

**PERTH AND KINROSS COUNCIL****Enterprise and Infrastructure Committee 27 January 2010****HOUSING LAND POLICY GUIDANCE****Report by the Executive Director (Environment)**

This report recommends the approval of Policy Guidance on housing land requirements and an interim approach to the release of housing land until such time as the new Local Development Plan is in place in the light of the fact that a formal Alteration to the Perth & Kinross Structure Plan on population and households is no longer possible.

**RECOMMENDATION**

The Committee is asked to:

- i. Note that the Scottish Government advises that it will not be possible to pursue the proposed formal Structure Plan Alteration;
- ii. Approve the Policy Guidance on Population and Households appended to this report;
- iii. Agree the following strategy for the release of housing land through the Development Management process:
  - within Perth City and in all areas outwith the Perth Core Area (comprising Eastern, Highland, Kinross and Strathearn Planning Areas and the Perth Lowland Area) give consideration to releasing sites which are in line with existing development plan strategies and which will be effective by 2012, and resist major housing applications which are contrary to the development plan;
  - within the Perth Core Area (but excluding Perth City) resist major housing applications contrary to the Development Plan as the scale of land release required is such that it will most appropriately be informed by the Local Development Plan;
- iv. Authorise the Executive Director (Environment) to provide officer support to enable the examination of longer term strategic land allocations for consideration in the new Development Plan.

**BACKGROUND**

1. A draft Structure Plan Alteration was approved for consultation at the Council meeting on 17 December 2008. The purpose of the Alteration was to update population and housing figures in the light of revised GROS projections and to provide interim guidance on housing land requirements until the Strategic Development Plan (SDP) becomes available.

2. Following that decision, the draft Alteration was published for comment. However, Scottish Government Planners subsequently advised that Scottish Ministers would not be able to process the Alteration formally due to the nature of the Development Plan Regulations introduced in February 2009 and the transitional arrangements brought about by the new Planning Act. Legal opinion has been taken which confirms that this interpretation of the new Act and Regulations is correct.

### **POLICY GUIDANCE ON HOUSING LAND REQUIREMENTS**

3. It was always anticipated that the Structure Plan Alteration would have only provided transitional guidance on housing land requirements until the publication of the SDP and the Local Development Plan (LDP) in due course. An alternative course of action, which has been discussed and agreed as appropriate with Scottish Government planners, is that the finalised Alteration is instead approved by the Council as Policy Guidance. The Guidance would be read in conjunction with the Perth & Kinross Structure Plan 2003 which would remain the approved Structure Plan for the area until it is replaced by the SDP. As Policy Guidance it would have less weight than a formal Alteration approved by the Scottish Ministers. However given that the population and household projections for Perth & Kinross have increased significantly and therefore the existing Structure Plan housing requirement figures are now out of date it can be expected that Reporters would afford a reasonable degree of weight to it in any appeal decisions.
4. Since consultation has already been undertaken for the draft Alteration, there is no need for further consultation on the proposed Planning Guidance and the Guidance can be used to inform the Development Management process with immediate effect and can also feed into the Development Planning process.
5. Converting the Alteration to Policy Guidance has meant the text which Council previously approved has had to be rewritten to make it clear that it is no longer an Alteration to the Structure Plan but is additional guidance to be read in conjunction with the Plan. Given that the Alteration has been through a consultation process every effort has been made to continue to take on board as many of the comments received on the Alteration as appropriate. However some changes which were made to the Alteration in response to comments received have had to be omitted from the Guidance, for example, changes to the wording of existing Structure Plan policies and the inclusion of new policies. The proposed Policy Guidance can be found at Appendix 1. An update to the Report of Survey has also been prepared. This is very similar to the version considered by Council on 24 June 2009 – amendments are of a minor nature to reflect the change from formal Structure Plan Alteration to Policy Guidance. This is available on the Council's website.

### **MAINTAINING AN EFFECTIVE HOUSING LAND SUPPLY**

6. The Policy Guidance will provide direction on housing numbers required throughout Perth and Kinross thereby helping reduce the risk of inappropriate

developments being granted on appeal due to the fact that the existing Structure Plan housing land requirement is out of date. However there is also an urgent need for an interim approach to meeting the requirement in Scottish Planning Policy 3 – Planning for Homes to maintain a five year effective land supply until such time as the new Local Development Plan (LDP) is place.

