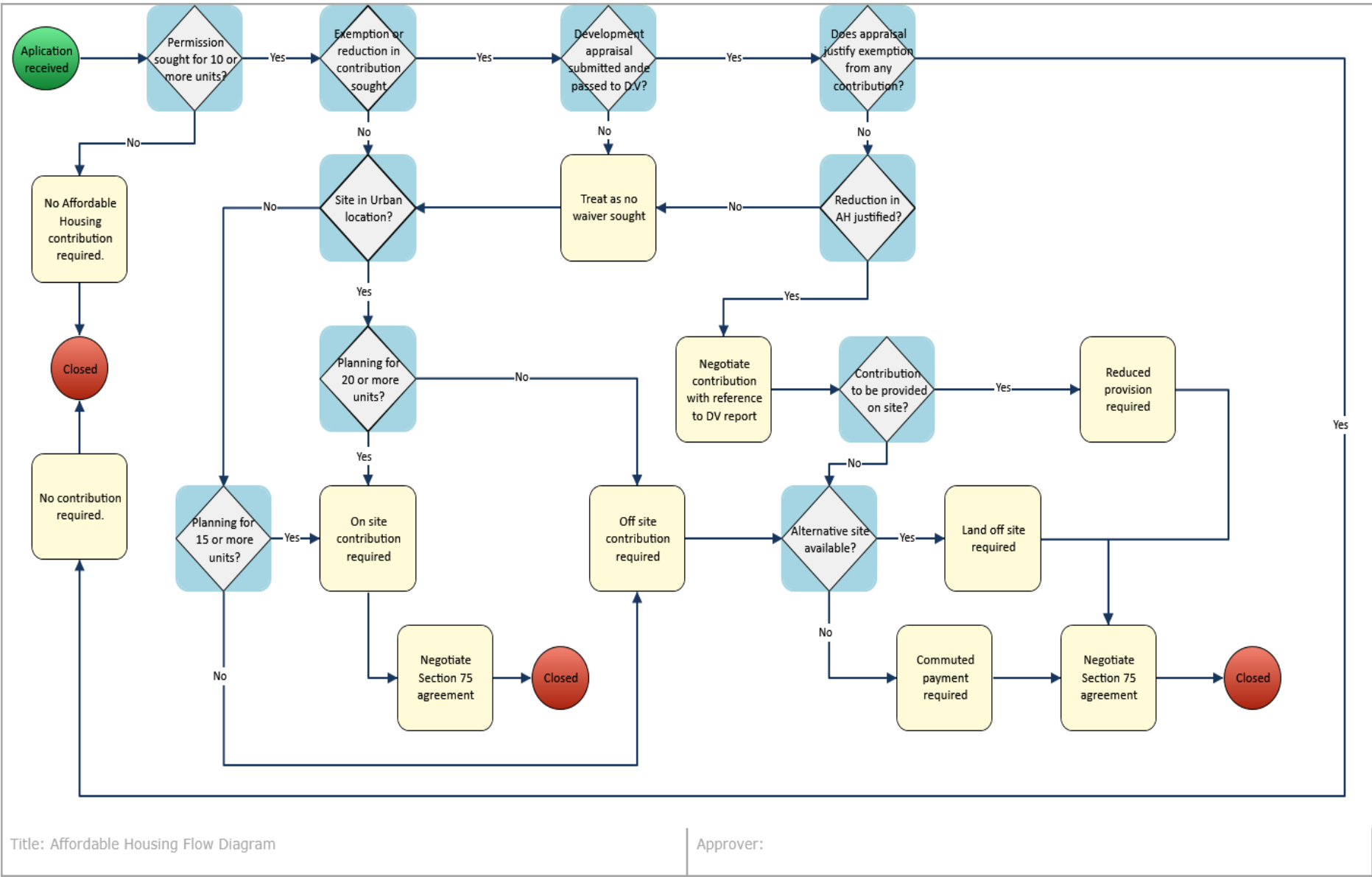
Appendix A Cont'd: Settlement Tables (Affordable Housing Requirement and Urban/Rural Classification)

GLENROTHES		10%
Settlement	Urban/Rural	AHP Req.
Coaltown of Balgonie	R	10%
Glenrothes	U	10%
Leslie	U	10%
Markinch	R	10%
Milton of Balgonie	R	10%
Star of Markinch	R	10%
Thornton	R	15%

LEVENMOUTH		10%
Settlement	Urban/Rural	AHP Req.
Baintown	R	10%
Balcurvie	U	10%
Bonnybank	R	10%
Buckhaven	U	5%
East Wemyss	R	5%
Kennoway	U	10%
Leven	U	10%
Methil	U	5%
Methilhill	U	5%
Windygates	U	10%

** Settlements of 3,000 and over have been classed as urban but please note that some smaller settlements have been included within a larger area due to their location

Appendix B: Process Map



Appendix C: Housing Needs Information

Indicative Net Shortfall / Surplus of Affordable Housing by Type and Size within Fife						
Number of Bedrooms	1	2	3	4	5+	Total
General Needs	-2,165	-2,914	-1,103	-919	-371	-7,472
Special Needs						
Wheelchair	-166	-229	-74	-65	-26	-560
Without Stairs	-364	-528	-188	-166	-58	-1,304
Supported	-119	-185	-58	-51	-21	-434
Sheltered	69	86	28	34	11	228
Total Special Needs	-580	-856	-292	-249	-93	-2,070
Total	-2,745	-3,769	-1,396	-1,167	-464	-9,542
<i>Source: Fife Housing Need and Demand Assessment (Finalised November 2010), FHP</i>						

Appendix D: Tenure

Tenure Priorities from the SHIP

LHS Area	Indicative Affordable Housing Requirement (5 years) ³	Tenure Priorities (subsidised)
Cowdenbeath	260	1. Social Rented (PN) 2. Discounted Sale & Open Market Sale
Cupar & Howe of Fife	170-180	1. Social Rent (PN & GN) 2. Shared Ownership & Shared Equity 3. Mid Market Rent
Dunfermline & The Coast	655	1. Social Rent (PN & GN) 2. Mid Market Rent 3. Shared Ownership & Shared Equity
Glenrothes	365	1. Social Rent (PN) 2. Discounted Sale & Open Market Sale
Kirkcaldy	545	1. Social Rent (PN) 2. Mid Market Rent
Largo & East Neuk	140-150	1. Social Rent (GN) 2. Mid Market Rent 3. Shared ownership & Shared Equity
Levenmouth	270	1. Social Rented (GN) 2. Discounted Sale & Open Market Sale
St Andrews	190-200	1. Social Rented (GN) 2. Mid Market Rent 3. Shared Ownership & Shared Equity
Tay Coast	100-110	1. Social Rent (GN) 2. Shared Ownership and Shared Equity
West Fife Villages	125	1. Social Rent (GN & PN) 2. Shared Ownership & Shared Equity 3. Affordable Housing for Sale

Subsidised Housing

All projects proposed for grant funding must be consistent with and reflected in Fife Council's current Strategic Housing Investment Plan (SHIP).

