

# Deputations

## Planning Committee

2.00 pm, Wednesday, 19th June, 2024

Dean of Guild Court Room - City Chambers

### Deputations

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## CITY OF EDINBURGH COUNCIL

Item No 3

### PLANNING COMMITTEE

19 June 2024

### DEPUTATION REQUESTS

Subject	Deputation
<b>3.1 In relation to Item 7.1 on the agenda – City Plan 2030 Report of Examination and Resolution to Adopt.</b>	Homes for Scotland (written submission attached)

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## **BRIEFING NOTE: Edinburgh Local Development Plan – Proposed City Plan 2030 Examination Report to City of Edinburgh Council – 2024**

Homes for Scotland (HFS) are providing this briefing to Councillors to highlight concern that the above Examination Report does not assist in efforts to address the housing emergency. In responding to the latter, we want to set out how the home building industry can work with the Council to deliver more homes under the provisions of City Plan 2030, if adopted.

### **OVERVIEW**

The above Examination began prior to:

- the City of Edinburgh Council (the Council) and the Scottish Government declaring housing emergencies.
- housing being recognised by the Scottish Government as a National Outcome.

It is accepted that the transition between the old and new planning system mean that elements of the proposed plan will be amended to align with National Planning Framework 4 (NPF4) which was published after the Council had commenced reviewing the Local Development Plan (LDP). However, given the updated context, we are concerned that the suggested early review of the LDP is insufficient to overcome both the emergencies that have been declared and uncertainty regarding the deliverability of all allocated sites. HFS, like the Council, had sought a higher Minimum All-Tenure Housing Land Requirement (MATHLR) to meet need and demand in Edinburgh. The Scottish Government Reporter within the Examination Report however reduced the MATHLR by 5,136 homes and also removed the housing release policy that would have taken effect if there is under delivery of new homes. We are concerned that this framework for determining planning applications could lead to fewer homes being built during the housing emergency.

Action needs to be taken now to address the housing emergency and lack of deliverable housing sites. The Councils Housing Emergency Action Plan<sup>1</sup> is welcomed and a positive first step in addressing the emergency. We set out below some “asks” to ensure that we are all aligned in our objectives.

### **REQUEST**

HFS and its members (which together deliver the majority of the country’s new homes, including Affordable Housing), request that the Council commit to holding a Developer Forum focussed on housing delivery for the duration of City Plan 2030, produce guidance for bringing forward unallocated windfall sites and give greater weight to NPF4 Policy 16c). There is an urgent need to build more all tenure homes and the planning system is at the heart of whether that can happen or not.

### **UNINTENDED CONSEQUENCES**

Previous research undertaken by the Ministry of Housing, Communities & Local Government<sup>2</sup> (MHCLG) establishes that for every 1% increase in supply there is a 2% decrease in house prices, providing all else remains equal.

The latest National Records for Scotland<sup>3</sup> figures (2022) show that there are around 261,000 dwellings in Edinburgh. Applying the formula within the MHCLG research means that the proposed reduction in the ten-year Housing Land Requirement (HLR) of 5,136 (41,886 minus 36,750) means that the price of the average Edinburgh home (£310,910) will increase annually by around £12,300 more than it otherwise would have. This figure is around £710 per annum for the average rent based upon an average monthly cost of £1,481. In short, reduced supply increases demand and, as a result, house prices, making them less affordable.

The recent cut in funding from the Affordable Housing Supply Programme (AHSP) is affecting not just the affordable supply of homes in Edinburgh, but the private supply as well. Sites with both private and affordable provision are being delayed where funding for the affordable element is not available and/or home builders are seeking to renegotiate the type of affordable homes being proposed.

It is important that the home building industry and Council work together to ensure the timely delivery of new homes to address this potential unintended consequence of compounding affordability.

### **HIGHER HOUSING TARGET**

During the Examination process, the Council settled on a Housing Land Requirement (HLR) of 41,886 over ten years based on the Council's perceived need and demand at the time. The Reporter has, however, reduced this to 36,750 which aligns with the MATHLR contained within NPF4. The HLR was expected to exceed the MATHLR and we urge the Council to target the delivery of a HLR of 40,288 in the forthcoming Local Housing Strategy. The 40,288 figure is the anticipated housing supply identified by the Reporter and is a more ambitious figure than the suggested MATHLR, and more impactful when seeking to address the declared Housing Emergency. In principle, no additional LDP sites would be required, especially when, as the Reporter suggests, the Council plan to review the LDP early. A targeted developer forum focussing on deliverability will help the Council to deliver its LDP strategy.

