SESplan Strategic Development Plan Proposed Plan

Representations made by PPCA Limited on behalf of SDA Ltd

December 2011
SESplan Strategic Development Plan

Proposed Plan submission

DECEMBER 2011

PPCA Limited
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Introduction

1. PPCA Ltd has been instructed by SDA Ltd to make representation on the SESplan Strategic Development Plan Proposed Plan. The following Report sets out the representations to the Plan.

Representations

Representation – Housing numbers and the need to meet housing land requirements in full – (paragraphs 109 and 110, Table 2)

2. Paragraph 74 of Scottish Planning Policy states that “Planning authorities should ensure that sufficient land is available to meet the housing requirement for each housing market area in full, unless there are serious local environmental or infrastructure constraints which cannot be resolved to allow development within the life of the plan.”

3. Paragraph 108 of the Strategic Development Plan states that the Strategic Development Plan must provide sufficient land for housing including affordable housing to assist the Scottish Government in sustainable economic growth.

4. There are no serious environmental or infrastructure constraints in the Strategic Development Plan area and, yet, the planning authorities seek to artificially reduce the additional housing requirement blaming, instead, the effects of the recent credit crunch. This is unacceptable and does not conform to the requirement and instructions to local planning authorities set out in Scottish Planning Policy. Strategic Development Plan paragraph 22 is unacceptable in this respect.

5. Scottish Planning Policy also requires Development Plans to provide a generous supply of land for housing (paragraph 70). The approach adopted in the SESplan Strategic Development Plan runs completely contrary to that requirement by deliberately reducing the actual housing requirement produced by the GRO(S) by 25%.

6. Windfall housing is by definition ‘not allocated’ i.e. it is not identified in a Development Plan and only gets taken into account in the housing land audit process once it has planning permission and is considered effective (ref paragraph 62 of Circular 2/2010). Windfalls can be used to augment housing land supply but should not form part of the effective housing land supply.

7. The continuing need for new housing has not diminished as a result of the credit crunch and this is clearly shown in the GRO(S) household and population projections that are referred to in the Plan. The GRO(S) projections are not considered high growth but are a realistic expectation of growth over the Strategic Development Plan period. The proposed rejection of this approach runs contrary to statements made in the Plan that South East Scotland is the key driver of the Scottish economy.

8. The Housing Technical Note in support of the Strategic Development Plan Proposed Plan further confuses the matter at paragraphs 4.16 – 4.19 where it seeks to directly compare house completion rates with household formation.

9. Household formation is not directly related to house completions. Households will form through demographic factors such as migration, deaths and births and social factors such as marriage, divorce, single parent families etc. Household formation continues in the face of economic conditions and will not be significantly curtailed by
it. Household formation continues in the face of a lack of house completions. Such households often become, instead, “hidden” placing pressure on services and facilities because they do not live independently.

10. The Strategic Development Plan Proposed Plan must at least adopt the actual household growth scenario rather than the artificial one proposed. This is due to the fact that the limited household growth proposed in the Proposed Plan is not a direct result of the economic growth that has been constrained by the credit crunch. It is considered better to plan for high growth using a phased approach and environmental controls. The Report does not identify a generous supply of housing land and reference should be made to the outcomes of the Aberdeen / Aberdeenshire and Moray Strategic Development Plan processes at a strategic level as to how the Scottish Government views this.

11. There is no land use planning justification in the SESplan Strategic Development Plan administrative area to meet the housing requirements set out in the Housing Need & Demand Analysis in full. As such the additional housing requirement should be increased to at least 45,500 units spread equitably over the period to 2032.

12. On the basis that the Strategic Development Plan considers that City of Edinburgh Council has reached its environmental capacity to accommodate further significant development over and above that currently proposed at the reduced rate in the Strategic Development Plan then the proportion of the additional requirement set out in the above paragraph would have to be redistributed equitably between the remaining planning authorities.

13. The Scottish Government prioritises deliverability as part of its strategy for sustainable economic growth.

14. Concern is raised over the use of the 2008 Housing Land Audit as a basis for establishing the effective housing land supply figures in the Strategic Development Plan. A number of the major allocations proposed will not now be developed.

