
improving living in scotland



**COMBINED REPRESENTATION ON THE
DUNDEE CITY COUNCIL
PROPOSED LOCAL DEVELOPMENT PLAN 2017**

11 OCTOBER 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 Dundee City Council's proposed Local Development Plan (LDP) have been reviewed and agreed by HFS's East Central Scotland Area Committee. This response only considers general matters relating to the delivery of new homes through the emerging LDP and site specific questions are not addressed.

2. The Emerging LDP Strategy

- 2.1 Any review of a LDP is an opportunity to embrace change and new opportunities and need not simply 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 Dundee City, the new opportunities that have emerged relate to the Tayside City Deal and this envisages a significant investment in infrastructure in the area. On that basis, HFS would support the emerging LDP in adopting a positive and ambitious outlook that reflects the City Deal opportunities.
- 2.3 However, Dundee City' significant industrial land legacy and social regeneration sites with relatively limited greenfield land, will undoubtedly flavour the area's potential to respond to new opportunities. If any area is to capture the full benefits of private sector investment such as City Deal funding, it must be able to lever in as much, if not more, private sector investment. The simple reality is that private sector housing developers have a reduced confidence that any investment they may make will not deliver the returns they require to satisfy shareholders and board members.

- 2.4 This is primarily in reflection of the housing market conditions that prevail within Dundee and the limited opportunities that exist to deliver the full range of housing products that the market demands.
- 2.5 Ensuring that investor confidence is supported (to allow an appropriate range and choice of housing sites to then come forward) is an essential target for this new plan and will be a key factor in avoiding a situation where elements of the housing needs continues to go unmet. The emerging LDP must therefore be more explicit in how the private sector will be engaged as a key partner in the delivery of the plan.

3. Allocating Sufficient Housing Land to Meet the Housing Supply Target

- 3.1 HFS recognises the obligations set out for emerging LDP's within City region areas such as Dundee. This is clearly defined at paragraph 119 of Scottish Planning Policy (SPP). On that basis, the housing land supply position for the emerging Dundee City LDP (based on the 2016 Housing Land Audit (HLA) is:

a.	Strategic Housing Supply Target (2016 – 2029) based on an average of 480 pa (TAYplan 2017)	6,240
b.	Generosity Margin (10%) (TAYplan 2017)	624
c.	Housing Land Requirement (2016 – 2029) (a. + b.)	6,864
d.	Assumed Completions (2016/17) (2016 Housing Land Audit)	303
d.	Assumed completions from Effective Land Supply (2017-2019) (2016 Housing Land Audit)	1,356
d.	Assumed completions windfall sites (assume 72 pa) and small sites (assume 20 pa) (2017-2019)	184
e.	Equals Housing Land Requirement for LDP period (2019 – 2029) (c. – d.)	5,021
f.	Completions expected from Effective Land Supply over LDP period (2019 – 22) (2016 Housing Land Audit)	2,081
g.	Completions expected from the remainder of Established Land Supply over LDP period (2022 – 29) including constrained sites (2016 Housing Land Audit)	1,086
h.	Completions that may arise from windfall sites (assume 72 pa) and small sites (assume 20 pa) over LDP period (2019 – 2029)	920
	Under supply against Housing Land Requirement (e. – f. – g. – h.)	934

- 3.2 The above is based on the obligations set by paragraph 119 of SPP to take on board the Housing Land Requirement (HLR) set by TAYplan. That HLR is expected to be an average of 528 new homes per annum between 2016 and 2028. Extrapolating that forward to 2029, the total strategic HLR would become 6,864 and that scale of allocation is essential to achieve an average of 480 completions per annum (between 2016 and 2029) and hence deliver the strategic Housing Supply Target (HST) for the period of 6,240.
- 3.3 In then reflecting the strategic HLR within the emerging LDP, it is necessary to understand what is likely to be achieved by the base date of the LDP which was 303 completions in 2016/17 plus, based on the 2016 HLA, potentially 1,356 completions from the effective land supply. A further 20 homes per annum and 72 homes per annum (15% of the HST) are expected to come forward from small sites and wind fall sites.
- 3.4 The emerging LDP must therefore ensure that it has land that is effective or capable of becoming effective to meet the remainder of the HLR at 2019 of 5,021 new homes (assuming some 1,540 completions are realised between 2017 and 2019).
- 3.5 Some 3,167 completions are expected to arise from the effective and established land supply as defined in the 2016 HLA and through the 10-year LDP period a further 92 new homes should arise from small sites and windfall sites each year.
- 3.6 That supply has the potential to deliver 4,087 new homes but this leaves an under-supply against the HLR of 934 homes that must then be met from new allocations coming forward.
- 3.7 However, if completions between 2017 and 2019 do not equal at least 1,540 new homes (i.e. the predicted completions from the established supply plus assumed completions on small sites and windfall sites), further allocations may be necessary prior to Adoption of the LDP.
- 3.8 For example, between 2017 and 2019, the draft 2017 HLA predicts that some 1,018 new homes could be delivered from the effective land supply (rather than the 1,356 new homes the 2016 HLA predicted). It is nevertheless also noted that actual completions in 2016/17 were 120 units higher than predicted in the 2016 HLA which then reduces the net difference to 218 fewer units expected within the draft 2017 HLA between 2016 and 2019. That figure may change once Dundee City Council has considered the submissions made by HFS and other stakeholders on the draft 2017 HLA.
- 3.9 It is also relevant to note that the draft 2017 HLA predicts a significant upturn in completions from 2017/18 to 2018/19 (from 365 units to 653 units). That predicted upturn is down to the current expectation that construction of 80 brownfield sites and 2 greenfield sites will be started by April 2018.

