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| Issue 10 | Selection of Growth Scenario | |
| Development plan reference: | <p>Section 1 Context - Economic and Demographic Framework</p> <p>Section 6 City Region as a Successful Sustainable Place - Enabling the Delivery of New Homes</p> | Reporter: |
| Body or person(s) submitting a representation raising the issue (including reference number): | | |
| <p>Homes for Scotland (PP35_01) Gladman Scotland (PP40) CALA (Homes) West (PP43_03) (PP43_04) Wallace Land Investments (PP45_03) (PP45_04) Hallam Land Management (PP46_03) (PP46_04) Stewart Milne Homes (PP49_01) Mr W Hill & Mr R Hill (PP53_02)</p> | | |
| Provision of the development plan to which the issue relates: | | |
| <p>Economic Framework (page 7) Demographic Framework (page 8) Assessing Housing Need and Demand in a City Region Context (page 51-53) Setting the Housing Land Requirement (pages 54-59)</p> | | |
| Planning Authority's summary of the representation(s): | | |
| <p>A number of representees disagree with Clydeplan's selection of the of the Sustained Growth Scenario which informs the Economic and Demographic Framework, Housing Estimates and Housing Land Requirement, and argue for the plan strategy to be founded on the higher growth strategies including the High Migration Scenario.</p> <p>Related matters raised include:</p> <ul style="list-style-type: none"> • the perceived inconsistencies between the strategy of the approved Plan (May 2012) and this Proposed Plan; • the approach to Backlog Need, and; • the use of the trend based National Records of Scotland projections. <p>This issue is closely linked to Issue 11, Housing Land Requirement, which deals with the setting of the Housing Land Requirement including the Housing Need and Demand Assessment, Housing Estimates, Housing Supply Targets, and Generosity.</p> <p><u>Homes for Scotland (PP35_01)</u></p> <p>Homes for Scotland welcome the approach set out in Clydeplan to support a</p> | | |

prosperous economic future but consider that the selection of the Sustained Growth Scenario is planning for decline and will artificially constrain the economic growth of the city region.

They provide evidence relating to the economic benefits of home building in Scotland (**RSD09**), the Turley's Report (**RSD10**), their Composite Representation (**RSD11**), and Core Cities analysis presented insitu within the representation form.

They consider that the approach is:

- 1 inconsistent with the evidence presented in Proposed Plan Background Report 1 "Economic outlook and scenarios for the Glasgow and the Clyde Valley City Region 2013-2038" by Oxford Economics (**RSD12**);
- 2 that Proposed Plan Background Report 1 (**RSD12**) provides an underestimate of economic growth as it predates the City Deal commitment and the predicted 28,000 additional jobs that this investment will bring;
- 3 the Housing Need and Demand Assessment (**RSD13**) should have run an economic growth based scenario in line with the findings of Proposed Plan Background Report 1;
- 4 Proposed Plan Background Report 1 (**RSD12**) should be updated and the findings run through the Housing Need and Demand Assessment to provide a housing projection that is consistent with the growth ambitions stated in the plan;
- 5 greater consideration should have been given to the effect of the pent up demand for housing created by recessionary conditions and the impact this will have on housing need, household formation and household sizes;
- 6 greater consideration should be given to the need for a growing working age population to support economic growth;
- 7 the principal growth scenario would support very little economic growth (less than 32,000 jobs 2013-23).

They consider that there is a disconnect between the selection of the Sustained Growth Scenario and the ambitions for a "rebalanced economy" in the Proposed Plan with Background Report 1 and the implications of City Deal.

They state that in order to ensure that the housing planned for within the Plan is able to support the economic ambitions of the Plan, it is important to ensure economic and housing ambitions are aligned.

They also set out that Glasgow city region has an important contribution to make to growth in the Scottish economy and the contribution the housebuilding industry makes to the economy, highlighting that increasing house building will have wider economic benefits.

They also consider that the use of National Records of Scotland projections, which reflect past trends, carries risks that market failures are being projected forward. A number of other comments are made regarding National Records of Scotland projections and demographic factors in relation to household formation, migration

and population dynamics including changes in the working age population. They highlight that the projections should be the starting point but the context of these projections must be reflected in the policy decisions that are made. They consider that a “policy on” approach is required reflecting the Oxford Economics “rebalancing economy” scenario and City Deal. .

In conclusion, they are requesting that Housing Estimates are founded on either the Oxford Economics “rebalancing scenario” which they consider should have been run through the Housing Need and Demand Assessment Tool, or as a minimum, that the High Migration Scenario is selected rather than the Sustained Growth Scenario.

