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*improving living in scotland*



**PERTH AND KINROSS LDP FURTHER INFORMATION REQUEST  
03B – ISSUE 01 A SUCCESSFUL, SUSTAINABLE PLACE**

**MARCH 2019**

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Homes for Scotland (HFS) is the voice of the home building industry in Scotland, representing some 200 companies and organisations which together deliver the majority of the country's new homes.

We are committed to improving the quality of living in Scotland by providing this and future generations of Scots with warm, energy-efficient, sustainable homes in places people want to live.

HFS makes submissions on national and local government policy issues affecting the industry. Its views are endorsed by committees and advisory groups utilising the skills and expertise of key representatives drawn from our member companies.

## RESPONSE TO PERTH AND KINROSS LDP FURTHER INFORMATION REQUEST 03B – ISSUE 01 A SUCCESSFUL, SUSTAINABLE PLACE

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### Introduction

1. Homes for Scotland (HFS) welcomes the opportunity to comment on Perth and Kinross's Further Information Request (FIR) response. We are grateful to Perth and Kinross for the clear and detailed response they have provided. These submissions have been reviewed and agreed by Homes for Scotland's East Central Area Committee.
2. There are four main issues to cover: the use of the 2018 Housing Land Audit, the requirement for a 10-year Local Development Plan (LDP) period, windfalls and site programming. These are addressed in turn below.

### 2018 Housing Land Audit and Actual Completions

3. Homes for Scotland welcomes Perth and Kinross's openness to using the 2018 Housing Land Audit date should the Reporter agree that this is appropriate. For the reasons previously set out we consider this is the correct approach.
4. We consider that the LDP must provide for the Housing Land Requirement (HLR) from 2016-28 set out in Tayplan, plus the additional year to 2029 for the reasons previously set out. Notably to ensure it is consistent with the SDP and Scottish Planning Policy (SPP) paragraph 119.
5. We also consider that it is logical to consider completions to date and subtract these from the Housing Land Requirement. This is because the SDP requires this land to be made available. Land which has had homes built since 2016 is no longer available but was, by definition, available and effective in the 2016-29 period, so should be subtracted from the HLR going forward. The Dundee Reporters made a similar calculation by subtracting actual 2016/17 completions as part of their calculation of the residual HLR (Examination Report, p. 73), explaining that it was necessary for consistency with the SDP.
6. The Dundee Reporters also subtracted 2017/18 and 2018/19 programmed completions in addition to 2016/17 actual completions. We would respectfully suggest that doing this in the case of Perth and Kinross for 2018/19 programmed completions is unnecessary. Whilst we consider year 1 programming is robust it could be exceeded or potentially slightly underdelivered. As such we consider it would be more prudent to work on the basis of the available evidence as there is no need to make the plan period strictly 10 years, just to ensure it stretches for 10 years from the expected date of adoption, it could cover an earlier period also.
7. In relation to the population projections HFS agrees with Perth and Kinross that the LDP must accord with the SDP and that the targets set out in the SDP cannot be changed as part of the LDP process. We would also point out that the basis of Housing Need and Demand Assessment (HNDA) which informed the SDP is the household projections, not the population projections. The difference between the

2012 based and 2016 based household projections for the period 2016-29 is much smaller.

8. Another important element of the HNDA is unmet backlog of housing need. An unmet backlog of need for 2,502 dwellings in Perth and Kinross was identified in the SDP HNDA, which is a significant amount.
9. We would also caution against the reading of the population / household projections as being solely a demand side indicator. Recent research commissioned by Crisis<sup>1</sup> explained the potential supply side influences on them

*“While household projections are still used [in our model], they are not as central to this new method. As noted in the introduction to this report, one of the key reasons for this is that the projections themselves are based on existing trends; this raises the very real possibility of the effects of historic under-supply of new housing being perpetuated. If household growth has been artificially suppressed by the under-supply of new housing, then basing future need calculations on those lower growth figures will by necessity under-estimate that need.” (p.23)*

10. Recent supply side influences (such as constrained availability and the recession) could therefore be subsumed within the projections and as such these projections should be treated with caution when presented in isolation. We agree with the Council that the SDP targets should be used to ensure legal compliance and consistency with SPP. However, we don't consider that the population projections are relevant to the issue of whether the most recent completions should be used to work out the residual HLR.

