

# **National Planning Framework 4**

## **Minimum All-Tenure Housing Land Requirement**

**Aberdeen City and Aberdeenshire Council  
Response to Consultation**

**May 2021**

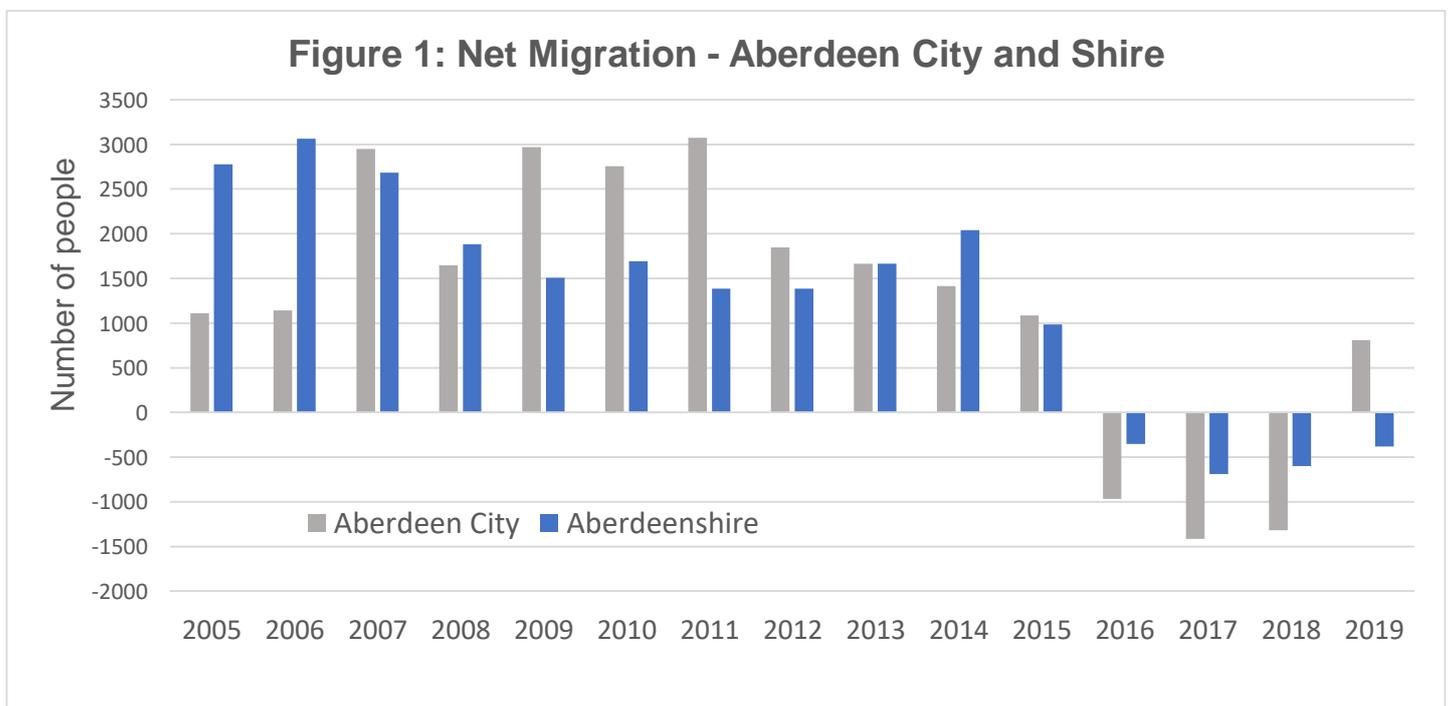
## PART 1 – Household Projections (Newly-Forming Households)

Aberdeen City and Aberdeenshire Councils Housing Market Partnership support the use of the NRS 2018 based household projections and the HNDA tool methodology. This is consistent with the approach we have taken to setting housing land requirements in Strategic Development Plans in the past.

However, we suggest that the **high migration variant projection** rather than the principal projection should be used. The reasons for this are as follows:

### 1. Migration

Aberdeen City and Aberdeenshire have for many years experienced positive net migration. The sharp drop in oil price from 2014 resulted in a few years of negative net migration which in turn contributed to the much lower 2018 based population and household projections. We believe the change to negative net migration was a short term reaction rather than the beginning a longer term trend. This view is supported by the 2019 migration figures<sup>1</sup> which show positive net migration for Aberdeen City and a smaller negative for Aberdeenshire (Figure 1).



If the principal projection is used there is a risk of under-estimating future growth by projecting forward from an unusual point in time. Use of the high migration projection would provide greater confidence that any increase in need and demand could be accommodated.

