

RESPONSE FROM SOUTH LANARKSHIRE COUNCIL

NATIONAL PLANNING FRAMEWORK 4

HOUSING TECHNICAL DISCUSSION PAPER

Introduction

This paper sets out the response from South Lanarkshire Council on the discussion paper recently published in relation to the methodology for setting targets for housing land which will form part of the National Planning Framework 4 (NPF4). The response represents the view of officers within the Planning Service and Housing Services. The Council endorses the responses submitted from Heads of Planning Scotland and the Glasgow City Region Housing Market Partnership.

South Lanarkshire Council welcomes this consultation on the future of land provision for housing in Scotland. Comments on the issues for consideration set out in section 1.7 of the discussion paper are set out below. However the Council wishes to establish some overarching context before turning to these issues.

Any discussion on housing land and delivery should reject the notion that the planning system is a barrier to housing delivery. Developer activity tends to be cyclical and is closely aligned to the performance of the economy and to wider social and housing policy changes. There is no evidence establishing a link between planning policy and completion rates. In addition the delivery of private housing (based on the fundamental measures of whether a site is developed in the first place and the rate at which it is delivered), is influenced by many factors often beyond the scope of the planning system. In contrast delivery of public sector housing is dependent almost exclusively on the availability of public investment..

The discussion paper focuses on housing “numbers” to guide the preparation of development plans but does not recognise the relationship between the planning system and the role of HMPs in addressing wider issues impacting on housing delivery. It is unclear how this consultation sits with the recent Housing to 2040 consultation and it is hoped the outcome of both consultations will result in a more joined up approach.

Response to the Issues for Consideration

1. **What is your view on the guiding principles** (set out in section 1.4)

The council considers that overall the principles provide a useful frame of reference for setting national targets for the use of land for housing but suggests that there needs to be flexibility for regional and local targets to enable accurate informing of Local Development Plans (LDP), Local Housing Strategies (LHS) and Strategic Housing Investment Plans (SHIP).

Turning to each of the individual principles

- a) *The approach to setting national housing land figures is intended to provide early clarity and to reduce conflict and complexity in the local development plan process.*
The principle that these matters will be agreed at NPF stage and so reduce conflict and complexity later in the process is strongly supported. Planning Authorities are continually frustrated by the lack of consistency in the outcomes of LDP Examinations and appeal decisions and NPF4 is an opportunity to address these concerns. In addition agreeing “national housing land figures” during the preparation of NPF4

requires LDPs and LHSs to become better aligned with the NPF4 timetable as otherwise issues may be revisited at the Gatecheck and Examination stages especially if these stages come sometime after NPF4. Therefore a mechanism should be sought to ensure LDPs and LHSs to align shortly after NPF4 preparation.

- b) *The purpose of the figures is to ensure that local development plans allocate sufficient land for housing. We propose that the figures in NPF4 are expressed as minimum figures for housing land to accommodate an agreed projected number of homes.*

The discussion paper is unclear on whether the reference here is to an estimate of housing land in hectares or in unit numbers. Minimum figures for housing are inappropriate in areas of high demand where some planning restraint is required to avoid adverse effects on infrastructure and environmental issues. Conversely setting minimum figures in places where demand is low or even non-existent is irrelevant.

- c) *An agreed proportion of this land should be 'deliverable' whilst the remainder should reflect the longer term spatial strategy for the area. The policy and / or guidance could provide clarity on what is expected to be deliverable land, as well as addressing longer term strategy.*

Whilst the council fully supports the idea behind this Principle it is important to ensure there is no contradiction with the guiding principles of "Housing to 2040" which clearly explains the Scottish Government's position on moving away from "banking" land and property to store wealth. Careful attention must be paid to both existing and any new terminology introduced and its application. For example it is not clear what is meant by the term "agreed proportion" or "deliverable" and any new terminology will require precise definition. The word "figures" is used eighteen times throughout the report and a number of other terms such as terms "Requirements", "Housing Land Targets" and "Flexibility" are used without clarity. In general, a reduction in terminology combined with careful attention to the terms are utilised, is supported to add clarity and remove confusion.

All land is deliverable given the right circumstances. However experience has shown a range of outcomes where, in some locations almost no land is deliverable due to market circumstances whilst in other areas almost all land is deliverable because of market confidence and the availability of buyers. The planning system's influence on delivery within the private sector can be limited and careful definition of the term "deliverable" will be required. The monitoring of the delivery of sites and being able to identify barriers to development and possible means of supporting delivery should be a key outcome. Clearly the link between deliverability and infrastructure provision is paramount and deficiencies in a particular area should be recognised.

