

# Review of Policy 5: Housing Land Supply

## 1. Introduction

- 1.1 The purpose of this paper is to examine Policy 5 Housing Land Supply in light of changes in the national policy and local context. It will consider whether it meets the requirements of Scottish Planning Policy and other national planning documents, and whether it forms a sound basis for making planning decisions on housing land allocations.

## 2. Approach

- 2.1 Policy 5 provides a policy context for the allocation of housing on land allocated for that purpose and stipulates the objectives for housing land supply over the whole plan period. An important cross reference is made to the Spatial Strategy of the plan. The Policy is supported by two elements of supplementary guidance and provides opportunity for site-specific supplementary guidance as and when the need arises.
- 2.2 In supporting text Policy 5 refers to schedule 1 in the 2009 Structure Plan and acknowledges that it is the Structure Plan requirement that sets the target. Appropriately, it outlines the reasons for the ALDP's 7 year supply of land and the 5 year statutory requirement from Scottish Planning Policy. A small amount of further clarification may be require to draw attention to the fact that at all times a 5 year effective housing land supply must be in place and that Aberdeenshire has taken the decision to try and have a 7 year land supply, ie there is a further 2 years that are capable of becoming effective.
- 2.3 The supporting text advises that supplementary guidance and planning advice will be used to detail how land will be drawn down and how land release will be triggered.
- 2.4 Policy 5 acknowledges the contribution made to supply from unallocated rural development within the Rural Housing Market

## 3. Background

### National context

### National Planning Framework 2

- 3.1 Planning authorities are required to take the framework into account when preparing development plans and it is a material consideration when determining a planning application. National Planning Framework (NPF2) guides Scotland's development to 2030, setting out strategic development priorities to support the Scottish Government's central purpose - sustainable economic growth. NPF2 highlights Population and Households as a "Key Challenge" and recognises that targets for greater economic and population growth imply higher overall household growth than current projections indicate. It concludes that a generous housing land supply will be required,. A strong growth of +19 % to the population by 2031 is predicted in the Aberdeenshire region
- 3.3 NPF2 sets out a vision for Scotland up to 2030, provision of Housing is a key part of the "Development Strategy" and a main element of the "Spatial Strategy 2030" is to "encourage sufficient supplies of homes which are affordable in places where people want to live" Scottish Government (2009)

pg 18. Further, the Scottish Government has set out its vision of a housing system which delivers more houses, helps create sustainable communities, meets higher environmental standards, provides wider choice and offers better value for money. Coordination of local housing and planning systems are seen as fundamental to ensuring housing need and demand are identified and addressed

- 3.4 In line with the Scottish Government's vision Policy 5 Housing Land Supply and the associated supplementary guidance helps to ensure that the ALDP will deliver housing. This supports the overall availability of housing land in a range of locations so that houses are built in locations where there is demand. The policy covers the period up to 2023 to support future housing allocations which in turn helps support the Scottish Government's national ambition to secure a long term increase in housing land supply.

#### Scottish Planning Policy (SPP)

- 3.5 Scottish Planning Policy (SPP) is the statement of the Scottish Government's policy on nationally important land use planning matters. SPP was adopted in February 2010 and replaces the previous SPP3 Planning for homes. The policy will be updated before the end of 2013, currently "priorities for change" is out for consultation.
- 3.6 Housing is one of the core "subject policies" contained within SPP and requires Planning authorities to increase the supply of new homes and raise the rate of new housebuilding by identifying a generous supply of land for the provision of a range of housing in the right places. A "generous supply of housing land" has been allocated in schedule 1.
- 3.7 There is little that policy can do to actively encourage house building and increase the rate of supply of new homes. The policy efficiently outlines that SG Housing 1 safeguards allocated land for housing and SG Housing 2 enables early draw down to maintain a 7 year housing land supply and the statutory 5 year effective housing land supply so that the rate of build is not constrained by lack of available housing land.
- 3.8 The policy supports the council's decision not to fully allocate land in the Rural Housing Market area. Although land is not identified, land is available to meet the housing requirement through other housing in the countryside policy. This allows flexibility in the rural housing market area where demand is lower and more small scale development is appropriate.

#### Letter from Chief Planner, Jim MacKinnon, Providing an effective supply of land for housing

- 3.9 In October 2010 the Chief Planner acknowledged that there are serious threats to the maintenance of an effective 5 year housing land supply and the development industry is facing increasing hardship due to the current economic climate. Policy 5 is supportive of the approach to maintain a 5 year effective supply as well as a 7 year capable of becoming effective housing supply that includes "headroom" for sites that fail to be delivered. This approach enables a generous supply of land and if there is a better economic forecast that housing supply is responsive to an uncertain economy.

- 3.10 The Chief Planner stated that “the approach to the planning and delivery of housing needs to be reconsidered”. He recommends close monitoring of housing land supply should be conducted through the Housing Land Audit, which is advocated through SG Housing 2. It is also suggested that “Development Plans should identify triggers for the release of future phases of effective sites where a 5 year effective supply is not being maintained”. There could be further clarity on this topic in Policy 5 and planning advice should be prepared Should draw down be required.