Housing for Social Rent: This is housing that is owned and / or managed by a Registered Social Landlord (RSL) (i.e. a Housing Association or Council). RSLs are

regulated and inspected by the Scottish Housing Regulator and are required to meet minimum standards of performance. Fife Council will therefore not require any further assurances regarding the affordability of housing where there is involvement of a RSL regulated under Section 79 of the Housing (Scotland) Act 2001. To qualify for public subsidy, the Scottish Government requires that design specifications meet their quality standards, rents follow RSL/Council rent policies and accommodation will be allocated according to needs based allocation systems administered by RSLs and / or the Council. It should be noted that developments by RSLs/Fife Council are not guaranteed to receive public subsidy.

Mid-Market Rent (MMR): This is housing provided by non-charitable subsidiaries of RSLs which is aimed at assisting people on low and modest incomes to access affordable rented accommodation. Rents should be set so they do not exceed 80% of the Local Housing Allowance level for Fife. Detailed guidance on the administrative procedures for MMR housing funded by Scottish Government and provided by RSL subsidiaries is contained within Housing Investment Guidance Note (HIGN) 2009/13.

Shared Ownership: This is where households buy part-ownership of a property, typically in tranches of 25%, 50% or 75%, and make an occupancy payment (akin to a reduced monthly rental) to a RSL on the remaining portion. This housing aims to help people on low to modest incomes who want to own their own home but cannot afford to pay the full price for a house and was one of the ways the Scottish Government aims to help households' access home ownership through its Low-cost Initiative for First Time Buyers (LIFT). The Scottish Government has since discontinued the funding for this tenure except in particular circumstances where it is part of a large mixed tenure site.

Shared Equity: This is where the Scottish Government retains a financial stake in the property; the owner pays no rent for the equity stake which is retained. The owner will pay the majority share in the property (normally between 60 and 80%) this will be determined by the maximum mortgage that they can obtain and afford plus any personal contributions that they can make. The property is owned outright by the owner, but the Scottish Government holds a standard security over the proportion of the property it has funded. Generally, owners will have the option to increase their stake after 2 years to 100%, although in areas of high pressure the RSL may have the opportunity to retain a 'golden-share' (20%) of the property. If the property is sold in the future the total sale value is shared between the owner and the Scottish Government based on their equity share. New Supply Shared Equity projects are developed and promoted by registered social landlords. Further information on key target groups and marketing strategies for schemes can be obtained from the participating RSL. The New Supply Shared Equity Scheme and the Open Market Shared Equity Pilot Scheme aim to help people on low incomes who wish to own their home but who cannot afford to pay the full price for a house. These schemes form part of the range of assistance available from the Scottish Government under its Low-cost Initiative for First Time Buyers (LIFT). To date, this method has not been used in Fife.

Other Initiatives: Any other rented affordable housing or Low Cost Home Ownership scheme that is subsidised through Scottish Government funding that may become available to the private sector e.g. Rural Homes for Rent.

Unsubsidised Housing

The mechanisms available to private developers to provide affordable housing without subsidy are detailed below. More detail is also available in Appendix H.

Mid-Market Rent: This is housing with rents set at a level higher than social rent, but lower than market rent levels and affordable to priority client groups. Mid-Market Rent will only be relevant in areas where demand and pressure is great, these will be detailed within Fife Council's annual SHIP submissions. The Council will be involved in the setting of these rents. This will involve rents not exceeding 85% of the Local Housing Allowance (LHA) set for Fife. There are two main options for the provision of unsubsidised MMR housing, either the transfer of completed homes to the subsidiary of a Registered Social Landlord at a value which reflects the rent to be charged or the retention of the housing by the developer or another private landlord.

The landlord should be registered and meet the requirements of the Private Landlord Registration scheme. Where developers retain properties the developer will be required to let properties under short assured tenancy agreements and provide tenants with a written tenancy agreement safeguarding the tenants' statutory rights. The developer will be required to work with the Council to market these properties to priority client groups. The developer must be able to demonstrate equality of access and opportunity to prospective tenants. Further information on priority client groups and marketing strategies are contained within Appendix H. The Council can assist by providing nominations from the Fife Housing Register.

The priority of the Council is to ensure that affordable units remain affordable in perpetuity. It is recognised however, that this is not always possible and that in certain circumstances Mid-Market Rent units will require to be sold on the open market at a future date in order to secure funding. A minimum period of 30 years retention will be sought, unless it can be demonstrated that it is not economically viable, in which case an absolute minimum of 5 years may be considered. The period of time such units will be available as affordable housing will be negotiated with Fife Council depending on local circumstances, the availability of funding and exit sales strategy. Where feasible this will be in perpetuity.

Rent to Buy: This is a variant on MMR where developers offer tenants assistance or incentive to save a deposit to buy the home they are renting. This is typically used in MMR schemes where sale of the homes is anticipated after a particular time period. When it is time for the home to be sold the sitting tenant is given first right of refusal. If the tenant does not take up the offer to buy, the property would then generally be sold on the open market.

Discounted Sale: This involves housing for sale by a developer at a price below full market value. However, given the steep rise in house prices experienced in recent years, this particular method of delivery may not always achieve the objective of addressing genuine affordable housing need. The selling price must consider the maximum income level of the target priority purchase group, further information on target house prices is contained within Appendix E. The properties must be promoted

to purchasers within the priority client group. Further information on priority client groups and marketing strategies are contained within Appendix G.

The developer will enter into a planning agreement which will ensure future sales continue to be affordable. This will be done through a resale price covenant scheme – one which maintains the same initial discount on resale in perpetuity. The basic arrangement is that the property is subject to a “covenant” contained in a planning agreement and the transfer is a form of restriction ensuring that the discount is always passed on to future buyers. For example, if the initial purchase price paid for the property represents 75% of the open market value, then the property can only be sold at 75% of the open market value at the time of any future sale. This will require to be assessed on a case by case basis and will require to be monitored over time, by the Council.

