

# PRIVACY NOTICE

## LOCAL DEVELOPMENT PLAN

### PUBLIC COMMENT

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Your information is being collected to use for the following purposes:

- To provide public comment on the Aberdeenshire Local Development Plan. The data on the form will be used to inform Scottish Ministers and individual(s) appointed to examine the Proposed Local Development Plan 2020. It will inform the content of the Aberdeenshire Local Development Plan 2021.

#### Your information is:

Being collected by Aberdeenshire Council	X
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#### The Legal Basis for collecting the information is:

Personal Data	
Legal Obligations	X

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It is a Statutory Obligation under Section 18 of the Town and Country (Scotland) Act 1997, as amended, for Aberdeenshire Council to prepare and publish a Proposed Local Development plan on which representations must be made to the planning authority within a prescribed period of time. Failure to provide details requested in the 'Your Details' section of this form will result in Aberdeenshire Council being unable to accept your representation.

Your information will be shared with the following recipients or categories of recipient:

Members of the public are being given this final opportunity to comment on the Proposed Aberdeenshire Local Development Plan. The reasons for any changes that the Council receives will be analysed and reported to Scottish Ministers. They will then appoint a person to conduct a public examination of the Proposed Plan, focusing particularly on the unresolved issues raised and the changes sought.

Your name and respondent identification number (provided to you by Aberdeenshire Council on receipt of your submission) will be published alongside a copy of your completed response on the Proposed Local Development Plan website (contact details and information that is deemed commercially sensitive will not be made available to the public).

In accordance with Regulation 22 of the Town and Country (Development Planning) (Scotland) Regulations 2008 where the appointed person determines that further representations should be made or further information should be provided by any person in connection with the examination of the Proposed Plan the appointed person may by notice request that person to make such further representations or to provide such further information.

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Not applicable.

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  - Consent; or
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# HALLIDAY FRASER MUNRO

CHARTERED ARCHITECTS & PLANNING CONSULTANTS

Please use this form to make comments on the Proposed Aberdeenshire Local Development Plan 2020.

If you are making comments about more than one topic it would be very helpful if you could fill in a separate response form for each issue you wish to raise.

Please refer to Aberdeenshire Council's Privacy Notice at the start of this form for details of your rights under the Data Protection Act.

## Your Details

Date: **31/07/2020**

Name:	Halliday Fraser Munro
Telephone Number:	██████████
Email address:	██████████
Postal Address:	████████████████████
Postcode:	██████████

Are you happy to receive future correspondence only by email? Yes

Are you responding on behalf of another person? Yes

If yes who are you representing? **CHAP Homes (c/o CHAP Group (Aberdeen) Ltd)**

Would you like to subscribe to the Aberdeenshire LDP eNewsletter: Yes

*An acknowledgement will be sent to this address soon after the close of consultation.*



HALLIDAY FRASER MUNRO

CHARTERED ARCHITECTS & PLANNING CONSULTANTS

Your Comments (no more than 2000 words)

Modification that you wish to see (please make specific reference to the section of the Proposed Plan you wish to see modified if possible, for example Section 9, paragraph E1.1):

**Modifications you wish to see** - Aberdeenshire Council should allocate additional housing land as per the requirements of the SDP Reporter's findings, to reflect the evidence of under-delivery and to make up for the proposed scale of allocations removed at MIR the PLDP stage to ensure that they have an appropriate housing land supply to meet requirements.

Aberdeenshire, with its significant accessible rural character, should include housing allocations which support the needs of the market to ensure that allocated housing sites are viable and deliverable and where people want to live.

Reason for change:

PLEASE SEE SUPPORTING STATEMENT

Attached document:

PLDP response report

## Housing Land – Aberdeenshire

### Aberdeenshire Council

#### 1. Summary

**Modifications you wish to see** - Aberdeenshire Council should allocate additional housing land as per the requirements of the SDP Reporter's findings, to reflect the evidence of under-delivery and to make up for the proposed scale of allocations removed at MIR the PLDP stage to ensure that they have an appropriate housing land supply to meet requirements.

Aberdeenshire, with its significant accessible rural character, should include housing allocations which support the needs of the market to ensure that allocated housing sites are viable and deliverable and where people want to live.

**Reasons for Change** – See Below

#### 2. Strategic Development Plan Review Requirements

The DPEA Reporter's unit published their report on the findings of the SDP Examination on 21<sup>st</sup> January 2020. In relation to housing land it found (Doc **HL1**):

- The SDP continues to have an **ambitious and aspirational vision for the growth** of the region;
- Scottish Planning Policy requires local development plans in city regions to “**allocate a range of sites**” (paragraph 119). At a local level the strategic development plan should ensure a sufficient supply of land for housing;
- That LDPs could allocated additional housing land without harming the delivery of existing strategic sites;
- That the use of the 2019 HLA was appropriate and is based on up to date information;
- New Tables 2 and 3 set out **increased Housing Land Requirements (HLR) and LDP Housing Allowances (HA)**;
- Despite there being an established supply of housing land there is still a requirement to provide sufficient housing to meet the **needs and demands of a growing population**;
- That both councils agreed that their plans “**could facilitate the moderate increase in allowances proposed**”;
- That further allocations to accommodate 1,879 homes are required to be found in the first plan period 2020 to 2032 across the City and Shire;
- Allocated sites in the period 2020 to 2032 **must be deliverable**; and
- That Planning Authorities **can if they wish include Strategic Reserve Land and a drawdown mechanism** as per the wording of the Proposed SDP.

The SDP Examination outcomes have identified a need to allocate further housing land. This is shown in the SDP Figure 1 below (Extract from Reporters SDP Examination findings):

Local Development Plan Housing Allowances						
	Housing Supply		Allowances			Total
	Housing supply 2016-2032*1	Housing supply 2033-2040*2	Allowances 2020-2032	Allowances 2033-2035	Allowances 2036-2040	
<b>Aberdeen Housing Market Area</b>	26,325	2,767	8,172	7,200	6,402	21,774
<b>Rural Housing Market Area</b>	6,361	821	2,042	1,800	1,602	5,444
<b>Aberdeen City Council</b>	16,719	1,733	5,107	4,500	4,002	13,609
<b>Aberdeenshire Council</b>	15,967	1,855	5,107	4,500	4,002	13,609
<b>Totals</b>	32,686	3,588	10,214	9,000	8,004	27,218
	36,274		27,218			
<b>Housing Land Requirement</b>			63,492			

\*1 Comprising completions 2016-2018 (6,223); effective supply 2019-2023 (13,067); programming of sites 2024 to 2026 (5,876); and extrapolated programming 2027 to 2032 (7,520) all based on the agreed 2019 housing land audit.

\*2 Compiled from extrapolated programming from the agreed 2019 housing land audit.

Note – components may not sum to totals due to rounding. Allowances will not include sites of less than 5 homes.

**Figure 1 – Extract SDP Examination Report – Revised Housing Land Allowances**

Those findings should be at the centre of the revised approach taken by both Aberdeen City Council and Aberdeenshire Council in respect of housing land allocations. An analysis of these against the PLDP requirement is included below:

Evaluation of Inquiry Conclusions versus Proposed SDP						
		Housing Supply		Housing Allowances		Difference
		2016-2032	2033-2040	2020-2032	PSDP	
<b>Aberdeen Housing Market Area</b>	AHMA	26325	2767	8172	6668	-1504
<b>Rural Housing Market Area</b>	RHMA	6361	821	2042	1667	-375
<b>Aberdeen City Council</b>	ACC	16,719	1733	5107	4168	-939
<b>Aberdeenshire Council</b>	AC	15,967	1,855	5107	4168	-939
<b>Totals</b>						
<b>Housing Land Requirement</b>	PSDP				8335	
<b>Housing Land Requirement</b>	Post Inquiry			10214		1879
					50%	939 in each Authority 375 in RHMA 564 in Aberdeenshire AHMA

**Figure 2 – Proposed SDP Housing Allowances compared to SDP Examination Findings**

The SDP findings were published between the Main Issues Report (MIR) and the Proposed Plan stages of the LDP review. That afforded the Planning Authorities the opportunity to consider how to deal with the outcomes of the SDP Examination in their proposed plans. In short, Aberdeen City Council included additional housing land in their Proposed LDP as a direct result of the SDP Examination findings. Aberdeenshire Council chose not to and in fact removed proposed allocations thereby reducing the housing land supply between the publication of the MIR and the publication of the Proposed LDP. The Kincardine and Mearns area of the region, where CHAP’s main proposal – Kinclunly Village at Park Quarry, sits, was disproportionately affected by this decision.

### 3. Aberdeenshire Council Approach to Housing Land (Post MIR & SDP Findings)

Aberdeenshire’s PLDP summary housing land allocations table (from Appendix 6 of the PLDP) shows the following:

Area	SDP Allowance	LDP Contribution to the Allowance	Difference	LDP Total Housing Land Supply
Aberdeen to Peterhead	Undefined	494	–	4780
Aberdeen to Huntly	Undefined	1017	–	4418
Aberdeen to Laurencekirk	Undefined	662	–	6030
Local Growth (AHMA)	Undefined	1232	–	2792
Local Growth (RHMA)	Undefined	2359	–	7794
Total AHMA	3065	3145	+80	15074
Total RHMA	2042	2619	+577	10740

**Figure 3 – Aberdeenshire Housing Land Allocations**

In principle Figure 3 suggests a positive total over and above the SDP allowances. However, this is different to the approach taken at the MIR stage when SDP housing requirements were assumed to be lower and housing land allocations were greater and does not necessarily translate into a deliverable housing land supply. In particular it highlights that the Aberdeenshire Proposed LDP contribution to the AHMA allowance is only 80 units above the SDP allowance – equivalent to around only 0.5% of the total LDP AHMA Housing Land Supply, whereas the RHMA has an over-allowance of 5%. This lack of headroom in the Aberdeenshire part of the AHMA is concerning given the history of under-delivery of key strategic sites at the centre of the spatial strategy. It also indicates a clear strategy towards maintaining a higher land supply in the RHMA compared to AHMA. This is not in line with the overall principles of the LDP strategy or the requirements from the SDP Examination for an **80:20 AHMA/RHMA split**.

### 3.1 Risks Associated with Adopted Approach

There are a number of elements that suggest that the Aberdeenshire part of the AHMA housing land supply is at risk. These are:

- Clear evidence of under-delivery compared to anticipated housing delivery [based on agreed series of Housing Land Audits (HLAs)];
- Clear evidence of particular sites under-delivering over a long period and an over-reliance on large sites as the main housing delivery mechanism;
- Officer's recommended strategy at the MIR stages compared to the PLDP strategy; and
- The lack of additional allocations in response to the SDP Examination Housing requirement increase.

### 3.2 Housing Land Audit (HLA) – Anticipated vs Actual Delivery

The 2019 HLA has been used as the basis for the SDP Examination findings as the most up to date agreed information on housing land. Housing Land Audits are at the centre of predicting future housing land programming and are a very useful tool in that respect. Paragraph 5.3 of the PLDP recognises the importance of HLAs but also that they will change on an annual basis. HLAs are not a definite picture of how housing will be developed over future years as they include a **substantial element of prediction**. The attached analysis (document **HL2**) considers the delivery rates anticipated for each HLA production year against actual housing delivery from the 2019/2020 HLAs. This is then predicted across future years to provide a forecast of what the reality might be on the basis of past evidence.

Document **HL2** shows a clear trend of delivering less housing than anticipated through HLAs. Some years are better than others but over a 5 year average (in the Aberdeenshire part of the AHMA) the difference is around 2% less year on year which, if applied to the 5 years between 2020 and the start of 2025 would essentially remove the 80 potentially surplus housing units set out in Table 1 of Appendix 6. That table, however, suggest a surplus of 80 units over the 12 years between 2020 and 2032, not 5 years. If extrapolated over that longer period the 80 surplus units **would become a clear deficit**.

The HLA information also usefully points out the average housing delivery rate in the Aberdeenshire AHMA of 522 units/annum between 2017 and 2019. This is the period since the adoption of the 2017 LDP. Looking further back to the 2015 HLA suggests a slightly higher delivery rate of 582 units/annum (delivery rates are taken from HLAs on an annual basis and averaged out over the defined period. The annual delivery rates are also shown in HLA2 attached). The 2019 HLA includes some ambitious anticipated delivery rates including around 1,000 each in years 2022/2023. If the actual delivery rates from the last 5 year's HLAs are applied to the anticipated future housing delivery then, by 2025, this part of the AHMA could be **1,400 houses short**.

These two elements alone suggests that the current housing land supply proposed as part of the LDP is highly risky and unlikely to meet SDP requirements. This is especially so as the PLDP in this part of the AHMA is mostly reliant on existing allocations with only limited additional or new housing allocations through this review. The Council have been quite clear that this is not a new housing strategy but is one that builds on past development strategies. We strongly suggest that the past delivery performance agreed through HLAs should be a consideration when allocating an overall housing land supply that can be sure to meet SDP requirements and be deliverable.

HLAs are there, and reviewed annually, to test whether a 5-year housing supply will be available at all times throughout the life of the LDP. The focus should now and to a greater extent be on deliverable land allocations. CHAP believes that the PLDP should be considering that more fully than it presently has.

The HLA process remains worthwhile but its wider evidence base on housing delivery should be used more effectively to predict possible shortfalls in future years and in specific geographical areas. CHAP believes that evidence points to the likelihood of shortfalls unless additional sites are allocated in different locations and at differing scales.

### 3.3 Reliance on Unrealistic Delivery Rates

Over-reliance on an unrealistic delivery rate is also clearly an issue for the LDP. Aberdeenshire Council should recognise these low rates of delivery in addressing housing requirements. Figure 4 below illustrates how some example sites have not delivered as expected over the years (further detailed analysis has been provided in the Homes for Scotland response). Evidence suggest that this will continue to be the case. Relying on sites that will deliver slowly over the years will exacerbate housing backlog issues. Increased housing will only be achieved by allocating additional and deliverable housing sites potentially including areas for future growth (Strategic Reserve).

Example Sites in Aberdeenshire AHMA (incl. 2017 LDP REF)	Allocation to 2017 – 2026 (source – Appendix A5, 2017 LDP)	Actual Delivered to 2019 (as per 2020 HLA)	Anticipated to 2027 (as per 2019 HLA)	Shortfall in delivery (allocation minus delivered/anticipated) [% shortfall]
Blackdog OP1	600	50	250	300 [50%]
Kintore OP1	600	0	290	310 [52%]
Chapelton OP1	2,200	163	540	1,497 [68%]
Crichie (OP4)	437	0	295	142 [32%]
<b>Total</b>	<b>3,837</b>	<b>213</b>	<b>1,375</b>	<b>2,249 [58%]</b>

**Figure 4: Delivery Rates for selected sites – Aberdeenshire** (Source – Housing Land Audit Series and LDPs, Aberdeen City and Aberdeenshire Councils.)

Figure 4 above shows that of the four allocations considered as examples **only 213 homes** have been delivered to date with a further 1,375 programmed in the 2019 HLA to and including 2027. This represents a **58% shortfall** from the delivery anticipated in the extant LDP for these four example sites only, even with the inclusion of an additional year beyond 2026. HLAs are regularly over anticipating housing delivery so the 1,375 set out above is a maximum.

Kintore and Crichie have substantial upfront infrastructure costs and Chapelton and Blackdog are in less marketable locations.

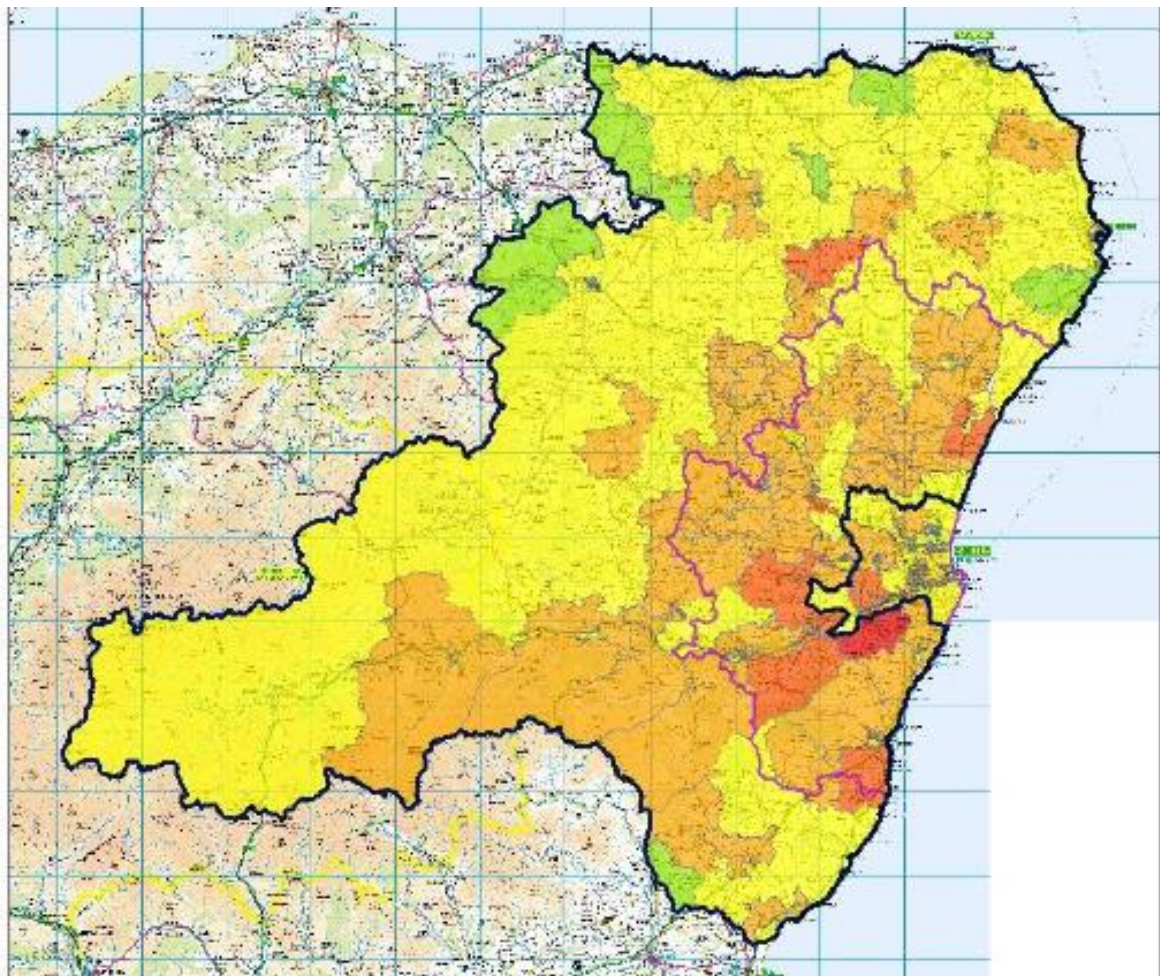
There should be a greater focus on where demand is strongest and current housing supply is under greatest pressure. The current approach of allocating land in SGAs and ignoring other areas such as the Deeside corridor is flawed and will not tackle housing affordability issues in that particular area. A separate response on the proposed Kincluny Village has been lodged that discusses that point further. Figure 6 demonstrates the disparity between allocations in the SGAs and the Deeside Corridor with Deeside having the much lower total housing supply figure with the next lowest having a total housing land supply that is three times greater. This table



shows the total housing allocations and contains effective and constrained sites, therefore the actual delivery of 1317 units in the Deeside corridor will not take place during this Plan period. The plan below (Figure 7) illustrates housing affordability across Aberdeenshire and when comparing this to the housing supply numbers in Figure 6 shows the lack of a coherent strategy when making decisions on the location of housing allocations with very few allocations in Deeside (currently one of the least affordable housing areas) compared to other corridors such as A90 north and south (which have higher levels of affordability). This approach does not address the lack of more affordable housing supply in the least affordable areas.

Area	LDP Total Housing Land Supply
Aberdeen to Peterhead	4780
Aberdeen to Huntly	4418
Aberdeen to Laurencekirk	6030
Deeside Corridor	1317

**Figure 6: Housing Land Allocations in the three Strategic Growth Areas and the Deeside Corridor. NB figures contain effective and constrained sites therefore actual delivery rates over the Plan period will be lower.**



**Figure 7: Lower quartile house price 2014 in Aberdeenshire**

Source:

<https://www.aberdeenshire.gov.uk/media/22984/aberdeen-city-and-shire-hnda-2017.pdf>

Including the 600-house mixed-use site at Kincluney Village for CHAP would not suffer from lead-in time delays as other promoted or allocated sites as it has already been the subject of a planning application where all technical issues were considered in depth. It could deliver earlier and quicker given its popular and accessible location. It could also deliver substantial and varied forms of more affordable housing into an area currently and substantially lacking in such housing.

