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**RESPONSE TO FALKIRK LOCAL DEVELOPMENT PLAN 2:
MAIN ISSUES REPORT**

5 MAY 2017

ABOUT HOMES FOR SCOTLAND

Homes for Scotland is **the** voice of the home building industry.

With a membership of some 200 organisations together providing 95% of new homes built for sale in Scotland each year as well as a significant proportion of affordable housing, we are committed to improving the quality of living in Scotland by providing this and future generations with warm, sustainable homes in places people *want* to live.

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PROCESS

Homes for Scotland represents members on a wide range of issues affecting their ability to deliver much needed homes.

Our views are endorsed by committees and advisory groups utilising the skills and expertise of key representatives drawn from member companies.

This consultation response has been discussed, drafted and approved by Homes for Scotland's East Central Scotland Area Committee.

RESPONSE TO FALKIRK LOCAL DEVELOPMENT PLAN 2: MAIN ISSUES REPORT

1. Introduction

- 1.1 Homes for Scotland is *the* voice of the home building industry in Scotland, with a membership of some 200 organisations together providing 95% of all new homes built for sale across the country as well as a significant proportion of affordable housing.
- 1.2 Homes for Scotland 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.
- 1.3 Homes for Scotland welcomes the opportunity to provide comments on the Main Issues Report for the Falkirk Local Development Plan 2.
- 1.4 In making this submission Homes for Scotland are mindful of the terms of the Planning etc. (Scotland) Act 2006 which requires Planning Authorities to compile a Main Issues Report as a means of facilitating and informing preparation of a Local Development Plan.
- 1.5 Section 17 (Subsection 2) of the Act requires a Main Issues Report to include:
- (a) general proposals by the authority for development in their district and in particular proposals as regards where the development should be carried out (and where it should not), and
 - (b) general proposals which constitute a reasonable alternative (or reasonable alternatives) to those mentioned in paragraph (a).
- 1.6 Section 17 (Subsection 3) of the Act further stipulates that a Main Issues Report must include sufficient information to ensure:
- (i) that what is proposed can readily be understood by those persons who may be expected to desire an opportunity of making representations to the authority with respect to the report, and
 - (ii) that such representations can be meaningful,
- 1.7 Our analysis would indicate that the Main Issues Report has been prepared and contains sufficient information to be considered in accordance with the above requirements. That said, we hold concerns regarding a number of the assumptions contained with the MIR that undermine our confidence in the ability of the emerging LDP to properly plan for the area.

1.8 Within the following sections we provide comments on the MIR provisions considered to be of particular importance to Homes for Scotland Members, specifically:

- Section 2: Vision
- Section 4: Homes and Communities (Issues 3, 4 and 5)
- Section 6: Infrastructure and Resources (Issues 9 and 10)

2. Main Issues Report Section 2: Vision

2.1 The MIR identifies the ‘Challenges and Opportunities’ facing the LDP. In relation to ‘Population and Housing’ it notes that the area’s population has continued to grow, however the rate of growth has slowed and levels of housebuilding have shown little sign of returning to pre-recession levels. We question this conclusion as recent house-building rates have been increasing significantly. The MIR references evidence of problems with housing delivery in some areas, noting that a number of large-scale housing regeneration projects have stalled

2.2 The MIR notes that population growth has focussed on the core area of Larbert, Stenhousemuir, Falkirk and Polmont/Braes where most new homes have been built and the housing market has remained “relatively strong”. The “sustained growth” in these areas has resulted in pressures on infrastructure.

2.3 Regarding ‘Energy and Climate Change’ the MIR references the need to move to a low carbon economy and notes that the potential for heat networks in the area is starting to be investigated.