Shared Equity: This is where a developer retains a stake in the ownership of the property; the owner pays no rent for the equity stake which is retained. The stake retained by the developer would be equal to the difference between the market value of the property and the target house price, further details on target house prices can be found in Appendix E. The properties must be promoted to priority client groups, further information on priority client groups and marketing strategies are contained within Appendix G. The ability to deliver this type of product will be dependent on the developer’s ability to fund the equity stake. The owners will usually have the ability to increase their equity over time to 100%. In areas of high pressure it may be necessary to ensure future sales are below market value in perpetuity and a golden share could be retained subject to the availability of funding. If the property is sold in the future the total sale value is shared between the owner and the developer based on their equity share. As with discounted sale this will require to be assessed on a case by case basis and will require to be monitored over time, by the Council.

Shared Ownership: This form of mixed tenure housing has not been delivered in Fife by a private developer through the affordable housing policy (only by RSL’s – See 1D), however, this could be considered on an individual basis. Again the properties must be promoted to target client groups (Appendix G) and sale values must be affordable relative to median incomes (Appendix E). Additionally, for this tenure to be considered affordable, the rental element and mortgage element combined should still comply broadly with income levels in Appendix E.

Open Market Sale: This will involve housing for sale at market value and will only be relevant when the market value is lower than the target house prices detailed in Appendix E. The properties must be promoted to purchasers within the priority client group. Further information on priority client groups and marketing strategies are contained within Appendix G. The Council would not normally seek to enter into a resale price covenant scheme however subsequent sales should target priority client groups as above. This will require to be assessed on a case by case basis by the Council.

Affordable by Design: This will involve developers designing the housing in such a way as to reduce build costs, for example smaller sized properties, higher densities, lower specifications, open layouts etc. This should enable the sale to be at a price below full market value, further details on target house prices can be found in

Appendix E. Further information on priority client groups and marketing strategies are contained within Appendix G. The Council will not seek to enter into a resale price covenant scheme however subsequent sales should target priority client groups as above. This will require to be assessed on a case by case basis and will require to be monitored over time, by the Council.

Self-Build Plots: This will involve developers selling serviced plots for self-build by the intended owner occupier at a discounted price. It will need to be clearly demonstrated that such housing meets the needs of and is affordable to categories of household identified through a housing needs assessment for that area.

For vacant serviced house plots to be considered as affordable, applicants should submit evidence to demonstrate that they could be marketed and sold to priority client groups akin to LCHO properties (Appendix G), priced in line with target house prices for LCHO properties including making an allowance for build costs (Appendix E), and maintained in perpetuity at future re-sales.

Specific Needs Housing

Fife Council's Housing Needs and Demands Assessment has highlighted that one particular cause of housing need in Fife is a shortage of housing suitable for households with specific needs.

Housing for people with specific needs (including amenity and sheltered housing), or others with special design or management requirements may be categorised as an acceptable form of affordable housing but must still fulfil the requirements of one of the forms of affordable tenure set out above. In order to meet this criterion however, such housing should contain special design or management features. Specialist housing e.g. housing for elderly people will not qualify simply on the grounds of age requirements alone. Wheelchair housing should contain the relevant features for wheelchair housing detailed within the Housing for Varying Needs guidance. Where an applicant is providing amenity properties or properties for clients with reduced mobility they should submit evidence to the Council's Housing Services from their architect that the properties will include the list of features consistent with Appendix I. The issue of assessing eligible client groups is fraught with difficulty and is beyond the scope of this guidance.

Scottish Planning Policy states that where permission is sought for specialist housing, as defined by that document, it would not be necessary to make a contribution to affordable housing. .

Fife Council will work with developers and RSLs to provide for priority clients with a need for specific housing. The Fife Housing Partnership has agreed that all affordable housing developments using Scottish Government funding will include a 27% specific needs provision to March 2017 and 30% thereafter. Fife Council and the development industry will require to work together to promote housing that meets Housing for Varying Needs standards.

Care Homes are exempt from the Affordable Housing Policy as they do not provide self-contained residential units, however, they would be subject to an affordable

housing contribution if the use of the care home changed. In this instance the developer should refer to Fife Council's "Planning Obligations" Supplementary Guidance.

Incoming Worker Housing

Fife Council, in line with Scottish Government guidance, seeks to provide a mix of affordable housing on sites depending on need in the area and availability of funding. Where social rented housing is to be developed either by Fife Council or an RSL these units will require to be allocated in accordance with the organisation's approved allocation policy. Moreover, where public funding was going in to a development, regardless of tenure, it would be very difficult to justify any restriction on allocations based on key worker requirements. Where the affordable housing is not in receipt of public funding, incoming worker housing will be considered on a case by case basis as part of the overall affordable housing mix. In such cases it is expected applicants should meet the Essential Criteria (C) and Additional Requirements as set out in Appendix G.

Tenure Proposals on Sites in Excess of the Housing Land Requirement

Affordable Housing proposals that are to be provided adjacent to settlements and are in excess of the housing land requirement (section 6.6) will require the affordable housing to be available for local need and continue to be affordable for that need. These will generally be single site developments which provide affordable housing for local people with earnings below an agreed threshold.

Those who would be eligible for such housing would include both people who have lived in the area for some time and people who work in the area or have been offered a job or a postgraduate research course there. The property must also be the applicant's permanent home and not used as a second home or sublet and the size of the property allocated should be appropriate to the size of the household

Priority may be given to those employed by the landowner who provides the site, unless grant is made available for social rented housing, in which case the normal criteria for the allocation of social housing will apply. In such cases it is expected applicants should meet the Essential Criteria (C) and Additional Requirements as set out in Appendix G.

This will facilitate development which meets need where, for example, landowners are willing to provide land at nil or below market value for development which will benefit those who work for them, as well as others who provide local services. It is anticipated that this will provide an incentive for the supply of zero subsidy housing for discounted sale, shared equity or mid-market rent i.e. Intermediate tenures. The threshold income for occupiers of the houses would be set in line with the Council's policies on Affordable Housing.

The housing would be retained as affordable housing in perpetuity, using a variety of mechanisms, including resale price covenants, rural housing burdens, or through the involvement of an RSL or Community Land Trust.

Student and Holiday Accommodation

Student and holiday accommodation are not considered as an acceptable form of affordable housing as they do not provide a permanent residence. In spite of this both these forms of housing are exempt from the Affordable Housing Policy and will not be required to provide the required affordable housing contribution. Should such accommodation be converted to mainstream housing in the future, then an affordable housing contribution would be required at that time.

