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**ABERDEEN LOCAL DEVELOPMENT PLAN – MAIN ISSUES
REPORT**

RESPONSE TO MAIN ISSUES CONSULTATION

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Main Issue 1 – Greenfield Housing and Employment Allocations

Homes for Scotland is clear that Option 2 must be taken forward.

Page 5 notes the key themes emerging from the draft NPF3 and the Strategic Development Plan, including:

- Make sure the area has enough people, homes (including affordable homes) and jobs to support the level of services and facilities needed to maintain and improve the quality of life

House builders report that demand for housing is now stronger than at any time in recent memory, stronger even than in the first half of the last decade before the recession. The business and industry sectors in the North-East also report that the local economy is growing quickly, driven in the main by the oil and gas sector, and in particular the sub-sea and support services sector. Aberdeen is a global centre for these industries, servicing international markets. However, that means that decisions can be taken to move these operations away from Aberdeen, indeed away from Scotland, if the supporting environment becomes a constraint. The principal constraint reported now is the lack of available housing.

That puts the onus firmly on the planning authority to ensure that its planning framework for housing is focussed on delivering housing, not just on allocating numbers and sites. It is clear to the industry, and borne out by the evidence from housing audits, that delivery is far too slow. The housing requirements identified in the SDP, which essentially continue the levels set by the previous Structure/Local Plans, are not going to be delivered, with clear repercussions for the North-East economy.

Tables 1 and 2 set out the SDP housing requirements and the greenfield development allowances and allocations respectively. (It is suggested that the heading of column 4 is wrong and should read 2027 – 2035). The first obvious deficiency is that there is no generosity/flexibility in the allocations. The MIR asserts that the allocations meet the SDP requirements. However, Scottish Planning Policy requires a degree of generosity in the land allocations in order to provide flexibility, deal with changes in circumstances, and ensure delivery, all without the need for early modification of the Plan. The emerging draft SPP quantifies generosity as between 10 and 20% additional allocations over requirements/targets. All experience across Scotland suggests that 25 – 30% of established land supplies never deliver housing on the ground, so to tailor allocations precisely to SDP requirements is a recipe for failure.

It is evident from the housing land audits that these allocations are in the main not delivering according to the phasing identified in the last Local Plan and in the SDP. The latest agreed audit was 2013. The table accompanying this submission, reproduced by consent of Bancon Homes, shows programmed output from the

greenfield releases against the allowances in Table 2. It can be seen that already, to 2016, these allocations are failing on a huge scale. While some will accelerate in later years, others will not and the overall forecast of completions suggests that these allocations will only deliver c. 50% of the SDP requirements within the SDP timescales. This is potentially a huge economic issue for the North-East.

It is not enough to suggest that, as the market improves, these sites will accelerate. The market is already very strong yet there is no evidence from the audit discussions that builders expect this to happen. There are a number of issues which the planning authority needs to understand and react to:

- Constraints – there are some physical constraints on some sites, though these are not a major part of the land supply. Nonetheless, early action to remove these constraints is needed
- Planning processes – builders report ongoing frustrations with the slowness of the development management process and its lack of co-ordination with other consent processes
- Lead-in times – even with all consents secured, it will take 12 -18 months to secure first completions on a site. It is not clear that the Council has factored these timescales into its thinking
- Marketability – notwithstanding the strength of demand, it is unrealistic to expect very large numbers of completions from a single site. Issues of competition, mortgage lending policies and development funding policies mean that it is unrealistic to expect any one site to expand production to the levels implicit in some of the phasing in the existing Plan
- Infrastructure and developer contributions – large-scale infrastructure is still difficult to fund when commercial lenders are reluctant to fund anything other than the direct costs of building houses. Council expectations of developer contributions are still unrealistically-high
- Industry capacity – across Scotland, the industry is still only building just over half of the output it achieved prior to the recession, although that proportion is a little higher in the North-East. Increasing capacity requires decisions to be made about investment in people, skills, manufacturing capacity, supply chains and land. The critical raw material for house building is land. If a business does not have confidence that it has a pipeline of consented, developable land for the next five years then it is not going to make decisions about investing in capacity. It is crucial that the Council understands the need for a generous supply of effective land and a much quicker process of granting consents, if it wants builders to increase housing supply.

