

**FINALISED EDINBURGH CITY LOCAL PLAN
LOCAL PLAN INQUIRY**

ENHANCED STATEMENT OF CASE

on behalf of

**HOMES FOR SCOTLAND
CRUDEN HOMES EAST LTD and MACTAGGART AND MICKEL (per PPCA
Ltd)
TAYLOR WIMPEY (per GEDDES CONSULTING and SHEPHERD AND
WEDDERBURN)
HALLAM LAND MANAGEMENT (per HALCROW)**

OBJECTOR REFERENCES: 2; 48; 87; 145; 170

**STRATEGIC HEARING SESSION – STRATEGY AND HOUSING POLICY
ISSUES**



improving living in scotland



1. INTRODUCTION

- 1.1 This enhanced Statement of Case is produced jointly by Homes for Scotland, PPCA Consultants, Geddes Consulting and Halcrow on behalf of the various clients listed on the title page. It is also supported by Miller Homes. The various parties to the Statement will lead on different aspects of the evidence at the Hearing. It is hoped that this conjoined approach by objectors will simplify the Strategic Session hearing.

2. BASIS OF CASE

- 2.1 The Draft National Planning Framework 2 (CD 2.02), Scottish Planning Policy 3 – Planning for Homes (CD 2.05) and the Housing Green Paper – Firm Foundations: The Future of Housing in Scotland (CD 5.08) all point towards the need to increase the numbers of dwellings completed in Scotland by 10,000 per year by 2015. Edinburgh, as the capital city of Scotland, will have to make a significant contribution to this increase.
- 2.2 Table 3.1 of the Edinburgh & the Lothians Structure Plan 2015 (CD 3.01) identifies that both the Waterfront and Rest of Edinburgh Urban Area strategic housing allocations are minimum figures. There is no reason why the Council could not exceed these figures where this achieves a specific pressing goal such as increasing housing choice or delivery of additional affordable housing. The evidence will demonstrate that both these goals are desirable and consistent with policy.

3. HOUSING LAND ALLOCATIONS

- 3.1 The 2007 Housing Land Audit for the City of Edinburgh Council (CD 5.05) identifies a 5 year effective land supply of 11,525 units at 2007 and 10,526 at 2009. Structure Plan Table 3.2 states that the Council must maintain a 5 year land supply of 12,100 units. Even when recalculated through Structure Plan monitoring this reduces to 11,888 units (Structure Plan Monitoring Report 2008 CD 5.04), the latest agreed audited housing land supply in the City is still below that required by the Structure Plan.
- 3.2 The Structure Plan housing land calculation took windfall development and the findings of an Urban Capacity Study into account in determining net housing need and supply figures.
- 3.3 The Council programming put forward for Local Plan Policy HOU1 sites in its housing strategy statement (CD 5.14 and CD 5.15) is disputed in that no agreement has been reached with Homes for Scotland on the matter and the figures put forward are considered overly optimistic. That would have been so before current market conditions arose, and is certainly so

now. But the market slowdown affects all types of housing to different degrees, so a drop in programmed output in the 2008 Audit will not in itself be an argument for more land, especially if the additional land identified were simply more brownfield land suitable only for flats. However, more land for lower-density family housing would undoubtedly be easier to develop in the current market.

- 3.4 However, even though the Council's programme assumptions may be shown to be too optimistic, it would appear that there are sufficient housing numbers programmed to meet the strict minimum requirements of the Structure Plan. The objectors' position therefore turns on the delivery through the Local Plan of the types of housing needed in Edinburgh

4. QUALITY – RANGE AND CHOICE

- 4.1 The 2007 Housing Land Audit disaggregates the Council overall housing land supply into flats and houses based on information available. From this it can be seen that almost 92% of the City's effective housing land supply is coming forward in the form of flatted accommodation. To a great degree, this represents landowner expectations for site values rather than house builder views on actual market demand or requirements at the time. In the context of Draft Housing Land Audit 2008 the situation worsens to almost 93%. The Halcrow Technical Note (Document HLM 015) sets out the analysis and presents a comparison with the Glasgow City Land Audit 2007 (Document HLM 014).
- 4.2 Within the context of an 11,525 unit effective supply in Audit 2007 this clearly represents an over dominance of flats in a market that requires a balanced supply of other forms of residential development including family housing to function properly. This dominance does not reflect the need to provide a range and choice of housing types as set out in Scottish Government national policy on housing. The various waterfront developments at Edinburgh, dominated by flats, exemplify this. Comparing the programming assumptions of Housing Land Audit 2007 and draft Audit 2008 there has been a significant slow down in the programming of completions for the large land releases at Western Harbour, Granton Harbour and the Waterfront since the Council's Audit 2007.
- 4.3 Using the definition of flatted and housing development as used in the Audit process, the need to introduce a better balance of family housing in the overall housing supply will have implications for the amount of land required to accommodate this form of housing. This will reduce the density of development that will be accommodated on sites as demonstrated by the imposition of a 30% family housing requirement placed upon the Forth Ports area at the Edinburgh Waterfront. The introduction of additional family housing into overall schemes also has implications for additional

education provision through delivery of school extensions or new schools. The knock-on effect of this, together with removal of an area protected for migratory birds at Forth Ports (700 units), is to reduce the overall numbers on the site from a theoretical 18,000 units to only 15,200. The net loss due to the imposition of a 30% family housing requirement on the 18,000 unit total is, therefore, 2,100 units.

