

**REPORT TO: ENVIRONMENTAL SERVICES COMMITTEE ON 20
FEBRUARY 2008**

SUBJECT: SPP3 LAND FOR HOUSING : CONSULTATIVE DRAFT

BY: DIRECTOR OF ENVIRONMENTAL SERVICES

1. REASON FOR REPORT

- 1.1 To invite the Committee to agree a response to the Consultative Draft of Scottish Planning Policy 3: Land for Housing, which was published by the Scottish Executive on 7 January 2008.
- 1.2 This report is submitted to Committee in terms of Section D1 of the Council's Administrative scheme relating to exercising the statutory functions of the Council as a Planning Authority.

2. RECOMMENDATION

2.1 It is recommended that the Committee agree to:

- (i) note the content of the Consultative Draft of SPP3 Land for Housing, and
- (ii) approve the proposed responses set out in Appendix 1.

3. BACKGROUND

- 3.1 The consultative draft of SPP3 was published on 7 January 2008 and responses have been requested by 31 March 2008. A copy has been placed in the members' library.
- 3.2 SPP3 was first published in 2003 to provide national policy guidance on the provision of land for housing. Since its publication there have been indications that it has not been as effective as intended, particularly with regard to the generous release of land for housing. Stakeholders in both the private and public sector have indicated that the lack of adequate land for housing is a major impediment to the provision of new housing in Scotland.
- 3.3 The SPP asks for specific responses on a number of issues. The Council's proposed response to these is set out in **Appendix 1** with additional comments on the subject of housing land supply in Moray.

4. CONSULTATIVE DRAFT SPP3

- 4.1 SPP3 sets out the Scottish Government's policy on the role the planning system plays in identifying housing requirements and the delivery of quality houses in the right locations.

- 4.2 The housing market in Scotland has been under pressure for several years, which has excluded many households from the market. Housing supply has not increased to meet demand. Difficulties in bringing forward sufficient land for housing has been identified as one of the most significant obstacles to the delivery of new housing.
- 4.3 In “Firm Foundations: the Future of Housing in Scotland” (see report to the Moray Council 30 January 2008 : Item 22 on the Agenda), the Scottish Government has proposed a national goal to increase the rate of new housing supply to at least 35,000 houses each year by 2015 to meet Scotland’s housing requirements.
- 4.4 The SPP recognises that the planning system alone will not create appropriate housing developments and that it is the duty of all concerned with the planning, design and development process to create new housing that meets the needs and aspirations of people.
- 4.5 The key objectives of the SPP are to provide policy guidance on the:-
- Identification of housing need and demand on a more aspirational, but consistent and robust, basis.
 - Allocation of sufficient appropriate land to meet identified need and demand for housing, including affordable housing, across all tenures, and mechanisms to ensure those houses are built; and
 - Interface between planning control and licensing of Houses in Multiple Occupation.
- 4.6 **Strategic Housing Need and Market Assessment**
- 4.6.1 SPP3 proposes that the assessment of housing requirements in Development Plans should be based on an assessment and analysis of the local housing market through a Strategic Housing Need and Market Assessment (SHNMA). This will provide a clear strategy including targets to guide the preparation of the Development Plan. All housing tenures should be provided for and issues of affordability addressed. This is a significant but welcome change to the assessment process.
- 4.7 **Local Housing Strategies**
- 4.7.1 The Housing (Scotland) Act 2001 requires local authorities to undertake an assessment of housing needs and conditions in their areas and to produce a local housing strategy. The LHS should view the housing system as a whole, deal with the requirement for housing of all tenures and everyone in the community, including affordable housing and be based on the outcomes of the SHNMA. The LHS should be a comprehensive strategy covering a five-year period.
- 4.7.2 The LHS should indicate the nature of the affordable housing requirement drawing on the evidence of the SHNMA and should input to the development plan.

4.7.3 The LHS should also set out the need for appropriate accommodation for Gypsies and Travellers. Planning authorities should identify suitable locations for Gypsy and Travellers sites and set out policies for dealing with planning applications for small privately owned sites.

4.7.4 There is an increasing demand for Houses in Multiple Occupation (HMO) accommodation, especially from students, migrant workers and young professionals. Much HMO is provided within existing buildings and will generally be a licensing issue.

4.8 Development Plan Housing Requirements.

4.8.1 The delivery of housing through the development plan depends on sustainable, effective sites being available to meet need and demand. SPP3 requires planning authorities to identify a generous supply of land for housing on a range of sites. This should be sufficient to provide flexibility to enable the continued delivery of new housing.

4.8.2 Forecasts of housing requirements, which will form part of the SHNMA, are dependent upon assumptions about a range of variables. Population and household projections are based on past trends and should be regarded as indicative. The Government's aspirations for Scotland, reflected in targets for greater economic and population growth, imply higher overall household growth than current projections indicate. Assumptions made and calculations used in calculating housing requirements should be clearly justified and explained. In the longer term the emphasis should be on giving a broad indication of the scale of the requirement rather than firm figures.

4.8.3 Planning authorities must consider the most appropriate solutions for their areas through a sustainable settlement strategy, which may involve directing development to particular locations. Local Plans should allocate land on a range of sites to meet the housing land requirement for a 10 year period, providing appropriate effective sites in the initial phase to accommodate the requirement for at least 5 years from the date of adoption, and further sites capable of development by the end of year 10. Local Plans may also indicate the long-term reservation of land for housing in line with the settlement strategy.