#### Draft Aberdeen City and Shire Strategic Development Plan

- 3.11 The Current Aberdeen City and Shire Structure Plan (2009) will be replaced by an Aberdeen City and Shire Strategic development Plan with a proposed date of adoption of June 2013. The plan focuses on nationally or regionally important planning issues as well as planning issues that are best dealt with in a co-ordinated manner with City and Shire Councils working together. The Plan advocates “the Spatial Strategy” which identifies areas of strategic growth, local growth and diversification as well as regeneration priority areas. The plan has clear targets which impact on Housing Land allocations
- Up to 2035 at least 75% of all homes built should be in strategic growth areas
  - Local development plans and if a applicable supplementary guidance will use the spatial strategy to set policies and identify land for development
- 3.12 Policy 5 and Supplementary Guidance will need to be redrafted so that they are all in support of the new Strategic Development Plan. There have been no major changes in the Proposed Strategic Development Plan and the previous numerical allowances for housing for the period 2017-2023 have been retained and extended up to 2026 which in essence allows a longer period for the same number of houses.
- 3.13 In order to support the Structure Plan’s 30 year long term view for the region Policy 5 if required could produce site specific supplementary guidance in order to assist long term masterplanning beyond 2023.

#### **4. Drivers of change**

- 4.1 Policy 5 needs to clearly outline that it is in place to support the Structure Plan Schedule 1 allowances and the ALDP Schedule 1 allocations.
- 4.2 It may be necessary to prepare additional Planning Advice if a less than 5 year effective housing land supply is maintained. 4.3 A re-drafted NPP will be published at the end of 2013. As it is just a re-draft there would be unlikely to be any major changes in policy approached though there could be some change in emphasis and possible rewording. A close eye should be kept on the progress of the redrafted SPP and its possible implications which should be taken account of.
- 4.4 NPF 3 will be adopted 2014. NPF3 will outline the Scottish Government’s strategic development priorities over the next 30 years as well as designating National Developments. A call for National Developments has gone out and a Main Issues and Environmental report will be published between March and June 2013. Close attention will be paid to this and the possible implications that there could be Policy 5 and Supplementary guidance.
- 4.5 The issue of Scotland’s current economic climate and its impact on effective housing land supply is raised by Jim MacKinnon’s letter. This difficult climate

has persisted and there are issues with mortgages, market uncertainty and difficulty with financing developments, which could have a significantly detrimental impact on the maintenance of a 5 year effective supply of housing.

- 4.6 The New Strategic Development Plan will mean Policy 5 and Supplementary Guidance will need to be redrafted for next Local Development Plan to take into account the new timescales.
- 4.7 Site specific Supplementary Guidance indicating development opportunities beyond 2023 may need to be prepared in order to provide long term comfort to allocated land

## **5. Recommendations**

- 5.1 Policy 5 should be reworded so that the ALDP Schedule 1 allocations are clearly made reference to so that the policy can be read in context.
- 5.2 It is important that Policy 5 maintains sufficient flexibility with an uncertain economic outlook. Nothing further can be done to the Policy or Supplementary Guidance at this stage, however there may be a need during the current local plan period to produce site specific supplementary guidance for allocated land beyond 2023 for long term comfort.
- 5.3 In order to avoid confusion it should be made clear that Aberdeenshire have chosen a 7 year housing land supply which is different from the statutory 5 year housing land supply as the further two years are capable of becoming effective.

## **6. Summary of main points**

- 6.1 Policy 5 Housing Land Supply addresses the main issues associated with housing land allocation for the period 2017-2023. Subject to other policies it helps the Structure Plan schedule 1 allowances and the ALDP schedule 1 housing allocations. No major changes to the Policy are recommended as the policy is sufficiently flexible and enables early draw of phase 2 allocations assisting a 7 year housing land supply and the 5 year effective housing land supply to be maintained. The policy will need to be redrafted for the next local plan so that it supports the new Strategic development plan, further modifications may need to be made if the redrafted SSP or NPF 3 propose any changes to housing land allocations particularly in light of a challenging economic climate for house builders. Further Supplementary Planning Guidance may be needed to give certainty to allocations beyond 2023 and Planning advice should be prepared to give clarity to how draw down of land is triggered and selected.

## **References**

*Aberdeenshire Council (2012) Aberdeenshire Local Development Plan 2012*

*MacKinnon, J (2010) Letter from Chief Planner, Providing an effective supply of land for housing*

*Scottish Government (2010) Scottish Planning Policy*

*Scottish Government (2009) National Planning Framework 2*

*Strategic Development Planning Authority (2009) Aberdeen City and Shire Structure Plan*

*Strategic Development Planning Authority (2012) Proposed Aberdeen City and Shire Strategic Development Plan*