- 4.4 If this theory was applied to the wider Audit 2007 overall housing supply of 26,907 units within a fixed area then this figure would be reduced theoretically to 23,767 units.
- 4.5 The Edinburgh & the Lothians Structure Plan 2015, (paragraph 3.17) notes that new housing in the City tends to be higher density flatted development. It acknowledges that, in order to meet the overall plan requirement and enable the provision of greater choice in housing sites, it is inevitable that a proportion of allocations will require greenfield sites that may require land to be released from the Green Belt. These include, but are not restricted to, the Edinburgh Urban Fringe allocation of 400 units. The Plan, therefore, accepts the principle of development on greenfield / Green Belt land to meet range and choice of housing which must include family and affordable housing. Both paragraph 3.18 and Policy HOU 4 (e) of the Structure Plan further highlight the need for a range and choice of housing to be provided with the policy requiring Local Plans to **"provide for a range of sites to meet all sectors of the market"**.
- 4.6 From this, if the Reporters are minded to accept the definition of a family house as put forward by objectors later in this Inquiry and the possible imposition of density controls, again to be discussed later in this Inquiry, then the corollary of that is the need for the Council to identify more land to meet its Structure Plan housing requirements in terms of providing a range and choice of house types and tenures.
- 4.7 The Lothians Housing Needs and Market Study 2005 (LHNMS) (CD 5.02) looked at the implications for Edinburgh of the inability of land and housing supply in Edinburgh to satisfy demand, and drew a number of powerful conclusions on the failure of the market to cater for family and affordable housing. It made clear the policy implications of these failures and Chapter 10 of the document summarises the market issues clearly in paragraphs 10.2 – 10.9.
- 4.8 There is no reason why the Council, in accepting the need to deliver more land to provide family housing, could not extend the City boundary into the Green Belt, where this does not harm Green Belt objectives, to deliver land for such housing.

4.9 There are a number of precedents for Reporters concluding that conformity with the Structure Plan is not simply a matter of housing allocations in Local Plans meeting the requirements of the Structure Plan in numerical terms. In 2003, the Reporter for the Inquiry into the Clydebank Local Plan 2001 considered arguments advanced by a housebuilder for the extraction of a site from the Green Belt to be allocated for housing, in order to further range and choice of housing sites. Document HFS STRAT 1 is an extract from that report. In summary, the Reporter found that:

- Housing completions in the first 5 year period of the Local Plan were likely to exceed the Structure Plan requirement (para 5.71)
- The Plan also provided sufficient opportunities to meet requirements in the medium term (para 5.74)
- The Council had had regard to paragraphs 23 and 25 of SPP3 2003 (CD 2.04) by trying to ensure range, choice and mixed communities in the Plan area
- However, range and choice were aims to be achieved at community level, not simply at Housing Market Area level (5.78), so that Clydebank was an appropriate community within which to consider range and choice
- Within Clydebank, the range of proposed house sites in his view were not capable of offering the range and choice sought by the Plan and by SPP3 (paras 5.80 and 5.83)
- A Green Belt review had not been carried out, hence there was no available assessment of the value of the site to Green Belt principles
- The objection site was proved to be acceptable in terms of a range of planning considerations including landscape impact, access and traffic, site layout, wildlife impact and so on (paras 5.84 – 5.98)
- In conclusion, range and choice issues outweighed the purely numeric arguments around conformity with the Structure Plan and the site should be allocated.

4.10 While ultimately the objection focussed on a smaller part of a larger site (40 units from a site originally identified for 250 houses), and the scale of the departure from the Structure Plan was therefore modest, nonetheless the Reporter established a number of clear tests and a clear rationale for allocating sites in line with paragraphs 23 and 25 of SPP3 as it stood at the time. Those principles remain enshrined in SPP3 in its 2008 form (CD 2.05), for instance in paragraphs 31 – 33 and 80 – 82.

