



Item: 6

Development and Infrastructure Committee: 3 June 2025.

Development Management Guidance – Interim Spatial Strategy.

Report by Director of Infrastructure and Organisational Development.

1. Overview

- 1.1. Whilst the review of the Local Development Plan (LDP) is underway, fundamental differences between National Planning Framework 4 (NPF4) and the Orkney Local Development Plan 2017 (OLDP2017) are limited but there are inconsistencies where assistance for interpretation is required.
- 1.2. This assistance through the drafting of Development Management Guidance (DMG) allows for consistency in planning advice and decision. In addition, a DMG assists in interpretation within an Orkney context and will be a material consideration in the determination of planning applications.
- 1.3. In February 2023 and with the publication of National Planning Framework 4 (NPF4), Scotland's Chief Planner noted within their published letter that NPF4 forms part of the statutory development plan, along with Local Development Plans (LDPs) and Supplementary Guidance. The planning system is plan-led and LDPs already adopted will continue to be part of the development plan and, for the avoidance of doubt, existing LDP land allocation will be maintained. Legislation states that in the event of any incompatibility between a provision of NPF4 and a provision of an LDP, whichever of them is later in date will prevail.
- 1.4. With assistance from Legal Services and Development Management, DMG has been drafted and looks at how the spatial strategy of NPF4 fits with that of the OLDP2017; with the Spatial Strategy of OLDP2017 considered to be more relevant to Orkney in terms of development pressures and the prevailing development patterns.
- 1.5. Monitoring and evidence based work that has reviewed the provision of facilities and services that serves Orkney, as well as the approval in 2024 of the Housing Needs and Demand Assessment (HNDA) and the Local Housing Strategy (LHS), has been completed that also support this approach.

2. Recommendations

- 2.1. It is recommended that members of the Committee:
 - i. Approve the Development Management Guidance – Interim Spatial Strategy, attached as Appendix 1 to this report.

3. The Development Management Guidance

- 3.1. Two policy areas (Policy 17 – Rural Homes and Policy 29 – Rural Development) within National Planning Framework 4 (NPF4) use a classification called the Urban Rural Classification 2020. This classification for the Orkney context is considered to be unrefined and not reflective of a rural archipelago. It classifies settlements based on population levels and accessibility. There is no assessment of the facilities and services within settlements and their inter-relationship with rural areas and islands. Accessibility is considered through car driving distances only with no assessment using more sustainable modes of travel or ferries and airplanes that are relevant to the Orkney context.
- 3.2. For the Orkney context, the Spatial Strategy of the Orkney Local Development 2017 (OLDP2017) is considered to reflect Orkney’s development pattern, future sustainable growth and present and future demographic change.
- 3.3. National Planning Framework 4 (NPF4) notes the need for local understanding and interpretation and underpins the role of a Local Development Plan (LDP).
- 3.4. The Housing Needs and Demand Assessment (HNDA) and the Local Housing Strategy (LHS) both statutorily required documents were approved by Council in 2024; both are key documents in the review of the Local Development Plan. The HNDA analyses population change and projections and the housing needs and demands for Orkney. It is considered that the housing needs and demands for Orkney are met for the five-year period of the HNDA through the housing land provision of the OLDP2017.
- 3.5. Both the documents noted above, and the work completed to inform the drafting of the Orkney Local Development Plan 2017, consider there is a difference between the Orkney Mainland and Linked-Islands and the Non-Linked Islands in their demographic and socio-economic profile.
- 3.6. Through the review of the LDP further work has been completed to inform this approach which looks at the location of the services and facilities of the County. This has informed this Development Management Guidance and the drafting of the Proposed Plan.

