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## Issue 03: Growing Communities

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Kenneth Nicol (MPP977530)

3. Relevant Council's Supporting Documents

CD01: Scottish Planning Policy, Jun 2014  
CD03: CaSPlan Proposed Plan Jan 2016  
CD04: CaSPlan Main Issues Report, Oct 2014  
CD05: CaSPlan Proposed Action Programme  
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CD10: Housing Need and Demand Assessment, Nov 2015  
CD11: CaSPlan Monitoring Statement Addendum - Housing Background Paper  
CD15: Highland-wide Local Development Plan review, Main Issues Report, Sept 2015  
CD16: Sutherland Local Plan, Jun 2010 (as continued in force, 2012)  
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CD27: Inner Moray Firth Local Development Plan, Jul 2015  
CD28: Dornoch Economic Masterplan, Mar 2013

<b>Issue 3</b>	<b>GROWING COMMUNITIES</b>	
<b>Development plan reference:</b>	Growing Communities section (MPP pages 6 - 14)	<b>Reporter:</b>
<b>Body or person(s) submitting a representation raising the issue (including reference number):</b>		
<p><b><u>Proposed Plan:</u></b>  Amelia Walker (931321)  Balnagown Castle Properties (968666)  Bill Badger (967160)  Bower Community Council (979709)  Caithness Chamber of Commerce (983321)  David Dooan (980228)  Guy Newson (978598)  Ian Walker (979716)  Jacqueline Ridgley (930800)  Kenneth Nicol (977530)  Laid Grazings and Community Committee (978867)  RSPB Scotland (956544)  Scotia Homes Ltd (909099)  Scottish Government (963027)  Scottish Natural Heritage (909933)  Scrabster Harbour Trust (980302)  Sportscotland (933432)</p> <p><b><u>Modified Proposed Plan:</u></b>  Creich Community Council (MPP1031346)  Kenneth Nicol (MPP977530)</p>		
<b>Provision of the development plan to which the issue relates:</b>	<p>Growing Communities section (paragraphs 15 to 49), including Policy 1: Town Centres First and supporting text, Policy 2: Delivering Development and supporting text, Policy 3: Growing Settlements and supporting text.</p> <p><i>* Please note that this part of the Plan was subject to non notifiable modifications including removing a double negative in paragraph 20 and a slight amendment to the Housing Supply Table.</i></p>	
<b>Planning authority's summary of the representation(s):</b>		
<p><b>Growing Communities - General</b>  <u>Laid Grazings and Community Committee (978867)</u>  Would like Laid identified as a Growing Settlement. There are plans to develop a distillery on the Laid Common Grazings which would create appropriate development and employment opportunities for the village.</p> <p><u>Bower Community Council (979709)</u></p>		

Object to Bower not being included as either an SDA or a Growing Settlement. Would dispute that there has been little development in Bower since 2002 - there is a thriving farming community, a Primary School almost at full capacity, a well used community centre, local businesses have expanded and new businesses are planned.

Sportscotland (933432)

We have endeavoured to identify, using aerial imagery where available, those sites proposed for allocation where it is likely that we will be a statutory consultee if they become the subject of a planning application, i.e. sites which appear to contain or impact upon Outdoor Sports Facilities as defined in the Development Management Regulations 2013. We have found there to be only two of such sites - Dornoch DN05 and Lybster LY03. Sportscotland is satisfied that their interests in DN05 have been taken account of. A separate comment has been made against Lybster. In the event that Sportscotland has failed to identify any other such site, the consultation requirements of the Development Management Regulations will still apply, and, where we are consulted, we will consider proposals against the provisions of Scottish Planning Policy paragraph 226.

Ian Walker (979716)

This has the potential to open the door to anything.

Bill Badger (967160)

Supports the idea of "socially inclusive communities". Supports the text in paragraph 24 about managing growth in and around existing settlements. Supports the checklist approach set out in paragraph 34.

**Wider Countryside**

Creich Community Council (MPP1031346)

Creich Community Council believes that Spinningdale should not form part of the Tain Hinterland. It is over 10 miles away and not subject to any great demand for housing. Development in this area should be encouraged and not be subject to "a more restrictive approach". The boundary should lie somewhere to the east of Larachan and not contain any of Creich parish.

**Housing Land Supply**

Scotia Homes Ltd (909099)

The strategy of the Plan to direct new development to places which can support community facilities and services that local people regularly use is supported. Scotia Homes Ltd is a willing partner in the delivery of this strategy and would support a generous housing land supply in the Caithness Housing Market Area (HMA) to provide flexibility and choice, in accordance with Scottish Planning Policy (SPP), 2014.

We support the additional flexibility allowance of 20%, added to the number of houses identified in the Housing Need and Demand Assessment (HNDA), which is consistent with national policy contained in paragraph 116 of SPP. The objective of this national policy is to "order to ensure that a generous supply of land for housing is provided" and we are therefore disappointed that this objective is undermined by then removing 20%, to take account of 'windfall' housing development. Paragraph 117 of SPP states that "Any assessment of the expected contribution to the housing land requirement from windfall sites

must be realistic and based on clear evidence of past completions and sound assumptions about likely future trends.” Paragraph 19 of the CaSPlan identifies that the housing supply target for Caithness and Sutherland is informed by a range of factors including the Monitoring Statement and in particular the Addendum: Housing Background Paper and the Council's HNDA, however, neither of these papers appear to provide an analysis of windfall sites.