2.4 The preferred vision for the Falkirk Area looks ahead to 2040 and is noted as remaining “substantially unaltered” from LDP1. It is based around the following themes:

- Thriving communities
- Growing economy
- Sustainable place

2.5 In terms of the objectives underpinning these themes, in relation to the theme of ‘Thriving Communities’ Homes for Scotland recognises and welcomes the importance placed upon:

- Facilitating continued population and household growth and the delivery of housing to meet the full range of housing needs

- Building sustainable attractive communities which are distinctive, safe and pleasant, welcoming adaptable, resource efficient, and easy to move around in
- Providing infrastructure to meet the needs of an increasing population and to further improve the area's connectivity

2.6 However, for the reasons outlined in subsequent sections of this response, we question the overall emphasis given in support of these objectives by the MIR.

2.7 With respect to the theme of 'Growing Economy' the MIR acknowledges both the strengths and weaknesses of the Falkirk area's economy and, despite some of the challenges noted within the MIR'S commentary, there remain significant opportunities to foster major economic growth that the LDP must proactively respond to.

2.8 In Homes for Scotland's analysis the MIR's overall approach to achieving continued growth is lacking in ambition. If the MIR's aspiration is to be realised a more ambitious strategy should be considered.

3. Main Issues Report Section 4: Homes and Communities

Issue 3: Housing Targets and Requirements

Key Question: How many homes should we plan to build?

3.1 The MIR's 'Preferred Option' notes:

"The target is to build 9,600 homes over the period 2020-2040 with 4,600 over the initial period of 2020-2030 at an average rate of 480 homes per year. A flexibility allowance of 15% would be applied giving a requirement to identify land for 5,520 homes deliverable between 2020-2030."

3.2 The MIR identifies two Alternative Options which relate simply to whether a more generous (20%) or less generous (10%) level of flexibility should be applied.

3.3 We note that the Housing Supply Target has been identified based on the HNDA's estimate of housing need. As a general point, the relevant household projections and therefore the basis for the HNDA represent a view on past trends and how these will project into possible future trends.

3.4 The HNDA covers the period 2016/17 - 2039/40 and is based upon 2012-based household projections. It has been appraised by the Scottish Government (Centre for Housing Market Analysis) as robust and credible.

- 3.5 The HNDA identifies a need for 8,365 houses between 2020-2040, which is an average of 418 units per year over the LDP period. Of the 418 units, 173 are in the affordable sector and 245 in the private sector.
- 3.6 The proposed HST increases the HNDA base figure from 418 to 480. Technical Note 3 attributes this increase to allowances being made for demolitions, continuation with the Council's buy-back policy and changes to the empty homes initiative
- 3.7 It is notable that 245 units/year represents a significant reduction in demand for private housing when compared to past average completion rates of 360 units/yr (ref Technical Note 3 para 4.28) and this fails to have any cognisance of the more recent trends in completion rates.
- 3.8 The target of 480 units per year between 2020-2030 appears to be based on the average rate of completions between 2008-2015 (477 units/yr). However, this figure affords significant emphasis to the historic delivery shortfalls arising from the recession and does not give due recognition to the fact that build rates have increased significantly since 2012/13.
- 3.9 The Scottish Government's 'Housing Statistics for Scotland - supply of new housing' (September 2016) indicate that in 2014/15 a total of 617 housing units were completed with a further 580 completions achieved in 2015/16. Despite this evidence of significant recent increases in housing delivery, the MIR's annual target is only 480 units for the period 2020-30.
- 3.10 In our submission, this clearly indicates a fundamental disconnect between the findings of the HNDA and the physical evidence on the ground. It is therefore Homes for Scotland's view that Falkirk Council must reconsider the proposed growth strategy in preparing the Local Development Plan, especially when the Council's economic growth aspirations are also taken into account.
- 3.11 The housing supply target has been based upon the HNDA 'preferred' scenario (Scenario 2) which predicted:
- a modest increase in incomes which means that incomes would increase by 4% p.a. to 2023 and then 3% p.a. to 2040. In terms of income distribution, the incomes of the most affluent (the 90th percentile of the income distribution) increase more steadily compared to the incomes of least affluent (the 10th percentile of the income distribution). House prices and rents will rise in line with inflation.*
- 3.12 Two additional scenarios were considered:
- Scenario 1 predicted no income growth until 2020 and then 2.5% growth per annum to 2040. House prices and rents will rise in line with the Office

of Budget Responsibility (2015) estimates. Other assumptions are as in Scenario 2.

