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**SECOND RESPONSE TO MIDLOTHIAN LOCAL DEVELOPMENT
PLAN FURTHER INFORMATION REQUEST 01, ISSUE 03 –
REQUIREMENT FOR NEW DEVELOPMENT – HOUSING STRATEGY**

15 February 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.

Further Response to Midlothian Local Development Plan Further Information Request 01, Issue 03, Requirement for New Development – Housing Strategy

Introduction

Homes for Scotland welcomes the further opportunity to comment on Further Information Request 01 on Issue 03 of the Midlothian Local Development Plan Examination on “Requirement for Development - Housing Strategy.

Throughout this further response we refer to our table of housing land supply. This table was provided in our original response under Appendix 1, but it has been updated as a result of information provided by Midlothian council, and we therefore replace Appendix 1 of our original submission with the table below.

Amended Homes for Scotland Table of Housing Land Supply:

Housing Land Requirement	2009-19	2019-24	2024-27	2009-27
SESplan Housing Requirement (Housing Supply Target)	8,080	4,410	2,646	15,136
Generosity (10%)	808	441	265	1,514
Housing Land Requirement	8,888	4,851	2,911	16,650
Meeting the Housing Land Requirement				
Housing Completions 2009 -2016	3,652	0	0	3,652
Established Supply	2,156	3,125	585	5,866
Windfall	333	555	333	1,221
LDP Allocations	514	2,566	443	3,523
Total Land Supply	6,655	6,246	1,361	14,262
Housing Land Requirement Met	-2,233	1,395	-1,550	-2,388

For clarity, Homes for Scotland’s position is as follows:

- 5-Year Effective Housing Land Supply** – Homes for Scotland does not believe that Midlothian currently has a 5-year effective housing land supply based on evidence from housing completions to 2015/16, amended windfall assumptions, and the established housing land supply as set out within the agreed 2016 Housing Land Audit, together with new allocations from the Proposed Midlothian LDP. The tables set out with the Introduction above clearly set out an overall shortfall from 2009-27 of 2,388 units. It is not acceptable that a plan is defective from the outset.

- **Generosity** – A generosity margin should be added. We would accept a margin higher than 10%, but would accept the 10% set out within the Reporter’s tables.
- **Housing Land Requirement** – The LDP should set out a housing requirement for 10 years post-adoption to comply with Scottish Planning Policy and should therefore include a requirement up to 2027.
- **Windfall** – The windfall assumptions should be amended to comply with Scottish Planning Policy and be “realistic” and based on “sound assumptions”. We do not agree with the evidence provided by Midlothian Council to support the level of windfall assumption used by the Council.

Question 1.

Following the provisions of paragraph 3.9 of the SESplan Strategic Development Plan Supplementary Guidance on Housing Land, has Midlothian Council re-assessed the housing figures to ensure that the housing requirement would be met?

- 1.1 Homes for Scotland does not agree with the Council’s assertion that it has re-assessed the housing figures to ensure that the housing requirement would be met.
- 1.2 We consider that the most up to date agreed Housing Land Audit should be used to meet the requirements of the SESplan Strategic Development Plan Supplementary Guidance on Housing Land. Tables 2.3 and 2.4 (paragraphs 2.3.6 and 2.3.7) within the Proposed Plan which set out the additional housing allowances are not based on this up to date, agreed Audit. The 2016 Audit includes the established land supply, the agreed programming, and also includes the Proposed LDP sites. The Proposed LDP does not show an actual re-assessment of figures set out within Table 3.2 of the SESplan Supplementary Guidance, therefore has not demonstrated that the requirement of the SESplan Supplementary Guidance has been met.
- 1.3 Furthermore, the current Midlothian Council policy approach of not determining any planning application for an identified LDP site prior to the completion of the LDP Examination is further impacting on meeting the SESplan requirements, adding further delays.

Question 2.

Are the tables prepared by the reporter a fair and reasonable interpretation of the housing requirement and how that requirement is predicted to be met?

- 2.1 Homes for Scotland maintains its position that a generosity allowance should be added (as set out within Paragraph 1.2 of our original response to this FIR). We agree with the Reporter’s interpretation of the housing requirement, subject to updating the figures to the agreed 2016 Audit.