7. The effective land supply position in each area as at June 2008 was as follows:

Table 1 Current Effective Land Supply Position

Planning Area	5 year effective supply at June 2008	5 year housing requirement	No. Years effective supply	Shortfall
Perth	1,625	3,075	2.6	1,450
Kinross	250	355	3.5	105
Strathearn	850	855	5.0	5
Highland	205	255	4.0	50
Eastern	310	450	3.4	140
Perth & Kinross	3,240	4,990	3.2	1,750

Note – the no of years effective supply is derived by dividing the 5 year effective supply by the annual housing land requirement

8. The LDP is not due for adoption until 2014. However the Proposed Plan is due to be published in 2011 and this will clearly indicate the Council's preferred development strategy and locations for development informed by the Strategic Environmental Assessment and public consultation on the Main Issues Report. In the intervening period the requirement to maintain a five year effective housing land supply remains. Given that the Proposed Plan is to be published in 2011 the critical period in terms of ensuring a continuous effective supply is 2008-2017: 2008 being the base year for the Policy Guidance and 2017 being the end date for ensuring a five year effective supply of land at 2012 (the Proposed Plan to be published in 2011 will be based on the 2011/12 Housing Land Audit information). The paragraphs below therefore look at the land supply position to 2017.
9. However, it should also be noted that the current financial climate is affecting the current build rate in Perth and Kinross and it is likely to be some time before we will see a return to the build rates experienced pre-2008. This is reducing pressure on the immediate need for additional housing land and it is therefore anticipated that it will be nearer 2012 before significant additional releases of land will be necessary to accommodate demand. By this time significant progress will have been made on the LDP and more informed decisions can be made as to the most appropriate locations for additional growth. In this respect work is already well underway on the Main Issues Report and this is due for publication in September 2010. It should also be noted that, as a technicality, the current economic climate is affecting the effectiveness of housing sites, ie house builders are arguing because sites are not currently marketable, they should not be classified as 'effective sites'.

An alternative interpretation might be that if fewer houses are currently being built, then this means that the existing supply of zoned and/or consented sites will last for a longer period.

10. In addition to the current supply of housing land (i.e. zones sites and planning consents programmed to be developed in the period 2008/09 – 2012/13), it is considered there are a number of additional sources of land supply which can contribute towards meeting the housing land requirement to 2017. These are described briefly below:

- Housing land supply from later years – those sites programmed to be developed in the period 2013/14 – 2017/18, but which could be brought forward;
- Windfall sites – sites not allocated for housing in development plans but which have been granted planning permission since June 2008;
- Non-effective sites – sites not programmed for development in the period to 2017 but which could reasonably be expected to come forward earlier;
- New brownfield sites – sites which are unallocated but which would be in line with the development plan locational strategy (provided they would not be better retained for other uses such as employment).

11. Table 2 below identifies the total supply expected to come from all the above-mentioned sources and indicates where shortfalls remain. This is described in more detail in the background paper which can be found in Appendix 2. As can be seen from Table 2, once all the various sources of supply are taken into account the shortfall, or rather the additional amount of housing land required, is either non-existent or relatively modest in all areas except the Perth Planning Area.

Table 2 Housing Land Supply Potential Shortfall

Planning Area	Housing land requirement 2008-2017	Total supply	Shortfall
Perth	5,531	4,130	1,401
Kinross	641	641	0
Strathearn	1,541	1,562	0
Highland	454	378	76
Eastern	814	612	202
Perth & Kinross	8,981	7,323	1,658

12. Scottish Planning Policy 3 indicates that during the transitional period as the new planning system is coming into place:

*“...where there is an identified shortfall in meeting existing housing land requirements, planning authorities are expected to take steps to secure the delivery of housing to maintain a minimum 5-year effective land supply. It may be appropriate to grant planning permission for sites in existing plans which are intended for development in later plan periods where they are effective*

*and capable of being developed early or for development on new sites where this would comply with the overall locational strategy and other policies of the development plan” (para. 44).*

13. Given this requirement, the following section proposes an approach to be used as an interim basis for the release of housing land beyond that contained in Local Plans or with the benefit of planning consent.

### **PROPOSED STRATEGY FOR THE RELEASE OF HOUSING LAND**

14. The approved Structure Plan and the adopted Local Plans set out a locational strategy for each area. This is set out in detail in Appendix 2. This is based on a hierarchical approach which focuses on the development of land within settlements and the extension to settlements before new settlements.
15. As indicated in Table 2 above, with the exception of the Perth Area the shortfalls which remain to be addressed in all planning areas to ensure a five year supply of effective housing land at 2012 are small.
16. In relation to the Perth Planning Area the existing Structure Plan divides this into two parts: Perth Core and Perth Lowland. Perth Core is defined in the Structure Plan as an area outwith the City boundary but within approximately 25 minutes travel by local bus from the centre of Perth. The detailed calculations in Appendix 2 indicate that the majority of the shortfall in the Perth Area is actually within the Perth Core (nearly 1,300 of the 1,400 Perth Area shortfall). A separate strategy approach is therefore proposed for the Perth Core. The only exception to this is Perth City itself. It is proposed the City is subject to the same strategy as areas outwith the Perth Core for the reasons described in paragraph 18 below.