15. Paragraph 23 of the Strategic Development Plan notes that the issue with the housing supply is one of delivery rather than supply. This is too simplistic as, the right land in the right locations must be identified for it to be delivered.

16. The most significant failure is the Edinburgh Waterfront where Forth Ports has announced that it will be promoting business development on its land as opposed to residential development. The Scottish Government has also noted that the regeneration of this part of Edinburgh, as proposed through National Planning Framework 2, is not predicated on residential development. It is a regeneration based strategy. The City Council aspirations for 28,500 flatted units at the Waterfront have been publicly rejected by Council officials. Masterplans prepared for the waterfront area have been recently reworked and revisited. The sites themselves have slipped on an annual basis in the Housing Land Audit process.

17. The reality of the situation is that there will be 18,000 fewer units than currently anticipated at the Waterfront in Edinburgh. This shortfall, again, should be redistributed amongst other constituent authorities for reasons set out above.

18. Concern is also raised given the outcome of the Mid Fife Local Plan Examination process and the expected outcome of the equivalent process for the Dunfermline & West Fife Local Plan. The Reporters at Mid Fife noted that there was a strategic land supply failure in this Local Plan area of between 1800 units (admitted by Fife Council)
and 3000 units (proffered by Homes for Scotland and other representees to the Plan). The solution put forward by the Reporter was to allocate additional land capable of accommodating 565 units to meet the short term hole in the 5 year housing land supply and direct Development Plan review to deal with the balance of the shortfall. As a result, the housing land requirement for Fife alone within SESplan is at least 1300 units short of that put forward in the Proposed Plan. This will likely be exacerbated by the outcome of the Dunfermline & West Fife Local Plan Examination.

19. All planning authorities involved should, in light of a proper and realistic assessment of the current housing land supply, delete allocations for development that have no reasonable or realistic prospect of coming forward. Whilst this may only represent a very small proportion of all sites identified in Development Plans it signals a clear intent that planning authorities recognise the key aim of deliverability of land for development supported by the Scottish Government. Planning authorities should use the Housing Land Audit process as one of a number of factors in coming to such decisions.

20. In order to properly and fully compete within this geographical sphere of influence, a more proactive stance than the “market recovery” approach put forward for housing and economic development in the Plan is required. The actual household projections put forward in the Plan could be easily accommodated in the Strategic Development Plan area with delivery left to market forces.

21. As such the overall shortfall in Strategic Development Plan Table 2 should be a minimum of 45,500 units in the period to 2032. Taking a generous supply approach to this as required by Scottish Planning Policy then this might be increased by 10% giving a cumulative total additional housing requirement of 50,050 units.

22. This must be added to further due to the failure of the Edinburgh Waterfront committed development scheme and the removal of the windfall assumption (17,000 houses in Strategic Development Plan Table 2). This gives an overall total housing land requirement of 85,000 houses, roughly equivalent to the current Edinburgh and the Lothians Structure Plan 2015 and figures produced by other Strategic Development Plan planning authorities for their areas.

23. This has knock on effects for the first three columns of Table 4 of the Proposed Plan which set out the housing land requirements by Local Authority.

24. An alternative Strategic Development Plan Table 4 is put forward below taking into account the above proposition.

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>Additional requirement at 34,100 overall to 2024</th>
<th>Additional requirement at 50,160 overall to 2024</th>
<th>Actual requirement at 85,000 overall to 2024 adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Edinburgh</td>
<td>3000</td>
<td>4400</td>
<td>7500</td>
</tr>
<tr>
<td>East Lothian</td>
<td>750</td>
<td>1100</td>
<td>1900</td>
</tr>
<tr>
<td>Fife</td>
<td>1800</td>
<td>2650</td>
<td>4500</td>
</tr>
<tr>
<td>Midlothian</td>
<td>2450</td>
<td>3600</td>
<td>6100</td>
</tr>
<tr>
<td>Scottish Borders</td>
<td>400</td>
<td>600</td>
<td>1000</td>
</tr>
</tbody>
</table>
25. The balance to be found 2024 to 2032, set at 24.050 in the Strategic Development Plan Proposed Plan, would then become 60,000 units. The Strategic Development Plan does not distribute that amongst planning authorities leaving that to a future review of the Strategic Development Plan.

