

National Planning Framework 4

Minimum All-Tenure Housing Land Requirement

GUIDANCE

Scottish Government

Planning & Architecture Division and Housing & Social Justice

February 2021

PURPOSE

1. This purpose of this Guidance is to:
 - Support completion of the Response Template by local authorities and national parks. An accompanying Method Paper also sets out how the initial default estimate of the minimum all-tenure housing land requirements were arrived at. An Excel Calculator is also provided. It shows the initial default calculations and allows authorities to input alternative data in three steps to produce adjusted estimates.
 - Explain the process by which authorities can make a case to adjust their initial default estimates before they are included in the draft NPF4.
 - Outline the criteria that the Scottish Government will use to assess a case for change and how the SG will feedback to authorities about this.

BACKGROUND

2. The National Planning Framework (NPF) is a long term plan for Scotland. The Planning (Scotland) Act, 2019 introduced a number of changes for NPF. Amongst those were that once published, NPF will form part of the statutory development plan. It also introduced the requirement for NPF to contain 'targets for the use of land for housing in different areas of Scotland'.
3. A consultation on the approach to setting housing figures was published in early March 2020 and ran alongside the NPF4 Call for Ideas. The period for comments was extended, as was for the Call for Ideas, due to the COVID-19 Pandemic. The independent analysis of the consultation responses was included as part of the analysis of the NPF4 Call for Ideas. The analysis report was published and is available on the Transforming Planning web pages.
4. A Housing Advisory Panel has also been established to guide this work. It comprises a range of individuals with planning and housing-related experience and interests. Further information on the panel is also available on the Transforming Planning web pages. Responses to the consultation and feedback from the panel have both informed how the approach to this work has been refined.
5. Wider work on NPF4 is progressing in tandem with this work on housing land figures, including national developments, indicative Regional Spatial Strategies and policy development. As there have been changes to the original timescale for NPF4 due to the COVID-19 Pandemic, a Position Statement was published in November 2020. It set out current thinking as work progresses to a Draft NPF being laid in Parliament in autumn 2021.
6. The Scottish Government Chief Planner and Director for Housing and Social Justice have written to local authorities, national park authorities and key stakeholders providing initial default estimates of minimum all-tenure housing land requirements. The figures are intended to form a basis for seeking input from local authorities, national parks and relevant interests.

LDP, LHS and HNDA

7. The important linkages between Local Development Plans (LDPs), Local Housing Strategy (LHS) and Housing Need and Demand Assessment (HNDAs) established in the current system remain in place. In future there will be a requirement for LDPs to be reviewed within a ten year period while the LHS and HNDA will retain a five year review period.

8. The HNDA, LHS and LDP will continue to serve the same purpose as before:

- HNDA - future local housing requirement, house stock profile and specialist housing
- LHS - future local housing policies and Housing Supply Targets
- LDP - future local housing land requirement and site allocations

Whilst authorities will need to meet the minimum all-tenure housing land requirement in NPF4, the LDP will continue to set out the final housing land requirement.

9. The methodology used to produce the initial default estimate of the minimum all-tenure housing land requirement has been aligned to the HNDA methodology i.e. the number of newly-forming households and existing housing need count are equivalent to steps 1 and 2 of the HNDA Tool. When updating HNDAs authorities will wish to consider what assumptions have been used for the minimum all-tenure housing land supply requirement and to mirror these, where possible, within the HNDA.

COLLABORATION

10. The initial default estimates at Annex A are a starting point for developing a Scotland-wide picture of future requirements for housing land in LDPs, informed by local input. They are not the final estimates that we expect to be included in the draft NPF4. Instead they are a common starting point for local consideration.

11. At this stage authorities are being asked to consider the initial default estimates and to make a case for adjusting the figures where they can provide robust evidence and policy requirements for this. Local input should factor in ambitions to support growth in housing provision. As part of this the Scottish Government requires authorities to work with their Housing Market Partnerships (HMPs) and encourage stakeholders to engage positively through constructive co-operation.

12. Close co-ordination between local authority planning and housing colleagues is expected, as is their leadership in engaging local stakeholders from both public and private sectors, for example home builders represented in the area (national and SMEs), affordable housing providers and representative organisations. The Response Template is structured to identify how collaboration has worked in practice.

MAKING A CASE FOR CHANGE

13. Where authorities adjust the initial default estimates to arrive at an adjusted figure they are required to make a case for change, explain the case for change and to submit this to the Scottish Government for assessment. A Response Template to structure this is provided and must be used. The following sections explain how to complete the template.