- 4.11 In 2004 the Reporter at the Inverclyde Local Plan 2002 Inquiry dealt with similar issues in considering a number of objections seeking additional land allocations (Document HFS STRAT 2). He agreed in paragraph 7.25 that exceptions to the Council's development strategy (founded in turn on the Structure Plan) could be justified ***“where it is clear that choice is being denied or where there is a clear need for upper-market housing/Greenfield release to support the development strategy.”*** He then considered arguments for the release of further land in Kilmacolm (paras 7.28 – 7.92), and agreed that there was a need for further affordable housing, possibly with enabling private development, in the area, and that it should relate to the community where the need arose. Although in the case of Kilmacolm he recommended that a Housing Needs Assessment and Supplementary Planning Guidance were needed first to prove the scale and location of need, there was no doubt in his conclusions that additional land allocations were justified in principle.
- 4.12 He also considered in paragraphs 7.163- 7.223 the case for releasing 150 houses at a site in Gourrock on the basis that the allocations in the Inverclyde HMA contained no provision for upper market housing. He concluded that the economic development objectives of the Council would be enhanced by allocating land specifically to provide upper market housing in a context where the plan strategy for the HMA was heavily-focussed on regeneration and brownfield development. He concluded that the release of land targeted at a different market sector would not undermine that strategy.

5. QUALITY - AFFORDABLE HOUSING

- 5.1 The Structure Plan sets out the requirement which this Local Plan must comply with in respect of affordable housing. This is stated in paragraph 3.22 and the policy requirement stated in Policy HOU 7 is as follows:

“Where identified and justified by a local needs assessment and any related studies, local plans should include policies requiring the appropriate provision of affordable housing and setting out the planning mechanisms by which this will be achieved. These policies may take the form of supplementary planning guidance in advance of local plan adoption.”

The City Local Plan therefore needs to have a policy framework which delivers the appropriate provision of affordable housing and sets out the planning mechanisms by which this will be achieved.

- 5.2 It is noted that the Local Plan does not make any reference in its text to the scale of housing need to be met in Edinburgh nor the Local Plan's

development strategy to meet the Council's Local Housing Strategy. These are major omissions in this Local Plan. Yet the Council has stated in its response to the Scottish Government consultation on the Housing Green Paper (Document TW 11) that **'this City faces an acute shortage of affordable housing'**. Documents lodged to this Inquiry in relation to the Structure Plan review (for instance CD 3.03, 3.04 and 3.05) acknowledge the need to release more land to address affordable housing shortfalls. Delivery of new affordable housing is a Council priority.

Scale of affordable shortfall

- 5.3 The Council has prepared an appropriate assessment of housing needs, the LHNMS, which meets the requirements of SPP 3 and PAN 74. This is referred to in para 6.26 of the Local Plan. This needs assessment has established that the shortfall in affordable housing is 1,200 homes per annum or 8,400 over the period of the Local Plan (7 years from 2008/09). This is the target which the Local Plan should address to comply with the Structure Plan. It is noted that the Local Plan in para 6.26 acknowledges **that "... the levels of provision proposed in this local plan are intended to enable a contribution towards that need to be met...."** but does not state what that contribution will be. The Structure Plan does not constrain the need to meet this need in full.
- 5.4 The Council has acknowledged only 450 – 500 affordable housing units are built in the City each year (Council response to Housing Green Paper). This is 700 units short of the LHNMS 2005 figure of 1200 units per year over a ten year period accepted by the Council. This is acknowledged as a conservative figure in the Addendum to the Council SHIP 2008-13 (Document TW 09). The scale of affordable housing required will not be delivered on the land supply identified in the Finalised Edinburgh City Local Plan neither in terms of numbers nor range and choice. It is important to emphasise that this is a need and not demand for affordable housing. The scale of need is increasing on an annual basis as the Council consistently fails to address its affordable housing problem. This will be further exacerbated with the introduction of new homelessness legislation by the Scottish Government in 2009 -12.
- 5.5 The appropriate level of affordable housing which this Local Plan will deliver to accord with Structure Plan HOU 7 has not been clarified. The Structure Plan requires the Local plan to define the appropriate provision. According to the Council's own assessment of housing needs this is 1,200 homes per annum. Even although this assessment will be revised, it is inconceivable that this will significantly reduce this level of housing shortfall.

- 5.6 The Council has defined the appropriate mechanisms to deliver the affordable shortfall through Policy HOU 7 of the Local Plan. This is not challenged. It is also noted that Policy HOU 7 is supported by the Council's SPG on Affordable Housing (CD 5.06). The Council through its Policy HOU 7 of the Local Plan seeks to deliver 25% affordable homes on all sites allocated in the Local Plan plus emerging windfall sites during the Local Plan period.
- 5.7 Even if this was to average 2,200 approvals per annum to meet the stated strategic housing requirement as set out in Table 3.1 of the Structure Plan, only 550 affordable homes would be delivered per annum through this Policy. It is noted that the scale of subsidised affordable housing likely to be funded annually by the Council through the Council's Strategic Housing Investment Plan (Document TW 09) is around 600 approvals for new affordable homes per annum.
- 5.8 It is therefore legitimate to conclude that, as drafted, the Council's Local Plan as proposed can only deliver a maximum of 50% of the affordable housing target set by the Council in its own Local housing Strategy.