Appendix E: Target House Prices 2012

Local Housing Strategy Area	Median Household Income (CACI 2012) a	Affordability Median x 3.1 b	Target House Price (2 bedroom Properties) c	Maximum Joint Income d	Maximum Individual Income e
Cowdenbeath	£21,430	£66,431	£78,155	£22,000	£19,000
Cupar & Howe of Fife	£29,282	£90,774	£106,793	£30,000	£25,000
Dunfermline & the Coast	£29,423	£91,211	£107,307	£30,000	£26,000
Glenrothes	£24,150	£74,865	£88,076	£25,000	£21,000
Kirkcaldy	£25,642	£79,489	£93,516	£26,000	£22,000
Largo & East Neuk	£25,202	£78,126	£91,913	£26,000	£22,000
Levenmouth	£19,946	£61,833	£72,744	£20,000	£17,000
St Andrews	£31,861	£98,769	£116,199	£32,000	£27,000
Tay Coast	£31,149	£96,562	£113,602	£32,000	£27,000
West Fife Villages	£26,458	£82,020	£96,494	£27,000	£23,000
Fife	£25,755	£79,841	£93,930	£26,000	£22,000

Assumptions:

1. Information based on household income, taking into account unearned income, is available through the CACI Paycheck model. The median figure for each LHS area for 2012 has been utilised, this is consistent with the Fife HoNDA (column a).
2. Based on figures contained in the HNDA, affordability has been calculated on the basis of 3.1 times the median household income (column b).
3. First-time buyers taking out a mortgage with two of the UK's biggest lenders, Nationwide and Halifax (Lloyds Group), now require a minimum deposit of 10% and 15% respectively, with borrowers taking out a loan for more than 75% of the

property value paying higher rates of interests to reflect the increased risks involved. Therefore, the Target House Prices for a 2 bedroom property have been calculated including the requirement for a 15% deposit of the purchase price, rounded up to the nearest £250 (column c). A maximum deposit of 25% is allowed.

4. Target House Prices (THP) for smaller and larger properties will be derived from the Target House Prices (2 Bed) stated above. In normal circumstances the Target House Price for a one bedroom property will equate to 85% of the THP(2 Bed) and the Target House Price for a 3 bedroom property will equate to the THP(2 Bed) plus 15%, and a 4 bedroom will be THP plus 30%
5. The maximum incomes levels above have been derived from the median incomes and will be used in the marketing of LCHO properties to priority client groups as detailed in Appendix G.
6. The information contained within this appendix will be reviewed annually and where appropriate updated figures will be available in June each year.
7. The maximum residual savings after purchase should not exceed £5,000. This may be reviewed in exceptional circumstances, for example: older retired purchasers and households including a person with specific needs.
8. Households with significant equity / savings, including older persons who might already own their own home outright, are unlikely to be considered in need of affordable housing. Appendix G provides a maximum house purchase deposit of 25%.

Appendix F: Further Guidance on the Delivery of Affordable Housing

This appendix sets out the options for the delivery of the affordable housing required by the Council's policy.

1. Mid-Market Rent Where Grant is Available

- 1.1 Mid-market rent housing can be provided with Scottish Government grant support by a subsidiary of a registered social landlord. Developers would enter into an arrangement to either transfer land or sell completed units to the RSL subsidiary.

The grant application would require to be made by the RSL subsidiary. The application must demonstrate that the housing proposed would meet a local need, as identified in the Strategic Housing Investment Plan.

The design must be of a high quality and meet the sustainable development indicators required for grant funding as well as Housing for Varying Needs. The financial appraisal will assume that the housing will be provided for at least 30 years, and will use broadly the same management and maintenance allowances as for social rented housing. The maximum grant which will be awarded will be £44,000 per unit (3 person equivalent).

The sum which the RSL can afford for land purchase or for the purchase of completed units will depend on their financial appraisal within these parameters. There may be some degree of subsidy required, depending on the market area. As with grant aid for social housing there is no guarantee that funding will be obtainable in all cases.

- 1.2 Rents should not exceed 80% of the Local Housing Allowance as revised monthly. April 2016 – March 2017 LHA rates indicate the following maximum rents per week:

- one bed unit - £81.58
- two bed unit - £102.56
- three bed unit - £120.29
- four bed unit - £174.81

Appendix F Cont'd: Further Guidance on the Delivery of Affordable Housing

2. Mid-Market Rent Where No Grant is Available

2.1 There are two options:

1. In high value areas, financial modelling suggests that it should be possible for the developer to fund the provision of the required quota of units to be rented at 85% of the local housing allowance without the need for public subsidy.
2. Unless the house builder wishes to retain a portfolio of rented houses for a 30 year period, the most practical approach to provision would be to sell the mid-market units to an RSL, at a value which would reflect their net rental stream over that time period. Sales values will vary, depending on the assumptions made about future rental levels. In order for a transfer value to be fixed with the RSL, it would be necessary to make an assumption about current and future rental levels which is independent of shifts in the Local Housing Allowance.

Developers are free to bring forward their own proposals or approaches to affordable housing provided that the development will provide the required amount of affordable housing available at the rent levels described above for a minimum period of 10 years.

3. Shared Equity Units Where Grant is Available

- 3.1 It may be possible to obtain grant aid provided under the LIFT New Supply Shared Equity Scheme. Shared Equity units require to be affordable and Appendix E details the prices which affordable housing must not exceed. The cost of the minimum equity share purchased by a household (equivalent to 60%) must not exceed these figures. There are two variants of the scheme which may be used – 1) shared equity housing provided by an RSL and 2) shared equity housing provided by the house builder.

1. Where the shared equity is provided by an RSL, the initial share purchased by the home owner will generally be between 60% and 80%. In time this share can be increased up to 100%. A 20% 'golden share' *may* be retained permanently by the Scottish Government in areas where there is a limited amount of affordable housing and limited opportunities to provide more.

Appendix F Cont'd: Further Guidance on the Delivery of Affordable Housing

2. Where the grant aided shared equity housing is provided directly by the house builder, the purchaser receives an interest free loan, jointly provided by the Scottish Government and the developer, to cover the share of the house price not financed by the purchaser. This loan is for a 10 year period. Buyers are expected to repay their loans, either when they sell the property, or by borrowing additional funds. Legal provision has been made for a Hardship Clause. This allows a possible extension for purchasers who have not trached up within a 10 year period.

The loan will generally be funded equally by the Scottish Government and the developer, so that for example in the case of a property where the purchaser acquires 70% of the equity, 15% of the loan will be provided by the developer and 15% by the Scottish Government.

4. Shared Equity Where No Grant is Available

- 4.1 Developers may choose to provide shared equity housing using their own resources. A number of developers currently offer shared equity options. Where shared equity houses are provided without grant aid developers will be able to realise the value of their equity stake when the house is sold on. The cost of minimum equity share must not exceed the price levels set out in Appendix E.

