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**RESPONSE TO  
INVERCLYDE LOCAL DEVELOPMENT PLAN  
MAIN ISSUES REPORT 2017**

**31 MAY 2017**

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# RESPONSE TO INVERCLYDE LOCAL DEVELOPMENT PLAN MAIN ISSUES REPORT 2017

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## 1. Introduction

- 1.1 Homes for Scotland (HFS) 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 HFS is 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.
- 1.3 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.
- 1.4 These submissions on Inverclyde Council's Main Issues Report for their next Local Development Plan have been reviewed and agreed by HFS's Strathclyde Area Committee.

## 2. Issues 1 and 2: Sustainable Development Strategy and Major Areas of Change (MAC)

- 2.1 Any review of a local development plan is an opportunity to embrace change and new opportunities and need not simple be a rolling forward of the current plan's vision and spatial strategy. That said, change for change's sake is in no party's interest and as such an appropriate balance must be struck.
- 2.2 Within Inverclyde, the new opportunities that have emerged relate to the Glasgow City Deal and this envisages a significant investment in infrastructure throughout the Greater Glasgow area. It is noted that the Inverclyde projects included within the City Deal relate to unlocking a difficult site (former Inverkip Power Station) as well as facilitate major economic development (Inchgreen Dry Dock and Greenock Cruise Terminal).
- 2.3 The current Sustainable Development Strategy is an adequate statement of intent in its own right but perhaps could go further and proactively address the potential that will inevitably arise through the City Deal and the subsequent further investments that could also arise alongside this. The key to this being the setting out of clear actions to build on the City Deal investments and bring further development opportunities forward.
- 2.4 Given this, the implied "hope" that the MAC sites will be brought forward in due course is disappointing. Simply rolling projects forward implies that there is nothing else to be done (which is not the case as the City Deal investments

show). HFS would therefore urge the emerging local development plan to set out clearly what has been done already to bring development opportunities forward. The emerging plan must then also set out what else can and will be done to facilitate the redevelopment of these sites in terms of both direct public sector investment and support for private sector investment.

### **3. Issue 3: Central East Greenock Area of Potential Change (APC)**

3.1 It is without question that Inverclyde has a significant brownfield land legacy that it can and must address to meet current and emerging community needs and demands. The Central East Greenock APC reflects a major opportunity and has the potential to not only meet these and future needs but to also drive a change in how Inverclyde as a whole is perceived by residents, visitors and those passing through the area.

3.2 As with the MAC sites, a key driver to success will be in making this location one where demand for new development meets the local authority's aspirations for new development. That demand will help attract developers willing and able to absorb the risks and make the necessary investments. Generating demand must therefore be a key element of any development and promotional strategy aligned with a strong commitment to support and share developer risks.

### **4. Issues 9, 10 and 11: Enabling Delivery of New Homes**

4.1 As reflected in the preceding sections, a challenge for Inverclyde Council is to make currently less attractive locations more desirable from a demand perspective as well as a supply perspective (noting that in the context of the Inverclyde brownfield locations supply will inevitably only follow demand rather than the other way round).

4.2 The Housing Development Strategy, in placing a significant reliance on the regeneration of brownfield sites, therefore has an inherent weakness in that the demands for new homes in the less attractive locations has not grown to the level that developers are willing and able to absorb the associated risks.

4.3 HFS accepts that a balance must be struck between delivering new homes on what are relatively more straightforward greenfield sites and the regeneration of complex brownfield sites with a suite of legacy constraints. However, Inverclyde Council, like all other local authorities across Scotland, is explicitly tasked through Scottish Planning Policy paragraphs 115 and 119, with meeting housing needs and demands (as is defined by the Housing Supply Target).

4.4 Therefore, whilst Inverclyde's regeneration agenda is supported by HFS, any resulting failure to meet needs and demands for new homes cannot be.

- 4.5 HFS therefore welcome the principle of further greenfield land release in Kilmacolm and Quarriers Village although HFS cannot express a preference for which sites should be released. Nevertheless, individual member companies and other parties will have views on Issue 10.
- 4.6 In terms of then defining housing land requirements for Inverclyde, HFS would advocate that Tables 1 and 2 be combined and refined. It is noted that the Main Issues Report reflects the Housing Land Supply targets as set out in proposed Clydeplan 2 and also includes a private tenure housing Generosity Margin of 10% as also set out within the proposed Clydeplan 2.
- 4.7 However, the Council will be aware of the Reporter's recommendations in respect of Clydeplan 2 and in particular the proposed application of a 15% Generosity Margin to all tenures. As such, the housing land requirement for the local development plan should perhaps be as follows:

**Table 1: Calculation of Housing Land Requirements 2012 – 2024 (Inverclyde Council Area)**

		Kilmacolm and Quarriers Village (All tenure)	Rest of Inverclyde		Inverclyde Total (All tenure)
			Private Housing	Affordable Housing	
a.	Housing Supply Target (Clydeplan 2) (2012 – 2024)	120	1,930	1,100	<b>3,150</b>
b.	Annual HST (a. / 12)	10	160	92	<b>262</b>
c.	Housing Completions 2012 – 2016	3	417	277	<b>697</b>
d.	Unmet Housing Need (at 2016) (a. – c.)	117	1513	823	<b>2,453</b>
e.	Remaining Housing Land requirement (2016 – 2024) <sup>1</sup> (c. x 1.15)	135	1740	946	<b>2,821</b>
f.	Established Land Supply (2016 Housing Land Audit)	75	1,039	793	<b>1,907</b>
	Additional Allocations required (2016 – 2024) (e. – f.)	60	701	153	<b>914</b>

- 4.8 The total additional allocation requirement for Inverclyde set out within the Main Issues Report is land for 742 homes whereas HFS would advise that land for at least 920 new homes is needed.