In the apparent absence of an analysis of the contribution of windfall sites in the background papers to the Proposed CaSPlan, Scotia Homes would support the conclusions of Table 4-4 of the Addendum: Housing Background Paper on the HLR, which is provided below. The table identifies the following HLR taking into account allowances for ineffective stock and flexibility / market choice:

<b>Housing Market Area</b>	<b>2016-2020</b>	<b>2021-2025</b>	<b>2026-2030</b>	<b>2031-2035</b>	<b>20 Year Total</b>
<b>Caithness</b>	325	250	92	0	636 (*667)
<b>Sutherland</b>	291	251	148	43	731 (*733)
<b>CaSPlan Area</b>	616	501	240	43	1,368

Source: Highland Council Housing Need and Demand Assessment 2015

Note\* - Scotia Homes would query whether the 20 Year Total Figure is correct and have inserted an amended figure in brackets.

It is noted that the Addendum: Housing Background Paper projects the HLR from 2016 and it is considered that the CaSPlan HLR in paragraph 20 should be updated from 2015 to 2016 to reflect the updated information.

By adopting the position of Table 4-4 above, the HLR for Caithness HMA increases from 270 to 325 up to 2020, and from 260 to 342 from 2021-2035. The total increase in the HLR over the 20-year period would be 137 units, taking into account the correction highlighted in red. The inclusion of Table 4-4 in the CaSPlan would result in a total 20-year HLR (as corrected) of 1,400 units compared to the 1,140 housing land supply target currently aspired to in the Plan in paragraph 20.

Paragraph 22 of the Plan concludes that the supply of 1,498 units is generous compared to the target and identifies why it is important to have such a generous margin. Scotia Homes Ltd supports these reasons for having a generous HLS, but considers that if the HLR of 1,400 units is accepted, the HLS of 1,498 is less than generous, with only 98 units more than the HLR being available.

Scotia Homes Ltd would therefore support an increase in the HLR and HLS and the allocation of further housing land within the CaSPlan period. Within this context, Scotia Homes Ltd has also submitted separate site-specific representations on land in their ownership and control at Castletown which support bringing forward further land at Castletown into the first 10-year period of this CaSPlan to augment the HLS and meet a more realistic HLR, which can fulfill the stated vision and land use strategy of the LDP.

Scotia Homes Ltd supports the identification of Castletown as a Settlement Development Area (SDA), and the principle for identifying allocations for development within its boundaries. In addition, the commitment that other small-scale infill developments may also

be suitable within the SDA boundary is also supported.

Kenneth Nicol (977530) and Jacqueline Ridgley (930800)

Paragraph 19 states that 530 houses will be required in Caithness. The basis for this would suggest an increase above the current population. Given lower rate of renewable development, the need for this is probably too high. As all the current future development for offshore wind is for Wick, emphasis should be on housing development in the Wick area to support this industry and reduce the need for people to commute, which would align with paragraph 24. Significant housing development in Thurso is not required given the decommissioning of Dounreay, decline of oil and gas sector and little prospect of significant new industry. Paragraph 22 states that many larger housing sites in Caithness have either stopped or progressing slowly therefore why allocate land for three times the anticipated demand. There is a significant risk of developers putting in infrastructure for housing which does not materialise.

Kenneth Nicol (MPP977530)

Respondent followed up on similar issues raised at the Proposed Plan stage by querying the justifications for the level of housing land allocated and asserted that new development should be directed more towards Wick rather than Thurso. The slight amendments to the representation are primarily: to specify that less housing would be required in the area due to an ageing population; and, in respect of the table of housing requirements in CaSPlan, to refer to the version in the Modified Proposed Plan rather than the version in the Proposed Plan.

Ian Walker (979716), Amelia Walker (931321), David Doohan (980228)

The Housing Needs and Demand Assessment shows that there is no demand for the volume of houses stated in the plan. In Thurso there are already enough areas to adequately provide for housing requirements. There needs to be a hard view taken to supply affordable housing or low rent housing.

David Doohan (980228)

There is a shortage of land for affordable housing and some of this can be placed in the area where the Viewfirth Building once stood (TS11). This area could be gifted to a Housing Association and progressed.

Scottish Government (963027)

Paragraph 21 of the Proposed Plan refers to the total Housing Supply Target (HST) for the Caithness and Sutherland area (1,140), but the terminology is not clear in the table below Paragraph 22 (page 6) of the Proposed Plan. The table should be amended to include the heading 'Housing Supply Target 2015-2020 and 2015-2035'. Paragraph 24 of the Proposed Plan states that a generous housing land supply has been included in the plan, and that the 'total land allocated' for housing is 1,498. This appears to be the total 'Housing Land Requirement' (HLR) for the Caithness and Sutherland Area, but this is not clear. The wording 'total land allocated' should be amended in Paragraph 24 of the Proposed Plan to 'Housing Land Requirement' to reflect the established terminology used in Scottish Planning Policy. In addition to this, the table on page 6 of the Proposed Plan should be amended to include an additional column on the Housing Land Requirement for the periods 2015-2020 and 2015-2035. Table 4 of the recently published Draft Planning Delivery Advice: Housing and Infrastructure provides guidance on how the key aspects of housing figures (HST and HLR) should be presented in Local Development Plans (outwith city

regions).

It appears that a generous margin of 31.4% (358 homes) has been added to the HST (1140) to arrive at a HLR of 1498 homes. However, this is not clearly explained within Paragraph 24. The reasoning for choosing this level of generosity should be clearly explained in the Proposed Plan. Paragraph 116 of SPP requires that a robust explanation should be provided.

Scrabster Harbour Trust (980302)

Remove the double negative in paragraph 20.