By reducing the original Council HLR by 5,136 less homes circa 10,974<sup>4</sup> new Edinburgh residents will no longer be planned for. Targeting a HLR of 40,288 will seek to deliver homes for an additional 7,557 Edinburgh residents.

Councillors will be aware that the housing target is based on forecast need and does not account for current need in Edinburgh which HFS quantified in recently shared research<sup>5</sup> showing that 67,000 households in Edinburgh are in some form of housing need.

### **FLEXIBLE APPROACH**

As noted above, when the Examination Report began there had not been a declared housing emergency in Edinburgh and housing had not been proposed as a National Outcome with an objective that "We live in safe, high-quality and affordable homes that meet our needs". The latter complements one of the LDP aims - "A city which everyone lives in a home they can afford".

During the Examination of the LDP HFS raised concerns that there was insufficient flexibility in the land supply and with the allocations being proposed to ensure that the housing needed is delivered within the timeframe of the plan. Similarly, the Reporter recognised that “While I support the approach in prioritising brownfield land and maximising the use of existing infrastructure, it is clear that land supply is one of the main risks to its delivery.” The intended strategy is in line with NPF4 and supported in principle, however, 25 sites totalling 6,351 homes are identified as constrained (long leases, flooding issues etc.). The Reporter notes “there is a lack of evidence at this stage that all the allocated sites to meet the requirement can be relied upon as deliverable land.” Given that the plan was prepared ahead of transitioning to the new system, the deliverability of existing and proposed sites was not robustly assessed. There is therefore no guarantee that constraints will be overcome during the plan period. HFS and members are willing to participate in a Developer Forum focussed on deliverability. HFS have also shared a draft deliverability checklist with Council officials.

There is a need for a flexible and responsive decision-making process to ensure that until a new-style LDP is adopted in 2028 that there is a deliverable land supply during the housing emergency. The trend at present, across the country, is that planning applications, new home starts and housing completions are all reducing. Short term flexibility in policy and its application to enable more all tenure homes to be built is required and a more balanced assessment of the provisions within NPF4 Policy 16 part (c).

Additionally, it is anticipated that the AHSP cuts will be in place for a few years. During this time a more flexible approach to the delivery of affordable homes is required by the Council. This could feature as part of a Developer Forum.

### **POTENTIAL SOLUTIONS**

To maximise the potential for brownfield sites to deliver homes, the Council should produce guidance detailing circumstances where windfall development would be supported on sites not identified as Opportunity Sites. In addition, the Council should consider the future use of Masterplan Consent Areas for unallocated sites. In both cases the Council should seek alignment with NPF4 Policy 16 (c) which supports the development of land with agreed potential where there is gap in provision of certain types of housing.

### **CONCLUSIONS**

We, collectively, need to increase the supply of homes of all tenures to slow house price and rent inflation (which is increasing housing costs and decreasing affordability). Delivering more all-tenure homes is a priority within Housing to 2040<sup>6</sup>. To deliver more homes requires more deliverable and consented land to be identified and brought forward. The Council is urged to take all steps that it can to achieve this in the short-term and the home building industry is willing to work with the Council to achieve this.

## REFERENCES

1. [democracy.edinburgh.gov.uk/documents/s67342/Item\\_7.7 - Responding to the Housing Emergency Declaration V2.pdf](https://democracy.edinburgh.gov.uk/documents/s67342/Item_7.7_-_Responding_to_the_Housing_Emergency_Declaration_V2.pdf)
2. Ministry of Housing, Communities & Local Government report: Analysis of the determinants of house price changes April 2018.
3. <https://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/households/household-estimates/2022>
4. Scotland's Census 2011 figures detailing the number of residents in Edinburgh and number of occupied households.
5. HFS Housing Need for Edinburgh Report 2024.
6. [Housing to 2040 \(www.gov.scot\)](https://www.gov.scot)

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