3.7. The DMG details the main material considerations that are relevant to this matter.

For Further Information please contact:

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Implications of Report

1. **Financial:** All resources associated with supporting the review procedure, mainly in the form of staff time, are contained within the existing revenue budgets.
2. **Legal:** The amended Town and Country Planning (Scotland) Act 1997 directs that planning decisions be made in accordance with the statutory development plan, unless material considerations indicate otherwise. Whilst Development Management Guidance (DMG) is not subject to public consultation, it is approved by the Council prior to publication. As such, DMG is a material consideration in the determination of planning applications which is considered to be standing advice of the Planning Authority. It should, however, be noted that the approach to the interpretation of NPF4 adopted in the DMG - Interim Spatial Strategy has not, as far as Legal Services are aware, been subject to judicial scrutiny. Any decisions that put material weight on the DMG – Interim Spatial Strategy could, therefore, be subject to a successful appeal.
3. **Corporate Governance:** Not applicable.
4. **Human Resources:** None.
5. **Equalities:** None.
6. **Island Communities Impact:** This work has been assessed as being unlikely to have an effect on other communities (including other island communities) in Orkney, a full Islands Communities Impact Assessment has not been undertaken.
7. **Links to Council Plan**
The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Council Plan strategic priorities:
 - Growing our economy.
 - Strengthening our Communities.
 - Developing our Infrastructure.
 - Transforming our Council.
8. **Links to Local Outcomes Improvement Plan**
The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Local Outcomes Improvement Plan priorities:
 - Cost of living.
 - Sustainable Development.

- Local Equality.
- Improving Population Health.

- 9. Environmental and Climate Risk:** None.
- 10. Risk:** None.
- 11. Procurement:** None.
- 12. Health and Safety:** None.
- 13. Property and Assets:** None.
- 14. Information Technology:** None.
- 15. Cost of Living:** None.

List of Background Papers

National Planning Framework 4.
Orkney Local Development Plan 2017.

Appendix

Appendix 1 – Development Management Guidance – Spatial Strategy.

Appendix 1

Development Management Guidance – Interim Spatial Strategy

June 2025

Introduction

This Development Management Guidance (DMG) provides direction on the Council's interpretation of National Planning Framework 4 (NPF4) and the Orkney Local Development Plan 2017 (OLDP2017).

The DMG is intended to operate as an interim position until such time as the Proposed Plan is published. The Proposed Plan once published will have material weight in the determination of planning applications. This DMG, once approved, will represent Orkney Islands Council's position on this matter.

Throughout NPF4 it is noted that Local Development Plans (LDPs) should be informed by an understanding of population change over time, locally specific needs, market circumstances and characteristics; and that LDPs can have tailored approaches to development. In this regard, the Spatial Strategy of the OLDP2017 is considered to remain relevant and appropriately reflects Orkney, its development pressures and consequently that it remains appropriate as a Statement of Orkney's Spatial Strategy in the context of the overarching principles of NPF4.

Evidence base: The Housing Needs and Demand Assessment and the Local Housing Strategy

Findings through monitoring and consultation for the review of the OLDP2017, provides evidence that the existing Spatial Strategy of the OLDP2017 appropriately reflects Orkney. The Housing Needs and Demand Assessment (HNDA) 2024 and Local Housing Strategy (LHS) 2024 consider that the Spatial Strategy of the OLDP2017 provides for adequate housing supply for at least a five-year period.

The HNDA looks at population and demographic change and the housing needs and demands for Orkney. In doing this Orkney is divided into five Housing Markets Areas. These areas are geographical areas where the demand is relatively self-contained. It should be noted that the non-linked Islands of Orkney form one separate Housing Market Area. In addition, these housing documents acknowledge that the demographics of our non-linked islands are different than that of the Mainland and the Linked Isles, with population decline rather than population growth, lower incomes levels and higher percentage of second or vacant homes.

The LHS looks to assess the housing needs of all persons in the area, across all housing tenures drawing on the HNDA, develops strategies to meet these needs and sets out priorities and actions for new housing supply. This work provides the review of the Local Development Plan (LDP) with local housing outcomes.