Gladman Scotland (PP40)

Gladman Scotland is concerned that the approach to enabling the delivery of new homes in the Proposed Plan is inconsistent with the overall vision of the Proposed Plan.

They consider that the Proposed Plan is planning for a reduction in household growth and is seeking to deliver a significantly reduced level of housing from the currently adopted Plan.

They state that the Plan is proposing a retrogressive approach to housing requirements which will potentially further restrict economic growth and in turn, the overall success of the city region.

Despite the economic aspirations of the plan, the housing growth figures are based on the Sustained Growth Scenario, rather than a Strong Growth Scenario which would appear to better support the economic growth which the Proposed Plan seeks to achieve.

As the Housing Need and Demand Assessment, census data and ultimately the Proposed Plan are based on data from a recessionary period, they consider that it is inevitable that this will not lead to a forward looking plan. Basing the plan on data from a recessionary period will suppress the emerging and increasing demand and perpetuate the low levels of growth and delivery from that recessionary period, rather than encourage the signs of recovery which they consider are beginning to show.

Gladman Scotland is also concerned about the proposed new approach to backlog need. They say that the significant reduction in backlog need, from 85,000 units in 2011 to 11,700 units in 2015, to reflect the need which requires an additional house, could be seen as a measure which is used to suppress the overall housing land requirement figures. The Demographic Framework context to the Proposed Plan sets out that economic circumstances have led to a reduction in household growth, and this in turn is used to reduce both the housing land requirement and backlog need. An alternative understanding of this is that because economic circumstances have led to a reduction in household growth, backlog need is even more critical than it was before and that demand arising from it has been suppressed by the economic circumstances. As such, the backlog need should not be reduced

in light of past economic circumstances. The approach taken by the Proposed Plan is a reactive approach to the past, not a forward-looking, visionary approach which will better serve the needs and demands of the city region and enable the vision to be fulfilled.

They therefore conclude that changes should be made to Backlog Need, the Housing Supply Targets and Generosity.

CALA (Homes) West (PP43 03) (PP43 04); Wallace Land Investments (PP45 03) (PP45 04); Hallam Land Management (PP46 03) (PP46 04)

These representees consider that the Sustained Growth Scenario does not represent sustainable economic growth. They consider that the Proposed Plan requires a more ambitious approach than the Sustained Growth Scenario to achieve the strategic objectives set out by Scottish Government through National Planning Framework 3 and Scottish Planning Policy as well as continuing the approved development strategy set out in the Glasgow and the Clyde Valley Strategic Development Plan (2012).

The Housing Need and Demand Assessment (**RSD13**) and its supporting Technical Reports confirm that the Sustained Growth Scenario is a significant departure in the current levels of housing growth supported by the approved Glasgow and the Clyde Valley Strategic Development Plan (2012). The Clydeplan Proposed Plan is currently planning for a substantial decline in private sector house building when compared to the approved Glasgow and the Clyde Valley Plan.

Adopting the High Migration Scenario, Clydeplan would be supporting greater consistency between the projections of housing need and demand between successive development strategies and reduce the threat of economic decline in the house building sector which is seeking to aid economic recovery through increasing build rates.

They therefore conclude that the High Migration Scenario is adopted as the baseline for the housing estimates; Housing Supply Targets adjusted; generosity applied at 20%; and therefore that the Housing Land requirement is increased. Alternative figures are provided based on the High Migration Scenario. Accordingly this would require that Background Report 8, Beyond the Housing Need and Demand Assessment (**RSD14**) and the relevant text and schedules of the Proposed Plan relating to the setting of the Housing Land Requirement, are adjusted.

Stewart Milne Homes (PP49 01)

Stewart Milne Homes supports the Plans wider vision and aims, but consider that the Plan does not promote a strategy or policies to deliver those aims fully. They disagree that the approach to translating the base Housing Need and Demand Assessment estimates, represents an “ambitious but realistic” approach to delivering the housing needed to support the Plan’s wider vision and aims.

They consider that the Proposed Plan strategy continues to rely on the same

spatial strategy as the last two plans, and that this strategy has not delivered the development needed.

