

REPORT TO: PLANNING & TRANSPORTATION COMMITTEE – 24 JUNE 2002

REPORT ON: RESPONSES TO CONSULTATION DRAFTS OF REVISED GOVERNMENT GUIDANCE ON PLANNING FOR HOUSING

REPORT BY: DIRECTOR OF PLANNING AND TRANSPORTATION

REPORT NO: 498-2002

1 PURPOSE OF REPORT

- 1.1 To seek the Committee's approval for the submission of the comments on behalf of the City Council to the Scottish Executive in relation to the proposed revisions of National Planning Policy Guideline 3 (NPPG3) – Planning for Housing; and Planning Advice Note 38 (PAN38) – Housing Land.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Committee notes and endorses this report, prepared for submission to the Scottish Executive as the City Council's response to the consultation drafts of NPPG3: Planning for Housing and PAN38: Housing Land.

3 FINANCIAL IMPLICATIONS

- 3.1 There are no financial implications arising for the City Council as a direct result of this report.

4 LOCAL AGENDA 21 IMPLICATIONS

- 4.1 The draft revisions to NPPG3 and PAN38 will set a context for future development plan and development control decisions of the City Council. As such they could impact on the following key themes identified in Dundee 21: access to facilities, services, goods and people is not achieved at the expense of the environment and are accessible to all; places, spaces and objects combine meaning and beauty with utility; settlements are human in scale and form; and diversity and local distinctiveness are valued and protected.

5 EQUAL OPPORTUNITIES IMPLICATIONS

- 5.1 Access to good quality housing is important in seeking to promote equality of opportunity. The draft revision to NPPG3, amongst other things, places considerable emphasis on the design of new housing and the need to ensure that new housing is easily accessible by public transport and well integrated into walking and cycling networks. Reflecting this guidance in development plan and development control decisions will help to promote equal opportunities.

6 BACKGROUND

- 6.1 The Scottish Executive has published a draft revision of NPPG3: Planning for Housing setting out new planning guidance on housing. This draft has been published for consultation purposes and Dundee City Council has been invited to submit comments.
- 6.2 The draft revised NPPG3 reflects the key planning policies in NPPG1: The Planning System (revised in 2000), addressing them in relation to new housing development. They are:
- economic competitiveness – providing land for new housing development;
 - environmental quality – improved design; energy efficiency;
 - social justice – the provision of affordable housing;

- integrated transport – new housing development should be located to encourage and facilitate public transport, walking and cycling.
- 6.3 These measures are intended to promote a more attractive and sustainable living environment for the people of Scotland as part of the wider investment in new housing. The NPPG also addresses a number of detailed matters including the reuse of previously developed land, development of greenfield sites, and housing in rural areas.
- 6.4 The Scottish Executive has also produced a summary of the NPPG and this has been reproduced as Appendix 1 to this report.
- 6.5 The Scottish Executive has also published a draft revised PAN38: Housing Land. This document complements NPPG3, setting out advice on the approach to estimating the requirement for new housing and the provision of land to meet the requirement. It also covers detailed technical matters less appropriate to NPPG3.
- 6.6 In addition to the above, the Scottish Executive has published a draft Regulatory Impact Assessment. This assesses the impact of the draft NPPG on business and other interests and sets out the Executive's view of the cost implications of the revised guidance.

