

Issue 10	Residential Development	
Development plan reference:	Policy 20: Affordable Housing, page 37 Policy 21: Gypsy/Traveller's Sites, page 37-38 Policy 22: Particular Needs Housing Accommodation, page 38 Policy 25: Housing Mix, page 40	Reporter:
Body or person(s) submitting a representation raising the issue (including reference number):		
Stewart Milne Homes (0290/03) Kristin Barret (0423) Ian Fairley (0427) Springfield Properties PLC (0455) Barrett North Scotland (0513)		Portmoak Community Council (0541) Homes for Scotland (0562) Councillor Michael Barnacle (0584) Scone Estate (0614) A&J Stephen Limited (0622)
Provision of the development plan to which the issue relates:	Residential Development Policies pages 37-38, & 40	
Planning authority's summary of the representation(s):		
<p><u>Policy 20 – Affordable Housing in Rural Areas</u></p> <p>Councillor Michael Barnacle (0584/01/010): The LDP should recognise the need for appropriate affordable housing provision in the rural villages, rather than just the tiered settlement development approach of TAYplan (CD022). In rural villages the policy should seek to secure on-site provision, not financial contributions.</p> <p><u>Policy 20 – Affordable Housing in Conversions</u></p> <p>Scone Estate (0614/01/008): Conversions are significantly more expensive. Restricting the building to affordable housing is likely to considerably reduce the number of people who are willing to convert buildings in Perth and Kinross. In turn this brings adverse implications for windfall development, which the Council rely on to meet their housing delivery targets.</p> <p><u>Policy 20 – Other Comments</u></p> <p>Ian Fairley (0427/01/001): There is a shortage of housing in this country but what is proposed is private housing. A large part of any housing should be for those who can only afford to rent i.e. Housing Associations and Council.</p> <p>Stewart Milne Homes (0290/03/009): The Policy advises that the details of provision, including landlord, tenure, house size and type will be a matter for agreement between the developer and the Council based upon local housing need and individual site characteristics. As required by Scottish Planning Policy (SPP) (CD004) and Planning Advice Note 2/2010 (CD040), all data relating to housing need or demand should be fed into and through the Housing Need and Demand Assessment which will provide an up to date, robust data source. Any agreement will also require to meet the tests set out in</p>		

Circular 3/2012: Planning Obligations and Good Neighbour Agreements (CD168).

Policy 21

Cllr Michael Barnacle (0584/01/011) objects: policy too open door and open to breaches.

Policy 22

Scone Estate (0614/01/016): Policy is restrictive in its consideration of potential populations requiring particular needs accommodation. There is a demographic of newly retired / active elderly people living in homes too large for their needs but there is no suitable alternative accommodation. Policy 22 should be broadened to allow for consideration of retirement villages outwith residential areas, but which are accessible via existing/new sustainable transport links.

Policy 25

Portmoak Community Council (0541/01/005): Support policy.

Stewart Milne Homes (0290/03/012); Springfield Properties PLC (0455/01/004); Barrett North Scotland (0513/01/002); Homes for Scotland (0562/01/006); Scone Estate (0614/01/013); A&J Stephen Limited (0622/01/022): Object to Policy 25 for some or all of the following reasons:

The Policy is highly prescriptive. The development mix within a site will be a function of known market conditions at any point in time and an appropriate housing mix on any site should be explored as part of any detailed site design discussions and placemaking expectations set through Policy 1 of the Proposed LDP. The wording of the policy should seek an appropriate mix as a general principle. Risk that the policy will add a further layer of potential delay to the delivery of housing sites.

The requirement is in addition to the existing 25% affordable housing requirement sought through Policy 20. SPP (CD004) allows planning authorities to seek an affordable housing element of up to 25% in any housing development. Policy 25 in effect seeks an additional element of unsubsidised affordable housing over and above that secured through Policy 20. Such an approach is clearly contrary to SPP and the advice set out within PAN 2/2010 (CD040). If the Council believes there to be a high demand for 1 and 2 bedroom homes the correct route would be for the Affordable Housing Policy to require a certain percentage of these homes to cater for that demand.