#### **Areas outwith the Perth Core Area**

17. This includes the planning areas of Kinross, Strathearn, Highland and Eastern, and the Perth Lowland area. As indicated in Table 2 above and Appendix 2 the shortfalls which remain to be addressed in these areas are small. There should not therefore be a need to approve planning applications for housing in these areas which are significantly contrary to the development plan. A proposed development is defined as being significantly contrary to the development plan if the approval of the application would seriously compromise the achievement of the development plan's objectives. New sites brought forward by developers will be assessed against the existing development plan strategies and must be capable of delivery in the short term if they are to help address the remaining shortfalls.

#### **Perth City**

18. It is proposed that the City is subject to the same strategy approach as areas outwith the Perth Core (as described in paragraph 17 above). The main reason for this is that the existing development plan strategy for the Perth Area seeks to concentrate development within the City. Housing

opportunities coming forward within the City boundary should therefore continue to be assessed against this strategy and supported where possible, except where they would impact of employment land or other key strategies of the Plan.

### Perth Core Area

19. As indicated in Appendix 2 the majority of the Perth area shortfall is expected within the Perth Core Area – nearly 1,300. The Perth Core Area includes the settlements of Scone, Bridge of Earn, Methven, Almondbank, Luncarty and St Madoes.
20. To ensure the proper planning of the Perth Core Area it is essential that all appropriate means of meeting a shortfall of this scale are considered including major settlement expansion and the potential role of a new settlement. However the exploration of such options are lengthy and complex and are therefore most appropriately considered through the Local Development Plan and associated Strategic Environmental Assessment processes. In addition, the time taken to bring such major developments to fruition means that they are most unlikely to make short term contributions to the effective housing land supply.
21. Developers should therefore be encouraged to contribute to the Local Development Plan process in order to help achieve the Council's aim of delivering sustainable development, and assist in the bringing forward of better planning solutions in the medium term.
22. In the intervening period, small scale sites (likely to be less than 50 units) which are in line with the existing development plan locational strategies may come forward and these will be assessed on a site by site basis. In addition Council officers will continue to work with developers to accelerate the delivery of existing major identified sites such as Oudenarde. Such sites may contribute towards meeting part of the shortfall in the short term. In the longer term however it is important that all appropriate means of meeting the significant shortfall in the Perth Core Area are considered through the Local Development Plan and associated SEA and consultation processes.
23. A further issue to be borne in mind is that of developer contributions. The development of a new settlement or major expansion is likely to incur significant infrastructure costs. Approving planning applications in advance of determining the best and most sustainable means of meeting the housing land requirement may make the funding of major infrastructure difficult.

### **LONGER TERM HOUSING LAND SUPPLY ISSUES**

24. This report identifies that although there are significant challenges to be met in the period till the new proposed Local Development Plan emerges, these challenges can largely be met by bringing forward known sites contained within the current Local Plan framework. This will however effectively use up the vast majority of known sites with development potential and whilst windfall

sites will continue to come forward, current estimates suggest that this will only represent about 10% of future housing needs. Additionally, there is a very limited supply of brownfield or derelict land within Perth and Kinross which is capable of being brought forward to contribute to the effective housing land supply.

25. It is evident therefore that, with a requirement to identify land for approximately 1,000 houses per year in the longer term (up from a previous average of around 800), this can only be met by identifying major strategic housing land releases. These may take the form of major expansion areas adjacent to the main settlements in Perth and Kinross (in the scale of 500 houses upwards) or the creation of stand alone new settlements (likely to be in excess of 1,500 houses). The need for strategic land options will require to be considered through the Strategic Development Plan strategy. Thereafter the Local Development Plan will require to consider one or more options for strategic land releases. It is likely that the need to identify strategic housing land options will be concentrated on the area of most pressure, i.e. the Perth core area.
26. As Members will be aware, the Council has already been inviting the public, landowners and developers to bring forward proposals and issues for consideration in the preparation of the new Local Development Plan. The consideration of the options submitted requires a far more detailed level of information than many of the small scale sites and can include the development of major pieces of infrastructure such as new drainage systems, education provision and transport infrastructure. In addition each option requires an environmental appraisal and a general review of the sustainability of the proposal. Much of this information is required to feed into the Strategic Environmental Assessment process which the Council must conduct during the preparation of the Local Development Plan.
27. In order to facilitate this, a number of developer/landowner interests are suggesting that they take forward further more detailed studies of these proposals and in some cases wish to go out to public consultation to help formulate the proposals. Involving the public at the earliest stages in the planning process is one of the fundamental principles of the New Planning Act and the culture change agenda and as a result should be encouraged. This does however place the Council in a difficult position as whilst the Council would wish to encourage such public participation, any assistance to developers/landowners must be consistent and impartial.
28. In assisting developers/landowners to further develop proposals for the Local Development Plan there is also the danger that the public may view this as the Council supporting such proposals. Whilst it is considered essential that officers of the Council do assist in ensuring a fair and robust investigation of these proposals, clear guidelines will need to be set to ensure that this process is fair, impartial and that communities fully understand the role Council officers are playing in this process. It should also be noted that developers/landowners are likely to seek to engage with Members during this

process and the general guidelines set out below for officers may be equally applicable to Members.