- d) *In terms of geography and scale, we propose that the minimum figures should be set for all local authority areas in Scotland. This would maximise consistency and simplicity in the planning system as a whole and remove the uncertainty that could arise if, for example, figures at a regional scale required further calculations to set out local contributions to a shared figure. Within this, however, we recognise that there is a need to allow for local flexibility that reflects local circumstances. This could still be achieved as the figures are taken forward in each local development plan.*

Setting a minimum housing land figure is inappropriate in areas where there is high market demand where measures to restrain new housing need to be introduced to respect infrastructure constraints and environmental issues. In contrast in areas of low demand, the concept of minimum is not relevant due to barriers preventing development starting on site or suppressing demand and therefore completion rates. A one size fits all approach is not appropriate and therefore Local Authorities should be involved directly in the determination of any levels of flexibility to establish the

minimum housing land figures. In addition it is important to recognise distinctions in how each tenure operates.

- e) *A national approach needs to be informed by regional and local knowledge, analysis and input. We therefore propose to define the requirements for land in each area by working with local and planning authorities individually and / or in regional collaborations to ensure national analysis is informed by local objectives.*

The principle is welcomed to ensure any national approach is informed by local or regional knowledge, analysis and input. The council agrees that continuous engagement with communities, key agencies, stakeholders and developers is important nationally, regionally and locally.

The proposed approach suggests Government and parliamentary involvement with respect to a matter that has previously been the preserve of the local authorities and therefore this issue may require to be considered by local authority representative bodies such as SOLACE and COSLA.

2. Should NPF contain housing land figures for all areas in Scotland or focus on certain areas?

The requirement for housing land varies from area to area. South Lanarkshire alone has four Housing Market Areas which range from urban in the north to large rural communities in the south and therefore have distinctive demands. For instance, demand for housing in Clydesdale is much lower than in East Kilbride and developer activity has remained suppressed as the economy recovers. In contrast completion rates in the more urban locations have progressively increased over recent years. The council would therefore agree that there is a need for NPF4 to focus on certain areas and have the flexibility to apply evidence to support requirements at a local level.

As a result there are clear differences in the role and purpose of a Target between rural and urban areas, areas of growth and decline; areas of high demand and low demand; and in the public and the private sector. The local authorities and regional housing market partnerships are best placed to comment and their views will help inform this issue.

3. Are there areas in Scotland where an alternative approach may be more appropriate

Local knowledge and experience of the housing market should be a key principle of determining housing need and its location. Setting a national target will encourage the market from across all tenures to meet this potentially leading to improved outcomes for residents. It will however be important to consider local need and the evidence from housing waiting lists and homelessness figures to determine what need and demand there are in the four diverse localities in the local authority area. Equally it is important to consider the benefits retrofit and refurbishment of existing stock which currently lies empty or derelict may contribute to meeting local needs.

Almost 1.5% of existing private stock in Scotland is empty and so it is important to consider the use of current legislation or the introduction of new legislation which would offer some enforcement powers to return these properties to use to ensure best use of properties is being made in line with the principles and vision of "Housing to 2040". South Lanarkshire Council considers the ideology that need can only be met with new provision to contradict some of the guiding principles of "Housing to 2040". It is therefore important that NPF4 has more "joined up" objectives to align with other areas of policy development.

The discussion paper highlights the use of HoTOC for the calculation of existing need across Scotland. Consideration should be given as to whether this is accurate. The Centre for Housing Market Analysis (CHMA) has advised in the past that the HNDA toolkit data and scenarios are only relevant for a maximum of five years, which means forecasting for a 10 year period may not be appropriate. Also, CHMA would consider five years to be a realistic timescale to clear an existing backlog therefore, again, forecasting for 10 years is not appropriate.

As a strategic housing authority the council also needs to raise the innovative alternative models being applied to tackling homelessness throughout Scotland by way of the Rapid Rehousing. With the implementation of this model it is hoped success will be achieved in reducing days spent in temporary accommodation and a reduction in homelessness as we move towards ensuring secure tenancies are in place as a matter of priority and that tenancy sustainment is improved thereby preventing homelessness from recurring. This will therefore affect the backlog of existing need which scenarios are based on. The success of this model will affect the statistical bedrock that the NPF is based on and therefore toolkit scenarios can no longer be assumed without consideration to Rapid Rehousing Transition (RRT) and Housing First models.

4. What is your view on the proposed approach to setting out requirements for housing land?

The key issue here is to ensure clarity in terminology as the Act refers to “Targets” but the question refers to “Requirements”. The Council broadly supports the objective to streamline the planning for housing land to allow planning authorities to focus on delivery and the creation of quality places. As per the response to question 1 to achieve this there will be a need for LDPs and LHSs to synchronise and a mechanism for achieving that may be required. If close alignment between NPF4 and LDPS and LHSs is not achieved these matters are likely to be opened again for discussion at the Gatecheck and Examination stages especially if those scrutiny stages comes sometime after NPF4. In addition, the NPF timetable must ensure adequate processes to factor in stakeholder engagement with communities and their representatives (including Community Councillors, Councils, MSPs) to ensure an understanding of NPF and to build trust in the planning system.

5. Should NPF provide a single housing land figure or a range?

It is assumed this refers to a single figure being provided for a single local authority area. However as discussed above there are variations in housing land demand and deliverability within South Lanarkshire and this should be reflected in figures for each distinct market area.

