
improving living in scotland



**REPRESENTATION ON THE ARGYLL AND BUTE COUNCIL
LOCAL DEVELOPMENT PLAN 2 MAIN ISSUED REPORT 2017**

11 DECEMBER 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 Argyll and Bute Council's next Local Development Plan (LDP) Main Issues Report (MIR) have been reviewed and agreed by HFS's Strathclyde 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 HFS welcomes the overall objective of the Argyll and Bute Outcome Improvement Plan (ABOIP) that the area's "*economic success is built on a growing population.*"
- 2.2 The introduction to the MIR also highlights the issues around setting a reasonable target for what the scale of population growth should be. That latter point is discussed in more detail below within Section 3 of this representation. However, it is HFS's view that ensuring that enough land is allocated within an LDP, in the right locations where people may want to live (and who will be driving that growth) that is then capable of delivering enough new homes throughout the lifetime of the LDP and beyond, is the key challenge.
- 2.3 Meeting the expected demand for new homes in Argyll and Bute is undoubtedly a difficult challenge given the geography of the area as well as the inevitable sensitivities that arise in the more population locations. However, that is a challenge that the emerging LDP must meet head on.
- 2.4 It is evident that the Council has sought to deliver large allocations across the area and as a strategy that has not delivered the scale of new homes initially

expected; perhaps due to predicted levels of demand not materialising. What is obvious though is that in the eastern parts of the area, demand and need remains and the emerging plan must do what it can to accommodate this sensitively but also in the scale of land allocations to be brought forward.

- 2.5 Given the key objective set out in the ABOIP regarding the pursuit of population growth, it could be expected that a more explicit and proactive reference to that was included as one of the emerging LDP’s objectives.

To that end, as the first objective of the LDP, HFS would advocate that Argyll and Bute Council works with housing providers to ensure enough new homes are delivered throughout the lifetime of this LDP.

3. Setting an Appropriate Housing Supply Target

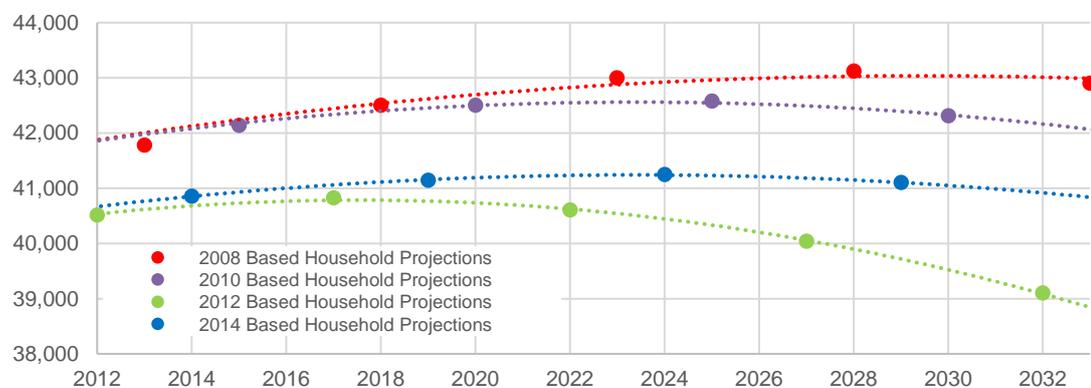
- 3.1 At this stage, a detailed analysis of the Housing Need and Demand Assessment (HNDA) has not been undertaken and the following is offered as a high-level view of some relevant matters.

- 3.2 The HNDA has indicated that there is likely to be an annual average housing need between 2020 and 2030 of 300 new homes per annum. That estimate is based on many factors including the 2012 based Scottish Household projections prepared by the National Records of Scotland.

- 3.3 Comment is provided within the MIR on the current LDP housing target of 7,450 new homes between 2015 and 2025. That figure was based on a previous HNDA estimate of need of 9,000 new homes which in turn was derived from various datasets including the 2008 based Scottish Household Projections.

- 3.4 What is plainly evident from a review of the various household projections prepared since 2008, and particularly in terms of the 2012 based projections, is a significant change in what is now expected to arise in terms of future household numbers. The Figure below seeks to exemplify this fact.

Figure 1: Household Projections for Argyll and Bute



Source: National Records of Scotland.