Large sites should remain part of the housing strategy as they offer a real opportunity to masterplan the whole site. However, delivery expectations from existing specific allocations are consistently pushed further into the future as certainty over the issues affecting delivery are considered more accurately in subsequent HLAs. This suggests that more realistic delivery rates should be adopted and that approach would require additional housing allocations to fill the housing delivery gap. HfS have provided further detail on programming in their response. CHAP agree with their findings.

### **3.4 Main Issues Report (MIR) Approach vs Proposed Plan Approach**

The approach considered appropriate by officers at the MIR stage of the plan and the Proposed LDP are quite different. At the MIR stage the officers presented a plan that included more proposed housing land allocations and a greater surplus at a time when the Proposed SDP had a lower housing requirement. That original housing requirement figure is shown in Figure 21 of this response (4,168 compared to the new figure of 5,107). The MIR stages did not include a breakdown of housing land allocations and it was not made clear at Area Committees how the supply or targets related to each other so it is difficult to see how Councillors were able to make informed decisions at that time.

During the MIR process housing sites were removed at the request of Area Committees reducing the potential housing land supply further. The Committee Papers from the Council meeting of 5<sup>th</sup> March 2020 (Document **HL3**) outlines these changes at 4.13 to 4.20. **This shows a reduction of at least 360 homes compared to that proposed by the officers through the MIR**, but it also does not account for all changes between MIR officers' preferences and the PLDP. For example, a further 49 homes preferred by officers at Drumoak (KN128) were also removed. The SDP Examination findings then increased the housing requirement for each Planning Authority by 939 units. Aberdeenshire Council did not increase their housing land allowances to reflect that additional requirement despite agreeing during the SDP process that they "**could facilitate the moderate increase in allowances proposed**".

In effect, we now have a higher housing requirement but a lower set of housing allocations than the MIR considered necessary. The sites in Banchory and Portlethen that were removed specifically relate to the Aberdeenshire part of the AHMA thus reducing the proposed over-supply by **almost 400 units**, the majority of those are in Kincardine and Mearns. This lower housing land supply seems at odds to CHAP, especially when other evidence suggests that housing delivery is also likely to be lower than anticipated and national policy requires that deliverability and a robust housing land supply is required to support the housing market and the economy.

#### 4. Conclusions

CHAP contends that the housing strategy adopted does not align line with SDP ambitions or requirements. The 939 unit increase required by the SDP Examination outcomes should be adopted and additional land allocated to meet that specific requirement.

Reviewing the series of agreed HLAs demonstrates a history of under-delivery compared to anticipated housing delivery. HLAs are a useful tool but are not being interrogated to their full extent to help inform a housing strategy that will deliver the required housing that local ambitions and strategy requires. They clearly show trends in housing delivery that can be used to identify risks of under-delivery and therefore the need to increase housing land allocations to counter that trend. The suggested shortfall could be as high as **1,400 units** over a 5 year period. The Council should either allocate additional housing sites to make up that expected shortfall or include strategic reserve housing land and a draw-down mechanism as a backstop in case of under-delivery – a combination of both may be the best means to help avoid that scenario. Officers supported strategic reserve at the MIR stage of the Plan.

There is also clear evidence of particular sites under-delivering over a long period – particularly in the Kincardine and Mearns area of Aberdeenshire and related to that an over-reliance on large strategic sites as the main housing delivery mechanism. Strategic sites can only deliver at a specific rate. If Phase 1 is not delivering it is generally not possible to bring forward say Phase 3 to assist – their delivery, due to the costs of infrastructure, are generally linear. Large and strategic sites have their place in the overall strategy but should not be over-relied upon to fulfil housing land requirements.

If sites do deliver quicker than anticipated that can be considered a bonus and implications for supply and demand can be considered at the next HLA or HNDA or LDP review. On the other hand, not allocating enough deliverable land does not fulfil national or local planning requirements and will be a serious issue for a plan-based system. Allocating more and delivering more is a positive in many respects – meeting requirements, delivering more affordable homes, improving infrastructure, increasing housing choice and contributing to the economy and economic recovery. 4.10 of the 5<sup>th</sup> March PLDP Committee Report (**HL3**) supports that approach stating, *“The overprovision of housing land as proposed is considered to be acceptable as it builds in flexibility, particularly in the Rural Housing Market Area, as well as continuing to promote Aberdeenshire as an area open for business”*.

Officers had a different recommended strategy at the MIR stages which involved a greater set of housing land allocations in relation to SDP requirements than presently the case. That was considered a valid approach at the time and remains so. SDP requirements have increased but housing land supply has decreased. That on the other hand is not a valid approach and will lead to an under supply of housing land over time. When sites were removed during the MIR process the minimum requirement should be that these are replaced by more suitable sites.

CHAP therefore suggest that:

- The SDP increased requirement of 939 homes should be accounted for in additional housing land allocations;
- The evidence from HLAs suggest that additional housing land should be allocated to make up for a predicted shortfall in housing delivery – possibly up to 1,400 homes over the plan’s first 5 years. This could be in the form of additional allocations and future reserved housing sites with an appropriate a draw-down mechanism; and
- An equivalent of the sites removed from the MIR stages (min. 400) are replaced with new allocations across a range of locations including supporting rural settlements.
- Additional housing sites should be allocated in Deeside which suffers from some of the highest levels of unaffordability in the region.

**Homes for Scotland (HfS)** – CHAP, as members of Homes for Scotland, will be adopting their more detailed review of housing land supply. This response should be seen as complementary to the HfS response.

The HfS response has considered housing strategy and methodology in more detail. It found that the Proposed LDP has relied too heavily on constrained sites without obvious evidence that they could become deliverable. It also found that the uncertainty over delivery of housing allocations is exacerbated by the approach taken in the AHMA where not enough of the new allocations are concentrated where the market is strongest and locations are more likely to be sustainable i.e. the area immediately around Aberdeen.

The HfS response also questions the robustness of the approach on housing land supply as it does not meet housing need and demand in full due to the use of the “Modified Principal Migration Scenario” and relies heavily on peripheral and less marketable or sustainable locations. HfS has reviewed the land supply that could count towards the housing allowances and identified that:

- Not enough detailed evidence has been provided by the Council on the effectiveness of their chosen sites and their delivery assumptions;
- Multiple sites are either constrained or will not deliver the stated capacity in full;
- There are therefore significant shortfalls against the allowances across Aberdeenshire in both the AHMA and the RHMA;
- Constrained sites are problematic when counted towards housing allowances as recognised in the PLDP (see below);

*“We need to be confident that land can be brought forward for development within the Plan period, and that the range of new sites allocated alongside the existing effective supply will maintain a housing land supply that is sufficient. While some long-term constrained sites may come forward, there has to be some uncertainty associated with this. We cannot have confidence that long term constrained sites will be brought forward for development, and we have removed many of these to ensure that the Spatial Strategy is both sustainable and deliverable as advised by Scottish Planning Policy<sup>5</sup>. Both major allocations and smaller self-contained allocations are required.” (para. 5.4)*

- The inclusion of constrained sites in the allowances is a one-sided adjustment to the housing land supply that has not been agreed with the housing industry; and

- Nearly all of the constrained sites should be removed from contributing to the allowances.

The HfS conclusion is quite clear – the PLDP does not allocated enough land to meet SDP allowances and definitely not enough housing land in the AHMA area around Aberdeen. CHAP as members of HfS support these findings and suggest that the proposal for Kincluny Village could help fill the evident housing gap.

### **Supporting Docs List**

**HL1** – Extract, DPEA Reporters’ findings – Housing Land

**HL2** – HLA Series analysis table

**HL3** – PLDP Committee Report

<b>Issue 12</b>	<b>Our Communities - Housing Supply Target</b>	
<b>Development plan reference:</b>	Section 4: Our Communities Delivery of New Homes Table 1: Housing Supply Target by Housing Market Area, Local Authority and Tenure Mix Pages 28 – 32	<b>Reporter:</b> [REDACTED]
<b>Body or person(s) submitting a representation raising the issue (including reference number):</b>		
<p>PP18015 Bancon Homes                  PP18020 Scotia Homes Ltd                  PP18023 Dunecht Estates                  PP18040 Stewart Milne Homes Ltd                  PP18041 Newtonhill, Muchalls &amp; Cammachmore Community Council                  PP18046 Taylor Wimpey (East Scotland) Limited                  PP18049 Mactaggart &amp; Mickel Homes Ltd                  PP18050 Various Developers and Landowners                  PP18051 CHAP Homes Ltd                  PP18053 CALA Homes (North) Ltd                  PP18055 Homes for Scotland                  PP18056 Hallam Land                  PP18059 CALA Homes (North) Ltd                  PP18060 Barratt North Scotland and Dunecht Estates                  PP18061 Barratt North Scotland                  PP18063 Drum Property Group</p>		
<b>Provision of the development plan to which the issue relates:</b>	Section 4: Our Communities Delivery of New Homes Table 1: Housing Supply Target by Housing Market Area, Local Authority and Tenure Mix Pages 28 – 32 This Sub Section of the Proposed Strategic Development Plan sets the Housing Supply Target.	
<b>Planning authority's summary of the representation(s):</b>		
<p><u>Housing Supply Target to be informed by the High Migration Scenario</u></p> <p>PP18015, PP18020, PP18023, PP18040, PP18055, PP18061, PP18051, PP18059, PP18060, PP18063: The respondents consider that the Proposed Strategic Development Plan should use the Housing Need and Demand Assessment 2017 High Migration Scenario as this would reflect the aspirations for future growth in the Proposed Strategic Development Plan's Vision (RD18063B). The use of the High Migration Scenario reflects the need for additional affordable housing.</p> <p>It is contended that the Housing Land Audits from 2016 and 2018 show several years of anticipated completions around the level of 2,768 homes per annum, i.e. the annual target set by the High Migration Scenario from the Housing Need and Demand Assessment 2017.</p>		

Object to the Modified Principal Growth Scenario

PP18040, PP18041, PP18046, PP18049, PP18053, PP18055: The respondents do not consider that the Modified Principal Growth Scenario has been supported by sufficient evidence and explanation in the Housing Methodology Paper and is therefore not justified to be used as the Housing Supply Target for the Proposed Strategic Development Plan. The Modified Principal Growth Scenario is also less aspirational than the Housing Need and Demand Assessment's Principal Growth Scenario. It is contended that the Modified Principal Growth Scenario results in a lower Housing Supply Target than the Principal Growth Scenario for the plan period 2020-2032. The respondents promote that the Proposed Strategic Development Plan should set ambitious targets that drive the increased delivery of new homes. The consideration of completion rates agreed in the Housing Land Audit is not accepted as an appropriate way to project future growth. The approach lacks ambition and does not adequately plan for growth.

PP18040, PP18046: PP18049, PP18051, PP18055, PP18063: The respondents object to the use of the Modified Principal Growth Scenario on the basis that it departs from the Principal Growth Scenario of the Housing Need and Demand Assessment 2017 and therefore does not reflect the Housing Need and Demand Assessment 2017 or conform with Scottish Planning Policy.

Use of Housing Land Audits

PP18040, PP18050: The respondents consider that the most recently agreed Housing Land Audits (2017 or 2018) should be used for establishing the Effective Land Supply.

Completion Rates

PP18055: The respondent does not believe that the consideration of past housing completions is an appropriate way to project future growth. The respondent considers that this approach gives a falsely negative view given the recent drop in oil price over the last few years.

The respondent notes that projected completions from the Aberdeen City and Shire Housing Land Audit 2016 show increased level of completions programmed than the completions from the past few years. The respondent also notes that the aspirations of the extant Strategic Development Plan 2014 was to move towards the delivery of 3,000 homes of per annum by 2020. In this regard, the respondent refers to the projected completions for the Aberdeen City and Shire Housing land Audit 2018 which expect that the City Region will meet this aspiration by 2019. The respondent considers that this demonstrates the ability and desire of the home building industry to achieve far higher levels of completions in the future.

**Modifications sought by those submitting representations:**

Housing Supply Target to be informed by the High Migration Scenario

PP18015: PP18020: PP18023, PP18040, PP18046, PP18049, PP18051, PP18056, PP18059, PP18061, PP18063: The Proposed Strategic Development Plan should be amended to use the Housing Need and Demand Assessment High Migration Scenario to inform the Housing Supply Target.

PP18055, PP18056 and PP18060: Position 1 - Request that the High Migration Scenario is used as the basis for the Housing Supply Target. Table 1 and paragraph 4.10 updated as a result. Position 2 - Request that the Principal Scenario is used to determine the Housing supply Target instead of the Modified Principal Scenario. Table 1 and paragraph 4.10 updated as a result. The respondents have included an Appendices to their submission which sets out their requested changes to these tables (RD18055 – appendix 1 and RD18056 – appendix 3).

PP18053: The Housing Supply Target should be amended to be more aspirational.

Object to the Modified Principal Growth Scenario

PP18020, PP18023: If the Housing Need and Demand Assessment 2017 High Migration Scenario is not used the Principal Growth Scenario should be used to inform the Housing Supply Target.

PP18055: Position 2 Request that the Principal Scenario is used to determine the Housing Supply Target instead of the Modified Principal Scenario. Table 1 and paragraph 4.10 updated as a result. The respondent has included an Appendix 1 to their submission which sets out their requested changes to these tables (RD18055A).

**Summary of responses (including reasons) by planning authority:**

Housing Supply Target to be informed by the High Migration Scenario

A detailed review of the Housing Need and Demand Assessment 2017 (CD 56) High Migration Scenario can be read in Paragraph 3.17 of the Housing Methodology Paper (CD 71). In reviewing the High Migration Scenario it was determined it was unrealistic that such high levels of projected house building would be delivered. Historically, such levels of delivery have very rarely occurred. As such it was not considered an appropriate scenario to inform the Housing Supply Target.

The High Migration Scenario sets a Housing Supply Target of 55,370 homes to 2035. In comparison the Principal Growth Scenario projects a Housing Supply Target of 43,420 homes to 2035. A High Migration Scenario Housing Supply Target is therefore approximately 22% higher and requires completion of approximately 600 more homes per annum than the Principal Growth Scenario's Housing Supply Target.

From 2004 to 2015 new home completions exceeded 2,000 homes per annum twice in that twelve-year period, in 2004 and 2015. The last time completions exceeded 2,600 was in 1991. Historic levels of housing completion in the City Region have averaged approximately 2,200 from the period 1981 - 2015. While the Proposed Strategic Development Plan is aspirational in terms of the levels of economic growth and future development it must also be realistic and on the basis of historic completions in the City Region, coupled with recent economic challenges it is considered unlikely that the average of 2,768 new homes per annum projected by the High Migration Scenario would occur. The Aberdeen City and Shire Housing Land Audit 2016 (CD 53) recorded that since 2009 the highest level of completion in one year was 2,099 homes. An annual target of 2,768 new homes is 24% higher than that and is not considered achievable or realistic.

Paragraph 31.1 of Housing Need and Demand Assessment Manager's Guide 2014



(CD 18) advises consideration of factors to be taken into setting Housing Supply Targets and notes that they must be “*deliverable on the ground*”. While homes have continued to be delivered during recently challenging economic conditions it would be considerably more challenging to deliver homes at the level required by the High Migration Scenario. Given the current level of delivery recorded in the Aberdeen City and Shire Housing Land Audit 2016 (CD 53) it would take considerable time and resources to assemble the required skilled labour, supply chains and logistics to deliver homes at such the High Migration Scenario’s rate over the life of the Plan period. Additional consideration of resources and infrastructure must be factored into deciding a Housing Supply Target.

The quantity of resources required to deliver such levels of housing would put considerable pressure on resource and mineral reserves.

The Strategic Development Planning Authority requires surety that the resources necessary to deliver such a level of housing would be available. The quantity of minerals required to deliver such a level of housing would be considerable and minerals reserves, and areas of exploration would need to be reviewed through the Local Development Plans to determine adequacy of supply. The High Migration Scenario would also require an increase in water demand, water abstraction for the River Dee is regulated through a license issued by the Scottish Environment Protection Agency to Scottish Water. The River Dee is a Special Area of Conservation and increases in water abstraction beyond the limits of the current abstraction licence could result in likely significant effects on a Special Area of Conservation. This issue has been considered in the Proposed Strategic Development Plan’s Habitats Regulation Appraisal (CD 125). It is essential to ensure that abstraction licences have the capacity to be able to meet future water supply demand without negatively impacting on the River Dee Special Area of Conservation.

This level of additional allocations required to meet the High Migration Scenario’s housing requirement could risk the delivery of existing strategic allocations. These allocations have already had considerable resources invested in them by developers, local authorities, infrastructure providers as well as local communities and their successful delivery is of importance to the City Region.

No modifications to the Proposed Strategic Development Plan are considered necessary as a result of these representations.

#### Object to the Modified Principal Growth Scenario

The respondents assert that insufficient evidence has been presented to justify the use of the Modified Principal Growth Scenario as the Housing Supply Target for the Proposed Strategic Development Plan. It is also asserted that the Modified Principal Growth Scenario proposes lower growth than that of the Housing Need and Demand Assessment 2017 (CD 56) Principal Scenario. Both assertions relate to the use of the Modified Principal Growth Scenario and as such will be considered in this response by the Strategic Development Planning Authority.

The Strategic Development Planning Authority published a Housing Methodology Paper (CD 71) in support of the Proposed Strategic Development Plan in order to be transparent regarding the methodologies used and conclusions derived at reaching the Housing Supply Target and the Housing Land Requirement. The use of the Modified Principal Growth Scenario is in line with Housing Need and Demand Assessment – a Manager’s Guide (CD 18) and Scottish Planning Policy 2014 (CD 40). This point is

expanded on in detail in the Planning Authority's response (below) to the issue of the Modified Principal Growth Scenario conforming with Scottish Planning Policy.

The Modified Principal Growth Scenario was the result of a process which reviewed and considered the Housing Need and Demand Assessment's three migration scenarios against the wider economic, social and environmental factors, issues of capacity, resources and deliverability, and other important requirements. This detailed consideration was undertaken by the Planning Authority and Housing Market Partnership rather than, as proposed by the respondents, simply transposing one scenario (either the Principal Growth Scenario or the High Migration Scenario) into the Proposed Strategic Development Plan and using it as the Housing Supply Target. The Principal Growth, Low Migration and High Migration Scenarios were all given equally detailed consideration and these considerations are explained fully in Chapter 3 of the Housing Methodology Paper (CD 71).

The respondents assert that the Principal Scenario promotes a higher level of growth for the period 2016 to 2032 than that of the Modified Principal Growth Scenario. Paragraph 118 of Scottish Planning Policy 2014 (CD 40) states it is the role of Strategic Development Plans to look at land supply and set a Housing Supply Target up to year twelve from the expected year of plan approval making sure the requirement for each housing market area is met in full. Beyond year twelve and up to year twenty Strategic Development Plans should provide an indication of the possible scale and location of housing land. In this context the Strategic Development Plan needs to consider housing land allocation beyond that of the next Local Development Plan cycle and be able to set a strategic direction for the City Region's housing land need and its economic aspirations. As such the Proposed Strategic Development Plan considers the periods 2020 to 2032 and 2033 to 2040. An additional year has been added to the first plan period due to uncertainty relating to the eventual approval of Strategic Development Plans.

The assertion that the Modified Principal Scenario results in a lower Housing Supply Target is flawed. The respondents incorrectly include the period 2016 to 2019 within the total Housing Supply Target up to the period 2032. During the period 2016 to 2019 9,520 homes are required by the Principal Scenario which would require a rate of delivery of 2,380 homes per annum. The period 2016 to 2019 is outwith the plan period for the Proposed Strategic Development Plan, which commences in 2020 and runs to 2040. The period 2020 - 2032 is the period up to year twelve of the Proposed Strategic Development Plan, if it were to be taken from 2016 to 2032 that would be a period of seventeen years. This would include a period of four years, 2016 to 2019, that cannot be considered retrospectively and is not the function of a Strategic Development Plan to consider a Plan period which is in the past.

When comparing Housing Supply Target totals for the period 2020 - 2032; the Principal Migration Scenario total is 27,964 new homes and the Modified Principal Growth Scenario total is 28,600. The Modified Principal Growth Scenario is 636 new homes per annum greater than the Principal Migration Scenario. Additionally, when comparing the difference between the two scenarios for the period 2020-2035 the Modified Principal Growth Scenario is 1,721 new homes per annum greater.

When examined on an annual basis, over the period of the Housing Need and Demand Assessment 2017 (CD 56), output the Principal Migration Scenario begins with high levels of need which steadily decline over the period 2016 - 2035. Put simply, it projects a declining need for new homes as the Plan Period progresses. It starts at 2,476 new

homes per annum in 2016 declining to 1,900 new homes per annum by 2035. These projections of decline do not reflect the City Region's economic aspirations for sustainable growth. This declining trend would also be in contrast to recent levels of new and anticipated housing completions shown in the Aberdeen City and Shire Housing Land Audit 2016 (CD 53) and the direction of the Regional Economic Strategy's (CD 80) aspirations for a diversified regional economy and future growth.