Template Part 1 - Household Projections (Newly-Forming Households)

- The initial default estimates use NRS's 2018-based principal household projections for the period 2022 to 2037 (16 years is required here to calculate 15 years of newly-forming households). Authorities may make a case for a different sets of projections. Three additional options are available to the default:
 - i) NRS low migration variant household projections
 - ii) NRS high migration variant household projections
 - iii) Household projections which are produced in house by an authority.
- Authorities are required to provide robust evidence of why they seek to use an alternative projection. This reasoning **must be** made on the basis of local, regional or national policy drivers and aspirations. And the authority must submit robust evidence to support the case.
- The authority must submit single year household projection figures and a total figure for the period 2022 to 2037. These can be provided as an Annex.
- As part of this, authorities must consider the 10 year housing completions data which is presented alongside their initial default estimate.

Template Part 2 – Existing Housing Need

- The default existing housing need estimates include a count of homeless households in temporary accommodation (SG homelessness statistics 2020) and an estimate of households who are *both* overcrowded *and* concealed (SG Scottish Household Survey 2016-18 and Scotland Census 2011).
- Authorities may make a case for a different existing need estimate. The existing housing need must equate to the need for a new unit of housing and, therefore, land to be supplied for that housing and not existing housing need that can be met in-situ using existing housing stock e.g. transfers, adaptations etc.
- Authorities are required to provide robust evidence of why they seek an alternative existing housing need estimate. This reasoning **must be** made on the basis of local, regional or national policy drivers and aspirations. And the authority must submit robust evidence to support the case.
- The authority must submit a breakdown of the existing housing need figure and a total. These can be provided as an Annex.
- As part of this, authorities must consider the 10 year housing completions data which is presented alongside their initial default estimate.

Template Part 3 – Flexibility Allowance

- The Scottish Government initial default estimate includes the addition of a 25 per cent flexibility allowance for urban authorities and 30 per cent for rural authorities. This is to provide a contingency for over-programming of land to allow for changes in sites coming forward over the 10 year time frame of the LDP.
- Authorities may make a case for a different flexibility allowance and this should generally be higher than the default. This reasoning **must be** made on the basis of local, regional or national policy drivers and aspirations. And the authority must submit robust evidence to support the case.
- As part of this, authorities must consider the 10 year housing completions data which is presented alongside their initial default estimate.

Template Part 4 – Locally-Adjusted Estimate of the Minimum All-Tenure Housing Land Requirement

- The Excel Calculator must be used.
- This involves three steps. First input the adjusted single year household projections for 2022 to 2037. Second input the total adjusted existing housing need estimate. Third input the adjusted flexibility allowance. Authorities may choose to adjust some or all of the inputs. Entering these figures into the calculator will automatically recalculate the estimates.
- Authorities should assess the extent to which the locally adjusted estimate compares with past completions for the area. Where the proposed requirement is substantially lower, authorities should consider whether it should be increased further.
- A copy of the adjusted Excel Calculator must be submitted with the Response Template.

Template Part 5 – HMP and Stakeholder Involvement

- Local input should factor in local, regional and national ambitions to support growth in housing provision.
- As part of this the SG requires authorities to work with their HMPs and to encourage stakeholders to engage positively through constructive co-operation on the minimum all-tenure housing land requirement.
- A list of HMP members and a summary of their views must be provided in this part of the template, including whether or not the HMP has agreed the minimum all-tenure housing land requirement. Whilst the HMP is not required to unanimously agree, where there are any disputes these should be noted.
- Authorities must also seek input from additional stakeholders whose views are relevant, for example, home builders represented in the area (national and SMEs), affordable housing providers and representative organisations. A list of stakeholders and a summary of their views must be provided in this part of the template.

Template Part 6 – Joint Housing and Planning Senior Officer Sign-Off

- The minimum all-tenure housing land requirement will have implications for both housing and planning departments and therefore joint working is essential. Any case for change must be agreed and signed-off, jointly, by the Head of Housing and the Head of Planning or the equivalent senior official from each department in this part of the template. Typed signatures can be provided.

JOINT WORKING ACROSS LOCAL AUTHORITIES, CITY REGIONS AND NATIONAL PARKS

14. The initial default estimates are produced for individual authorities, groups of authorities within City Regions and National Parks. Authorities can work individually or collectively with regional partners. It would be anticipated that National Parks and their constituent local authorities would make each other aware of any ongoing work on their minimum all-tenure housing land requirements to seek mutual understanding.

ASSESSMENT CRITERIA & PROCESS

15. The following tables provide core outputs and processes that will be used by SG housing and planning officials to assess a case for change. SG officials are available to provide clarifications and discuss any responses, if that would be helpful, before Response Templates are submitted. Requests of this nature should be sent to the following mailbox (NPF4housingland@gov.scot) in the first instance.