- 2.2 Regardless of how ambitious or otherwise the SESplan Requirement is thought to be, a generosity margin should be added to this to arrive at the Housing Supply Target, to comply with Scottish Planning Policy. Midlothian Council itself in a report by the Head of Communities and Economy to the March 2016 Planning Committee “Midlothian LDP: Housing Supply Update” states in Paragraph 2.2 that a “margin of flexibility of between 10-20% (a requirement introduced by SPP 2014) is added to this (to ensure a generous supply of housing land is provided).
- 2.3 Fundamental to the calculation of the housing land supply is the consideration of completions to date. The Council does not appear to have taken this into consideration, using the draft Scottish Government Planning Delivery Advice as evidence. This document is in draft form, and is not approved guidance, therefore we question the use of this methodology by the Council until such time as it is approved and accepted as a material consideration. Homes for Scotland supports the Reporter’s methodology which includes housing completions from 2009-16 as part of the calculation of housing land.
- 2.4 We do not consider that there is a “surplus in the whole plan period” as stated by Midlothian Council. In the table in the Introduction to this response we show an updated version of the Reporter’s table using the agreed 2016 Audit. The table above shows a generosity margin of 10% added. There is a surplus of 1,395 units in the 2019-24 period, but a significant shortfall in the 2009-19 and 2024-27 periods, resulting in an overall shortfall of 2,388 units. (This methodology also considers alternative windfall assumptions to those of the Council, which are explained in our original submission and further information is also given within our response below to Question 7).
- 2.5 Homes for Scotland does not consider it appropriate for the draft Planning Delivery Advice to be used as evidence by the Council. This document is in draft form, and has not been approved. This position was also that of the Reporter for the Edinburgh Local Development Plan Examination, where the Reporter concluded that “...it is clear to me that PAN 2.2010 remains in place until the draft advice has been finalised as stated on the Scottish Government’s website” (paragraph 38).
- 2.6 Homes for Scotland considers that a generosity margin must be added to comply with Scottish Planning Policy and to ensure that the Local Development Plan allocates sufficient amount of housing land to maintain a five year effective housing land supply at all times.

Question 4.

Are the total completions shown in the tables correct? If not, the correct completions figure for the period 2009-2016 should be submitted.

- 4.1 Homes for Scotland notes that a number of different completion figures have been used by the Council, and we request further clarity to ensure that the correct figure is used.
- 4.2 Homes for Scotland used completion figures provided by Midlothian Council for the SESplan Joint Committee, May 2016, Housing Update 2015 report. This figure was 3,044 for 2009-15. We then added the 2016 figure from the agreed 2016 Audit of 620 to provide a total completions figure from 2009-16 of 3,664 units. The information provided by the Council which was used by the Reporter in the tables attached as Annex 1 to this FIR show a completions total from 2009-16 of 3,685 units. The Council has provided a further set of figures in response to this FIR of 3,652 units.
- 4.3 While we acknowledge that the differences in these figures is not great, and will not affect the overall picture of housing land supply for Midlothian, we consider it important to have clarity over the correct figures. We have therefore accepted the figures provided by Midlothian Council to this FIR of 3,652 to be the correct figures, and have updated our table of housing land supply (see Intro to this response) accordingly.

Question 6.

Using the agreed/draft 2015/2016 housing land audits, are the established housing land supply totals in the tables correct?

- 6.1 Homes for Scotland considers that the established housing land supply should be separated out from the LDP allocations. We have separated these figures within the tables set out under Q1 above, and also in Appendix 1 of our original response. We have also calculated a housing land requirement and housing land position up to ten years post-adoption of the Proposed LDP, and have set out an established supply and separate LDP allocations for this.
- 6.2 We consider that the table we have produced provides clarity, setting out transparently the total land supply for each period 2009-19, 19-24 and 24-27 which comprise the established supply, LDP allocations and windfall assumption added together (subtracting the completions to date for the 2009-16 period).
- 6.3 We do not agree with the Council's figures, which are not transparent and do not provide an accurate picture of the established supply, particularly for the last period since the authority has not broken down the supply into the 3 year period of 2024-7 to account for 10 years post adoption of the Plan.

- 6.4 For the 2009-19 period, the established housing land supply identified in the 2016 Housing Land Audit is 2,156 homes. In adding the LDP allocations for that period of 514 homes to this figure, we reach 2,670 and therefore have the same total as the Council.
- 6.5 For the 2019-24 period, the established housing land supply identified in the 2016 Audit is 3,125 homes. When we add the LDP Allocations for that period of 2,566 homes to this figure we reach 5,691. This is not the same figure as the Council's calculations. The Council has stated an established supply of 5,032 homes for 2019-24. This is a difference of 659 homes. We consider that the council may not have included Audit programming for 2023-24 resulting in this difference. We consider that this year should be included in terms of programming.

Question 7.

The council quote a figure of 185 homes being provided annually from windfall on page 26 of the Issue 3 Schedule 4 response. Is this figure realistic to allow a projected windfall to be deducted from the housing land requirement? An evidence base, ideally covering a period of 10 years, should be provided to demonstrate the windfall allowance figure.

- 7.1 Homes for Scotland does not agree with the Council's assertion of 185 homes per annum as a reasonable windfall assumption.
- 7.2 The table below sets out our analysis of the completions figures of the 2007-2016 Midlothian Housing Land Audits in terms of windfall completions. We do not agree with the figures provided by the Council and would request further information and an evidence base for these calculations.