The requirement is too restrictive in terms of site viability. Not every site lends itself to the provision of 10% 1 and 2 bedroom properties. Generally, housebuilders till use in-house expertise of the current market conditions, as well as that of local property professionals, to dictate the desired housing mix for a specific sites. There is a danger that if the viability and suitability of a development site does not work, adequate housing land will not be brought forward, impacting on the provision of affordable housing.

There are already proposed policies which would ensure that the theme of 'Successful and Sustainable Places' is achieved, for example Policy 1: Placemaking. Unclear therefore why Policy 25 appears to suggest that community integration can only be ensured by providing 10% of the 'private' element of a development as 1 or 2 bedroom homes.

Stewart Milne Homes (0290/03/012): The need for special needs homes, such as housing for wheelchair users, should be part of the affordable housing requirement under Policy 20. Any specific need for this special needs housing should be determined through developer obligations in line with Circular 3/2012 (CD168) and PAN 2/2010 (CD040).

Barrett North Scotland (0513/01/002): The requirement for up to 10% of the development to be designed to meet 'specific identified needs' or to be capable of adaption is not necessary. The Building Standards Domestic Technical Handbook (2017) (CD151) already sets out clearly what housebuilders are required to do in order to ensure that their homes are adaptable. The wording should be amended to ensure that, as a general principle, homes are designed to lifetime standards as per the Building Regulations.

Kristin Barret (0423/01/004): All new houses (not just 10%) should be, to some extent, disabled-friendly to allow people to stay in their existing home if their circumstances change.

Modifications sought by those submitting representations:

Policy 20 – Affordable Housing in Rural Areas

Councillor Michael Barnacle (0584/01/010): The LDP should recognise the need for appropriate affordable housing provision in the rural villages, and should seek to secure on-site provision on such sites rather than financial contributions.

Policy 20 – Affordable Housing in Conversions

Scone Estate (0614/01/008): The phrase 'including conversions' should be removed from the policy text.

Policy 20 – Other Comments

Ian Fairley (0427/01/001): A large part of any housing should be for those who can only afford to rent i.e. Housing Associations and Council.

Stewart Milne Homes (0290/03/009): Reference should be made to the Housing Need and Demand Assessment providing up to date, robust data and to Circular 3/2012 (CD168) in the text of Policy 20.

Policy 21

Cllr Michael Barnacle (0584/01/011) is not specific about change sought but considers the policy too open door and open to breaches.

Policy 22

Scone Estate (0614/01/016): Policy should be broadened to allow for retirement villages.

Policy 25

Stewart Milne Homes (0290/03/012); Scone Estate (0614/01/013): Policy 25 should be removed from the Plan.

Springfield Properties PLC (0455/01/004); Barrett North Scotland (0513/01/002); Homes for Scotland (0562/01/006); A&J Stephen Limited (0622/01/022): The requirement for sites to provide 'at least 10% of their homes as 1 or 2 bedroom homes' should be deleted from Policy 25.

Barrett North Scotland (0513/01/002): Delete the reference to '10% of homes to be designed to meet the needs of specific needs'. The wording should be amended to ensure that, as a general principle, homes are designed to lifetime standards as per the Building Regulations.

Kristin Barret (0423/01/004): All new houses should be, to some extent, disabled-friendly not just 10%.

Summary of responses (including reasons) by planning authority:

Policy 20 – Affordable Housing in Rural Areas

Councillor Michael Barnacle (0584/01/010): TAYplan Policy 1 (CD022, page 8) sets the location priorities for the identification of new housing sites. The LDP is required to comply with the higher level Strategic Development Plan. TAYplan Policy 1 does, however, allow for some development in settlements which are not defined as principal settlements and this is discussed in Issue 1: A Successful Sustainable Place.