It is the view of the Strategic Development Planning Authority that the total number of homes projected by the Principal Growth Scenario is generally appropriate however when these homes are required is reflected more realistically in the Modified Principal Growth Scenario. The Principal Growth Scenario projects an initially high housing land requirement with demand reducing steadily over the course of the period 2016 to 2035. This results in an annual average requirement of 2,170 homes per annum. Paragraphs 3.13 - 3.15 of the Housing Methodology Paper set out in detail the reasoning for the development of the Modified Principal Scenario.

- The period 2016 - 2020 is reflective of recent levels of completions recorded in the Aberdeen City and Shire Housing Land Audit 2016 (CD 53);
- As the Proposed Strategic Development Plan progresses from 2020 - 2032 the Housing Supply Target increases steadily reflecting the City Region's aspirations for stable economic growth;
- The period 2033 - 2040 looks towards establishing the principle of a reserve of housing land which Local Development Plans could utilise in the future should the need arise. It also sets a strategic aspiration for the City Region and a long-term direction of the anticipated future need which the development industry and infrastructure providers can plan towards;
- The annual average requirement is 2,170 homes per annum up to 2035 and increases to 2,205 up to 2040.

The Modified Principal Growth Scenario is the policy interpretation of the Housing Need and Demand Assessment's Principal Growth Scenario. The result of this is the Housing Supply Target for the Proposed Strategic Development Plan. It follows a stepped change which moves towards a sustainable increase in the rate of housing delivery over the life of the Plan which reflects the City Region's aspirations for sustainable economic growth.

No modifications to the Proposed Strategic Development Plan are considered necessary as a result of these representations.

It has been asserted by the respondents that the Modified Principal Growth Scenario is not reflective of Scottish Planning Policy. In order to add clarity and transparency regarding the Proposed Strategic Development Plan's Housing Supply Target a detailed Housing Methodology Paper (CD 71) was prepared. The issues raised by the respondents regarding the Modified Principal Scenario have been addressed by the Housing Methodology Paper. However, further explanation of Housing Need and Demand Assessment guidance documents and clarification of the Planning Authority's interpretation of Scottish Planning Policy and such guidance in response to the representations is detailed below.

The Aberdeen City and Shire Strategy Development Planning Authority along with its Housing Market Partners Aberdeen City Council and Aberdeenshire Council undertook a Housing Need and Demand Assessment 2017 (CD 56), in line with Paragraph 113 of Scottish Planning Policy 2014 (CD 40) which requires that Strategic Development Plans

be informed by a robust Housing Need and Demand Assessment. It is important to note the choice of wording in Paragraph 113 in that the phrase “informed by” is used to articulate the relationship between the Housing Need and Demand Assessment as an informative piece of evidence and the policy interpretations of a Development Plan. The Aberdeen City and Shire Housing Need and Demand Assessment 2017 (CD 56) received “Robust and Credible” status from the Scottish Government’s Centre for Housing Market Analysis on 8<sup>th</sup> March 2018 (CD 72).

The Proposed Strategic Development Plan sets its Housing Supply Target based on a modified version of the Principal Scenario’s output from the Housing Need and Demand Assessment 2017 (CD 56). This process has been informed by the Housing Need and Demand Assessment and interpreted using the guidance provided by both the Housing Need and Demand; Practitioner’s Guide (CD 19) and Manager’s Guide (CD 18). A detailed breakdown of the Housing Supply Target; into market and affordable sectors, council areas and Housing Market Areas is show in Table 1 (page 29) of the Proposed Strategic Development.

Paragraph 115 of Scottish Planning Policy requires that Development Plans set a Housing Supply Target. The Housing Supply Target is a policy view of the number of homes the Strategic Development Planning Authority has set for each Housing Market Area over the period of the Development Plan and Local Housing Strategies. It takes into account the wider economic, social and environmental factors, issues of capacity, resources and deliverability, and other important requirements. It is not simply the insertion of a migration scenario produced through the Housing Need and Demand Assessment into a Proposed Plan. Both the Housing Need and Demand Assessment Manager’s Guide and Practitioner’s Guides offer guidance on how Housing Need and Demand Assessment scenarios can be used to inform the Housing Supply Target.

It should be noted that a Housing Need and Demand Assessment is not a statement of policy. Paragraph 8.1 of the Housing Need and Demand Assessment Manager’s Guide (CD 18) states “*The HNDA should be factual in scope and bring together the evidence upon which subsequent housing policy and planning policy decisions and interpretations should be based*”. The relationship between the scenarios produced by a Housing Need and Demand Assessment are further outlined in the Manager’s Guide in paragraph 9.1 which states “*The HNDA provides the evidence on which an HST(s) is based. While it is expected that there is a clear alignment between the HNDA and the HST the two **are not the same** and are therefore **not expected to match***”. The Housing Supply Target takes the Housing Need and Demand Assessment from its starting point but considers both policy and practical considerations to inform a view on the level of housing that can actually be delivered over the Proposed Strategic Development Plan period.

Paragraph 3.5 of the Housing Methodology Paper lists the factors taken into consideration when setting the Housing Supply target and is also mindful of the paragraph 13.5 of Manager’s Guide which states “*Consideration of these factors could result in a HST figure which may be lower or higher than the housing estimate in the HNDA*”. The Housing Need and Demand Assessment has achieved Robust and Credible status. Using this as an evidence base the Housing Market Partnership considered the factors outlined in the Housing Need and Demand Assessment Manager’s Guide to inform a Housing Supply Target for the Proposed Strategic Development Plan. All this is in accord with the requirements of Scottish Planning Policy.

No modifications to the Proposed Strategic Development Plan are considered necessary as a result of these representations.

### Use of Housing Land Audits

The Aberdeen City and Shire Housing Land Audit 2016 (CD 53) and Employment Land Audit 2016 (CD 67) are the base documents for data relating to housing and employment land for the production of the Proposed Strategic Development Plan. The Aberdeen City and Shire Housing Land Audit 2016 (CD 53) was used to inform the Housing Need and Demand Assessment 2017 (CD 56). Every two years both Aberdeen City Council and Aberdeenshire Council submit the Assembly of Planning Inputs to either Transport Scotland or Scottish Water. The Assembly of Planning Inputs is a compilation of the data contained in the Aberdeen City and Shire Housing Land Audit (CD 53) and Employment Land Audit (CD 67). The Assembly of Planning Inputs informs the Transport and Economic Landuse Model for Scotland (TELMoS) which is then disaggregated into the Aberdeen Sub Area Model (ASAM). As such the data which was required to inform both the Housing Need and Demand Assessment and the Cumulative Transport Appraisal came from the Housing Land Audit 2016 and the Employment Land Audit 2016.

Paragraph 20 of Circular 6/2013 states that “*Ministers expect planning authorities to move swiftly from the Main Issues Report stage through to Proposed Plan and Examination*”. While more recent Housing Land Audits, 2017 and 2018, had been agreed and published during the preparation of the Proposed Strategic Development Plan it was not considered appropriate to recommence the Housing Need and Demand Assessment and undertake an update to the Transport and Economic Landuse Model for Scotland due to the considerable work which had already been completed at the time and the consequences of delaying the preparation of the Proposed Strategic Development Plan.

The base date of Housing Land Audit and Employment Land Audit used to support the Proposed Strategic Development Plan cannot be changed once the Housing Need and Demand Assessment has been completed and the Transport and Economic Landuse Model for Scotland has been completed. If this were to be done then an updated Housing Need and Demand Assessment, which would need to be reapproved by the Centre for Housing Market Analysis, would be required and the same would be required for an update for any Transportation Model with approval from Transport Scotland. This would involve further delays, and financial impacts on the production of a Strategic Development Plan.

No modifications to the Proposed Strategic Development Plan are considered necessary as a result of these representations.

### Completion Rates

Given that the Housing Land Audit 2016 (CD 53) has been set as the base year for the Housing Need and Demand Assessment 2017 (CD 56) any subsequent Housing Land Audits are discounted. The Housing Land Audit (Page 21) 2016 (CD 53) indicates that from 2017 onwards there are anticipated levels of completion above 2,793 homes per annum. Anticipated rates of completion over recent years have not matched recorded levels of completion in subsequent Housing Land Audits.

In the Housing Land Audit 2015 (CD 52) it was anticipated completions for the year 2015 in the Aberdeen City and Shire Strategic Development Plan area would be 2,487 homes.

The Housing Land Audit 2016 recorded 2,093 completions in 2015, a shortfall of 394 homes. Additionally, the Housing Land Audit 2015 anticipated completion of 2,875 new homes in 2016 but in the Housing Land Audit 2016 anticipated completions were revised to 2,309 new homes, a reduction of 546 new homes. These were considerable fluctuations and revisions over a relatively short period of time. As such it was considered that recent rates of completion could not be disputed and should be used to set the Housing Supply Target for the Proposed Strategic Development Plan period 2016-2020.

No modifications to the Proposed Strategic Development Plan are considered necessary as a result of these representations.

**Reporter’s conclusions:**

Further housing information

1. I sought further written information on housing matters from parties and held a subsequent hearing session on housing at Woodhill House, Aberdeen on Friday 30 August 2019 with attendance from the Strategic Development Planning Authority; Aberdeen City Council; Aberdeenshire Council; and parties with development and housing interests. Further written submissions were provided in response to the content and consequences of the agreed 2019 housing land audit. My conclusions on the housing Issues 12, 13, 14 and 15 have been informed by the further written exchanges and the discussion at the hearing session.

High migration scenario

2. Scottish Planning Policy (2014) states at paragraph 113 that “plans should be informed by a robust housing need and demand assessment (HNDA)” and that where the HNDA is robust and credible “the approach used will not normally be considered further at development plan examination”. In 2017 a HNDA was carried out to inform the preparation of the proposed strategic development plan. While not disputed, the process and methodology used to produce the HNDA were certified as robust and credible by the Scottish Government’s Centre for Housing Market Analysis on 8 March 2018. I note that the HNDA provides results for the period 2016 to 2035 and suggests extrapolating this data to provide figures for the period 2036 to 2040 (to include the period the proposed plan covers).

3. The HNDA notes that projections are “trend-based in the way that they apportion Scottish levels of growth to smaller geographies and are therefore ‘projections’ of what could happen under a specific set of assumptions rather than forecasts of what is likely to happen. The projections use three different levels of migration – known as ‘low migration’, ‘principal’ and ‘high migration’ variants. Population projections based on National Records of Scotland (NRS) data from 2014 suggests that Aberdeen City and Aberdeenshire will experience significant projected population increases, above the Scottish growth rate, from 2014 to 2039. A projected 18% growth rate is identified for this period. In addition, NRS household projections for Aberdeen City and Aberdeenshire identify growth of 17% to 35% (depending on which net migration variant is used).

4. The HNDA sets out the estimated additional housing units required to meet the projected growth in the region (as shown in Table 42 of the assessment). In summary, these estimate a need for 1,566 (low migration); 2,171 (principal migration); and 2,768

(high migration) additional homes per year. To produce its housing supply target, the proposed plan adopts a modified version of the principal scenario requiring, on average, 2,205 homes per year. Multiplying these migration scenarios by 25 would result in a housing supply target for the period 2016 to 2040 of 39,150 (low); 54,275 (principal); 55,120 (modified principal as stated in the proposed plan); and 69,200 (high). Parties argue that the high migration scenario should be used. I address this point below.

5. Further analysis in the HNDA identifies that the number of required homes would fall in the period to 2035 (as shown in Table 45) to, for example, 2,000 homes per year in the principal scenario. However, the HNDA suggests at paragraph 4.13 that “the pattern of growth implied by these projections (high growth in the early years but falling over time) is open to debate given the economic turbulence in the area since 2014”; and, at paragraph 4.47, that despite the falling levels of need and demand “in reality, given the economic challenges evidenced in earlier chapters it is more likely that with economic recovery will come an increasing need and demand over time”. I note that the principal and high migration scenarios discount any interference from Brexit and any contraction of the economy as a result of oil prices falls in 2014.

6. The assumptions used to calculate the migration figures use variations of inputs including: household growth; income growth; income distribution; house price growth; and rental price growth. None of these inputs have been directly questioned by those making representations that the proposed plan should adopt the high migration scenario figures in calculating the housing supply target. The arguments focus on reflecting the aspirations for growth in the region; provision of affordable housing; and consistency with anticipated housing completions across the region.

#### Aspiration

7. In relation to aspirations, the proposed plan promotes a continuation of the spatial strategy set out in the Aberdeen City and Shire Structure Plan (2009) and the extant Aberdeen City and Shire Strategic Development Plan (2014). A vision for the growth of the region is a constant theme in these documents and is carried forward into the proposed plan. This vision aims to meet an increase in population and enable a sustainable economy. However, as stated at paragraph 4.17 of the proposed plan, it is important that housing allocations do not undermine the deliverability and viability of the effective housing land supply.

8. Scottish Planning Policy requires plans to set a “housing supply target” (a policy view of the number of homes the authority has agreed will be delivered considering various factors, being realistic and taking account of the HNDA). The target should then be increased by a margin of between 10 to 20% to establish the “housing land requirement” – this matter is dealt with in Issue 13 Our Communities - Housing Land Requirement. This methodology is used in the proposed plan. However, housing supply terminology has changed since the publication of the structure plan and extant strategic development plan. Consequently, these documents refer firstly to a “housing requirement” and then add a margin to establish “housing allowances”. Therefore, for the sake of comparison, I find that the “housing supply target” is similar to the “housing requirement” set out in the previous plans.

9. The structure plan identified a housing requirement of 56,304 homes for the period 2007 to 2030 (an average of 2,346 homes per year). The extant strategic development plan identifies a housing requirement of 53,972 homes for the period 2011

to 2035 (an average of 2,159 homes per year). The proposed plan identifies a housing supply target of 55,120 homes for the period 2016 to 2040 (an average of 2,205 homes per year). Therefore, the proposed plan provides an average annual housing supply target marginally below that set by the structure plan (141 homes) and slightly above that of the extant strategic development plan (46 homes) housing requirements.

10. I find that the promotion of a sizable housing supply target which is very similar in total to that of the previous plans demonstrates a continuing ambitious and aspirational vision for the growth of the city region.

11. I further find that the authority has sufficiently taken account of recent investment in the economy and infrastructure in determining the housing supply target. While the Aberdeen Western Peripheral Route has been completed I agree with the authority that it will take time to assess the actual impact of the route on travel patterns across the region (as referred to at page 47 of the plan). The recent city deal funding will also be beneficial but infrastructure projects linked to this funding stream will take time to implement. There is a complimentary ambitious economic strategy for the region but I again agree with the authority that the commitment to the supply of employment land, supported by the delivery of new homes and infrastructure, shows a continued ambition for growth.

12. I find no lack of aspiration in relation to growth which would justify revision of the housing supply target to use the high migration scenario figures.

#### Affordable housing

13. Scottish Planning Policy defines affordable housing broadly as “housing of a reasonable quality that is affordable to people on modest incomes” and notes that it can be in the “form of social rented accommodation, mid-market rented accommodation, shared ownership housing, shared equity housing, housing sold at discount (including plots for self-build), and low cost housing without subsidy”. The policy further states that “where the housing supply target requires provision for affordable housing, strategic development plans should state how much of the total housing land requirement this represents”.

14. The HNDA identifies that 56% of housing would need to be affordable in the low migration scenario; 48% in the principal migration scenario; and 49% in the high migration scenario. However, the proposed plan identifies a housing supply target of 55,120 for the period 2016 to 2040 which includes 19,292 affordable homes (35% of the total target). This percentage of affordable housing is also reflected in the housing land requirement figures and aligns with the aspirations set out in both council’s local housing strategies and strategic housing investment plans. The proposed plan (at page 27) sets a target “for new housing to meet the needs of the community by providing appropriate levels of affordable housing (generally no more than 25%)”. As confirmed in further procedures, new housing would generally contribute 25% affordable housing with other schemes assisting to meet the affordable requirement - including Scottish Government direct funding, new council house building, social housing provision, and market developers producing affordable products. The proposed council and private registered landlord contribution over the plan period is 5,512 homes with the 25% quota on market proposals due to contribute 13,780 (25% of 55,120).

15. The housing supply target set out in the proposed plan would require, on average, some 772 affordable homes to be delivered each year. As discussed at the hearing



session, this is an ambitious figure which has not been met in past and relies heavily on subsidy/funding streams.

16. The authority do not dispute that adoption of the high migration scenario would increase the amount of affordable housing delivered. I agree that if housing completions aligned with the high migration scenario figures that increasing the housing supply target would provide the benefit of more affordable housing from the application of the 25% affordable housing quota on development sites. In simple terms 25% of the 69,200 high migration scenario figure equals 17,300 which could result in a contribution from market development sites of some 3,520 additional affordable homes over the modified principal scenario figures (17,300 minus 13,780). However, there is no likelihood at present of additional subsidy and consequently the proportion of affordable housing would reduce slightly below the 35% sought unless the market developers provided additional non-subsidy products or subsidy was made available (of which there is no guarantee). In addition, adoption of this approach would require an affordable housing delivery of some 913 homes per year (17,300 plus 5,512 divided by 25) substantially above the 772 envisaged by the proposed plan and ever delivered historically. Furthermore, there is no direct indication from the market providers that they envisage providing additional “affordable” products in lieu of, or in addition to, market housing.

17. There are also competing arguments from the development industry in relation to the impact of increasing the housing land supply with some arguing that a greater scale and mix of sites would mean a reduction in housing price inflation and a freeing up of the second-hand housing market which could allow first-time buyers and others to purchase homes. On the other hand it is argued that an excessive supply of land for housing could drive down costs of sites and work against some sites viability meaning that affordable housing contributions could be at risk. I consider that the likely outcome would be that both anticipated scenarios could occur with some sites becoming less viable (but nevertheless potentially effective with reduced contributions) and an opening up of the market with “affordable” opportunities for buyers. However, I am also mindful that there is an established housing land supply which could accommodate some 45,410 homes (according to the latest agreed 2019 housing land audit) and a high vacancy rate of some 6,000 homes across the city region (4,000 in Aberdeen). This availability of land and vacant units provides a significant resource which already supports the housing land supply and could act to provide a scale and mix of sites above the additional housing supply target set by the proposed plan.

18. While I agree that setting a greater housing supply target could provide additional affordable housing, I consider that the likelihood of delivering additional units would be low. I find that the argument to use the high migration scenario and increase the housing supply target to provide additional affordable housing is not justified.

#### Housing completions

19. Using the high migration scenario to inform the housing supply target would require some 2,768 homes to be completed annually. The resultant housing land requirement using this scenario would lead to a requirement for between 3,045 and 3,322 homes per year (adding 10% and 20% respectively).

20. The HNDA provides historical analysis of the region in relation to housing completions (Figure 27) which identify that since 1981 there have only been three years where over 3,000 homes were completed (1984, 1985 and 1993). The average over the

period 1981 to 2016 is 2,216 homes per year; and with the extremes of the range removed 2,200 per year. Therefore, the average over an extended 35 year period, which included periods of high and low economic growth, would not align with the high migration scenario figures but falls closer to the principal and modified principal figures. I also note that while more than 3,000 homes were built annually in the past these levels were not sustained.

21. The agreed Housing Land Audit (HLA) 2016 for Aberdeen City and Aberdeenshire provides anticipated housing completions year-on-year between 2016 and 2023 (and beyond in a combined figure 2023+). This HLA estimates a range of completions for the region – the lowest being 2,309 homes (in 2016); and the greatest being 3,053 (in 2018). The average over the period 2016 to 2023 is 2,614 completions per year.

22. The agreed HLA 2018 shows anticipated completions for the period 2018 to 2025 (and beyond in a combined 2025+ figure). The lowest anticipated completions is 1,899 homes (in 2025) and the greatest is 3,246 homes (in 2020). The average year-on-year from 2018 to 2025 is 2,621 completions per year.

23. The most recently agreed HLA of 2019 shows anticipated completions for the period 2019 to 2026 (and beyond in a combined 2026+ figure). The lowest anticipated completions is 1,747 (in 2026) and the greatest is 2,936 homes (in 2022). The average from 2019 to 2026 is 2,368 completions per year.

24. While each of the housing land audits assessed include a year which aligns, or is close to, the high migration scenario figures these are not predicted to be sustained year-on-year. As there is likely to be fluctuation in actual completions, I consider that the average is a more useful indicator. They also do not reflect the housing land requirement when a 10% to 20% margin is added. The housing land audits show figures closer to the principal migration scenario (2,171 with generosity leading to an annual housing land requirement of between 2,388 and 2,605) and the modified principal scenario (2,205 with generosity leading to an annual housing land requirement of between 2,426 to 2,646).