- 3.5 What is then evident is that the 2008 and 2010 projections sit significantly higher than the 2012 projections and the subsequent 2014 based projections that have now been produced. HFS would therefore agree that maintaining a target of c750 new homes per annum is not relevant for the emerging LDP. It is also fully acknowledged that the HNDA did not have the benefit of the 2014 based projections when it was prepared but, in setting an appropriate Housing Supply Target (HST), a planning authority is obligated to consider “*wider economic, social and environmental factors, issues of capacity, resource and deliverability, and other important requirements such as the aims of National Parks*” (Scottish Planning Policy (SPP) paragraph 115).
- 3.6 Whilst the projections are just one factor to take into consideration, there are nevertheless evident differences in pattern between the 2012 based projections and the 2014 based projections both in terms of potentially significantly less decline in household numbers beyond 2017 as well as fundamentally more households likely at both 2020 and 2030 (i.e. c1,500 more households at 2030 in the 2014 based projections than predicted by the 2012 based projections).
- 3.7 The 2012 based projections have been generally characterised as reflecting, in part, suppressed household formation related to direct and consequential impacts of recession including availability of mortgage finance to potential new home owners. It is therefore highly relevant to view any HNDA estimates based on 2012 based projections in that context and the fact the 2014 based projections begin to better reflect an economy in recovery.
- 3.8 A further fundamental economic factor is referred to within the MIR, namely the development of HMNB Clyde and the potential for upwards of 1,700 new naval families by 2030. This opportunity is not referred to within the HNDA and whilst an element of this influx of personnel could be assumed to have been included within the economic growth assumptions built into the HNDA modelling, the full scale of potential growth will not have been.
- 3.9 What this evidence then points to is the opportunity and necessity to set a HST that is greater than the HNDA estimate. Whilst completions rates have to date been around the 260 new homes per annum average, in responding to the emerging need and demand across Argyll and Bute, but perhaps particularly likely within the Helensburgh and Lomond Growth Area, this must be increased.

It is therefore HFS’s view that a HST of at least 4,000 new homes between 2020 and 2030 would be a more reasonable and appropriate minimum target to set for Argyll and Bute.

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

- 4.1 The MIR discusses two growth corridors to direct and accommodate population growth. This approach is supported by HFS and it is relevant to ensure that sufficient land is allocated to these locations to meet the expected significant demand for new homes that will materialise over the next plan period.
- 4.2 It is noted that the Helensburgh green belt boundaries are not proposed for review within this LDP. It may be that this then introduces an unnecessary restriction on the scale and opportunity for growth around Helensburgh. To that end, at green belt review, once the agreed scale of growth the area ought to and needs to accommodate, must be undertaken as part of the current LDP preparation. This is particularly so given the scale of growth expected to arise in this part of Argyll and Bute.
- 4.3 However, as Argyll and Bute is a predominately rural area, the absolute need for a greenbelt to “protect” a town from expansion is unnecessary as is the position advance through SPP at paragraph 49: *“For most settlements, a green belt is not necessary as other policies can provide an appropriate basis for directing development to the right locations.”*
- 4.4 Helensburgh (and other nearby settlements) is expected to grow to meet current and future needs and as such must be allowed to do so (within reason) to ensure the economic benefits of that growth. The policy position therefore advance for urban edges needs to be flexible and able to quickly respond to opportunity and demand that a fixed green belt policy does not allow.
- 4.5 The MIR nevertheless advocates a long term (20-40 year) view for how Helensburgh may grow and this is an approach that HFS would also support being undertaken now. Such a study must look at all aspects of growth, including community integration and infrastructure investment, but it must not be artificially stymied by potential vocal resistance to growth.

As a minimum a review of Helensburgh’s green belt must be undertaken as part of the current LDP review with a 20 to 40 year timeframe for future growth fully considered.

However, HFS would also encourage Argyll and Bute Council to remove the green belt designation around Helensburgh and use the already adequate countryside policies to preserve the character and landscape setting of the town.

5. Delivering Carbon Reductions

- 5.1 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.
- 5.2 It will however also be essential to avoid circumstances where aspirations cannot be delivered due to the lack of sufficient infrastructure or misplaced expectations.
- 5.3 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.
- 5.4 It is 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.
- 5.5 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.
- 5.6 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.
- 5.7 There is also a risk that if low and zero-carbon generating technologies are required as a “must have”, 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.
- 5.8 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 to refined through the current Panning Review.

5.9 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.

HFS advocates 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 effort is necessary to meet current targets set out in Building Standards.

5.10 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.

5.11 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.

5.12 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.

5.13 HFS also 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.

5.14 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.

- 5.15 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.

Any emerging approach to district heating systems (where there is a viable waste heat source) must then be clear on what the housing developer's responsibilities are (to simply accommodate the opportunity) and what the district heat developer's responsibilities are (to deliver the systems and secure end use customers).

