

Date:		
Issue:	Policy 21	
	Objection ref:	Objector
	056n	James & Evelyn Sunley
	056o	James & Evelyn Sunley
	076b	Ballater (RD) Ltd
	096c	Mr & Mrs W. M. Houston
	394j	The Proprietors of Mar Centre
	400g(f)	Dr. A. M. Jones, Badenoch & Strathspey Conservation Group
	434i	Robert Maund, Scottish Council for National Parks
	434j	Robert Maund, Scottish Council for National Parks
	446b	Rothiemurchus Estate
	452d	Dominic Fairlie, Scotia Homes Ltd
	452f	Dominic Fairlie, Scotia Homes Ltd
	453j	Glenmore Properties Ltd
	456g	Reidhaven Estate
	461c	Davall Developments Ltd
	462i	Phillip Swan
	497a	P. Brough
	498a	H. & B. D. Wright
	514a	Brian Gibson
	516a	Mr & Mrs Hepburn
	519a	Mr & Mrs D. Milne
	528a	Mrs E. MacNamee
	531a	Graham Adams
	532	W. J. Romily
	533	Mr & Mrs Burrows
	536	Mr & Mrs S. Barns
	537	Victor Jordan
	538a	Capt J. Schuneman
	539a	Frances Gibson

Reporters	Mrs Jill Moody / Mr Hugh Begg
Procedure	Informal Hearing

I Overview

- 1.1 This statement sets out the Cairngorms National Park Authority response to the objections raised to the Deposit Local Plan (CD6.11) as modified in respect of Policy 21 : Contributions to Affordable Housing, and supplements the response made to those objections by the Cairngorms National Park Authority in its reports to Committee (CD7.3,4 and 5).
- 1.2 Further changes are now proposed for this policy (CD7.28, page 43). The effect of these changes is to increase the threshold (in terms of house numbers) where the policy will seek a physical affordable housing contribution, from 3 units to 4 units. The changes also simplify the way that the percentage target of affordable housing will be sought, and add clarity over the

factors considered. This statement assumes these changes will go forward as post inquiry modifications, and is based on that assumption.

2 Provision of the Local Plan

- 2.1 Policy 21 (previously Policy 24 within the Deposit Local Plan (CD6.1, page 46)) as modified gives policy guidance on how contributions to affordable housing will be made through housing development proposals. The policy is intended to ensure an increased supply of affordable housing to meet the needs of communities in the National Park, to provide an appropriate level of guidance to meet the requirements of SPP3 (CD2.4) and ensure contributions towards affordable housing are sought in a transparent and equitable manner across the Park.
- 2.2 The Policy was modified in the 1st modifications to the Deposit Local Plan (CD6.12) with word changes within the policy to draw the policy to clarify the requirements on developers to make contributions towards affordable housing. Background text was also modified to clarify the justification for the policy and the way it would be applied.
- 2.3 2nd modifications (CD6.13) to the policy were included to respond to new information on the effects of affordable housing contributions on the economic viability of developments. Background text was modified to ensure clarity.
- 2.4 Through assessment of outstanding objections and increasing evidence of wider economic pressures on the housing market, further modifications to the policy and background text are now proposed, (CD7.28, page 43). The modifications to the policy are intended to add flexibility to respond to different economic conditions, sites and constraints, and to provide clarity over the requirements to contribute to affordable housing. Changes to background text are intended to clarify the justification for the policy and the way it will be implemented in practice.
- 2.5 If accepted through the Inquiry report, these changes will be included within post inquiry modifications advertised and the statement has been drafted on this basis.

3 Summary of objection(s)

- 3.1 There are 28 objections to Policy 21 who wish to be considered at informal hearing:
 - Those who claim that the policy seeks too much affordable housing from developments because the proportion of affordable housing sought through the policy is too high. **452d, 453j, 446b, 456g, 461c;**
 - Those who claim that the policy seeks too much affordable housing from developments because the thresholds (size of development) at which the policy applies are too high. **456g, 461c;**
 - Those who claim that the policy seeks too much affordable housing from developments because the policy will prevent housing development by making it unviable. **452d, 456g, 461c;**
 - Those who claim that the policy seeks too much affordable housing from developments because it will restrict the market and be a form of social engineering. **056n;**
 - Those who claim the policy seeks too little affordable housing. **076b, 096c, 462i, 434i;**
 - 14 objections that consider the policy seeks too little affordable housing with respect to Ballater because of a burden on UK tax payers, and risks the aspirations of local people to

access affordable housing. **076b, 096c, 462i, 497a, 498a, 514a, 516a, 519a, 528a, 531a, 532, 533, 536, 538a, 539a;**