### **Policy 1: Town Centres First**

Ian Walker (979716)

Supports the policy as long as the processes are adhered to when considering a planning application which is contrary to the policy, including adverse impact on the vitality and viability of the centre, sequential approach, brown field before green field sites, unused/derelict buildings are considered and that all necessary assessments have been carried out.

David Doohan (980228)

This policy has been largely ignored over the past decades as many developments have been allowed on the periphery of towns. The multi purpose developments have led to the destruction of town centres and the closure of small family owned businesses. There will be no improvement until this policy is adhered to.

Amelia Walker (931321)

Generally supports the policy. However in small places like Thurso, large developments can crush the local environment and only attract jobs from other businesses. It is not advisable to build these developments just for the sake of land value gain.

Scottish Government (963027)

There does not appear to be reference to town centre strategies within the Proposed CaSPlan, or its proposed Action Programme. Scottish Planning Policy (SPP) (paragraphs 64- 65) expects Local authorities, working with community planning partners, businesses and community groups as appropriate, to prepare a town centre health check. Following that, town centre strategies should be developed to deliver improvements to the town centre. SPP states (in paragraph 66) that the spatial elements of town centre strategies should be included in the development plan or supplementary guidance. We would wish to see the inclusion of a 'hook' or 'connection' in the development plan, to allow the spatial elements of the town centre strategies to be developed into supplementary guidance as and when they are prepared. This will allow the spatial elements of the eventual town centre strategies to gain the formal status of being part of the development plan as envisaged in SPP. The Scottish Government would also like to see commitment in the Action Programme that the Council will, in line with SPP, progress the development of town centre health checks and strategies. Would like the following modifications:

- Amend the plan to provide a suitable statement to set out that, following the preparation of town centre health checks, town centre strategies will be prepared to deliver improvements to the town centres, and that Supplementary Guidance will be brought forward to cover the spatial elements of town centre strategies. - This statement should provide a suitable connection between the LDP and the

supplementary guidance, as required by Regulation 27 of The Town and Country Planning (Development Planning) (Scotland) Regulations 2008. - It would be appropriate to include this statement with paragraphs 36 or 37 on town centres.

- Insert into the Action Programme a new action setting out that the Council will carry out town centre health checks and develop town centre strategies and Supplementary Guidance.

Caithness Chamber of Commerce (983321)

Welcomes the policy and that the Plan recognises the importance of town centres. Is supportive of the following:

- Encouraging developers to first look at opportunities to regenerate town centres through redevelopment or reuse of existing buildings
- Considering the potential impact on the viability and vitality of a town centre when considering new developments
- Recognition that a “flexible and realistic approach” will need to be taken here – it is important to strike a balance between protecting and regenerating town centres and discouraging investment in the area due to excessive red tape

However, concerned about the conversion of redundant retail space to residential use. The caveat that the property must have been “marketed for its existing use at a reasonable price / rent without success for a minimum period of 12 months” is welcomed but concerned that outright conversion of retail space (particularly to residential use) is likely to impact on potential future business growth within town centres. Would like the policy modified to encourage community, charitable or cultural usage of vacant retail space, with conversion to residential use considered as a last resort.

**Policy 2: Delivering Development**

SNH (909933)

Masterplanning can be a useful tool to achieve sustainable development. However it would be useful to specify what is meant by “larger sites” to provide clarity for which sites are likely to require masterplanning.

Scotia Homes Ltd (909099)

The flexibility provided in paragraphs 40 and 41 is supported. Would like the last sentence of the policy 2 modified to read, “However, sites identified in the Plan as “Long Term” *will be invited for development within this Plan period and where allocated sites within Settlement Development Areas are developed.*”

Ian Walker (979716)

The statement in paragraph 41 about how indicative site capacities have been calculated shows that the figures from the HNDA have been ignored.

David Doohan (980228)

A more constructive approach should be explored to try and place large developments on appropriate sites as the positioning of sites in areas where they should not really be, seems to prevail.

Mrs Amelia Walker (931321)

Development should be directed to partially developed sites and vacant properties and green field sites should not be allocated.

Caithness Chamber of Commerce (983321)

Welcomes development in Caithness but it must be done sensitively so that new developments do not have negative impacts on existing businesses.

Bill Badger (967160)

Supports the policy.

**Policy 3: Growing Settlements**

Balnagown Castle Properties (968666)

Supports the wording of policy with the exception of the final bullet point which is vague and lacks clarity. If the words “public view point/vista” or “open space” are to be used in the policy then they require a definition. When dealing with “open space” now that the “right to roam” is a well-known and used feature in our society more and more of Scotland’s countryside is being considered as open space and so we prefer to see this identified as “designated open space”. However objects to the inclusion of the policy in this LDP as it is supposed to be a land allocation document and not deal with or duplicate policy issues in the Highland-wide Local Development Plan.

SNH (909933)

For clarity and ease of use, it would be useful for the policy to list the settlements intended to be covered by the policy. Recommend amending the wording slightly in the final bullet point, to recognise natural heritage features and to better reflect the international and national importance of some natural heritage features in proximity to some of the settlements, “...would not result in an adverse impact on any other important heritage feature (natural or built), important public viewpoints/vista or open space”. This would ensure natural heritage interests are taken into account and any potential impacts appropriately addressed.

RSPB Scotland (956544)

Broadly supportive of the policy but would like to see the following amendments:

- Include an explicit commitment to the protection of the natural environment and biodiversity. SPP states at paragraph 77 that in remote and fragile areas, the emphasis should be on maintaining and growing communities by encouraging development that provides suitable sustainable economic activity, while “preserving important environmental assets such as landscape and wildlife habitats that underpin continuing tourism visits and quality of place.”
- Bullet point 6 should read, “would not result in an adverse impact on any important natural or built heritage feature, important public viewpoint/vista or open space.” This policy refers to “locally important heritage feature” but it should be made clear that it refers to both built and natural heritage. It should also seek to protect all natural heritage features of importance, not just ones of local importance.