29. It is proposed that where developers/landowners bring forward proposals through the Local Development Plan process which meets the following criteria Council officers will offer a limited amount of assistance in helping developers engage in an initial public consultation exercise. The initial criteria for the selection of these opportunities will include:
- the development must be for a minimum of 500 houses for a settlement expansion or 1,500 houses for a stand alone settlement;
  - the consultation exercise should be willing to look at the general concept of the proposal over a wider area and should not be limited to the specific land holding interests of the promoter;
  - the investigation and consultation should consider not only the impact on the development site but also the impact on settlements nearby and the surrounding land;
  - proposals must consider the principles of sustainable development taking account of the requirement to provide not only houses but jobs, sustainable transport links, design quality and energy efficiency;
  - there must be some evidence that the development is potentially economically viable without undue burdens on the public purse.
30. Where proposals meet the above criteria Council officers will offer the following assistance to developers/landowners in further developing their proposals and engaging with communities and other stakeholders:
- the identification of likely key stakeholders and consultees to assist in ensuring a wide representation of interested parties during any consultation process;
  - the provision of factual background and context information to communities;
  - monitoring the effectiveness of the consultation process.

### **CONSULTATION**

31. The Head of Legal Services, the Head of Democratic Services and the Executive Director (Housing & Community Care) have been consulted in the preparation of this report.

### **RESOURCE IMPLICATIONS**

32. There are no resource implications arising directly from the recommendations in this report.

### **COUNCIL CORPORATE PLAN OBJECTIVES 2009-2012**

33. The Council's Corporate Plan 2009-2012 lays out five Objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. This report impacts on the following:-

- (i) A Safe, Secure and Welcoming Environment
- (ii) Healthy, Caring Communities
- (iii) A Prosperous, Sustainable and Inclusive Economy

## **EQUALITIES ASSESSMENT**

- 34. The Council's Corporate Equalities Assessment Framework requires an assessment of functions, policies, procedures or strategies in relation to race, gender and disability and other relevant equality categories. This supports the Council's legal requirement to comply with the duty to assess and consult on relevant new policies to ensure there is no adverse impact on any community group or employees.
- 35. An Equalities Assessment was carried out on the both the draft and finalised versions of the Structure Plan Alteration. A further assessment of the Policy Guidance identified positive benefits for Disability, Age and Low Income groups. Benefits related to the co-ordination and planning for new growth and the resulting positive effects on health, quality of life, environmental quality, provision of services / facilities and affordable housing.

## **STRATEGIC ENVIRONMENTAL ASSESSMENT**

- 36. The draft Structure Plan Alteration required Environmental Assessment as it was likely to raise significant environmental effects both positive and negative.
- 37. The key findings of the Environmental Report were that without mitigation the population and housing growth projected for Perth & Kinross could have a significant effect on the environment. The Alteration was therefore modified to ensure that the growth projected would be distributed according primarily to the environmental capacity of each housing market area. This meant that some of the growth projected for Kinross-shire would be redirected to the Perth Area to ensure that there are no significant impacts on Loch Leven and its catchment.
- 38. If from the outset this guidance on population and households had been progressed as Policy Guidance rather than a Structure Plan Alteration there would have been the same requirement to prepare an Environmental Assessment. This assessment would have been carried out in the same way and considered the same issues. Therefore, although it is no longer being progressed as a formal Alteration to the Structure Plan the findings of the Environmental Report are still applicable. The existing Environmental Report is therefore adopted as the Environmental Assessment for the Policy Guidance.

## **CONCLUSION**

- 39. The Scottish Government has advised that it will not be possible to progress an Alteration to the Perth & Kinross Structure Plan on population and households. However there is still a need for direction on housing numbers until such time as the new Strategic Development Plan is in place. It is

therefore proposed that the Alteration instead forms Policy Guidance that can be used to inform the Development Management and Development Planning processes in the intervening period.

40. There is also an urgent need for an interim approach to maintaining a five year effective housing land supply until such time as the new Local Development Plan is in place. A strategy for the release of housing land in the interim period is therefore proposed.

J F IRONS  
EXECUTIVE DIRECTOR (ENVIRONMENT)

### **Note**

The following background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (and not containing confidential or exempt information) were relied on to a material extent in preparing the above Report;

Perth & Kinross Structure Plan 2003  
Council Report of 24 June 2009 No. 09/322  
Various correspondence from Helen Wood, Scottish Government

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## **POLICY GUIDANCE POPULATION & HOUSEHOLDS**

### Introduction

- 1.1 This policy guidance has been prepared as interim guidance on population and household numbers in Perth and Kinross until such time as the new TAYplan Strategic Development Plan (SDP) is in place. The Perth and Kinross Structure Plan 2003 remains the approved structure plan for the area until it is replaced by the SDP. This guidance should therefore be read in conjunction with the Structure Plan.