5. Providing Other Low Cost Home Ownership Units Where No Grant is Available

- 5.1 Low cost housing for sale needs to be affordable in relation to local incomes, and this may be achieved in a variety of ways:
 - a low cost construction technique
 - developing smaller, lower cost house types
 - or most likely; building in the assumption of a proportion of house sales at lower than market values into the residual value development appraisal so that cost of the discount for the low cost units is reflected in a lower price paid to the owner of the land
- 5.2 The criterion for affordability set by Fife Council is based on median incomes within different sub areas of Fife. A house is deemed affordable if its price is equal to 3.1 times the target income plus a deposit of 15%. New build units which can be sold at values at or below this price will be treated as affordable housing. Because the household income figures vary considerably in different parts of Fife, the maximum price for an affordable unit ranges from £73,000 in Levenmouth to £116,000 in the St Andrews area. These values will be revised periodically in the light of new data on incomes. More information about target house prices is set out in Appendix E.

Appendix F Cont'd: Further Guidance on the Delivery of Affordable Housing

6.0 Discounted Sale and the Issue of 'In Perpetuity'

6.1 Houses provided as:

- private sector shared equity housing;
- affordable housing under the NHT scheme; and
- other affordable housing under private initiatives agreed with the Council will be released on to the open market after an agreed period/at first resale.

6.2 When housing for sale at a discounted or “affordable” price is provided Fife Council will seek to ensure that housing remains affordable, normally in perpetuity, or at least for a reasonable period. This will be done by the use of Section 75 Agreements, planning conditions or other mechanisms to regulate the resale price of individual houses and the type of purchasers entitled to buy them.

6.3 Fife Council recognises that the acceptability of any legal burdens or planning conditions imposed on mortgage lenders is an important issue. Some restrictive clauses have the impact of effectively denying the lender in possession adequate ability to realise their security and therefore undermine a fundamental requirement of mortgage lending. If a lender has to take a property into possession, it is required by the Financial Service Authority's Mortgage Conduct of Business Rules to obtain the best price for the property and sell at the earliest opportunity. This requirement protects both the interests of the borrower and lender. If only a very limited number of people are able to buy the property and no suitable buyer is available, the lender will not be able to sell and the borrower's debt will continue to increase.

Work is in progress to develop a guidance note to help local authorities, national park authorities and housing associations in Scotland understand the issues that arise for lenders when section 75 (s75) agreements under the Town and Country Planning (Scotland) Act 1997 or other planning controls are used that contain restrictive covenants or variation clauses.

The Council of Mortgage Lenders (CML) is preparing the note and has engaged with the Scottish Government and representatives from some local authorities and national park authorities to attempt to work towards a common agreement across Scotland on an approach to the use of planning conditions and Section 75 agreements in approving new housing. Where possible, Fife Council's policy aligns with the emerging principles in the draft guidance note.

Appendix F Cont'd: Further Guidance on the Delivery of Affordable Housing

- 6.4 Fife Council's preferred approach to securing affordability in perpetuity is for a formula to be incorporated into the Section 75 Agreement which states that the initial sale price of the individual houses and future resales will be a resale price covenant scheme. This relates the resale price of the unit to its full market value, at the same ratio as at the initial sale. This approach aligns with the CML's requirement that where restrictions relate to price, it is essential for this to relate to open market value as opposed to any other index.

For further details of one lender's approach to resale price covenant, see the Nationwide guidelines.

Details are also provided of the CML's guidelines in England, where the model S 106 Agreement (the equivalent of a S75 agreement) is currently under revision.

- 6.5 The Agreement will also provide that both initial and future sales are offered first to purchasers who meet the specific requirements referred to in Appendix G. This will mean that the sale of the house will require to be notified to Fife Council's Housing Services, so that it can be offered first to tenants and first time buyers whose income is below the maximum indicated in Appendix E.

It should also be advertised simultaneously on the open market, described as subject to the eligibility criteria outlined above. If, after the 6 month period described in the cascade approach in Appendix G, no eligible buyer can be found, the property can be offered on the open market.

On resale, the same procedure is followed again. If no such purchaser is found within a six month period, the property will then be offered on the open market, at full market value, and the margin between the discounted value and full market value would be transferred to Fife Council's Affordable Housing Fund, and used to support the supply of affordable housing. Alternatively, the Council or a housing association could buy all the equity in the property so that it could be used as rented housing.

- 6.6 The CML generally find this type of approach acceptable so long as there is a clear process for the mechanism within agreed timescales. The timescales allowed for the cascade will differ between lenders but typically they can be between 3 and 6 months.
- 6.7 Care will be taken when drawing up legal agreements to ensure that lenders' interests are taken into consideration. As well as making provision for the situation where no buyer who meets needs criteria being found (described above), legal agreements may if necessary include clauses for lenders to be able to repossess houses where purchasers have defaulted on a mortgage.
- 6.8 Fife Council, as the strategic housing authority will monitor the retention of discounted affordable housing for sale as affordable housing. The Section 75 Agreement requiring the housing to be retained as affordable housing will be recorded on the Register of Sasines, so that all subsequent purchasers will be aware of it.

Appendix G: Priority Client Groups and Marketing Strategy for LCHO Properties

1. PRIORITY CLIENT GROUPS

Where the type of affordable housing being developed is for unsubsidised Low Cost Home Ownership (LCHO) priority will be given to applicants who fulfil the following criteria.

1.1 Essential Criteria

Applicants **must satisfy all** of the following criteria under sections A, B, C and D and the additional requirements under section 1.2:

- A. Applicants are first time buyers who have never owned or part owned a home before.
OR
Applicants are presently home owners and have experienced a significant change in their household circumstances e.g. major deterioration in their financial circumstances or relationship breakdown.
OR
A member of the applicant's household has a disability and the existing home no longer meets their needs.
- B. Applicants are a tenant of Fife Council or Housing Association operating in Fife.
OR
Applicants have been on the Fife Housing Register or the Housing List of a Housing Association operating in Fife for one year prior to the start date of the construction of the affordable units and are in housing need.
OR
Applicant is in the armed forces or is a veteran, widow, widower or other partner of service personnel.
OR
Applicant is an incoming worker with a formal offer of local employment.
- C. Applicants household income is below the income threshold detailed in Appendix G.
- D. Applicants have a local connection either through work, family or cultural networks.

Appendix G cont'd: Priority Client Groups and Marketing Strategy for LCHO Properties

1.2 Additional Requirements

In addition applicants **must** be able to **demonstrate** the following:

- E The property must be the applicants permanent home and not used as a second home or sublet.
- F The size of the property allocated is appropriate to the size of the household.
- G The applicant has obtained the maximum mortgage available to them and they can afford this mortgage.
- H The applicant's residual savings after purchase does not exceed £5,000.
- I The maximum deposit permitted is 25% of the purchase price.