Policy 20 requires the provision of an affordable housing contribution for all sites of five units or more. Whilst the policy does not specifically state that this provision is to be on-site, this is implied by the second sentence of paragraph one: '...the affordable housing should be integrated with and indistinguishable from market housing'. Policy 20 goes on to state that off-site provision or a commuted sum will only be permitted if it is demonstrated in a viability statement that on-site provision is not possible. It is acknowledged that it is sometimes the case that a commuted sum is accepted in lieu of on-site provision for small developments in rural villages. This is usually due to the logistical difficulties for Registered Social Landlords in managing houses in more remote locations.

The detailed guidance as to when a commuted sum may be acceptable is contained with the Developer Contributions and Affordable Housing Supplementary Guidance (CD021, paragraph 7.18). The need for increased affordable housing provision in rural villages can be considered through the next review of the Local Housing Strategy (due in 2020), and Strategic Housing Investment Programme (review due in October 2018). This could in turn influence a future review of the Supplementary Guidance, potentially with a view to restricting further the instances when commuted sums will be accepted. However neither the current, nor any future, supplementary guidance is a matter for this Examination.

Policy 20 indicates the Council's preference for the on-site provision of the affordable housing contribution on all sites. As such no change to the policy itself is considered necessary.

No modification is proposed to the Plan.

Policy 20 – Affordable Housing in Conversions

Scone Estate (0614/01/008): Some conversions can incur greater development costs but developers are expected to take any requirement for developer contributions, including

affordable housing, into account in their financial appraisal and purchase of such sites. This said, it is acknowledged that in some exceptional cases there may be justification for reducing developer contributions and the Developer Contributions and Affordable Housing Supplementary Guidance sets out the circumstances under which a reduced contribution may be permitted (CD021, paragraphs 3.18 and 3.19). Given that there is already scope for developer contributions to be reduced where abnormal development costs render a development unviable, it is considered appropriate to continue to include conversions within the scope of Policy 20.

No modification is proposed to the Plan.

Policy 20 – Other Comments

Ian Fairley (0427/01/001): Policy 20 requires the provision of an affordable housing contribution of 25% for all residential development proposals of five or more units in line with SPP (CD004, page 31, paragraph 129) and TAYplan Policy 4C (CD022, page 22). The Developer Contribution and Affordable Housing Supplementary Guidance sets out the forms which that affordable housing contribution may take. This includes social and mid-market for rent (CD021, paragraph 7.6) and Policy 20 indicates that the local housing need in an area will help determine the type of affordable housing provided on each site.

No modification is proposed to the Plan.

Stewart Milne Homes (0290/03/009): The Perth & Kinross Housing Needs and Demand Assessment (HNDA) was prepared by the Council to build on the TAYplan-wide HNDA to inform the preparation of the LDP and the Local Housing Strategy. Discussions between developers and the Council as to the details of the affordable housing provision on a site will be informed by the HNDA and, in the interests of keeping policies short and succinct, it is not considered necessary to spell this out in the text of Policy 20. Circular 3/2012 is already referenced in the Developer Contribution and Affordable Housing Supplementary Guidance (CD021, paragraph 2.2) and it is not considered necessary to refer to the Circular in the policy text also.

No modification is proposed to the Plan. However if the Reporter is minded to accept the modification the Council would be comfortable with making this change as it would not have any implications for any other aspect of the plan.

