

## Response ID ANON-7TG7-FAS1-M

Submitted to **LDP2 - Main Issues Report**

Submitted on **2019-01-06 10:47:26**

### Data protection

#### About you

Are you responding as an: individual, organisation, or an agent acting on behalf of a client?

██████████

#### Individual

What is your name?

Individual name:

██████████

What is your address?

Address line 1:

████████████████████

Address line 2 :

Address line 3:

Town/City:

██████████

Post code:

██████████

What is your contact number?

Individual Phone No:

██████████████████

What is your email address?

Individual email:

██████████████████████████████████████

### Vision aims and spatial strategy

#### Question 1

**Q1 Agree aims LDP2:**

(1) I consider that the MIR affords too much emphasis to the rural growth areas, to the detriment of other areas in Scottish Borders, and to the detriment of all of Scottish Borders. There is a need for much greater flexibility outwith rural growth areas.

(2) It is increasingly evident in today's rapidly changing society and economy that the concept of sustainability, and the concomitant belief that sustainable locations and communities can only be achieved through centralisation, is already discredited and outmoded. This will become more evident through the plan period. A radically different interpretation is needed of what sustainability means in a planning context.

### Growing our economy

#### Question 2

**Q2:**

**Q2 upload:**

No file was uploaded

#### Question 3

**Settlement business allocated:**

(1) See response included in Question 1.

**Upload Q3:**

No file was uploaded

**Question 4****Business Use Towns:****Upload Q4:**

No file was uploaded

**Question 5****Land delivery effectively:**

(1) See response in Question 1.

**Question 6****Agree?:****Upload Q6:**

No file was uploaded

**Planning for housing****Question 7****Housing agree?:**

(1) See response given in Question 1 and elsewhere under this submission.

**Upload Q7:**

The\_Planner\_Article.pdf was uploaded

**Question 8****Housing countryside:**

The Need for Housing Opportunities Suitable for Development by Small Builders

1.0 Blyth Bridge is typical of many small communities in Scottish Borders. The settlement boundary for Blyth Bridge as defined in the 2016 Local Development Plan was drawn tightly round the existing built-up area of the community. The boundary as defined does not permit any scope for new development. Many other villages within Scottish Borders similarly have community boundaries defined in a way which effectively precludes any new development.

2.0 The MIR notes that the profile of age structure of the population in Scottish Borders is ageing noticeably. The MIR also comments that housing completions across the Council area have been reducing year on year. The response suggested in the MIR is to identify and plan for large scale housing releases in particular centres. The unstated corollary is that many small communities including Blyth Bridge physically and socially will become ossified with an increasingly ageing population, and with little if any scope for younger people to gain accommodation locally.

3.0 The MIR fails to recognise a key change which has impacted widely on the local economy, and which I would submit partly explains the "low housing activity" recognised by the MIR. The Council's 2017 Housing Land Audit (HLA) recorded only 250 completions, which is the lowest annual figure recorded since recording began in 2005.

4.0 Low housing activity is not unique to Scottish Borders. Housing completions nationally are equally low. It is now widely accepted that poor performance in the housing sector is largely attributable to the demise of small builders. Over the last 38 years there has been a dramatic, though largely unreported change in the housebuilding sector in the UK.

5.0 In 1980 there were over 10,000 small and medium (SME) housebuilders in the UK. These companies were locally-based and understood the housing market in their local areas. In 1980 these locally-based SMEs contributed 57% of all housing completions. By 2014 there had been a 72% reduction in the number of small housebuilders, with only 2,800 SMEs then remaining delivering less than 30% of all housing completions.

6.0 In contrast, the top ten national housebuilders increased their share of housing production from 9 per cent in 1960 to 47 per cent by 2015. Over the 5 year period, 2010-15, the pre-tax profits of the top five housebuilders increased by 473 per cent.

7.0 Whereas small local housebuilders depend completely on completions and house sales to remain profitable, national housebuilders are more concerned to maximise returns than to increase output as an end in itself. As a means of securing sales at predicted prices, volume housebuilders use landbanks to control the flow of new housing into local markets, and to strengthen their negotiating position with landowners. They may therefore be reluctant to increase completion rates if enhanced profitability per house unit can be achieved by controlling supply.

8.0 Scottish Government and local Councils unwittingly have become the greatest ally of the volume housebuilders by favouring the release of large sites which

only large national housebuilders are resourced to develop.