Applicants who can afford to buy a house on the open market are not eligible, nor are those who could not properly afford to purchase the property. An assessment of the applicant's financial circumstances may take place, which requires verification from the applicant's bank or building society that he/she can truly afford and sustain all the costs involved.

2. GENERAL MARKETING STRATEGY

Developers should provide a marketing strategy to Fife Council well in advance of completion of the properties. Fife Council staff will agree this strategy with the developer. The developer is responsible for administering the agreed strategy. Fife Council Housing Services Officers will be responsible for reviewing applications and confirming eligibility. 'Marketing' includes advertising, promoting and administering sales.

2.1 Advertising

All advertising must take place simultaneously; ideally well in advance of completion of the properties. Housing Services on behalf of the Developer will arrange for a letter to be issued to Council tenants and Fife Housing Register applicants interested in LCHO in the area advising them of the development. The cost of this will be borne by the developer. Housing Services will also liaise with other Housing Associations operating in the area about advising their tenants and applicants about the project. The Developer will issue the same letter to their list of potential applicants advising of the scheme. In addition, the Developer will advertise the project including the assessment criteria in the local press, on-site, Council offices and Housing Association offices subject to approval of the advert by Fife Council.

Appendix G cont'd: Priority Client Groups and Marketing Strategy for LCHO Properties

2.2 Marketing Periods

For the marketing period the Council will operate a 'cascade' approach. The first phase marketing period for LCHO properties will be 3 months from the date of completion of the properties, where the properties will be sold to anyone fulfilling all of the eligibility criteria A to I. Ideally marketing of the properties should start well in advance of the properties being completed. If after this time period the properties cannot be successfully sold then the Developer (with written agreement from the Council) will be entitled to sell to applicants who can demonstrate compliance with all of the above criteria except criteria B and increased income levels used in Criteria C.

If after a further 3 months no one is forthcoming matching these criteria then Fife Council reserves the right to first refusal to purchase the units at the discounted price from the developer. Should Fife Council not wish to take up this option, then the developer will be able to sell the units at market value and the difference between the market value and the reduced selling price should be returned to Fife Council and treated in a similar way as commuted sum payments. The Council will have to be satisfied that every reasonable effort was made on the part of the developer to successfully market the properties to the priority client group.

	Month							
	0	1	2	3	4	5	6	7+
Marketing phase	Units complete ready for sale	1 st marketing phase			2 nd marketing phase			End of marketing month 7 onwards
Criteria to be followed	1 st marketing phase can start in advance of completion should developer wish but, unless otherwise agreed, will continue for 3 months from completion should not units not sell	Properties are advertised using full criteria for 3 months.			After written confirmation from Fife Council properties are advertised using criteria A and D-I			If properties are unsold Fife Council get first refusal at discounted price OR develop can sell at market value and pay difference between market value and discounted price.

Appendix G cont'd: Priority Client Groups and Marketing Strategy for LCHO Properties

2.3 Application Process

Sales staff will complete application forms along with the applicants. This aims to only accept applications from those who are eligible. Sales staff will reserve a particular suitable property for the applicant, as happens with all purchasers of new build homes. This means that applicants are matched to properties of an appropriate size and effectively choose their preferred home from those still available.

If there is still interest after all the properties have been reserved then sales staff will keep a reserve list of applicants, in time/date order. This list will include the size of property required and preferred plot number. This means that if the potential applicants don't meet the eligibility criteria or if they change their minds, there is still a list of people to contact.

Sales staff will forward the completed application form to Fife Council Housing Services within 5 days for verification and approval. Then Council staff will write to the applicant and ask for proof of mortgage offer in principle, income and savings. The applicant will have 10 days to return the information to the Council. The applicant should provide written confirmation of a mortgage from their lender. As proof of income the applicant should provide 3 months pay slips or a letter from their employer confirming their annual salary. Proof of any personal savings held should also be provided.

On receipt of this information, Fife Council will assess and process the application within 15 working days from date of receipt. Once the assessment is complete Fife Council will confirm with the developer whether applicants meet the eligibility criteria. Once this has been confirmed, the developer's sales staff will contact the applicants and the sale can go ahead. Once an applicant has been offered a property, they will then have 4 weeks to complete the legal missives.

At the end of the sales period sales staff will be required to complete a monitoring questionnaire which Fife Council will use to record the popularity of developments.

Fife Council reserves the right to change these procedures for some projects in areas of particular pressure to ensure that properties are allocated to those purchasers most in need of affordable housing. Full details will be discussed with developers where this is the case.

3. SUBSEQUENT SALES OF LCHO PROPERTIES

A planning agreement entered into between the developer and the Council will regulate how the property is to be re-marketed e.g. that the property has to be marketed at the same discount to a specified group of people in housing need, for a specified time period.

Where the property has been delivered through the Affordable Housing Policy by means of a discount to its open market value then the future resale price will be subject to a resale price covenant, which will maintain the same initial discount on

Appendix G cont'd: Priority Client Groups and Marketing Strategy for LCHO Properties

resale in perpetuity. Future resale prices will be based on the percentage discount received by the initial purchaser being applied to the open market value at that time.

In cases where the property is provided as affordable by means of shared equity or its open market value is within the affordable housing target prices (Appendix G) then the resale would not normally be subject to resale restrictions. This will be considered on a case by case basis.

Purchasers wishing to re-sell will be obligated to inform Fife Council Housing Services of their intentions. The Council will confirm the selling price within 14 days of receiving notification to sell and will also provide information sheets to give to potential purchasers. These information sheets will inform potential purchasers of the clauses attached to the resale and the eligibility criteria involved.

The property will be placed on the market by the seller at the fixed price confirmed by the Council, and will require to be sold to someone who meets the eligibility criteria.

If the property has not been sold to someone in the priority group who meets all the eligibility criteria listed in A to I above within a 3 month period, the seller should contact the Council and further information/assistance will be provided. As with the marketing period for developers, if after a period of a further 4 months when the property has been marketed to groups C to I and has still not been sold the seller will be able to sell the property on the open market to a purchaser outwith the priority groups. Fife Council must be satisfied that every effort has been made to sell the property to the appropriate client group and written confirmation from Fife Council will be required, before a sale on the open market can take place. The windfall profit obtained from a legitimate open market sale will be returned to the Council and this will be treated in a similar way to commuted sum payments received from developers.

