

# Development Management Sub-Committee

Wednesday 26 March 2013

## Tram Developer Contributions: Settlement with Miller Homes Ltd

Item number	4.3
Report number	-
Wards	Forth (4), Inverleith (5), City Centre (11)

### Links

Coalition pledges	<a href="#">P8</a> , <a href="#">P17</a> , <a href="#">P18</a>
Council outcomes	<a href="#">CO7</a> , <a href="#">CO19</a> , <a href="#">CO22</a> and <a href="#">CO23</a>
Single Outcome Agreement	<a href="#">S01</a> and <a href="#">S04</a>

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# Executive summary

## Tram Developer Contributions: Settlement with Miller Homes Ltd

### Summary

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The purpose of this report is to seek the Committee's approval to enter into a settlement agreement with Miller Homes Ltd dealing with tram contributions paid to the Council in relation to the proposed tram route running along the Roseburn corridor from Haymarket to Granton.

### Recommendations

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It is recommended that the Committee approves this report allowing the Council to agree a settlement with Miller Homes Ltd.

### Measures of success

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A measure of success is an outcome where, in the absence of the tram being delivered in this part of the city, a settlement is reached that is acceptable to both the Council and Miller Homes Ltd, and that importantly still delivers benefits to local communities.

### Financial impact

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The funding strategy for the tram project was reported to the Council on 30 June 2011. That report noted that the amount contributed (at that time) was £6.9 million and that the target for developer contributions would remain at £26.6 million. However, it was accepted that the reduced tram route would have implications for this funding stream, and closed off this issue on the basis that developer contributions would be used to offset borrowing costs wherever possible.

The tram contributions that have been received by the Council from Miller Homes Ltd, that are the subject of the proposed settlement, total £443,131.24 including interest. These monies have been accounted for separately and are not included in the above total.

The recommendations in this report are in line with the position reported to Council on the 30<sup>th</sup> of June 2011. Accordingly, there are no new financial implications for the Council arising from this report.

## Equalities impact

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An Equalities and Human Rights Impact Assessment has been carried out. There are no equalities impacts arising from this report.

## Sustainability impact

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The impacts of this report in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties have been considered, and the outcomes are summarised below.

- The proposals in this report will have no impact on carbon emissions because the report deals with the application of policy in relation to developer contributions connected with the tram project. This follows from decisions about the extent of the tram project to be delivered rather than influencing those decisions.
- The proposals in this report will have no effect on the city's resilience to climate change impacts because the report deals with the application of policy in relation to developer contributions connected with the tram project. This follows from decisions about the extent of the tram project to be delivered rather than influencing those decisions.
- The proposals in this report will help achieve a sustainable Edinburgh because it will ensure that the policy approach adopted by the Council is proportionate and fair, and will not have an unacceptable impact on areas where there is no reasonable prospect of the tram being delivered in the near future.

## Consultation and engagement

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This report is in relation to agreements between the Council and Miller Homes Ltd. There is no statutory requirement for consultation and engagement with other parties.

## Background reading / external references

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**Circular 3/2012** – Planning Obligations and Good Neighbour Agreements

**Edinburgh City Local Plan** – Policy 3, Tram Contributions

**Rural West Edinburgh Local Plan (as altered)** – Policy Imp 2 Planning Agreements (read in conjunction with Schedule 2 of the Action Plan)