Guy Newson (978598)

Need to be more specific about the areas where new build is permitted. There is a tendency to allow houses to be built as infill in otherwise green areas and usually this has been manipulated in the planning application to look like in-fill for a group of houses. Murkle is a prime example. Developers should be asked to do environmental impact assessments on flora and fauna.



Ian Walker (979716), David Doohan (980228)

In broad terms supports the policy especially bullet points 5 and 6.

Amelia Walker (931321)

Supports the policy. The protection of scenic views should take precedence over inappropriate development on green field sites.

Caithness Chamber of Commerce (983321)

A flexible and realistic approach is required so that investment is not discouraged.

Bill Badger (967160)

Supports the policy.

### **Modifications sought by those submitting representations:**

#### **Growing Settlements**

Laid Grazings and Community Committee (978867)

Add Laid as a Growing Settlement.

Bower Community Council (979709)

Add Bower as either an SDA or a Growing Settlement.

#### **Housing Land Supply**

Scotia Homes Ltd (909099)

Increase in the housing land requirement figure and the housing land supply target.

Ian Walker (979716), Amelia Walker (931321), David Doohan (980228), Kenneth Nicol (977530 and MPP977530) and Jacqueline Ridgley (930800)

Reduction in the overall housing land supply target.

Scottish Government (963027)

Amend the heading of the table on page 6 to 'Housing Supply Target 2015-2020 and 2015-2035'.

Replace wording 'total land allocated' with 'Housing Land Requirement'.

Include an additional column the table on page 6 on the Housing Land Requirement for the periods 2015-2020 and 2015-2035.

The reasoning for choosing this level of generosity should be clearly explained in the Plan.

Scrabster Harbour Trust (980302)

Remove the double negative in paragraph 20.

#### **Wider Countryside**

Creich Community Council (MPP1031346)

Alter the Tain Hinterland boundary by removing Spinningdale and redrawing the boundary to the east of Larachan.

### **Policy 1: Town Centres First**

#### Scottish Government (963027)

Amend the plan to provide a suitable statement to set out that, following the preparation of town centre health checks, town centre strategies will be prepared to deliver improvements to the town centres, and that Supplementary Guidance will be brought forward to cover the spatial elements of town centre strategies. - This statement should provide a suitable connection between the LDP and the supplementary guidance, as required by Regulation 27 of The Town and Country Planning (Development Planning) (Scotland) Regulations 2008. - It would be appropriate to include this statement with paragraphs 36 or 37 on town centres.

Insert into the Action Programme a new action setting out that the Council will carry out town centre health checks and develop town centre strategies and Supplementary Guidance.

#### Caithness Chamber of Commerce (983321)

Policy modified to encourage community, charitable or cultural usage of vacant retail space, with conversion to residential use considered as a last resort.

### **Policy 2: Delivering Development**

#### SNH (909933)

Specify what is meant by “larger sites” to provide clarity for which sites are likely to require masterplanning.

#### Scotia Homes Ltd (909099)

Change the last sentence of policy 2 to read, “However, sites identified in the Plan as “Long Term” *will be* invited for development within this Plan period *where* allocated sites *within Settlement Development Areas are developed.*”

### **Policy 3: Growing Settlements**

#### Balnagown Castle Properties (968666)

If the words “public view point/vista” or “open space” are to be used in the policy then they require a definition. When dealing with “open space” now that the “right to roam” is a well-known and used feature in our society more and more of Scotland’s countryside is being considered as open space and so we prefer to see this identified as “designated open space”.

#### SNH (909933)

The policy should list the settlements intended to be covered by the policy.

Amend the wording slightly in the final bullet point to “...would not result in an adverse impact on any other important heritage feature (natural or built), important public viewpoints/vista or open space”.

RSPB Scotland (956544)

Include an explicit commitment to the protection of the natural environment and biodiversity.

Bullet point 6 should read, "would not result in an adverse impact on any important natural or built heritage feature, important public viewpoint/vista or open space."

Guy Newson (978598)

Need to be more specific about the areas where new build is permitted.

**Summary of responses (including reasons) by planning authority:**

**Growing Settlements**

*Laid*

As part of the preparation of the Main Issues Report (MIR) (CD04) and the emerging Growing Settlements Policy an assessment was made of potentially suitable settlements which would be identified as Growing Settlements. This looked at features such as the range of existing facilities, settlement pattern and levels of development pressure. It is recognised that Laid is an established community. However, the settlement has limited facilities and is dispersed along the A838. Moreover there has been limited development in the area during the lifetime of the Sutherland Local Plan (CD16). Therefore it is considered that general policies are sufficient to guide future development, including the potential for a community-owned distillery and provide a more flexible approach.

*Bower*

As part of the preparation of the MIR (CD04) and the emerging Growing Settlements Policy an assessment was made of potentially suitable settlements which would be identified as Growing Settlements. This looked at features such as the range of existing facilities, settlement pattern and levels of development pressure. It is recognised that Bower has community facilities, including a primary school and church and that there are two major employers in the area. However, the settlement is dispersed across a wide area and there has been very limited development in Bower since the existing Caithness Local Plan (CD17) was adopted in 2002. As a result it was considered that general policies would be sufficient to guide future development as it would provide a more flexible approach.