They consider that the Turley's report (**RSD10**), concluded that there are strong grounds for adopting the High Migration scenario, rather than the Sustained Growth scenario, as the basis for the Proposed Plan based on inter alia:

- The impacts of the 2008 recession on a range of demographic, household and economic trends which have suppressed long-term projections of these factors;
- The effects of historic under-provision of effective housing land in many Council areas within Clydeplan, and the resultant suppressed levels of house building;
- The evidence of high house prices and housing demand resulting from these undersupply factors and manifesting itself in a potential constraining of household formation;
- Evidence of more recent improvements in demographic trends of population growth with a return to stronger levels of net migration into the area. The latest 2013/14 population estimate indicated a return to a stronger flow of people into Glasgow and the Clyde Valley which had not been seen since 2007/08 and the economic recession; and,
- Greater confidence in the recovery of the economy demonstrated through increasingly positive signs within recent economic indicators including a significant growth in employment in 2013/14 in the City Region. This also needs to be considered in the context of the anticipated impact of the programme of City Deal investment aimed at ensuring an economy which is more resilient and grows beyond baseline forecast job growth.

The Turley report notes at paragraph 3.62, that insufficient account seems to have been taken of the implications of the Plan's wider aims and objectives on the need for labour and a growing workforce.

They state that it is also important to note that this Plan treats backlog housing need differently, only counting a net need figure after discounting need that can be met by means other than providing a new house (Proposed Plan paragraph 6.41). Hence the needs and targets require to be delivered in full.

Given their position on the above, they therefore advocate the adoption of the High Migration scenario as the basis for the Proposed Plan.

Mr W Hill & Mr R Hill (PP53_02)

They consider the approach to setting of the Housing Estimate is not sufficiently ambitious and fails to provide for the possibility of high levels of economic growth and therefore recommend that the High Migration Scenario is utilised and the Housing Estimates raised accordingly.

Modifications sought by those submitting representations:

Homes for Scotland (PP35 01)

Homes for Scotland consider that Proposed Plan Background Report 1 should be updated to reflect the additional growth generated by City Deal and the Oxford Economics “rebalancing economy” scenario should be re-run in that context.

The findings of the updated Proposed Plan Background Report 1 should be run through the Housing Need and Demand Assessment to provide a housing projection that is consistent with the growth ambitions stated in the plan.

Paragraph 1.10 on page 7 should be amended in order that the economic framework must recognise the importance and the need to have ‘the right development in the right place’ (as emphasised by Scottish Planning Policy) to ensure sustainable economic growth for the city region.

Text should be added to paragraph 1.12 recognising the need for land and infrastructure to support economic growth. This paragraph concentrates only on people and skills and joint working with agencies to deliver.

Text should be added to paragraph 1.17 to recognise that household growth has been constrained by the recessionary years but this should not be perpetuated in plans for the future.

Paragraph 1.20 should be rewritten to reflect the fact that a “rebalancing economy” requires a higher population growth projection than that of the Principal and even High Migration Scenarios. A “rebalancing economy” scenario should be run through the Housing Need and Demand Assessment and this should be the basis upon which we proceed.

In the absence of updated scenarios the High Migration Scenario should be adopted as a minimum and Local Authorities challenged to plan for beyond this based on their own local evidence.

Gladman Scotland (PP40)

Gladman Scotland consider that Backlog need should not be reduced “to reflect only that need which requires an additional house”. Backlog need should be met in full to allow the city region to grow and deliver the vision of the Proposed Plan.

As a minimum, the level of generosity to be added to the Housing Land Requirement should be increased to 20%.

CALA (Homes) West (PP43 03) (PP43 04); Wallace Land Investments (PP45 03) (PP45 04); Hallam Land Management (PP46 03) (PP46 04)

CALA (Homes) West, Wallace Land Investments and Hallam Land Management, conclude that the High Migration Scenario is adopted as the baseline for the housing estimates; Housing Supply Targets adjusted; generosity applied at 20%;

and therefore that the Housing Land requirement is increased. Alternative figures are provided based on the High Migration Scenario. Accordingly adoption of these changes would require that Background Report 8 and the relevant text and schedules of the Proposed Plan relevant to setting the Housing Land Requirement, are adjusted.

Stewart Milne Homes (PP49_01)

Stewart Milne Homes advocate the adoption of the High Migration Scenario as the basis for the Proposed Plan with commensurate adjustments to the Housing Supply Target and additions of generosity to the private sector. Alternative figures are provided.

Mr W Hill & Mr R Hill (PP53_02)

Messrs Hill recommend that the Housing Estimate in Clydeplan is based on the High Migration Scenario.