- Three of the 13 objectors add that: *“The reason given for this change (current market conditions) does not appear to justify the CNPA’s increasingly lavish generosity towards the developer with tax payers money. This is especially worrying as there appears to be only one development in contention for the associated work. The combination of non-competitive arrangements for developer selection, together with sudden and significant changes in the financial incentives for the sole developer, must surely be a cause for public concern for proper appropriation of public funds. It may also raise concerns in relation to compliance with EU legislation. I request that this change be reversed, or that a comprehensive statement of the sums involved be included in an amendment to the second modifications, to be re-issued for a further period of consultation, thereby enabling the public to assure itself of the financial integrity and equitability of the proposals.”* **076b, 096c, 462i;**
- Those objecting to clarity, detail, and definitions in the policy. **056o, 400g(f), 434j, 452f, 537d.**

4 Summary of Cairngorms National Park Authority Response

- 4.1 The CNPA has proposed further changes for this policy (CD7.28, page 43) that set out a reasonable and justifiable approach. The CNPA considers that evidence of high levels of affordable housing need outlined through CD7.8 and CD7.9 justify the target the policy seeks. The policy explicitly considers the financial effects of different levels of affordable housing contribution and can adapt to different sites with different constraints. The CNPA considers this approach is likely to increase the provision of affordable housing and better meet affordable housing need than any alternative approaches proposed. No further changes to the policy are considered necessary.

5 CNPA Commendation to Reporter

- 5.1 It is commended that the Reporter rejects all objections. The Cairngorms National Park Authority considers that the proposed modifications have resolved issues of justification, clarity and the economic impacts of Policy 21. It considers the policy and background text should be retained as proposed (CD7.28, page 43).

6 Assessment / Scope of Evidence

- 6.1 **452d, 446b, 453j, 456g & 461c** object to the policy because of the level of affordable housing it seeks to secure from developments, noting it is greater than the benchmark suggested in SPP3 and PAN74, that there is not justification for the level proposed, and that the policy is inflexible.
- 6.2 **CNPA Response:** The CNPA considers that sufficient evidence of affordable housing need is provided through studies by Heriot-Watt University (CD7.8, CD7.9) to justify the targets identified in the policy, and that the proposed modifications (CD7.28, page 43) to the policy make it explicitly flexible enough to deal with economic constraints. Topic Paper 3 (CD7.23) provides further justification for the policy and its targets. No further changes to the policy are considered necessary.

- 6.3 **456g & 461c** object that the policy seeks too much affordable housing from developments because the thresholds (size of development) at which the policy applies are too high and would adversely affect the economic viability of such developments.
- 6.4 **CNPA Response:** The CNPA response is that the proposed modifications (CD7.28, page 43) have further increased the threshold at which the (physical) contribution will be sought. However, research that helped to inform this policy by the 3 Dragons Consultancy for the local plan suggests that the size of development is only one factor affecting the financial viability of the development (CD7.9, page 23 and Appendix 4, page50). Policy 21 has been revised to explicitly take account of the effects of any contributions sought on financial viability. No further changes to the policy are considered necessary.
- 6.5 **452d, 456g & 461c** object that the policy seeks too much affordable housing from developments and will prevent housing development by making it unviable.
- 6.6 **CNPA Response:** The CNPA considers the proposed modifications (CD7.28, page 43) deal with this point by explicitly considering the financial impacts of different levels of affordable housing in discussions with developers and the determination of applications. No further changes to the policy are considered necessary.
- 6.7 **056n** objects that the policy seeks too much affordable housing from developments, will restrict the market and be a form of social engineering.
- 6.8 **CNPA Response:** The CNPA considers that sufficient evidence of affordable housing need is provided through studies by Heriot-Watt University (CD7.8, CD7.9) to justify the targets identified in the policy and that the provision of affordable housing through planning policy is a normal element of the planning system.
- 6.9 **076b, 096c, 462i & 434i** object that the policy seeks too little affordable housing.
- 6.10 **CNPA Response:** The CNPA considers that work by Heriot-Watt University and the Three Dragons Consultancy (CD7.9) demonstrates that the policy seeks as much affordable housing as is likely to be economically viable in most cases. There is no programming of significant additional public subsidy that could increase the level of affordable housing that could be sought. Further, the policy does not exclude the provision of higher levels of affordable housing should the market seek it. No further changes to the policy are considered necessary.
- 6.11 **076b, 096c, 462i, 497a, 498a, 514a, 516a, 519a, 528a, 531a, 532, 533, 536, 538a & 539a** are 11 identical objections the 2nd modifications (CD6.13) that consider the policy seeks too little affordable housing with respect to Ballater because of a burden UK on tax payers, and risks the aspirations of local people to access affordable housing.
- 6.12 **CNPA Response:** The CNPA considers the 2nd modifications to the policy, combined with the proposed post inquiry modifications (CD7.28) to provide a reasonable and justifiable approach to affordable housing that has potential to increase the supply of affordable housing, including in Ballater. Research by Heriot-Watt University and the Three Dragons Consultancy (CD7.9) demonstrates that the policy seeks as much affordable housing as is likely to be economically viable in most cases, but the policy does not preclude developments of greater proportions of affordable housing.