26. It is further contended that there can be no partial solution to the need to identify housing land requirements in full. Any shortfalls should not be left to the next Development Plan to solve if the Scottish Government expects a robust and defensible Strategic Development Plan that achieves its planning, environmental and economic aims at a national level.

Representation – inconsistent application of economic downturn conditions in Strategic Development Plan

27. The Strategic Development Plan would appear to apply credit crunch “restrictions” to residential development but no other form of development e.g. business. This is clearly unfair. It is obvious, given the reaction of the business sector in Scotland as a whole that the entire economy has been affected by the economic conditions and, yet, the Councils have not artificially reduced the amount of land required for employment purposes in the Strategic Development Plan. The Strategic Development Plan claims to ensure that south east Scotland will play a role in national economic recovery and to acknowledge the role that the house building industry lays in this. However, it then artificially constrains the additional housing land requirement for non land use planning reasons.

28. This demonstrates a lack of understanding of the relationship between jobs and housing. Development of employment land attracts new business and allows indigenous business to expand. However, in order for this to happen a locally available workforce must be in place or capable of being attracted to the local area to fill jobs created. Provision of housing will attract employers and employers will attract house buyers.

29. By deliberately restricting new housing opportunities the Strategic Development Plan simply exacerbates the current house price situation by limiting supply against continuing demand and forces employers and employees to look elsewhere outwith the Edinburgh City Region for opportunities.

Representation Policy 5 – Housing Land

30. There is a significant qualitative and quantitative housing backlog in the housing land supply for the Lothians area arising as a result of mismatch of supply and demand. The view that there is enough land allocated for housing purposes in the period to 2019 is too simplistic in the context of other factors that determine the suitability of land for housing development. Scottish Planning Policy requires that the Strategic Development Plan identifies an effective housing land supply that is deliverable.

31. The approach adopted to allow the current Core Development Area allocations to “bed down” in the period to 2019 ignores a growing housing need that would appear to be unmet. The Edinburgh and the Lothians Structure Plan 2015 contains housing
requirements up to 2015. This area accounts for the majority of the population in the SESPLAN area and will continue to experience pressure for growth in the period 2015 to 2019. To assume no further allocations to 2019 in certain Local Authority areas but not compensate for growth during that period thereafter is considered unrealistic. Deliberately restricting housing supply will only place greater pressures on an already overheated housing market. This approach is supported by Homes for Scotland.

32. There is little correlation between the Proposed Plan housing figures and the findings of the Housing Needs and Demand Analysis (HNDA). The HNDA suggests that there is a total unmet net housing need over a ten year period between 2009 and 2019 of almost 19,000 units alone. At 2010, the unmet affordable housing shortfall in the City of Edinburgh alone is well in excess of 15,000 units.

33. Lack of house building in certain geographical locations, a problem that developed pre-credit crunch, has reduced completion rates to below acceptable levels set by the Structure Plan and, consequently, opened up Councils to “planning by appeal”. A generous allocation of more land than “required” but still within environmental limits – and thus complying with Scottish Government national policy set out in the newly consolidated Scottish Planning Policy – would address this situation and place the responsibility on the market to deliver. This will require that certain areas of unmarketable land be de-zoned through the Development Plan process and compensated for elsewhere within the Strategic Development Plan area.

34. There is little or no assessment of the types of housing required by those needing new housing in the Strategic Development Plan area i.e. there is no qualitative aspect to the Strategic Development Plan. This frustration was one shared by the Reporter at the Examination into the Edinburgh City Local Plan. Here, an acknowledgement was made of the need to provide family housing but no mechanism by which to provide it was available through that route.

35. There is no analytical breakdown of the typology of housing required over the period to 2032. Even affordable housing requirements in the Strategic Development Plan are simplified to the reference to 25% in paragraph 116. This is despite detailed analysis undertaken in the HNDA and through individual local authority Local Housing Strategies.