Appendix H: Further MMR Information and Priority Client Groups and Marketing Strategy for MMR Properties

MMR Income Thresholds

Mid-market rent (MMR) housing mainly aims to help people who may have difficulty accessing social rented housing or buying their own home. In order for such housing to assist in meeting housing needs in Fife, the Council and partner organisations, such as housing associations delivering MMR housing, will prioritise using the following criteria, applicants who:

- Are employed, or have an offer of employment;
- Have a household income within a specified range;
- Are registered on the Fife Housing Register or with another public sector landlord;
- Are a local authority / public sector / housing association tenant.

Of highest priority will be given to applicants, who meet the income thresholds and who are registered on the Fife Housing Register.

Income Thresholds

To prioritise MMR housing based on affordability the Council has set income thresholds based on the Local Housing Allowance (LHA) and property size as follows:

- £17,000 - £36,000 for 1 bed and 2 bed MMR properties
- £17,000 - £40,000 for larger properties (e.g. 3 & 4 bedroom)

This income threshold will be reviewed annually based on changes in the LHA.

Priority areas for MMR housing

As indicated in appendix 2 MMR projects will be targeted in the following Local Housing Strategy Areas, however MMR projects outwith these areas will be considered on a case by case basis. Priority LHS Areas:

- Dunfermline and the Coast
- Kirkcaldy
- Cupar and Howe
- Largo & East Neuk
- St Andrews

1. PRIORITY CLIENT GROUPS

Where the type of affordable housing being developed is for unsubsidised Mid-Market Rent (MMR) the Council or partner RSL will give priority to applicants who fulfil the following criteria.

1.1 Prospective tenants **must satisfy all** of the following criteria under sections A, B, C, D and E below:

A Prospective tenants are tenants of Fife Council or Housing Association operating in Fife.

OR

Prospective tenants have been on the Fife Housing Register or the Housing List of a Housing Association operating in Fife for one year prior to the date of the construction of the affordable units and are in housing need.

OR

Prospective tenant is in the armed forces or is a veteran, widow, widower or other partner of service personnel.

OR

Prospective tenant must be an incoming worker with a formal offer of local employment.

B Prospective tenants must have low or modest incomes. Income criteria will detailed in Fife Council's current Strategic Housing Investment Plan (SHIP)

C Prospective tenants must be employed or have received a formal offer of employment in the area where the development is located.

1.2 In addition prospective tenants **must** be able to **demonstrate** the following:

D The property must be the applicants permanent home and not used as a second home or sublet.

E The size of the property allocated is appropriate to the size of the household.

2. GENERAL MARKETING STRATEGY

Developers should provide a marketing strategy to Fife Council well in advance of completion of the properties. Fife Council staff will agree this strategy with the developer. The developer is responsible for administering the agreed strategy. Fife Council Housing Officers will be responsible for reviewing applications and confirming eligibility. 'Marketing' includes advertising, promoting and administering sales.

Appendix H Cont'd: Priority Client Groups and Marketing Strategy for MMR Properties

2.1 Advertising

All advertising must take place simultaneously. Housing Services on behalf of the Developer will arrange for a letter to be issued to Council tenants and Fife Housing Register applicants interested in MMR in the area advising them of the development. The cost of this will be borne by the developer. Housing Services will also liaise with other Housing Associations operating in the area about advising their tenants and applicants about the project. The Developer will issue the same letter to their own list of potential applicants advising them of the scheme. In addition, the Developer will advertise the project and assessment criteria in the local press, on-site, Council offices and buildings and Housing Association offices subject to approval of the advert by Fife Council.

2.2 Marketing periods

For the marketing period the Council will operate a 'cascade' approach. The first phase marketing period for MMR properties will be 3 months (from completion of the properties) where the properties will be allocated to anyone fulfilling all of the eligibility criteria A to E. Ideally, marketing should start in advance of completion of the properties. If after this time period the properties cannot be successfully allocated then the Developer (with written agreement from the Council) will be entitled to allocate to applicants who can demonstrate compliance with criteria B, D and E. If after a further 3 months no one is forthcoming matching these criteria then the Council and the developer must agree a new set of criteria for allocation of the properties or alternatively Fife Council reserves the right to first refusal to purchase the units at a discounted price from the developer. Should Fife Council not wish to take up this option, then the developer will be able to sell the units on the open market and the difference between the actual selling price and the reduced selling price should be returned to Fife Council and treated in a similar way as commuted sum payments. The Council will have to be satisfied that every reasonable effort was made on the part of the developer to successfully market the properties to the priority client group. It should be noted that the discounted price would be the same as if the units were being sold as LCHO properties.

Appendix H Cont'd: Priority Client Groups and Marketing Strategy for MMR Properties

	Month							
	0	1	2	3	4	5	6	7+
Marketing phase	Units complete ready for rent	1 st marketing phase			2 nd marketing phase			End of marketing month 7 onwards
Criteria to be followed	1 st marketing phase can start in advance of completion should developer wish but, unless otherwise agreed, will continue for 3 months from completion should units not be let	Properties are advertised for let using full criteria for 3 months.			Properties are advertised for let using criteria B, D and E			If properties are unlet Fife Council can agree new letting criteria or get first refusal to buy from developer at discounted price OR developer can sell on open market and pay difference between actual selling price and discounted price.

2.3 Application Process

Administrative staff will complete application forms along with the applicants. This aims to only receive applications from those who are eligible to do so. Administrative staff will reserve a particular suitable property for the applicant, as happens with purchasers of new build homes. This means that applicants are matched to properties of an appropriate size and effectively choose their preferred home from those still available.

If there is still interest after all the properties have been reserved then admin staff will keep a reserve list of applicants, in time/date order. This list will include the size of property required. This means that if the potential applicants don't meet the eligibility criteria or if they change their minds, there is still a list of people to contact.

Administrative staff will forward the completed application form to Fife Council Housing Services within 5 days. Then Council staff will write to the applicant and ask for proof of income. The applicant will have 15 days to return the information to the Council. As proof of income the applicant should provide 3 months pay slips or a letter from their employer confirming their annual salary.

On receipt of this information, Fife Council will assess and process the application within 10 working days. Once the assessment is complete Fife Council will confirm with the developer whether applicants meet the eligibility criteria. Once this has been

confirmed, the developer's administrative staff will contact the applicants and the property can be let to the applicant.

At the end of the marketing period administrative staff will be required to complete a monitoring questionnaire which Fife Council will use to record the popularity of developments.

Fife Council reserves the right to change these procedures for some projects in areas of particular pressure to ensure that properties are allocated to those applicants most in need of affordable housing. Full details will be discussed with developers where this is the case.

