

**REPORT TO:** PLANNING & TRANSPORT COMMITTEE - 10 MARCH 2008

**REPORT ON:** SCOTTISH PLANNING POLICY SPP3: PLANNING FOR HOUSING - CONSULTATIVE DRAFT

**REPORT BY:** DIRECTOR OF PLANNING & TRANSPORTATION

**REPORT NO:** 111-2008

## **1 PURPOSE OF REPORT**

- 1.1 To advise the Committee of the comments to be forwarded to the Scottish Government on the Consultative Draft of Scottish Planning Policy SPP3 Planning for Housing.

## **2 RECOMMENDATION**

- 2.1 It is recommended that the Committee
- a note and endorse the comments of the Director of Planning and Transportation, prepared for submission to the Scottish Government as the City Council's response to the Consultative Draft of Scottish Planning Policy SPP3 Planning for Housing.

## **3 FINANCIAL IMPLICATIONS**

- 3.1 There are no financial implications as a result of this Report.

## **4 BACKGROUND**

- 4.1 The Scottish Government published "Scottish Planning Policy SPP3 Planning for Housing" for consultation in January 2008. The consultation period extends to the 31 March 2008.
- 4.2 The Consultation Draft advises that SPP3: Planning for Housing was first published in February 2003 to provide policy direction on the provision of well-located, high-quality new housing through the planning system, including the provision of a sufficient supply of land and the creation of quality residential environments. The draft highlights that since its publication, there have been indications that SPP3 has not been as effective as intended, particularly in regard to the generous release of land for housing.
- 4.3 The revision of SPP3 seeks to strengthen and reinforce planning policies to help meet new priorities on the provision of new housing in Scotland, as expressed in documents such as *Firm Foundations*, The Scottish Government's discussion paper on the future of housing in Scotland. The revision will also take place in the context of the changes to the planning system that will be brought about in the next few years by the Planning etc. (Scotland) Act 2006.
- 4.4 The Consultation Draft sets out the Scottish Government's policy on the identification of housing requirements, the provision of land for housing and the delivery of housing through the planning system. The overarching aim of the document is intended to refocus the role of planning in the delivery of housing, from debates around the calculations of housing requirements and land availability, to building a better, more

diverse range of houses to serve the economic, social and environmental aspirations of Scotland.

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;
- creation of high quality residential environments; and
- interface between planning control and licensing of Houses in Multiple Occupation.

4.6 The response of the Director of Planning and Transportation to this document forms Appendix 1 to this report. The main thrust of the response is that there is a concern that the draft SPP is taking a one size fits all approach and fails to fully recognise that different areas of Scotland are facing and addressing different issues.

## **5 POLICY IMPLICATIONS**

5.1 This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty and Equality Impact Assessment.

5.2 There are no major issues.

## **6 CONSULTATIONS**

6.1 The Chief Executive, Depute Chief Executive (Support Services), Depute Chief Executive (Finance), Head of Finance and Assistant Chief Executive (Community Planning) have been consulted and are in agreement with the contents of this report.

## **7 BACKGROUND PAPERS**

7.1 None

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Director of Planning & Transportation

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IGSM/GSR/ES

6 February 2008

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## **APPENDIX 1**

### **SCOTTISH PLANNING POLICY 3: PLANNING FOR HOUSING**

#### **GENERAL COMMENTS**

As outlined in the Committee Report the main thrust of this SPP is to try and secure an increase in the supply of land for house building within Scotland. Whilst, it is accepted that it is crucial to ensure that adequate land is available to meet the needs and demand for housing in Scotland the approach set out in the SPP raises issues of concern for the City of Dundee

There is a very real concern that the entire thrust of this document is based on the premise that there is a shortfall in the supply of land for housing across the whole of Scotland. It then assumes that this perceived shortfall is the reason for the lack of increase in house building output in a time of high demand.

In all of this, there is the implication that the planning process is the main reason for the failure to meet the current demand for new housing within Scotland.

It is considered that this is a simplistic interpretation of the current issues regarding the supply of housing within Scotland and that the response in SPP3 is inadequate.

As a result there is a concern that the whole emphasis of SPP3: Planning for Housing has moved too far in the direction of providing an increase in supply as opposed to a balanced approach to achieve both sufficient land for housing and also the creation of quality places to live.

As a result SPP3 is potentially setting out a developer's charter rather than guidance for the proper 'Planning for Housing'. Whilst, the provision of a supply of land for housing is extremely important it should not be at the cost of quality place-making. This mistake was made in the 1960's/70's and there is a real danger that this SPP could be pushing the whole system back in that direction.

There is also a serious concern that the SPP focuses all the attention on the failure of Local Authorities and Planning Departments, in particular, to deliver an appropriate supply of housing land to meet the demand of the market.

However, there is no real evidence of any assessment of the whole development process and in particular the actual delivery of housing once planning permission has been granted. Surely, there is a need to recognise that, developers have a significant role to play in actually delivering the houses. The SPP would be more balanced if it looked at measures for actual delivery.