- 3.10 However, 14 of the brownfield sites have yet to secure planning permission and a further 10 appear to have lapsed planning permissions.
- 3.11 In addition, it is evident that the emerging LDP is proposing to remove at least 10 sites that were included within the 2016 HLA (and draft 2017 HLA) and a further 3 that were included within the draft 2017 HLA. This includes 5 sites that are presently due to start construction by April 2018. The 10 2016 HLA sites to be removed from the emerging LDP would then reduce the established land supply by around 170 units.
- 3.12 Issues with the expectations of the land supply as set out within the HLAs have been raised with Dundee City Council over many years and what is evident is that sites simply get rolled forward in subsequent Audits. This is exemplified by the fact that some 36 of the 92 brownfield sites within the draft 2017 HLA have had their programming pushed back at least one year between the 2015 and 2016 HLAs and then again by at least a further year between the 2016 HLA and draft 2017 HLA.
- 3.13 This pattern then results in anticipated outputs from the established land supply being vastly overstated. The reality has been an average of 286 completions each year since 2010 rather than the predicted average of 602 predicted completions in subsequent years as set out within the 2016 HLA. The emerging LDP background paper on housing notes an even lower average in the past 3 years of 234 units per annum. The fact that the draft 2017 HLA includes up to 13 sites that the Council has identified for removal from the emerging LDP also undermines the process.
- 3.14 What is therefore critical if the emerging LDP is to instil confidence in all stakeholders, is a reality check of the established land supply and also of the new sites proposed to be allocated to provide a more realistic view on what can be delivered during the next plan period. A failure to do so, will result in a failure to meet the strategic housing needs as set out within TAYplan. The emerging LDP must then support the delivery of sufficient new homes on sites that can meet all housing needs.
- 3.15 Dundee City Council has not shirked from being bold leaders in effecting change through the commercial regeneration of the City. What is needed is a stronger desire to bring more marketable housing sites forward for development (through public sector investment) and to promote more extensive partnership working with private providers.
- 3.16 The conclusion reached in the emerging LDP is that further allocations equivalent to 334 new homes require to be delivered during the plan period as a minimum. However, the HFS analysis suggests that this would actually be upwards of 930 new homes and as such additional allocations will be required.

- 3.17 The emerging LDP has proposed 7 new brownfield allocations that have a combined capacity of 250 units. It has also proposed 3 new greenfield allocations (H41, H43 and H45) with a combined capacity of 550 units, albeit each of these 3 sites are subject to a flood risk assessment which may affect their final development potential to a minor degree.
- 3.18 With regards to the brownfield releases, each is a former school site and as such it will be important to understand the work Dundee City Council will undertake to bring these forward for development (in addition to the 92 other brownfield sites that form part of the established land supply) in order for confidence to be gained that these sites can deliver completions during the plan period. At this time, there is no obvious programme for bringing these brownfield sites to the market for subsequent redevelopment.
- 3.19 In addition to the flood risk issues to be addressed with the new greenfield allocations, 2 of the existing greenfield sites (H44 Baldragon Farm and H46 Linlathen, Arbroath Road) are currently constrained (2017 draft HLA) due to these being defined second phase sites in the extant LDP. Overall it will be relevant to understand better how much of the then potential 910 units these 5 greenfield sites will realistically be delivered during the plan period.
- 3.20 Nevertheless, the combined 800 unit allocations have been proposed to meet a Council assessed undersupply of 334 new homes. In the context of a HFS assessed undersupply of at least 930 new homes (and potentially upwards of 1,100 given the deletion of HLA sites from the emerging LDP), it is clear that further allocations are needed even before relevant discounts are made to take account of more realistic assumptions of completions from the new allocations and from the established land supply.

