
improving living in scotland



**NORTH AYRSHIRE COUNCIL FURTHER INFORMATION REQUEST
02 ISSUE 01: HOUSING**

MARCH 2019

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 NORTH AYRSHIRE COUNCIL FURTHER INFORMATION REQUEST 02 ISSUE 01: HOUSING

Introduction

1. Homes for Scotland (HFS) is grateful for the opportunity to comment on North Ayrshire Council's Further Information Request (FIR) response. This submission has been reviewed and agreed by Homes for Scotland's Strathclyde Area Committee.
2. As mentioned in the FIR request, Homes for Scotland has written to North Ayrshire Council welcoming the further evidence on housing provided by North Ayrshire. Homes for Scotland is pleased to have had the opportunity to work collaboratively with Officers. We provided advice on marketable locations and engaged in detailed discussions on the housing land supply through the housing land audit preparation. We continue to broadly support the approach taken by the Council.

General Comments

3. We consider that the setting of the Housing Supply Target (HST) above the HNDA output is pertinent to several points and should be covered upfront.
4. The HNDA is a (nominally) policy neutral part of the evidence base which is used to inform the strategy taken in the LDP. It is the starting point for setting the (HST), but it does not represent a cap on the number of new homes which can be planned for. As the 2018 HNDA Managers Guide explains the two are "*not the same and therefore not expected to match*" (para. 9.1).
5. For instance, if an employment report prepared as evidence to inform the plan, forecast dwindling job opportunities, the Council would not be expected to just plan for this decline. It would be expected that Officers would use the LDP, perhaps in concert with other initiatives, as an opportunity reverse this trend and proactively produce new job opportunities.
6. The approach taken by North Ayrshire is similar in this regard. Setting the HST above the HNDA projection and then seeking to ensure it is met through a rigorous focus on site deliverability, provides a strong example of proactive planning. It is an approach which recognises the agency of the Local Development Plan to deliver important beneficial change. It should go without saying that population decline and the negative effect it would have on communities, services and the viability of local businesses would be a bad outcome.
7. We therefore support North Ayrshire's approach as set out in our letter of 4 October 2018. It is consistent with paragraph 115 of Scottish Planning Policy (SPP) which allows further policy adjustments to be made to the HST.

Response to Specific Questions

We set out our response to selected questions below, recognising that some were specifically directed at the Council and there are others where no further comment from HFS is necessary.

Question 1(d): The council accept some risks associated with a target considerably in excess of any demand assessment in terms of the maintenance of the 5 year effective housing land supply. Such an approach also raises community concerns. In that context:

i) should the emphasis have been placed on actions to deliver the established land supply rather than on additional allocations?

8. Homes for Scotland agrees with North Ayrshire's response. Notwithstanding the Council's efforts to bring forward some of the extant land supply, several sites have been identified for a several of plan cycles with no development forthcoming, even when the market was at its strongest in the middle of the last decade. Such sites do not represent appropriate locations for continued allocations and we welcome the removal of some of these sites from the housing land supply.
9. We strongly support the Council's view that a new approach to housing supply with a greater focus on the quality and deliverability of sites is required. The approach proposed by the Council represents a coherent strategy in this regard. We would also agree that it has the potential to amount to more than the sum of its parts. By allocating sites which are backed by home builders and experienced land promoters, there is scope to test and in time prove the market, leveraging in more investment not only in housing but other businesses and services.
10. Sites promoted by homebuilders or experienced land promoters (whose business model is to sell on to homebuilders) will typically have been subject to more detailed site investigation and market research than other sites. They also importantly indicate a lack of ownership constraints. Ensuring that sites are free of constraints is particularly important in weaker market areas as final sales values are insufficient to cover the significant upfront costs required to deal with constraints.
11. Taking a 'wait and see approach' relying on a bloated and ineffective extant land supply, which in some instances has seen no development or interest for several decades, would not have been an appropriate strategy. Such an approach would have invited population decline and the negative social and economic consequences this would entail.
12. Our members look forward to working with flexibly with officers to ensure the allocated sites are delivered.

ii) is it sufficiently demonstrated that the target, as an estimate of actual housing delivery, is realistic and achievable?

13. Homes for Scotland considers that the target is realistic and achievable. It is evidence based and North Ayrshire delivered homes at a considerably faster rate than this before the recession. A handful of authorities have now begun to match or exceed pre-recession output demonstrating that this is achievable. Whilst Scotland

on average lags significantly behind pre-recession output, a substantial element of this is the lack of land available in the right locations. This is clearly set out in Lichfield's *Effective Housing Land in Scotland's Cities* (December 2016) for instance. The approach taken by the Council seeks to address this.

14. Important changes have also taken place since some of the Council's evidence base was produced. The Ayrshire Growth Deal was announced in January 2019. It will invest £200m to help drive economic development across the region and seek to leverage in further private sector investment. It is important that these ambitions for job creation are matched by a commitment to make effective land available for housing. This ensures a joined-up approach with new job opportunities accompanied by a choice of high-quality new homes throughout the authority.
15. Furthermore, recent evidence from Homes for Scotland Members currently on site in North Ayrshire points towards the possibility of pent up demand in the area with stronger than expected forward sales. These positive signs add further evidence to suggest that the target set is realistic and achievable.

Question 2 (b): In section 22.11 of CD5 the council state it has taken an all tenure approach and is not required to separate the affordable and market sector housing land requirements. Is that statement consistent with the expectation of Scottish Planning Policy that the plan should clearly set out the scale and distribution of the affordable housing requirement for the area?

16. Homes for Scotland agree with the Council that separate Affordable and Market Housing Land Requirements (HLRs) are not required. This is consistent with the SPP, as set out below

*“Outwith city regions, local development plans should set out the **housing supply target (separated into affordable and market sector)** and the housing land requirement for each housing market area in the plan area up to year 10 from the expected year of adoption.” (para. 120)*

17. The placement of the parentheses after the reference to the HST rather than after both or at the start or end of the sentence in the main body of text makes this clear. With regards to the scale and distribution, the LDP includes a reference to the SHIP which sets out the location of the sites proposed for affordable housing.
18. We endorse an all tenure approach to the setting of the HLR. The HLR informs the Council how much land it needs to allocate. The tenure of homes which are ultimately built on site could change over the plan period and should not be fixed. In any case, our view is that the principles of selecting sites for allocation which are effective and in locations where people want to live applies across all tenures.

Question 3 (b): Should this split in the housing target, between affordable and market housing, also be reflected in the housing land requirement figure? Again a suggested amendment should be provided.

19. Homes for Scotland agree with the Council that no change is needed for the reason they have set out and those we put forward above.

Question 3 (d): If the annualised target as expressed in table 22.4 of CD5 is to be included in Schedule 10 should this also be referenced in the main text on pages 60 and 61?

20. Like the Council we would not object to an indicative annual average being included. However, we would question whether this is necessary as in terms of the delivery of the LDP it is the supply target over the plan period which should be met in full.

Conclusion

21. Homes for Scotland welcomes the opportunity to comment on the Council's response and looks forward to participating in the remainder LDP examination as required.

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