Summary of responses (including reasons) by Planning Authority:

Clydeplan's response regarding the Selection of the Growth Scenario is set out in three parts under the following structure:

1. Selection of Growth Scenario

Evidence Based Approach to Scenario Selection

- A. Monitoring Statement and Annual Housing Land Monitoring 2013 and 2014;
- B. Oxford Economics Report;
- C. Housing Need and Demand Assessment Chapter Three, Key Housing Market Drivers (May 2015);
- D. Economic and Demographic Drivers Workshop;
- E. Main Issues Report Consultation; and,
- F. Conclusion on Evidence Based Approach to Scenario Selection.

Ambition of the Plan

- G. Perceived Change in Strategy between the approved Plan (May 2012) and the Proposed Plan;
- H. Backlog/Existing Need;
- I. Use of National Records of Scotland Projections; and,
- J. Conclusion on Ambition of the Plan.

2. Compliance with National Policy and National Planning Framework 3

3. Other Suggested Modifications

1. Selection of Growth Scenario

Homes for Scotland (PP35 01)

Gladman Scotland (PP40)

CALA (Homes) West (PP43 03) (PP43 04)

Wallace Land Investments (PP45 03) (PP45 04)

Hallam Land Management (PP46 03) (PP46 04)

Stewart Milne Homes (PP49 01)

Mr W Hill & Mr R Hill (PP53 02)

Clydeplan does not accept the modification as it considers that the Plan is appropriately ambitious and rejects the suggestions in respect of adoption of higher migration scenarios, re-running the Housing Need and Demand Assessment, amending Proposed Plan policies, schedules, contextual text, and Background Reports. Clydeplan considers that it has adopted a rational and evidence based approach in its selection of the Sustained Growth Scenario.

The matters raised under this issue along with Clydeplan's response, are closely related to the Issue 11, Housing Land Requirement, which deals more fully with how the choice of Scenario and Housing Estimates, were translated to a Housing Land Requirement.

Evidence Based Approach to Scenario Selection

Clydeplan does not accept the modification that alternative higher migration scenarios should have been adopted as it considers that an evidence based and considered approach has been adopted to the selection of the growth scenario taking account of the matters listed below. The conclusions are summarised at the end of this section.

- A. Monitoring Statement and Annual Housing Land Monitoring 2013 and 2014;
- B. Oxford Economics Report;
- C. Housing Need and Demand Assessment Chapter Three, Key Housing Market Drivers (May 2015);
- D. Economic and Demographic Drivers Workshop;
- E. Main Issues Report Consultation; and,
- F. Conclusion on Evidence Based Approach to Scenario Selection

A. Monitoring Statement and Annual Housing Land Monitoring 2013 and 2014

Clydeplan's Monitoring Statement (**ASD07**) was prepared to monitor the implementation of the approved Plan (May 2012) and to inform the Main Issues Report and emerging Proposed Plan. It includes analysis of population, households, employment and a range of indicators related to land uses and development delivery. Key issues are identified under a number of topic areas.

Also of note, monitoring of the housing land supply, housing delivery and other related trends, is undertaken annually. The following reports are relevant in this regard: Background Report 7: Land Supply for Housing Monitoring Report 2013 (**ASD08**) and Land Supply for Housing Monitoring Report 2014 (**ASD09**).

Since the approved Plan of May 2012 was prepared, housing delivery has declined and remains at levels that are approximately half of long term averages (3,000 private sector units compared with a long term average of approximately 6,000 units (Table 16, Land Supply for Housing Monitoring Report 2014 **(ASD09)**). Delivery within Glasgow City Council area is currently at approximately a third of normal delivery levels for the private sector. General house sales and transactions are also at low levels compared to the pre recessionary periods.

B. Oxford Economics Report

The Oxford Economics Report provided a point in time assessment of the economy of the city region, and a review in terms of demographics and recent economic performance relative to Scotland. The relevant key findings informed Clydeplan's Main Issues Report and Monitoring Statement, and were captured most fully in relation to future housing need within Chapter Three of the Housing Need and Demand Assessment **(ASD10)**.

Note: For clarification, the Oxford Economics findings **(ASD11)** were taken into consideration in the selection of the sustained growth scenario and informed Clydeplan's decision making, but the alternative growth scenarios developed in the Oxford Economics report were not modelled through the Housing Need and Demand Assessment Tool. For Housing Need and Demand Assessment purposes, Clydeplan agreed that the National Records of Scotland household projections would be utilised and Low Migration, High Migration and Principal Migration variants were considered within the Housing Need and Demand Assessment Tool refer to paragraph 2.3.1, paragraph 5.2.1 and 5.2.2 of the Housing Need and Demand Assessment **(ASD10)**.