### Review of the housing land requirement

- 2.1 The Structure Plan was based on a 3% growth scenario. However the latest 2006-based population projections<sup>1</sup> from the General Register Office for Scotland project a significant increase in population in the period to 2031. Both population growth and the continuing trend towards smaller average household sizes will generate need for new housing during the Plan period. Based on a 13% population growth between 2006 and 2020 the projected increase in households over this period is 12,300 which is significantly higher than that previously projected.
- 2.2 In light of the above a review was undertaken in 2008 to update the section of the existing Perth & Kinross Structure Plan Report of Survey relating to population and households. The full update is available on the Council's website but in summary it was concluded that the projected population increase was of such significance that the Council would be unable to meet its obligation in terms of Scottish Planning Policy 3: Planning for Homes and the Structure Plan to maintain a 5 year supply of effective housing land from the existing housing land requirement identified in Schedule 1 of the Structure Plan. Schedule 1 therefore required to be updated.
- 2.3 There was a good supply of housing sites throughout Perth and Kinross over the early years of the Structure Plan. However the updated Schedule 1 identifies need or demand for an additional 7,820 houses over and above the housing land supply at 2008.

### Structure Plan Strategy

- 3.1 The overall strategy of the Structure Plan is still applicable.

#### *Perth Core Area*

- 3.2 The update to the Report of Survey identified a supply of land for 1,985 houses comprising 525 in Perth itself and around 1,500 elsewhere in the Core

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<sup>1</sup> The draft 2008-based projections have just been published by GROS but these are not due for publication at Local Authority level until January 2010.

area. The total housing land requirement for the Perth Area is 7,375. Land for an additional 5,390 houses will therefore be needed to ensure the maintenance of a continuous 5 year effective supply of housing land to the end of the Structure Plan period.

- 3.3 Given the scale of the additional land requirement arising from a 3% growth scenario in the Structure Plan it was envisaged that village expansions would be small scale. However it is anticipated that even with the sites which are already identified coming forward together with other opportunities within the city it will still be necessary to expand existing villages in the core area and the scale of some of these expansions may need to be larger than that envisaged in Structure Plan Policy 5. Any larger-scale expansions should be concentrated on those villages already offering a range of facilities and services while seeking to enhance such provision where appropriate.
- 3.4 In light of the above the Structure Plan recognises that traffic and transport links are key issues in accommodating development within the Perth Core area. One of the major constraints facing the development of this area is the ability of both the strategic and local roads network to accommodate planned growth. The Perth Area Traffic model has been constructed to assess the implications of traffic growth arising out of current development and proposed future allocations. Following discussion with Transport Scotland it has been agreed that the Traffic model will be used to identify where capacity exists to accommodate further development and to identify areas where development may be constrained or may require improvements to the local or strategic road network prior to the development taking place.

#### *Lowland Area*

- 3.5 The Kinross Housing Market Area (HMA), which forms part of the Lowland area, is an area of very high demand and additional land allocations are required in order to maintain a 5 year effective supply of land. A Strategic Environmental Assessment has been undertaken to assess the impact of seeking to accommodate the level of growth resulting from the increased population projections. Whilst the potential for significant environmental impact arising from increased levels of demand was identified as an issue across the whole of Perth and Kinross, the level of environmental constraint is particularly high in the Kinross HMA. This is primarily due to the potentially significant adverse environmental impact on Loch Leven. As a result 10% of the requirement arising in this area has been reallocated to the Perth HMA where there are more opportunities to accommodate additional development without having significant environmental impact.

#### *Upland Area*

- 3.6 A serious concern in the Highland area is the high percentage of second homes and the impact this has on affordability of and accessibility to housing for local people. In addition to the housing land requirement there is therefore considered to be a need for further housing land in the Highland HMA to compensate for those houses which are likely to fall into the second homes

market over the Structure Plan period. A 20% additional housing land allowance has therefore been made in this HMA.

### Windfall

4.1 Windfall sites i.e. those sites which become available for development unexpectedly and are therefore not included as allocated land in the Development Plan, have in the past made a significant contribution to the housing land supply particularly in the Perth and Highland Local Plan areas. As the Local Development Plan is reviewed it is anticipated that the amount of land coming from this source will decrease, nonetheless it is expected that around 10% of the land supply will come from 'windfall' and as a consequence the updated housing land requirement makes an allowance for this contribution towards the overall supply of housing land.

### Revised housing land requirement 2008-2020

5.1 Table 1 below updates Schedule 1 of the Structure Plan and identifies the total additional housing land allocations required to ensure the maintenance of a continuous 5 year supply of effective housing land in the period to 2020.