<sup>1</sup> The 15% generosity margin across all tenures, as set out in the Reporters' recommendations on Clydeplan 2, is applied to the remainder of the housing supply target.

- 4.9 There then remains a necessity to ensure that future allocations can deliver sufficient completions over the remainder of the plan period to meet all of the housing supply target between 2012 and 2024 (as advocated by paragraph 119 of Scottish Planning Policy).
- 4.10 The undersupply of housing in the first 4 years of the SDP period is then reflected in the current 5-year Effective Land Supply position. Table 2 below sets out this calculation and in light of the undersupply between 2012 and 2016<sup>2</sup>, the 2016 (all tenure) target becomes 1,533 homes against an Effective (all tenure) supply at 2016 of 1,313 homes or the equivalent of only 4.3 years Effective supply. However, as Inverclyde Council has recognised the importance of new private house completions in meeting their longer term aspirations for the area, the fact that there is a significant undersupply of private tenure homes (3.6 years of Effective supply) must necessitate urgent action.

**Table 2: Calculation of 5 Year Effective Land Supply (Inverclyde Council Area)**

		Private	Affordable	All Tenure
a.	Housing Supply Target (2012 – 2024)	2,050	1,100	<b>3,150</b>
b.	Completions (to 2016)	420	277	<b>697</b>
c.	Remaining Supply Target (2016 – 2024) (a. – b.)	1,630	823	<b>2,453</b>
d.	Years of the plan period left	8	8	<b>8</b>
e.	Annual remaining HST (c. / d.)	204	103	<b>307</b>
f.	5 Year Effective supply target (@ 2016) (e. x5)	1,019	514	<b>1,533</b>
g.	5 year Effective supply (HLA 2016)	724	589	<b>1,313</b>
h.	VARIANCE (g. – f.)	<b>-295</b>	75	<b>-220</b>
i.	Number of years effective supply (@ 2016) (g. / f. x 5)	3.6	5.7	4.3

- 4.11 This failure to meet the Effective supply target is placed into further context as there is also no generosity margin to take into account a failure of programmed supply to come forward as predicted.
- 4.12 With less than 25% of the Established supply at either a commitment or consented stage, there is a significant reliance on land that is only at the “potential” stage (i.e. has not been the subject of detailed assessment of potential deliverability). Around 40% of the Effective supply is currently only defined as “potential”.

<sup>2</sup> The Annual All Tenure HST at 2012 was 262 homes which would establish an initial target of 1,050 completions to 2016; a total of 697 completions were achieved which equates to a shortfall at 2016 of 353 new homes which still requires to be delivered within the remaining 8 year plan period.

- 4.13 HFS will continue to work with Inverclyde Council to identify a clear view on the effective (or capable of becoming effective) land supply through the Housing Land Audit process.
- 4.14 It is therefore reasonable, given the dominance of complex brownfield regeneration sites within the Established Land Supply, for Inverclyde Council to consider adding a further margin over and above the Housing Supply Targets set out in Clydeplan 2 to help ensure sufficient land comes forward to deliver the remaining 2,453 new homes required within Inverclyde by 2024.
- 4.15 The question of effectiveness, or capability of becoming effective, is touched upon in the preceding section of this response. A strategy that then sees current brownfield allocations rolled forward (and augmented with additional brownfield sites) is unlikely to overcome the inherent difficulties in ensuring allocations will deliver new home completions.
- 4.16 HFS would therefore advocate a more significant greenfield land release within Inverclyde that ensures that there can be greater confidence that housing needs and demands to 2024 will be met. HFS would then also encourage Inverclyde Council to consider transferring some of the supply target from the Port Glasgow / Greenock / Gourock / Inverkip / Wemyss Bay housing market area to the Inverclyde element of the Renfrewshire sub housing market area.

## **5. Issues 12: Affordable Housing Policy**

- 5.1 HFS would welcome the reduction of the affordable housing requirement from 25% to 10%. This will help reduce one of the investment risks referred to within the earlier sections of this response albeit this policy revision will be one of numerous interventions that will likely be necessary.

## **6. Issues 16: Heat Networks**

- 6.1 HFS 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.
- 6.2 HFS 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.
- 6.3 HFS have concerns that this could 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.

## 7. Conclusions

- 7.1 It is acknowledged that Inverclyde has a significant brownfield legacy that could be used to meet a portion of housing needs and demands across the area.
- 7.2 However, the challenges and risks associated with delivering such sites and the current marketability of many of the areas within which these sites are located is stymieing the then ability of Inverclyde to confidently meet current and future housing needs and demands.
- 7.3 HFS does not advocate ignoring brownfield regeneration obligations which must remain a central part of any spatial strategy. Rather, HFS would seek to explore a refined balance between brownfield and greenfield land release within Inverclyde and a spatial strategy that better aligns with market demands and aspirations.
- 7.4 HFS would re-iterate a commitment to work with local authorities on the delivery of land for all types and tenures of new homes. Further discussions with HFS and HFS members on the delivery programme for large brownfield sites and options for greenfield land release would be welcomed.

### Prepared by:

Neil Martin  
Principal Planning Advisor  
n.martin@homesforscotland.com

Homes for Scotland  
5 New Mart Place  
Edinburgh  
EH14 1RW  
Tel: 0131 455 8350  
Fax: 0131 455 8360  
Email: [info@homesforscotland.com](mailto:info@homesforscotland.com)  
Web: [www.homesforscotland.com](http://www.homesforscotland.com)  
Twitter: @H\_F\_S