



**Glasgow City Council**

**Economy, Housing, Transport and  
Regeneration City Policy Committee**

**Report by George Gillespie, Executive Director of  
Neighbourhoods, Regeneration and Sustainability**

**Contact: Sarah Shaw Ext: 76066**

**Item 2**

**11th March 2025**

## **City Development Plan- NPF 4: Development of Policy on Housing**

### **Purpose of Report:**

To provide Committee with an update on the application of Policy 16 of NPF4 following a recent court decision, and the progress on developing local policy for Glasgow through the City Development Plan.

### **Recommendations:**

The Committee is asked to:

Note the update for information.

Ward No(s):

Citywide: Y

Local member(s) advised: Yes ☐ No ☒ consulted: Yes ☐ No ☒

## 1 BACKGROUND

- 1.1 NPF 4 was brought into force in February 2023. It is the national spatial strategy for Scotland and sets out spatial principles, regional priorities, national developments and national planning policy. It contains a suite of land use policies, many of them cross-cutting across topics, to be applied in decision making and local development plan preparation and is to be read as a whole.
- 1.2 Policy 16 Quality Homes covers the National policy intent in relation to housing. There are several subsections of this policy. This paper in particular focusses on paragraph 16 (e) relating to affordable housing contributions, and 16 (f) relating to homes on land not allocated in the Local Development Plan.
- 1.3 NPF4 defines “affordable housing” as “Good quality homes that are affordable to people on low incomes. This can include social rented, mid-market rented, shared-ownership, shared-equity, housing sold at discount (including plots for self-build), self-build plots and low cost housing without subsidy”.

## 2 Delivery of Affordable Housing in Glasgow

Over the past 5 years (2018-2023), approximately 4,400 new-build private sector homes were completed in Glasgow. A significant proportion were delivered in the Community Growth Areas (CGA) and also as part of housing-led regeneration across the Transformational Regeneration Areas (TRA), Clyde Gateway and other areas. Around 3,800 new build affordable homes were delivered over the same period.

Over the past five years, Glasgow delivered more new build affordable homes than any other local authority in Scotland. New build affordable homes constituted 47% of total new build homes completed; private new build were 53% of all completions. Glasgow ranked 17th in median average sales price in 2022 for the 32 Local Authorities in Scotland (£170,100).

## 3 Planning Policy for Affordable Housing in Glasgow

### 3.1 NPF4 Policy 16 – Quality Homes part (e) states:-

“Development proposals for new homes will be supported where they make provision for affordable homes to meet an identified need. Proposals for market homes will only be supported where the contribution to the provision of affordable homes on a site will be at least 25% of the total number of homes, **unless the LDP sets out locations or circumstances where:** i. a higher contribution is justified by evidence of need, or ii. a lower contribution is justified, for example, by evidence of impact on viability, where proposals are small in scale, or to incentivise particular types of homes that are needed to diversify the supply, such as self-build or wheelchair accessible homes. **The contribution is to be provided in accordance with local policy or guidance.** (Emphasis added)

**3.2** In interpreting NPF4 Scottish Government have clarified that it is important to read all the policies as a whole and it is clear that there will be local issues that need to be considered by Planning Authorities to ensure the right approach is taken at a local level. This is emphasised in Policy 16(e) which makes it clear it is for the **Local Development Plan** to identify the need based on evidence, and to develop local policy to set out the requirements to meet that need, considering key factors. For Glasgow, as a post-industrial city, this will require to consider aspects such as viability, abnormal ground conditions/contamination and associated development costs. Of particular importance will be to consider the mechanism for the actual delivery of affordable homes via market home proposals. This position was set out in a paper to EHTR Committee on 5th March 2024 and further detail can be found in that report - [link here](#)

### **3.3 City Development Plan Policy**

**3.3.1** The Glasgow housing market is complex, with considerable variations in affordability and access in different areas, both in terms of the private sector and affordable sector markets. The NPF4 policy indicates that an affordable housing policy needs to be based on a consideration of need in a local authority area, and the target is to be informed by the Local Development Plan.

**3.3.2** The Council's approach to affordable housing does not include any current local policy or guidance that would justify or inform how developer contributions would apply to the provision of affordable housing in relation to proposals for market housing. Glasgow's current adopted City Development Plan considered the issue of housing needs and determined that need for affordable housing was being met through existing mechanisms working with Registered Social Landlords via the Affordable Housing Supply Programme, assisted by nominated disposal arrangements for accelerated land release.

**3.3.3** The development of an Affordable Housing Contributions Policy is a clear commitment of Glasgow City Council as expressed in the Council Strategic Plan 2022 to 2027 and is included in the Local Housing Strategy 2023-28. As a result of NPF4 and the Council's commitment in the Strategic Plan and Local Housing Strategy, the requirement for an affordable housing contributions policy is under review as part of the preparation of the emerging City Development Plan 2 and production of the Evidence Report.

The emerging City Development Plan 2 (CDP2) will include the required local policy and guidance envisaged in Policy 16(e) of NPF4. This will be consulted upon widely to inform our approach and will be scrutinised at Examination stage by the Scottish Government. Timescales for the delivery of the CDP2 are set out in the Development Plan Scheme 2024 approved by the City Administration Committee on 5th December [link to DPS](#).

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#### **4. Issues for delivery of an affordable housing contributions policy for Glasgow**

**4.1** In order for affordable housing to be integrated into a proposed private development, NPF4 Policy 16e) refers to “contribution to the provision of affordable homes **on a site**”. A 25% policy contribution is designed to secure serviced **land** for affordable houses to be built on using existing funding. Such land is incorporated into the Strategic Housing Investment Programme (SHIP) alongside sites from other sources, but there is no net increase in funding to actually build the dwellings. So, in the Glasgow context, such a policy may only have a role in relation to the geographical location of plots for new affordable housing, not the net total of dwellings delivered each year. The alternative, which the Scottish Government state in previous guidance (PAN2/2010) should be used in exceptional circumstances, is to utilise commuted sums to fund affordable housing **off site**. Whilst this provides funding for affordable housing, it is not in the location of the private housing and the sum is to purchase land elsewhere to build affordable houses on. Funding is still required to build the affordable houses.

**4.2** The City Development Plan policies need to be supported by an evidence base. In order to provide this for an affordable housing contributions policy, Planning and Housing services are in the process of jointly procuring professional consultancy services to investigate the affordable housing policy position further and make recommendations on how a contributions policy could operate.

#### **4.3 Scope of Research**

**4.3.1** This piece of research is focussing on the delivery of affordable housing through a possible contributions policy. This will consider a justification of need for any affordable housing contributions policy including data on and analysis of housing market; benchmarks for determining residual land values in Glasgow; options for sourcing land and how commuted sums could be spent in proximity to market developments; mechanisms for the delivery of the policy including legal tools, and costs and benefits of the different options.

**4.3.2** A policy based on delivery of affordable housing through developer contributions would be required to set out clear definitions for what is determined to be market housing and affordable housing. These will require quantitative cost/value (£) parameters that are related to local incomes and a mechanism for monitoring and review.

**4.3.3** “Affordable housing” in NPF4 is defined as: “Good quality homes that are affordable to people on low incomes. This can include social rented, mid-market rented, shared-ownership, shared-equity, housing sold at discount (including plots for self-build), self-build plots and low-cost housing without subsidy.” A range of factors affect the delivery of affordable housing on any given site including:

- affordable housing need;
- site suitability;
- cost; and
- the availability and timing of public subsidy.

To reflect these variables, the Council's developer contribution based affordable housing policy would require a flexible approach to delivery. In circumstances where on-site is not considered the most effective means of delivery (for example a small number of affordable houses peppered across sites can be difficult to manage), other methods, including off-site, part exchange and commuted sum payment may be required. For any local application of an affordable housing /developer contribution that is not on-site, Glasgow City Council would need to define the areas to which it applies. It would need to set out how it would manage any contributions received given that it has no mechanism to deliver affordable homes directly and the city has a competitive affordable housing provider market.

## 5.0 UPDATE ON "MOSSEND" DECISION

**5.1** Policy 16 of NPF4 contains subsections a)-h), covering various aspects of planning policy relating to housing. Subsection e) relating to affordable housing is discussed above. A recent decision by the Court of Session (May 2024, Miller Homes- known as the "Mossend "case) added to the interpretation of NPF4 subsection (f) in relation to existing development plans. Subsection f) states that "*Development proposals for new homes on land not allocated for housing in the LDP [Local Development Plan] will only be supported in limited circumstances*". Lord Boyd confirmed Scottish Ministers' position that where an inconsistency arises, Policy 16(f) of NPF4 overrides housing land release policies in old-style LDPs adopted prior to NPF4.

**5.2** The Mossend decision has been scrutinised by the GCC Planning Service and legal colleagues. The decision is clearly understood and in applying NPF4 in our planning decision making, no attempt is being made to give precedence to the existing Glasgow City Development Plan in decision making on housing proposals. The primary difference between the wording of Policy 16 paragraph(e) and (f) is the specific requirements of the affordable housing need (16e) *to be set out in the Local Development Plan* and that the absolute clarity 16(e) provides that the "contribution is to be provided in accordance with local policy or guidance". Therefore, it is considered that a formal determination on establishing evidence of need to support a planning policy for developer contributions (towards delivering affordable homes) may only be achieved through the LDP preparation which will establish an evidence base, ensure consultation with stakeholders and the public at large and following scrutiny at Examination stage of CDP2.

## 6. Next Steps

The development of an Affordable Housing Contributions Policy will be taken forward through the City Development Plan 2. The commissioned research

mentioned in 4.3 above will feed into the Proposed Plan. When the Proposed Plan is produced, it will be open for wide consultation and all parties will have an opportunity to comment. Further detail on the steps in that process and timescales is available in the Development Plan Scheme – link in 3.3.3 above.

## **7. Policy and Resource Implications**

### **Resource Implications:**

<i>Financial:</i>	The delivery and operation of a developer contributions policy could provide financial provision for delivery of housing.
<i>Legal:</i>	Legal advice will be required for delivery of any new policy.
<i>Personnel:</i>	Officers within GCC will support delivery of any planning policy.
<i>Procurement:</i>	Consultants have been procured in line with procurement requirements.

<b>Council Strategic Plan:</b>	The development of an affordable housing contributions policy is considered to support the following Grand Challenges and Missions:
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Grand Challenge 4 Mission 1: Develop safe, clean and thriving neighbourhoods:  
Develop an Affordable Housing Policy for the city to require a proportion of affordable housing in new developments, prioritise public land for affordable housing and increase affordable housing in higher land-value areas such as the city centre.

### **Equality and Socio-Economic Impacts:**

<i>Does the proposal support the Council's Equality Outcomes 2021-25? Please specify.</i>	Yes. Delivery of affordable housing allows equitable access to housing for all.
<i>What are the potential equality impacts as a result of this report?</i>	It is envisaged that the delivery of affordable housing will have a positive impact on equality.

*Please highlight if the policy/proposal will help address socio-economic disadvantage.*

The delivery of affordable housing currently supports the regeneration of areas of social and economic disadvantage as identified within the SIMD.

### **Climate Impacts:**

*Does the proposal support any Climate Plan actions? Please specify:*

The development of housing including affordable housing supports the following Actions:

23. & 24. Require Glasgow's Gold Hybrid plus 20% low and zero carbon generating technologies (LZCGT) or better, to be achieved for all new build homes and new non-domestic development.

29. Ensure that historic buildings are resilient to the impacts of climate change, protecting Glasgow's rich heritage.

51. Deliver a comprehensive active travel network, incorporating the spaces for people measures (following consultation) and enabling 20-minute neighbourhoods.

56. Reduce the need to own and use a car through measures in the City Development Plan, Glasgow Transport Strategy, and the Liveable Neighbourhoods programme.

60. Increase the amount of renewable energy such as solar thermal, PV or heat pumps in the city to represent 20% of total energy demand.

*What are the potential climate impacts as a result of this proposal?*

Overall, the development of affordable housing should reduce vacant and derelict land.

*Will the proposal contribute to Glasgow's net zero carbon target?*

New housing has the potential to contribute to Glasgow's net zero carbon target by supporting a more sustainable urban form and the 20-minute neighborhood principle, where it is easier to meet day-to-day needs locally, through improved access by active travel and public transport.

### **Privacy and Data Protection Impacts:**

There are not considered to be any potential data protection impacts as a result of this report

## **8. Recommendations**

The Committee is asked to: Note the update for information