- Scenario 3 predicted the same income growth as in Scenario 1. In terms of income distribution there would be no change from the current distribution. House prices and rents would not increase until 2020, then there would be 2.5% growth per annum until 2040.

- 3.13 HNDA Appendix 2 notes that *“the total units required each year are the same for each of the three different Scenarios but the distribution between the tenures is different. Scenario 1 has a requirement for more social rent and less buyers than Scenarios 2 and 3. The main difference between Scenarios 2 and 3 is that there is a requirement for more private rented sector properties in Scenario 2 and less below market rent properties. There is also a slight decrease in the number of social rent units and an increase in buyers in Scenario 2 in comparison to Scenario 3 over time”*.
- 3.14 In our reading, there appears to be very little difference between the 3 scenarios considered – and the most optimistic scenario is modest. This, in Homes for Scotland’s view, is unduly pessimistic and it is inappropriate to not even consider a higher growth scenario. The approach taken could be characterised as ‘planning to fail’, as a housing provision strategy based on such predictions will be self-fulfilling, and will constrain opportunities for growth.
- 3.15 The Technical Note states at paragraph 4.6 *“The HNDA identified an economic scenario for the Falkirk area which recognises that while the economy is recovering it is still fragile and subject to further pressures”*. The failure of the HNDA to consider a more ambitious growth scenario raises significant questions as to whether the preferred option will realistically help achieve the MIR’s wider vision and objectives.
- 3.16 Moreover, the significant increases in recent house-building contradict the HNDA predictions. To constrain housing supply in the Falkirk Council area significantly beneath current levels can, in our view, only have a negative impact on economic growth. It also has the potential to fuel house price growth, which will make housing more unaffordable.
- 3.17 The opportunity remains for the Local Development Plan to adopt a more ambitious economic growth strategy and to increase the housing supply target accordingly. Homes for Scotland would suggest at this stage that it should exceed recent build rates (i.e. a minimum of 600 units per/year).
- 3.18 Homes for Scotland would welcome direct discussions with Falkirk Council to discuss the underlying principles of the HNDA and the basis for setting the Housing Supply Target, with a view to establishing an LDP strategy directed towards achieving high growth.

Generosity

3.19 At paragraph 4.05, the MIR references Scottish Planning Policy and the importance of providing a generous supply of housing land and the need for a flexibility allowance of 10-20% to be added to the housing supply target to give the housing land requirement.

3.20 In relation to 'flexibility' the MIR specifically states:

“This flexibility is intended to cover uncertainty in the delivery timescales for sites, and to allow the housing land supply target to be met, even if there are delays in some sites coming forward, or sites are built out at a slower rate than anticipated. Flexibility needs to be set at a level reflecting the nature of the land supply, and the level of uncertainty attached to allocated sites.”

3.21 The MIR has identified evidence of problems with housing delivery in the local area – specifically noting that a number of large-scale housing regeneration projects have stalled. Within the 'Vision' section of the MIR this is considered one of the key challenges facing the LDP.

3.22 At paragraph 4.06 the MIR confirms that:

“At this stage a moderate level of flexibility of 15% is considered appropriate given the degree of uncertainty over the timescale for delivery of some of the larger sites in the land supply”

3.23 By adding 15% flexibility allowance to the Housing Supply Target, the housing land requirement is identified as:

2020-2040	11040
2020-2030	5,520

3.24 We note the preferred approach proposes a reduction in the level of generosity provided by LDP1, which is 17%. In circumstances where housing delivery in the area is identified as a key challenge as a direct result of site delay/slower than anticipated build-rates, and when viewed alongside proposals to reduce the overall Housing Supply Target compared to the previous LDP, Homes for Scotland strongly questions the justification and logic behind any proposal that seeks to reduce the level of generosity to be added to the housing supply target.