6. Conclusions

- 6.1 Argyll and Bute is committed to reverse population decline and to meet the emerging housing needs and demands of current and new residents. The area has a significant potential in terms of the natural environment and the eastern part has the added potential of close proximity to major employment sources. However, HFS would respectively suggest that the MIR presents only an unambitious approach to delivering even modest population growth and has set itself a low target to seek to meet. This fails to then properly acknowledge committed and predicted major economic growth drivers and the emerging LDP must be in a better position to accommodate these.
- 6.2 The home building sector recognises the potential that exists within Argyll and Bute and is willing and committed to work with the Council and communities to deliver the new homes that are needed.
- 6.3 A response by HFS to each of the MIR questions is set out in the annex to this representation.

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Annex 1: MIR Questions

MIR Question	HFS Response
<p>MIR 1</p> <p>Do you agree with the preferred “Vision” for the area? If not, what “Vision” would you propose that aligns with the overall objective in the Argyll and Bute Outcome Improvement Plan (ABOIP).</p>	<p>Yes</p>
<p>MIR 2</p> <p>Do you agree with the proposed simplified key objectives for LDP2 as set out in Table 1. If not, what key objectives would you propose that take into consideration National Planning Policy and the Argyll and Bute Outcome Improvement Plan.</p>	<p>Yes</p>
<p>MIR 3</p> <p>Do you agree with the Council’s preferred option to promote deliverability of new developments by removing allocations that are failing to deliver, and only include sites in the next LDP it considers are deliverable in the next 5-10 years?</p>	<p>Yes, deliverability is a key factor for any development plan and it is imperative that all stakeholders have confidence in what the plan is expecting to come forward will come forward.</p>
<p>MIR 4</p> <p>The preferred option is for the plan, in order to encourage a flexible approach to delivery, to make an allowance (25%) for windfall sites within its housing land supply rather than just relying on allocations, and ensure settlements boundaries are large enough to facilitate this.</p>	<p>HFS would strongly encourage Argyll and Bute Council to be proactive in identifying where development should take place rather than rely on more speculative developments coming forward. It will be an inevitable part of any housing land supply that windfall sites will arise but with too much reliance being placed on this source (at the expense of identifying deliverable allocations) there is a real risk that confidence in what the plan is expecting to deliver will be reduced.</p>
<p>MIR 5</p> <p>Do you agree with the preferred option to remove the application of scales of development and simply rely on the settlement strategy and settlement boundaries to guide the different scales and quantities of development?</p>	<p>Yes</p>

MIR Question	HFS Response
<p>MIR 6</p> <p>Tobermory – Dalmally Growth Corridor Do you agree with the preferred option of the Council to promote the Tobermory-Oban-Dalmally growth corridor in order to build and deliver on the potential growth of population and employment opportunities in this area. A more, flexible and promotional approach would be taken to development supporting the growth of the corridor.</p>	<p>Yes</p>
<p>MIR 7</p> <p>Delivering an Oban Strategic Development Framework</p> <p>Do you agree with the preferred option of the Council to prioritise development and implementation of an Oban Strategic Development Framework, which will consider the rationalisation of existing land uses, aim to deliver improved traffic management, and subsequently identify new development opportunities for housing and business.</p>	<p>Yes</p>
<p>MIR 8</p> <p>Oban Development Road Do you agree with the preferred option of the Council to remove the Oban Development Road from the LDP as it is a long term aspiration unlikely to be realised during the plan period (2020 – 2030), and does not release suitable development land.</p>	<p>HFS has no view on the retention or otherwise of the road project but if any safeguarding should only be removed from the plan is the Council has accepted the road will never be developed. If the issue is one of timing and that aspiration remains to deliver the road at some point in the future, a failure to be clear on that could undermine the ability to deliver this in future.</p>
<p>MIR 9</p> <p>Do you agree with the preferred option of the Council to promote Helensburgh and Lomond as a growth area in order to build and deliver on the existing and potential growth of population and employment opportunities in this area? A more, flexible and promotional approach would be taken to development supporting the growth of the area, but recognising the green belt setting.</p>	<p>Yes</p>