4.8.4 Effectiveness and programming of housing sites will be monitored through the annual housing land audit to ensure sufficient effective housing land supply is maintained for at least the following 5 years at all times.

4.8.5 The SPP encourages medium to long term planning to consider how to accommodate future demand for growth. Development Plans should identify the triggers for the release of future phases of effective land, where the annual housing land audit and or completions is not keeping pace with

identified requirements and a five year supply cannot be maintained. The SPP encourages a generous supply of land from the outset, with the future requirement for all development plans to be reviewed on a five yearly basis to reduce the likelihood of additional sites being required and remove the necessity for a plan alteration to be prepared outwith the five year plan time frame.

4.8.6 The SPP also encourages the preparation of sustainable settlement strategies and urban capacity studies to provide the context for new development. This should take account of the following factors;-

- the efficient use of land and buildings, energy and infrastructure
- accessibility by a range of transport options to jobs and services for all sections of the community
- co-ordination of housing land provision with improvements in infrastructure, including transport and educational investment and with other major proposals
- the protection and enhancement of the environment.

4.9 **Development Plan Policies**

4.9.1 SPP3 recognises that energy and resource efficiency should be key elements of new developments. Developers and local authorities are encouraged to promote innovative forms of housing development, particularly in relation to design, materials and construction technologies and energy efficiency. The design of internal spaces should allow houses to meet changing aspirations over time.

4.9.2 In terms of Open Space provision the SPP requires developers and local authorities to consider the most appropriate provision within the context of an open space audit and strategy. This may involve on site or off site provision or a financial contribution to open space or recreational resources and future maintenance and management.

4.9.3 Mixed communities are encouraged rather than single tenure developments. Tenure should be indiscernible from its design, quality or appearance.

4.9.4 The development plan should identify what is expected from developers in terms of affordable housing. This ensures that any requirement to provide affordable housing can be factored into the price that a developer will pay for land. Policies may seek a percentage affordable housing contribution from all new housing developments where this is justified by the SHNMA as part of the local housing strategy. As a benchmark, 25% of the total number of housing units should be affordable. Local authorities should prepare Supplementary Planning Guidance on how the affordable housing

requirement for their area is expected to be delivered. Planning authorities should also consider the need for sites specifically for affordable housing provision as identified by the SHNMA and LHS.

4.9.5 Planning policy should aim to grow rural communities as well as sustaining fragile and in some cases dispersed communities. Planning authorities should set out policies for new housing in the open countryside.

4.10 **Development Plan Action Programme**

4.10.1 An Action Plan programme setting out how the authority intends to implement the plan must accompany strategic and local development plans. The Action Plan must be published alongside the Local Plan and be reviewed and updated every two years. The programme should set out a list of actions necessary to deliver the plan's policies. It should also address issues of phasing, infrastructure provision, removal of significant constraints, land acquisition and the preparation of development briefs or other supplementary planning guidance.

4.11 **Development Management**

4.11.1 Development Plans must provide a robust framework to guide decision making. The enhanced engagement of the private sector, consultees and the wider community will assist in the preparation of more robust plans. The SPP considers that this should make the assessment of applications quicker, simpler and more consistent. Decisions to refuse permission for proposals that do not accord with the development plan should be easier to defend at appeal.

5. **SUMMARY OF IMPLICATIONS**

(a) **Corporate Development Plan/Community Plan/Service Improvement Plan**

SPP3 supports the Moray Community Plan priorities to increase the supply of affordable housing, tackle homelessness and provide a better quality of housing stock.

(b) **Policy and Legal**

The proposals in SPP3 have implications for the Housing and Planning and Development sections of the Council. However, the Council has already met or is actively working towards meeting many of the requirements of SPP3. The Moray Structure Plan 2007 incorporates 50% flexibility allowance into the calculation of housing land requirements. The Council also has an up to date Housing Needs Assessment, a current review of affordable housing guidance and a finalised Local Plan providing a long term vision for housing sites to meet demand for 10-15 years.

(c) **Resources (Financial, Risks, Staffing and Property)**

There are no direct financial implications arising from this report. However, implementing the proposals set out in SPP3 will require closer working between Housing and Planning and Development staff

and a more robust approach to assessing need for housing land and monitoring the supply of housing land.

(d) Consultations

Consultation on this report has been carried out with the Housing Strategy and Policy Manager, the Development Control Manager and the HMO Officer (Environmental Health). Comments received have been incorporated into the proposed responses in Appendix 1.

6. CONCLUSION

- 6.1 The draft SPP focuses on the provision of sufficient housing land to meet the government targets set out in the discussion paper, “Firm Foundations.” The supply of land for housing has not met demand and has therefore excluded many households from the market through lack of availability and high costs.**
- 6.2 Planning authorities are encouraged to take a more robust and longer term approach to the assessment of demand and provision of land for housing.**
- 6.3 This report highlights the changes required to Council policies in relation to providing land for housing and also highlights that the Council have already moved towards meeting many of the requirements through the finalised Moray Local Plan and Housing Needs Assessment.**

Author of Report: Gary Templeton, Principal Planning Officer
Background Papers:
Ref: GT/JC