3.25 The MIR strategy continues to place a high reliance on the existing housing land supply which contains many sites of questionable effectiveness – a strategy that has contributed directly to the slower than anticipated build-rates on certain sites. In this context, the decision to adopt only a “moderate” approach to generosity cannot be considered either reasonable or appropriate.

- 3.26 In Homes for Scotland's submission a more generous approach should be adopted and a flexibility allowance of 20% should be applied to the Housing Supply Target. As we discuss in further detail below, this measure should be adopted alongside a critical review of the assumed effective housing land supply with a view to identifying additional 'effective' sites as part of the LDP process.

Affordable and Special Needs Housing

- 3.27 The MIR's 'Preferred Option' notes:

"Affordable housing need is assessed as 205 homes per year. The current policy of requiring private housing sites of over 20 units to contribute to affordable and special needs housing, based on a two-tier quota system, would be continued. The quota for Larbert/Stenhousemuir, Rural North and Braes and Rural South will be 25%, elsewhere it will be 15%"

- 3.28 As an alternative option the MIR suggests:

"The affordable housing policy could be relaxed, either by raising the threshold above which it is applied, or by removing the requirement to contribute to affordable housing in communities where there is less of an affordability issue"

- 3.29 It is notable that the new target for affordable homes is less than the previous target of 233 units/year and the current LDP1 Affordable Housing policy will be continued.

- 3.30 The HNDA identifies affordable need as 173 units/year however the HST increases this to 205 per/year to make allowances for demolitions and continuation of the Council's buy-back policy.

- 3.31 We note the between 2008-15 average completions of only 109 affordable units p/yr were achieved. With this in mind it is unclear how the LDP will achieve the target of 205 units p/yr particularly given the apparent reduction in demand for private housing.

- 3.32 Homes for Scotland seeks additional clarification from the Council regarding their approach to affordable housing. It would be particularly useful for the Council to provide evidence that funding for a significant proportion of the affordable housing target is expected to be available through their SHIP or other strategies.

- 3.33 In the event of a shortfall in funding Homes for Scotland seeks the Council's agreement that a proportion of the unfunded affordable houses should be able to be brought forward as private housing as a means of ensuring that the all-tenure need/requirement is capable of being met.

- 3.34 In Homes for Scotland's view, an increase in the percentage affordable housing required on private sites in some areas to 25% is likely to be counter-productive, and it does not recognise that a significant contributor to affordability issues is the constraint on private housing supply. An increase in the percentage of affordable housing required, when also considering the high level of developer contributions required to enhance infrastructure is likely to result in some sites being unviable. In those circumstances, both market and affordable housing provision will decline, thereby exacerbating unaffordability and constraining economic growth.

Issue 4: Existing Housing Land Supply and 'Stalled Sites'

Key Question: How many homes will our existing housing land supply deliver?

- 3.35 The MIR's 'Preferred Option' notes:

"De-allocate the Strategic Growth Area at Slamannan, sites at East Bonnybridge and Kilsyth Road, Hags and selected sites in the Rural South Villages"

- 3.36 As an alternative option the MIR suggests:

"Other sites which are not currently progressing and have high development costs e.g. Portdownie, Whitecross and Bo'ness Foreshore, could be de-allocated based on a more pessimistic view of their long-term viability"

- 3.37 Based upon HLA 2015/16, with some sites de-allocated and others re-programmed the MIR estimates the existing housing land supply can deliver 4,025 homes during the period 2020-2030.