7 IMPLICATIONS FOR DUNDEE CITY COUNCIL

- 7.1 The following section offers comment on the draft NPPG and PAN from the perspective of planning for housing in Dundee.
- 7.2 Once it has been finalised, NPPG3 will set the national policy context for new housing. As such it will have a significant influence on future development plan work of Dundee City Council and ultimately the decisions that the Council takes on planning applications.
- 7.3 In the majority of respects, the draft NPPG does not represent a fundamental departure from the approach in the current NPPG3: Land for Housing (revised 1996). There exists therefore a high degree of consistency between the draft NPPG and the approach taken in the Dundee Local Plan 1998 and the Finalised Dundee and Angus Structure Plan. In terms of the timing of the publication of the draft NPPG, the opportunity exists for the Scottish Executive to modify the Finalised Structure Plan if necessary, to reflect its provisions. Furthermore, once the NPPG has been finalised, the opportunity will exist for its provisions to be reflected in the Finalised Dundee Local Plan Review.
- 7.4 Whilst the contents of the draft NPPG and PAN are generally to be welcomed, the wide variation in circumstances for which the guidance has been prepared requires to be recognised. In particular, the relative pressures on different housing markets across Scotland will require a wide variety of policy responses. This is a difficulty for the NPPG and perhaps requires more explicit recognition. In particular, the NPPG and PAN will be important factors in development plan preparation, local plan inquiries, planning applications and planning appeals. It is important that national policy recognises that local circumstances may demand a different approach and that such variance is legitimate. This is particularly relevant to Dundee where the approach to housing in a declining market will differ significantly from that in pressured housing markets such as Edinburgh and surrounding area.
- 7.5 The draft PAN states that housing market areas provide an established basis for calculating housing land requirements. Within the current strategic planning context, this is likely to continue to raise issues for Dundee City Council where the Greater Dundee Housing Market Area as defined by Communities Scotland extends into the administrative boundaries of Angus, Perth and Kinross and Fife. Under current strategic planning arrangements this results in consideration of housing within the Greater Dundee Housing Market Area falling within the remit of four planning authorities and three structure plan authorities. There is a clear need for this situation to be resolved to ensure better integration and consistency in

approach between the development strategies of different plans affecting this Housing Market Area. The draft proposals published recently by the Scottish Executive entitled the Review of Strategic Planning will, if implemented, be a step forward.

- 7.6 The increased focus on the importance of design in new housing is welcomed. This sits comfortably with efforts made by this Council to improve standards in new housing through vehicles such as the Housing Design Guidelines in the Dundee Local Plan and the Urban Design Guide. The proposal to produce a Planning Advice Note aimed at raising the standard of new housing is a positive one.
- 7.7 The draft NPPG states that with good design, and particularly close to public transport routes, higher density development may be appropriate. However, it is important to recognise that considerations other than design are relevant in determining whether higher density development is suitable. In Dundee, there exists a preponderance of flats relative to the increasing proportion of households that aspire to live in a house. This mismatch between supply and demand is fuelling housing related out migration from the City. Issues of low demand related to flatted stock in the City can potentially be exacerbated by new higher density development.
- 7.8 The draft NPPG promotes the reuse of previously developed land in preference to greenfield land. Whilst the approach in the Finalised Dundee and Angus Structure Plan is generally consistent with this, there is a recognition that brownfield sites in the City are not in locations or offer living environments that can satisfy all sectors of the housing market. As stated previously, one of the principal factors in population out migration from the City is the quality and choice of housing available. The Finalised Structure plan advances a balanced strategy that supports controlled greenfield land release as part of an integrated approach to addressing population decline. The legitimacy of such an approach requires to be acknowledged in the NPPG.
- 7.9 The important role of the development plan in assessing housing land requirements and bringing forward sites to meet this is emphasised in the draft NPPG. Furthermore, development plans are encouraged to take a long term view on the provision of new housing, setting out a locational strategy for future development over a period of 20 years. The merits of this approach in offering greater certainty to developers and communities over the scale and direction of future growth are recognised. However, household projections do not look far enough ahead to inform this process. In addition, information on other factors that influence decisions on housing land release is more open to challenge over this extended timescale. The benefits of this longer term approach also require to be balanced with the reduced flexibility to modify policy approaches to address emerging issues or grasp new opportunities as they arise.
- 7.10 The strategy of the Dundee and Angus Structure Plan looks ahead to 2016, although detailed housing land allowances are set out for the period to 2011.
- 7.11 The longer term approach to planning for housing is supported in the draft PAN with reference to the increased confidence that it will give to infrastructure providers about the future direction of development. However, this does not address concerns over the increasing detachment of infrastructure providers from the development planning process and in particular the lack of a strong relationship between the development plan and investment plans. The unwillingness of infrastructure providers to invest in schemes to facilitate "speculative development" can have a significant impact on the development options that may be available to a planning authority. The increasing reliance on developers to fund infrastructure has the potential to undermine proper planning.
- 7.12 In terms of housing land, the draft NPPG sets out a need for development plans to provide at least a 7 year supply of land that is effective or agreed as likely to become effective to meet the plan requirement. This is a change from the current approach which requires plans to provide a 5 year supply of effective housing land. Whilst the additional certainty that this

approach gives is to be welcomed, there is a need for clarity in the NPPG whether the 7 year supply of effective land is to be available at the stage of Local Plan adoption or should be maintained throughout the Local Plan period. The requirement to address matters such as the phasing of development raises challenges that the Local plan process must address.