Table 1 – Updated Housing Land Requirement

Planning Area	Total housing land requirement 2008-2020	Effective supply at June 2008	Additional supply <sup>2</sup>	Supply from years 6 & 7	Total additional allocations
Perth Core					4,840
Perth Lowland					550
<b>Perth<sup>1</sup></b>	<b>7,375</b>	<b>1,625</b>		<b>360</b>	<b>5,390</b>
Kinross & Milnathort Landward					400
<b>Kinross<sup>1</sup></b>	<b>855</b>	<b>250</b>	<b>40</b>	<b>105</b>	<b>460</b>
Auchterarder					400
Crieff					340
Landward					135
<b>Strathearn</b>	<b>2,055</b>	<b>850</b>		<b>330</b>	<b>875</b>
Pitlochry					120
Aberfeldy					100
Landward					140
<b>Highland</b>	<b>605<sup>3</sup></b>	<b>205</b>		<b>40</b>	<b>360</b>
Blairgowrie					415
Coupar Angus					150
Alyth					100
Landward					70
<b>Eastern</b>	<b>1,085</b>	<b>315</b>		<b>35</b>	<b>735</b>
<b>Perth &amp; Kinross</b>	<b>11,975<sup>4</sup></b>	<b>3,245</b>	<b>40</b>	<b>870</b>	<b>7,820</b>

<sup>1</sup> 10% of the total additional housing land requirement for Kinross Planning Area has been reallocated to the Perth Planning Area

<sup>2</sup> From unallocated small sites

<sup>3</sup> Includes a 20% additional allowance to compensate for second homes in the Highland Area

<sup>4</sup> Figures have been rounded

5.2 It should be noted that although the total additional allocations amount to 7,820 part of this will be met by sites which are already identified as effective

in the period 2015-2020 (approximately 1,000 units). There are also 1,800 units currently identified in the Housing Land Audit as non-effective and some or all of these may also be able to contribute to meeting the additional allocations required.

## STRATEGY FOR RELEASE OF HOUSING LAND BACKGROUND PAPER

### Introduction

- 1.1 Scottish Planning Policy 3: Planning for Homes requires the maintenance of at least a five year effective housing land supply to be delivered through the LDP.
- 1.2 The LDP is not due for adoption until 2014 but the Proposed Plan is due to be published in 2011. The critical period in terms of ensuring a continuous effective supply is therefore 2008-2017: 2008 being the base year for the Policy Guidance and 2017 being the end date for ensuring a five year effective supply of land at 2012 (the Proposed Plan to be published in 2011 will be based on the 2011/12 Housing Land Audit information).

### Housing land audit

- 2.1 The Planning Service prepares an annual Housing Land Audit. The purpose of the Audit is to provide a statement of land supply within Perth & Kinross and as such it forms an important basis for the monitoring and review of development plans. The Audit gives detailed information on each housing site of five units and above. This includes a programme as to when it is expected each site will be developed, and the identification of any known constraints which are preventing the site from being developed. This information forms the basis of establishing the amount of effective land supply which is available in each Housing Market Area.
- 2.2 The Audit uses the SPP3 definition of effectiveness i.e. land which is free or expected to be free from development constraints. In assessing the effectiveness of sites a number of criteria are used to determine whether a site is constrained:
  - it is in the ownership or control of a willing seller or developer
  - it is free from physical constraints such as flood risk
  - it is free from contamination
  - any public funding required is available
  - it can be developed in the period under consideration (marketability)
  - it is free from infrastructure constraints
  - housing is the sole preferred use in planning terms
- 2.3 Of the above the marketability criteria is currently posing some difficulties. In the current financial climate the housing industry is questioning whether many housing sites can currently be developed due to issues surrounding the availability of development finance. If this marketability criterion is used to determine effectiveness it is therefore likely to result in a severely constrained effective supply. In normal circumstances a shortfall in effective supply would

lead to a requirement to identify further land for development. However, all sites will potentially be affected by this same issue and many sites will otherwise be effective as soon as monetary conditions improve. It is therefore considered that a pragmatic approach is required and the Audit should continue to identify sites as being effective unless there are other constraints on development.

- 2.4 The base date for each annual Housing Land Audit is currently June. Each year the house-builders representative body Homes for Scotland is consulted on the draft Audit and their comments are fed into the production of the finalised Audit. This is particularly important in relation to the programming information for individual sites.

#### *2008 Housing Land Audit*

- 2.5 At June 2008 the effective land supply position in each planning area was as follows:

Table 1

<b>Planning Area</b>	<b>5 year effective supply at June 2008</b>	<b>5 year housing requirement</b>	<b>Shortfall</b>
Perth	1,625	3,075	<b>1,450</b>
Kinross	250	355	<b>105</b>
Strathearn	850	855	<b>5</b>
Highland	205	255	<b>50</b>
Eastern	310	450	<b>140</b>
Perth & Kinross	3,240	4,990	<b>1,750</b>

- 2.6 As can be seen from table 1, at June 2008 there was a shortfall of effective housing land supply in all areas. The main reason for this is the significantly increased General Register Office for Scotland (GROS) population projections.
- 2.7 Completions to June 2008 stood at approximately 900. This was higher than the average which is approximately 800. As indicated in table 1 the annual housing requirement, taking account of the new population projections, is approximately 1,000 so even in a year with higher than average completions this still falls short of the annual requirement.