### **10 Year Plan Period**

11. Homes for Scotland appreciates that the plan preparation was delayed for reasons outwith the control of the Council. However, we consider that there is a clear requirement in SPP to meet (and therefore set) a housing land requirement over a period of 10 years from the expected date of adoption (para. 119).
12. The Dundee Reporter's conclusions are clear on this point and recommended extending the plan period until 2029. The Dundee LDP was considered ahead of the Perth and Kinross LDP and is within the same Strategic Planning Authority. As such it represents a clear and relevant example of recent practice which, as an important matter of consistency, we consider should be followed.
13. We welcome Perth and Kinross's openness to extending the period to 2029 should the Reporter agree that this is appropriate.

### **Windfall Allowance**

14. Homes for Scotland considers that there is common ground with the Council on the substance of the windfall allowance even if the methodology is a little different. We agree with the Council's statement that a conservative approach is appropriate and that an assumption above 10% of the HLR would not be appropriate. Homes for

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<sup>1</sup> Housing supply requirements across Great Britain: for low-income households and homeless people, Glen Bramley (November 2018) commissioned by Crisis and the National Housing Federation

Scotland's previous response had used the windfall calculation from the draft LDP which had applied it from 2016 as a proportion of the HLR. However, we would agree with the Council that it would be logical to instead apply this 10% allowance from 2018.

### **Later Years Programming**

15. The HFS approach to programming is standard practice and extrapolates out agreed completions rates into the later years of the Plan. Whilst in reality completions will show some variations it is not possible to predict these variations so far in advance and so we consider taking an average annual completions rate is a robust approach, used in the majority of housing land audits.
16. We would accept that some sites may be subject to foreseeable significant changes in output over time. For instance, if a site currently is delivering from one outlet at say c. 2 dwellings per month and another homebuilder has acquired an interest in part of the site, it could be reasonably assumed that the output will significantly increase, perhaps double. As such HFS is open to the idea that evidence may be provided to explain why programming on certain sites may be expected to change accordingly over time.
17. However, the Perth and Kinross programming anticipates step changes in the delivery of a number of dwellings between year 7 (2024/25), which is the final year of the audit with includes annualised programming, and year 8. For example, PEL228, a plots site, increases from 1 dwellings every two years to 2 dwellings per annum (dpa) in year 8. PEL260 increases from 10 dpa to 16 and EAB072 increases from 20dpa to 30. Without further explanation we do not consider this approach to be robust.
18. Homes for Scotland does not in principle have an objection to using the high capacity figures. We consider these would be reasonable on sites with a homebuilder attached which has indicated the high capacity figure or indeed a higher figure could be delivered. However, on sites where no homebuilder or experienced land promoter is attached we consider a more conservative approach would likely result in more realistic and robust programming.
19. Should the LDP progress to be adopted on this basis we consider it would be incompatible with the proposed change to Policy 1D to introduce a cap on the number of new homes allowed on allocated housing sites. It would create an LDP which was reliant on sites delivering the high capacity but which also contained a policy seeking outright refusal of any application which sought to deliver one more home than the housing supply assumed it would. Even if every other policy in the plan was satisfied. For the LDP to implicitly suggest it could make such fine-grained decisions, definitively, before consideration of other merits of the proposal at application stage would evidently be unreasonable.
20. We have previously set out (FIR Response 04) why this proposed policy would be counter-productive and is unevidenced regardless of any changes to the land supply assumptions.

## Conclusion

21. Homes for Scotland welcomes the opportunity to comment on the detailed response which the Council have provided. We note that it appears that Homes for Scotland and the Council agree on the substance of the windfall allowance and it appears tentatively on the use of the 2018 Housing Land Audit. It also appears that there is some common ground on the logic to updating the plan period to 2029.
22. On the consideration of the most recent completions figures we consider these should be used to calculate the HLR and that recent practice in Dundee supports this approach. The programming for the first 7 years of the plan period is common ground between HFS and the Council. However, in some instances HFS and the Council's later years (2025/26 – 2029/30) programming differs. For the reasons set out above we consider our evidence on this matter offers a consistent approach.

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