Existing Housing Land Supply (2020-2030) = 4025

Housing Land Requirement (2020-2030) = 5520

Additional Homes to be provided by LDP (2020-2030) = 1495

- 3.38 Homes for Scotland members have raised significant concerns as to the effectiveness of the existing housing land supply, with some suggesting that this has been over-estimated in the MIR by as much as 40% (equating to around 1,600 units). Of the 152 sites contained within the most recent Housing Land Audit 2015/16 it has been noted that a very significant percentage can reasonably be considered 'speculative' due to a lack of housebuilder/land promoter representation.

- 3.39 As the MIR specifically acknowledges, a number of the larger 'strategic growth area' allocations from LDP1 have stalled due to various factors including infrastructure constraints, high development costs and low demand – nevertheless the majority of these have been retained by the MIR and are being relied upon moving forward.

- 3.40 The MIR has been published based upon Housing Land Audit 2015/16 and, as above, suggests that some 4,025 homes can be delivered from the Established Land Supply between 2020 and 2030.
- 3.41 We note that HLA 2015/16 has projected outputs of 3054 units during the period 2020/21 – 2024/25. This would indicate that the Council consider a further 971 completions will come forward from the Established Land Supply to 2030. No evidence has been provided in support of this assumption which, it is assumed, represents the Council's estimate of delivery from the previously stalled 'strategic growth area' allocations which are being retained in LDP2.
- 3.42 In our analysis, this indicates that the MR's 'preferred option' is unlikely to be sufficient given its over-reliance on existing sites of questionable viability/effectiveness, a number of which are located in areas of low or lesser market demand.
- 3.43 Whilst this submission does not seek to critique the merits, or suggest the removal of, individual sites, there remain significant concerns as to the effectiveness of the Established Land Supply which the MIR relies upon given it is based on an out-of-date Housing Land Audit.
- 3.44 In the absence of an up-to-date 2016/17 Housing Land Audit which has been the subject of detailed scrutiny, discussion and agreement, Homes for Scotland are concerned that the effective housing land supply position presented by the MIR cannot be relied upon.
- 3.45 Homes for Scotland submits that, as a matter of urgency, matters are reviewed with a view to preparing a 2016/17 Housing Land Audit – a reasonable target date for this is considered to be Summer 2017.
- 3.46 The review process would allow a full and detailed analysis of the effectiveness of the established housing land supply position to be undertaken and inform preparation of the Proposed Local Development Plan. It is anticipated that this exercise would result in a revised Housing Land Requirement for the period 2020-30 and necessitate the Proposed Plan identifying additional 'effective' housing land allocations.
- 3.47 Pending the carrying out of such an exercise, at this stage Homes for Scotland does not support either the proposed or the alternative MIR options presented in relation to Issue 4.

Issue 5: Sustainable Communities

Key Question: Where should new homes be located?

- 3.48 The MIR (para 4.17) notes the existing strategy for housing distributes growth across the Council area, mostly within 12 Strategic Growth Areas (SGAs) which include a mixture of brownfield regeneration sites and greenfield settlement extensions.
- 3.49 It is proposed that the following SGAs will be carried forward into LDP2:
- Bo'ness Foreshore
 - Bo'ness South East
 - Banknock
 - Dennyloanhead
 - Denny South East
 - Falkirk Canal Corridor
 - Falkirk North
 - Larbert North
 - Maddiston East
 - Whitecross
- 3.50 The MIR (para 4.19) again notes that *“infrastructure capacity is a major issue in the area, with transport and education facilities particularly under pressure from sustained growth over the last 20 years. Major infrastructure upgrades are needed to deliver the growth planned through LDP1 and further investment may well be required to support further housing. The aim is to utilise spare capacity where possible”*.
- 3.51 An overview of the ‘Preferred Strategy’ is provided at paragraph 4.22, this involves:
- 2 x new SGAs at Falkirk Gateway and Bo'ness South West (replacing Slamannan)
 - Preferred options to increase Larbert North and Bo'ness South East SGAs
 - Additional preferred allocations identified for Falkirk, Maddiston and Skinflats
- 3.52 Figure 4.4 of the MIR details the ‘Proposed Distribution of Housing Allocations by Settlement Area’. We note the additional housing for the period 2020-2030 is distributed as follows:
- | | |
|---------------------------|-----------|
| • Bo'ness | 550 units |
| • Braes & Rural South | 70 units |
| • Falkirk | 370 units |
| • Grangemouth | 10 units |
| • Larbert & Stenhousemuir | 70 units |
| • Rural North | 80 units |

