



**Glasgow City Council**

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

**Item 7**

**5th March 2024**

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

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**GLASGOW'S LOCAL DEVELOPMENT PLAN, NATIONAL PLANNING  
FRAMEWORK 4 AND DEVELOPING LOCAL POLICY**

**Purpose of Report:**

To outline the process for developing local affordable housing policy as part of the preparation of the emerging City Development Plan 2 following the publication of National Planning Framework 4.

**Recommendations:**

The Committee is asked to:

- a) Note the process for developing a local affordable housing policy as part of the preparation of the emerging City Development Plan 2, following the publication of National Planning Framework 4; and
- b) Note the existing planning policy position in relation to determining planning applications.

Ward No(s):

Citywide: ✓

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

## **1. Introduction**

- 1.1. National Planning Framework 4 (NPF4) was adopted by the Scottish Ministers on 13 February 2023, following approval by the Scottish Parliament in January. NPF4 replaces National Planning Framework 3 and Scottish Planning Policy. NPF4 incorporates updated Scottish Planning Policy, containing detailed national policy on a number of planning topics. For the first time, spatial and thematic planning policies are addressed in one place.
- 1.2. The statutory 'development plan' determines land use and spatial priorities within the local authority area. It comprises the National Planning Framework (NPF) which covers the entire country, and the local development plan (LDP) for each planning authority area, called the City Development Plan in Glasgow. New Local Development Plan guidance was published by Scottish Government on 24<sup>th</sup> May 2023.
- 1.3. The development of an Affordable Housing 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. This report sets out the work programme for determining the basis for such a policy and the considerations required to adopt and deliver such a policy.

## **2. NPF4 Policy 16 'Quality Homes'**

- 2.1. Under 'Quality Homes' Policy 16 in National Planning Framework 4 (NPF4), the policy intent states: *To encourage, promote and facilitate the delivery of more high quality, affordable and sustainable homes, in the right locations, providing choice across tenures that meet the diverse housing needs of people and communities across Scotland.*
- 2.2. NPF4 Policy 16 part (e) sets out the following:

*“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.”*
- 2.3. 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. This assessment is under review as part of the preparation of the emerging City Development Plan 2 and production of the Evidence Report.

- 2.4. 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.
- 2.5. Local Development Planning Guidance (Scottish Government, May 2023) highlights the role of LDPs in setting out the local planning authority's policies and proposals, however they are not required to duplicate NPF policies. Any local policy wording included in the Proposed Plan should focus on adding value by providing further detail which builds on the NPF policies, or place-based policies, such as details of required developer contributions. (paragraph 165).
- 2.6. 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 at the Proposed Plan stage. Until such time, the evidence of need remains that which was established formally through the current adopted City Development Plan as noted at 2.3. There remains uncertainty and potential for legal challenge if an Affordable Housing Policy was implemented prior to the adoption of City Development Plan 2.

### 3. New City Development Plan 2 – Procedure and Progress

- 3.1. The Planning (Scotland) Act 2019 changed the way in which Local Development Plans are produced. New guidance published in May 2023 set out the process for preparing new Local Development Plans. Elected Members will recall a [Report](#) considered at City Administration Committee in November 2023 regarding City Development Plan 2 and its [Development Plan Scheme](#) which sets out information on the new system and the process for producing the Plan.
- 3.2. Local development planning has three key stages: **Evidence Gathering; Plan Preparation; and Delivery** of the plan. The 'Evidence Gathering Stage' includes: early engagement and data collection; preparation of an 'Evidence Report'; and a 'Gate Check'.
- 3.3. Glasgow City Council's Planning Service is leading on the preparation of City Development Plan 2. It is currently at the 'evidence gathering' stage, moving towards the publication of an 'Evidence Report' in Summer 2024.
- 3.4. As part of this process, data and analysis are being collated for establishing evidence of housing needs and demand. This includes the preparation of a "Housing Key Issues" paper.

- 3.5. Glasgow's Local Housing Strategy 2023 to 2028 (and associated papers) present information and analysis of housing need and demand pressures in Glasgow. The LHS 2023 to 2028 sets out ambitious Housing Supply Targets (HST) to deliver over the next five years:

<b>Tenure</b>	<b>Average Per Year</b>	<b>Total 2023 to 2028</b>
All Tenure	2,600	13,000
Affordable	1,300	6,500
Market	1,300	6,500

- 3.6. The targets are based on the Glasgow City Region housing needs and demand assessment (HNDA) and reflect Glasgow's ambitions and plans for sustainable growth, resource capacity, and planned investment, alongside evidence of past completions and development capacity.
- 3.7. In November 2023, Glasgow City Council declared a homeless and housing emergency. The pressures relating to increasing homeless need and supply constraints within the social rented sector are outlined in [City Administration Committee report on Homelessness and Asylum November 2023](#) however, pressures exist across the entire housing eco-system and this is exacerbated by low levels of turnover in the private rented sector and low levels of private sector housing construction. Additional data and analysis of Glasgow's housing is required for establishing evidence of housing needs and demand at a sub-local authority level, including:
- Stock supply by tenure;
  - Past development;
  - Housing Land Audit;
  - Housing market transactions;
  - Rent rates;
  - Listed lets and rental property turnover;
  - Household incomes; and
  - Land values.