C. Housing Need and Demand Assessment, Chapter Three, Key Housing Market Drivers (May 2015)

Chapter Three of the Housing Need and Demand Assessment **(ASD10)** details the analysis, including matters identified within the Oxford Economics Report **(ASD11)**, undertaken on a range of economic drivers which informed the decision to select the Sustained Growth Scenario. This analysis includes that the city region has been hit particularly hard relative to Scotland and the UK, with 86,000 job losses in the 2008-12 period. As reported in the Main Issues Report, the Oxford Economics report suggested that the city region will not regain pre-recession peak levels of employment until post 2038.

Chapter Three **(ASD10)** includes a "Summary of the economic outlook and context for the Housing Need and Demand Assessment", which outlines at that time, the national economic context, some identified challenges; and estimated growth forecasts on house prices and incomes. The Chapter also includes at 3.8, a Key Issues Table which summarises the economic issues likely to impact on the city region housing market. In addition to the job losses and outlook, these key issues include:

- a slightly higher proportion of employment in health, administration and the public sector which could present risks and challenges to the future performance of the region;
- the demands of the ageing population and relatively high dependency rates;

- job losses in the construction sector which may impact on how quickly a higher output of new-build homes can be achieved;
- disparities in economic performance across the region.

The chapter also details relevant considerations including demographic and social trends, affordability, the national fiscal context, Scottish Government policy and the implications of this work for the Housing Need and Demand Assessment Tool assumptions.

D. Economic and Demographic Drivers Workshop

All of this context was discussed and explored at the Economic and Demographics Workshop held in March 2014. The purpose of the event was to debate and test the assumptions, judgments and scenarios utilised in the Housing Need and Demand Assessment with the Housing Market Partnership and to ensure that they were well reasoned and transparent.

As summarised in the event report, (Economic and Demographic Drivers Workshop Event Report, 19th March 2014 **(ASD12)**) the Workshop concluded with the general view that recent growth at that time (i.e. between 2012 and 2014) was largely housing and consumer led and therefore, should be considered fragile.

The report records that this led some participants to a less optimistic view about the “potential for growth” scenarios in the Oxford Economics report and in any related scenarios for use in the Housing Need and Demand Assessment and for the Proposed Plan Main Issues Report. The combination of an ageing population, childcare costs and dependency ratios were concerns, creating caution around potential future economic growth. Changing tenure patterns were also noted including the rise in the private rented sector and the indications that owner occupation may no longer be the default tenure for younger people. It was noted that the Oxford Economics base scenario has a 50% probability and the rebalanced economic scenario has a 10% probability (slide 49, Oxford Economics Presentation, Economic and Demographic Drivers Workshop Event Report, 19th March 2014) **(ASD13)**.

E. Main Issues Report Consultation

Clydeplan consulted on the selection of the growth scenario within the Main Issues Report. Three scenarios were set out based on the National Records of Scotland Principal, Low and High Migration household projection variants and given the above described considerations relevant to economic and demographic drivers, Clydeplan indicated that the preferred scenario was the Principal household projection which was named the Sustained Growth scenario. This approach was agreed by both Clydeplan and the Glasgow and the Clyde Valley Housing Market Partnership and a report on the consultation was taken to the Joint Committee of Clydeplan in June 2015 **(ASD14)**.

The results of the consultation were taken into consideration in forming the approach in the Proposed Plan and a number of key stakeholders supported the selection of the Sustained Growth Scenario including Scottish Enterprise and the Scottish Government (Development Plans Gateway) who commented that “*After taking account of economic and demographic drivers, the Plan proposes adopting*

Scenario A (Sustained Growth) for steady growth which seems reasonable.”
(Scottish Government Main Issues Report comments 27 March 2015) **(ASD15)**.

It is now also noted that the Scottish Government in its response to the Proposed Plan, has made no comment on the approach to the selection of the scenario or setting of the housing land requirement.

F. Conclusion on Evidence Based Approach to Scenario Selection

Clydeplan took the foregoing evidence and considerations into account in arriving at its decision to select the Sustained Growth Scenario.

Clearly the demographic and economic context upon which this Proposed Plan is founded has changed significantly from the approved Plan (May 2012). Previously in preparing the May 2012 Plan, as the 2008-based sub-national population and household projections from the National Records of Scotland were not available in 2009, Clydeplan prepared its own set of projections, using the latest information available and reflecting trends at that time in the pre-recessionary period. This Proposed Plan is being founded upon a refreshed demographic context and an economic context which, from the work undertaken to inform the Housing Need and Demand Assessment, indicates little sign of significant improvement in the short to medium term. Development delivery is also remaining at levels that are significantly below pre-recessionary levels.