*Canisbay*

As part of the preparation of the MIR (CD04) and the emerging Growing Settlements Policy an assessment was made of potentially suitable settlements which would be identified as Growing Settlements. This looked at features such as the range of existing facilities, settlement pattern and levels of development pressure. It is recognised that Canisbay has community facilities, including a primary school, church, post office and medical centre. However, the settlement is dispersed across a wide area and there has been very limited development in Canisbay itself since the existing Caithness Local Plan (CD17) was adopted in 2002. As a result it was considered that general policies would be sufficient to guide future development as it would provide a more flexible approach.

**Wider Countryside**

The Hinterland boundary and associated Housing in the Countryside policy were developed in the Highland Structure Plan 2001, using policy context in National Planning Policy

Guidance 3: Land for Housing and National Planning Policy Guidance 15: Rural Development. This represented a response to increasing pressure on rural areas around towns for commuter housing. This applied not only to pressures around Inverness but also the larger towns across the Highland area including Tain. The boundaries reflected: levels of development pressure, travel to work patterns, social and economic fragility, physical features, landscape, and settlement distribution.

As currently found in Policy 35 of the Highland-wide Local Development Plan (HwLDP) (CD18) there is a presumption against housing in the open countryside of hinterlands around towns, apart from a list of exceptions. It is assumed that the Community Council see this policy as being too restrictive and would like any proposed HwLDP - Development in the Wider Countryside - which takes a more permissive approach to housing (compared to hinterland areas), subject to proposals according with other policies in the plan.

In the area around Spinningdale, the level of pressure from planning applications and pre-application advice is low. The Council does not know and it would be difficult to determine whether this is because the hinterland policy is working effectively and is discouraging people from applying for planning permission (or making formal pre-application enquiries) for general needs housing or if there is just little demand for such housing within the locality.

The MIR (CD04) indicated a preferred option of not proposing any changes to the hinterland. There was support received for this, saying it would help avoid inappropriate development in the countryside around Dornoch. There were no comments received about the area around Spinningdale. There has been no clear evidence provided during the preparation of the plan indicating that the hinterland boundary and consequently the policy approach applied in any given area, is inappropriate.

However, if the Reporter were so minded, the Council would be content for the area covered by Creich Community Council at Spinningdale to be excluded from the Hinterland boundary. Land covered by Creich Community Council west of Acharry Moor would however remain within the Hinterland. A less restrictive approach may enable a greater range of housing proposals to be supported which could help strengthen the local community. Effective development management could still be applied by using other existing plan policies, which would ensure that inappropriate development was not allowed.

### **Housing Land Supply**

There are a number of comments about the Plan's housing land provisions:

- Seeking clearer explanation of it;
- Indicating that too much housing land is being identified;
- Challenging the figures and the windfall assumption and suggesting that greater housing land provision is required.

The Proposed Plan included the following table:

### **Proposed Plan – Table (page 6):**

Housing Market Area	2015 - 2020			2015 – 2035		
	Affordable	Market	Total	Affordable	Market	Total
Caithness	138	132	270	272	258	530
Sutherland	140	104	244	348	262	610
<b>Total (high scenario)</b>	278	236	<b>514</b>	620	520	<b>1140</b>

In response to comments received seeking clearer explanation of the Plan’s housing land provisions, the Council made slight amendments to the Housing Land Requirements table on page 7 as non-notifiable modifications as follows:

- Correct the year “2015” to “2016” – this amendment has no effect on the housing numbers presented but expresses the time period covered correctly;
- Include the term “Housing Supply Target” in the table, being the number of homes that need to be able to be delivered;
- Include the “Housing Land Requirement” figures, being the Housing Supply Target + 20% flexibility allowance. The addition of the allowance of 20% to the Housing Supply Target to provide the Housing Land Requirement ensures some generosity of housing land supply. A 20% flexibility allowance was applied and described in the Proposed Plan (CD03) and in the Housing Background Paper (CD11) but was not shown in the table in the Proposed Plan (as above).

**Recommended modified version of Table:**

Housing Market Area	2016 – 2020				2016 – 2035			
	Housing Supply Target			Housing Land Requirement*	Housing Supply Target			Housing Land Requirement*
	Affordable	Market	Total	Total	Affordable	Market	Total	Total
Caithness	138	132	270	324	272	258	530	636
Sutherland	140	104	244	293	348	262	610	732
<b>Total (high scenario)</b>	278	236	<b>514</b>	<b>617</b>	620	520	<b>1140</b>	<b>1368</b>

\* Housing Land Requirement = Housing Supply Target + 20% flexibility allowance

Given that clearer explanation, with regard to the comments challenging the figures and the windfall assumption and suggesting that greater housing land provision is required the Council responds as follows.

The 20-year Housing Land Requirement of 1368 (Caithness 636 and Sutherland 732) is met by the Plan, in total and for each Housing Market Area. Based on the indicative housing capacities for housing allocations and mixed use allocations, the site allocations of the Plan are sufficient to accommodate 1498 homes (Caithness 770 and Sutherland 728).

It should be noted that the Council expects that some homes will be built on other, non-allocated sites known as ‘windfall’ sites. As indicated in the Plan (paragraph 20) the windfall rate has been assumed at 20%, taking into account past trends and providing certainty over supply. The Monitoring Statement (CD06) (section 7.1) indicates that, out of 2111 completions from 2000 to September 2013, 63% of all completions were effectively windfall.