16. Completed templates should be submitted to same mailbox by Friday 4 June 2021. On receipt they will be assessed by SG housing and planning officials against the criteria set out above. A short Assessment Report will be written-up and this will contain the Scottish Government's decision.

CORE OUTPUTS

1	Adjusted Estimate <ul style="list-style-type: none">• Provides the locally adjusted estimate and the initial default estimate for comparison.
2	Household Projections (Newly-Forming Households) <ul style="list-style-type: none">• Identifies an alternative household projection.• Provides single year data for 2022 to 2037 and a total.• Provides evidence that the alternative projections are robust.• Provides robust reasoning for the adjustment.• Has considered the 10 year completions data provided by the Scottish Government.
3	Existing Housing Need <ul style="list-style-type: none">• Identifies an alternative existing housing need estimate.• Provides a count for each element of need and a total.• Provides evidence that the alternative existing housing need estimates is robust.• Provides robust reasoning for the adjustment.• Has considered the 10 year completions data provided by the Scottish Government.
4	Flexibility Allowance <ul style="list-style-type: none">• Identifies a percentage flexibility allowance that is generally higher than the default.• Provides robust reasoning for the adjustment.• Has considered the 10 year completions data provided by the Scottish Government.

CORE PROCESSES

1	Using the Response Template and Excel Calculator <ul style="list-style-type: none">• The Response Template has been used to make a case for change.• The word limit in the template has not been substantially exceeded.• The Response Template has been completed correctly.• A copy of the adjusted Excel Calculator has been submitted with the Response Template.
2	Housing Market Partnership and Stakeholders Involvement <ul style="list-style-type: none">• A list of HMP members and a list of stakeholders has been provided.• A summary of HMP and stakeholder views have been provided.• Indicates if the HMP has agreed the minimum all-tenure housing land requirement.• If there any disputes in the HMP, these have been explained.
3	Joint Housing and Planning Senior Official Sign-Off <ul style="list-style-type: none">• The case for change has been signed-off by the Head of Housing and Head of Planning (or equivalent senior officials).
4	Statistical Evidence <ul style="list-style-type: none">• The statistical evidence used to support the case for change is robust and has been explained clearly.
5	Policy Evidence <ul style="list-style-type: none">• The policy assumptions or aspirations used to support the case for change are robust and have been explained clearly.

NATIONAL PLANNING FRAMEWORK 4

Initial Default Estimates of the Minimum All-Tenure Housing Land Requirement

Local Authorities, City Regions and National Parks	Default Estimates				Past Housing Completions
	10 Years ^{1,8}				
	Existing Housing Need ²	Newly-Forming Households ³	Flexibility Allowance (25% urban, 30% rural)	Minimum Housing Land Requirement	2010 - 2019
Aberdeen City	500	3,300	950	4,750	7,734
Aberdeenshire	400	4,650	1,500	6,550	12,132
Aberdeen City Region	900	7,950	2,450	11,300	19,866
Angus	150	500	200	850	2,464
Fife (North) ⁴	150	700	200	1,050	2,403
Dundee City	400	1,200	400	2,000	2,377
Perth and Kinross	100	1,950	600	2,650	5,560
Dundee City Region	800	4,350	1,400	6,550	12,804
City of Edinburgh	2,150	19,900	5,500	27,550	16,654
East Lothian	500	4,350	1,200	6,050	5,124
Fife (Central & South) ⁴	600	2,750	850	4,200	9,613
Midlothian	500	5,950	1,600	8,050	6,271
West Lothian	600	6,500	1,750	8,850	6,568
Scottish Borders	100	1,250	400	1,750	3,512
Edinburgh City Region	4,450	40,700	11,300	56,450	47,742
East Dunbartonshire	250	2,300	650	3,200	3,678
East Renfrewshire	100	3,150	800	4,050	2,999
Glasgow City	3,400	13,750	4,300	21,450	15,338
Inverclyde	200	0	50	250	2,397
North Lanarkshire	900	4,150	1,250	6,300	7,567
Renfrewshire	300	3,600	1,000	4,900	5,846
South Lanarkshire	850	5,400	1,550	7,800	11,341
West Dunbartonshire	350	0	100	450	2,601
Glasgow City Region	6,350	32,350	9,700	48,400	51,767