- Windfall Allowance 500 units (50 p/yr)

TOTAL 1650

- 3.53 The major focus upon Bo'ness (1/3 of additional housing) within the MIR Strategy is a point of concern for Homes for Scotland.
- 3.54 Such an approach appears entirely contrary to the evidence of strongest market demand continuing to be focussed on central settlement areas of Falkirk, Larbert/Stenhousemuir, Polmont and Lower Braes, as well as the fact that most completions within the area in recent years have been seen within The Braes. The current approach appears to be fundamentally flawed given the lack of emphasis given to these areas as locations for new homes.
- 3.55 With the noted concern over infrastructure issues, a more appropriate approach would perhaps be to look at how a lack of capacity can be overcome in partnership with the development sector rather than seeking to halt a clear market momentum and in so doing undermine the ability of the emerging Plan to properly meet housing needs and demands.
- 3.56 It is understood that Bo'ness is a focus for additional housing allocation given the potential availability of key infrastructure. However, whilst we recognise and agree with the efficient use of infrastructure, if the MIR's aspirations are to be met it is surely essential that the most marketable and sustainable locations become the focus of future growth with infrastructure provision planned accordingly.
- 3.57 Homes for Scotland is not suggesting that the housing allocations in Bo'ness are deleted or reduced, rather it is suggested that the allocations in more marketable areas are significantly increased affording greater accessibility to jobs and services.
- 3.58 The MIR suggests that 1,650 completions could come forward from new sites in the period to 2030 but, again, has produced no substantive evidence to support this position. In our submission, the future supply of housing in the area is dependent on sites being identified and allocated in the most sustainable and marketable locations.
- 3.59 In this respect, the current strategy for the distribution of housing is considered to be flawed and should be reconsidered with a far greater emphasis placed upon identifying new housing allocations within those areas of the highest demand and marketability, including the central settlement areas.

Windfall

- 3.60 At para 4.52 the MIR notes that windfall development has always played a 'significant role' in the Falkirk area and past evidence of the level of windfall suggests an allowance of 50 homes per year would be appropriate – equating to 500 homes over the initial 10-year period of the plan (this is included in the distribution figures noted above),
- 3.61 The MIR's 'preferred' option is to:
- “Include an allowance of 50 homes per year to windfall sites which come forward outwith the plan process”*
- 3.62 As an 'alternative' the MIR suggests:
- “No windfall allowance would be made, with output from such sites contributing extra flexibility to the supply”*
- 3.63 Analysis of the Technical Note indicates that the average windfall contribution over a 5-year period (2010-2015) was 68 units p/yr.
- 3.64 Homes for Scotland does not oppose the inclusion of a windfall allowance within the MIR and, based upon the evidence available, an allowance of 50 units per annum appears reasonable. On that basis, the 'preferred option' is supported.

Effective Housing Land Supply

- 3.65 The MIR specifically recognises the requirement to maintain a minimum 5-year effective housing land supply at all times. It is noted that LDP1 contains a policy for the assessment of housing proposals in the event of a shortfall in the 5-year effective supply, the policy notes that the Council will support “sustainable housing proposals which are effective”.
- 3.66 We welcome the reference at paragraph 4.54 of the MIR to Scottish Planning Policy and its introduction of a presumption in favour of development which contributes to sustainable development as a significant material consideration in instances where the maintenance of a 5-year effective housing land supply is not achieved.
- 3.67 In this respect, the MIRs 'preferred option' is to:
- “Continue to include an alternative sites policy to deal with any future shortfalls in the effective housing land supply but revise the criteria to give a clearer indication of where proposals would meet the presumption in favour of sustainable development”*
- 3.68 The 'alternative' is to retain the policy with the current wording.