- 7.13 In term of land supply issues, a criticism of the current approach is the focus on housing land supply and the lengthy debates on issues of effectiveness that are a common element of Local Plan inquiries. There is a need to move away from this process oriented approach and to focus more on the outcomes of planning for housing. Whilst the draft NPPG represents a positive step towards this, there remains a danger that debates on the effectiveness of housing land will continue to divert attention away from creating sustainable, vibrant residential communities.
- 7.14 The provision of affordable housing is also covered in the draft NPPG. This is a particular issue in parts of the country, notably areas where strong demand is increasing housing prices beyond the reach of sectors of the population. In such instances, there is an increasing pressure on the planning system to secure provision, for example through planning agreements. In Dundee, however, house prices are relatively low and there exists a plentiful supply of social rented housing. Issues regarding the quality and choice of social housing in the City demand that investment by Communities Scotland in provision continues. However, with the relatively fragile housing market that exists in Dundee, there is a danger that any requirement on developers to provide a proportion of affordable houses on a development site may impact on the viability of a proposal. This is particularly the case in respect of brownfield sites.
- 7.15 The draft PAN recognises that need and demand factors require to be considered in determining housing land allowances in structure plans. In Dundee, there are more houses than households and there is therefore no housing need. However, new houses continue to be built, illustrating that demand exists in the City. Furthermore, investment in social rented housing by Communities Scotland is improving the quality and choice of housing available in the City. This investment is an integral part of the City's strategy aimed at tackling housing related out migration through the development of new housing in Dundee that meets the aspirations of owners and tenants. It is a strategy that supports replacement rather than expansion of the City's housing stock.
- 7.16 A final comment relates to the title of the draft NPPG, Planning for Housing. It is suggested that a more appropriate title given the focus of the document would be Planning for New Housing.

8 CONSULTATIONS

- 8.1 The Chief Executive, Director of Finance, Director of Support Services, and Director of Corporate Planning, have been consulted and are in agreement with the contents of this report.

9 BACKGROUND PAPERS

- 9.1 NPPG3 Revised 2002 Planning for Housing Consultation Draft.
- 9.2 PAN38 Revised 2002 Housing Land Consultation Draft.
- 9.3 Draft Regulatory Assessment for Revised Draft NPPG3: Planning for Housing.

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Revised NPPG 3: Planning for Housing – Draft March 2002

Summary

A key aim of the planning system is the provision of good quality, well-located new housing consistent with national and local policies, particularly on sustainable development, social justice and integrated transport. In meeting the requirements of housing markets across Scotland, planning authorities and housing providers should work closely together to:

- **create quality residential environments** - New housing development should make a positive contribution to the built and rural environment, and should be designed and laid out with energy efficiency in mind to provide lasting benefits. The planning system has an important role in promoting good design in new housing development, specifying the requirements for landscaping and open space, and indicating the circumstances where higher densities will be appropriate.
- **guide new housing developments to the right places** - New housing developments should be easily accessible by public transport and well integrated into walking and cycling networks. As part of a long-term settlement strategy, previously developed land and buildings will have a key role and should be reused where a viable and environmentally satisfactory development can be achieved. Extensions to cities, towns and villages or new settlements may also contribute and should be developed in a sustainable manner.

In rural areas the majority of new housing requirements should be met within towns and villages. To meet the challenges arising from the changing rural economy, planning authorities should indicate the circumstances and locations where there is a need to provide for new housing outwith existing settlements.

- **deliver housing land** - Planning authorities should meet the housing land requirement for each housing market in full. The planning system can also support a strategy to provide affordable housing in an area. The plan-led process of providing housing land should provide greater certainty and be more responsive, by :-
 - development plans taking a 20-year view of the pattern of future development, with a forecast of land requirements for the first 7 years, and less precise forecasts for following periods;
 - requiring that development plans provide a supply of land which is effective or agreed likely to become effective to meet requirements for 7 years;
 - careful and regular monitoring of completions, land availability and future requirements ;
 - more frequent revision of plans, or alterations when necessary to maintain a clear forecast and supply; and
 - measures to ensure that land continues to become available if there are delays in plan preparation.