25. In addition, the agreed HLA 2019 shows actual completions. This illustrates that only 1,968 homes were completed in 2016 (a shortfall of 341 homes over that anticipated by the 2016 HLA); that 2,061 were completed in 2017 (a shortfall of 732 homes over that previously anticipated); and that 2,194 were completed in 2018 (a shortfall of 859 homes). This provides further evidence to support the fact that aspirations do not always transpire into reality and, in this case, that the actual completions are closer to the principal migration and modified principal migration figures. Indeed, the actual completions recently are below that targeted by the proposed plan providing additional evidence that the figures set in the plan are aspirational and ambitious in a drive for growth.

26. Parties argue that past completion rates are unreliable due to out-of-date development plans; ineffective housing allocations; unambitious housing requirements; specific site related issues; and longer lead-in times for some sites.

27. I note that the HNDA states that “historic house building rates are an important yardstick to use when interpreting the output from various scenarios” but also that “it is important to recognise that these levels of house building relate to historic levels of economic activity and migration and are not a perfect guide to future levels of construction” (paragraphs 4.42 and 4.44). I further note that the Scottish Government’s

'Housing Need and Demand Assessment – A Manager's Guide' (2014) suggests that in setting and agreeing a housing supply target authorities should have consideration, amongst other factors, to the "likely pace and scale of delivery based on completion rates" and "recent development levels". I agree that some allocations may not have delivered as anticipated and others have taken longer to develop than envisaged but unknown factors can influence any development site including those allocated for future growth. In addition, since at least 2009 there has always been an up-to-date development plan covering Aberdeen City and Aberdeenshire which has included a vision for ambitious growth. Despite the concerns raised, I find that the use of past completion rates to inform the housing supply target is appropriate and reasonable.

28. I recognise the desire from developers to build more housing in the city region and push for an increased housing supply target to meet this aspiration. However, while there is some room for aspiration and ambition there is also a need for a housing supply target to reflect realistic outcomes (where possible). The use of historic completion rates and interpretation of the recent housing land audit data indicates that the adoption of the modified principal migration scenario is reasonable and appropriate. I find that the analysis of the actual and anticipated housing completions data does not support the adoption of the high migration scenario figures.

#### Further constraints

29. The authority also suggests that adoption of the high migration figures would not be justifiable due to constraints. The evidence-base for these constraints was questioned by Homes for Scotland. In response, I find the following:

30. In relation to demolitions: The redevelopment of land at the Haudagain Roundabout in Aberdeen would result in the demolition of 134 homes but replacement of more than this amount on completion of the proposals. Therefore, demolitions would have no impact on whether to apply the high migration scenario figures.

31. In relation to economic factors: The authority suggests that the regional economic strategy promotes "sustainable economic growth" and that the level of housing delivered is related to what the economy can accommodate. I follow the response from Homes for Scotland that economic growth is a reason for uplift and not a constraint, in this instance, on increasing the housing supply.

32. In terms of minerals: The authority suggested at the hearing session that the availability of minerals for construction was a consideration and not a constraint with concerns related to the lead-in time to get permission for extraction if further resources were required. I do not consider the availability of minerals to be a major constraining factor as there is an onus on authorities to ensure the maintenance of a 10-year reserve of aggregates at all times and sites allocated for housing would likely be required to avoid sterilisation of aggregates. If housing were delivered faster than envisaged and mineral resources were depleting then the authority would likely, through monitoring actions, have sufficient time to react.

33. In relation to the capacity of the construction sector: The authority refer to a Homes for Scotland publication entitled 'Delivering More Homes' (2018) which suggests that half the workforce has been lost. The authority also refer to the cost of living in the region for workers and the difficulty of importing construction materials. Homes for Scotland are well placed to respond to these matters and suggest that its members are capable of

meeting the high migration scenario figures with sufficient workforce and materials. There is limited evidence submitted to this examination to suggest that the capacity of the construction sector would be a restrictive factor on the delivery of a higher housing land supply target.

34. In relation to water supply and wastewater treatment: I note that 46 Aberdeenshire settlements are known to have water supply and wastewater capacity issues. I recognise this as an current issue which the authority are discussing with Scottish Water. However, I do not consider this to be a major issue for new allocations which could work to rectify known issues prior to approval/commencement of development. This factor would not necessarily restrict housing supply if set higher.

35. In relation to water abstraction: The water resource for the city region is currently reliant on the rivers Don, Dee and Deveron. This is a natural resource affected by climatic factors and variance - the authority highlighted concerns at the hearing of the potential future impacts of climate change on the resources including during periods of storm weather and drought. Abstraction of water from water resources must, therefore, be carefully managed to protect it for human use but also as a natural asset and habitat.

36. The authority confirmed at the hearing session that, following consultation with statutory bodies, controlled activity regulations licences for abstraction (reviewed every six years) are likely to be sufficient to provide enough water for the housing land requirement set out in the proposed plan of 64,272 homes to 2040. The impact of using the high migration scenario and increasing the housing supply target (and, therefore, the housing land requirement) has not been appraised. Furthermore, the river Dee is a European protected special area of conservation (SAC) where abstraction is licensed so not to impact on the qualifying interests of the asset. The habitat regulations appraisal that accompanies the proposed plan assessed the impact of using the modified principal migration scenario but not that of the high migration scenario figures. Therefore, any amendment to use the high migration figures would require further habitat appraisal.

37. As raised by Case Consulting at the hearing, it would be possible for housing to come forward earlier in the plan period with no likely impact on the water resource but this would leave the issue of abstraction to be addressed in the future – that would not, in my opinion, be a sustainable approach to resource management. I also agree with what Holder Planning stated at the hearing that assuming constraints would occur means a potential to “plan to fail” but the matter of water resource is not one that can be easily rectified as it is reliant on various factors many of which are outwith human control including the amount of rainfall, temperature and evaporation. Desalinisation was investigated on one site in Aberdeen but a separate solution was found. No other example has been provided of alternatives to abstraction from the rivers or promoted as a solution by those seeking a higher housing supply target. I find that the issue of water abstraction is a major constraint to increasing the housing supply target (and housing land requirement) using the high migration scenario figures.

38. In relation to existing strategic sites: I note that there is a reliance on existing strategic allocations to deliver a substantial amount of housing in the region. However, increasing the housing supply does not necessarily mean direct competition of sites. The precise allocation of sites, scale of sites and market conditions would be factors which could determine where houses were built and where buyers decide to occupy new homes. I do not consider that using the high migration scenario figures would be likely to negatively influence the delivery of housing on strategic sites.

39. In relation to the inter-dependency between delivery of affordable and market housing: The authority argue that if there was high market demand that developers would seek to maximise returns and focus less on the delivery of affordable components of schemes. This point is not related directly to the amount of housing land provided but the market conditions. In any event, conditions and/or a planning obligation could be used to control the phasing of housing on a site if required to ensure the delivery of affordable housing. There is no evidence to suggest that this would be a limiting factor in choosing a housing supply target.

40. The factors of demolitions; phasing of affordable housing delivery; capacity of the construction sector; water supply and wastewater treatment; and impact on existing strategic sites would not be limitations on using the high migration scenario figures to inform the housing supply target.

41. However, I find that without any posed solutions, or reassurance from the statutory bodies, adoption of the high migration scenario figures could potentially place an undue burden on the water resources in the region. To adopt the high migration scenario figures I would also need to be reassured that a habitats appraisal (an appropriate assessment) would not likely find a significant impact on the river Dee special area of conservation and its qualifying interests. There is no evidence submitted to suggest that the impact would be acceptable or otherwise. Therefore, taking a precautionary approach I consider that it would not be appropriate or reasonable to adopt the high migration scenario figures.

42. In addition, I asked the authority at the hearing session if the cumulative transport assessment (addressed in Issue 18 Our Connections - below) had taken account of the high migration scenario figures. The authority confirmed that the study had only used assumptions using the modified principal migration scenario. Consequently, there is no indication of how adoption of high migration figures would impact on the traffic network and/or any additional interventions that might be required as a result. I appreciate that the subsequent local development plans would be accompanied by a transport appraisal which could assess the impacts and any mitigation at a local level; and that individual development proposals could be submitted with transport impact assessments. However, that approach would be to plan in retrospect and be reactionary rather than planning proactively at the strategic level. Similarly, I note that the strategic environmental assessment and strategic flood risk assessments would also have to be revisited if the high migration scenario was adopted and there is no indication from parties of the potential outcome of such re-assessments.

#### Conclusion on adoption of the high migration scenario figures

43. Use of the modified principal migration scenario figures to inform the housing supply target does not lack ambition or aspiration to grow the region. Although the adoption of the high migration scenario figures could result in greater affordable housing being delivered, and would not be impinged by many constraints, analysis of past completions and recent housing land audit data suggests that setting a higher housing supply target aligned to the high migration scenario would not likely be achievable or realistic. In addition, adoption of the higher figures would place an unknown burden on water resources through abstraction which would require licencing and an appropriate assessment. Further studies on cumulative transport impact, strategic flood risk and strategic environmental assessment would also have to be revisited.

44. As expressed in Scottish Planning Policy “the housing supply target is a policy view of the number of homes the authority has agreed will be delivered in each housing market area over the periods of the development plan and local housing strategy, taking into account wider economic, social and environmental factors, issues of capacity, resource and deliverability, and other important requirements”; and that targets should be “reasonable”. The authority has taken a reasonable policy view with consideration of appropriate factors in adopting the modified principal scenario figures to inform its housing supply target. I find that there is insufficient justification to adopt the high migration scenario figures as the basis for calculating the housing supply target in the proposed plan.

Objection to the modified principal growth scenario

45. Should the high migration scenario figures not be used then parties suggest adoption of the principal scenario figures instead. Adoption of the modified principal scenario would result in a greater housing supply target (55,120 homes) and annual average (2,205 homes) than the principal migration scenario (54,275 and 2,171 homes respectively). Using the modified figures would result in additional homes over the principal migration scenario in the period 2020 to 2035 as shown in the table below.

46. Despite this Homes for Scotland (and others) comment that this approach would defer dealing with unmet housing need and demand and lead to a cumulative undersupply and shortfall of over 1,000 homes in the year 2032 (as shown in the table below).

47. I note that the principal scenario figures in the HNDA (Table 45) begin with an annual housing figure of 2,360 homes per year for the period 2016 to 2020 which then fall to 2,217 homes between 2021 and 2025; 2,107 homes between 2026 and 2030; and finally to 2,000 homes in the period 2031 to 2035. To promote steady growth the authority has opted for a modified approach which uses an average housing completion figure of 1,950 for the period 2016 to 2019 and then adopts an annual figure of 2,200 homes per year for the period 2020 to 2032 rising to 2,340 homes per year for the period 2033 to 2040. The table below illustrates these approaches showing that by 2035 both scenarios would provide the same outcome. However, the dispute between parties is when the housing should be programmed to be delivered as the principal scenario front-loads housing while the modified scenario gradually increases the housing supply.

Table showing impact of scenarios on housing supply target figures

<b>Period</b>	<b>2016-2019</b>	<b>2020-2032</b>	<b>2033-2035</b>
<b>Principal Scenario</b>	9,440	27,980	6,000
<b>Modified Scenario</b>	7,800	28,600	7,020
<b>Difference</b>	-1,640	+620	+1,020

48. There is an existing backlog of need for housing (as identified in the HNDA of some 820 homes) which is accounted for in the HNDA scenarios and housing supply target figures. However, there is no indication that those in immediate need for homes would need to wait until later in the plan period, as suggested by Homes for Scotland, to gain access to housing that would justify the use of the principal migration scenario figures.

49. In addition, I find that it would not be reasonable or appropriate to adopt the principal scenario figures for the period 2016 to 2019 as that period has already passed and

completions for most of that period are stated in the agreed 2019 housing land audit where the modified principal figure of 2,340 homes per year was not, or anticipated to be, met: 1,968 homes in 2016; 2,061 homes in 2017; 2,194 homes in 2018; and 2,127 anticipated in 2019. This evidence shows that 550 more homes have been (or are anticipated to be) completed than the housing supply target from the modified principal scenario targeted. Therefore, the potential cumulative undersupply by 2032 would be reduced to below 500 homes (not the 1,000 predicted by Homes for Scotland) before it was met in proceeding years. However, the undersupply could be met earlier if, as envisaged by the housing promoters at the hearing session, the latent resource and desire to build in the region is fulfilled. Indeed, the agreed 2019 housing land audit anticipates completions greater than the 2,200 set by the housing land supply (modified scenario) in 2020, 2021, 2022 and 2023.

50. Adopting the principal migration scenario figures for the remaining periods would gradually reduce the housing supply target rather than increase it as promoted by the modified principal scenario. Therefore, I agree that to meet the proposed plan’s vision for growth this approach would not be appropriate. The modified principal migration scenario figures should remain.

Use of housing land audits

51. Although summarised in the schedule 4 above, for clarity, I have opted to move my conclusions on the use of housing land audits to update the established housing land supply to Issue 14 Our Communities – Additional Housing Allocations.

Completion rates

52. The matter of completion rates is dealt with in the sections above.

**Reporter’s recommendations:**

No modifications.

<b>Issue 13</b>	<b>Our Communities - Housing Land Requirement</b>	
<b>Development plan reference:</b>	Section 4: Our Communities Delivery of New Homes Table 2: Housing Land Requirement by Housing Market Area, Local Authority and Tenure Mix Pages 28 – 32	<b>Reporter:</b> [REDACTED]
<b>Body or person(s) submitting a representation raising the issue (including reference number):</b>		
<p>PP18015 Bancon Homes  PP18019 Dr Tom Straiton  PP18020 Scotia Homes Ltd  PP18023 Dunecht Estates  PP18036 Elsieck Development Company  PP18037 The Grandhome Trust  PP18040 Stewart Milne Homes Ltd  PP18041 Newtonhill, Muchalls &amp; Cammachmore Community Council  PP18046 Taylor Wimpey (East Scotland) Limited  PP18048 CALA Homes (North) Ltd  PP18049 Mactaggart &amp; Mickel Homes Ltd  PP18050 Various Developers and Landowners  PP18051 CHAP Homes Ltd  PP18053 CALA Homes (North) Ltd  PP18055 Homes for Scotland  PP18056 Hallam Land  PP18059 CALA Homes (North) Ltd  PP18061 Barratt North Scotland  PP18063 Drum Property Group</p>		
<b>Provision of the development plan to which the issue relates:</b>	Section 4: Our Communities Delivery of New Homes Table 2: Housing Land Requirement by Housing Market Area, Local Authority and Tenure Mix Pages 28 – 32 This Sub Section of the Proposed Strategic Development Plan sets the Housing Land Requirement.	
<b>Planning authority's summary of the representation(s):</b>		
<p><u>Housing Land Requirement (2016 to 2032)</u></p> <p>PP18055, PP18040, PP18046, PP18048, PP18049, PP18051, PP18056, PP18059, PP18061, PP18063: The respondents support the Proposed Strategic Development Plan's increase of 20% to the Housing Supply Target for the Plan period 2016-2032 and consider it conforms with Scottish Planning Policy.</p> <p>PP18041: The respondent considers that the Housing Supply Targets and the extra 20% "generosity" set by the Proposed Strategic Development Plan are nothing more than a guess. The housing supply is actually governed by developer profits rather than demand.</p>		



PP18019: The respondent considers that sites allocated for housing as a result of the Strategic Development Plan 2014 are already very generous. The respondent notes that some large sites (e.g. Newhills Extension) have not yet been utilised, and that other sites (e.g. Chapelton of Elsick, Maidencraig and Countesswells) have, to date, only used a small fraction of the total land already allocated. The respondent therefore considers that the 20% "generosity" applied in the Plan period 2020 to 2032 to determine the Housing Land Requirement is excessively generous and at odds with the statements made in Proposed Strategic Development Plan paragraphs 4.14, 4.15 and 4.19.

PP18036, PP18037: The respondents consider that the Housing Land Requirement for the period 2016 to 2032 will dilute demand, undermine the ability of committed sites to deliver new homes, and would not allow the Proposed Strategic Development Plan's Spatial Strategy to be realised. The respondents assert that it is incorrect to link recent reduced delivery with any factor other than a decline in the regional housing market and that the allocation of more housing land will not improve delivery rates. The respondents do not believe that the increase to the Housing Supply Target has been supported by robust evidence as required by Paragraph 116 of Scottish Planning Policy or that explanation has been given as to how the inclusion of smaller sites will improve delivery. The respondents propose that the minimum increase to the Housing Supply Target of 10% should be applied consistently throughout the Proposed Strategic Development Plan, i.e. across all plan periods, in order to avoid compromising the viability of allocated sites or undermining existing allocations and the delivery of the Spatial Strategy.

#### Reduced Flexibility in the Proposed Strategic Development Plan

PP18053: The respondent considers that the approach taken in the Proposed Strategic Development Plan will reduce flexibility in the supply of housing land when considered against the extant Strategic Development Plan 2014. The flexibility (generosity) applied across the whole Proposed Strategic Development Plan has reduced from 25% in the extant Strategic Development Plan to 17% in the Proposed Strategic Development Plan.

#### Housing Land Requirement (2033 to 2040)

PP18055, PP18015, PP18020, PP18023, PP18040, PP18046, PP18049, PP18051, PP18056, PP18059, PP18061, PP18063: The respondents consider that the increase of 10% to the Housing Supply Target for the Plan period 2033 to 2040 should be further increased to 20%. It is asserted that such a further increase would conform with Scottish Planning Policy, show continuity across all Plan periods and maintain an ambitious Plan for growth and a generous supply of land for housing in the later stage of the Proposed Strategic Development Plan.

#### Evaluation of Strategic Development Plans

PP18050: The respondent considers that if the Scottish Government is seriously committed to seeing the delivery of more housing then the process of evaluation of Strategic Development Plans has to radically change. To evidence this, the respondent queries the example of the Housing Need and Demand Assessment 2017, which has obtained Robust and Credible, yet it concludes that two different local authorities can have an identical Housing Land Requirement.

**Modifications sought by those submitting representations:**Housing Land Requirement (2016 to 2032)

PP18036, PP18037: The respondents seek to amend the Housing Land Requirement in Table 2 (Page 29) of the Proposed Strategic Development Plan to apply a 10% generosity for the periods 2016 to 2019 and 2020 to 2032. The associated Total figure in Table 2 for Aberdeen City and Shire for the period 2016 to 2032 should be reduced from 43,680 homes to 40,040 homes; a reduction of 3,640. The associated Total figure for Aberdeen City and Shire for the whole Plan period should be reduced from 64,272 homes to 60,632 homes, in line with this adjustment. Amend paragraphs 4.10 - 4.15 to reflect a reduced generosity figure. Reconsideration of the statement in Paragraph 4.13 of the Proposed Strategic Development Plan which states that the Housing Land Audit figures are:

*"considered to be realistic and deliverable in terms of historic rates of delivery and future anticipated growth, while remaining ambitious"* to reflect a reduced generosity figure.

PP18036, PP18037: Paragraphs 4.16 - 4.19 should be updated to reflect the change to a 10% generosity. Amend paragraph 4.17 of the Proposed Strategic Development Plan to read as follows:

*"The application of 10% generosity has been selected so as to not undermine the deliverability and viability of the region's already effective housing land supply. As such, the 2020 to 2032 period makes provision for minor allocations, with levels remaining constant in the second half of the plan period. Should the effective land for housing reduce in the future, a higher level of generosity may be required. This will be monitored in the annual Housing Land Audits and will be determined in the next Strategic Development Plan"*.

PP18019: In calculating the Housing Land Requirement, the 20% "generosity" applied to the period 2020 to 2032 should be scaled down considerably or removed altogether. Related Targets should be modified as necessary.

Housing Land Requirement (2033 to 2040)

PP18055, PP18046, PP18015, PP18020, PP18049, PP18056, PP18059, PP18063: Amend the Proposed Strategic Development Plan's Housing Land Requirement to include a 20% increase to the Housing Supply Target across the entire Plan period (RD18055 appendix 2).

PP18040: A 20% generosity should be applied to the High Growth Scenario Housing Supply Target across all three Plan periods to give the Housing Land Requirement. Table 2 (Page 29) of the Proposed Strategic Development Plan should be updated to reflect Table 2 prepared by Homes for Scotland (RD18055 appendix 2). This will result in more ambitious allowances identified within Table 3 (Page 30) of the Proposed Plan, which should be updated to reflect Table 3 prepared by Homes for Scotland (RD18055 appendix 5). Amend the first sentence of paragraph 4.10 (Page 28) of the Proposed Strategic Development Plan to read as follows:

*"Table 1 illustrates the Housing Supply Target for the City Region, as informed by the High Migration Growth Scenario from the Housing Needs and Demand Assessment 2017"*.

PP18046: Extend the 20% generosity margin for period 2033 to 2040 and for Table 2 (Page 29) to be amended accordingly.