9.0 Some 14 years ago The Barker Review warned that it was not a "realistic option" to keep building at the low completion rates being then achieved in the UK at the start of the 21st Century. Barker predicted that the inevitable consequences would be "greater homelessness", "worsening affordability", "social division", "declining quality in public services" and "increased costs for businesses".

10. At the time of her report in 2004, annual housing completions across the UK were recorded as being 205,000. Instead of seeing the increase advocated by Barker, annual housing completions some 10 years after the publication of her report had fallen by a further 25% to 153,000.

11 Changes in the planning system including increase in planning fees, greater dependency on supporting statements, technical and environmental reports, planning obligation payments, legal agreements impose barriers to small builders. These increased costs together with Councils favouring limited large scale releases, rather than multiple small sites all conspire against the ability of SMEs to survive in a difficult economic climate. The resultant lack of competition and choice enables the large national housebuilders to manipulate the housing market to their own advantage. Small builders are rapidly being forced out of business as a result of these changes.

12. In the last two years there has been an alarming failure rate of local construction companies in Scottish Borders. Reasons which account for these closures are outlined in the HHBC Foundation 2017 report "Current Challenges to Growth". Local building firms which have recently gone out of business include Murray and Burrell (2017), NMK Construction (2018), John Rae Hawick (2018), ESP Construction (2018) and T Graham and Son (2018) all of which have been dissolved.

13 At the same time, national housebuilders including Springfield Homes, Taylor Wimpey, Cruden Homes, and Barratt Homes have been largely monopolising house building and land banking within Scottish Borders. It is submitted that this partly explains the reduction witnessed in housing completions.

14 The MIR is silent on the number of communities within the Borders area where an effective moratorium will exist. Instead the MIR suggests that a relaxation on building could be introduced for housing in the open countryside. This suggestion is not a logical response and in reality avoids the real issue of providing the certainty which a plan-led system should provide. The logical response is to identify sites within existing villages and communities through a comprehensive review of the boundaries of all of the villages and communities in the Borders.

15. It is submitted that it is not good enough to introduce a policy which may allow housing in the open countryside, by exception. Such an approach merely broadens the uncertainty and inconsistencies of the planning system which lie at the heart of the criticism highlighted in the NHBC Foundation (2017) report. The public and the construction industry both need the certainty which can be provided through a proper plan-led system in which local housing needs can be met through clearly defined opportunities suitable for development by small local builders.

16 There are approximately 200 identifiable communities in Scottish Borders. Typically these communities will have grown slowly and incrementally thereby enabling physical and social integration in their context over a period of time. The identification of small sites in each of the Border communities would allow each village and hamlet to continue to grow, creating opportunities for small locally-based builders and contributing to meeting housing needs not addressed by the national builders.

16. A plan indicating a potential small site in Blyth Bridge accompanies this submission. The site extends to approximately one hectare in area, but it is suggested that the site capacity should be limited to 2 or 3 houses in order to permit peripheral structure planting to reflect the character typical of the local enclosure pattern.

#### References:

- (1) To Build More Houses We Need to Think Small: The Planner (8th June 2017)
- (2) Small Housebuilders and Developers: Current Challenges to Growth: NHBC Foundation (April 2017)

#### Upload Q8:

Blyth\_Bridge\_Plan\_301218.pdf was uploaded

#### Question 9

Agree removed housing :

### Supporting our town centres

#### Question 10

##### Core Activity Areas:

(1) The signs of change in how we use town centres is already evident and will become increasingly so in the very near future. It is counter-productive to seek to maintain and defend a romantic notion that the planning system can sustain town centres or to restore them to what they were 20 or 30 years ago.

#### Question 11

Berwickshire supermarket:

#### Upload Q11:

No file was uploaded

#### Question 12

**Develop contrib town:**

(1) The combination of developer contributions and business rates will be a very effective way of accelerating the demise of town centres and facilitating the shift towards grocery and comparison shopping being conducted to your door by courier services from sub-regional centres probably located outwith the Borders.

**Delivering sustainability and climate change agenda****Question 13****Support alternative option:**

(1) The concept of sustainability as advanced in strategic planning policies is already discredited. A different view is needed of what sustainability means in a planning context. The extent to which the planning system can control lifestyle changes which govern what is and what is not sustainable ought to be recognised.

**Question 14****National park:****Upload Q14:**

No file was uploaded

**Regeneration****Question 15****Agree redevelopment:****Upload Q15:**

No file was uploaded

**Settlement Map****Question 16****Oxnam settlement:****Question 17****Core frontage Newcastleton:****Planning policy issues****Question 18****Agree amendments appendix3:****Any other comments****Question 19****Other main issues:**

(a) Two key issues which affect the economy and social structure relate to the increase in the elderly and to the alarming decline in SMEs in the construction sector. Comments are submitted elsewhere, but are repeated below.