The Scottish Government Chief Planner Letter – 8 February 2023

The Scottish Government Chief Planner wrote to all Planning Authorities in February 2023 to provide guidance on the implementation of the new NPF4 policy, in particular the relationship that this should have in relation to Local Development Plans.

“LDPs already adopted will continue to be part of the development plan. For avoidance of doubt, existing LDP land allocations will be maintained. Whether an LDP has been adopted prior to or after the adoption and publication of NPF4, legislation states that in the event of any incompatibility between a provision of NPF and a provision of an LDP, whichever of them is the later in date is to prevail (Town and Country Planning (Scotland) Act 1997 (“the 1997 Act”); section 24(3)). It is important to bear in mind NPF4 must be read and applied as a whole. The intent of each of the 33 policies is set out in NPF4 and can be used to guide decision-making. Conflicts between policies are to be expected. Factors for and against development will be weighed up in the balance of planning judgement.”

The Scottish Government’s Urban Rural Classification 2020 (May 2022)

Policies within NPF4 refer to using the Urban Rural Classification 2020. It is considered that this national classification system is an unrefined method for assessment in the Orkney context. It considers only population and accessibility in its classification of Scotland in terms of Large Urban Areas, Other Urban Areas, Accessible Small Towns, Accessible Rural Areas and Remote Rural.

There is no consideration of facilities and services and the service provision our settlements provide to our rural areas and islands; and it does not appropriately reflect the local circumstances of Orkney.

Accessibility is based on drive times with some consideration of ferries. We consider having an assessment based on drive times is not reflective of the climate change agenda of NPF4 or the policy provisions on local living and 20-minute neighbourhoods. Driving as the mode of transport does not consider Orkney as a rural archipelago where journeys are made regularly by ferry and plane.

Therefore, it is considered that the six fold Urban Rural Classification 2020 is not appropriate for Orkney.

The Interim Spatial Strategy and the Orkney Local Development Plan 2017

For the review of the OLDP2017 we have completed significant work to look at the locations of facilities and services within Orkney considering what is important to the County in the development of sustainable opportunities for growth. This work backs up the work that was undertaken previously for the drafting of the OLDP2017.

The present Spatial Strategy for the OLDP 2017 has three classifications that acknowledge the facilities and services of the County and their inter-relationship with our rural areas and island communities.

The classifications are:

The Settlements of the Mainland and Linked Isles – settlements throughout this area are identified where there are services, facilities, retail, infrastructure, employment and centres of population are primarily located and act as service centres for our rural communities and non-linked isles. There are opportunities for sustainable development.

The Countryside of the Mainland and Linked Isles – provides opportunities for new sustainable economic development including that of new homes, whilst seeking to protect Orkney's landscape and natural environments for future generations.

The Isles Approach – development which supports permanent resident populations and are served by public transport services and does not place any unacceptable burden on existing infrastructure and services, will be supported.

The Interim Strategy

This Interim Strategy reflects the local housing outcomes of the HNDA and LHS. The Council's Interim Spatial Strategy for the purposes of interpreting NPF4 Policies will be defined as Settlements of the Mainland and Linked Isles, the Countryside of the Mainland and Linked Isles and the Isles as mapped and defined in the adopted OLDP2017.

In addition, the NPF4 definitions will be interpreted as follows:

The Spatial Strategy of the OLDP2017 reflects Orkney, the existing pattern of development, Orkney's distinct communities and looks to the future in terms of development aspirations for sustainable growth. By reading and applying NPF4 as a whole, this Spatial Strategy supports the Spatial Strategy and the Six Spatial Policies of NPF4 – Just Transition, Conserving and Recycling Assets, Local Living, Compact Urban Growth, Balanced Development and Rural Revitalisation.

The following classifications in NPF4 will be interpreted as:

Quality Homes – The Settlements of the Mainland and Linked Isles.

Rural Areas – The Countryside of the Mainland and Linked Isles.

Remote Rural Areas and Fragile Communities – The Islands Approach (Orkney Non-Linked Isles).