This context has led Clydeplan to choose to adopt a scenario which supports growth, whilst maintaining a policy focus on delivering development. The Plan strategy has not changed and Clydeplan continues to support growth in the city region economy whilst also supporting its regeneration aspirations and delivery of the compact city model. At this time, and given the substantial amounts of land available for housing delivery, to adopt a higher migration scenario, would potentially increase pressure to release land for housing in locations which mitigate against the Plan strategy and detract from locations that are already identified and that contribute to the success of the city region.

Along with the Glasgow and the Clyde Valley Housing Market Partnership, and given the responses to the Main issues Report consultation, Clydeplan concluded that the selection of the Sustained Growth Scenario based on the National Records of Scotland Principal household projections, was an appropriate basis on which Housing Estimates and the Housing Land Requirement would be developed and that the policy focus should remain on supporting and delivering development. This was the agreed approach of all the Clydeplan authorities.

Ambition of the Plan

Clydeplan does not accept the modification as it considers that the Plan is sufficiently ambitious and responds to the comments made within the topics listed below. The conclusions are summarised at the end of this section.

- G. Perceived Change in Strategy between the approved Plan (May 2012) and the Proposed Plan;
- H. Backlog/Existing Need;

- I. Use of National Records of Scotland Projections; and,
- J. Conclusion on Ambition of the Plan

G. Perceived Change in Strategy between the approved Plan (May 2012) and the Proposed Plan (January 2016)

Clydeplan does not accept the assertion that the Plan is planning for decline as some representees have suggested. As stated above, whilst there has been a significant change in the economic and demographic context, the Proposed Plan strategy has not changed from the approved Plan (May 2012).

As detailed in the Proposed Plan, the approved Plan (May 2012) was founded upon a demographic context which projected growth of 6,700 per year. The demographic context for this Proposed Plan projects household growth of 80,200 or 4,700 per year for the 2012/29 period (Demographic Framework, Page 8, Proposed Plan) This is the starting point for assessing the Land Requirement which was ultimately set at 107,960, 6,350 per year, with land available for 117,600 units or 6,920 units per year (Proposed Plan, Schedule 6, page 57).

The approach to planning for housing tenures has altered between the two plans, making a direct comparison difficult. However, using comparable numbers for the **private** sector from Schedules 6 and 7 (page 43) of the approved Plan (May 2012) (**ASD04**), the land requirement was 97,400 for the period 2009/25 with land available to deliver 108,000 units. From Schedule 6 of the Proposed Plan, the land requirement for the private sector is 76,670 for the period 2012/29 with land available to deliver 99,730 units. In both plans, although for the **private** sector the requirement has changed, the available land supply is similar. In the case of both Plans, the land supply available would deliver more houses than planned for in the order of 6,000 for the approved Plan (May 2012) and 5,870 for the Proposed Plan (refer Clydeplan Proposed Plan, Schedule 6, Page 57).

Some of the perceived change between the approved Plan (May 2012) and the Proposed Plan relates to a significantly different approach to backlog need, affecting the social rented and affordable sectors, between the two plan processes detailed in the following.

H. Backlog/Existing Need

In relation to Backlog Need, now referred to in the Housing Need and Demand Assessment Guidance as Existing Need, the previous Housing Need and Demand Assessment and approved Plan (May 2012) were prepared under a policy and guidance regime that changed for the Proposed Plan and second Housing Need and Demand Assessment in 2014.

For the latest Housing Need and Demand Assessment (May 2015), the Manager's Guide provided by the Centre for Housing Market Analysis is clear at paragraph 1.6 and 1.7 (**ASD16**), that the manner in which Housing Need and Demand Assessment's feed into the development of Housing Supply Targets and the wider housing planning framework, differs from previous guidance. The main differences is the treatment of "existing need" in the calculation of future housing need and demand. The estimates should only include those types of existing need that require an additional housing unit to be provided. This discounts any existing need

that can be met by an in-situ solution.