36. The consequence of application of a qualitative aspect to housing land supply is the need to identify larger areas of land to accommodate housing need. This is exemplified in the expectation that the Edinburgh Waterfront would accommodate 28,500 flatted dwellings. It is clear that the housing market could not and would not develop in such a form given, in part, the need for family housing in Edinburgh. Provision of family housing e.g. detached and semi detached properties requires a greater land take than flatted development. In a City of Edinburgh Council context, this will require development in the Green Belt given the physical restrictions in developing elsewhere in the City.

Representation – Policy 6 – Housing Land Flexibility

37. Representation is lodged to Policy 6 of the Strategic Development Plan in relation to the intention to bring forward phase two housing requirements into phase one of the Strategic Development Plan timeline. This is unacceptable as the projected households in phase two (2019-2024) will not have been formed before then. It is not possible to “bring forward” household formation if the entire Strategic Development Plan is predicated on projections of growth.
38. This is clearly explained in paragraph 70 of Scottish Planning Policy which states that “The delivery of housing through the development plan to support the creation of sustainable mixed communities depends on a generous supply of appropriate and effective sites being made available to meet need and demand, and on the timely release of allocated sites.”

39. In simple terms, housing land should be identified and released to meet household need at the time that it arises.

40. The corollary of that is that household formation in the period 2009 to 2019 cannot be “ignored” because housing that was programmed to meet household formation requirements (that have actually happened) in the current Edinburgh and the Lothians Structure Plan 2015 has not yet come forward. This creates a double backlog in housing provision of all tenures.

Representation – Policy 7 – Housing land development outwith Strategic Development Areas

41. Part (b) of the Strategic Development Plan Policy wording must be clarified to refer to Green Belt as defined by Scottish Planning Policy to ensure a continuity of approach across all six planning authorities.

Representation to use of Housing Need & Demand Analysis information

42. The Housing Need & Demand Analysis is a purely theoretical exercise as demonstrated by the fact that it expects the affordable housing “problem” to be dealt with across the Strategic Development Plan area within 10 years. It has no grounding in the reality of delivery.

43. The HNDA attempts to identify need projections over the period 2009 – 2019 as required by Scottish Government guidance. However, the Strategic Development Plan covers the period to 2032 and, as such, the planning authorities are not comparing like with like and have had to extrapolate data over the longer time period.

44. Time constraints placed upon the authors of the Housing Need & Demand Analysis mean that it is an interim document (paragraph 1.2.2) only. It only combines and updates previous Studies. These Studies are not directly comparable and their output has had to be manipulated to suit this latest HNDA. This is one of the most important base documents for future land supply in the Strategic Development Plan area and to blame time constraints is unacceptable. The Strategic Development Plan preparation timetable should have either accommodated the need for a full HNDA in the first place or been adjusted to allow for one to take place.

45. The HNDA maintains that this is an unsettled time in the housing cycle. This is agreed but assertions in the document are either misleading or wrong. The Housing Need & Demand Analysis places great weight on GRO(S) projections i.e. the old predict and provide methodology that the Scottish Government wishes to reduce reliance on. It states that the planning authorities should use the most “appropriate” demand (need?) estimates to meet requirements – i.e. they can pick and choose instead of meeting actual requirements. It places far too much emphasis on analysing affordable housing requirements and the current market with little detailed analysis of future requirements especially in the private housing sector.
46. It does not use actual household survey but relies wholly on estimates. It also uses data proven to be flawed (e.g. Housing Land Audits – proven flawed by recent Scottish Government research, target housing completions) which, when providing a much healthier than reality projected build rate artificially forces down future additional need. This is only exacerbated when large numbers are being used. A very small error in data at a local level becomes much more significant at a regional level.

47. It provides little economic or financial analysis to back up its claims. It seems to ignore the fact that Edinburgh is the most important growth area in Scotland.

48. It uses national data to artificially fill “holes” in Council data sets. It uses English data to fill “holes” whilst then acknowledging that Scotland operates under a completely different housing system. It uses temporary Scottish Government subsidy mechanisms that apparently contribute to supply over the next 10 years (LIFT Scheme).