**Edinburgh Planning Guidance** – Developer Contributions and Affordable Housing, May 2011

**Report to City of Edinburgh Council – Edinburgh Tram Project, 30 June 2011**

**Report to City of Edinburgh Council – Edinburgh Tram Project, 25 August 2011**

**Economic Resilience Action Plan**

## Tram Developer Contributions: Settlement with Miller Homes Ltd

### 1. Background

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- 1.1 It was agreed by Committee on 16 May 2013 that the Council as Planning Authority would cease the application of the tram contributions policy and guidance in relation to sites along the section of proposed route running along the Roseburn corridor between Haymarket and Granton as there is little or no prospect of this section of the route being delivered in the near future.
- 1.2 It was noted that the Council would follow the terms of existing agreements with developers, in terms of provisions for repayments or alternative uses of contributions.
- 1.3 Miller Homes Ltd subsequently contacted the Council with a view to reaching a settlement over tram contributions that have been paid to the Council, in relation to developments along this section of the tram route. In particular the South Campus and the West Campus of the former Telford College site (04/02467/FUL and 05/01007/FUL respectively), and a site adjacent to Crewe Road (07/04764/FUL). All of these developments have now been completed.

### 2. Main report

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#### Proposed Settlement

- 2.1 The proposed terms of the settlement agreement are that the Council will retain 50% of the contributions received. The breakdown of these amounts and what they will be used for is as follows:
  - 50% of the contributions (£221,565.62 including interest) will be repaid to Miller Homes Ltd;
  - 25% of the contributions (£110,782.81 including interest) paid will be retained by the Council but made available to Miller Homes Ltd to deliver an

Apprenticeship Scheme for the North of Edinburgh through the Edinburgh Guarantee;

- 25% of the contributions (£110,782.81 including interest) paid will be retained by the Council to be used for transport or infrastructure projects as it sees fit.

### **Assessment**

- 2.2 The terms of the existing agreements between the Council and Miller Homes Ltd provide for full repayments to be made in 2020 if the tram has not been delivered or alternative uses for the contributions have not been agreed between the parties. The settlement proposed allows both parties to conclude matters before 2020 and make effective use of these monies.
- 2.3 The settlement allows the Council to retain money for transport or other infrastructure improvements and this will assist the Council in continuing to deliver improvements and facilitate development in Edinburgh.
- 2.4 The proposed Apprenticeship Scheme will mean that the benefits accruing from development in this area will result in benefits for the local community. It is anticipated that Miller Homes Ltd will be able to provide four apprenticeships for a period of four years. This will be delivered through the Edinburgh Guarantee, and will secure opportunities for young people in Edinburgh in line with Council objectives.

### **Conclusion**

- 2.5 While it would not normally be appropriate to use planning legislation to secure apprenticeship programmes, given that this is in fact a settlement agreement relating to contributions already paid in relation to planning permissions, it is considered to be an appropriate use of these monies in this instance.
- 2.6 The proposed settlement terms are in keeping with purpose of the original agreements. An acceptable outcome for both parties is achieved and a positive outcome for the local community is also secured through the Apprenticeship Scheme.
- 2.7 It should also be noted that other companies or persons who have made tram payments in this area of the city have been notified of the approach being considered in relation to Miller Homes Ltd. Further reports will be presented to the Committee should other parties wish to seek similar settlements.

### 3. Recommendations

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- 3.1 It is recommended that the Committee approves this report and authorises the Head of Planning to sign the settlement agreement as proposed.

**David R. Leslie**

Acting Head of Planning and Building Standards

### Links

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<b>Coalition pledges</b>	<b>P8:</b> Make sure the city's people are well-housed, including encouraging developers to build residential communities, starting with brownfield sites. <b>P17:</b> Continue efforts to develop the city's gap sites and encourage regeneration. <b>P18:</b> Complete the tram project in accordance with current plans.
<b>Council outcomes</b>	<b>CO7:</b> Edinburgh draws new investment in development and regeneration. <b>CO19:</b> Attractive places are well maintained – Edinburgh remains an attractive city through the development of high quality buildings and places and the delivery of high standards and maintenance of infrastructure and public realm. <b>CO22:</b> Moving efficiently – Edinburgh has a transport system that improves connectivity and is green, healthy and accessible.
<b>Single Outcome Agreement</b>	<b>SO1:</b> Edinburgh's economy delivers increased investment, jobs and opportunities for all. <b>SO4:</b> Edinburgh's communities are safer and have improved physical and social fabric.
<b>Appendices</b>	None