Previously the Housing Need and Demand Assessment (June 2011) and approved Plan (May 2012), produced an estimate including in situ need, of 72,000 (Housing Need and Demand Assessment June 2011, Pages 105-106 **(ASD17)**). Utilising the Housing Need and Demand Assessment Tool, the current default estimate of existing need in the Housing Need and Demand Assessment Tool using the Homelessness and Temporary Accommodation Pressure (HaTaP) method, for the Glasgow and the Clyde Valley area is around 4,000. The Housing Market Partnership subsequently increased this to 11,700 to take account of overcrowded and concealed households (Housing Need and Demand Assessment Technical Report 06 (TR06) 'The Approach to Existing Need' **(ASD18)**). This significant difference in the estimation of backlog need between the two plan's, has led to perceived significantly different estimations of the housing requirement.

The total estimated "housing requirement" in the approved Plan (May 2012) was identified by the Reporter by combining affordable and private sector need, to produce an "Indicative" all tenure requirement **(ASD04)**. In the approved Plan (May 2012), Schedule 10 which provides estimates of Affordable Sector Housing Need totalling 85,000, includes, as detailed at paragraph 4.80, backlog need which *does not directly translate into a new housing requirement*. Schedule 7 is the estimated private sector new build requirement. The Reporter added together these Schedules (7 and 10), to produce Schedule 11A, Indicative All-Tenure Housing Requirement which included a combined estimate of 183,500. Importantly Schedule 11A was *indicative* and this figure *did not* equate to a total new build or housing land requirement, as it included need that could be met in situ. Paragraphs 4.86 and 4.86a were introduced to provide the context for local authorities to translate the "Indicative" requirement to Local Development Plans and Local Housing Strategies taking account of a number of variations. Important variations listed in paragraph 4.86a that will have caused the affordable sector housing need estimates to be adjusted, include the 3rd Bullet, "the likely availability of public subsidy" and the 6th bullet, "the extent to which housing needs can be met without building new houses." The expectation would be that when translating the affordable sector housing needs to a figure to represent net new build, the estimate of 85,000 which included housing need that could be met in situ, would be significantly reduced.

This above described, significant difference in the approach to Backlog Need between the previous Housing Need and Demand Assessment and the current Housing Need and Demand Assessment, is likely to have contributed to a view that the Proposed Plan is not sufficiently ambitious, a view rejected by Clydeplan. The approach taken to Existing Need fully reflects the Centre for Housing Market Analysis's Manager's Guide (6th June 2014) at paragraph 1.7 that "*The estimates should only include those types of existing need that require an additional housing unit to be provided*" **(ASD16)** and therefore the requested modification by Gladman Scotland (PP40) is not accepted.

I. Use of National Records of Scotland Projections

A number of representations have commented that the National Records of Scotland population and household projections are trend based, and therefore

reflect recently depressed economic conditions and that the Clydeplan selection of the Principal Projection as the basis for the housing estimates is insufficiently ambitious.

Firstly the Centre for Housing Market Analysis's Housing Need and Demand Assessment Practitioner's Guide 2014 states at paragraph 4.16 that "*The Centre for Housing Market Analysis strongly recommends the use of the National Records of Scotland (National Records of Scotland) household projections as these are the official source, are robust...*" **(ASD19)**. Additionally, the Centre for Housing Market Analysis's Housing Need and Demand Assessment Tool is prepopulated with the National Records of Scotland Household projections.

In its publication "Household Projections for Scotland's Strategic Development Plan Areas and National Parks, 2012-based" on 26 November 2014, the National Records of Scotland state that the projections are trend based and are not, policy-based forecasts of what the Government expects to happen. The report goes on that the household projections are used for policy development and feed into development plans, including assessments of housing need and demand but are not the only consideration. The National Records of Scotland also comment that the report focuses on the 'principal projection', which it states is the projection based on the assumptions that the National Records of Scotland considers most likely to occur (paragraph 1.3.2, Household Projections for Scotland's Strategic Development Plan Areas and National Parks, 2012-based, November 2014 **(ASD20)**).

The Housing Market Partnership agreed to utilise the National Records of Scotland projections as the basis for generating a range of scenarios for Housing Need and Demand Assessment purposes. Ultimately given the assessment of the economic and demographic drivers described in the foregoing, combined with the National Records of Scotland view that the principal projection is based on the assumptions that the National Records of Scotland considers most likely to occur, this projection was selected as a pragmatic basis on which to set the Housing Land Requirement.

Upward adjustments were made to the housing estimates generated from the Tool at a number of stages and the "policy on" adjustments, factoring in local growth ambitions and considerations such as the impact of City Deal, were made when setting the Housing Supply Targets and applying generosity. Commencing from a total projected households from the National Records of Scotland for the 2012-29 period of 80,200, after applying policy judgments through the setting of the Housing Supply Targets and application of generosity, this resulted in a land requirement of 107,960.