Housing Land Audit	Completions on windfall sites
HLA 2007	66
HLA 2008	97
HLA 2009	411
HLA 2010	178
HLA 2011	188
HLA 2012	137
HLA 2013	149
HLA 2014	84
HLA 2015	91
HLA 2016	121
Average	152

7.3 We note that in the 2009 Audit there is a particularly high figure of completions on windfall sites for the 2008/09 year. This one year artificially increases the average, and therefore has an unrealistic impact on the assumption.

7.4 SESplan provides an evidence base according to the 2012 Housing Land Audit, therefore we have calculated the average completions on windfall sites for 2012/13 to 2015/16 from the relevant Housing Land Audits. Homes for Scotland considers this the most appropriate basis on which to calculate a windfall assumption.

Housing Land Audit	Completions on windfall sites
HLA 2013	149
HLA 2014	84
HLA 2015	91
HLA 2016	121
Average	111

7.5 Homes for Scotland has therefore used a windfall assumption of 111 homes per annum for the recalculation of the table (see Introduction to this response). We consider this to be realistic and based on clear evidence of past completions and sound assumptions about likely future trends. The windfall assumptions are therefore:

- 2016-19 – **333**
- 2019-27 – **555**
- 2024-27 – **222**

9. Scottish Planning Policy (2014) directs that “local development plans in city regions should allocate a range of sites which are effective or expected to become effective in the plan period to meet the housing land requirement of the strategic development plan up to year 10 from the expected year of adoption” (paragraph 119). Should the Midlothian Local Development Plan specify a housing requirement to the year 2027 (10 years post-adoption)? If so, what allowance should be made and how would this figure be calculated? Or, as SESplan SDP is non-prescriptive about LDP allocations beyond 2024 would it be reasonable to rely on the draw-down of housing currently identified with potential to delivery in the post 2024 period (as shown in Table 2.4 of the proposed plan)?

9.1 Homes for Scotland does not consider that safeguarded sites should be considered as an ‘option’ for the period beyond 2024 as asserted by the Council. None of the safeguarded sites are expected to deliver homes prior to

2024. We therefore consider, as set out in our original response, that a housing supply target must be agreed up to 10 years post adoption of the Plan, in this case up to 2026/27.

- 9.2 We have calculated the housing supply target for the three years 2024/25, 2025/26 and 2026/27 by dividing the housing supply target for the period of 2019-2024 by 5 and multiplying by 3 to arrive at the total of 2,646 homes. A 10% generosity margin is then added on to reach a Housing Land Requirement of 2,911 units for the 2024-27 period. These figures are set out within our updated table in the Introduction to this response.

Question 10.

In the event that a 5-year effective housing land supply is not maintained how would applications for housing proposals be determined against the provisions of the development plan (including the proposed local development plan), Scottish Planning Policy, and other material considerations?

Question 11.

Further to the provisions of paragraph 2.3.9 of the proposed local development plan, should a specific housing release policy be included in the plan? And, if so, how should the policy be worded?

- 10.1 Taking both questions 10 and 11 together, Homes for Scotland does not agree with the Council's position that SESplan Policy 7 is adequate. We consider it important for the Local Development Plan to have a housing release policy itself. As set out within our original response, we consider this policy should be similar to that set out by the Reporter for the Edinburgh Local Development Plan.

Question 12.

In relation to health care provision, the council's response within Issue 3 Schedule 4 refers to consultation with the National Health Service and the provision of new facilities in Newtongrange. The consultation response should be submitted. Further to this request, would there be sufficient health care provision to accommodate the level of housing growth promoted in the proposed local development plan (along with committed development)? And, if not, what measures could be implemented to meet future need and demand for health care provision?

- 12.1 Homes for Scotland does not consider that the current state of healthcare provision in Midlothian should have any bearing on the ability to bring forward sites for residential development.
- 12.2 NHS as an organisation is funded through central government funding, and the burden should not be placed upon the development industry to cover any funding shortfall that may hinder the provision of primary healthcare facilities. Primary healthcare provision should not be for the council to provide for, and

this certainly should not be for developer contributions to meet the cost of the necessary facilities. Most surgeries act as businesses, and developers should not be expected to supplement other businesses. It appears that a key issue with healthcare provision is the lack of practitioners rather than physical facilities. This is a national issue and not something that can or should be solved by the local authority or developers.

Question 13.

The proposed local development plan provides policy on developer contributions and site requirements including school provision. The draft Action Programme also provides a break-down of education requirements for housing sites. Despite this, has the council assessed the education capacity as part of the housing allocation and development strategy? And, would there be any spare capacity or an ability to otherwise accommodate pupil growth in Midlothian should any additional housing (beyond that allocated in the proposed plan) be allocated? Any correspondence with the Education Authority in relation to school capacity and committed, proposed and additional housing sites (including any future schools building programme) should be included in the response.

13.1 Homes for Scotland would expect that the LDP clearly sets out the requirements for education infrastructure through statutory Supplementary Guidance and / or within the Action Programme of the Plan with clear policy links and hooks to the guidance. If circumstances have changed since the preparation of the Proposed Plan, this must be clearly set out with solutions

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