Opportunities to increase this scale of contribution

- 5.9 This Local Plan needs to meet the requirements of Structure Plan Policy HOU 7. There is no strategic dispensation given to meeting a lower housing need for affordable housing in Edinburgh. The assessed requirements should be met in full. Funding restrictions through a limited supply of annual investment in Housing Association Grant (HAG) only applies to part of the supply of affordable homes. Affordable housing categories are defined in SPP 3 and PAN 74 and can include unsubsidised affordable homes. There is therefore no grant funding restriction on the scale of affordable housing which can be delivered by this Local Plan.
- 5.10 The Council does not need to adopt a restrictive position in terms of its future land supply for affordable homes. Additional sites can be allocated in the Local Plan to meet the identified shortfall. Structure Plan Policy HOU 3 and Schedule 3.1 allows further land allocations in Waterfront Edinburgh and the Rest of Edinburgh Urban Area. The scale of land releases in both of these strategic locations is set at a minimum – additional land can be allocated in the Local Plan in order to create sustainable communities. This is permissible in terms of compliance with the Structure Plan. This Local Plan could and should allocate more land for affordable housing.
- 5.11 The indicative shortfall of affordable homes is assessed as equivalent to 600 homes per annum or 4,200 homes over the Local Plan period. Further

land allocations for this purpose should be identified in the Local Plan and released for this use in accord with the existing spatial development strategy set out in the Structure Plan.

- 5.12 The council acknowledges that affordable housing need should be met within the Council area in which it arises (CEC Response to Housing Green Paper). The LHNMA introduces a calculation for backlog of affordable housing in its calculations that have not been taken into account by the Structure Plan in its calculation of outstanding housing need. In order to achieve the LHNMA figure of 1,200 units per year (including backlog), and on the basis of the Council affordable housing policy requirement of 25%, this would require that the Council identify land with a theoretical capacity to deliver 4,800 non-tenure specific units per year. This is obviously not happening with the 2007 City of Edinburgh Council Housing Land Audit (as agreed with Homes for Scotland) identifying an overall five year effective housing supply (all tenures) of only 11,525 units at a base date of 2007. This drops to 10,526 units at 2009. It is clear that the current land supply will not address the City affordable housing shortfall. This Local Plan does not identify any sites for 100% affordable housing.
- 5.13 Scottish Ministers, in accepting the conclusions of a Reporter in an appeal related to residential development at Liberton Drive have already endorsed the principle of extending the Edinburgh urban area through the Edinburgh City Local Plan (Document CR 1). In that appeal the Reporter concluded in paragraph 9.15 that ***“paragraph 3.17 [of the Structure Plan] does not state that Greenfield land and/or land released from the green belt can count only to the Urban Fringe allocation.”*** The Reporter found that the Structure Plan ***“expects the 1100 minimum allocation to comprise sites within the settlement envelope in the relevant local plan”*** and that the “relevant local plan” was the emerging City of Edinburgh Local Plan.
- 5.14 There is therefore no reason why the Council, in accepting the need to deliver more land to provide affordable housing, could not extend the City boundary into the Green Belt, where this does not harm Green Belt objectives, to deliver land for affordable housing. The principle of this is supported in Structure Plan paragraph 7.6 and Policy ENV2. The Reporters at Clydebank and Inverclyde have similarly established tests of the appropriateness of allocating additional sites, including Green Belt releases.
- 5.15 The scale of such land releases could easily be controlled through the imposition of a cap on sites sizes, capacities or cumulative effect. Sites put forward by objectors to this Inquiry amount to less than 1000 units – this is not considered significant in the context of the overall City housing land

supply. It does not compromise the Structure Plan strategy of prioritising new development to brownfield sites in that the vast majority of new residential development in the City would still come forward on brownfield land. This approach could compensate in part for the shortfall in housing supply in Audit / Structure Plan terms, shortfall of affordable housing and / or any future reduction in density on other sites.

CONCLUSION AND RECOMMENDATIONS

The Council is not doing all it can to enable the allocation and delivery of land to meet a significant shortfall in affordable housing provision or family housing in the City despite having the opportunity to do so in the context of Structure Plan policy.

The objectors respectfully recommend that the Reporters have the scope to identify further land for residential development on the outskirts of the City, through limited allocation of land that does not affect the overall integrity of the Green Belt, for the purposes of delivery of additional family and affordable housing. A number of objections are before the Inquiry promoting opportunities to do so. Whilst collectively they are not a panacea to the problem, they will deliver additional affordable housing without necessarily relying on limited Central Government funding to do so, and they will address the need for family housing in Edinburgh within the community where the need arises.