Clydeplan considers that its use of the National Records of Scotland population and household projections is justified, and that an appropriate scale of ambition, taking account of local growth ambitions and considerations such as the impact of City Deal, has been factored into the Housing Land Requirement through the setting of Housing Supply Targets and application of generosity. (See Issue 11, Housing Land Requirement for more detail.)

J. Conclusion on Ambition of the Plan

Clydeplan does not accept that it is planning for decline or that the Proposed Plan is not sufficiently ambitious. Given the foregoing, whilst the demographic context has changed, the Proposed Plan is planning for similar levels of development as in the approved Plan (May 2012). The different approach to Backlog Need between the approved Plan and this Proposed Plan is likely to have contributed to this view **(ASD04)**.

Clydeplan maintains that selection of the Sustained Growth Scenario leading to the estimated housing requirement in the Proposed Plan of 107,960, including 76,760 for the private sector and 31,290 for the social sector, provides a credible estimate of the total land requirement over the next 17 years for all tenures, and will allow for levels of growth to meet need and demand and which are well in excess of current rates of delivery.

Clydeplan considers that its use of the National Records of Scotland population and household projections is justified, and that an appropriate scale of ambition, taking account of local growth ambitions and considerations such as the impact of City Deal, have been factored into the Housing Land Requirement through the setting of Housing Supply Targets and application of generosity. (Refer Issue 11, Housing Land Requirement for more detail.)

Finally, the selection of this scenario as the basis for the setting of the Land Requirement, was by agreement of the eight local planning authorities in the Plan area, who have assessed that this scenario is realistic yet ambitious and will contribute to the delivery of the Clydeplan Vision.

In conclusion, Clydeplan does not accept that the Plan is not sufficiently ambitious and rejects the modifications in respect of adoption of higher migration scenarios, re-running the Housing Need and Demand Assessment, amending Proposed Plan policies, text, and schedules or amending Background Reports for the reasons cited in the foregoing.

2. Compliance with Scottish Government Policy and National Planning Framework3

CALA (Homes) West (PP43_03, PP43_04)

Wallace Land Investments (PP45_03, PP45_04)

Hallam Land Management (PP46_03, PP46_04)

Clydeplan does not accept that the Plan is contrary to Scottish Planning Policy and National Planning Framework 3 or that the Sustained Growth Scenario is not sufficiently ambitious to deliver sustainable economic growth as asserted by the representees listed.

It is not entirely clear in what regard this assertion is made however both the Main Issues Report and Proposed Plan closely reflect the policy principles, details and style of, Scottish Planning Policy **(ASD01)** and National Planning Framework 3 **(ASD21)**.

Clydeplan received detailed written feedback from the Scottish Government on the Main Issues Report on drafts of the Proposed Plan. Given the lack of comment from the Scottish Government on the Proposed Plan on housing issues or compliance with national policy, the Proposed Plan is assumed to be fully compliant with Scottish Planning Policy and National Planning Framework 3 (**ASD21**).

Additionally, in relation to the Housing Need and Demand Assessment the Scottish Government Centre for Housing Market Analysis conferred “robust and credible” status on 21st May 2015 (**ASD22**).

Clydeplan’s approach to the application of generosity is fully described under Issue 11, Housing Land Requirement.

3. Other Suggested Modifications

Homes for Scotland (PP35 01)

Clydeplan does not accept the modification to text of paragraph 1.10 on page 7 as it considers this matter is covered by the wording in paragraph 6.23 and additionally, would not sit well within the context of paragraphs 1.10 - 1.14 which focus on the Economic Framework.

Clydeplan does not accept the modification to the text of paragraph 1.12 on page 7 as it considers that being a land use Plan, the role of land and infrastructure is mentioned in numerous instances throughout the Plan. Two particular references of relevance include the mention at Table 1, Placemaking Principle, Resource Efficient; and Paragraph 6.33 with the mention of the identification of a generous supply of land and the role of infrastructure at bullets 5 and 8.

Clydeplan does not accept the modification that text should be added to paragraph 1.17 as it considers that:

- the Proposed Plan makes sufficient mention of the impact of the recession elsewhere including at Paragraph 6.28;
- the second clause of the proposed modification is considered illogical in that it is household growth which has been constrained by the recession and not by this or any future Plan as implied; and,
- the approach to future plans will be predicated on a full review of the evidence including the economic and demographic drivers at that time.

Reporter’s conclusions:

[Note: For DPEA use only.]

Reporter’s recommendations:

[Note: For DPEA use only.]