
improving living in scotland



**PERTH AND KINROSS LDP FURTHER INFORMATION REQUEST 02
– POLICY 5 INFRASTRUCTURE CONTRIBUTIONS**

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Homes for Scotland (HFS) is the voice of the home building industry in Scotland, representing some 200 companies and organisations which together deliver the majority of the country's new homes.

We are committed to improving the quality of living in Scotland by providing this and future generations of Scots with warm, energy-efficient, sustainable homes in places people want to live.

HFS makes submissions on national and local government policy issues affecting the industry. Its views are endorsed by committees and advisory groups utilising the skills and expertise of key representatives drawn from our member companies.

RESPONSE TO PERTH AND KINROSS LDP FURTHER INFORMATION REQUEST 02 – POLICY 5 INFRASTRUCTURE CONTRIBUTIONS

Introduction

1. Homes for Scotland (HFS) welcomes the opportunity to comment on Perth and Kinross's Further Information Request (FIR) response. These submissions have been reviewed and agreed by Homes for Scotland's East Central Area Committee.

Perth and Kinross Response

2. We understand from the Perth & Kinross response that it does not consider that changes to the policy wording are necessary. However, two alternative proposed wordings have been set out in the event the Reporter considered a more detailed policy to be necessary.
3. The text for inclusion in the policy is not differentiated by a different text / formatting so there is some uncertainty over precisely what is proposed. The first option referred to as the "Draft Reworded - Policy 5" adds a further paragraph setting out specifically what contributions would be sought towards before detailing these including the precise financial contributions sought. A second option referred to as the "Council Suggested Draft Reworded Policy 5" includes almost identical wording but without reference to the sums sought to allow these to be defined through subsequent supplementary guidance.

Homes for Scotland Comments on the Perth and Kinross Response

4. In principle HFS welcomes additional detail but this must be supported by evidence and we consider further information is required in this respect alongside changes to the wording of the policies.

Scope of Planning Obligations

5. HFS considers that it is essential that the scope of any obligations is set out in the LDP. The Chief Planner's letter of 15 January 2015 is clear that to comply with Regulation 27(2) of The Town and Country Planning (Development Planning) (Scotland) Regulations 2008 it must clearly relate to a development plan policy

"It is therefore essential that supplementary guidance is limited to the provision of further information or detail and that the local development plan expressly identifies the matters to be dealt with in supplementary guidance... If there is no, or an insufficient, express statement regarding the supplementary guidance within the plan, it cannot be adopted as statutory supplementary guidance."

6. Having regard to this and the 2008 Regulations we therefore support the inclusion of a clear statement setting out what infrastructure types and specific projects Perth and Kinross will seek contributions towards. Both amended versions of the policy include an identical paragraph (below the "Note") which

touches upon this but is insufficient as currently drafted. We consider it should be amended as follows (~~deletion~~ / **addition**):

7. The Council **may** ~~currently~~ seeks specified developer contributions towards Primary Education, Auchterader A9 Junction Improvements and Transport Infrastructure. ~~Other contribution requirements will be assessed on an individual basis.~~ **Obligations will only be sought where they pass the five tests set out in Circular 3/2012 - Planning Obligations and Good Neighbour Agreements and there must be more than a trivial connection between the development and the intervention or interventions which are proposed to be funded / delivered via the planning obligation.**
8. This detail would mean that the more general description in bullet points (a) and (b) above would be redundant and could be removed.
9. This change would give greater clarity over what infrastructure contributions will be sought towards. It would also make clear the requirement for consistency with the relevant Circular and the *Aberdeen City and Shire Strategic Development Planning Authority v Elsick Development Company Limited (Scotland)* Judgement.

Impact of the Proposed Changes in Planning Policy

10. The proposed LDP seeks to introduce two significant changes which HFS objects to principally because they are not justified by evidence. In the event the changes were adopted they would have a negative impact upon site viability and would require further revision of proposed developer obligations.
11. At the Full Council meeting on 29 August 2018 Councillors voted to amend Policy 1D to cap the number of homes on allocated sites to no more than the range set out in the LDP. The LDP did state that the capacity range for allocated sites should only be exceeded in exceptional circumstances. The amendment would instead state that *"applications which exceed the capacity range will not be permitted"*. No suitable evidence has been provided to justify this decision and it would reduce the delivery of much needed homes on allocated housing sites. The plan has not been formally amended to reflect this rather the Schedule 4 response has recommended this change. It has therefore not been subject to any public scrutiny. HFS opposes this change.
12. Policy 25 states that sites of 20 or more houses should meet the needs of smaller households including older people and lower income households, by providing at least 10% of their homes as one or two bedroom homes. This requirement would be in addition to the 25% affordable housing set out in Policy 20. Particularly when combined with the amended policy above would lead to less efficient use of allocated housing sites as 1 and 2 bedroom homes take up less space. It also presents a challenge to viability as 1 and 2 bedroom homes are less marketable in many areas. This is particularly so for 1 bedroom homes as there are many locations where there is a negligible market for flatted properties.
13. The 29 August 2018 Report to Council states that the reason for the policy is as follows