6. Is the HNDA Tool an appropriate mechanism to base housing land figures on?

The HNDA Tool is an imperfect but consistent method of tenuring the NRS Household Projections and its use is now established. As long as it is recognised only as a starting point in the process it continues to be an appropriate tool. The HNDA process has brought added value to the collective understanding of housing systems within Housing Market Partnerships and this should not be lost within any new system of planning for housing. Scottish Planning Policy requires LDP’s and LHS’s to be aligned as much as possible and therefore the changes under discussion require to be considered in the context of provisions for LHSs.

7. Should there be scope for local and planning authorities working together to reflect functional housing market areas that cross local authority boundaries? What approaches could be used to achieve this?

Timescales for NPF4 processes will make it difficult to establish Targets at functional market area level. Mechanisms available include the Regional Spatial Strategies; Evidence Reports of each authority and Local Housing Strategies. Whatever processes are introduced will require to be sufficiently streamlined to align with the NPF4 timetable and allow for consultation with wider stakeholders. However whilst enshrined in policy, the role of functional market areas considerations within decision making within LDP Examinations and planning decisions, requires clarification. In practice planning decisions focus on the local authority geography and generally ignore the functional markets area geography. As a result the suggestion to incorporate adjustments for Functional Market Areas is welcomed, however clarity requires to be developed to address decision making at functional market area. The important additional element of any such approach will be how delivery and supply are monitored at functional market area geography and then how such information is utilised within decision making. A national housing land audit on a digital platform will assist in that regard.

8. Should NPF apply a level of flexibility to the HNDA tool results to ensure a proactive approach to managing the supply of land for housing in a positive way? Should the level of flexibility be informed by recent housing completions?

The council welcomes the use of existing backlog data being used to forecast the supply of land required to clear it. However as Section 75 regulations only stipulate a 25% contribution to social housing it is difficult to see how the backlog can be cleared through NPF forecasts alone. Clearing backlogs will require innovation in calculating need and new models of addressing homelessness which ensure an adequate supply of affordable housing to meet the needs of those households which populate the data in the HNDA toolkit.

Further clarity is required on what is meant by the term 'flexibility' i.e. does it replace generosity. In general if the aim is to develop a system of planning for the housing numbers that is simpler and removes debate, then consideration should be given to developing a single agreed number based on the local knowledge and circumstances. Flexibility can and will be included in that locally agreed single number, but given that a formulaic approach to flexibility and the link to delivery is unproven, and the overarching aim to simplify, consideration and caution is advised in adopting any such approach. As a result a specific flexibility target should not be set within NPF 4, as this may be impossible to achieve for many local authorities and is unlikely to take into account local knowledge of the housing market and requirements.

Setting flexibility using average completions at a local level would be a more realistic way of ensuring there is sufficient housing land available to meet likely demand. An approach based on past completions will also be able to reflect variations in delivery at market area geography and by tenure. In arriving at a locally agreed view, consideration could be given to completions using measures including for example an average of a five year period or ten year period.

9. Should NPF housing land figures be met in LDPs as a minimum?

Overall it is considered that this think this would put too many restrictions on authorities as there should be room for recognising local knowledge and understanding.

10. LDPs are moving to a ten year timeframe. Housing land audits generally programme land supply for a five year period. For LDPs to have a ten year land supply available upon adoption what mechanisms could be used to ensure land is brought forward in accordance with the LDPs spatial strategy?

Alignment of LDPs and LHSs should be encouraged and housing strategy should be given corporate importance within local authorities. A housing technical report is a snapshot in time and could not accurately inform a 10-year plan. Whilst it is acknowledged that Housing Land Audits are imperfect and based on both evidence and judgements about delivery, they should be programmed for at least a ten year period and should be used to monitor delivery. This should include monitoring of past completions and annual monitoring of delivery. LDP's could set out policies within their plans to ensure how the land supply will be managed over the 10 year period and what will trigger a review. Annual monitoring and review along with a refresh of housing need and demand through the LHS could be used to establish if more land requires to be brought forward.

In addition it is expected that the preparation of the new round Local Development Plans will lag behind the approval of NPF4. This needs to be recognised in any targets that are set. Figures would need to be far more flexible and need to be updated more regularly than is being suggested.

11. Should the Scottish Government play a role in the housing land audit process?

It is considered that the local housing audit should remain a matter for local authorities as it has the direct knowledge and understanding of how the local housing markets operate. A drawback however is the failure to agree the annual audit within an appropriate timescale with Homes for Scotland. Consideration should be given to setting defined timescales for all parties involved in this process. The council would be concerned if Homes for Scotland are to be granted a potential veto role in agreeing the scenarios and assumptions and any potential approach to functional market areas.

The provision of clear and consistent Government guidance combined with the presentation of housing land on a digital national platform, is supported and encouraged. The Digital Taskforce provides an opportunity to develop a digital platform that could provide clarity and reduce unnecessary debate. Similarly the PPF returns can provide a useful source. This will bring clarity to both Local Authorities and housebuilders and how it should be undertaken. This is required as there have been recent appeals which have different interpretations on housing land audits and how they should be undertaken.