MIR Question	HFS Response
<p>MIR 10</p> <p>Recognising that in the medium to long term Helensburgh and Lomond is likely to experience economic and population growth, supported by the strategy of the plan, it is proposed that the Green Belt is retained as it is in the next LDP2. However in order to deliver certainty over the longer term (20 to 40 years), a further review of the Green Belt boundaries through a Strategic Masterplan approach will be carried out, setting a framework for infrastructure and future development. This could be then incorporated in a subsequent Local Development Plan review process as necessary.</p>	<p>HFS would encourage green belt boundaries to be reviewed as part of every LDP review. The Council must be satisfied that the current boundary can accommodate sufficient allocations to meet the potential influx of naval personnel that the emerging LDP is envisaging. The commentary provided by HFS on an appropriate HST is relevant as there appears to have been very little if any regard of significant potential and opportunity in setting the quantitative targets.</p>
<p>MIR 11</p> <p>Do you agree with the preferred approach within identified Growth Areas, to seek appropriate and proportionate developer contributions in order to assist delivery of access and transport improvements, education, affordable housing and green infrastructure?</p>	<p>Any developer contributions sought must be related in scale and kind to the development proposed and the impacts that may cause. Therefore, HFS would support the principle of appropriate and relevant developer contributions but the development plan must be very clear on the justification for such contributions.</p>
<p>MIR 12</p> <p>Marine industries</p> <p>Do you agree with the preferred option for the Council, which is to support the growing Seafood and Marine sector. . .</p>	<p>HFS has no view on this matter.</p>
<p>MIR 13</p> <p>Do you agree with the preferred approach, which is to create a more positive and simple policy framework for tourism development to come forward flexibly in the countryside whilst safeguarding the valued environmental resources of our area?</p>	<p>HFS has no view on this matter.</p>
<p>MIR 14 & 15</p> <p>Do you agree with the Council's preferred option to explore the potential to create a new National Park within Argyll and Bute?</p>	<p>HFS would support the principle of this approach but there must remain a clear objective to support appropriate population growth as part of any National Park objectives.</p>

MIR Question	HFS Response
<p>MIR 16</p> <p>The preferred option is to support the delivery of the nationally identified project at Cruachan Dam and make every effort to maximise the direct and indirect economic benefit for Argyll and Bute through associated accommodation and tourism developments promoted within the Tobermory-Oban–Dalmally growth corridor.</p>	<p>HFS has no view on this matter.</p>
<p>MIR 17</p> <p>Do you agree with the preferred approach to maintain the regeneration focus in Campbeltown, Rothesay and Dunoon, continuing to make these locations more attractive destinations, and to apply a flexible policy approach to development which clearly demonstrates it supports the economic and population growth of these towns?</p>	<p>Yes</p>
<p>MIR 18</p> <p>Do you agree with the preferred approach, which is to promote Mid Argyll’s identity through a variety of activities . . .</p>	<p>HFS has no view on this matter.</p>
<p>MIR 19</p> <p>Do you agree with an expansion of the Rural Opportunities Area type approach to the non-designated countryside, essentially allowing some development in the countryside where it is demonstrated to be of a suitable scale and fit with its environment and landscape, and where there are no other precluding environmental designations?</p>	<p>Yes</p>
<p>MIR 20</p> <p>The preferred option is for the planning authority to ask for on-site renewable generation technologies in all new developments in order to facilitate the delivery of carbon savings.</p>	<p>HFS has set out reservations on the deployment of on-site renewables and it is critical that such an approach is not made at the expense of a “fabric-first” approach. Any such requirement must then only be advocated where the “fabric-first” approach is incapable of meeting building standards expectations.</p>

MIR Question	HFS Response
<p>MIR 21</p> <p>Should we require exploration of potential for energy generation or district heating schemes where development is proposed and there is evidence of waste heat demonstrated on Scottish Government heat maps, or new waste heat will be generated?</p>	<p>HFS has set out reservations on the deployment of district heating systems and it is our view that such infrastructure investments must not be applied as a further burden on home builders.</p>
<p>MIR 22</p> <p>Do you agree that the Special Built Environment Area (SBEA) designation should be removed from the LDP for the reasons set out above?</p>	<p>HFS has no view on this matter.</p>
<p>MIR 23</p> <p>Are there any other comments you would like to make?</p>	<p>HFS would support any local authority who wishes to fully engage with the development industry in setting and delivering housing targets for their area. Our response to the MIR has set out our views on what could and should be undertaken and it is offered to start an ongoing conversation on these matters.</p>
<p>MIR 24</p> <p>Using a scale of 1 to 5 please tell us how you rate your experience with the Main Issues Report consultation, where 1 is poor and 5 is excellent</p>	<p>3</p>
<p>MIR 25</p> <p>Please tell us which aspects of the consultation process we could improve</p>	<p>There is perhaps a need to be more pro-active in engaging with all sectors who have an important role to play in delivering the development plan within Argyll and Bute.</p>