4. Policy 10: Design of New Housing

- 4.1 Policy 10 relates to the Design of New Housing and, through Appendix 4 of the emerging LDP, defines minimum standards for new homes. Whilst the provisions of Appendix 4 are generally reasonable, it has to also be recognised that in setting minimum standards to which "*all new housing development will be required to conform*" there will be consequential impacts on site viability and hence market interest in delivering these.
- 4.2 The example is in terms of suburban sites (both brownfield and greenfield) where the minimum garden size required is 120m². This then means that for a 6m wide terrace house, a garden that is some 20m long must also be required. A terraced home is currently popular within the local market and as such developers are keen to deliver these.
- 4.3 However, the net effect is to then limit the numbers of such units that can be included within a site or site economics cannot be made to stack up because of the mix of units that then need to applied does not match market demands.

This all relates directly to a relatively excessive size of garden and the effects this has on overall site viability.

- 4.4 The solution that HfS would respectfully suggest is that Policy 10 requires to be revised to refer to meeting the standards set out within Appendix 4 in a flexible manner. The following words should be added to Policy 10:

Policy 10 and Appendix 4 must not be applied where there are reasonable arguments not to, including impacts on site viability and marketability. The objectives and intent of Policy 1 will nevertheless continue to be required to be met in all proposals.

5. Build to Rent

- 5.1 It is recognised that Dundee City is generally supportive of the concept of Build to Rent and the City's demographics would tend to lend themselves to this form of housing potentially meeting at least a small element of emerging need.
- 5.2 HFS would therefore support the emerging LDP being more explicit in its support for this form of housing and going as far as identifying suitable locations for it within the area. Such an approach could potentially also help unlock sites that have to date been very slow in coming forward for development despite being allocated in a plan for over 10 years.
- 5.3 The emerging LDP should then also usefully reflect the Scottish Government's recently issued Planning Delivery Advice on Build to Rent and include a specific policy that supports the delivery of Build to Rent developments.

6. Policy 2: Public Art Contribution and Policy 20: Funding of On and Off Site Infrastructure Provision

- 6.1 It is considered that the scale of public art contribution required under Policy 2 of the emerging LDP becomes disproportionate to the value to the City that can potentially be generated when housing proposals that align with Policy 1 are brought forward.
- 6.2 Given the existing economic challenges associated with the delivery of brownfield housing developments, requiring a further 1% of construction value to be made available to support the delivery of public art is creating a further unnecessary hurdle to the delivery of such projects.
- 6.3 An exemption for brownfield housing developments should be included as part of Policy 2.
- 6.4 It is also noted that Policy 20 of the emerging LDP promotes a flexible approach to the funding of on and off site infrastructure provision and this

necessity must be a key theme that runs through the emerging LDP given the stilted delivery of new home completions that have been experienced to date across the City and the significant upturn in completion rates that are expected to arise in the near future.

6.5 Developers are continuing to face funding pressures that severely restrict their ability to deliver all of the potential housing sites proposed across Dundee without the flexible and pragmatic application of policies such as Policy 2 and 20. For that reason, HFS would advocate that Policy 20 is also refined to given further emphasis for the need to seek developer contributions only in circumstances where this will not undermine the viability of the housing proposal.

6.6 This revision would entail the first paragraph of Policy 20 to include the text:

The seeking of any developer contributions (including those required under Policy 2) will only be progressed where the viability of the development proposed is not compromised. Any developer contributions that are deemed necessary will require to be fully justified in relation to the development proposed.

6.7 Corresponding adjustments will also then be required to the Supplementary Guidance on Developer Contributions.

7. Policies 46 and 38: Climate Change and Green Infrastructure

7.1 Whilst HFS is fully supportive of the aspiration to continue to cut CO₂ emissions across Scotland, HFS views the key means to achieve this is for any efforts to be done strategically and in partnership with all industry sectors. Success will only be achieved where there is buy-in across all sectors and risks of unintended consequences are avoided or over ambitious expectations are set for a particular sector.

7.2 It will however also be essential to avoid circumstances where aspirations cannot be delivered due to the lack of sufficient infrastructure or misplaced expectations.

7.3 It is HFS's view that there must be a reasonable balance of the need to reduce CO₂ emissions alongside increasing the delivery of enough new homes of all tenures across Scotland and achieving sustainable economic growth that remains at the heart of the national and local policy.