- 6.13 **076, 096c & 462i** object to the 2nd modifications to policy 21, contending that it should not support developments solely for affordable housing in Ballater because of the inclusion of a specific housing land allocation, Ballater HI. The objector suggests HI is removed from the Plan and that affordable housing is developed on non-specified brownfield and infill sites with Ballater.
- 6.14 **CNPA Response:** The CNPA notes that Policy 21 applies to all housing development whether on proposed housing land or other sites. It complements the proposals for housing land which are based on the housing land requirement set out in the Deposit Local Plan. Topic Paper 3, Approach to Housing Land Supply and Affordable Housing (CD7.23) sets out the background to the policy in more detail. The allocation of sites for housing land is made to provide for the projected future housing demand and need for both market and affordable housing. It is identified to provide a clear and predictable supply. Policy 21, combined with the proposed housing land allocations contribute to meeting current and future need. The CNPA does not consider that the settlements of the National Park provide sufficient infill or brown field sites to provide an effective future supply of land affordable housing, or combination of market and affordable housing. By applying policy 21 to all housing developments, the CNPA considers that affordable and market housing can be successfully integrated throughout the National Park.
- 6.15 **076, 096c & 462i** also object that *“The reason given for this change (current market conditions) does not appear to justify the CNPA’s increasingly lavish generosity towards the developer with tax payers money. This is especially worrying as there appears to be only one development in contention for the associated work. The combination of non-competitive arrangements for developer selection, together with sudden and significant changes in the financial incentives for the sole developer, must surely be a cause for public concern for proper appropriation of public funds. It may also raise concerns in relation to compliance with EU legislation. I request that this change be reversed, or that a comprehensive statement of the sums involved be included in an amendment to the second modifications, to be re-issued for a further period of consultation, thereby enabling the public to assure itself of the financial integrity and equitability of the proposals.”*
- 6.16 **CNPA Response:** Policy 21 applies to all housing development irrespective of site or potential developer. It is assumed that the objector refers to site Ballater HI, where a developer has an option on the land through the landowner. This is a matter between the landowner and developer, not the CNPA. The CNPA carries out its duties under the National Parks (Scotland) Act 2000 and the relevant provisions of the Town and Country Planning (Scotland) Act 1997 and Planning etc (Scotland) Act 2006.
- 6.17 **056o** objects to the policy because doesn’t consider that local authority or housing association allocations policies allow local people to access affordable housing.
- 6.18 **CNPA Response:** The CNPA notes that this is not an issue of planning policy in the Local Plan. Nevertheless, the CNPA stated in the 1st modifications (CD6.12) that it would continue to work partners to ensure that allocations policies are responsive to the needs of individuals and communities in the Park. No further changes to the policy are considered necessary.
- 6.19 **400g(f)** objects because the policy does not state a minimum % of affordable housing contribution, that the data backing up the policy is not available and a lack of clarity throughout.
- 6.20 **CNPA Response:** The CNPA considers that the 1st, 2nd and proposed modifications to the policy (CD6.12, CD6.13 & CD7.28) have provided clarity about the policy and that supporting information is available from the CNPA or via its website. Core documents 7.8, 7.9, 7.10, 7.23

and 8.12 provide further information. The policy seeks targets for affordable housing contributions that may vary depending on site constraints, affordable housing need or other objectives. The CNPA considers this more flexible approach likely to secure more affordable housing than a minimum contribution that could be financially unviable on some sites. No further changes to the policy are considered necessary.