The SPP also takes a one size fits all approach and does not recognise that different areas of Scotland are facing and addressing different issues. The emphasis on a generous supply of land could have the real danger of having a negative impact on regeneration projects in cities like Dundee. The approach proposed could result in the oversupply of land in certain areas and lead to developers cherry-picking the best sites which are most likely to be in green field locations. This would mean that more difficult brown field sites may not be developed by the private sector and the ability to achieve mixed use communities as part of successful regeneration proposals would be undermined.

It is considered that there is a need for a more detailed examination of the whole development process including the actual delivery of housing by developers. The need to provide sufficient land for housing building is accepted as crucial and the clarity provided on the expected process to be followed is welcome. However, there is still the real need to ensure that this is not achieved at the expense of quality design and place-making. More emphasis of the importance and role of these factors should be included in the SPP. In addition, consideration needs to be given to ensure that regeneration projects in towns and cities are not undermined through the increase of available land on more attractive sites.

## LIST OF QUESTIONS

### **Q1: Do you think that planning guidance on HMOs should be provided as an annex to SPP3, which replaces the existing Circular 4/2004?**

Providing planning guidance on HMOs is to be welcomed. The inclusion as an annex to SPP3 in theory has the benefit of keeping related information together and adding weight to the guidance on HMOs.

However, an SPP is meant to provide statements of Scottish Government Policy on nationally important land use and other planning matters. The guidance contained within the annex to this draft is somewhat lengthy and descriptive and primarily covers details of the licensing system. Most of this guidance is available elsewhere. If a Policy Statement is to be included it should be within the main text and be more succinct, focusing on the planning aspects.

If a more succinct approach is followed then it could be backed up with a separate Planning Advice Note on HMOs. This could include the detail set out in the annex and provide examples of good practice by Local Authorities on this subject.

### **Q2: Do you agree that this revised structure, including the annexes, improves upon the existing SPP3? In what ways do you think the revised structure provides more effective guidance?**

The revised structure clearly seeks to establish a more focused process-based approach to identifying and meeting the needs of the housing market. This type of approach should in theory lead to greater consistency in the assessment process and the role and function of Local Housing Strategies and Development Plans. In addition, it should result in less disagreement between the various stakeholders in the assessment of the provision of land for housing.

However, moving to this approach has the danger of too much concentration on the process rather than the outcomes. The whole focus of this SPP is premised on the assumption that if you simply increase the supply of available land you will produce more houses. This is clearly a somewhat simplistic approach to a complex process. It is considered that the other factors affecting the process should be clearly set out to provide a proper context.

Therefore whilst the revised guidance may well clarify the process it is at the expense of other important matters. The emphasis on achieving quality of residential environments has been somewhat sidelined. The danger here is that the real need to achieve quality in terms of design and place-making of residential environments may be lost.

Whilst process and consistency are important they will be of little consequence if they result in poor quality housing and place-making.

Therefore improved process and efficiency should not be at the expense of the quality of the output.

The inclusion of the annexes are helpful but they may suffer from being restricted due to length of space. These would probably be better if produced as separate PANs which allow more space for best practice examples etc.

**Q3: Do you agree it is desirable to achieve a more robust and consistent approach to the assessment of housing need and demand? Does the approach set out in chapter two provide an appropriate mechanism for this?**

Yes, a more robust and consistent approach to the assessment of housing need and demand is certainly desirable. The approach set out in Chapter two is an improvement on the existing situation.

Whilst this is desirable to achieve it should be recognised that it will put a further burden on Local Authority resources and require additional expertise/skill-sets. It will also require additional time to achieve. These issues require to be fully recognised and properly funded. In addition, while it appears straightforward the proposal to align these processes and documents will be complex and time consuming.

**Q4: How should the transition between the existing housing delivery system and that proposed be handled? How best can the cycles of new development plans due from the end of 2008 and the LHS due in summer 2009 be synchronised?**

Given the complexity of the proposed changes and the likely resources required to achieve this approach some form of guidance on the transitional arrangements should be produced.

Any transition arrangements will require time to achieve particularly in the context of all the other changes being carried out to the planning system.

Clearly there is a timing issue if the proposed process based approach is to be followed. The LHS and the new development plans needed to be produced either in tandem or the LHS produced ahead of the development plans. If this does not happen then the development plan will not be in a position to allocate the requirements identified by the LHS.

**Q5: Do you agree that local authorities should set policies to control the proportion of HMO accommodation in a given unit, where this is necessary? How should maximum proportions be decided?**

Yes. Dundee City Council has already produced and approved supplementary planning guidance tackling the issue of the excessive concentration of HMOs in particular areas of the City. This has now been operated for over a year and recently reviewed to assess its effectiveness.

The approach to deciding on maximum proportions will vary depending on the scale of the existing problem. As indicated above this level of detail would be better addressed through a planning advice note which could more fully consider the issues and set out examples of best practice.

**Q6: How do you think the planning system and the HMO licensing system can work together more effectively?**

From experience in Dundee good communication between planning and licensing is considered to be essential. It is also important to set out clearly the roles and responsibility of each system. The production of guidance covering both areas helps to clarify the requirements of both systems.