“The latest household projections for Scotland (2016-based) reinforce this. In Perth & Kinross the percentage of single person households by 2041 is projected to increase by 26%. Single adult households with children are projected to increase by 33% while two adult households without children are to increase by 18%. The increase in single and two adult households without children is partly due to an ageing population. By 2041 nearly half of all households (47%) in Perth & Kinross will be headed by someone aged 60+; there is an expected increase of 80% of those households headed by someone aged 75+. It is reasonable to assume that many of these households will wish to downsize to smaller properties.” (Para. 4.5.12)

14. Appendix 1 shows the anticipated changes in single person, single adult with children and two adult households over the plan period to 2029 (i.e. 10 years from the date of adoption). It is important to point out that not all these households will seek one and two bedroom homes in the private sector. Some may require additional rooms for home working and guests or simply want more space. Those with children may have more than one child and so require more than two bedrooms. It does not therefore follow that such households particularly need one and two bedroom properties.
15. HFS strongly object to its inclusion of Policy 25 because it is not supported by evidence. However, if it was adopted it would reduce the viability of allocated sites limited the resources available to fund infrastructure obligations particularly in combination with the cap on housing numbers. In this event the level of all infrastructure obligations would need to be reviewed to avoid making the delivery of allocated housing sites unviable.
16. Furthermore, the relevance of specific contributions would need to be reviewed. For instance the proportion of households with children out of the single adult, two adult and single adult with children households referred to in the Report to Council above, only 7% include children (Appendix 1), this remains constant throughout the plan period. It should also be noted that for many of these families a two bedroom home may not be appropriate, particularly if they have more than one child. As such the pupil product of 0.27 would be inappropriate to apply to homes delivered in response to this policy and so accordingly would the current per dwellings education contribution of £6,460 set out in the Supplementary Guidance and “Draft Reworded - Policy 5”.
17. Similarly, the transport / highways impact of smaller homes would be less as on average such households would have significantly fewer cars. Accordingly, the level of transport contribution for such homes should be revised in the event the policy is adopted.
18. HFS strongly objects to both the cap on new homes on allocated sites and the additional requirement for one and two bedroom homes. However, in the event that the latter was adopted we consider that as the aim of the policy is to provide homes for elderly downsizers and households which include a very small proportion of families with children we consider that homes provided through this policy should be treated as affordable homes currently are with no Education contribution charged.

Inclusion of Financial Figures within the Policy Wording - Draft Reworded Policy 5

19. Homes for Scotland does not in principle object to the inclusion of specific sums appearing in the LDP. However, it is important that they are robustly evidenced, viable and that a thorough discussion of the proposed figures can take place. This is not currently the case.
20. The Scottish Government's response to The City of Edinburgh Council Supplementary Guidance on Developer Contributions and Infrastructure Delivery (dated 29 November) makes clear the importance of a fully evidenced approach to Developer Obligations. It states that "*Decisions relating to statutory guidance on such an important subject area must be robust and informed by proper consideration of available evidence*". A Reporter was instructed to review the guidance emphasising the importance of taking a rigorous approach to the setting of financial obligations.
21. This is consistent with previous direction from the Scottish Government (dated 12 March) in relation to Fife Supplementary Planning Guidance on Planning Obligations which direct the Council not to adopt the guidance as "*neither the supplementary guidance itself nor the information which was put out to consultation was sufficient to enable an informed view to be reached, by Ministers or consultees, as to whether the proposals are consistent with Circular 3/2012: Planning Obligations and Good Neighbour Agreements.*"
22. At present there is insufficient evidence included in the Perth and Kinross FIR Response or the Developer Obligations Supplementary Guidance to justify the figures referred to in Draft Reworded - Policy 5. For instance, there is no explanation of the cost per dwelling for the Education Contribution, the cost per pupil figure which appears in the Supplementary Guidance is also not explained and the source of it is unknown. Similarly, the other figures set out in the Draft Reworded Policy have no workings shown and the source of them is also not set out.
23. The level of obligations impacts upon the viability of allocated sites and hence the deliverability of the LDP. As such there is a good case to be made that they should be considered at the same time as the LDP as set out in paragraph 139 of Circular 6/2013. However, the inclusion of the figures would represent a very significant change to the policy and impact on housing delivery. We would therefore respectfully request that if the Reporter was minded to suggest that the wording of the policy included specific figures that a further FIR request was made to obtain detailed explanations of how the proposed per unit / sq.m contribution figures had been arrived at and subsequently to allow all interested parties to review and comment on the evidence presented.

Council Suggested Draft Reworded Policy 5

24. As set out above and in our Proposed LDP representations we consider that references need to be added to the policy to refer to the tests in Circular 3/2012 and take into account recent case law. Reference also should be made to the evidence base that explains why these contributions are necessary and this should be made available for further scrutiny via a further FIR Request.

Conclusion

25. In principle Homes for Scotland welcomes the additional detail. However, we consider that further changes to the wording are required and that the evidence base justifying the scope and level of these contributions should be made available for scrutiny through a further FIR request. This evidence base should also consider the impact of new proposed policies which could impact upon viability. We trust our comments will be taken into account and should further information be sought HFS would be pleased to provide further comments.

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