PP18048: A 20% generosity should be applied to the High Migration Scenario Housing Supply Target across all three Plan periods to give the Housing Land Requirement. Table 2 (Page 29) of the Proposed Plan should be updated to reflect Table 2 (Page 29) prepared by Homes for Scotland (RD18055 appendix 2). This will ensure more ambitious allowances to be identified within Table 3 (Page 30) of the Proposed Strategic Development Plan, which should be updated to reflect Table 3 prepared by Homes for Scotland (RD 18055 appendix 5)

PP18051: Amend the generosity margin in the Plan to 20% between 2033 to 2040. The respondent supports the Homes for Scotland response and seeks therefore to amend paragraph 4.12 (Page 28) to show a more ambitious growth scenario and 20% generosity across all plan periods. The words: "*without resulting in an excess oversupply*" should be deleted.

PP18055: Regardless of the approach taken to setting the Housing Supply Target (High Migration or Principal), Table 2 (Page 29) should be updated to increase the 10% generosity in the period 2033 to 2040 to 20%. Paragraphs 4.11 and 4.12 (Page 28) should be updated accordingly, and the final words of paragraph 4.12, "*without resulting in an excess oversupply*", should be deleted. The respondent has included an appendix to their submission which sets out their requested changes to these tables (RD18055 appendix 2).

PP18061: The 20% generosity margin applied to the Housing Supply Target should be applied to all three Plan periods, with Proposed Strategic Development Plan Table 2 (Page 29) amended to reflect this, and paragraph 4.11 (Page 28) modified to read:

*"The Housing Land Requirement, Table 2, sets out a generous level of housing land to try and ensure that the Housing Supply Target can be met. An increase to the Housing Supply Target of 20% 'generosity' is provided. This will provide a generous land supply without compromising the viability of allocated sites or undermining existing allocations".*

PP18053: There should be an increase in flexibility/generosity akin to the levels applied by the extant Strategic Development Plan 2014 (i.e. from 17% to 25%). This should be focused within the first twelve years of the Plan period.

#### **Summary of responses (including reasons) by planning authority:**

##### General

In addressing the representations relating to the issue of the Housing Land Requirement multiple terminologies have been used. Paragraph 115 of Scottish Planning Policy 2014 (CD 40) addresses the issue of the supply of land for all housing. Strategic Development Plans should set out the Housing Supply Target for each Housing Market Area. Paragraph 116 of Scottish Planning Policy 2014 (CD 40) states that "*Within the overall Housing Supply Target plans should indicate the number of new homes to be built over the plan period*". Paragraph 116 of Scottish Planning Policy 2014 (CD 40) goes on to state that the Housing Supply Target should be "*increased by a margin of 10 to 20% to establish the housing land requirement, in order to ensure that a generous supply of land for housing is provided*". The terms '*generosity*' or '*flexibility*' have been used in representations when referring to an increase in the Housing Supply Target. Neither "*generosity*" or "*flexibility*" is

referred to in Scottish Planning Policy 2014 (CD 40) however they are commonly used as catch all terms for the increase to the Housing Supply Target which results in the Housing Land Requirement.

The Proposed Strategic Development Plan has used a Modified Principal Growth Scenario to formulate its Housing Supply Target. This Housing Supply Target has been separated into; market and affordable, housing market area and council area conforming with paragraphs 115 and 118 of Scottish Planning Policy 2014 (CD 40). This is set out in Table 1 (page 29) of the Proposed Strategic Development Plan and is discussed further in Issue 12 Housing Supply Target. The Proposed Strategic Development Plan has set an increase to the Housing Supply Target at 20% for the Plan period 2016 to 2032 and at 10% for the Plan period 2033 to 2040 to determine the Housing Land Requirement.

This Housing Land Requirement has also been separated into; market and affordable, housing market area and council area. This is set out in Table 2 (Page 29) of the Proposed Strategic Development Plan. The rationale for doing so is set out in the Housing Methodology Paper (CD 71).

For the purposes of clarity, the Strategic Development Planning Authority's response will not refer to "*generosity*" or "*flexibility*". In line with paragraph 116 of Scottish Planning Policy it will refer to the increase to the Housing Supply Target.

#### Housing Land Requirement (2016 to 2032)

Support noted and welcomed.

PP18041: The Strategic Development Planning Authority does not agree that the Housing Supply Target and Housing Land Requirement of the Proposed Strategic Development are guesses or are led by developer demand. In Issue 12 Housing Supply Target, the Strategic Development Planning Authority has responded to, and addressed, concerns relating to the research undertaken and evidence used to justify the Proposed Strategic Development Plan's Housing Supply Target.

PP18019, PP18036, PP18037: The Aberdeen City and Shire Housing Land Audit 2016 (CD 53) shows a five-year effect supply in the Aberdeen Housing Market Area of 7.3 years and 5.4 years in the Rural Housing Market Area. It also shows a Total Effective Land Supply of 37,077 homes. The Housing Land Audit has historically been the agreed position on the City Region's Established Land Supply.

The primary purpose of increasing the Housing Supply Target is to account for any underperformance in the delivery of housing to ensure that the housing requirement (number of homes planned to be built) can still be met. The increase to the Housing Supply Target should reflect the degree of confidence that this requirement will be achieved.

It is asserted by respondents PP18036 and PP18037 that it is incorrect to link the City Region's recent reduced rates of delivery with any factor other than a decline in the regional housing market and that the allocation of more housing land will not improve delivery rates. Such recent decline is one component of the Strategic Development Planning Authority's considerations in determining the increase to the Housing Supply Target. Additionally, PP18019 considers the housing allowances made under the extant Strategic Development Plan 2014 (CD 58) to be sufficiently generous negating the need for any new allowances or subsequent Local Development Plan allocations.

Paragraph 2.5 of the National Planning Framework 3 2014 (CD 23) seeks to see a significant increase in house building to ensure housing requirements are met. The Strategic Development Planning Authority has provided a reasoned justification within the Proposed Strategic Development Plan and the Housing Methodology Paper (CD 71) setting the increase to the Housing Supply Target at a margin of 20% as informed by paragraph 116 of Scottish Planning Policy (CD 40). It is noted that this approach is not contested by the Scottish Government (PP18042) who made no comment on this issue.

There have been substantial housing land allocations made as a result of the Aberdeen City and Shire Structure Plan 2009 (CD 60) and the extant Strategic Development Plan 2014 (CD 58). While it could be argued that there is currently a generous supply of housing land, the Housing Land Requirement is required in order to ensure there is a continued provision for a generous supply of housing land. The delivery of housing at the levels required is challenging in any housing market. There are numerous delivery issues to be overcome in opening up sites and it is not a guarantee that all allocated sites can be delivered. The performance of strategic allocations has been affected by the recent housing market decline. Paragraph 2.3 of the Proposed Strategic Development Plan states it is an aim to *“make sure the area has enough homes and job opportunities to support the level of services and facilities needed to maintain and improve quality of life”*. It is reasonable that an appropriate increase to the Housing Supply Target is included in the Proposed Strategic Development Plan to account for any delay in the delivery of sites and to ensure continued provision of a sufficient housing land supply to meet the housing requirement.

The Scottish Government has set a national target of delivering 50,000 affordable homes by 2021. All three of the Housing Need and Demand Assessment 2017 (CD 56) scenarios indicated need for high levels of affordable housing delivery. It is unlikely that such levels could be delivered through planning policy alone. The need for affordable housing is constant and the important role the private sector plays in delivering a significant proportion of this need is acknowledged. Underperformance in the delivery of housing need, in both the market and affordable sectors, needs to be counteracted and, an increase to the Housing Supply Target helps to insulate the housing land supply against this.

The population of the City Region has been growing for a number of years and this growth is forecast to increase above the overall Scottish growth rate as discussed in the Housing Need and Demand Assessment 2017 (CD 56). As such there is a current and projected need for housing. The Modified Principal Growth Scenario which has informed the Housing Supply Target sets out a stable increase to the Housing Supply Target over the life of the Plan. The increase to the Housing Supply Target of 20% over the Plan period 2020 to 2032 enables the subsequent Aberdeen City and Aberdeenshire Local Development Plans to make additional allocations. These allocations reinforce; the five-year effective and post five-year effective land supply requirements, increase the proportion of viable sites and the delivery of all tenures.

The Strategic Development Planning Authority does not support the respondents' proposed modifications to amend the text of the Proposed Strategic Development Plan, to scale down the increase to the Housing Supply Target or set the increase to the Housing Supply Target at 10%. No convincing evidence has been submitted to justify such modifications.

No modifications to the Proposed Strategic Development Plan are considered necessary as a result of these representations.

Reduced Flexibility in the Proposed Strategic Development Plan

PP18053: The flexibility shown in the extant Strategic Development Plan 2014 (CD 58) is not comparable to the increase to the Housing Supply Target of the Proposed Strategic Development Plan. The extant Strategic Development Plan 2014 (CD 58) was approved in March 2014 before Scottish Planning Policy 2014 (CD 40) came into effect and as such was not obliged to conform with the new Scottish Planning Policy document. The Proposed Strategic Development Plan is in line with paragraph 116 Scottish Planning Policy 2014 (CD 40), and does not increase the Housing Supply Target by more than 20% in any period of the Plan.

No modifications to the Proposed Strategic Development Plan are considered necessary as a result of this representation.

Housing Land Requirement (2033 to 2040)

The Strategic Development Planning Authority disagrees that the Housing Supply Target should be increased by 20% for the Plan period 2033 to 2040 of the Proposed Strategic Development Plan as to do so would create an unrealistic level of future housing land requirements.

Paragraph 118 of Scottish Planning Policy (CD 40) states it is the role of Strategic Development Plans to look at land supply and set a Housing Supply Target up to year twelve from the expected year of plan approval making sure the requirement for each housing market area is met in full. Beyond year twelve and up to year twenty, Strategic Development Plans should provide an indication of the possible scale and location of housing land.

To this end the Proposed Strategic Development Plan has given a strategic direction for the Plan period 2033 to 2040 and the possible scale of future housing land requirement. The Housing Need and Demand Assessment 2017 (CD 56) makes projections up to 2035. The Modified Principal Growth Scenario's resulting Housing Supply Target for the period 2036 to 2040 takes the average for the period 2032 to 2035 (within the Housing Need and Demand 2017 period of assessment) and multiplies this by the number of years in the period 2036 to 2040. The Strategic Development Planning Authority has made an informed assumption for future housing need for the period 2033 to 2040.

It should be noted that the 10% increase to the Housing Supply Target in the Plan period 2033 to 2040 will be subject to review under future development plans. This review will be informed by a new/updated Housing Need and Demand Assessment which would cover the period beyond 2035 thus offering an accurate projection of future housing need for that period of the Development Plan. Decisions relating to increases to the Housing Supply Target would be informed by the most accurate data available at the time of consideration.

It is not therefore appropriate to set the increase to the Housing Supply Target for the period 2033 to 2040 at 20% now, when it would be better informed by a future review of that period and benefit in turn from a new/updated Robust and Credible Housing Need and Demand Assessment covering that Plan period.

As such there is no need to delete the final words of paragraph 4.12 as sought by respondents PP18051 and PP18055.

No modifications to the Proposed Strategic Development Plan are considered necessary as a result of these representations.

### Evaluation of Strategic Development Plans

PP18050: The Housing Supply Target has been informed by the Aberdeen City and Shire Housing Need and Demand Assessment 2017 (CD 56) which was deemed Robust and Credible by the Scottish Government’s Centre for Housing Market Analysis on the 8<sup>th</sup> March 2018. The Proposed Strategic Development Plan is in line with Scottish Planning Policy 2014 (CD 40).

### **Reporter’s conclusions:**

1. As explained in paragraph 1 in Issue 12 Our Communities – Housing Supply Target my conclusions on the housing matters have been informed by a hearing session and further written exchanges.

#### Housing land requirement (2016 to 2032)

2. Paragraph 116 of Scottish Planning Policy (2014) requires plans to set a housing supply target (as referred to in Issue 13 above) and states that “this figure should be increased by a margin of 10 to 20% to establish the housing land requirement, in order to ensure that a generous supply of land for housing is provided. The exact extent of the margin will depend on local circumstances, but a robust explanation for it should be provided in the plan”. Furthermore, a policy principle of Scottish Planning Policy is that “the planning system should identify a generous supply of land for each housing market area within the plan area to support the achievement of the housing land requirement across all tenures”. I note that this principle relates to the achievement of the housing land requirement not the housing supply target.

3. The proposed plan identifies that a 20% margin has been applied to the housing supply target for the period 2016 to 2032. The plan suggests that this margin has been chosen to ensure “a generous land supply without compromising the viability of allocated sites or undermining existing allocations” (paragraph 4.11); that “it will ensure that sufficient land is available at a local level to cope with higher levels of demand than we currently expect, without resulting in an excess oversupply” (paragraph 4.12); and that the housing figures were determined having regard to past housing land audits and set to be realistic and deliverable in terms of historic rates of delivery and future anticipated growth (paragraph 4.13).

4. The housing supply target for the period 2016 to 2019 is 1,950 homes per year which with the proposed 20% margin added equates to an annual housing land requirement of 2,340 homes. As identified in Issue 13, the agreed 2019 housing land audit identifies actual completions in 2016 (1,968 homes); 2017 (2,061 homes); and 2018 (2,194 homes) with 2,127 homes anticipated in 2019. Therefore, the housing supply target was met for the period 2016 to 2018 and is (to be confirmed when the next audit is published) expected to be met in 2019. However, the completions missed the annual housing land requirement of 2,340 for this period. The actual delivery rate closely aligns with that of a 10% margin (2,145 homes per year) not 20%. Setting a 20% margin in retrospect for this period would

not achieve fulfilment of the housing land requirement as advised by Scottish Planning Policy. To add such a margin would mean an under-achievement (shortfall) which would likely need to be accommodated in future plan periods. Consequently, adding a 20% margin for 2016 to 2019 could lead to an increased requirement in the future. A 10% margin should be added to this period reflecting recent rates of delivery and paragraph 4.11 amended to reflect this change.

5. The housing supply target for the period 2020 to 2032 is 2,200 homes per year which results in an annual housing land requirement of 2,640 homes. Housing land audits from 2016, 2018 and 2019 estimate an average annual completion rate covering this period of 2,614, 2,621 and 2,388 homes per year respectively. As confirmed at the hearing session, the audits are agreed between housing providers and the authority with an independent chair. Therefore, there is a degree of confidence in the predicted returns which are, certainly in 2016 and 2018, reflective of a rate which could fulfil the addition of a 20% margin above the housing supply target of 2,200 for 2020 to 2032.

6. Contrary to the concerns of the Elswick Development Company and the Grandhome Trust, Homes for Scotland suggested at the hearing session that providing a 20% margin and allocation of smaller sites (those below 500 homes) would improve the range and choice of sites for development across the region; reduce reliance on large strategic sites; and ensure a range of house-builders remained active in the region. In support of this argument Homes for Scotland referred to housing land audit returns which show that by 2025 non-strategic sites were only predicted to deliver 400 homes opposed to delivery of 1,600 homes in 2019; and that the number of active sites is predicted to reduce from 133 in 2018 to 13 in 2032. In addition, parties supporting development interests at the hearing session suggested that there a number of house-builders not currently developing in the region which would like to invest and build if a generous land supply was forthcoming. Furthermore, Aberdeenshire Council suggested that although there is only a certain market for housing in one area at any one time it would still be important to have a supply of new sites.

7. Scottish Planning Policy requires local development plans in city regions to “allocate a range of sites” (paragraph 119). In this instance, I find favour with the arguments presented by Homes for Scotland and others that in order to provide a range of sites at the local level the strategic development plan should ensure a sufficient supply of land for housing. The spatial strategy is focussed on the fulfilment of delivering strategic sites but also on providing enough homes to support the level of services and facilities needed to maintain and improve quality of life (page 7 of the proposed plan) as well as maintaining steady growth to 2040. It is unlikely that the allocation of smaller sites would compete directly with established strategic sites including Chapelton. Setting a 20% margin over the housing supply target for the 2020 to 2032 period would align with predicted delivery rates and would not be likely to significantly harm the delivery of strategic sites. Indeed, the written response from the Elswick Development Company suggests that with six developers building at Chapelton there will be a speeding up of delivery at the location. I consider that there is sufficient evidence to support the application of a 20% margin for the period 2020 to 2032. This margin should remain and, therefore, I find no justification to amend paragraphs within section 4 of the plan to reflect a reduced generosity figure for this period.



Reduced flexibility in the proposed plan

8. As explained in my conclusions in Issue 3, the terminology related to housing land supply has changed since the publication of Scottish Planning Policy in 2014. Consequently, the terms “housing requirement” in the Aberdeen City and Shire Structure Plan 2009 and extant Aberdeen City and Shire Strategic Development Plan (2014) are akin to the “housing supply target” with “housing allowances” the equivalent to the “housing land requirement”. The structure plan included a housing requirement of 56,304 with housing allowances of 72,000 (28% above the requirement) and the extant strategic development plan set a housing requirement of 53,972 with allowances for 67,500 (25% above the requirement). The proposed plan includes margins between 10 and 20% over the housing supply target to achieve the housing land requirement (which, with inclusion of the 10% margin for the 2016 to 2019 period, equate to a margin of 15% overall). I agree that the margin added is less than that previously applied but that limitation occurs due to the production of Scottish Planning Policy (2014) which provides a set range to be applied. I consider that the margins added to the housing land supply, as modified by recommendations in this examination report, accord with national policy and are, therefore, reasonable and appropriate.

Housing land requirement (2033 to 2040)

9. Scottish Planning Policy advises that strategic development plans should state the amount of land to be allocated in local development plans to meet the housing land requirement up to year 12 from the expected year of approval; and that beyond 12 years and up to year 20, the plan should provide an indication of the possible scale and location of housing land.

10. The proposed plan sets a housing supply target for the period 2033 to 2040 of 18,720 homes and applies a 10% margin to provide a housing land requirement of 20,592 homes for this period. This equates to an annual housing land requirement of 2,574 homes which is relatively similar to that set for the 2020 to 2032 period. Increasing the margin to 20% would result in an annual requirement for 2,808 homes.

11. While I agree that using a 20% margin would be consistent with the previous plan period the years 2033 to 2040 are in a period (beyond 12 years) where the proposed plan is only required to provide an indicative scale of housing land. I consider that the plan is more forthcoming by providing a reasonable indication of the specific housing land requirement for the period 2033 to 2040. The authority correctly note in its response above that the plan would be subject to review before 2033 with an updated housing need and demand assessment. New local development plans and a series of housing land audits would also likely be produced before a review was undertaken prior to 2033. To set the highest margin for generosity at the extreme of the plan’s reach with many potential unknown factors which could influence housing supply in the future would not be reasonable. Consequently, I find that it is appropriate for the plan to include a 10% margin for the period 2033 to 2040 and that no modification to paragraph 4.11 (as requested by Barratt North Scotland) is required to refer to a 20% margin. In addition, I find no evidence to support the removal of the words “without resulting in an excess oversupply” (as promoted by various parties) from paragraph 4.12.

Evaluation of strategic development plans

12. The response from various developers and landowners (Case Consulting) suggests that the process of evaluation of strategic development plans has to radically change. Development plans are currently subject to an examination process which will be modified in the future by the provisions of the Planning (Scotland) Act 2019. Therefore, change is forthcoming but has no implication for this examination or the proposed plan.

**Reporter's recommendations:**

Modify the proposed plan as follows:

1. Replace the second sentence of paragraph 4.11 on page 28 with:

“An increase to the Housing Supply Target of 10% “generosity” is focussed on the 2016 to 2019 period with 20% applied for the period 2020 to 2032 to cover the next Local Development Plans.”.

2. Replace Table 2: Housing Land Requirement by Housing Market Area, Local Authority and Tenure Mix on page 29 with the table set out below to reflect a 10% margin added to the housing supply target for the period 2016 to 2019. [Note: Table appended to the next page.]

<b>Table 2: Housing Land Requirement by Housing Market Area, Local Authority and Tenure Mix</b>											
	2016-2019			2020-2032			2033-2040			2016-2040	
	Affordable	Market	Total	Affordable	Market	Total	Affordable	Market	Total	Global Total	
Aberdeen Housing Market Area	2,256	4,180	<b>6,436</b>	9,610	17,846	<b>27,456</b>	5,766	10,708	<b>16,474</b>	<b>50,366</b>	
Rural Housing Market Area	748	1,396	<b>2,144</b>	2,402	4,462	<b>6,864</b>	1,442	2,676	<b>4,118</b>	<b>13,126</b>	
Aberdeen City Council	1,502	2,788	<b>4,290</b>	6,006	11,154	<b>17,160</b>	3,604	6,692	<b>10,296</b>	<b>31,746</b>	
Aberdeenshire Council	1,502	2,788	<b>4,290</b>	6,006	11,154	<b>17,160</b>	3,604	6,692	<b>10,296</b>	<b>31,746</b>	
Aberdeen City and Shire	Total	3,004	5,576	<b>8,580</b>	12,012	22,308	<b>34,320</b>	7,208	13,384	<b>20,592</b>	<b>63,492</b>

<b>Issue 14</b>	<b>Our Communities - Additional Housing Allocations</b>	
<b>Development plan reference:</b>	Section 4: Our Communities Delivery of New Homes Table 3: Local Development Plan Additional Housing Allocations Pages 28 – 32	<b>Reporter:</b> [REDACTED]
<b>Body or person(s) submitting a representation raising the issue (including reference number):</b>		
<p>PP18015 Bancon Homes  PP18019 Dr Tom Straiton  PP18020 Scotia Homes Ltd  PP18022 Scottish Natural Heritage  PP18023 Dunecht Estates  PP18024 Mearns Community Council  PP18034 Bennachie Community Council  PP18036 Elsick Development Company  PP18037 The Grandhome Trust  PP18038 Hatton of Fintray Community Council  PP18039 Michael Robson  PP18040 Stewart Milne Homes Ltd  PP18041 Newtonhill, Muchalls &amp; Cammachmore Community Council  PP18044 Professor Carole Gray  PP18046 Taylor Wimpey (East Scotland) Limited  PP18047 North Kincardine Rural Community Council  PP18048 CALA Homes (North) Ltd  PP18049 Mactaggart &amp; Mickel Homes Ltd  PP18050 Various Developers and Landowners  PP18051 CHAP Homes Ltd  PP18053 CALA Homes (North) Ltd  PP18055 Homes for Scotland  PP18056 Hallam Land  PP18057 The Comer Group  PP18059 CALA Homes (North) Ltd  PP18060 Barratt North Scotland and Dunecht Estates  PP18061 Barratt North Scotland  PP18063 Drum Property Group</p>		
<b>Provision of the development plan to which the issue relates:</b>	Section 4: Our Communities Delivery of New Homes Table 3: Local Development Plan Additional Housing Allocations Pages 28 – 32 This Sub Section of the Proposed Strategic Development Plan sets the additional housing allocations.	
<b>Planning authority's summary of the representation(s):</b>		
<p><u>General</u></p> <p>PP18019, PP18041, PP18044: The respondents consider that there has already been a considerable amount of housing land allocated by past Aberdeen City and Aberdeenshire</p>		

Local Development Plans. Decisions relating to new housing land allocations should consider previously consented development and developments under construction before any additional allocations are made. New allocations and applications for planning permission impact on local amenities, education, traffic and green spaces and cause stress to local residents, which has a negative impact on health and wellbeing.

PP18019: The respondent considers that stronger emphasis should be given to providing suitable homes for the elderly within new developments.

PP18024: The respondent notes that local housebuilders in rural areas play an important role in the local economy and considers that they should be encouraged and supported through the provision for self-build home.

PP18024: The respondent considers that steps should be taken to control the size of landbanks and to ensure that housebuilders with land for employment/commercial development are obliged to deliver these facilities.

PP18024: The respondent feels that Local Development Plans are failing due to the overambitious land acquisition (e.g. at Laurencekirk).

PP18038: The respondent notes that as Hatton of Fintray is outside the Aberdeen to Huntly Strategic Growth Area and proposed housing allocations should reflect this and be scaled appropriately to reflect the existing size of the community and its unique setting.

PP18039: There is a need to ensure that the anticipated 20% increase in population is distributed across the North East and balanced between Aberdeen City and Aberdeenshire.

PP18041, PP18047: The respondents express concern that the Proposed Strategic Development Plan gives figures for future housing allowances, but it does not mention education provision. Further development could impact negatively on the delivery of the planned community facilities and fulfilment of developer obligations linked to completed units at the existing developments. An updated model to calculating school roll provision is needed within the Aberdeenshire Council area.

PP18044: The respondent considers that statements about the delivery of new homes in Proposed Plan paragraphs 4.8, 4.14 and 4.15 must not compromise the protection of existing habitats.

PP18044: The respondent welcomes the prioritisation of brownfield sites and regeneration areas for new housing developments.

PP18061: The respondent disputes the statement in paragraph 4.17 of the Proposed Strategic Development Plan that new allocations could undermine the existing housing land supply and wishes to see this paragraph deleted. Rather, increased competition would benefit homebuyers; ensures a range of locations and options for new homes; and increases provision of affordable housing.

#### Greenfield Development

PP18022: Scottish Natural Heritage support the intent of the final sentence in paragraph 4.18, but that this principle should apply to all development not just greenfield sites.

PP18034: The respondent considers that any new greenfield allocations should preferably be under 100 houses in size.

PP18060: The respondent supports paragraph 4.18 which acknowledges that some new development will need to take place on greenfield sites to help deliver the Proposed Plan's Vision and future strategy for growth.

Table 3: Local Development Plan Housing Allowances

PP18015: The respondent expresses concern that key issues around the effectiveness of the existing housing land supply have not been considered by the Proposed Strategic Development Plan. The respondent considers that evidence from previous Housing Land Audits shows slower than anticipated delivery of new homes at certain strategic allocations. As such, the respondent considers there is a need to increase the new allocation in the period 2020-2032 to ensure the housing requirements for those years are met. The respondent agrees that new allocations in this Plan period need to be of a size that provides confidence that they can be delivered in the Plan period. They however question the statement in Proposed Plan paragraph 4.17 that they should not undermine the deliverability and viability of the effective housing land supply.

The respondent considers there to be a risk that protecting the market position of a small number of large sites which are not delivering will result in a shortfall of housing supply. The respondent considers there to be a requirement for at least 4,885 more houses in the Aberdeen Housing Market Area, in addition to the view that the allowances are around 1,000 houses less than the Principal Growth Forecast from the Housing Needs and Demands Assessment 2017. The respondent has included an Appendix to their submission which provides further detail to support their position (RD18015A).

PP18034: The respondent disagrees that Local Development Plans should allow for further housing allocations.

PP18036, PP18037: The respondents do not consider there to be a requirement to allocate additional sites for housing in the early years of the Proposed Strategic Development Plan, or add to the Strategic Reserve for housing (2033-2040) beyond the statutory minimum of 10%.

PP18055, PP18046: The respondents note support for the basic methodology taken by the SDPA of subtracting the effective housing land supply from the Housing Land Requirement in order to determine the Housing allowances in Table 3. The respondents do however consider that there are discrepancies in the methodology used to calculate the Effective Housing Supply in the Aberdeen City and Shire Housing Land Audit 2016. This Audit is recognised by the respondents as the base data for the Plan. Although they are not clear on the exact methodology employed by the Strategic Development Planning Authority, the respondents consider that the approach taken has falsely increased the Effective Land Supply Total, which has in turn resulted in a lower level of Housing Allowances.

PP18050: The respondent considers that a column showing the constrained supply for each Housing Market Area as per the base date of the Plan is missing from Table 3 (page 30). The respondent considers that the only reason that this column is missing is that it would show that the Proposed Strategic Development Plan Spatial Strategy is fundamentally flawed and incapable of meeting the Scottish Government's objective of

delivering a generous supply of housing. Doing so would have shown at least 4,722 houses worth of development land has disappeared from the land supply, thus evidencing a flaw to the Spatial Strategy. The respondent notes that a column presenting this information was included in both the extant Strategic Development Plan 2014 and the Aberdeen City and Shire Structure Plan 2009. The respondent goes on to provide a discussion and associated Tables detailing the current and historic status of development sites in Aberdeenshire in order to support their position (RD18050A).

PP18050: In commenting on Proposed Strategic Development Plan paragraphs 4.14 and 4.15, the respondent considers the statements made in these paragraphs to be incorrect, and that the allowances from the extant Strategic Development Plan 2014 and the Aberdeen City and Shire Structure Plan 2009 do not continue to contribute to the housing land supply in order to meet the strategic housing requirement within the Proposed Plan. The respondent does not consider paragraph 4.15 of the Proposed Strategic Development Plan has been based on any assessment of existing strategic allocations, or an informed determination on the level of supply augmentation that might be required to maintain the strategic housing land supply.

PP18050: The respondent considers that Proposed Plan Table 3 (Page 3) requires to be adjusted to increase the new allowances in the Aberdeen Housing Market Area by 2000 new homes. The respondent considers this is required as Aberdeenshire Council is unable to demonstrate that the second Plan period allowance in the extant Strategic Development Plan 2014 is capable of becoming effective within the relevant Plan period, contrary to the requirements of Scottish Planning Policy 2014. Proposed strategic Development Plan Table 3 (Page 30) also requires to be adjusted to take increase the new allowances by 500 new homes to reflect the decision to allocate 500 houses on the Trump International Golf Links site north of Balmedie. The respondent goes on to provide a discussion and associated Tables detailing the current and historic status of development sites in Aberdeenshire in order to support their position (RD18050A).

PP18056: The respondent notes that under each scenario in Table 3 (Page 30) an additional line should be added to show the Allowance for the Aberdeenshire Council part of the Aberdeen Housing Market Area, which is currently absent.

#### Location of Future Allocations

PP18015, PP18020, PP18023: The respondents consider that the Proposed Strategic Development Plan should provide more detailed guidance on the distribution and location of housing allowances. This could be achieved through the amendment of Table 3 Local Development Plan Housing Allowances (Page 30), a new Table, or through textual changes encouraging the Local Development Plans to review existing allocations which have failed to deliver and focus on settlements with a proven track record of delivery.

#### Deliverable Development

PP18057: The respondent considers that Local Development Plans will need to identify and allocate new housing allocations, and that the Proposed Strategic Development Plan should give explicit, clear direction that allocations should be deliverable, and that Local Development Plans should allocate further land for housing. The site at Royal Devenick Park should be considered in this context (RD18057A, RD18057B and RD18057C).

Small Scale Sites

PP18020, PP18048, PP18049, PP18051, PP18053, PP18057, PP18059, PP18063: The respondents do not support paragraph 4.19 of the Proposed Strategic Development Plan which states that allocations should be small scale in nature. It is considered that there is no justification for placing a generic limit on the size of allocations in the Local Development Plans and that larger sites can enable the delivery of required infrastructure. The respondents consider a need for the Proposed Strategic Development Plan to support a range and choice of sizes and locations of sites and the use of the term “small scale” removes this flexibility. Clarification is sought on the term ‘small scale’. (RD18063A)

PP18057: The respondent considers it is important to allow for and support sufficient and varied housing land allocations. In this context, the respondent points to Proposed Plan paragraph 4.19 which states that it will be up to the Local Development Plans to determine whether a proposal is ‘small scale’, having due regard to its context and deliverability. Although recognising that context is fundamental to the assessment of a proposal and its effective scale, the respondent does not believe that the term ‘small scale’ gives sufficient flexibility for the Local Development Plans to identify the most appropriate sites and positively deliver a range of sites. The respondent disagrees with any ‘blanket’ limitation of new greenfield allocations in scale – noting also the previously identified threshold of 100 homes in the Main Issues Report – and considers that doing so would serve to oversimplify and unnecessarily prevent a range of sites being included in the Local Development Plan, and fail to harness the corresponding ability to deliver infrastructure. Instead, new sites which can be delivered in the short term should be given full consideration. The Proposed Strategic Development Plan should allow Local Development Plans to have sufficient flexibility on the scale and location of new development allocations, better allowing for new housing to be positively guided to locations which are appropriate in planning terms and attractive to the market, and better delivering on the established targets than has previously been the case.

Strategic Reserves

PP18020, PP18023, PP18040, PP18049, PP18051, PP18053, PP18059, PP18060, PP18063: Respondents are concerned that paragraph 4.20 of the Proposed Plan Strategic Development Plan stipulates that Local Development Plans “may” choose to make provision for additional strategic reserves for housing for the period 2033 to 2040. The respondents consider that the Proposed Strategic Development Plan should make it a requirement that Local Development Plans make provision for Strategic Reserves for housing for the period 2033 to 2040 in order to provide a safety net should other allocated sites fail to deliver as expected. This will ensure a consistency of approach by both Councils.

**Modifications sought by those submitting representations:**

General

PP18019: The respondent considers that in areas where large allocations of land in the current Local Development Plans are still unused, the Proposed Plan should make no further allocations except to meet particular local needs. Related Targets should be modified as necessary.



PP18019: The respondent considers that stronger emphasis should be given to providing suitable homes for the elderly within new developments, and developers should be required to provide a suitable number akin to the existing requirements for affordable housing. Related Targets should be modified as necessary.

PP18022: Scottish Natural Heritage seek to amend the final sentence in paragraph 4.18 to read as follows:

*"Reducing travel distances and making walking, cycling and public transport more attractive to people will be important considerations for new developments."*

PP18039: The Proposed Plan should create a better balance of emphasis between Aberdeen City and Aberdeenshire.

PP18041: The respondent wishes to see a link between housing and education provision within the Proposed Strategic Development Plan.

PP18041: The Proposed Strategic Development Plan needs to include a strategy to constrain new housing allocations until the backlog has been reduced.

PP18043: Scottish Environment Protection Agency suggest an amendment to the second bullet point under 'How to Meet the Targets' on page 31. The amended bullet would read as follows:

*"Where necessary, Action Programmes, developer contributions and compulsory purchase powers should be used to focus attention on delivering new housing development and the associated necessary infrastructure. This will include blue- green infrastructure."*

PP18044: Decisions on new land allocations should consider developments currently underway. Developments in progress must be completed before new settlements are approved.

PP18046, PP18055: The respondent seeks the deletion of the following text in paragraph 4.15 that currently states:

*"As such, it is possible no further housing land allocations could be made for the next Local Development Plans"*.

PP18057: The Proposed Strategic Development Plan should give explicit, clear direction that allocations should be deliverable, and delivering, and that Local Development Plans should allocate further land for housing.

PP18061: Amend Proposed Strategic Development Plan paragraph 4.18 to read as follows:

*"New allocations should consider opportunities to reuse brownfield land and attempt to utilise the current 'constrained' supply in the first instance; and the potential to re-allocate underperforming employment allocations thereafter. However; it is likely that some new development will need to take place on greenfield sites in order to help deliver our Vision and future strategy for growth"*

PP18061: Delete Proposed Plan Paragraph 4.17.

Table 3: Local Development Plan Housing Allowances

PP18015: The respondent considers that the housing allowances for the Plan period from 2020 - 2032 must be further increased to address both the findings of the Housing Needs and Demands Assessment 2017 and the shortfall anticipated from large strategic sites.

PP18050: The respondent wishes to see a complete review and replacement of the Spatial Strategy and the associated distribution of housing allocations in Aberdeenshire.

PP18050: Proposed Strategic Development Plan Table 3 (Page 30) to be adjusted to increase the new allowances in the Aberdeen Housing Market Area by 2000 new homes. Proposed Strategic Development Plan Table 3 (Page 30) to be additionally adjusted to increase the new allowances by an additional 500 new homes to accord for the allocations made at the Trump International Golf Links site north of Balmedie.

PP18055, PP18056: The respondents consider that an additional line should be added in Table 3 (Page 30) to show the Additional Allowances specific to the Aberdeenshire Council part of the Aberdeen Housing Market Area. The respondent has included an appendix to their submission which sets out their requested changes to these tables (RD18055A – appendix 5, RD18056A and RD18056B).

Location of Future Allocations

PP18020, PP18023: In order to provide more detailed guidance on the distribution of housing allowances, the respondents seek:

- the amendment of Table 3 Local Development Plan Housing Allowances (Page 30);
- or the insertion of a new Table;
- or the insertion textual changes encouraging the Local Development Plans to review existing allocations which have failed to deliver and focus on settlements with a proven track record of delivery.

Small Sites

PP18020: Amend Proposed Strategic Development Plan paragraph 4.19 to make it clear that the allocation of larger sites may be acceptable where it can be demonstrated that the site can clearly be delivered within the specified Plan period.

PP18048: Amend paragraph 4.19 to remove reference to “*small scale*” allocations, and instead stipulate that Local Development Plans should allocate a range of sites of varying scale to help promote sustainable, mixed communities.

PP18049, PP18053, PP18051, PP18059: PP18060, PP18063: Amend paragraph 4.19 of the Proposed Strategic Development Plan to remove reference to small-scale sites only or reword to allow for consideration of the most appropriate scale of allocation depending on the location and the context.

PP18059, PP18063: The respondents consider that paragraph 4.19 of the Proposed Strategic Development Plan should promote a range of site sizes in a range of locations to help provide choice rather than promote only small-scale allocations.

Strategic Reserve

PP18020, PP18023, PP18049, PP18051, PP18053, PP18059, PP18060: Paragraph 4.20 of the Proposed Strategic Development Plan should be amended to require Local Development Plans to make provision for additional Strategic Reserve for Housing for the period 2033 to 2040.

PP18040, PP18048: Amend Paragraph 4.20 of the Proposed Strategic Development Plan to read as follows:

*"In order to provide communities and the development industry a degree of certainty over the long-term future growth of the Region, Local Development Plans should make provision for additional Strategic Reserves for housing for the period 2033 to 2040 in line with Table 3."*

PP18063: Amend paragraph 4.20 of the Proposed Strategic Development Plan to require Local Development Plans to include Strategic Reserve housing sites. Show Perwinnes area as a potential area for future growth.

**Summary of responses (including reasons) by planning authority:**

General

PP18019, PP18041, PP18044: Appendix 2 - Established Land Supply as Per Housing Land Audit 2016 of the Housing Methodology Paper (CD 71) shows the five-year and post five-year effective land supply for both Housing Market Areas. The Total Effective Land Supply 2016 for both Housing Market Areas is 37,077 homes. While this is a considerable allocation of housing land, the Proposed Strategic Development Plan must consider mechanisms to ensure the five-year and post five-year Effective Land Supplies maintain continuity. The delivery of housing is complex and challenging and not all allocated sites will come forward for delivery. Therefore, it is prudent and responsible for the Proposed Strategic Development Plan to direct the Local Development Plans to make housing allocations as set out in Table 3: Local Development Plan Housing Allowances (page 30). Paragraph 4.19 of the Proposed Strategic Development Plan requires that allocations should be small scale in nature and have regard to context and deliverability.

PP18019: Paragraph 4.5 (Page 27) of the Proposed Strategic Development Plan acknowledges that *"With an ageing population and smaller households, new development should also meet the changing needs of society over its whole life and give regard to greater mix, size and types of new homes"*. The Proposed Strategic Development Plan considers the housing needs of all the community. As such there is a strong focus on the mix of new housing. This is addressed through paragraph 4.7 (Page 27) of the Proposed Strategic Development Plan which states *"Communities must be mixed in terms of the type and size of homes, as well as tenure and cost... Larger developments must provide a mix of house sizes, from starter homes to large detached houses, and all developments must consider opportunities to reduce fuel poverty..."*. The fourth Target (page 27) of the Our Communities section of the Proposed Strategic Development Plan states *"For new housing to meet the needs of the whole community by providing appropriate levels of affordable housing (generally no more than 25%) and an appropriate mix of types and sizes of homes"*. As such the needs of the entire community are adequately considered and supported in the Proposed Strategic Development Plan.

PP18024: The role that local housebuilders in rural areas play in the local economy is noted. While the Proposed Strategic Development Plan makes no specific reference to the provision for self-build homes it does not preclude such development in any way. Paragraph 4.7 of the Proposed Strategic Development Plan states that *“Communities must be mixed in terms of the type and size of homes, as well as tenure and cost”*. Innovative solutions such a self-build homes will make a contribution to achieving a greater mix of types and sizes of homes.

PP18024, PP18024: The issues of landbanks and acquisition of land is a matter outwith the functions and requirements of the Proposed Strategic Development Plan.

PP18038: Future housing land allocations for settlements in Aberdeenshire Council will be given due consideration during the production of the Aberdeenshire Local Development Plan 2021.

PP18039: The Housing Need and Demand Assessment 2017 (CD 56) considered population projections which informed the Housing Supply Target in the Proposed Strategic Development Plan. The Proposed Strategic Development Plan’s Housing Supply Target and Housing Land Requirement distribute the housing requirement across Council Area and Housing Market Areas in order to meet the housing requirement resulting from projected population increases.

PP18041, PP18047: Paragraph 4.3 (Page 26) of the Proposed Strategic Development Plan acknowledges that education provision is needed to create successful places and that this must be considered holistically. While Table 3 (Page 30) of the Proposed Strategic Development Plan sets the Housing Allowances it will be for the Local Development Plans to consider issues such as school capacity when determining which sites can be allocated for housing land.

PP18044: Paragraph 1.5 (Page 5) of the Proposed Strategic Development Plan states that it should be read as a whole. Due consideration is given to protection and enhancement, where appropriate, of the natural environment throughout the Proposed Strategic Development Plan.

PP18061: Paragraph 4.17 of the Proposed Strategic Development Plan does not state that new allocations will undermine the effective land supply. Paragraph 4.17 of the Proposed Strategic Development Plan promotes the careful consideration of the scale and context of future allocations and that there is mindfulness of potential impacts on existing allocated or permitted housing developments.

No modifications to the Proposed Strategic Development Plan are considered necessary as a result of these representations.

#### Greenfield Development

PP18022: Support is noted and welcomed. The Proposed Strategic Development Plan’s Spatial Strategy supports the principles of reduced travel and sustainable travel patterns outlined in paragraph 4.18 for all development.

PP18034: Paragraph 4.19 of the Proposed Strategic Development Plan requires that future housing allocations be small scale in nature. It will be up to the Local Development Plans to determine whether a proposal is “small scale” or not, giving due regard to its

context and deliverability. No numerical restriction has been placed on future housing allocations given that the context of their location and deliverability will be key considerations influencing the scale of development.

No modifications to the Proposed Strategic Development Plan are considered necessary as a result of these representations.

Table 3: Local Development Plans Housing Land Allowances

PP18015: The numbers used in the Proposed Strategic Development Plan for the Effective Land Supply are those of the Aberdeen City and Shire Housing Land Audit 2016 (CD 53). Each year Aberdeen City and Aberdeenshire Councils jointly produce a Housing Land Audit which is ultimately approved for publication by the Strategic Development Planning Authority. The Aberdeen City and Shire Housing Land Audit is prepared by the two Councils in consultation with the development industry. The Aberdeen City and Shire Housing Land Audit has historically been the agreed position on the City Region's Established Land Supply. As such, holistic consideration has been given to the Effective Land Supply by all stakeholders and it is not necessary to re-examine it. Matters relating to the Housing Supply Target have been addressed under Issue 12 Housing Supply Target.

The Housing Allowances set out in Table 3 (Page 30) of the Proposed Strategic Development Plan are appropriate to meet the Housing Land Requirement for the period 2020-2032 and do not need to be increased. The methodology for setting these allowances is explained below.

PP18046, PP18055, PP18056: The quantity of housing land allocations for the subsequent Aberdeen City Local Development Plan and Aberdeenshire Local Development Plan is set out in Table 3: Local Development Plan Housing Allowances (page 30) of the Proposed Strategic Development Plan.

By including Table 3 the Proposed Strategic Development Plan goes a step beyond paragraphs 115 and 118 of Scottish Planning Policy 2014 (CD 40) in setting out housing land allocations for subsequent Local Development Plans. There is no set methodology on how to set such allowances and, as such, these are bespoke to each Strategic Development Plan or Local Development Plan. The Proposed Strategic Development Plan has used the following methodology, as described in detail in the Housing Methodology Paper (CD 71) to establish the level of additional allowances for the next set of Local Development Plans and future strategic reserves:

- The Housing Land Requirement minus the Established Land Supply (as per the Aberdeen City and Shire Housing Land Audit 2016);
- The resulting balance is 27,195 new homes to be allocated over the period of the Proposed Strategic Development Plan;

Support from Homes for Scotland (PP18055) for the above methodology is welcomed. Clarification has been sought regarding the level of allowances for the period 2020 to 2032 of the Proposed Strategic Development Plan. Respondents believe that these should be set at a higher level than the total of 8,335 as shown in Table 3 (Page 30). Respondents PP18055 and PP18056 have included in their submissions' explanations as to why higher allowances should be considered for the period 2020-2032 (regardless of which Housing Supply Target is used in the Proposed Strategic Development Plan).

The completions and anticipated completions from the Housing Land Audit 2016 for the period 2016 to 2032 are subtracted from the Housing Land Requirement. Housing Land Audit 2016 programming of anticipated completions for the Rural Housing Market Area and the Aberdeenshire part of the Aberdeen Housing Market Area cover the period up to 2032. However, the Housing Land Audit 2016 included programming for the Aberdeen City part of the Aberdeen Housing Market Area up to 2023. As such an average of completions taken from the approval of the extant Strategic Development Plan 2014 (CD 58) up to 2023 was used as the basis for programming for the remainder of this period up to 2032. Taking this long-term average is appropriate as this rate reflects historic delivery and steady future anticipated completions.

The Housing Land Requirement for the period 2016 to 2032 is 43,680. The Effective Land Supply as explained above for the period 2016-2032 totalled 35,345. The Effective Land Supply was subtracted from the Housing Land Requirement and the balance was the requirement for allowances for this period of 8,335. It should be noted that, unlike the Aberdeen City and Shire Structure Plan 2009 (CD 60) and the extant Strategic Development Plan 2014 (CD 58), the constrained housing land supply has not been considered as a means of meeting the Housing Land Requirement for the Proposed Strategic Development Plan (The constrained supply for Aberdeen City Council is 3,020 and for Aberdeenshire Council 6,808). Table 3 (page 30) directs Local Development Plans to make new housing land allocations for the Plan period 2020-2032.

It is noted that this approach is not contested by the Scottish Government (PP18042) who made no comment on this issue.

The respondents' submissions include programming for the Aberdeen City part of the Aberdeen Housing Market Area for the period beyond 2023 which is not included in the published Aberdeen City and Shire Housing Land Audit 2016. In addition, the housing land supply has been updated to include completions for 2016 and 2017 which are outwith the Housing Land Audit 2016.

PP18055, PP18056: It is unnecessary to amend Table 3 (Page 30) to show the proportion of housing allowances for the Aberdeenshire Council part of the Aberdeen Housing Market Area as this is not a requirement of paragraphs 115 and 118 of Scottish Planning Policy (CD 40). The number of new homes for the Aberdeenshire Council part of the Aberdeen Housing Market Area can be found by subtracting the Rural Housing Market Area from the Aberdeenshire Council total.

PP18050: Issues relating to the review of the Proposed Strategic Development Plan's Spatial Strategy are considered in Issue 3 – Our Spatial Strategy. The distribution of housing allowances in the Proposed Strategic Development Plan is set out by Housing Market Area and Council Area. Paragraph 3.8 (Page 10) of the Proposed Strategic Development Plan states that the main focus of development should be in the Strategic Growth Areas. No revision of the housing allowances is required as those will be distributed through allocations made by the subsequent Local Development Plans in accordance with the Spatial Strategy.

The constrained supply is not included in Table 3 (Page 30) of the Proposed Strategic Development Plan. Table 3 (Page 30) shows the five-year, post five-year and total Effective Land Supply for the Housing Land Audit 2016. The constrained land supply has not been omitted. While the constrained supply was indicated in the Aberdeen City and Shire Structure Plan 2009 (CX 60) and the extant Strategic Development Plan 2014 (CD

58) these plans were produced before current Scottish Planning Policy 2014 (CD 40) was approved. Paragraph 117 of Scottish Planning Policy states that the Housing Land Requirement can be met from a number of sources *“most notably sites from the established supply which are effective or expected to become effective in the plan period, sites with planning permission, proposed new land allocations, and in some cases a proportion of windfall development”*. It does not refer to the constrained supply. Therefore, it is not a requirement to include the constrained supply in setting housing allowances at a Strategic level. Consideration of the constrained supply to meet the housing land requirement could be undertaken at a Local Development Plan level as suggested by paragraph 4.18 of the Proposed Strategic Development Plan.

PP18050, PP18015: Paragraphs 4.14 and 4.15 refer to the Housing Land Audit 2016 (CD 53) and the considerable size of the Total Effective Land Supply. It is asserted that this is not an accurate reflection of the Effective Land Supply. Each year Aberdeen City and Aberdeenshire Councils jointly produce a Housing Land Audit which is ultimately approved for publication by the Strategic Development Planning Authority. The Housing Land Audit is prepared by the two Councils in consultation with the landowners and housing builders, including Homes for Scotland. The Audit has historically been the agreed position on the City Region’s Established Land Supply. The figures used in the Proposed Strategic Development Plan for the Effective Land Supply are those of the Housing Land Audit 2016 the agreed position on the City Region’s Established Land Supply. As such, holistic consideration has been given to the Effective Land Supply by all stakeholders and it is not necessary to re-examine it.

PP18050: It is not accepted that the allowances for the Aberdeen Housing Market Area need to be increased. The allowances set out in the Proposed Strategic Development Plan are appropriate for the Plan periods as set out in Table 3 (Page 30). There is no need to increase the allowances for the Menie Estate given this development was included in allocations for the Aberdeenshire Local Development Plan and already has been granted planning permission (reference app/2006/4605).

There is no requirement for the Proposed Strategic Development to demonstrate that the Plan period 2027 to 2035 of the extant Strategic Development Plan 2014 (CD 58) is capable of becoming effective. The Proposed Strategic Development Plan is the replacement of the extant Strategic Development Plan 2014 (CD 58) and sets an updated Housing Supply Target and Housing Land Requirement for this Plan period.

No modifications to the Proposed Strategic Development Plan are considered necessary as a result of these representations.

### Small Scale Sites

PP18020, PP18048, PP18049, PP18051, PP18053, PP18057, PP18059, PP18063: Paragraph 4.19 (Page 31) of the Proposed Strategic Development Plan states that *“Allocations should be small scale in nature, and should not be extensions to any existing, strategic, development sites that have been subject to a masterplanning exercise”*. The term *“small scale”* has not been included in the glossary of the Proposed Strategic Development Plan as paragraph 4.19 (Page 31) clarifies that *“It will be up to the Local Development Plans to determine whether a proposal is “small scale” or not, giving due regard to its context and deliverability”*.

Aberdeen City Council and Aberdeenshire Council have disparate settlement patterns. For Aberdeen City Council with its relatively small geographical area and high population density, settlements are focused over a much smaller area than Aberdeenshire Council. Aberdeenshire Council has a dispersed settlement pattern with its two largest settlements, Peterhead and Fraserburgh located in the Rural Housing Market Area. The scale of new development must be considered in the context of its location. Small scale allocations for the Aberdeen City Local Development Plan 2021 may be considered large scale allocations in the area covered by the Aberdeenshire Local Development Plan 2021. Therefore, the Local Development Plans are best suited to determine of the scale of housing allocations in the context of their settlements. As such the Proposed Strategic Development promotes a range of site sizes which will help provide choice.

Strategic planning should enable the five-year effective supply to be maintained. The Proposed Strategic Development Plan sets out a sensible approach for the next Local Development Plans which affords them the flexibility to allocate additional housing land and enable development at a smaller scale than what has been allocated historically as required by the Aberdeen City and Shire Structure Plan 2009 (CD 60) and the extant Strategic Development Plan 2014 (CD 58).

The steady delivery of new homes across both Housing Market Areas is dependent on a number of strategic housing allocations. It is unnecessary to allocate sites of a similar scale in the subsequent Local Development Plans. If these strategic allocations were to encounter delivery issues, there would be an impact on the Effective Land Supply. It is therefore prudent to direct the Housing Allowances set out in Table 3 (Page 30) of the Proposed Strategic Development Plan towards contextually small-scale Local Development Plan allocations. By enabling development on a smaller scale, which complements strategic allocations, a continuity of supply of deliverable new housing land can be maintained.

PP18049: The respondents are mistaken in the assumption that the preferred option stated in paragraph 6.25 and Question 14 (page 21) of the Main Issues Report 2018 (CD 73) has been included in the Proposed Strategic Development Plan. No reference is made in the Proposed Strategic Development to limiting new allocations to under 100 houses in size.

PP18057: The Proposed Strategic Development Plan enables the Local Development Plans to have the flexibility to interpret the term *“small scale”*. Paragraph 4.19 (Page 31) of the Proposed Strategic Development Plan states that *“It will be up to the Local Development Plans to determine whether a proposal is “small scale” or not, giving due regard to its context and deliverability”*. Paragraph 4.18 of the Proposed Strategic Development Plan states *“Local Development Plans must identify allocations for the period 2020 to 2032 which are deliverable within the timeframe of this period”*. As such the Proposed Strategic Development Plan focuses consideration to allocations which can be delivered in the short term. The Proposed Strategic Development Plan requires flexibility in terms of scale and location.

No modifications to the Proposed Strategic Development Plan are considered necessary as a result of these representations.



Location of Future Allocations

PP18015, PP18020, PP18023: In accordance with paragraphs 115 and 118 of Scottish Planning Policy 2014 (CD 40) the Proposed Strategic Development Plan has set out the Housing Supply Target (Table 1 page 29) and the Housing Land Requirement (Table 2 page 29). These have been set out at both local authority areas, tenure (affordable and market sectors) and both functional Housing Market Areas. It is not a requirement of Scottish Planning Policy 2014 (CD 40) for Strategic Development Plans to further direct the housing land supply than the above.

Historically both the Aberdeen City and Shire Structure Plan 2009 (Schedule 1: Housing Allowances page 27) (CD 60) and the extant Strategic Development Plan 2014 (Schedule 1: Housing Allowances page 42) (CD 58) included further direction for housing land allocations for the subsequent Aberdeen City Local Development Plans and Aberdeenshire Local Development Plans. The Schedules of both the Plans;

- gave direction as to the quantity of brownfield and greenfield housing land allocations for subsequent Aberdeen City Local Development Plans;
- gave direction as to the location and quantity of housing land allocations across the Strategic Growth Areas and Local Growth and Diversification Areas for subsequent Aberdeenshire Local Development Plans;

This practice of setting allowances for subsequent Aberdeen City and Aberdeenshire Local Development Plans has been carried forward in the Proposed Strategic Development Plan in the form of Table 3 - Local Development Plan Housing Allowances (page 30). It details the housing allowances for the Plan periods 2020 to 2032, 2033 to 2035, and 2036 to 2040. These housing allowances direct the housing land allocations of the subsequent Aberdeen City Local Development Plan and Aberdeenshire Local Development Plan.

Unlike Schedule 1: Housing Allowances (page 27) of the Aberdeen City and Shire Structure Plan 2009 (CD 60) and Schedule 1: Housing Allowances (Page 42) of the extant Strategic Development Plan 2014 (CD 58), Table 3 of the Proposed Strategic Development Plan does not give direction for the general location and quantity of housing allocations across the Aberdeenshire Strategic Growth Areas or Local Growth and Diversification Areas.

The Strategic Development Planning Authority believe that both the Aberdeen City and Aberdeenshire Local Development Plans should base the selection of housing land allocations on issues such as deliverability and infrastructure considerations and not on general locations set at a Strategic Development Plan level. That is not to say that the Proposed Strategic Development Plan does not offer direction for the general location of future housing land allocations. Paragraph 4.16 (Page 31) offers direction that *“allocations are divided on an 80%/20% basis between the Aberdeen Housing Market Area and the Rural Housing Market Area respectively”* as per paragraph 115 of Scottish Planning Policy (CD 40). Further direction is given for Brownfield development through Target two (page 27) that *“at least 40% of all new housing in Aberdeen City to be on brownfield sites”* which conforms with paragraph 40 of Scottish Planning Policy (CD 40) in considering the re-use or re-development of brownfield land before new development takes place on greenfield sites.

There is no requirement within Scottish Planning Policy (CD 40) for Strategic Development Plans to direct Local Development Plans to review existing allocations which have not come forward for delivery. Consideration of such is better undertaken during the production of subsequent Aberdeen City and Aberdeenshire Local Development Plans.

No modifications to the Proposed Strategic Development Plan are considered necessary as a result of these representations.

Strategic Reserves

PP18063, PP18020, PP18023, PP18040, PP18048, PP18049, PP18051, PP18053, PP18059, PP18060: Paragraph 118 of Scottish Planning Policy (CD 40) states it is the role of Strategic Development Plans to look at land supply and set a Housing Supply Target up to year twelve from the expected year of plan approval making sure the requirement for each housing market area is met in full. Beyond year twelve and up to year twenty Strategic Development Plans should provide an indication of the possible scale and location of housing land.

As addressed in Issue 13 Housing Land Requirement, the Proposed Strategic Development Plan has given a strategic direction for the period 2033 to 2040 and the possible scale of future housing land requirement. Paragraph 4.20 (Page 31) of the Proposed Strategic Development Plan states *“Local Development Plans may choose to make provision for additional Strategic Reserves for Housing for the period 2033 to 2040 in line with Table 3, but this is not a requirement”*. Should the Local Development Plans seek to make such provisions they would be informed by the Table 3 Local Development Plan Allowances for the period beyond 2033.

There is no requirement in Scottish Planning Policy 2014 (CD 40) for Strategic Development Plans to direct Local Development Plans to make a provision for Strategic Reserves or to make provisions for allocations past year twelve of the Strategic Development Plan. It should be noted that the Plan period 2033-2040 will be subject to review under future Development Plans. It is not therefore appropriate to direct Local Development Plans to make such provisions or amend paragraph 4.20 (Page 31) of the Proposed Strategic Development.

No modifications to the Proposed Strategic Development Plan are considered necessary as a result of these representations.

**Reporter’s conclusions:**

1. As explained in paragraph 1 in Issue 12 Our Communities – Housing Supply Target my conclusions on the housing matters have been informed by a hearing session and further written exchanges.

General points

2. The support for prioritisation of brownfield land and regeneration areas is noted but requires no examination.

3. I appreciate that there is an established supply of land which could accommodate some 45,410 homes and that constrained sites could offer some 10,504 homes in the

region. There is, however, still a requirement to provide sufficient housing to meet the needs and demands of a growing population and the aspirations of the authority (and its council partners) for a sustainable economy. A range and choice of sites is also required as existing allocations are developed and to sustain existing communities including those identified as regeneration priorities. Furthermore, existing allocated sites are not all likely to come forward as planned. Therefore, I find it reasonable and appropriate for the proposed plan to set further housing allowances. I also consider that it might be necessary to allocate land adjacent to, or close to, existing strategic (large) sites to take advantage of planned infrastructure and investment. Consequently, I find no reason to restrict the allocation of housing to avoid large sites.

4. The authority has carried out a series of assessments to inform the production of the proposed plan including a cumulative transport assessment; strategic flood assessment; strategic environmental assessment; and a habitats appraisal. In addition, the proposed plan includes provisions to safeguard the natural environment and ensure the delivery of mixed communities which should be reflected in local development plan policies and used in assessing development proposals. As noted by the authority in its response, councils would also take account of education capacity in finding land for housing. Issues of health impacts could also be considered when determining where to allocate land for housing at the local development plan stage. There is also provision in the proposed plan (at paragraph 3.7) to seek necessary developer contributions towards infrastructure, services and facilities. Consequently, I find that any impact on green spaces, habitats, amenities, transport and education arising from new allocations has been, and/or would be, appropriately assessed. Furthermore, I find that the plan sufficiently includes provisions which would support homes for the elderly (this matter is further addressed in Issue 11 Our Communities – Placemaking).

5. The matter of land acquisition and options for self-build raised by Mearns Community Council are addressed at paragraphs 10 and 11 of Issue 11.

6. As stated by the authority, the matter of final housing allocations is for the respective councils in preparing their local development plans and assessing development proposals. Aberdeenshire Council would take into account the location of Hatton of Fintray and its features when determining whether to allocate housing in or near that settlement.

7. In response to concerns from Mr Robson, as shown in Table 3 of the proposed plan, the housing allowances are split 50% to both Aberdeen City Council and Aberdeenshire Council. It may not be possible to spread housing allocations (and the population increase anticipated) across the entire of the region but this split would ensure an equal distribution across the council administrative boundaries.

8. Paragraph 4.17 of the proposed plan states that “it is important that the scale of these allocations does not undermine the deliverability and viability of the effective housing land supply” and it is for this reason that only moderate allocations are promoted. I agree with representees that competition and a range of allocations and a choice of sites could benefit the region but there is also a need to safeguard allocated sites to fulfil the spatial strategy and vision of the plan. Some sites have had substantial investment and/or require interventions to allow development to proceed. Therefore, I do not find justification to remove paragraph 4.17 as suggested.

9. I refer to alternative uses on employment land and recommend in Issue 11 Our Communities – Placemaking that an amendment to the proposed plan is made to ensure safeguarding of employment land where practicable. This would allow consideration of alternative uses where justified. Proposed plan paragraph 4.18 relates to new housing allocations on brownfield land and constrained sites “in the first instance”. Therefore, it does not rule out other locations being considered. Consequently, I find no reason to amend the paragraph to refer to “underperforming employment allocations” as having potential for housing allocations.

10. I consider that it is not necessary for the final target on page 31 to clarify that any necessary infrastructure would include “blue-green infrastructure” as promoted by the Scottish Environment Protection Agency. The definition of “green infrastructure” in the proposed plan refers to both green and blue infrastructure and therefore this could be sought from new housing development if necessary.

Greenfield development

11. Support for the likelihood of some greenfield development in paragraph 4.18 is noted but requires no attention through this examination.

12. The final sentence of paragraph 4.18 relates to housing allocations but, as explained by the authority in its response above, the proposed plan includes provisions applicable to all development to reduce travelling distances and make sustainable options more attractive including paragraph 2.3 of the vision. I find no need to modify paragraph 4.18 to refer to “all developments” as proposed by Scottish Natural Heritage.

13. I disagree with Bennachie Community Council that greenfield sites should be restricted to less than 100 homes. The proposed plan suggest that allocations should be small scale (a matter addressed below) but relies on local development plans to determine what “small scale” is having regard to the context. Imposition of a specific restriction on housing numbers could also impact on the provision of sustainable densities and efficient use of land for housing. No change to the plan is required to address this matter.

Table 3 – local development plan housing allowances

14. Scottish Planning Policy (2014) requires strategic development plans to set a housing supply target and then add a margin of between 10 and 20% to provide the housing land requirement. The national policy then advises that the requirement “can be met from a number of sources, most notably sites from the established supply which are effective or expected to become effective in the plan period, sites with planning permission, proposed new land allocations, and in some cases a proportion of windfall development” (paragraph 117).

15. In determining the level of housing allowances in the proposed plan the authority has subtracted the established supply that is effective, or expected to be effective, from the total housing land requirement (as shown in Table 3: Local Development Plan Housing Allowances on page 30). The calculation being: 64,272 housing land requirement minus the established supply from the agreed 2016 housing land audit of 37,077 equating to a need to allocate 27,195 homes to 2040.

16. As explained in the schedule 4 above, and in further procedures, the authority took agreed programming from the 2016 housing land audit for Aberdeenshire sites to 2032. The agreed programming for and Aberdeen City to 2023 was added to an average rate (calculated from 2009 to 2023 completions/predictions in the city) to give an estimate beyond 2023 to 2032 for the city giving a total housing supply figure of 35,345. This figure was subtracted from the housing land requirement for 2016 to 2032 (43,680) to provide an allowance of 8,335 homes for the period 2020 to 2032. Professional judgement was used to determine the allowances in the periods 2033 to 2035 and 2036 to 2040.

17. As concluded in Issue 12 Our Communities – Housing Supply Target I found the basis for selecting the housing supply target, using the modified principal scenario figures from the housing need and demand assessment, appropriate and reasonable. However, in Issue 13 Our Communities – Housing Land Requirement I found that the margin to be added to the housing supply target for the period 2016 to 2019 should be reduced from 20% to 10%. The overall housing land requirement will adjust as a consequence.

18. In addition, the authority used the 2016 housing land audit figures to establish the effective, and expected to be effective, housing supply. The data included in that audit for the period 2016 to 2019 was based on predictions rather than actual completions. The recently agreed 2019 housing land audit provides an updated and accurate picture of housing delivery for the years 2016 to 2018. The 2019 audit identifies an effective housing land supply of 14,323 with an additional 20,583 expected to become effective equating to a total of 34,906 (some 2,171 homes less than the figure in 2016). This is likely due to housing completion under-delivery and an increase in the constrained housing supply (constrained sites totalled 9,828 homes in 2016 but 10,504 in 2019).

19. Amending the margin for the period 2016 to 2019 and the updated figures from the 2019 audit mean that the overall housing allowances will have changed. The calculation now being: 63,492 housing land requirement (see Issue 13) minus the established supply that is effective, or due to become effective, from the 2019 housing land audit of 34,906 equating to a revised need to allocate 28,586 homes to 2040 (a figure 1,391 homes greater than that presented in the proposed plan). However, this calculation presumes that the entire supply that is effective, or considered to become effective, during the plan period will be delivered. As suggested by several parties in response to further procedure, the housing land supply situation is dynamic and less predictable when forecasting what will happen in the future. Therefore, I consider there requires to be some caution with respect to using the post five year effective supply beyond 2023, particularly when forecasting 20 years ahead to 2040.

20. I asked parties to consider the use of the updated 2019 housing land audit and its implications at the hearing session followed up with an exchange of written submissions.

21. The authority along with its council partners supported the use of the 2019 audit in principle as a means of clarifying the housing land situation at the hearing. It was preferable to ensure that the strategic development plan provides a clear direction on housing allowances for forthcoming local development plans. In written submissions the authority further explained that the 2016 audit was used as the base year and that the housing need and demand assessment also used this date but this assessment has not been updated to reflect recent population trends. Therefore, “consideration needs be given to the justification for updating one component of the baseline and not the other”. In consultation with its council partners the authority confirmed that it would be preferable

to address this matter through the examination of the proposed plan and not leave it for local development plans to tackle (so that they could focus on delivery). Main issues reports have been issued for local development plans in Aberdeen City and Aberdeenshire with a call for sites and preferred site selection which both councils suggest “could facilitate the moderate increase in allowances proposed”. However, any increase above that would be difficult to accommodate due to finding enough suitable sites; impacts on timelines for local development plans; and the context of recent regional population decline over the last three years. The authority conclude that the “use of the housing land audit 2019 will give the local development plans the benefit of consulting on the most recently published housing land audit. If the subject of effective land supply and housing allowances for the period 2020-2032 has been considered and settled during the examination of the proposed strategic development plan, then both proposed local development plans can benefit from this settled position during public consultation. Given that the local development plans would commence public consultation in early 2020 they would give an accurate picture of the housing land supply”.

22. Homes for Scotland and others with, or representing, developer interests also supported the use of the 2019 housing land audit at the hearing session. In the following written exchanges its use was again endorsed as representing the most up-to-date land supply position. Doing so would, as stated by Homes for Scotland, provide “a degree of added confidence for local authorities and developers alike in what to expect from subsequent local development plans”. Homes for Scotland also queries the assumption that all effective land would come forward by 2040 particularly as the industry has not agreed the programming of sites beyond 2027 and, consequently, the body considers that some 3,569 homes in the effective supply could remain unbuilt by 2040.

23. Although Hallam Land (represented by Holder Planning) agree to the use of the 2019 audit they disagree with the simple substitution of the total effective supply figure from 2016 with that contained in the 2019 audit as this approach “would not account for site delivery programming over specific periods of the plan”; and, furthermore, that “using the total effective supply figure also assumes that all of the sites will come forward by 2040” which is not expected as demonstrated by Homes for Scotland.

24. Amended allowance tables have been submitted by various parties and Homes for Scotland has provided evidence showing extrapolated programming for sites in the 2019 housing land audit with repeated entries beyond the current programming from 2027 onwards until sites exhaust their allocation (or capacity is carried forward beyond 2040). There are many variables which have been questioned throughout the examination with respect to the housing tables some of which I have endorsed but others which have not found favour. No submitted table has been used directly as a substitute for what the authority has proposed. However, I have carefully considered the content of each of these submissions in coming to my findings and recommended adjustments as set out below.

25. While the authority identify that there is no set methodology for calculating housing allowances through a strategic development plan, I agree with parties that the method used to calculate the effective supply to give the housing allowances for the period 2020 to 2032 by the authority is not fully evidenced or clear. There is no evidence showing that the 2016 housing land audit includes programming to the year 2032 for Aberdeenshire (it shows figures to 2026 and an aggregated figure for beyond that year). In addition, there is data in the submitted 2015 housing land audit showing completions from 2010 and information in the 2016 audit giving predicted completions in Aberdeen City to 2023 but

there is no submitted detail to demonstrate how an average completion rate for Aberdeen beyond 2023 to 2032 was calculated from 2009 to 2023 as described by the authority. There is also no detail of how the figure was applied to provide the figure of 35,345 homes in the effective supply to 2032. Consequently, although there could be merit in using an average based on historical trends to forecast completions, I have little confidence in using this figure and no ability to use a similar approach in relation to the most up-to-date housing figures included in the 2019 housing land audit.

26. The approach used by Homes for Scotland where the programming of sites is extrapolated beyond the period stated in the housing land audit is well-evidenced with tables showing each site in each authority and market housing area. There will be instances where sites perform better and some which deliver less than the extrapolated method shows but it reasonably carries forward the last known (and agreed) programme of delivery on each site into the future. Therefore, I consider that it can be effectively used to predict the amount of the established supply that is considered to become effective during the periods 2027 to 2032 and 2033 to 2040.

27. The effective supply for the period 2019 to 2023 is provided (as agreed) in the 2019 housing land audit and there is no dispute regarding programming of sites to 2026. I also note that the audit takes account of the approval of housing at the Menie Estate for 500 homes. Therefore, the audit data can be reasonably used for the period 2019 to 2026.

28. The exception to this is the inclusion of the contribution from small sites. The 2019 audit identifies that small sites (up to four homes) are included as part of the five-year effective housing land supply with a contribution of 594 homes in the Aberdeen housing market area and 692 homes in the Rural housing market area between 2019 and 2023. The audit only includes their contribution for the first five years and does not make any assumptions about small sites beyond 2023. I note that Scottish Government planning advice note 2/2010 on 'affordable housing and housing land audits' suggests that it is for planning authorities to best determine how to take account of the contribution from small sites and that they can make a significant contribution to the land supply in some local authority areas. There is a regular contribution from small sites in the region but I consider it would be risky to make assumptions about their contribution for the lengthy duration of the plan to 2040 as policy and approaches to small sites could change over this time. To only include their contribution for the 2019 to 2023 period would introduce a different approach to calculating the housing supply in different plan periods. Therefore, I have opted, as suggested by Homes for Scotland, to omit the contribution from small sites. However, their contribution could be used to inform the production of local development plans alongside any freeing-up of land on constrained sites which may release housing over the plan period. This approach allows an additional flexibility to the housing land supply.

29. There have also been completions in the years 2016, 2017 and 2018 totalling 6,223 homes which should be taken into account when considering the housing supply situation.

30. Using the above information provides a revised outcome as follows:

- **A housing supply for 2016 to 2032 of 32,686 homes** (6,223 completions; 18,943 effective, or expected to become effective, supply between 2019 and 2026; and 7,520 homes for 2027 to 2032 extrapolating the 2019 housing land audit data).

- **A housing supply for 2033 to 2040 of 3,588 homes** (from extrapolation of established sites expected to deliver in the period).
- **A revised allowance for 2020 to 2032 of 10,214 homes** (subtracting the 32,686 supply from the revised housing land requirement for this period of 42,900).
- **A revised allowance for 2033 to 2040 of 17,004 homes** (subtracting the 3,588 supply from the revised housing land requirement for this period of 20,592).

31. I have opted to retain the proposed plan's position with regard to delivery in the period 2033 to 2035 as 9,000 units and, therefore, place the outstanding allowances of 8,004 in the remaining 2036 to 2040 period. In response to some concerns from parties, the period beyond 2032 being "indicative" was agreed by the authority during the hearing session. This accords with Scottish Planning Policy which advises an "indication" beyond year 12 from the expected date of approval. Consequently, the authority agreed to a revision to the plan to reflect this point. Therefore, I have recommended a small change to paragraph 4.11.

32. The overall effect of these revisions is to increase the total allowances to 27,218 (a small margin of 23 additional allowances over that shown in the proposed plan). However, the effect is that more housing (1,879 homes is required to be found in the first plan period 2020 to 2032) and less in the last plan period 2036 to 2040 (1,856 fewer homes). I recognise that Elswick Development Company and the Grandhome Trust oppose the introduction of additional allocations early in the plan but for the reasons stated in paragraph 3 above I consider that it is reasonable for the plan to promote additional housing in the period 2020 to 2032 which forthcoming local development plans can address. I consider that the small additional increase to the housing allowances could likely be accommodated without any negative impact in relation to constraints (as identified in Issue 12 Housing Supply Target).

33. Drawing this together, I have produced and recommend inclusion of a new Table 3 in the proposed plan which includes the completions since 2016; the five-year effective supply; and that part of the established supply that is expected to become effective over the plan period. I have suggested revising the table's appearance to provide an amalgamated housing supply figure for 2016 to 2032 and 2033 to 2040 with footnotes to explain some calculations. The totals also show how the housing supply and allowances meet the revised housing land requirement.

34. The allowances are split on an 80%/20% basis between the Aberdeen housing market area and rural housing market area as per my conclusions in Issue 15 Our Communities – Housing Market Areas. Although suggested, it is not necessary to show the Aberdeenshire part of the Aberdeen housing market area in the table. As stated by the authority, this can be calculated by subtracting the rural housing market area figures from the Aberdeenshire Council figures.

35. Finally on this matter, I find that the statements in paragraphs 4.14 and 4.15 of the proposed plan related to the land already allocated as a consequence of the structure plan and extant strategic development plan which continue to contribute to the housing land supply are factually correct and need not be removed or revised.

#### Location of future allocations

36. Several house-builders suggest that Table 3 should include more detail on the distribution and location of the housing allowances. I note, and the authority



acknowledges, that the 2009 structure plan and extant strategic development plan include further direction for housing land allocations with schedules showing the location and quantity of allocations in strategic growth areas and local growth and diversification areas.

37. Scottish Planning Policy advises that strategic development plans should set out the housing supply target and housing land requirement for each local authority area and each functional housing market area – the proposed plan does this. The national policy also advises that plans “state the amount and broad locations of land which should be allocated in local development plans to meet the housing land requirement up to year 12 from the expected year of plan approval”; and that “beyond year 12 and up to year 20, the strategic development plan should provide an indication of the possible scale and location of housing land” – the plan does this with an expectation that 75% of all homes will be in strategic growth areas; stating that all development that meets more than local needs will be within strategic growth areas; highlighting opportunities in the local growth and diversification area and regeneration priority areas for specific settlements; and requiring 40% of all new housing in Aberdeen to be on brownfield land. I find that the plan is consistent with Scottish Planning Policy and that Table 3 does not require any further revision to refer to distribution or location of housing allowances.

#### Deliverable development

38. The proposed plan explicitly states at paragraph 4.18 that “local development plans must identify allocations for the period 2020 to 2032 which are deliverable within the timeframe of this period”. Therefore, no change to the proposed plan is required to refer to the deliverability of housing. In addition, the promotion of the site at Royal Devenick Park highlighted by The Cromer Group is a matter for Aberdeenshire Council through the forthcoming Aberdeenshire Local Development Plan or the assessment of any submitted planning application on the site.

#### Small scale sites

39. Paragraph 4.19 of the proposed plan suggests that allocations should be “small scale” and defers defining “small scale” to local development plans having regard to context and deliverability. In response to concerns about this approach the authority suggested (in writing) that “future allocations should be of a scale which would not inhibit the delivery of current strategic allocations”. I asked the authority if this response could be used in the proposed plan to provide clarity and it agreed to its use (as did Homes for Scotland). This approach would still allow the respective councils to determine whether the scale of a proposal was acceptable. A small revision to paragraph 4.19 is, therefore, recommended.

#### Strategic reserves

40. As stated above, Scottish Planning Policy does not require the allocation of a “strategic reserve” but only an indication of the possible scale and location of future housing. Local development plans in city regions are advised by the national policy to allocate sites to meet the housing land requirement of the strategic development plan up to year 10 from the expected year of adoption. The forthcoming local development plans are seeking to go out for consultation in 2020 and could, therefore, be adopted 2021 or 2022. The 10 year period they would cover would take them to 2031 or 2032 and, consequently, there would be no requirement to address the proposed plan’s allowances stated in Table 3 for the period 2033 to 2040. However, the option is available to

council's to include a strategic reserve as per the wording of paragraph 4.20 of the proposed plan. A draw-down mechanism would also be an option for council's to include in their local development plans if they so desired. Although promoted by parties, I find that it would be unreasonable to require local development plans to include a strategic reserve.

**Reporter's recommendations:**

Modify the proposed plan as follows:

1. Insert a new final sentence at the end of paragraph 4.11 on page 28 as follows:  
"The allowances for this period are indicative and will be subject to future review."
2. Replace the first sentence of paragraph 4.19 on page 31 with:  
"Allocations should be of a scale which would not inhibit the delivery of current strategic allocations and should not be extensions to any existing, strategic, development sites that have been subject to a masterplanning exercise".
3. Replace Table 3: Local Development Plan Housing Allowances and footnotes on page 30 with the table set out below. [Note: the table is appended to the next page.]

<b>Table 3: Local Development Plan Housing Allowances</b>						
	<b>Housing Supply</b>		<b>Allowances</b>			<b>Total</b>
	<b>Housing supply 2016-2032*<sup>1</sup></b>	<b>Housing supply 2033-2040*<sup>2</sup></b>	<b>Allowances 2020-2032</b>	<b>Allowances 2033-2035</b>	<b>Allowances 2036-2040</b>	
<b>Aberdeen Housing Market Area</b>	26,325	2,767	8,172	7,200	6,402	21,774
<b>Rural Housing Market Area</b>	6,361	821	2,042	1,800	1,602	5,444
<b>Aberdeen City Council</b>	16,719	1,733	5,107	4,500	4,002	13,609
<b>Aberdeenshire Council</b>	15,967	1,855	5,107	4,500	4,002	13,609
<b>Totals</b>	32,686	3,588	10,214	9,000	8,004	27,218
	36,274		27,218			
<b>Housing Land Requirement</b>	63,492					

\*<sup>1</sup> Comprising completions 2016-2018 (6,223); effective supply 2019-2023 (13,067); programming of sites 2024 to 2026 (5,876); and extrapolated programming 2027 to 2032 (7,520) all based on the agreed 2019 housing land audit.

\*<sup>2</sup> Compiled from extrapolated programming from the agreed 2019 housing land audit.

Note – components may not sum to totals due to rounding. Allowances will not include sites of less than 5 homes.

**Aberdeenshire Part of AHMA**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Totals 2020 to 2024
<b>2020 HLA (draft)</b>											
Units delivered/ <b>units estimated</b>					623	<b>419</b>	<b>731</b>	<b>918</b>	1,061	905	
<b>2019 HLA</b>											
Units delivered/ <b>units estimated</b>	779	565	436	506	<b>496</b>	<b>665</b>	<b>847</b>	<b>1,044</b>	958	<b>795</b>	<b>4805</b>
<b>2018 HLA</b>											
<b>Units estimated</b>				<b>509</b>	<b>933</b>	<b>1,045</b>	<b>965</b>	<b>889</b>	<b>839</b>	<b>687</b>	
<b>2017 HLA</b>											
<b>Units estimated</b>			<b>459</b>								
<b>2016 HLA</b>											
<b>Units estimated</b>		<b>598</b>									
<b>2015 HLA</b>											
<b>Units estimated</b>	<b>904</b>										
<b>Difference between predicted &amp; actual housing delivery</b>	<b>-125</b> <b>-14%</b>	<b>-33</b> <b>-6%</b>	<b>-23</b> <b>-5%</b>	<b>-3</b> <b>-1%</b>	<b>127</b> <b>26%</b>						
<b>5 year Average difference (-2%) applied 2019-2022</b>						<b>657</b>	<b>831</b>	<b>1,024</b>	<b>940</b>	<b>780</b>	<b>4,231</b>
<b>No. of Housing Units anticipated less than predicted</b>						<b>-8</b>	<b>-16</b>	<b>-20</b>	<b>-18</b>	<b>-15</b>	<b>-78</b>

overprovision of marketable land for housing does not prejudice the delivery of alternative viable sites already included in the Plan. Currently there is an overprovision of 80 houses in the Aberdeen Housing Market Area and 604 houses in the Rural Housing Market Area. Not all the sites which are identified as “marketable” will come forward at this time, and mechanisms such as promotion of self-build have been made to seek to address this issue. Scottish Planning Policy (SPP) (paragraph 120) requires that Planning Authorities are obliged to allocate a range of sites which are effective or expected to become effective to meet the housing land requirement in the Strategic Development Plan and be confident that the land can be brought forward for development within the Plan period.

- 4.10 The overprovision of housing land as proposed is considered to be acceptable as it builds in flexibility, particularly in the Rural Housing Market Area, as well as continuing to promote Aberdeenshire as an area open for business. As such no changes require to be made to the Proposed Local Development Plan in respect of removing proposed allocations or introducing new sites at this stage of the plan making process.

## **Proposed Local Development Plan– Outstanding issues**

### **Housing Land**

#### **Formartine**

- 4.11 **Ellon – Site FR090 – Cromleybank.** Part of the bid to extend site FR090 to its south at Cromleybank, Ellon to include the southern bypass of Ellon is not supported in the format as submitted. It is considered more appropriate that this is instead marked as an indicative route on the proposals map as a proposed route has yet to be agreed with the developer. Such an action may be premature without the assessment of mitigation of impacts on the A90(T) from congestion. The Plan will still have a route marked, but not as an allocation.
- 4.12 **Ellon – Sites FR063 & FR064 – North of McDonald Golf Course.** Of the outstanding issues debated by Infrastructure Services Committee one related to the potential implications of identifying two sites north of the McDonald Golf Course, Ellon (FR063 and FR064) for development. These sites were initially considered by Formartine Area Committee on 10 September 2019, whereby Members expressed their support for the sites to be included in the Proposed Local Development Plan. Following transportation concerns being subsequently identified, based on Officer recommendation, the sites were agreed to be omitted from the Proposed Local Development Plan by Infrastructure Services Committee at their meeting on 3 October 2019. Further consideration of the sites was undertaken by Formartine Area Committee on 29 October 2019 allowing cognisance to the feedback from Transportation. Support for the sites was continued by the Formartine Area Committee, with the Infrastructure Services Committee of 28 November 2019 similarly continuing their view to omit the sites from the Proposed Local Development Plan. Any development on these sites is premature at this time in the absence of any