The Need for Housing Opportunities Suitable for Development by Small Builders

1.0 Blyth Bridge is typical of many small communities in Scottish Borders. The settlement boundary for Blyth Bridge as defined in the 2016 Local Development Plan was drawn tightly round the existing built-up area of the community. The boundary as defined does not permit any scope for new development. Many other villages within Scottish Borders similarly have community boundaries defined in a way which effectively precludes any new development.

2.0 The MIR notes that the profile of age structure of the population in Scottish Borders is ageing noticeably. The MIR also comments that housing completions across the Council area have been reducing year on year. The response suggested in the MIR is to identify and plan for large scale housing releases in particular centres. The unstated corollary is that many small communities including Blyth Bridge physically and socially will become ossified with an increasingly ageing population, and with little if any scope for younger people to gain accommodation locally.

3.0 The MIR fails to recognise a key change which has impacted widely on the local economy, and which I would submit partly explains the "low housing activity" recognised by the MIR. The Council's 2017 Housing Land Audit (HLA) recorded only 250 completions, which is the lowest annual figure recorded since recording began in 2005.

4.0 Low housing activity is not unique to Scottish Borders. Housing completions nationally are equally low. It is now widely accepted that poor performance in the housing sector is largely attributable to the demise of small builders. Over the last 38 years there has been a dramatic, though largely unreported change in the housebuilding sector in the UK.

5.0 In 1980 there were over 10,000 small and medium (SME) housebuilders in the UK. These companies were locally-based and understood the housing market in their local areas. In 1980 these locally-based SMEs contributed 57% of all housing completions. By 2014 there had been a 72% reduction in the number of small housebuilders, with only 2,800 SMEs then remaining delivering less than 30% of all housing completions.

6.0 In contrast, the top ten national housebuilders increased their share of housing production from 9 per cent in 1960 to 47 per cent by 2015. Over the 5 year period, 2010-15, the pre-tax profits of the top five housebuilders increased by 473 per cent.

7.0 Whereas small local housebuilders depend completely on completions and house sales to remain profitable, national housebuilders are more concerned to maximise returns than to increase output as an end in itself. As a means of securing sales at predicted prices, volume housebuilders use landbanks to control the flow of new housing into local markets, and to strengthen their negotiating position with landowners. They may therefore be reluctant to increase completion rates if enhanced profitability per house unit can be achieved by controlling supply.

8.0 Scottish Government and local Councils unwittingly have become the greatest ally of the volume housebuilders by favouring the release of large sites which only large national housebuilders are resourced to develop.

9.0 Some 14 years ago The Barker Review warned that it was not a "realistic option" to keep building at the low completion rates being then achieved in the UK at the start of the 21st Century. Barker predicted that the inevitable consequences would be "greater homelessness", "worsening affordability", "social division", "declining quality in public services" and "increased costs for businesses".

10. At the time of her report in 2004, annual housing completions across the UK were recorded as being 205,000. Instead of seeing the increase advocated by Barker, annual housing completions some 10 years after the publication of her report had fallen by a further 25% to 153,000.

11 Changes in the planning system including increase in planning fees, greater dependency on supporting statements, technical and environmental reports, planning obligation payments, legal agreements impose barriers to small builders. These increased costs together with Councils favouring limited large scale releases, rather than multiple small sites all conspire against the ability of SMEs to survive in a difficult economic climate. The resultant lack of competition and choice enables the large national housebuilders to manipulate the housing market to their own advantage. Small builders are rapidly being forced out of business as a result of these changes.

12. In the last two years there has been an alarming failure rate of local construction companies in Scottish Borders. Reasons which account for these closures are outlined in the HHBC Foundation 2017 report "Current Challenges to Growth". Local building firms which have recently gone out of business include Murray and Burrell (2017), NMK Construction (2018), John Rae Hawick (2018), ESP Construction (2018) and T Graham and Son (2018) all of which have been dissolved.

13 At the same time, national housebuilders including Springfield Homes, Taylor Wimpey, Cruden Homes, and Barratt Homes have been largely monopolising house building and land banking within Scottish Borders. It is submitted that this partly explains the reduction witnessed in housing completions.

14 The MIR is silent on the number of communities within the Borders area where an effective moratorium will exist. Instead the MIR suggests that a relaxation on building could be introduced for housing in the open countryside. This suggestion is not a logical response and in reality avoids the real issue of providing the certainty which a plan-led system should provide. The logical response is to identify sites within existing villages and communities through a comprehensive review of the boundaries of all of the villages and communities in the Borders.