7.4 HFS continues to urge caution in how district heat networks are sought and whilst the objective of reducing carbon emissions from developments (through their construction and use) is supported, this must be through a pragmatic and balanced approach.

- 7.5 The reality will be that unless a development is close to an existing / proposed heat source, or part of a large mixed-use development with the potential to share / sell heat, an Energy Use / Sustainability Assessment should be sufficient to justify why a heat network is not possible. Spending time and money on a detailed feasibility study just to confirm that a heat network is not viable will delay much needed housing delivery.
- 7.6 The common assumption that a housing developer can also deliver this form of infrastructure and absorb the risks associated with it is also misplaced and inappropriate.
- 7.7 Therefore, having a clear understanding of what is meant in Policy 46 of the emerging LDP by the phrase *“A statement will be required to be submitted with an application for planning permission to demonstrate that consideration has been given to the viability of creating or linking into a heat network”* is important to ensure that a proportionate approach is adopted.
- 7.8 It must be recognised that the starting point on this matter is for new buildings to *“avoid a specified and rising proportion of the projected greenhouse gas emissions from their use”* which is part of the obligation currently set through Section 3F of the Planning Act.
- 7.9 Many home builders have been working towards this goal driven by the changes in Building Standards and significant improvements have been achieved in the overall energy efficiency of buildings.
- 7.10 This is the ‘fabric first’ approach and such gains will be permanent improvements to a building whereas adding new installations (i.e. low and zero-carbon generating technologies) has the potential to be relatively temporary features which bring with them maintenance and user operation implications that could result in these being switched off.
- 7.11 There is also a risk that if low and zero-carbon generating technologies are required, the further gains in overall building energy efficiency that are possible will not be pursued given the arithmetic advantage that such technologies deliver within the SAP calculations undertaken as part of the Building Warrant process.
- 7.12 The Building Standards will also be continually reviewed and new standards to reduce greenhouse gas emissions will be progressed. It is unfortunate then that Section 3F of the Act appears to encourage the duplication of the activity of Building Standards in reducing emissions and in turn this makes the whole approach more confusing and bureaucratic for those demonstrating compliance and those assessing that demonstration. HFS also strongly agrees with the view that the duplication of legislation is contrary to the aims of the Regulatory Reform Bill, which seeks to simplify regulation and this section of the Act may yet be refined through the current Planning Review.

- 7.13 Nevertheless, it remains relevant that development plans promote the pursuit of more energy efficient buildings and developments to take forward the current obligations set out in Section 3F of the Act (i.e. new buildings are to “avoid a specified and rising proportion of the projected greenhouse gas emissions from their use”) but in so doing, a pragmatic and proportionate approach must also be adopted.
- 7.14 For those reasons HFS would advocate that any policy response within the emerging LDP prioritises the “fabric first” approach with the use of low and zero-carbon generating technologies then only a secondary requirement where further efforts are necessary to meet current targets set out in Building Standards.
- 7.15 Specifically, HFS does not support a detailed quantification of the reduction in greenhouse gas emissions from the use of the proposed development at the planning application stage because:
- This would duplicate work that remains to be undertaken at the Building Warrant stage;
 - This could be unnecessarily expensive at a planning application stage;
 - The building performance targets may change as higher Building Standards are introduced between the planning application and Building Warrant stage;
 - A lack of expertise at the planning application stage means that the requirement could become a tick box exercise which discounts any value that the exercise may have had.
- 7.16 An Energy Use / Sustainability Assessment that sets out the site and building design approaches taken to reduce greenhouse gas emissions should be more than sufficient with identification of what, if any, additional low and zero-carbon generating technologies will also be considered as appropriate or necessary as part of the development.
- 7.17 The detailed assessment of actual levels of reduction that confirms these meet the relevant building standards will then only need to be undertaken at the Building Warrant stage.
- 7.18 What is then set out at Policy 48 of the emerging LDP is considered to be excessive and cuts across what has and can be achieved within an effective Building Warrant process.

8. Conclusions

- 8.1 HFS would support and encourage Dundee City Council being bold and ambitious in how it plans to meet housing need and demand over the next 10 years. Unfortunately, such an outlook does not appear to be evident within the emerging LDP and, when planning for housing at least, the plan simply presents the same strategy as before.
- 8.2 It is evident to HFS and our members that whilst the City presents a willingness to support and deliver development, the marketability limitations that persist in enough new homes being delivered are not being addressed.
- 8.3 More public sector support for private sector investment will be a key step forward in reversing the existing pattern of sites failing to be brought forward for development. However, ensuring that land is released in locations where people want to live will help meet need and demand without the same levels of public sector support.

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