Homes for Scotland members are clear that there is a case for allocating additional land – to provide the required generosity, to increase range and choice of opportunities, to create a pipeline of effective housing sites and so increase overall volumes. Most importantly, additional land and additional new housing provides the

support to the economy which all sectors of business and industry are telling the Council is essential and desperately-needed.

The Council should as a matter of urgency engage with Homes for Scotland to examine the output of housing which can be achieved by existing land allocations, and to make a joint assessment of what additional land would produce the volumes needed to deliver the SDP requirements. SPP requires that development plans are based on a realistic and deliverable strategy. It is demonstrably-clear that the current set of land allocations, and the strategy implied in Option 1, will not deliver.

Question 12 – Infrastructure Provision

The section on Infrastructure and Transport is lacking in detail or justification. The development industry would expect to see in a development plan clear statements around infrastructure requirements, justifications and costs. While the MIR cannot be expected to have this detail, it should commit the authority to providing it in the proposed plan and any associated Supplementary Guidance. Page 31 paragraph 2 is disingenuous in suggesting that most infrastructure is provided by the public sector, when in fact proposals such as the Strategic Transport Fund aim to secure the bulk of funding from the private sector.

The list of transport projects on page 31 may well result from transport assessments, but until there are costs attached to each project there is no way of knowing if these can be delivered.

The three school projects suggested on page 32-33 require to be fully justified in terms of demographic/roll forecasts related to new development. Again, fuller information on costs and procurement are needed in the LDP.

5.2 makes very brief reference to a range of other community infrastructure without specifying what this may be and why it may be needed. Developers are clear that they will mitigate local impacts of development in line with the principles of Circular 3/2012. However, they will not fund new public services not required by their developments, including statutory services funded from general taxation, nor will they subsidise commercial services such as shops or transport.

The process of negotiating developer contributions and concluding S 75 and other agreements is already far too slow. A lack of clarity in the LDP will make that worse.

Issue 8 – Housing Needs

As written, it is not clear why Option 2 might produce more affordable housing, if the apparent intention is to move away from a 25% target.

However, from discussion it is understood that the Council acknowledges that it rarely if ever achieves 25% on-site provision because of the lack of public funds for subsidised housing.

In that event, PAN 2/2010 is clear that there is a range of other options for types and tenures of affordable housing, and it open to an applicant as well as the Council to agree on other approaches to provision. If that is what is implied in Option 2, then Homes for Scotland would agree that greater flexibility in negotiating types, tenures and delivery models is essential.

Question 15 – Private Rented accommodation

There is evidence that the private rented sector is growing given ongoing constraints on mortgage eligibility. There is interest in, and considerable potential for, attracting new sources of investment into housing, for instance institutional funders. Aberdeen was identified in recent research for the Scottish Government/Homes for Scotland as an area where the demand for good-quality flexible housing provision could be matched by the potential investment returns.

It is not clear that a planning policy would be appropriate, given that housing is a single use-class. However, some encouragement in both the LDP and the Local Housing Strategy would be appropriate.

Issue 9 Housing for Older People and Particular Needs

Homes for Scotland members disagree with the assertion in Option 1 that the market does not deliver adaptable homes. All of the provisions of the former Housing for Varying Needs Standards are now encompassed by the Building Regulations. All new homes are built with the ability to be easily adapted for older people and special needs. Door widths, spaces for downstairs toilets, level access and so on are requirements for new buildings and any new house can be adapted.

There is no obvious benefit to building 10% or any other percentage of new houses fully adapted to these needs, since the demand is unknown in advance. On the other hand, customers have the opportunity to request adaptations/changes during construction, or are purchasing a property easily-capable of further adaption in the future.

Option 1 is therefore appropriate.

Question 17 Design Quality

Asking for better design quality implies that the Council can demonstrate that quality is not adequate now, and implies that Council staff are qualified to make these judgements. What evidence can be offered to the design and construction industries that this is the case?