It also showed that the windfall rate varied across the Plan area. The majority of completions in Thurso and Wick were on allocated sites (74% and 62% respectively) and a significant proportion was on non-allocated land within Settlement Development Areas (SDAs). This shows that the majority of development has been in broadly sustainable locations including some which has been shown as windfall. The position in other settlements was variable with no particular trends with the size or location of settlement. There is now a renewed focus on tightening up housing development in the countryside. A new approach is being considered as part of the HwLDP review (CD15).

The Plan is supportive of some continuing housing development in appropriate locations outwith housing and mixed use allocations but it would be inappropriate to assume windfall development would continue at such a high level. Also, the Plan is seeking to provide some certainty over supply and this is facilitated by the identification and allocation of specific sites that are to accommodate new homes.

For these reasons it is considered that the assumed windfall rate of 20% is reasonable and that there is sufficient housing land identified within the Plan to ensure generous supply. If 20% of the Housing Supply Target were met by windfall developments, the windfall completions over the 20-year period would be 228 (Caithness 106 and Sutherland 122). The Council would be agreeable for additional explanation to be added to the Plan, based on the above explanation and the Council's publications.

It is agreed at Proposed Plan stage that in paragraph 20 (paragraph 22 in the Proposed Plan): "However, not all houses will not be built on allocated land" should be corrected to read "However, not all homes will be built on allocated land". As part of the preparation of the Modified Proposed Plan this was carried out as a non-notifiable modification. No further comments were made on the matter and the Council do not propose any further modifications.

With regard to affordable housing provision, the table above indicates the split of the Housing Supply Target between 'affordable' and 'market' homes. The HwLDP (CD18) contains affordable housing policy and our overall development plan policy framework provides the means for considering the merits of any particular proposals that come forward, be they sites allocated for housing development or not.

With regard to comments indicating that too much housing land is being identified, the Council is satisfied that the housing land provisions are appropriate and justified. The Housing Background Paper (CD11) explains that the Housing Supply Targets in the Plan are based on the Housing Need and Demand Assessment 2015 (HNDA 2015)(CD10) and the Highland-wide Local Development Plan Main Issues Report 2015 (HwLDP MIR 2015) (CD15). The HNDA 2015 was prepared in compliance with national guidance and, since the Housing Background Paper was prepared for CaSPlan, the parts of the HNDA 2015 that are within the scope of that guidance have been 'signed off' as robust and credible by the Centre for Housing Market Analysis. Those parts of the HNDA 2015 form the basis for a further scenario set out in the HNDA 2015 and described in the HwLDP MIR 2015 as the 'high' scenario. Importantly that further scenario provides for 'continued growth' and is the one chosen by the Council as appropriate for its Local Development Plans. The Housing Background Paper therefore indicates that the Plan uses the continued growth figures and that reasons in support of this approach are provided within the Council's documented response on the issue of "Housing needs in Caithness & Sutherland", following consultation

on the CaSPlan Main Issues Report (Planning, Development and Infrastructure Committee, November 2015).

Therefore, in response to the comments that were received on the Proposed Plan, the Council would be agreeable to a summation of its reasons for using the continued growth scenario being provided in the Plan itself. The Council's reasons include the following:

- The Monitoring Statement (CD06) showed that despite an expected fall in the overall population over the coming 20 years, additional new houses will still be required to meet the demand from mainly a combination of falling household sizes and, in Sutherland, eradicating the backlog of need for affordable housing.
- Successive Council administrations, together with our Community Planning Partners, have been committed to achieving our economic potential. The principles are given in our administration programme Highland First(CD21) and our Single Outcome Agreement (CD20), which include a target of delivering 5,000 houses in Highland in the five years starting in 2012, 1,700 of these affordable. It is believed that the high scenario (continued growth) is most closely aligned to these objectives.
- The HNDA figures show 'high' and 'low' growth projections. The Council considers that for the Caithness and Sutherland LDP the high growth scenario projections are the most suitable as a basis for the continued growth scenario. This is due to the changing nature of the economy whereby several emerging growth industries have been identified. The waters around Caithness and north Sutherland have been shown to have around a quarter of Europe's offshore renewable energy generation potential. Although the onshore wind and hydro industry has been progressing over the past 10 years, there is also significant potential for offshore wind. Due to its relatively remote location there is also potential for large scale location-sensitive developments, e.g. the nuclear energy development at Dounreay has reshaped the economy over the past 60 years. The expected decline in the Dounreay workforce will also not drop off as soon as anticipated as the timescales for decommissioning reaching the Interim End State was recently extended to a date range of 2030-2033.
- There are some positive signs that the marine renewables sector is starting to take off and will play a significant role in the economic future of the area. This includes: MeyGen reaching Phase 1A of the construction of the world's largest tidal energy project with funding identified for Phase 1B; the final investment decision on SSE's £2.6b Beatrice offshore wind farm was approved in May 2016 and Wick were confirmed as the service base for the construction and maintenance stages; planning permission being granted for industrial plots and new access at the Enterprise Area at Scrabster Farm.
- The aim is also to continue to diversify the Caithness and North Sutherland economy. Growing the tourism industry is a key objective at a regional and national level. The tourism industry is also considered as being an underdeveloped asset which could generate significant numbers of jobs. Initiatives such as the North Coast 500 and Venture North are already helping to coordinate and promote the assets which exist across the north of Highland. Proposals such as those put forward by Wildland Ltd during the Main Issues Report consultation also show the potential for large scale leisure/tourism development in more rural areas.
- The growth of these sectors would bring new investment and job opportunities which could have significant effects on retaining young people and reversing the population decline.