- 3.69 Homes for Scotland supports the inclusion of a specific policy for the assessment of alternative sites in the event of a shortfall in the 5-year effective housing land supply. With this in mind, the 'preferred' option would appear to be sensible, providing it takes proper account of SPP's presumption in favour of sustainable development and the 13 guiding principles of sustainable development that it identifies.

4. Main Issues Report Section 6: Infrastructure and Resources

Issue 9: Infrastructure

Key Question: What infrastructure is needed to support growth and how can we deliver it?

- 4.1 At paragraph 6.02 the Council notes its caution about promoting additional large scale growth where additional major infrastructure is required that may render development unviable. Reference is made to the preferred community growth options being "based on making maximum use of existing infrastructure and planned upgrades".
- 4.2 The following reference is made to housing development at para 6.17:

"However, particularly in respect of infrastructure needed to serve new housing development, developer contributions will continue to play an important role. The Council will continue to set out contribution requirements for certain types of infrastructure (e.g. education, healthcare and open space/green infrastructure), and intends to consolidate this generic guidance into a single supplementary guidance note. Bespoke guidance for specific sites or items of infrastructure will be promoted where appropriate. The guidance in Circular 3/2012 will continue to be adhered to. At the same time, the problems and limitations of developer contributions are recognised, particularly where land values are low. Development viability will continue to be a material consideration in applying contribution rates, and the Council recognises the need to phase contributions appropriately. Contribution rates and any applicable thresholds will be reviewed. Updated guidance on developer contributions will also clarify an issue with regard to the sub division of sites allocated in the LDP into separate planning applications for parts of the site. Where sites are subject to sub division, it will be the capacity of the whole site which will determine whether a particular threshold for the payment of contributions has been exceeded."

- 4.3 In terms of options, the MIR's 'preferred option' states:

The infrastructure projects listed in Figure 6.1 and shown in Figure 6.2 will be promoted in LDP2 to support the sustainable growth of the area

Delivery of the infrastructure will be through the capital programmes of the Council and relevant infrastructure providers, the TIF programme, other external funding sources where available, and developer contributions.

The nature and level of developer contributions will be set out in policy and consolidated supplementary guidance, and will be related and proportionate to the impacts of individual developments on local infrastructure.

The LDP1 policy on protection of open space will be extended to include all outdoor sports facilities as required by Scottish Planning Policy.

4.4 As an alternative, the MIR states:

“An alternative approach to developer contributions might involve a more global infrastructure levy on development, based on total infrastructure costs across the area or a particular settlement. It is recognised that funding and delivery mechanisms will be looked at nationally through the review of the planning system, and other options may emerge in time.”

4.5 Homes for Scotland would welcome further discussion with Falkirk Council on the mechanisms used to deliver key infrastructure. The most important thing is that the strategy employed and the funding sources utilised serve to increase housing delivery rather than frustrate it. It is obviously crucial that efforts are focussed towards essential infrastructure that is proportionate to the amount of development served by it. In particular, emphasis should be placed on ensuring that the delivery timescales reflect the availability of funding and the delivery of development to fund it.

4.6 At this stage, however, we would note caution over the alternative option of a more global infrastructure levy on development. In our submission, such an approach would most likely fail to meet the relevant policy tests identified by Circular 3/2012 Planning Obligations and Good Neighbour Agreements.

Issue 10: Energy

Key Question: How can we meet energy needs and move towards a low carbon economy?