15. It is submitted that it is not good enough to introduce a policy which may allow housing in the open countryside, by exception. Such an approach merely broadens the uncertainty and inconsistencies of the planning system which lie at the heart of the criticism highlighted in the NHBC Foundation (2017) report. The public and the construction industry both need the certainty which can be provided through a proper plan-led system in which local housing needs can be met through clearly defined opportunities suitable for development by small local builders.

16 There are approximately 200 identifiable communities in Scottish Borders. Typically these communities will have grown slowly and incrementally thereby enabling physical and social integration in their context over a period of time. The identification of small sites in each of the Border communities would allow each village and hamlet to continue to grow, creating opportunities for small locally-based builders and contributing to meeting housing needs not addressed by the national builders.

16. A plan indicating a potential small site in Blyth Bridge accompanies this submission. The site extends to approximately one hectare in area, but it is suggested that the site capacity should be limited to 2 or 3 houses in order to permit peripheral structure planting to reflect the character typical of the local enclosure pattern.

#### References:

- (1) To Build More Houses We Need to Think Small: The Planner (8th June 2017)
- (2) Small Housebuilders and Developers: Current Challenges to Growth: NHBC Foundation (April 2017)

#### **Landowner details**

#### **Have you submitted any site suggestions in this consultation?**

Yes

**If yes, please confirm the site and provide the landowner details (if known) for each site you have suggested.:**

Details provided elsewhere in this submission

# The Planner

08-06-2017

## Legal landscape: To build more houses, we need to think small



The housing white paper may have reframed the housing debate, but transformation in housebuilding won't happen until local authorities prioritise the needs of small and medium-sized builders, says [REDACTED].



Small and medium-sized builders could be doing more to help plug the housing shortfall and increase housing density in urban areas, but local planning authorities must prioritise the delivery of more 'development-ready' sites.

At the last count, the country needs an additional 230,000 homes a year to keep pace with demand; but the last time more than 200,000 homes were built in a single year was in 1988. As has been identified in the government's housing white paper, a diverse approach is needed to help solve this problem and planning teams must play their part.

Currently, there is a tendency for under-resourced planning authorities to prioritise the needs of larger housebuilders. According to the latest research by the Home Builders Federation,

293,127 homes were granted permission in 2016 but the number of sites fell by 11 per cent, indicating a shift towards larger schemes.

This willingness to give priority to larger developers is not surprising when we consider that eight of the largest housebuilders are responsible for more than half of all new homes built, according to the House of Commons' Communities and Local Government

Committee. Backed by the right incentives, however, smaller builders could be doing much more to develop smaller sites and increase housing density in built-up towns and cities.

## **"SMEs could also be given more public sector or local authority-backed projects, with planning permissions in principle or an equivalent type of permission"**

Back in 1998, two-thirds of all new homes were built by SMEs (small and medium-sized enterprises), but over the past 18 years this has dropped significantly. Some small and medium-sized developers are being driven away from housebuilding altogether because of deeply frustrating delays and rising costs in the planning system and this is adding to the housing crisis.

By way of example, the planning team at Shakespeare Martineau has supported clients that have had to wait for more than a year for planning permission from a local planning authority, while their planning-related fees have risen significantly. The uncertain economic outlook is also making it harder for SME builders to plan ahead and this is leading to a more cautious approach.

While it is still early days, the government's Home Building Fund, which was launched in October 2016, aims to provide funding to support SME developers. The housing white paper also proposes a number of measures to support accelerated construction by encouraging partnerships between small and medium-sized firms, other private sector partners and contractors.



The housing white paper has certainly helped to reframe the housing debate by focusing on measures that will boost supply in the medium to long term. Practical steps are needed now to support SME builders. In particular, these developers need access to more development-ready sites, which are backed by the right infrastructure and planning permissions. Such opportunities will make it easier to secure the finance needed to get projects under way quickly.

Incentives provided by the government to support the development of larger sites have not been forthcoming when it comes to smaller projects. This imbalance must be addressed. SMEs could also be given more public sector or local authority-backed projects, such as building homes for councils, housing associations and central government, with planning permissions in principle or an equivalent type of permission.

The housing white paper is promising to do all the right things, but local planning authorities need to be doing more now to prioritise the needs of SME builders to stand a fighting chance of meeting housing requirements in the future.



# Blyth Bridge

-  Development Boundary
-  Key Greenspace