#### *2009 Housing Land Audit*

- 2.8 The 2009 Audit indicates that in terms of completions the number of houses completed in the period June 2008 – June 2009 has fallen to just over 650 as a result of the current economic climate. This figure is slightly higher than had been expected and this would appear to be largely due to the completion of sites which were already under construction prior to the economic downturn and a higher than average number of affordable houses being built by Housing Associations. It is anticipated that the figure for 2009-10 will be lower due to fewer site starts this year.

2.9 The lower than average completions experienced this year and anticipated over the next few years means that less of the effective land supply is being used up. However this has to be off-set against the fact that some sites are less likely to come forward within the five year effective period. In light of this and the problems outlined above it is difficult to give a meaningful position statement for 2009.

### Maintaining an Effective Housing Land Supply

3.1 Despite the difficulties in predicting build rates over the next few years, as highlighted in SPP3 there is a requirement to maintain a five year supply of effective housing land at all times. Table 2 below gives an indication of the level of additional land which is likely to be required in each area in order to maintain a five year effective supply until such time as the Proposed Local Development Plan is published. As can be seen, additional land is needed in each area.

Table 2

Planning Area	Total housing land requirement 2008-2017	Effective supply at June 2008	Supply from years 6 – 9 <sup>4</sup> (2013-2017)	Additional allocations (required to maintain 5 year effective supply at 2012)
Perth Core	4,910	1,387	504	3,019
Perth Lowland	621	239	47	335
<b>Perth PA</b>	<b>5,531<sup>1</sup></b>	<b>1,626</b>	<b>551</b>	<b>3,354</b>
Kinross & Milnathort	353	108	35	210
Landward	288	144 <sup>2</sup>	112	32
<b>Kinross PA</b>	<b>641<sup>1</sup></b>	<b>252</b>	<b>147</b>	<b>242</b>
Auchterarder	734	333	321	80
Crieff	310	194	48	68
Landward	497	324	147	26
<b>Strathearn PA</b>	<b>1,541</b>	<b>851</b>	<b>516</b>	<b>174</b>
Pitlochry	139	61	9	69
Aberfeldy	92	22	12	58
Landward	223	122	20	81
<b>Highland PA</b>	<b>454<sup>3</sup></b>	<b>205</b>	<b>41</b>	<b>208</b>
Blairgowrie	395	112	22	261
Coupar Angus	193	100	0	93
Alyth	123	45	13	65
Landward	103	55	1	47
<b>Eastern PA</b>	<b>814</b>	<b>312</b>	<b>36</b>	<b>466</b>
<b>Perth &amp; Kinross</b>	<b>8,981</b>	<b>3,246</b>	<b>1,291</b>	<b>4,444</b>

Notes

<sup>1</sup>10% of the total additional housing land requirement for Kinross Planning Area has been reallocated to the Perth Planning Area (as per the Guidance)

<sup>2</sup>The 40 units of additional supply from unallocated small sites in the Kinross Area identified in the revised housing land requirement have been included in the Kinross Landward area calculation

<sup>3</sup>Total housing land requirement includes a 20% additional allowance to compensate for second homes in the Highland area (as per the Guidance)

<sup>4</sup>For years 8&9 have taken 40% of the 2015-2020 supply

3.2 The total housing land requirement for the period 2008-2017 has been calculated by taking 75% of the 2008-2020 figure in the updated housing land requirement table. The additional allocations are calculated at settlement / sub-market area level by applying the same percentage split as in the revised housing land requirement table.

3.3 In each area there are sites which have development potential and these can be set against the required additional land allocations to help maintain an effective five year land supply. These consist of:

- windfall sites – sites not allocated for housing in development plans but which have been granted planning permission since June 2008;
- non-effective sites – sites not programmed for development in the period to 2017 but which could reasonably be expected to come forward earlier;
- new brownfield sites – sites which are unallocated but which would be in line with the development plan locational strategy.

3.4 Table 3 below gives an indication of the number of houses which are currently expected to come forward in each area from these sources.

Table 3

Planning Area	Additional allocations required to 2012	Housing numbers				Total shortfall remaining
		Windfall	Non-effective	New Brownfield	Total	
Perth Core	3,019	261	461	1,020	1,742	1,277
Perth Lowland	335		211		211	124
<b>Perth PA</b>	<b>3,354</b>	<b>261</b>	<b>672</b>	<b>1,020</b>	<b>1,953</b>	<b>1,401</b>
Kinross & Milnathort	210		60	150	210	0
Landward	32	22	10		32	0
<b>Kinross PA</b>	<b>242</b>	<b>22</b>	<b>70</b>	<b>150</b>	<b>242</b>	<b>0</b>
Auchterarder	80	23		57	80	0
Crieff	68		15	65	80	0
Landward	26		20	15	35	0
<b>Strathearn PA</b>	<b>174</b>	<b>23</b>	<b>35</b>	<b>137</b>	<b>195</b>	<b>0</b>
Pitlochry	69					69
Aberfeldy	58		80		80	0
Landward	81	16	36		52	29
<b>Highland PA</b>	<b>208</b>	<b>16</b>	<b>116</b>		<b>132</b>	<b>98</b>
Blairgowrie	261	119			119	142
Coupar	93		42		42	51
Angus						
Alyth	65	8	35		43	22
Landward	47		60		60	0
<b>Eastern PA</b>	<b>466</b>	<b>127</b>	<b>137</b>		<b>264</b>	<b>215</b>
<b>Perth &amp; Kinross</b>	<b>4,444</b>	<b>449</b>	<b>1,030</b>	<b>1,307</b>	<b>2,786</b>	<b>1,714</b>

## Development Plan Locational Strategies

- 4.1 The approved Structure Plan and the adopted Local Plans set out a locational strategy for each area. These are summarised in table 4 below. Proposals for new developments will continue to be assessed against these strategies until such time as they are replaced by the new Strategic and Local Development Plans.

Table 4

<b>Planning Area</b>	<b>Approved Structure Plan Strategy</b>	<b>Local Plan Strategy</b>
Perth	The Structure plan requires that most housing land allocations be made within Perth and the Perth Core with a sequential approach to firstly identify sites in Perth City followed by small scale opportunity sites in villages. The long term strategy set out by green belt policy indicates that Perth should expand to the north and west.	The housing strategy contained in the Perth Area Local Plan and Perth Central Area local plan concentrates on developing sites within Perth city and to a lesser extent to sites in villages within a 5 mile radius. However, the strategy also recognises as the available land becomes developed there will be a need to identify sites further from Perth. Almond Valley Village is identified as a key element of the strategy and the only acceptable extension to the city. Oudenarde is also identified as a new settlement. Major village expansions are identified at Abernethy, Errol, Inchtute, Scone and St Madoes. The strategy also recognises potential long term development opportunities in particular at Bridge of Earn (west and south) and also at Abernethy (north west) Balbeggie (west) Burrleton/Woodside (west) Methven (south) Glencarse (north) and Scone (west and north west in association with a new bridge).
Kinross	The Structure Plan requires that most housing allocations be made in the former burghs (Kinross and Milnathort) and the strategy also recognises that allocations should also be made in smaller settlements subject to scale landscape fit and impacts on the environment being acceptable.	The housing strategy contained in the Kinross Area Local Plan allocates approximately half of all housing development to the Kinross/Milnathort area. The strategy then disperses the remainder of the requirement to the larger settlements in the rural area concentrating on those with the best local services and transport links.
Strathearn	The Structure Plan requires that most housing allocations be made in the former burghs (Auchterarder and Crieff). The original Structure Plan strategy indicated that the scale of development proposed for Auchterarder in the Strathearn	The housing strategy contained in the Strathearn Local Plan identifies significant opportunities for housing development along the A9 particularly at Auchterarder and to a lesser effect Blackford. The strategy also contains a range of development opportunities along the A85 related to

Planning Area	Approved Structure Plan Strategy	Local Plan Strategy
	<p>Local Plan could not be fully justified at that time. However this was revised in the Alteration to the Structure Plan. The strategy also recognises that in smaller settlements there should be housing allocations subject to landscape fit and impacts on the environment being acceptable.</p>	<p>the scale and function of existing settlements by identifying land at Crieff and Comrie. The strategy also identifies opportunities in the small settlements in the plan area.</p>
Highland	<p>The Structure Plan requires that most housing allocations be made in the main settlements of Aberfeldy and Pitlochry. However the strategy also recognises the difficulties in land availability (due to topographical, access and other difficulties) and indicates that more housing land may be required in smaller settlements particularly along the A9 corridor subject to landscape fit and impacts on the environment.</p>	<p>The housing strategy contained in the Highland Area Local Plan identified more land in Aberfeldy and the landward part of the Plan area and less in Pitlochry to meet the Structure Plan allocations. The Plan also contained a greater total land allocation than was required to recognise the difficulties that there were in overcoming various development constraints.</p>
Eastern	<p>The Structure Plan requires that most housing allocations be made in the former burghs (Blairgowrie, Alyth and Coupar Angus) and the strategy also recognises that allocations should also be made in smaller settlements subject to scale landscape fit and impacts on the environment being acceptable.</p>	<p>The housing strategy contained in the Eastern Area Local Plan directs additional supply to Alyth and Coupar Angus rather than Blairgowrie and Rattray to extend the range and choice of housing. The strategy was also to identify opportunities in the villages and settlements in the landward area provided that the scale was compatible with the character of rural villages. The strategy also identified a development zone in Glenshee where housing in the countryside could be encouraged.</p>