49. It states that planned levels of housing development in the private sector for the Strategic Development Plan area are broadly in line or ahead of requirements. This is clearly untrue given an assessment of what is actually happening on the ground and evidenced through the Housing Land Audit process and work undertaken by Homes for Scotland.

50. The document is frequently caveated with excuses for lack of accuracy or why the sources of data may give the wrong picture.

51. Fife Council, having carried out an actual household survey for their housing needs update, demonstrates that the desk based approach is woefully understated. But all the HNDA does is provide an alternative scenario to take this into account – Fife is equalised to everyone else when everyone else should be equalised to Fife.

52. It is irrelevant to state that the HNDA “complies” with HNDA guidance when it is clear that actual household survey provides a more accurate (and larger) housing requirement. The test of whether the document is robust and credible is not a reflection on the results that come from it but the procedural requirements imposed upon its preparation.

53. The HNDA uses an equity based model to “knock out” households in need from the overall gross figure. It assumes that all current owner occupiers have equity in their house that allows them to move – using desk based analysis it assumes that this is an average of £35,000. This has not been tested in reality.

54. The HNDA continually refers to need, demand and requirements (and mixes them up freely through the document). There is no glossary or definition of what each word means – in land use planning terms there is a clearly defined difference between need (i.e. actual housing need) and demand (aspirational). This has to be clarified in the HNDA if it is to be used for Strategic Development Plan purposes.

55. Paragraph 4.4.5 makes it clear that the HNDA does not take account of marketability or demand (where it talks about property size and type) so must be dealing with need only. The “needs” of affordable housing occupants can clearly be established through Council and Registered Social Landlord (Housing Association) waiting lists.

56. A decision was made to rework individual local authority estimates using a common approach and datasets but this approach runs the risk of producing very different need estimates to those produced by the individual authorities themselves. This is
because the individual authorities used different datasets and methodologies. This caused a problem in Fife (hence the “Fife scenario” in the document) but the exercise was done regardless.

Alternative approach to housing land requirements using affordable housing backlog

57. The Housing Need & Demand Analysis prepared in support of the Strategic Development Plan identifies that there is a current unmet housing need of between 1,859 and 2,026 units per annum over the next 10 years. This means that, in order to meet the affordable housing in full as required by Scottish Planning Policy and applying a general 25% contribution rate, **land for between 74,360 and 81,040 houses has to be identified** as opposed to the 34,100 units that the Strategic Development Plan proposes.

58. The Strategic Development Plan development strategy has no intention of meeting affordable housing requirements in full using its current policy approach in the Plan area and does not even make a credible attempt to do so. This has severe social and economic consequences. It reduces the available workforce locally located to take jobs and, thus, increases commuting – contrary to the Scottish Government policy to reduce the need to travel. It places pressure on the NHS to accommodate core groups such as the elderly in care homes when they could be living in supported accommodation as envisaged by the Scottish Government. It increases the prevalence and risk of homelessness. This is unacceptable.

59. A representation is lodged to the lack of planning policy guidance in the Strategic Development Plan in relation to the provision and requirements placed upon constituent planning authorities to deliver land for affordable housing.

Representation - Policy 1A – The Spatial Strategy – Development Locations

60. Scottish Planning Policy published in October 2008 states that “planning guides the future development and use of land. Planning is about where development should happen, where it should not and how it interacts with its surroundings”. It notes that “Development plans should provide clear guidance on what will or will not be permitted and where. This should be very clear from the proposals map... Plans should therefore provide opportunity and stability.”

61. The strategy of the Strategic Development Plan set out in Policy 1A to identify entire Council areas as Strategic Development Areas does not provide the certainty required by Scottish Planning Policy to developers, landowners or communities over the future planning of these areas. It does not promote the Scottish Government core aim of sustainable economic growth because it does not provide the locational certainty required for business investment.

62. The Strategic Development Plan notes that all of West Lothian and East Lothian Councils administrative areas are identified as such Strategic Development Areas. This is unacceptable and is contrary to the instructions to planning authorities set out in Scottish Planning Policy.