Policy 21

Cllr Michael Barnacle (0584/01/011): Scottish Gypsy/Travellers are an indigenous ethnic minority afforded the protection offered by the Equality Act 2010. A Scottish Parliament Report “Where Gypsy / Travellers Live” in 2013 (CD382) highlighted the difficulties and discrimination faced by Gypsy/Traveller communities and the desire to develop private sites and the difficulties encountered when engaging with the planning system. In the same year Perth & Kinross, in consultation with Gypsy/Traveller communities, produced a Strategy updated in 2018 (CD381)) to improve and sustain community relations in a manner underpinned by improved communication, respect and understanding. Research projects that informed the strategy highlighted the loss of, and need for additional private permanent and temporary sites. Sites suitable for Gypsy/Traveller communities require proactive protection and promotion. The original policy was inserted into the Proposed LDP 1 (CD014, Policy RD5 page 32) following consideration of an equalities impact assessment. This recognised that it was inappropriate to assess Gypsy/Traveller sites

under the same policy context as tourist orientated caravan sites. Accordingly the policy was developed with the express purpose of assisting travellers to make provision for their own needs, whilst safeguarding environmental and amenity concerns. Accordingly, whilst the policy does give greater scope for the development of traveller sites it is considered a proportionate approach given the specialist needs of this minority group. Policy 21A therefore protects against the further loss of existing sites and 21B sets out the support for provision of new sites while seeking to ensure that sites are fit for purpose and protecting the health and amenity of both the site residents and the amenity of neighbouring areas from potential impacts on landscape, noise and traffic.

As with the settled community, planning permission can be sought for small sites without the need for allocation in the Local Development Plan. There is no evidence that the need for more sites identified in 2013 has been satisfied. The progress report on the 2013 strategy (CD379para 2.2) in May 2018 noted that the action to bring forward further sites was not achieved during the life of the original strategy. Where the Council is not able to provide further sites, private proposals can come forward under Policy 21 to meet demand.

With regards to breaches there is regular engagement with the Gypsy/Traveller communities through the Communities team on both private and Council sites. Enforcement and planning officers work with residents to advise on avoiding and rectifying any planning breaches in accordance with the Planning Enforcement Charter (CD380) which emphasises the importance of resolving issues through negotiation.

Policy 22

Scone Estate (0614/01/016): Policy 22 supports proposals for particular needs housing. Specifically mentioned are housing for frail or elderly people, people with additional support needs, and housing for people with varying needs. The intention of this policy is to support proposals for housing for people whose needs cannot or are not met in the general housing market. Retirement villages in form may vary little from general needs housing. It is therefore more appropriate that they are considered within the context of general housing allocations and located in areas suitable for residential development. In fact, a sustainable location is even more relevant for active elderly people – it is not just about transport links, but also social links in terms of being part of, and integrated within, a wider community. As such the locational policies in TAYplan (CD022) and the LDP are key determining factors.

The representation refers to ‘retirement villages outwith residential areas’ which suggests some form of standalone settlement. TAYplan specifically states that ‘There will be no need for any new settlements during the lifetime of this Plan’ (CD022 page 11).

The previous Examination Reporter concluded that ‘The term “retirement village” is insufficiently precise for it to be referred to in this policy. Some residents of such accommodation may have particular housing needs but that is not necessarily the case. A market housing “retirement village” development that has minimum age stipulations for potential occupiers but no other features to address particular needs is not comparable to the specialised forms of accommodation that this policy seeks to address’ (CD015, page 144-115, paragraph 7).

No modification is proposed to the Plan.

Policy 25

Stewart Milne Homes (0290/03/012); Springfield Properties PLC (0455/01/004); Barrett North Scotland (0513/01/002); Homes for Scotland (0562/01/006); Scone Estate (0614/01/013); A&J Stephen Limited (0622/01/022): At the time of preparing the current adopted LDP, a specific need for smaller and low cost market housing was identified in the Council's Local Housing Strategy 2016-2021 (CD156, page 23). Leaving it to the market to address this need had in the past met with limited success. Understandably, developers had responded to market demand and provided the product which delivered the highest returns. Historically this has been for larger houses at the higher end of the market. In an effort to ensure an appropriate mix of housing, the adopted LDP therefore included the provision of low cost housing as part of the site specific developer requirements on some sites. This requirement has, however, caused uncertainty for both developers and Development Management officers in determining the required level of low cost housing on a site by site basis at planning application stage.

