

# Planning Committee

10.00am, Thursday, 25 February 2016

## TABLED ITEM

### Scottish Government - Draft Planning Delivery Advice

Item number

Report number

Executive/routine

Wards: All

#### Executive summary

The Scottish Government has produced draft planning advice on housing and infrastructure delivery for consultation. This will replace current advice on housing land audits and provides new advice on infrastructure delivery. This report provides a response on behalf of the City of Edinburgh Council as Planning Authority.

The response broadly welcomes the draft advice which provides clarity and addresses issues presented by the current Scottish Government advice on housing land audits. It identifies areas where further clarity would be helpful and proposes changes to some elements of the draft advice.

#### Links

Coalition pledges	<a href="#">P8</a>
Council outcomes	<a href="#">CP10, CP11, CP12</a>
Single Outcome Agreement	

## Scottish Government – Draft Planning Delivery Advice

### Recommendations

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- 1.1 It is recommended that the Committee:
- agrees the Appendix to this report as the Council's response to the Scottish Government draft planning delivery advice on housing and infrastructure.

### Background

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- 2.1 The Scottish Government has made it clear that planning needs to focus on the delivery of good quality places and help to increase the supply of housing. Current advice on housing land is set out in [PAN 2/2010 Affordable Housing and Housing Land Audits](#). A [report to Planning Committee](#) on 3 December 2015 highlighted issues with the current advice on housing land audits, in particular the method of calculating the effectiveness of the housing land supply.
- 2.2 The Scottish Government issued draft advice on housing and infrastructure delivery, for consultation, on 17 February 2016. This builds on [Scottish Planning Policy](#) (SPP), published in 2014, and sets out advice derived from the Scottish Government's [Planning for Infrastructure Research Report](#) that was published in August 2015. The online advice will replace Section 2 of PAN 2/2010, relating to housing land audits. Consultation on the [draft Planning Delivery Advice](#) provides an important opportunity to influence its content and try to ensure that issues presented by the current advice for Edinburgh are addressed. The consultation period ends on 31 March 2016.

### Main report

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- 3.1 The draft online advice is provided to assist in the preparation of development plans. It provides advice on the effectiveness of housing land. It sets out criteria for establishing effectiveness of sites and a methodology for calculating a five year effective land supply. The effectiveness of housing land is important as SPP indicates that, where a shortfall in the 5 year effective housing land supply emerges, a presumption in favour of sustainable development will be a material consideration. The draft advice may be a material consideration in the determination of planning applications and appeals and should be considered alongside the current PAN 2/2010.

3.2 The content broadly covers:

- Development Plans.
- Replacement advice on measuring housing land.
- New advice on infrastructure planning and delivery, including funding aspects and use of Action Programmes.

**Development Plans That Deliver**

- 3.3 The approach to development plans set out in the draft advice reflects that which has been applied by the Council through the development of the Edinburgh Local Development Plan. This draft advice is welcome and should assist in making development plans more deliverable.
- 3.4 The draft advice focuses on the delivery of development through the development plan. It indicates that the development plan should be more than a passive document. It should clearly define outcomes and identify requirements to achieve their delivery. Planning should catalyse delivery.
- 3.5 The need to establish shared ownership of development plans is acknowledged in the draft advice. Planning authorities are identified as having a key role to play in bringing together delivery partners to ensure a shared commitment to the plan. The need for wider corporate buy-in within local authorities is highlighted.
- 3.6 Focusing time and resources at the earliest stages of the plan process is advocated to generate cost savings at later stages, including development management.
- 3.7 To engage communities and others the draft advice advocates the use of the Place Standard, a tool which brings people together to evaluate the social and physical aspects of a place. This tool was piloted last year by the Council and the local community in Queensferry. Its use as a corporate mechanism for developing strong links between spatial development plans and locality planning is being advanced in Edinburgh with additional opportunities being explored.

**Planning to Deliver Homes**

- 3.8 The draft advice acknowledges the need for planning to move beyond a focus on numbers of homes and the extent of allocated land required to having a greater emphasis on delivery.
- 3.9 This section of the draft advice replaces the current Scottish Government advice PAN 2/2010. Technical advice is provided on the setting of housing supply targets and requirements, identifying effective land and the content of housing land audits. The three most significant changes from PAN 2/2010 are as follows:
- The draft advice now separates out marketability from the technical factors which can affect effectiveness. Marketability has often been used to restrict the amount of land that is regarded as effective based upon a developer's programme of output. This has been an issue in Edinburgh.