63. Paragraph 29 of the Strategic Development Plan notes that the Plan has linked the Spatial Strategy to supporting infrastructure. An infrastructure led approach to development is supported as a fundamental requirement in achieving deliverability of development sites. The Plan states that the Strategy has been guided by the ability to benefit from locations that can or will be best served by infrastructure provision or capacity. This is clearly not the case where the Strategic Development Plan identifies...
such large areas of search for strategic development opportunities as set out in Policy 1A.

64. A better solution, and in line with paragraph 29, would be to revert to the Core Development Area approach adopted in the current Edinburgh and the Lothians Structure Plan 2015 where locations were identified within individual planning authority boundaries e.g. Armadale in West Lothian or Haddington in East Lothian where such an infrastructure led approach would be supported and work.

65. As such, a formal representation is lodged to Strategic Development Plan Policy 1A on the grounds set out above.

Representation – non-identification of South Armadale as a Strategic Development Area

66. In that context, the Strategic Development Plan must recognise South Armadale (See Map 1) as a sustainable and accessible infrastructure-led location for additional strategic housing development that is capable of accommodating a minimum of an additional 1,000 houses over and above current Development Plan commitments.

67. Land at South Armadale is located immediately adjacent to the Central Scotland motorway network and has a newly opened station on the Airdrie – Bathgate Rail line. The recent planning permission for strategic mixed use development to the south of the settlement has been implemented and will provide significant new physical infrastructure e.g. school, roads and drainage connection for the town. It will also provide local services such as a supermarket and recreational facilities as well as employment land and jobs. Further allocation will feed into and gain access from this current planning permission.

68. South Armadale is a logical location for new strategic housing development. As such, a formal representation is lodged to the non-identification of South Armadale as a location for strategic housing growth.

Representation – paragraph 116 (affordable housing)

69. Representation is made to paragraph 116 of the Strategic Development Plan in relation to the “blanket” application of a 25% affordable housing requirement across the entire Strategic Development Plan area.

70. The paragraph acknowledges differences within and across Local Development Plan areas so a blanket approach is unjustified. For example, it is accepted that the affordable housing requirement for the City of Edinburgh Council area as a whole at this time is approximately 15,000 units. Applying a 25% contribution to the 34,100 additional housing requirement set out in the Strategic Development Plan will not even deliver the entire City of Edinburgh Council requirement for affordable housing in the period of the Strategic Development Plan. This is contrary to Scottish Planning Policy which requires that housing land requirements be met in full. It is further contrary to the recent updated Supplementary Planning Guidance on affordable housing produced by Midlothian Council that states this as an intention.

71. This approach does not reflect the detailed approach and variation in affordable housing requirements between Local Authorities that are included in the supporting Housing Need & Demand Analysis.

72. The approach adopted in the Strategic Development Plan to provision of affordable housing runs contrary to the flexible approach set out in the Chief Planner’s letter of
15th March 2011 to all Heads of Planning in Local Authorities. This notes that, due to the need to remove development constraints and limited funding availability, a 25% affordable housing requirement may not be deliverable in the current climate. It specifically states that “Levels of affordable housing requirement that act to stifle overall levels of housing development are likely to be counter-productive. In certain cases the effect could be that development would not proceed at all”. He advocates a flexible approach to affordable housing delivery as part of wider development scheme economics. This could come forward in a variety of ways such as a reduction in affordable housing percentage requirements and the use of unsubsidised affordable housing models. This flexibility is not reflected in Strategic Development Plan paragraph 116.

Representation – Policy 12 – Green Belts

73. Representation is lodged to Policy 12 of the Strategic Development Plan.

74. This omits the requirement in Scottish Planning Policy to direct planned growth to the most appropriate locations and support regeneration.

75. The Policy, as worded in the Proposed Plan, also seeks to prevent coalescence. This is no longer a function of Green Belt. The need for coalescence is supported in certain circumstances by Scottish Planning Policy (Scottish Planning Policy paragraph 160) and it is not for Local Development Plans to make policy decisions contrary to Scottish Planning Policy on that basis. The Strategic Development Plan is contrary to Scottish Planning Policy on that basis. This reference in the Strategic Development Plan should be deleted.
Map 1 - South Armadale