Following the preparation of the TAYplan Housing Needs and Demand Assessment, Perth & Kinross Council carried out a further Assessment in 2015. This highlighted a continuing and increasing need for smaller, lower cost market properties due to increases in single adult households, households with 2 adults and no children, and households with one adult with one or more children (CD155, page 15, Table D). The latest household projections for Scotland (2016-based) reinforce this. In Perth & Kinross the percentage of single person households by 2041 is projected to increase by 26% (CD170, Table 9). Single adult households with children are projected to increase by 33% (CD170, Table 12) whilst two adult households without children are to increase by 18% (CD170, Table 10). The average household size in Perth & Kinross is projected to decrease from 2.18 people in 2016 to 2.04 people in 2041 (CD170, Table 7).

The increase in single and two adult households without children is partly due to an ageing population. By 2041 nearly half of all households (47%) in Perth & Kinross will be headed by some aged 60+ (CD170, Table 14); there is an expected increase of 80% of those households headed by someone aged 75+ (CD170, Table 19). It is reasonable to assume that many of these households will wish to downsize to smaller properties.

Affordability calculations within the Housing Needs and Demand confirmed that without a significant deposit, equity, or more favourable lending conditions a house priced at the lower quartile price would not be a realistic option for over 50% of all household residents in Perth & Kinross. Moreover, using the same calculation a median priced property would not be affordable for 77% of all households (CD155, page 19, section 2.4). Policy 20: Affordable Housing seeks to provide for those households which are unable to their housing needs on the open market. Taking account of the statistics above, however, there is likely to be further households who may not qualify for an affordable house under Policy 20 but who still encounter difficulties in accessing the market. This further points to the need for additional smaller market houses which, by nature of their size, would be lower cost.

In determining an appropriate response to this issue in the Proposed LDP, consideration was given to the approaches taken in other Council areas. A number of Scottish Councils have tackled this issue in their LDP through a Density policy – Aberdeen City Policy H3 (CD153, page 60), Edinburgh Policy Hou 4 (CD154, page 116), East Lothian DP3 (CD161, page 97) – and / or a Housing Mix policy – Aberdeen City Policy H4 (CD153, page 61), Stirling Policy 2.2 (CD160, pages 35-36), Edinburgh Policy Hou 2 (CD154, page

115).

A disadvantage of a minimum density policy is that it is unlikely to be applicable to every site due to on-site constraints and the need to be compatible with the surrounding density / pattern of development. Furthermore, such a policy may not always result in smaller housing units; it might instead result in 3 or 4 bed flats/terraces which are less likely to meet the needs of smaller households including first time buyers and older people looking to downsize. For these reasons a minimum density policy was discounted.

In comparison, a housing mix policy could be applied to every site above a certain size, ensuring a proportion of smaller units on these sites. Housing mix policies have been successfully defended at LDP Examination at Aberdeen City (CD157, page 326, paragraphs 9-13), Edinburgh (CD158, page 851, paragraphs 23-26), and Stirling Councils (CD159, page 80, paragraphs 31-32). At the Aberdeen City Council LDP Examination, for example, the Reporter considered that meeting the housing needs of a growing elderly population and first time buyers is a 'reasonable objective of the planning system' (CD157, page 326, paragraph 12). Furthermore the Reporter did not consider that the policy requirement for smaller houses would unduly constrain the design approaches which could be taken in new developments and concluded that 'the reference to including some 1 and 2 bedroom units in the mix is acceptable' (CD157, page 326, paragraph 12).

In a departure from the approach taken by these other Authorities, however, Perth & Kinross Council are seeking to take this a step further by stipulating a minimum percentage of 1 and 2 bedroom houses on all developments of 20 or more units. This has met with resistance from the housebuilding industry as it is considered overly prescriptive and could result in further delays to the delivery of housing sites. Some respondents would wish that the policy instead just sought an 'appropriate' mix whilst others consider that the policy should be deleted in its entirety.