**Q7: Does "the period under consideration" require a definition?**

Yes. If a consistent and robust approach is to be achieved then clear definitions are important and required.

**Q8: Is this a useful way to highlight the range of complementary policy and guidance that should be referred to throughout the process set out in SPP3? If not, what approach would be preferable?**

A list of what the Scottish Government considers to be the complementary policy and guidance relating to SPP3 is helpful. It would be helpful if these were actual links to the web locations of these documents and to the relevant parts where appropriate.

**Q9: Are there particular costs or benefits not addressed in the partial RIA? What are they?**

The partial RIA does identify the main areas where the costs of implementing the proposed process-based approach will be felt. The approach will clearly place a heavy burden on the existing resources and skill base of local authorities.

The need for training to provide the necessary skills or use of consultants to produce the Strategic Housing Need and Market Assessment should be stressed. The fact that this is coming at a time when a whole new raft of other new processes and procedures are being brought forward should also be taken into account.

**Q10: Will particular groups not identified by the partial RIA be affected by SPP3?**

The SPP seems to cover the main groups likely to be affected. Clearly Housing Departments in Local Authorities will be affected by the requirements of SPP3.

**Q11: How might SPP3 impact positively or negatively on equalities groups?**

SPP3 may have a negative affect on equalities groups. If the increase emphasis in supply results in the over allocation of sites it could mean that developers cherry-pick the better greenfield sites at the expense of brownfield sites in regeneration areas. This could undermine the delivery of regeneration schemes and the pursuit of more mixed sustainable communities. This would have a potentially detrimental impact on various groups.

**Q12: Will any groups not identified already in the partial EqIA be affected by SPP3?**

The main groups appear to be identified.

**Additional Comments**

- The title to page 3 of the document refers to the SPP as "SPP3 Land for Housing". I assume that this is a drafting error and should read "Planning for Housing"?
- In paragraph 5 there is a philosophical debate about housing preferences and what is driving aspirations for owner occupation. If quality housing was available across all tenures then real choice would exist. The focus on home ownership ignores that fact that for many ownership is not a realistic aspiration.
- In paragraph 15 the SPP seeks the allocation of sufficient land to meet identified need and demand for housing, including affordable housing, across all tenures. Building quality houses across all tenures requires appropriate funding. There is a real concern that Communities Scotland benchmarking figures for new social rented housing will have a detrimental impact in achieving high quality sustainable housing, with appropriate facilities.
- In paragraph 28 reference is made to achieving mixed communities. Some further guidance on what is meant by mixed communities and how these can be achieved would be welcome.
- Paragraph 42. In areas of regeneration such as Dundee identifying sites in the medium to long term can be challenging. High proportions of completions on brownfield sites take advantage of opportunities as they arise. As some brownfield sites that will become available cannot be foreseen, the approach being put forward by this SPP may put pressure on allocations of greenfield sites to meet requirements. This will cut across many aspects of SPP3 and other statutory requirements to exercise development planning functions with the objective of contributing to sustainable development.
- Paragraph 61. Much demand for new housing comes from households occupying unpopular/unsuitable housing. Redevelopment is creating the housing land requirement particularly in areas like Dundee with projected decline in household numbers. If redevelopment sites don't count towards meeting housing land requirement as proposed, this raises questions regarding timing, tenure, location etc.
- There is only limited reference made to issues of sustainability and energy efficiency in new housing. More specific policy/action is required.

**Annex B Houses in Multiple Occupation**

- Section 28 suggests that systems for sharing information should be established. This approach is supported and it is considered that this would be best achieved through the use of Councils' Corporate Address Gazetteers and Geographic Information Systems. Using these systems would provide as great a level of consistency and efficiency as possible. However, it needs to be recognised that these developments are not trivial in terms of defining agreed procedures and software development and implementation.

**Annex C Housing Land Audits Additional Comments**

- Strategic Development Planning Authorities. For those authorities involved in the City Regions then the formulation of the new Strategic Development Plans will provide an

opportunity to review approaches to housing land identification. Guidance on how authorities should approach this should be included in the guidance.

- In paragraph 14 (page 50) it is suggested that "completions on regeneration sites should be shown net of any demolitions which have taken place." It is considered that this approach is inappropriate. Demolitions on some regeneration sites may have taken place a considerable up to 5 to 10 years or more prior to the granting of permission and building taking place. In addition, the tenure may change as a result of redevelopment eg what was previously council housing may be replaced with owner occupied housing. The proposed approach will only complicate the audit process and result in further debate and potential delay.
- In paragraph 21 the issue of land with agreed potential is touched upon. However, no mention is made of land in local authority ownership which is part of an agreed disposal programme. It is often the case that as part of a Council's demolition programme land has been identified and Council approval given to sell this land off for house building. It is considered that this land should be included in the audit as contributing to the available supply and appropriate status given to it.
- No mention is made of student housing within the guidance covering audits. Dundee along with other cities with major universities has experienced the development of large numbers of purpose built student accommodation. This is clearly meeting a need for new housing. Guidance on how to deal with this in the audit process would be welcome.