- The draft advice indicates that a measurement of five-year effective capacity should be included in housing land audits. Currently the five year effective land supply is a measure of programmed output and as such can change significantly due to market conditions, reducing the contribution of particular sites to effective land supply with no actual change to the site in question.
  - A section which explicitly states how the adequacy of the five year effective supply should be assessed is contained in the draft advice. It states that the effective supply should be assessed against the housing supply targets rather than the housing land requirement. It would, however be useful if the advice could also state explicitly how the five year effective supply is defined.
- 3.10 The changes are welcome and should assist in the ability to provide a plan-led approach to the delivery of housing.
- 3.11 The build to rent sector (BTR) is highlighted as an opportunity to increase the rate of delivery of housing. BTR is purpose-built accommodation for rent rather than sale, providing large-scale, professionally managed residential rental accommodation. The opportunity presented by this sector was previously highlighted in the Chief Planner's letter of October 2015 to all planning authorities. The text appears to cover matters which would be better dealt with in a change to the Use Classes Order. Such an update could usefully result in complete statutory definition for residential accommodation types.

### **Planning for Infrastructure**

- 3.12 The Council has worked with the Scottish Government and others to demonstrate its efforts to support housing delivery and reform infrastructure planning and developer contributions and this appears to have influenced the government's advice.
- 3.13 The development plan is identified as the primary planning document for the identification of infrastructure requirements, whether strategic or local, which are needed to deliver the plan. The draft advice sets out the types of infrastructure which are relevant to development planning. It provides advice on establishing capacity and needs and what should be included within the development plan.
- 3.14 It is suggested that the draft advice should be generally supported. In particular that infrastructure planning is integral to the plan preparation process and the use of the Action Programme as a project management tool.
- 3.15 The draft advice sets out a large number of tasks for plan-preparation and implementation stages to identify infrastructure requirements. This will need to be considered in the scoping of the next LDP project.

- 3.16 The draft advice advocates an approach to using Action Programmes as corporate documents to plan infrastructure and investment. The Edinburgh Action Programme is cited as an example of good practice.
- 3.17 The draft advice states that the plan should identify all known requirements for infrastructure and set out contribution zones for developers in the development plan. There is a tension between this and the requirement for infrastructure actions and delivery to be managed dynamically. Flexibility is required to deal with changes in delivery timescales, additional land releases, options, political decision making, funding resources, costing (including inflation) and changes to contribution zones.
- 3.18 There is an assertion in the draft advice that relevant funding mechanisms should be identified in the plan. It is not considered that it is the role of the plan to do so. Funding mechanisms should be identified through the Action Programme, not the plan.
- 3.19 Further definition is required of certain terms used within the draft advice. These are identified, along with expression of support for much of the advice and concerns as highlighted above, in the proposed response to the Scottish Government included as an Appendix to this report.

## Measures of success

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- 4.1 To have influenced the final Scottish Government planning delivery advice.

## Financial impact

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- 5.1 There are no direct financial impacts as a result of this report. When finalised the Scottish Government advice on planning delivery could have significant implications for resources and the studies to be prepared for Local Development Plan 2, the current proposed Action Programme and monitoring.

## Risk, policy, compliance and governance impact

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- 6.1 The proposed response to the Scottish Government broadly supports the draft advice which to a great degree reflects current practice in Edinburgh. The response highlights areas which it will be important to retain and seeks some changes to the draft. Should recommendations not be supported there is a risk that an opportunity will be missed to influence the final advice in a way that ensures the approach considered necessary to successfully deliver the development plan is supported by national advice.

## Equalities impact

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7.1 There are no negative equalities impacts as a result of this report.

## Sustainability impact

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8.1 There is no sustainability impact as a result of this report.

## Consultation and engagement

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9.1 No consultation has been undertaken in relation to the preparation of this report.

## Background reading/external references

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Scottish Government online draft Planning Delivery Advice

[Scottish Planning Policy 2014](#)

[Letter from Chief Planner - New housing delivery-Private Rented Sector, October 2015](#)

[Planning for Infrastructure Research project: Final Report August 2015](#)

[PAN 2/2010 Affordable Housing and Housing Land Audits.](#)

[Report to Planning Committee 3 December 2015 Housing Land Audit 2015.](#)

[Draft Planning Delivery Advice: Housing and Infrastructure, Scottish Government, February 2016](#)

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## Links

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<b>Coalition pledges</b>	<b>P8</b> - Make sure the city's people are well-housed, including encouraging developers to built residential communities, starting with brownfield sites
<b>Council outcomes</b>	<b>CP10</b> - A range of quality housing options <b>CP11</b> – An accessible connected city <b>CP12</b> - A built environment to match our ambition
<b>Single Outcome Agreement</b>	
<b>Appendices</b>	Appendix 1: City of Edinburgh Council response to Scottish Government Draft Planning Delivery Advice on Housing and Infrastructure

## **Appendix 1 – City of Edinburgh Council response to Scottish Government Draft Planning Delivery Advice on Housing and Infrastructure**

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The draft advice published on 17 February 2016 is broadly welcome. The Council is pleased to note that the work it has done with the Scottish Government and others to show its efforts to support housing delivery and reform infrastructure planning and developer contributions appears to have influenced the draft advice. Comments are provided below following the structure of the draft advice.