#### **4. Glasgow City Development Plan 2 – developing local planning policy**

- 4.1. Following the publication of the evidence report, and assuming a need for a developer contributions policy relating to affordable housing, a mechanism for delivery of any such policy or guidance would be required. It is envisaged that this will come through the Proposed Plan. Some options and issues are set out below.
- 4.2. One approach may be to consider an exceptions framework. This would consider NPF4 Policy 16 as applicable across all private residential development proposals *unless* certain criteria are demonstrated to have been met. Key elements may include benchmark land values and a robust and credible development viability assessment framework.

- 4.3. A developer contribution based affordable housing policy 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.
- 4.4. *“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.”*
- 4.5. 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.
- 4.6. 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.
- 4.7. For housing developers, assessing the financial viability is crucial in deciding whether a project should proceed. Early consideration of the site valuation is important to allow a developer to assess the potential impact of the affordable housing requirement as part of the site appraisal. An agreed approach and methodology for valuation will assist both developers and the Council in forward planning and confirming the appropriate delivery option.

## **5. Key issues and considerations**

- 5.1. 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.
- 5.2. Over the past five years, Glasgow delivered more new build affordable homes (3,827) 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 17<sup>th</sup> in median average sales price in 2022 for the 32 Local Authorities in Scotland (£170,100).

- 5.3. Over half of local planning authorities in Scotland have an existing, operable affordable housing contribution based policy. The outputs delivered by local planning authorities with affordable housing policies vary depending on local circumstances, though few exceed Glasgow in percentage of total homes delivered and none in total volume of affordable homes.
- 5.4. Further consideration is required of the resource to administer an affordable housing policy, in comparison with the benefits the policy would bring. Existing practice across local planning authorities with operable affordable housing contribution based planning policies, indicates that there is a significant resource requirement for administering a local developer contribution based planning policy. For Glasgow City Council, this would likely require a dedicated team which includes, but is not limited to: full-time equivalent affordable housing policy planning officer(s); financial services; legal services.

## 6. Conclusion

- 6.1. As a result of the issues outlined above, at present planning applications will continue to be determined on the basis of the adopted City Development Plan 2017, in relation to affordable housing considerations. Each proposed development is assessed on its own merits in line with development plan policies on placemaking both from CDP and NPF4. The need to deliver housing of all tenures and types to tackle the housing crisis is being taken into account in the planning process and Planning and Housing Services continue to work together to enable increased delivery of housing of all types and tenures. As noted above, evidence shows that our existing policies mean that high levels of affordable housing will continue to be delivered across the city.

## 7. Policy and Resource Implications

### Resource Implications:

*Financial:* There are no direct financial implications arising from the report.

*Legal:* There are no direct legal implications arising from the report.

*Personnel:* There are no direct personnel implications arising from the report.

*Procurement:* There are no direct procurement implications arising from the report.

**Council Strategic Plan:** **Grand Challenge 4 – Enable staff to deliver essential services in a sustainable, innovative and efficient way for our communities:**

Mission 1 – Create safe, clean and thriving neighbourhoods.

Action Commitment: 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:**

*Does the proposal support the Council's Equality Outcomes 2021-25? Please specify.*

The development of planning policy supports the Council's Equality Outcomes and delivery of affordable housing contributes directly towards supporting outcomes 2 and 6.

*What are the potential equality impacts as a result of this report?*

The development of planning policy on affordable housing is a key action set out in Glasgow's Housing Strategy which is subject to an Equalities Impact Assessment. Supporting the delivery and increase supply, accessibility and sustainability of affordable housing, will have a generally positive impact for all equality groups with protected characteristics.

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

It will have specific impacts addressing socio-economic advantage in terms of targeted investment to provide new affordable homes, which contribute towards the prevention and reduction of homelessness, as well as ensuring community benefits, including training and employment opportunities, are created through planned investment.

### **Climate Impacts:**

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

Delivery of affordable housing directly supports all themes identified in Glasgow's Climate Plan and specifically the following actions:

Action 23: Require Glasgow's Gold Hybrid plus 20% low and zero carbon generating technologies (LZCGT) or better, to be achieved for all new build new homes.

Action 42: Require low carbon heating systems in all new buildings within the city boundary.

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

Positive impacts. New homes constructed to higher sustainability, low and zero carbon standards. Housing development design and delivery incorporating adaptation and mitigation measures for flood and other climate risks, retrofit priorities decarbonizing existing homes.

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

New affordable homes are constructed to the Glasgow Standard achieving higher sustainability, low and zero carbon ratings.

**Privacy and Data  
Protection Impacts:**

No privacy or data protection impact identified.

**8. Recommendations:**

The Committee is asked to:

- a) Note the process for developing a local affordable housing policy as part of the preparation of the emerging City Development Plan 2, following the publication of National Planning Framework 4; and
- b) Note the existing planning policy position in relation to determining planning applications.