In further response to the comments about the generous housing land supply, the Council

considers that there are several further reasons for taking a generous approach to the housing land provisions in the Plan:

- Firstly, there are a large number of brownfield sites in the plan area which the Council is keen to promote for redevelopment. This reflects both a key aim of CaSPlan and Scottish Planning Policy (CD01) which states that development plans should direct development to brownfield land before greenfield. There are many brownfield sites in Caithness and as they often hold prominent locations their redevelopment could have wide ranging positive impacts on the settlement. Elsewhere in the country such sites may be identified by a local authority for specific uses. However, as the regeneration of these sites is a priority the Council has been more flexible in the list of acceptable uses, including housing, to encourage redevelopment.
- In Wick, for example, planning permission exists for housing developments at Hill of Man (extant capacity of 55 houses), land south of Kennedy Terrace (extant capacity of 44 houses) and south of Carnaby Road (extant capacity of 23 houses) and north of Coghill Street (extant capacity of 45 houses), totalling approximately 167 houses. All of the remaining site allocations are brownfield sites within the town with a combined indicative capacity of 83 houses. (Figures are as reported to Planning, Development and Infrastructure Committee, November 2015.)
- In Thurso/Scrabster, very little of the allocated housing land is new to this Plan. The majority of the housing supply is associated with the long term strategy for the expansion of the settlement to the west which has formed a central part of the development plan for at least 13 years. The housing land forms part of wider expansion which includes the delivery of short term and long term strategic transport infrastructure improvements together with opening the area up for much needed business and other commercial uses. Due to the level of development and the infrastructure (e.g. distributor/relief road) and facilities (e.g. public park) the Plan requires a masterplan/development brief to be prepared. Prior to the economic downturn there was developer interest in the site and a planning application was consented in 2006 for the extended site at Pennyland including 400 houses, business space and contributions towards the bypass. Although this has since expired the site requires a strategic planning approach. Several other sites in Thurso are brownfield sites which offer redevelopment and regeneration opportunities such as the industrial sites at the river and former mart site.
- Many settlements of Sutherland are much more dispersed than elsewhere in Scotland. The settlements are also relatively small and so too is the level of growth forecast. However, it is essential that the key settlements are supported and strengthened to be more sustainable. As development is typically quite small scale, the housing land allocated needs to be flexible to ensure that areas which are constrained do not prohibit potential housing development. This helps ensure that housing demand is met and supports young people, families and elderly to remain in the area. Therefore, for more rural settlements the Plan is generous in the approach to housing land supply.

The Council therefore considers that overall a generous housing land supply is suitable and justified, but is mindful of the issue of 'oversupply'. The Plan therefore avoids further increasing that supply, whilst also phasing larger sites and identifying some areas as longer term. This will leave the option open for future plan reviews to allocate the land if, at that point, additional (or alternative) land is required. These sites are not allocations and



development will not be supported on them unless and until a Plan review includes them as allocations. Nevertheless it is intended that the long term sites will help to provide greater transparency regarding the longer term growth of the area.

In addition and in response to comments on the Modified Proposed Plan the Council agreed the following response:

It is clear from paragraphs 15 to 23 of the Modified Proposed Plan on Housing Land Supply, and the associated background papers, that the 'ageing population' characteristic has been taken into account by the Council, concluding that new housing is required due to the continuing change in demographics. The housing supply target for Caithness for the period 2016-2035 remains at 530, not the figure quoted by the representor of 636 (which is the housing land requirement derived by adding a 20% flexibility allowance to the housing supply target). The remaining points raised by the representor are addressed by the previously agreed Council position on the issue. No changes to the Plan are required in response to the representation.

In conclusion, the Council considers that the housing land supply of the Plan (including its basis on a continued growth scenario, the flexibility allowance, the windfall assumption and the amount of land allocated) is appropriate but requires fuller, clearer explanation in the Plan itself, as outlined above.

### **Policy 1: Town Centres First**

Support for the proposed policy is noted. The Town Centre First policy was only first introduced in Highland as part of the adopted Inner Moray Firth Local Development Plan (CD27) in 2015 to provide a new policy framework for encouraging the regeneration of our town centres. Policy 1 in CaSPlan provides a more refined and updated version. As set out in paragraph 39 of the Plan the review of the HwLDP provides an opportunity to introduce a single Highland-wide Town Centre First policy. Although the timescales for delivering the Proposed HwLDP have been put back until the end of 2017 it is important that CaSPlan continues to provide the policy framework until then.

Concerns regarding the impact large commercial developments can have on the town centre are noted. The Policy seeks to direct all significant footfall generating uses to the town centre. The sequential approach does not apply to established uses and land allocations. The Plan seeks to deliver the vision set out at the beginning of the document, which is about both providing for growth in a planned way and enhancing the local environment. The policy as shown in the Plan states that "If the Council considers that a proposal may result in an adverse impact on the vitality and viability of any defined town centre, the developer will be required to produce a retail impact assessment, tailored to reflect the scale and function of the town centre in question. The Council will only support proposals accompanied by competent assessments that demonstrate no significant adverse impacts." The Council recognises concerns about the impact which other uses may have on the town centre. In addition, the Council is minded to consider the response by the Scottish Government (January 2016) to the Main Issues Report (CD15) for the Highland-wide Local Development Plan review. The Scottish Government highlights Scottish Planning Policy (SPP) (CD01) paragraph 71 which indicates that development proposals, including retail, leisure, business and public buildings, which are outwith town centres should be thoroughly assessed and demonstrate that the impact on the existing town centre is acceptable. The Town Centre First Policy in the Plan sets out the need for a sequential assessment to determine opportunities for regeneration. However, to ensure

that applications for uses other than retail can be assessed for their impact on town centres a requirement for a town centre impact assessment could be imposed. As such, if the Reporter is so minded, the Council would be content with amending the Policy wording to: "...required to produce a retail or town centre impact assessment..."