### **Planning to Deliver Homes**

#### **How much housing is required?**

##### **Calculating the 5 year effective land supply**

- Welcome the section demonstrating the calculation necessary to assess the adequacy of the 5 year effective land supply.
- Welcome the clarity that the extent of effective land supply is assessed against the housing supply target as distinct from the housing land requirement.
- The document appears to have moved away from the effective land supply being measured in terms of the 5 year programme of anticipated completions and this is welcomed. However, it would be useful if the term ‘5-year effective housing land supply (units)’ used within the assessment calculation were more clearly defined and distinguished from the term ‘Effective land supply’ used in the preceding paragraphs.

#### **Housing Supply Target**

- Welcome the advice assessing the capacity of the construction sector. In some locations the Housing Need and Demand Assessment can identify demand that cannot be met in the short term due to the capacity of the industry to concentrate sufficient resource in the necessary time frame.
- Welcome the statement on pace and scale of delivery. Completion rates vary with time and react to economic and market conditions.

#### **Generosity**

- Welcome the clarity on the purpose of generosity. It is applied to the target to ensure that more than enough land is allocated to ensure that the targets can be met – it is not about aiming for additional completions over and above the estimates of demand.



## **Build to Rent**

- The text appears to cover matters which would be better dealt with in a change to the Use Classes Order. Such an update could usefully result in complete statutory definition for residential accommodation types.

## **Establishing an effective housing land supply?**

- Strongly welcome the removal of marketability from the criteria of an effective site. Marketability has often been used to restrict the amount of land that is regarded as effective based upon a developer's output programme.
- Welcome the advice that not all criteria need to be met in all cases.

## **What is the role of the Housing Land Audit and what should it contain?**

- Welcome the advice on the purpose of the audit being to monitor the capacity of sites. Currently, far too much weight is given to the programmed output of individual sites which is highly reactive to market conditions.
- Strongly welcome the advice to include a measure of 5-year effective capacity within the audit. Currently the five-year effective land supply is a measure of programmed output and as such can change significantly due to market conditions, reducing the contribution of particular sites to the effective land supply with no actual change to the site in question. It would be helpful if some guidance were given on how the '5 year effective capacity' is defined.
- Welcome the advice that completion rates should not automatically be used as an indicator for additional land releases. It would be helpful if this advice was amended to specifically refer to past completions and programmed completions.
- Agree that city regions should adopt a common and aligned approach to Housing Land Audits.

## **Planning for Infrastructure**

- Support the recognition that infrastructure planning should be integral to the plan preparation process.
- Support the link that has been made between development plans and community planning, this recognises the important role that planning can play in the delivery of place.
- Support the recognition that planning can help promote sustainable patterns of travel and provide a long term perspective to inform future school provision.

- Support the embedding of future infrastructure capacity enhancement within the development plan, recognising that future proofing should be properly considered to ensure best value for money over the long term.
- Welcome the advice that planning authorities can use Section 75 agreements to address the cumulative impacts of multiple developments on the requirement for infrastructure. This recognises that seeking contributions only when a piece of infrastructure has reached capacity results in long lead in times for the provision of additional capacity and can put an unreasonable burden on a single developer.
- Welcome the support for the use of Action Programmes as a 'live' project management tool corporately agreed and aligned with the corporate/investment plans.

### **Identifying infrastructure requirements in the Development Plan**

- There is a tension between comments requiring certain matters be fixed in the development plan, and the requirement for infrastructure actions and delivery to be managed dynamically. Frequency of development plan updates, including supplementary guidance, do not provide the flexibility required to deal with changes in delivery timescales, additional land releases, options, political decision making, funding resources, costing (including inflation) and changes to contribution zones which may occur. The draft advice should allow flexibility for certain matters to be dealt with outwith the development plan cycle.

### **Should the costs of infrastructure be defined in the development plan?**

- Do not support the assertion that relevant funding mechanisms should be identified in the plan. These should be identified through the Action Programme, not the plan (beyond developer contribution requirements). For example it is not the role of the development plan to set scope of City Deal funding, nor to make decisions on local authority budget planning and borrowing.

### **Should development plans define how infrastructure will be funded?**

- The draft advice requires 'judgement' in cases where there is no identified funding solution for key infrastructure requirements and states that this should not necessarily delay adoption of the plan. This statement is ambiguous. Lack of an identified funding solution should not delay the adoption of the plan.

- Further definition is required of 'delivery strategy for infrastructure' referred to in the paragraphs covering Infrastructure Contributions.
- In relation to the principles of any methodology for developer contributions the draft advice requires that 'sufficient information and detail' is provided in the plan to allow the principles to be tested at examination. It would be helpful if further definition was given of the extent of information required in the plan.
- The draft advice suggests that in relation to cumulative contributions 'bands of contribution' can be defined rather than individually tailoring contribution levels for individual sites. It is not clear how such 'bands' might be defined. The draft advice should provide further guidance on this.