- 6.21 **434j** objects because the policy approach seeks to work with the existing housing market rather than restrict the market as has been done in some other UK National Parks.
- 6.22 **CNPA Response:** The CNPA's response is that it considered residency or occupancy restrictions through the Consultative Draft Local Plan (CD6.9) before the availability of the Heriot-Watt University study (CD7.8) highlighting the levels of housing need. Topic Paper 3, Approach the Housing Land Supply and Affordable Housing, (CD7.23 para 86-87) deals with this issue in more detail. The CNPA's view is that substantial restrictions on the housing market could significantly reduce the supply of affordable housing as well as reduce the supply of open market housing, creating additional pressures on the market. The CNPA adopted a more conventional but ambitious approach to increasing affordable housing and no further changes to the policy are considered necessary.
- 6.23 **452f** objects to the policy seeking housing that is affordable in perpetuity and considers it should be replaced with "15 years".
- 6.24 **CNPA Response:** The CNPA has further clarified in the supporting text of the proposed modifications that in perpetuity has a functional meaning and does not consider further modifications necessary.
- 6.25 **537d** objects to the 2nd modifications (CD6.13), seeking 25% as the target for affordable housing for clarity, and that the policy be directed towards local people.
- 6.26 **CNPA Response:** The CNPA's response is that affordable housing need identified through research by Heriot-Watt University (CD7.8 and CD 7.9) justifies the policy in pursuing more than 25% affordable housing contributions and that allocations policies are a matter for local authorities and housing association, not the Local Plan. Nevertheless, the CNPA noted in the 1st modifications (CD6.12) that it would continue to work partners to ensure that allocations policies are responsive to the needs of individuals and communities in the Park. No further changes to the policy are considered necessary.

7 Strategic Issues

- 7.1 The National Park Plan's (CD7.1, page 67 and 72-73) strategic objectives for Sustainable Communities and Housing provide a clear context for the Local Plan.
- 7.2 Each of the four local authorities that make up parts of the National Park have local housing strategies for the period 2004 -2009 (CD8.15). These housing strategies were prepared before the National Park Plan was prepared and approved by the Minister in 2007. All the local housing strategies place an emphasis on providing more affordable housing, with some variation in the key target groups.

8 Other material considerations

- 8.1 The local housing strategies were prepared prior to the preparation of the National Park Plan and so could not fully reflect the strategic context it provides for the National Park area. Those local housing strategies were prepared with the help of housing needs assessments carried out prior to 2004 and prior to some of the more rapid house price inflation from the mid-1990s onwards. For those reasons, the CNPA, with the agreement of its partners, commissioned Heriot-Watt University to draw together the four housing needs assessments in the context of the National Park and update information on housing needs in the National Park to reflect the ongoing changes in the housing markets. This is reported in *The Cairngorms Housing System Analysis* (CD7.8).
- 8.2 The housing needs figures were updated in 2008 in further work by Heriot-Watt University and the Three Dragons Consultancy and reported in *Planning for Affordable Housing in the Cairngorms National Park* (CD7.9). The study modelled the economic impacts of developing sites with different proportions and types of affordable housing and considered the impacts of a range of possible planning policy responses to provide affordable housing in the National Park.

9 List of documents (including Core Documents)

- CD1.1 The Town and Country Planning Act (Scotland) 1997
- CD1.2 The Planning etc. (Scotland) Act 2006
- CD1.3 The National Parks (Scotland) Act 2000
- CD1.18 The Cairngorms National Park Designation, Transitional and Consequential Provisions (Scotland) Order 2003
- CD2.4 SPP3 Planning for Housing 2003 & 2008
- CD4.20 PAN74 Affordable Housing
- CD6.9 Cairngorms National Park Local Plan Consultative Draft October 2005
- CD6.10 Cairngorms National Park Consultative Draft Local Plan Consultation Report July 2007
- CD6.11 Deposit Local Plan
- CD6.12 Deposit Local Plan 1st Modifications
- CD6.13 Deposit Local Plan 2nd Modifications
- CD7.1 Cairngorms National Park Plan 2007
- CD7.4 CNPA Committee Report 1st Modifications October 2008
- CD7.5 CNPA Committee Report 2nd Modifications February 2009
- CD7.8 Cairngorms Housing System Analysis 2006 (HWU)
- CD7.9 Planning for Affordable Housing in the Cairngorms National Park 2008 (Communities Scotland)
- CD7.23 Topic Paper 3 Approach to Housing Land Supply and Affordable Housing
- CD7.28 Proposed Post-Inquiry Modifications Committee Report 3 April 2009
- CD8.12 Population and Household Projections for Scotland's National Parks – GROS 2008
- CD8.15 Local Authority Housing Strategies: Aberdeenshire Local Housing Strategy 2004-2009, Aberdeenshire Council; Angus Local Housing Strategy 2004-2009, Angus Council; Highland Housing Strategy 2003/04 – 2008/09, Highland Council; Moray Local Housing Strategy 2004-2009, Moray Council

10 Cairngorms National Park Authority Witnesses for Informal Hearing

- Gavin Miles, Strategic Planning & Policy Officer, CNPA

- Professor Glen Bramley, School of the Built Environment, Heriot-Watt University
- Kathleen Dunmore, 3 Dragons Consultancy