Local Authorities, City Regions and National Parks	Default Estimate				Past Housing Completions
	10 Years ^{1,8}				
	Existing Housing Need ²	Newly-Forming Households	Flexibility Allowance (25% urban, 30% rural)	Minimum Housing Land Requirement	2010 - 2019
Argyll and Bute	150	0	50	200	2,025
Clackmannanshire	150	200	100	450	1,145
Dumfries and Galloway	250	50	100	400	2,966
East Ayrshire	200	50	100	350	3,669
Eilean Siar	50	0	0	50	1,270
Falkirk	350	3,850	1,050	5,250	4,579
Highland	750	2,900	1,100	4,750	10,300
Moray	200	1,250	400	1,850	4,514
North Ayrshire	350	0	100	450	3,123
Orkney	50	300	100	450	1,450
Shetland	100	150	50	300	993
South Ayrshire	300	100	100	500	2,400
Stirling	300	2,300	650	3,250	2,878
All Fife ⁴	750	3,450	1,050	5,250	12,016
Cairngorms National Park ^{5,6}	50	600	200	850	n/a
Loch Lomond and the Trossachs National Park ^{5,7}	50	150	50	250	n/a

Sources

Newly-forming households:

- > 2018-based household projections (National Records of Scotland).
- > Occupied dwellings 2018 (National Records of Scotland).

Existing Housing Need:

- > 2011 Census (National Records of Scotland)
- > Scottish Household Survey 2016-2018 (Scottish Government).
- > Homelessness Statistics as at 31 March 2020 (Scottish Government).

Completions

- > NB1 and NB2 returns by local authorities (Scottish Government)
- > Housing Association new build information (Scottish Government Affordable Housing Investment Programme)

Notes

1. The figures are based on the 15 years of the household projection period from 2022 (when NPF4 will be adopted) to 2036, they are then annualised and multiplied by 10 years to give a 10 year total. This 15 year window of time has been used in order to accommodate any development plans that are updated after 2022. For example the 10 years minimum all-tenure housing land requirement can still be used in a development plan updated in 2026. Equally the 10 year minimum all-tenure housing land requirement figures can also be used in a development plan that is updated in 2022.
2. Existing housing need comprised homeless households in temporary accommodation and households who are both overcrowded and concealed. The total count of existing housing need has been included in the above figures.
3. Over the period 2022 to 2035 several Local Authorities have negative household projections. In these cases the negative figures have been zeroed. This applies to the following authorities: Argyll and Bute, Dumfries and Galloway, East Ayrshire, Inverclyde, Na h-Eileanan Siar, North Ayrshire, Shetland Islands, South Ayrshire, West Dunbartonshire and Loch Lomond and the Trossachs National Park.
4. Fife council is split across two City Regions for the purposes of strategic housing and planning. Around 20% of Fife (North) households are located in the Dundee City Region and 80% of Fife (Central and South) households are located in the Edinburgh City Region. This 20-80 split has been used to apportion the 'All Fife' figure above. Fife may choose to work as part of each City Region or as a Unitary Authority and therefore both figures are provided above.
5. Local Authorities are not responsible for planning in National Parks. This is the responsibility of the parks themselves. The following authorities each contain a part of Cairngorms National Park (CNP); Aberdeenshire, Highland and Moray, (Angus and Perth and Kinross). The following authorities each contain a part of the Loch Lomond and Trossachs National Park (LLTNP); Argyll and Bute, Stirling, West Dunbartonshire, (and Perth and Kinross). In these cases the national parks have been subtracted from the minimum all-tenure housing land requirement for the relevant Local Authorities and City Regions. In order to do this it is necessary to produce figures a sub-park level for the constituent councils. However, neither newly-forming household or existing housing need figures are produced at this level of disaggregation. Instead this is estimated as part of the HNDA Tool. Firstly, the number of occupied dwellings is calculated for each park sub-area and each council (this is available from National Records of Scotland). The proportion of sub-area to council is then taken. The sub-area proportion is then applied to both the household projections and existing housing needs counts for each council. This then gives a sub-park estimate of newly-forming households and existing housing need.
6. It should be noted that whilst Angus Council and Perth and Kinross Council are part of the CNP, the relevant data zones are mainly on the Council side of the border with the park (in terms of number of households). In the HNDA Tool these data zones are assigned to the respective council and not the Park. This is because data zones cannot be split when they are being used for certain statistical purposes.
7. Similarly two data zones in Perth & Kinross Council cut across into the LLTNP boundary and in the HNDA Tool these are assigned to the council and not the park for the same reasons as above. For the HNDA this approach to split data zones for both parks was mutually agreed mutually by the respective councils and parks.
8. Figures have been rounded to the nearest 50 to reflect the more flexible and indicative approach to housing land intended for the future.

n/a is not available.