Any ambition to increase quality/standards has to be backed by evidence and by a robust, agreed methodology for assessing quality. Too many decisions on design across the country are made by unqualified staff or elected members, and there is little doubt that arbitrary and subjective judgements are made. That is not acceptable

to those who spend considerable time and money on professional design input to projects.

The Scottish Government has put architecture and place high on its agenda. Discussions are underway on tools such as a Place Standard, which is a process and assessment tool designed to remove those elements of subjectivity which plague design decisions. It may be more appropriate to adopt a national approach to design based on the outcomes of this work. There is no merit in 34 planning authorities across Scotland all having their own versions of standards and guidance.

Question 18 Design Statements

In principle, Homes for Scotland has no objection to Design Statements provided they are required on a proportionate basis and provided they form a consistent and objective basis for decision-making.

Sites of 5 houses in general do not need a statement unless they are set in a particular context such as, for example, a Conservation Area or comprise historic buildings. There is an argument that Design Statements should be confined to major housing applications. However, a Place Standard might be easier to apply to smaller sites, since it is as more about the design process than assessing the final designs.

At present, developers find the design assessment process uncertain, cumbersome and onerous. They are being asked for increasing amounts of design work at pre-application stage, which is inappropriate for a stage designed to identify the key issues pertaining to a proposal and to identify areas for further work. Design is clearly a matter for more detailed exploration at detailed application stage. That front-loading may be more acceptable if it carried any guarantee that the work undertaken would then be taken as read at later stages, but the reality is that developers are frequently confronted with changes of opinion/advice by the planning authority, and therefore abortive work and costs.

The benefit of a Place Standard, as understood in other countries which use it, is that it is part of the process of developing a proposal. Hence if a developer can demonstrate that he has followed the process and agreed a satisfactory outcome at each stage, then he can proceed with the confidence that his proposals cannot be rejected at a later stage. That certainty and clarity is what developers seek from the planning system.

Again, it is not appropriate for individual planning authorities all to have their own versions of tools which Scottish Government is proposing to introduce.

Issue 10 – Low and Zero Carbon Buildings

This is a complex area of technical and legislative issues, many of which are beyond the scope of planning control. It is essential that technical matters of construction and design are regulated by the Building Standards rather than planning policy. The

standards expected of new development are set by the Building Standards and should not be arbitrarily-exceeded by planning policy. Future issues of the Building Standards are under review through the Sullivan Panel, and the timing of introduction of future changes is still unclear. Likewise, the Climate Change Act, which contains some of the provisions on micro-renewables, is subject to ongoing review by Ministers including a statutory review in 2015. There are indications that the Government recognises that the requirement to use low and zero-carbon technologies is proving impractical and problematic, and that the benefits in terms of reducing carbon emissions are much lower than anticipated..

The house building industry is clear that such technologies are uneconomic, not wanted by most customers, cause problems for funding, insurance and maintenance, and do not contribute significant energy and carbon savings in a context where new Scottish housing is already amongst the most energy-efficient and low-carbon in Europe.

None of the Options are appropriate. These are matters for the Building Regulations.

Main Issue 11 Energy Mapping

Homes for Scotland has no objection to the energy mapping concept.

However, it is clear that no householder can be compelled to buy his 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.

District Heating schemes are not widely-understood or trusted by the public. They have a chequered history in terms of viability.

Under Option 2 there is no objection to making information more widely available. However it is not acceptable to ask developments to “consider” linking to a network, but then to assert that “exceptions would only be granted where it is demonstrated that links are not feasible”. The first part of the text implies an optional decision, the second part is clearly a compulsion unless there are exceptional reasons.

Option 3 would almost certainly fall foul of anti-competitiveness legislation.

Option 2 should therefore clearly be an option to consider connecting to the network. Option 3 should be stated as a requirement with exceptions.

Homes for Scotland would support Option 2.

Main Issue 12 – Water Use Efficiency

As with Issue 10, this is another example of the Council proposing its own specific standards without reference to Government policy and practice. It is inappropriate for planning policy to cover matters regulated by other means.

Option 1 is the only appropriate option.