Rather than increasing delays, the Council suggest that the up-front requirement for a known percentage of smaller properties will provide far more certainty for developers. It is envisaged that this will actually speed up the process by negating the need for the 1 and 2 bedroom requirement to be negotiated on a site by site basis at planning application stage as is the case at the moment.

It is acknowledged that the proposed requirement for 1 and 2 bedroom houses is in addition to the requirement for 25% affordable housing sought under Policy 20: Affordable Housing. The adopted LDP includes specific developer requirements on some sites for low cost housing. Policy 25, however, lessens this focus on cost and instead seeks to achieve a mix of house sizes. Under Policy 25 development proposals are to meet the needs of smaller households including, but not limited to, older people and lower income households.

The 10% small house requirement differs from the 'Unsubsidised low cost housing for sale' category set out in the Developer Contributions and Affordable Housing Supplementary Guidance (CD021, page 25) as the latter does not specify the size of house. Instead it requires it to be demonstrated that the house will meet the needs of, and be affordable to, groups of households identified through the housing needs assessment. The Council may also seek to impose conditions on the missives to maintain the houses as affordable to subsequent purchasers. Under Policy 25 developers will not be required to demonstrate the houses meet an identified need in the same way, nor will the Council seek to control the future sale of the houses. Rather it is envisaged that these 1 and 2

bedroom houses will meet a need simply due to their smaller size. For example, under Policy 25 a developer could chose to build a percentage of small luxury houses aimed at older people wishing to downsize. Such houses would not necessarily be affordable in terms of price but would still help to meet an identified need for smaller houses.

The requirement for 10% 1 and 2 bedroom houses under Policy 25 will only apply to sites of 20 or more. On sites of this size of site many developers will already be looking to provide a range of house sizes and types in the interests of good placemaking and community integration. It is not therefore envisaged that, in the majority of cases, the requirement will adversely impact on the viability of a development. Where there are extenuating circumstances there could be an option for the developer to submit a development viability statement, similar to that allowed for developer contributions.

No modification is proposed to the Plan. However if the Reporter considered it would make the Policy clearer, the Council would not object to adding the following note to Policy 25: 'Where an applicant considers that there are extenuating circumstances which mean that meeting the requirement for 10% 1 and 2 bedroom houses will render a development economically unviable, the Council may reduce or waive this requirement'. This must be demonstrated through a Development Viability Statement'.

Stewart Milne Homes (0290/03/012); Kristin Barret (0423/01/004); Barrett North Scotland (0513/01/002): Increasingly, households which contain a person or people with specific housing needs wish to live within the community rather than being segregated simply because of their need for a specific type or design of house. It will not always be the case that such households are in need of an affordable house; rather they are in need of an appropriate house. It is therefore considered valid for planning policy to seek to help enable such households to live within the community by ensuring that, where appropriate, their needs can be accommodated within mainstream housing developments.

It is acknowledged that Building Standards Regulations (Technical Handbook 2017 Domestic – Sustainability, CD151, pages 8 & 11-12) already set requirements which seek to ensure that new houses can be adapted as the needs of a household change. These requirements are considered to address the concern raised by Kristin Barret that all new houses should be capable of adaption to some extent. Given that this requirement is already set out in Building Regulations there is not considered a need to repeat it in Policy 25.

What Policy 25 is seeking to achieve is to allow the option of requiring a small percentage of a development to provide houses to meet specific needs but only in those areas where there are identified clusters of households with such needs. The onus would be on the Council to demonstrate that such a cluster of households exist. Only two individual housebuilders objected to this part of Policy 25. No representation on this issue was received from Homes for Scotland.

No modification is proposed to the Plan.

Reporter's conclusions:
Reporter's recommendations:

