

Local Development Plan Committee
18 October 2010

IRVINE, 18 October 2010 - At a Meeting of the Local Development Plan Committee of North Ayrshire Council at 2.00 p.m.

Present

Elisabeth McLardy, Robert Barr, Andrew Chamberlain, Margie Currie, Anthea Dickson, John Ferguson, Alex Gallagher, Tony Gurney, Jean Highgate, Alan Hill, John Hunter, Ruby Kirkwood, Margaret McDougall, Ronnie McNicol, Alan Munro and Ryan Oldfather

In Attendance

R. Forrest, Planning Services Manager, M. Ferrier, Team Leader, A. Laurenson, A. McNair and K. McKelvie Planning Officers (Development Plans)(Corporate Services); and P. Shiach, Committee Services Officer (Chief Executive's Service).

Chair

Councillor McLardy in the Chair.

Apologies for Absence

John Bell, Pat McPhee, John Moffat, David Munn, Robert Rae and John Reid.

1. Declarations of Interest

There were no declarations of interest by Members in terms of Standing Order 16.

2. Minutes

The Minutes of the previous meeting of the Committee held on 9 August 2010 were signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973.

3. Local Development Plan: Status Report and Scheme Update 2

Submitted report by the Solicitor to the Council on the status of preparation of the Local Development Plan to date, and seeking approval for the Development Plan Scheme Update 2.

The Proposed Plan is the follow up to the Main Issues Report and acts as a precursor to the Local Development Plan. Work on the Proposed Plan is underway with the constituent components of the Plan which were presented to Committee during 2010 due to be submitted for final approval in November 2010. Thereafter the Proposed Plan will be published by electronic means and hard copy by December 2010 and early 2011 respectively.

While progress remains on target, additional activities have been introduced to the programme which necessitates some reorganisation of the timetable.

Three "Housing and Regeneration Forums" have been undertaken and Member briefing sessions on housing sites are planned. These events were not anticipated when the timetable was originally prepared. Development Plan Scheme Update 2 which accompanied the report, reflected the proposed position.

The meeting of the Committee in November will deal with the proposed housing allocations, and bring together the main components of the Proposed Plan. The Status Report which was appended to the report highlighted:-

- Key milestones achieved to date;
- Future milestones; and
- Outstanding risks.

The Committee(a) noted the contents of the Status Report; and (b) approved the Development Plan Scheme Update 2 for publication.

4. Exclusion of the Public and Press

The Committee resolved, in terms of Section 50(A)4 of the Local Government (Scotland) Act 1973, to exclude from the Meeting, the press and public for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 13 of Part 1 of Schedule 7A of the Act.

5. Affordable Housing Policy: Mainland Supplementary Guidance

Submitted report by the Solicitor to the Council on proposed Supplementary Guidance on Affordable Housing Policy:Mainland.

There has been an Affordable Housing Policy in operation on the Isle of Arran since April 2009. It is proposed that a similar policy be adopted for mainland North Ayrshire, with different implementation thresholds as justified by the recently completed Mainland Housing Need and Demand Assessment (HNDA) which was approved by the Executive on 22 June 2010.

Supplementary Guidance provides additional information or detail on policies or proposals set out in the Local Development Plan. Such Guidance must be consistent with the LDP, be prepared through consultation with the public and formally approved by the Council. Statutory Guidance will form part of the LDP, and as such has considerable weight as a material consideration in the planning process.

The Mainland Affordable Housing Policy (AHP) seeks developer contributions to meet demonstrated need for affordable housing on all development sites on mainland North Ayrshire (except in the Garnock Valley) with an overall site capacity of 16 units or more, or a site area of equal to or greater than 0.6 hectares. The HNDA does not demonstrate justification for an AHP in the Garnock Valley. The policy seeks to incorporate affordable housing at the following rates:-

- Irvine/Kilwinning Sub-Housing Market Area (SHMA) - 15%
- Three Towns SHMA (comprising Ardrossan, Saltcoats and Stevenston) - 10%
- North Coast SMHA (comprising West Kilbride, Seamill, Fairlie, Largs and Skelmorlie) - 25%.

The report indicated that these rates could be justified by the level of need demonstrated by the HNDA, and were in accordance with Scottish Planning Policy and Planning Advice Note (PAN) 2/2010, Affordable Housing and Housing Land Audits, issued by the Scottish Government. The rates were set out in the Main Issues Report for public consultation and received general acceptance. The Council will inform developers of the preferred option early in the development process.

The AHP is accompanied by Guidance for Developers which is intended to assist in interpreting how the Council intends to implement the policy. This guidance may require minor revision to accord with the recently issued PAN 2/2010.

The AHP identifies four methods of contribution which are listed in order of the Council's preference, i.e.

- Option 1 - Integrated Development where developers build units which would be transferred as fully fitted units to a Registered Social Landlord (RSL) for onward management and maintenance;
- Option 2 - Transfer of on-site land to an RSL to allow them to carry out the development of affordable housing themselves. Site servicing, ground condition remediation, infrastructure works and associated costs of the land to be transferred should be agreed with the appointed social landlord;
- Option 3 - Off-site provision where the Council may, in some circumstances, agree to consolidate the requirement from a number of these sites on another site owned by the same developer. Alternatively, the Council would consider accepting the provision of an equivalent number of off-site housing units; and
- Option 4 - Payment of a commuted sum to the Council in lieu of any other preference, with the sum to be paid equivalent to the contribution sought for the other preferences.

In the event that land or finances which are transferred to the Council are not used or programmed for affordable housing purposes within a reasonable period of time, normally five years from the final instalment, these assets will be returned to the developer, and in the case of financial contributions, with interest at the "Bank Rate".

The Committee sought, and received, clarification on various aspects of the report, including (i) the omission of the Garnock Valley from the Mainland AHP, (ii) progress of discussions with developers in terms of the proposed six-week objection period, and (iii) concerns in respect of the application of Option 4 in the North Coast. The Committee further sought assurance that the Guidance for Developers would make specific reference to the need for land in the North Coast and not commuted sums, and that it would be clearly stated that there will be no development on new site allocations until the proposed policy is in place.

The Committee referred to the reports being excluded from the public domain at this time and sought, and received, clarification on the ability of Members to challenge aspects of the policy at a later stage, on receipt of representations from their constituents.

The Committee agreed to (a) approve in principle the proposed Supplementary Guidance on Affordable Housing: Mainland; (b) consult on the document; (c) delay its implementation pending the adoption of the Local Development Plan following which approval will be sought for an implementation date; and (d) that the Guidance for Developers make specific reference to the need for land in the North Coast and not commuted sums, and that it be clearly stated that there will be no development on new site allocations until the proposed policy is in place.

6. Implications of the Housing Need and Demand Assessment (HNDA) and the State of the Housing Market in North Ayrshire for the Local Development Plan (LDP)

Submitted report by the Solicitor to the Council on the implications of the recently approved HNDA and the current state of the housing market for the LDP.

The Mainland Housing Need and Demand Assessment (HNDA) approved by the Executive in June 2010, provides the evidence base for defining housing supply targets in the Local Housing Strategy (LHS) and allocating land in the Local Development Plan.

In September 2010, Housing Services received an overall positive response from the Scottish Government's Centre for Housing Market Analysis which included requests for a number of clarifications, additional testing and a monitoring strategy. Once the additional information is supplied, it is anticipated that the HNDA will receive "robust and credible" status. Where this status is achieved, the HNDA will not normally be considered at a development plan examination.

The report advised that Scottish Planning Policy (SPP) requires a generous supply of land to be allocated to meet identified housing need across all tenures. The scale, nature and distribution of the housing requirement for an area identified in the LHS and LDP should be based on the outcome of the HNDA. Wider strategic, economic, social and environmental policy objectives should also be taken into account when determining the scale and distribution of the housing requirement and housing supply target for an area.

The report contained information arising from the HNDA in terms of:-

- Affordable Housing - There is an imbalance in the supply of affordable housing in North Ayrshire with a net shortfall estimated at -2269 units for the baseline year of 2008/09. The need for affordable housing is evident in every sub-HMA with the exception of the Garnock Valley where imbalances will be addressed by year 5. Based on the delivery of the North Ayrshire Strategic Housing Investment Plan, the projected shortfalls in affordable housing will increase significantly by year 15.
- Market Demand (Entry Level) - There is an imbalance in the supply of market entry housing in North Ayrshire with a net shortfall estimated at -976 units for the baseline year of 2008/09. Based on the assumption that those in housing need may be on the margins of affordability, analysis of the availability of market entry level housing suggests a shortfall of 1,000 - 1,500 properties over the next 10 years. Detailed affordability analysis by market quartile reveals that this apparent shortfall of market entry units could be addressed by the ability of households to purchase property in the middle and upper quartiles of the housing market.
- Market Demand (Total Market) - When annual components of demand for and supply of market housing are considered (including in-migrant households and new builds) the evidence suggests that market supply outstrips demand by approximately 880 units per annum. This apparent surplus can be utilised to address the backlog of households in current need who require to move. In reality projected surpluses in market supply will be addressed by a drop in the volume of sales, as market activity responds to lower levels of effective demand associated with the current economic recession. There is at present no compelling evidence of a shortfall in market housing in mainland North Ayrshire.

In terms of affordable housing, the report also contained a breakdown of unmet requirement for affordable housing by Housing Sub-Market Area, and indicated the level of need highlighted could be addressed partially by aids and adaptations to existing stock and by other interventions in the housing market.

The approach of recognising the available level of development funding, supplemented by a contribution from the proposed Mainland Affordable Housing Policy was proposed in Option A under "The Scale of the Housing Land Supply" in the MIR and was generally supported through public consultation thereon. It envisages delivery of land secured through private development and on Council and other publicly owned land to achieve output in accordance with the recent average affordable housing completion rate over the last 5 years of 90 units. However, the potential level of delivery of affordable housing is likely to be lower than that as the Affordable Housing Investment Programme has been cut by 60% in the current financial year, a situation which is likely to persist for several years.

The distribution of land for affordable housing is proposed to be in accordance with the preferred option, which is in accordance with the HNDA findings, and was detailed as under:-

- Irving/Kilwinning - 30 units per annum;
- Three Towns - 25 units per annum;
- North Coast - 25 units per annum; and
- Arran - 10 units per annum.

These specific land allocations within new areas allocated for housing and mixed use, for a period equivalent to 10 years at the above rates, amounting to a total of 900 units, would be supplemented by affordable housing arising as a result of the Mainland Affordable Housing Policy, when introduced, following the adoption of the LDP.

In terms of Market Demand, the evidence from the HNDA indicated that by factoring in the average per annum private sector completion rate over the period 2002-2007, pre-recession, of 453 at aggregated level, current market supply appears to be sufficient to meet need/demand. By Housing Market Area, the key shortfalls are in the Garnock Valley, while surpluses are evident in the Three Towns, Irvine/Kilwinning and the North Coast. The outcome of the analysis suggests that there is no compelling evidence of a shortfall in the supply of market housing relative to the current projections of need and demand, with the exception of the Garnock Valley, where historically market supply has been considerably lower than the market activity in other sub-HMAs.

In terms of recent housing market trends in the private sector, house completions have fallen 75% from a peak of 562 in 2007/08, to 139 in 2009/10, and show no sign of increasing in the current year.

Noted.

7. Proposed Plan Policy: Housing Policy

Submitted report by the Solicitor to the Council on the proposed strategic housing policy and on the scale and distribution of housing within North Ayrshire.

The status report presented to Members referred to the intention to publish a Proposed Local Development Plan (LDP) in November 2010.

Further to consideration of the context set out in agenda items 5 and 6 above, the report dealt with strategic housing policy in terms of the scale and distribution of housing land, and the provision of a range and choice of product within the housing market.

It is intended that the LDP Committee will be presented with site specific allocations at its meeting in November 2010 to allow consideration of this report and the recent housing and regeneration forums.

The future delivery of housing will make a significant contribution to the LDP Vision. Government projections forecast a slightly declining population for North Ayrshire. Continuing this trend would have negative impacts on the continued provision of services and infrastructure, the strength of the labour market and economic activity. Projections also indicate increases in the number of single people or single parent households with a decline in traditional two parent households and a markedly ageing population.

In terms of the scale of Housing Land Supply, the Ayrshire Joint Structure Plan, which set the strategic direction for the Adopted Local Plan, took an aspirational approach to population and household growth, and identified a land requirement relating to the delivery of 690 units per annum for North Ayrshire. While analysis of housing need and demand indicates a baseline requirement which must be met, this has in the past been exceeded due to a policy decision to stabilise the population, attract additional population through migration, and grow the economy.

The preferred option set out in the Main Issues Report was to add 25% to the baseline housing need and demand target of 560 per annum from years 6-16 which equated to 590 market and 110 affordable units, totalling 700 units per annum. While this remains the preferred option, current market conditions direct a more realistic approach, with a future review if or when conditions improve in terms of market demand.

Sites submitted for consideration following the MIR consultation period are being assessed against a range of criteria which reflect the LDP Vision in terms of deliverability and planning merits. Regeneration forums were held in late September and early October to allow those proposing large or complex sites to present their merits to Members.

National policy states that to serve economic, social and environmental aspirations, range and choice must be provided within the housing land supply. This will be provided through a choice of site types, brownfield or greenfield, and their location, and will also be secured through interventions to provide high amenity and affordable housing development. Full details were set out in the report.

The Committee sought, and received clarification on various aspects of the report, including the requirement for its exclusion from the press and public at this time, the development of brownfield sites where appropriate, rather than greenfield, and, given that the reports currently being considered were not in the public domain, the ability of Members to influence policy at a later date, following consideration of representations made by their constituents.

Councillor Dickson, seconded by Councillor Munro moved that the Committee take forward policy regarding housing, to be incorporated into the Local Development Plan Proposed Plan for approval in November 2010.

As an amendment, Councillor Gurney, seconded by Councillor Hunter, moved that in plan making, there be included a presumption against greenfield land allocation where there is suitable brownfield land in the Sub-Housing Market Area.

On a division, there voted for the amendment, 8, and for the motion, 6, and the amendment was accordingly declared carried.

Accordingly the Committee agreed to (a) approve policy regarding housing, to be incorporated into the Local Development Plan Proposed Plan for approval in November 2010; and (b) include in plan making a presumption against greenfield land allocation where there is suitable brownfield land in the sub-Housing Market Area.

8. Proposed Plan Policy: Employment Land

Submitted report by the Solicitor to the Council on the proposed policy regarding Employment Land.

Scottish Planning Policy states that in relation to Economic Development, planning authorities should:-

- Respond to diverse needs and locational requirements of different sectors and sizes of businesses and take a flexible approach to ensure that changing circumstances can be accommodated and new economic opportunities realised;
- Remove unnecessary planning barriers to business development and provide scope for expansion and growth;

- Ensure that there is a range and choice of marketable sites and locations for businesses allocated in development plans, including opportunities for mixed use development and provide scope for expansion and growth;
- Where identified sites are no longer considered appropriate or marketable, they should be relocated for another use through the development plan;
- Take into account the specific needs of different businesses in development plans and development management decisions, including the importance of access to the strategic road and rail network and opportunities for transport by water for manufacturing, warehousing and distribution uses; and
- Identify an appropriate range of strategic business locations such as mixed developments, business parks, science parks, medium and large industrial sites and high amenity business locations which should be protected from inappropriate uses and development which would compromise their quality, accessibility or marketability as a business location.

The Main Issues Report identified five "main issues" as under, with regard to "New Uses for Old Sites" which may result in a change in policy in Employment Land:-

- Managing the oversupply of employment land;
- Dealing with surplus and mixed use employment areas;
- Defining the retained employment land supply;
- Addressing market failure; and
- Employment Land in the North Coast.

A summary of representations received in respect of these areas, together with the response, was contained in Appendix 4 to the report.

An Employment Land Review was commissioned to analyse future demand for employment land and assess the suitability of existing land supply. Emerging from this report, recommendations on sites considered no longer required for employment use were presented within the MIR. Representations received agreed that an oversupply of employment land was evident within North Ayrshire, with a number of proposals for alternative use on employment sites put forward by landowners/developers. Details of the sites set out in the MIR which were considered to be no longer required for employment use as currently defined in the adopted Local Plan, were contained within the report, together with sites suggested in the MIR for allocation as Mixed Use Employment areas.

Housing land allocations for the Proposed Plan will be presented to the Committee in November. Given the preference for regeneration through the redevelopment of brownfield land, this will include a number of sites formally allocated for employment use and proposed Mixed Use Employment Areas. Appendix 1 to the report provisionally identified uses for surplus employment land.

In terms of defining the retained employment land supply, Scottish Planning Policy requires the identification of a range of strategic business locations which should be prioritised for investment and improvement, and protection from inappropriate uses and development which would compromise their quality, accessibility or marketability as a business location. The report indicated that the LDP response to this should make appropriate provision at 7 sites within North Ayrshire, details of which were contained therein.

The Committee sought, and received, clarification on various aspects within the report.

The Committee agreed that policy regarding Employment Land be incorporated within the Local Development Proposed Plan for approval in November 2010.

9. Proposed Plan Policy: Historic Environment

Submitted report by the Solicitor to the Council on the proposed policy in respect of the Historic Environment.

The historic environment is a key part of North Ayrshire's cultural heritage, enhancing local distinctiveness, enriching sense of place, attracting visitors, contributing to regeneration and offering attractive living and working conditions.

North Ayrshire's historic environment encompasses:-

- 13 Conservation Areas;
- Over 800 Listed Buildings;
- Approximately 100 Scheduled Ancient Monuments;
- A number of Archaeological Sites and Monuments;
- 5 Historic Gardens and Designed Landscapes; and
- 23 Local Landscapes of Historic Interest.

The historic environment must be considered in the context of the protective built environment policies in the current Local Plans. Current local plan policy adequately safeguards heritage assets by according with Scottish Planning Policy (March 2010) and Scottish Historic Environment Policy (July 2009).

The report indicated that there was no need to alter the current approach to the historic environment and proposed that existing policies for the built environment be incorporated into the Proposed Plan. Appendix 1 to the report detailed how existing built-heritage focused policies will be incorporated into the new plan.

The identification of projects within the Action Programme, to be presented for approval in November 2010 will represent a commitment to their implementation, and may have implications for spending programmes as set out in the Capital Plan. The Proposed Plan will require to incorporate a Schedule of Land Ownership which should provide a list of sites within the Council's ownership which will be materially affected by the Local Development Plan.

The Committee agreed that policy regarding the historic Environment be incorporated within the Local Development Proposed Plan for approval in November 2010.

The meeting ended at 4.45 p.m.