Heat Networks

4.7 The MIR addresses heat networks, with the following preferred option:

“Strengthen the policy on heat networks and the incorporation of district heating into major new developments. Identify the network opportunities associated with the Grangemouth Energy Project within the spatial strategy.”

4.8 The alternative option states:

“The potential networks within the Grangemouth Energy Project are effectively alternatives in terms of where investment in infrastructure might be prioritised. However, it is too early to commit to any one option, pending the development of the relevant business cases.”

- 4.9 Homes for Scotland acknowledge that the Scottish Government through The Heat Policy Statement: Towards Decarbonising Heat: Maximising the Opportunities for Scotland sets out measures on how low carbon heat can reach more householders, business and communities and a clear framework for investment in the future of heat in Scotland. Homes for Scotland would point out that no householder can be compelled to buy their energy from any particular source. The domestic and commercial energy supply markets are competitive so there can be no suggestion of compulsion to buy energy from any one supplier. Likewise, there can be no compulsion on developers to connect their developments to particular infrastructure. Those would be anti-competitive practices. Moreover, District Heating schemes are not widely-understood and have a chequered history in terms of viability.
- 4.10 Homes for Scotland have concerns that this would unnecessarily burden developers through the imposition of having to consider the feasibility to create links into heat networks given that in their opinion there is little in the way of supporting information from the Council as to how this would actually happen. Any Supplementary Guidance would need to consider how the aims of the Council can be achieved in this regard without unnecessarily burdening developers and thereby stifling future development.

Low and Zero Carbon Generating Technology

- 4.11 The MIR notes the requirement to include policies to ensure that all new buildings avoid a specified and rising proportion of the projected greenhouse gas emissions from their use through the installation and operation of low and zero carbon generating technologies. We understand that LDP1 contains an existing policy which has proved difficult to implement.
- 4.12 The MIR s preferred option states:
1. Within the policy on Low and Zero Carbon Generating Technologies, increase the proportion of the emissions reduction required by the policy to 12%, to reflect changes to Scottish Building Standards.
 2. Review the scope of exemptions and the definition of relevant technical and practical constraints within the policy and supporting supplementary guidance to address current implementation difficulties.
- 4.13 As this policy is required by legislation, no alternative option is presented. However, the MIR notes that the proportion of emissions reduction required through LZCGT could be increased by a greater amount.

4.14 At this stage, Homes for Scotland would simply note their potential support for alternative approaches that achieve the same equivalent emissions reduction target.

5. Conclusions

5.1 Based upon our analysis of the Main Issues Report, we have reached the following conclusions:

- The MIR's overall approach to achieving continued growth is lacking in ambition. If the MIR's aspirations in this regard are to be realised then a more ambitious strategy should be considered.
- The unambitious Housing Supply Target adopted by the MIR indicates a fundamental disconnect between the findings of the HNDA and the evidence of increased house building rates since 2012/13. It is Homes for Scotland's view that Falkirk Council must reconsider the proposed growth strategy, especially when the Council's economic growth aspirations are also considered as the proposed housing response does not appear to support this.
- The MIR approach will have the effect of constraining housing supply within the Falkirk Council area significantly beneath current levels. In Homes for Scotland's submission this will stifle choice in the housing market resulting in increased houses prices which will have housing more unaffordable
- The MIR strategy for the distribution of new housing fails to focus planned future growth on the most marketable and sustainable locations, it is considered that such a strategy will fail to meet housing needs and demands within the area.
- Homes for Scotland and members wish to work with Falkirk Council to identify and agree a development strategy that all parties can have confidence will be deliverable. In the early course, Homes for Scotland would welcome direct discussions with Falkirk Council to discuss the underlying principles of the HNDA and the basis for setting the Housing Supply Target, with a view to establishing an LDP strategy directed towards achieving high growth.
- Homes for Scotland would note that significant questions remain over the viability of Heat networks for residential development and have concerns that the incorporation of district heating into major new developments would unnecessarily burden developers

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