3.0 Rent Levels

The rents to be charged will be set in agreement with Fife Council and will be at a level which is deemed to be affordable to priority client groups.

Where MMR units are being delivered without subsidy rents will be based on 85% of the LHA. More details are available in section 8.2 – 2A and Appendix H.

The initial rent will be agreed for first occupation and will be subject to annual increments in accordance with RPI increases.

4.0 Relets

The developer will be required to maintain a waiting list of potential applicants and can also approach the Council for nominations from the Fife Housing Register.

Assuming a 4 week notice period for termination of lease agreements the same restrictions as detailed in section 2.2 will apply, however, the phase 1 restrictions will apply for 10 working days and phase 2 restrictions will apply for a further 10 working days. Thereafter the properties can be marketed as general rental properties with rents set at private rent levels subject to prior agreement by the Head of Housing. Any increased rental income will be returned to the Council and this will be treated in a similar way to commuted sum payments received from developers.

Appendix I: Specific Needs Criteria (Amenity and Reduced Mobility Standard)

Housing should be designed to allow flexibility over its lifetime to cater for the changing needs of the occupants.

Amenity Housing: Should be designed to allow people with reduced mobility, agility and strength to live independently and provide them with a safe, secure environment. It should be a home that is easy to move around in using a walking aid (stick, crutches, frame and occasionally a wheelchair) and allow adaptations as required especially to the bathroom and access.

General requirements of amenity Housing:

- Level or step free external access with no pronounced external slopes
- A distance of no more than 30 metres from road to dwelling entrance
- External garden paths should be a minimum of 900 mm wide. Gardens sizes should be limited and easy to maintain.
- All entrance doors and pass doors should have a minimal clear opening of 800 mm
- Living, dining and bedroom space should allow for notional furniture and a 600 mm wide circulation space to allow use of mobility aids such as stick, crutches or frame.
- Hall width should be a minimum of 900 mm wide but preferably wider
- No more than 1 door way between the kitchen & eating area
- Bathroom doors should open out into hall
- Showers and baths must be provided with thermostatically controlled anti-scald mixing valves or mechanisms
- Additional space in the bathroom is required to allow for flexibility in its use and layout; to allow for the use of a bath or walk-in shower with enhanced activity space to cater for the potential use of mobility aids, bathing/ toileting equipment and/ or a personal assistant
- All walls adjacent to the toilet & bath/ shower should be designed to allow for the potential secure fitting of grabrails
- Route from bedroom to bathroom should be as short as possible
- 2 storey properties should have a ground floor toilet and a room that could be used as a bedroom
- Internal stair case should be a straight flight with clear 1000 mm sq. landing at top & bottom to allow the potential addition of a stairlift. Tapered treads must be avoided. Hand rails/ banisters must be 45 to 50 mm in diameter and easily gripped
- Electric light switches should be 900 mm to 1200 mm from floor. Power sockets should be 500 mm from floor. Pad type rocker electric switches should be fitted

- The telephone outlet in the living room should not be located next to the TV point but in an easily accessible position and located within 300mm of an additional socket
- Easy to grip ironmongery for all doors and windows should be fitted and the bathroom & kitchen taps should be a lever style.
- Livingroom windows and bedroom windows where privacy is not affected should have a sill height of no greater than 600 mm from the floor to allow a seated person to look out.
- All storage should be easily accessible to someone with impaired mobility
- Kitchen should be designed to accommodate the appliances and equipment the user is likely to use: cooker, fridge/ freezer, washer, tumble drier with enhanced activity space to allow the use of mobility aids and equipment such as perching stools and trolleys.

Reference:

Housing for Varying Needs - a design guide Part 1: Houses and Flats

Appendix J: Commuted Sum Levels, September 2018

Local Housing Strategy Area	Unit Type	Difference (Commuted Sum) Per Unit
St Andrews LHSA	House	£47,000
	Flat	£51,000
Cupar & Howe of Fife LHSA	House	£20,000
	Flat	£ 7,000
West Villages LHSA	House	£10,000
	Flat	£ 2,000
Tay Coast LHSA	House	£18,000
	Flat	£10,000
Dunfermline & Coast LHSA	House	£29,000
	Flat	£12,000
Largo & East Neuk LHSA	House	£31,000
	Flat	£16,000
Levenmouth LHSA	House	£14,000
	Flat	£ 2,000
Kirkcaldy Area LHSA	House	£21,000
	Flat	£ 6,000
Glenrothes Area LHSA	House	£17,000
	Flat	£ 2,000
Cowdenbeath LHSA	House	£ 9,000
	Flat	£ 2,000

Appendix K: Development Appraisal Information

Valuations and associated opinions included in an appraisal should be from suitably qualified and experienced persons. The District Valuer will also use such appraisals when calculating reductions in commuted sum payments.

Typically a development appraisal should compare the gross development value of a scheme, with the cost of providing that development, including the value of the site.

The development appraisal should be broken down into 3 principal areas:

1. Gross Development Value: - the estimated capital value of the completed development broken down by value of individual units.

2 Site Value: - purchase price (and date purchased) or agreed price (and date agreed) or estimated current value.

3 Costs of Development:- these should include the following matters:

Infrastructure costs

Building costs including number, size and design of units

Professional fees (architects, quantity surveyors)

Planning and building regulation fees

Contingency allowance

Finance costs (i.e. interest paid on borrowing money to buy the site and fund the building works)

Developers profit margin

Selling agent's fees

These are minimum requirements and a more detailed appraisal may be required.

It should be noted that Developers will be expected to pay for the District Valuers (other Valuation) report when requesting a reduction in the affordable housing contribution.

Appendix L: Contacts

1.1 Fife Council

For further information about, and the interpretation of the Affordable Housing Policy:

<p>Louise Sutherland Service Manager (Affordable Housing & Regeneration) Fife Council Housing Services</p> <p>Telephone: 03451 55 55 55 Ext 444510 E-mail: Louise.Sutherland@fife.gov.uk</p>	<p>Paula Blyth Planner (Development Plan) Fife Council Economy, Planning & Employability Services</p> <p>Telephone: 03451 55 55 55 Ext 444679 E-mail: paula.blyth@fife.gov.uk</p>
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For pre-application discussions contact:

<p>Economy, Planning & Employability Services (Development Management)</p> <p>Kingdom House, Kingdom Avenue, GLENROTHES, KY7 5LY Telephone: 03451 55 11 22 E-mail: development.central@fife.gov.uk</p>
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For information about housing needs, appropriate tenure mixes and delivery mechanisms:

<p>affordablehousing@fife.gov.uk or Karen Gubby Ext: 444558 Housing Services</p>
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