#### *Town centre strategies and health checks*

Although there have been no recent formal 'town centre health checks' carried out in Caithness and Sutherland, other work has taken place. Charrettes (CD25) were carried out in Wick and Thurso in February 2013. One of the outcomes from Wick was a desire for regeneration in the heart of the town and in Thurso one of the outcomes was the desire to reinforce the town centre. The Dornoch Economic Masterplan (CD28) examined the key challenges to Dornoch's town centre and how these challenges could be addressed.

Preparing town centre health checks for each of the town centres across Highland would be a considerable undertaking. Whilst the Council are not minded to include a commitment to carry out health checks for each settlement centre, if the Reporter is so minded then the Council would be content to state in the Plan that town centre health checks and strategies may be produced as and when appropriate, and to include a flexible and non place specific commitment in the Action Programme (CD05).

The Council recognise that in some circumstances conversion from retail to residential is potentially detrimental to the vitality and vibrancy of the town centre. However, the condition for applicants to demonstrate that the property has been marketed for sale for at least 12 months is considered to be suitable. As a result the Council are not minded to make the modification to amend the wording of the policy in regard to this request.

The Caithness Chamber of Commerce comments relating to impact on existing businesses is noted.

The Council is minded to make several minor changes to the policy as set out in Plan. These include some grammatical corrections and amending the title to 'Policy 1: Town Centre First' on pages 10 and 11 for consistency within the Plan and with other local development plans which the Highland Council are currently preparing.

#### **Policy 2: Delivering Development**

The support for the policy is noted.

#### *Policy*

The size of sites that would require masterplanning and the "level" of masterplanning required will depend on the local context and circumstances of each site. Masterplanning requirements for a site need to be proportionate and reasonable. The Delivering Development Policy in the adopted Inner Moray Firth Local Development Plan (IMFLDP) (CD27) has the same requirement and does not provide a definition of what is considered to be 'larger sites'. The IMFLDP has been through Examination and was adopted in July 2015. No modification is proposed by the Council.

The suggested modification to the final sentence of the policy is not considered appropriate by the Council. It would significantly change the thrust of the policy as it would indicate that Long Term sites are being invited for development during the lifetime of this Plan. The Plan

is clear that sites allocated as Long Term are not intended to be developed during the lifetime of the Plan; they are intended to show the Council's likely preferred direction of growth beyond the period covered by this Local Development Plan. Paragraph 42 states that allocated sites are expected to be delivered before any long term sites can be considered. The housing supply provided by the allocated sites in the Plan is adequate for 20 years and Long Term sites are not included in these housing supply figures. The inclusion or removal of the sites will be considered at Plan reviews which are at least every five years. No modification is proposed by the Council.

#### *Site Capacities*

The support for the flexibility provided in paragraphs 40 and 41 is noted.

The concern about how indicative site capacities have been calculated is noted. However, paragraph 41 explains how the Council estimates capacity, in the interests of efficient use of land and to enable the Council to check, by adding up the indicative capacities, that the Council is providing sufficient supply in terms of the number of homes that could be accommodated.

#### *General*

The comment about large developments not being positioned on appropriate sites is noted. The Plan was prepared following the Call for Sites and Ideas and the Main Issues Report engagement, as well as the Wick and Thurso Charrettes. There has been input from various Council teams and by external bodies such as SEPA and SNH, so the site identification/allocation process has been given careful consideration. The Council considers that the Plan identifies the most appropriate sites.

The comment about directing development to partially developed sites and vacant properties and not allocating greenfield sites is noted. The Plan's Strategy, both overarching and at settlement level, provides for development opportunities on both. Inclusion of some green field opportunities for development is appropriate and is required in order to provide sufficient capacity and a range of effective sites.

The comment from the Caithness Chamber of Commerce is noted.

### **Policy 3: Growing Settlements**

Support for the policy is noted. As set out in paragraph 49 of the Plan the review of the HwLDP provides an opportunity to introduce a single Highland-wide Growing Settlements policy. Although the timescales for delivering the Proposed HwLDP have been put back until the end of 2017 it is important that CaSPlan continues to provide the policy framework until then.

The suggestion that public viewpoints and vistas should be defined in the policy is not considered necessary as these aspects of a proposal will be considered on a case by case basis. Open space referred to in the policy is as defined in the Glossary of the plan. No modification is proposed by the Council.

It is not considered necessary to include the list of settlements to which the policy applies as suggested because it already refers to the list provided in the supporting text. No modification is proposed by the Council.

The suggestion to amend the wording of the policy to specifically refer to natural heritage features is not considered necessary. It is implicit in the policy text that 'important heritage feature' may refer to any relevant natural or built heritage assets. Policy 57 of HwLDP (CD18) also sets out specifically how natural heritage features are safeguarded. Any relevant key national and international heritage features near a particular Growing Settlement were identified through the Strategic Environmental Assessment (SEA) process and feature in the Issues or Placemaking Priorities of the Growing Settlements. No modification is proposed by the Council.

The comment that development in Growing Settlements could impact upon open space or landscape and visual qualities of the settlement is noted. However, these issues are already addressed specifically in the criteria set out in the policy. No modification is proposed by the Council.

Where appropriate, relevant assessments required to safeguard heritage features will be undertaken as part of the development management process, and set out in HwLDP. No modification is proposed by the Council.

**Reporter's conclusions:**

**Reporter's recommendations:**