

## **APPENDIX B**

### **Proposed LDP Settlement Strategy Appraisal**

#### **1. Introduction**

This statement seeks to explain and justify the rationale for adopting the proposed settlement strategy in the South Ayrshire Proposed Local Development Plan (LDP). In brief, the strategy seeks to direct growth to the north of the area to satellite settlements to the main towns of Ayr, Prestwick and Troon. Development is focussed on small-medium sized sites which present few additional infrastructure or service requirements. The strategy is designed to direct growth to high demand areas, but is also responsive to current challenging economic circumstances. To this end the strategy seeks to allocate deliverable sites and to create a balanced, dispersed and flexible land supply to enable developers to respond to changing opportunities and pressures.

The strategy seeks to deliver the objectives of the Ayrshire Joint Structure Plan (AJSP), which aims to achieve an ambitious level of housing growth as a tool to facilitate economic growth, stabilise population and boost the attractiveness of Ayrshire as an area to live and work. The AJSP seeks to build on location and environmental assets, including transport infrastructure, to enhance housing opportunities. However, as the AJSP was written in a period of strong economic growth, the LDP strategy is designed to deliver the same strategic outcomes within the context of difficult economic circumstances.

#### **2. Housing Needs and Demand**

The level of housing growth to be allocated within the LDP derives from the Housing Needs and Demands Assessment (HNDA). This indicates that there is significant need and demand in South Ayrshire, but that the majority of demand is within the north of the area, within the Ayr Housing Market Area (HMA). Within the southern area (Girvan and South Carrick HMA) the HNDA indicates lower overall housing need, although there may be higher localised demand within certain villages. The figures within the HNDA are sufficient to justify a higher level of housing release overall through the LDP, although it is appropriate to direct much of the growth to the areas of higher demand.

Additionally, Scottish Planning Policy advocates that planning authorities allocate a generous supply of land for housing within development plans. This accords with the LDP approach.

#### **3. Deliverability of Sites**

Analysis of the performance of housing sites in the Housing Land Supply over the past 10 years indicates that none of the larger sites (over 150 units) has proved effective. Furthermore, medium-large sites (50-150 units) since 2005 in and around Ayr, Prestwick and Troon have also, in general not delivered (Table1). This is generally due to the technical and financial difficulties associated with larger sites in terms of infrastructure requirements

(e.g. road network and transport upgrades, education and affordable housing contributions). These factors are discussed in greater details in the following sections, however, as Table 1 indicates, very few larger sites across all settlements have proved deliverable since 2000 and even fewer since 2005. Of the 6 sites (for market houses) over 50 units to have commenced since 2005, 3 were in the smaller satellite settlements around Ayr, Prestwick and Troon (at Maybole, Mossblown, Tarbolton). 2 out of the 3 sites over 100 units commenced since 2005 were in satellite settlements (at Maybole and Tarbolton).

Table 2 illustrates the difficulties experienced in the largest three settlements in delivering new housing sites, despite being the areas of highest demand. In Ayr and Prestwick more than a third of all sites in the land supply since 2000 have failed to deliver any houses. Some of these sites indeed have been in the land supply for several decades. In Troon, half of all sites have not commenced.

Settlement	Sites over 50 units commenced 2000-2011	Sites over 50 units commenced 2005-2011	Sites over 100 units commenced 2000-2011	Sites over 100 units commenced 2005-2011	Sites over 150 units commenced 2000-2011
Annbank	0	0	0	0	0
Ayr	7	3	4	1	0
Barrhill	0	0	0	0	0
Colmonell	0	0	0	0	0
Coylton	2	0	0	0	0
Crosshill	0	0	0	0	0
Daily	0	0	0	0	0
Dundonald	1	0	0	0	0
Dunure	0	0	0	0	0
Girvan	0	0	0	0	0
Kirkmichael	0	0	0	0	0
Kirkoswald	0	0	0	0	0
Maidens	0	0	0	0	0
Maybole	1	1	1	1	0
Minishant	0	0	0	0	0
Monkton	1	0	0	0	0
Mossblown	1	1	0	0	0
Prestwick	0	0	0	0	0
Symington	0	0	0	0	0
Tarbolton	1	1	1	1	0
Troon	2	0	0	0	0

**Table 1: Effectiveness of Private Housing Sites from Housing Land Supply 2011**

Settlement	% of sites in land supply <u>not</u> commenced 2000-2011
Ayr	36%
Prestwick	38%
Troon	50%

**Table 2: Proportion of sites in HLS that have not commenced**

#### **4. Economic Circumstances**

In the last 2-3 years, economic circumstances have exacerbated the difficulties in delivering all housing sites, but particularly the larger sites. Problems facing the housing sector include: reduced and stricter lending to buyers and to housebuilders, lower house prices and consequent reduced viability of sites, reduced Scottish Government funding for affordable housing and a general downturn in economic activity and market confidence. A report on the South Ayrshire Economy (Doyle, 2011) highlights that employment in South Ayrshire fell by 12% between 2000 and 2010. Unemployment in South Ayrshire at 8.4% is higher than the Scottish average of 7.4% and the GB average of 7.7%. Furthermore, employment forecasts commissioned by SLIMS from Oxford Economics predicted that employment in South Ayrshire would remain fairly flat through 2010-2011 before beginning to rise modestly in 2011-12. However, they expected the pace of recovery in the local area to be slower than across Scotland or the UK. Doyle (2011) also indicates that the downturn in construction activity in South Ayrshire started in 2005-06, before the economic recession began to impact on the rest of the economy. In 2010-11, the construction industry remained depressed with the Scottish Construction Monitor reporting a 29% fall in private house construction and a 41% fall in private commercial construction in early 2011, compared to 2008.

These factors have led to a sharp decline in housing completions, and, particularly commencement on new sites. However, sites which have additional development costs, such as site remediation, or improvements to infrastructure or local amenities, have proved the least viable. Improvements in the local housing market and wider economy are likely to be slow and uncertain for a number of years. In light of these circumstances the LDP strategy is seeking to provide a generous, balanced and varied housing land supply in terms of site size, greenfield/brownfield split and geographic spread. This approach should provide developers and investors with the most viable range of sites, with the flexibility to choose between sites depending on market conditions.

This approach accords with advice contained in a letter from the Chief Planner of 29<sup>th</sup> October 2010, which encourages planning authorities to maintain a deliverable, flexible and realistic land supply.

#### **5. Requirements For New Infrastructure And Amenities**

Given the financial pressures on developers and the demonstrated failure of larger sites to deliver, in order to secure a supply of viable housing sites there is an imperative to allocate sites which have minimal requirements in terms of the need to provide additional or upgraded infrastructure and amenities. Therefore the LDP is directing housing growth to smaller settlements and smaller sites where consultation with key agencies and SEA has indicated there are fewer infrastructure constraints and sufficient capacity within road networks, local schools and amenities, water and waste services to accommodate new development.

## 6. Support For Communities/ Infrastructure

By directing growth to the settlements outside Ayr, Prestwick and Troon the Strategy seeks to maintain development within areas of high demand, as identified in the HNDA (Ayr Housing Market Area) whilst achieving a more balanced dispersal of growth. This can help to avoid over-burdening areas already under pressure in terms of infrastructure, traffic and environmental impacts. New development within the satellite settlements can help to retain/increase population, support the economic growth of these communities and foster the development of community facilities and local infrastructure.

## 7. Avoiding environmentally sensitive sites and HQAL

The LDP strategy, informed by the strategic environmental assessment (SEA), enables sites to be selected that will not have significant environmental harm, and which avoid high quality agricultural land, so as to preserve the quality and productive capacity of the land.

## 8. Key Arguments Against SAC LDP Strategy

- **The priority for the LDP should be economic growth rather than environmental improvement, as environmental assets are already protected by national policies and other mechanisms.**

The LDP vision of growing the economy in an outstanding natural environment seeks to utilise the capacity of South Ayrshire's high quality environment as a driver of economic growth. This strategy will seek to concentrate growth, in an environmentally sustainable manner, within the north of South Ayrshire, by improving the strategic transport network, to enhance accessibility to the urban core of Ayrshire, where most of the area's employment opportunities and amenities exist; and to enhance accessibility to Scotland's central belt and international connectivity; whilst also growing rural north communities in a sustainable manner and protecting the environmental assets that form the basis for economic growth.

The strategy seeks to focus on the rural economy within the southern part of South Ayrshire, by encouraging population retention, economic growth through tourism and other forms of rural diversification (e.g. promotion of the Ayrshire and Galloway Biosphere).

The LDP vision is not exclusively an environment improvement/protection plan, as is asserted, but a plan for sustainable economic growth for South Ayrshire.

- **The estimated level of provision of new houses within the LDP is unrealistic, and the total number of housing units should be lower.**

The level of housing growth to be allocated within the LDP derives from the Housing Needs and Demands Assessment. As such, the HNDA justifies that there is housing demand within South Ayrshire to support a higher level of housing being allocated. The majority of MIR responses support a higher level of growth.

The proposed level of housing growth also aligns with the strategic position of the Ayrshire Joint Structure Plan in respect of housing growth: that is, that housing development and growth, in itself, can be a driver of (South) Ayrshire's economy.

Additionally, the LDP accords with Scottish Planning Policy, which advocates that planning authorities allocate a generous supply of land for housing.

It is recognised that the housing market is currently depressed, as a result of national and global economic circumstances; however, the LDP strategy of geographic dispersal of housing through a large number of smaller sites seeks to add variety to the housing land supply, via a range of sites that are less burdened by infrastructure commitments, and therefore, may be deliverable, despite economic circumstances. This approach has been supported by Homes for Scotland and the Scottish Government's Chief Planner has also advocated this approach.

- **The housing dispersal strategy conflicts with the Ayrshire Joint Structure Plan in that it restricts future growth around Ayr, Prestwick and Troon, where there is a higher demand for housing. Land should be allocated to meet demand, where it occurs, while there may be no market demand for new housing at outlying settlements.**

The Ayrshire Joint Structure Plan seeks to facilitate economic growth through a high level of growth in housing. This LDP provides a continuation of that approach, albeit, while accounting for different economic circumstances.

The Structure Plan sought, predominantly, to direct growth in housing to strategic release sites. The strategic release sites will be recognised in the LDP, and protected to help them deliver the level of housing predicted, and, thereby the LDP will ensure that the majority of housing land is directed to the strategic locations identified in the structure plan. Environmentally sensitive areas around core towns are protected.

The distribution of housing land to satellite settlements seeks to deliver housing within the current economy. Analysis of available housing data shows that the demand in some of the outlying settlements is equal to, or higher than the demand within the larger settlements.

- **There is no sound reason to restrict growth at Ayr, Prestwick and Troon, to secure delivery of existing strategic housing sites. Specifically, it is unclear as to why development in/around Prestwick will have any impact on existing strategic housing release sites.**

The housing land is being dispersed, so as to not concentrate all housing growth around Ayr, Prestwick and Troon. This will reduce the cumulative environmental impact of development in the area round Ayr, Prestwick and Troon, reduce the burden of concentration of development on infrastructure (particularly the road network) in this area, and assist in creating variety in the housing land supply. It is also intended to assist communities in the rural north to retain and increase population and protect community amenities.

In addition, by directing growth away from the strategic release sites, competition between sites is avoided. The Scottish Planning Policy states that planning authorities should ensure a 5 year supply of housing land, and, given the volatility in the economy, the Council would seek to avoid development that may compromise the deliverability of strategic sites.

It is accepted that none of the strategic release sites are located in Prestwick, therefore, development at Prestwick would not necessarily compete, under positive or negative economic circumstances, with strategic release sites. Notwithstanding this, it is not considered that there are any suitable development sites in Prestwick. Land encompassing the second runway at Prestwick Airport has been proposed as a strategic release sites, however, this site is not favoured for reasons set out in previous LDP Project Board papers.

- **Seeking to meet housing needs by allocated a high number of smaller sized sites may increase environmental harm and infrastructure cost and place an unsustainable reliance on car travel.**

An environmental assessment (SEA) of all potential LDP housing sites has been undertaken, and has concluded that there are a large number of sites capable of being developed in and around the satellite settlements without significant environmental harm, and that adverse environmental impacts can be mitigated against. The dispersal scenario of distributing the level of growth required via a series of smaller sites around a number of settlements means that smaller sites will be found that offer opportunities to integrate new sites within existing settlements.

This scenario also avoids a situation whereby the environmental impact of the entirety of the supply of housing, identified in the HNDA and structure plan is not concentrated around the main urban core.

In terms of infrastructure and transport, LDP policies will be developed to manage development contributions, but, given the smaller nature of sites, they are less likely to be significantly burdened by infrastructure commitments, and, theoretically, more deliverable. The transport impact of the housing release scenario has been assessed by the Ayr Corridor Study, and the mitigation to deal with this development scenario is to be delivered via LDP policies, as part of strategic development planned approach.

#### References:

Doyle, Chris (2011) *The South Ayrshire Economy and its Future Prospects: A Strategic Review*, Policy, Performance & Communication Service, South Ayrshire Council

South Ayrshire Housing Needs and Demand Assessment 2011, South Ayrshire Council