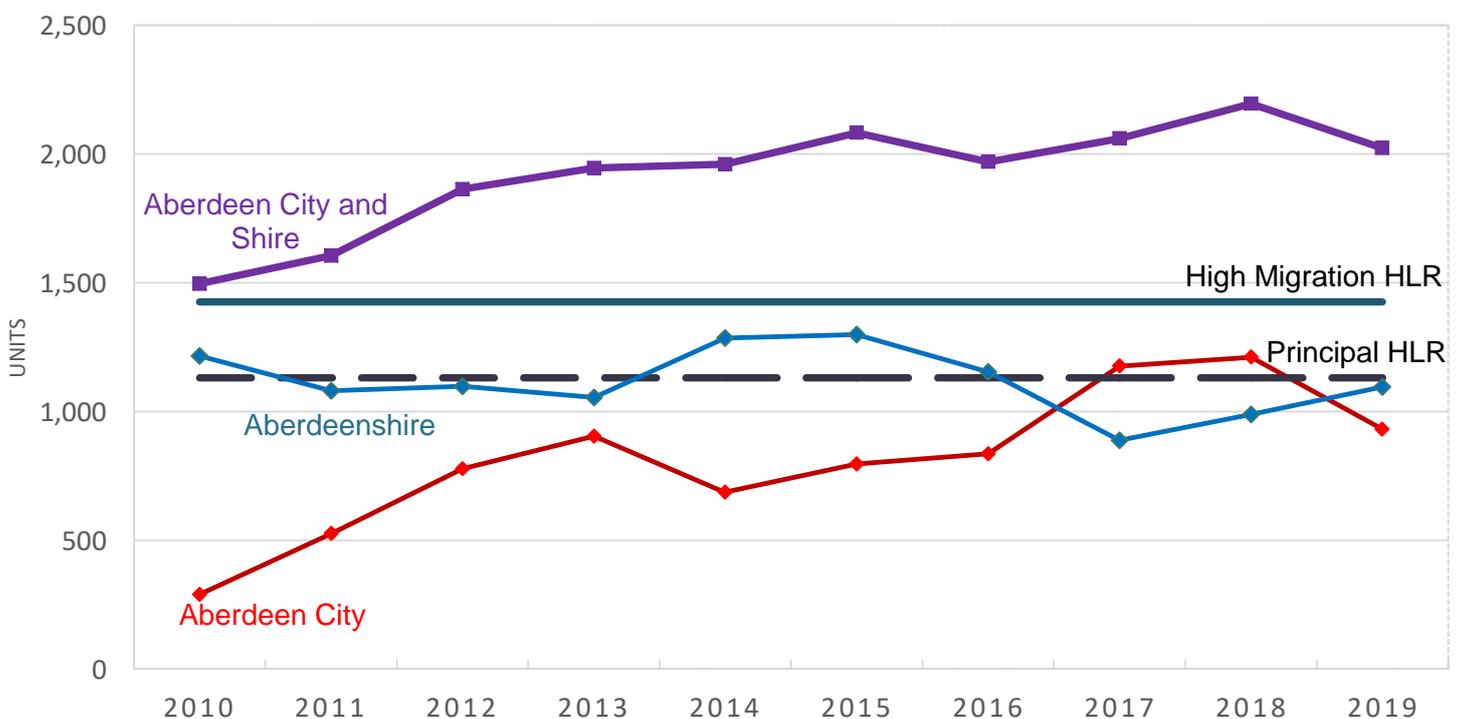
<sup>1</sup> [NRS Total Migration to or from Scotland April 2020](#)

## 2. Completions

Use of the principal projection results in an MATHLR which is very low relative to historic completions. The proposed minimum MATHLR figure for the City Region of 11,300 is just 57% of the 19,866 units completed over the last 10 years. There is certainly an argument that completions may not be maintained at quite this level in the future given population trends, local economic circumstances, and the possible impacts of Covid and Brexit. However, it seems unlikely that the rate would be almost half of what it has been previously.

Figure 2 shows annual completions<sup>2</sup> for both authorities and compares this with the combined annual proposed NPF4 MATHLR using the principal or high migration projection. It is clear that using the principal projection results in an annual build rate for Aberdeen City and Shire which is well below that which has been previously delivered on a consistent basis. In fact, each authority individually has had annual completions higher than this. While the high migration projection gives an MATHLR which is still below historic completions, it looks more reasonable as a minimum when historic levels of delivery are taken into consideration.

**Figure 2: Annual Housing Completions and NPF4 Proposed HLR**



## 3. Split between Aberdeen City/ Aberdeenshire

The spatial strategy of both the current and the previous Strategic Development Plans has evenly split the Housing Land Requirement between Aberdeen City and Aberdeenshire. This is in recognition of the fact that the both authorities share the

<sup>2</sup> [Aberdeen City and Aberdeenshire Housing Land Audit 2020](#)

City Region’s aspirations for growth, have a similar number of households, and although Aberdeenshire is much larger geographically, housing need and demand is concentrated in the areas closer to Aberdeen City (the Aberdeen Housing Market Area). In the more peripheral rural areas, demand is limited and currently almost one third of the total land supply in the Rural HMA is affected by marketability constraints.

A higher MATHLR for this area would not result in increased delivery, rather it would oversaturate the market and lead to an increase in the constrained supply.

<b>Table 1: Principle Projections compared to High Migration</b>			
	<b>Draft NPF4 (Principal Projection)</b>	<b>High Migration</b>	<b>High Migration and Aberdeenshire 25% flexibility</b>
<b>City</b>	4,750	7,000	7,000
<b>Shire</b>	6,500	7,550	7,250
<b>Both</b>	11,250	14,550	14,250
<b>Split City/Shire</b>	42%/58%	48%/52%	49%/51%

Using the high migration projection has the effect of increasing the MATHLR in Aberdeen City more than in Aberdeenshire which brings the even split closer to that which has been historically agreed by both authorities. This is in line with the established and delivering spatial strategy and therefore gives greater confidence in terms of ongoing delivery of housing to meet the requirement.

### **Additional Commentary**

While we support the principle of setting out the minimum MATHLR in NPF4, we note that these draft figures are being consulted on in the absence of a confirmed methodology for measuring land supply to meet these requirements. The NPF4 autumn Position Paper indicated that there would be a move away from a focus on maintaining a 5 year effective land supply towards actually delivering housing.

However it is not yet clear how that will be achieved or how the attrition in the overall quantity of land as sites are built out over the life of LDPs will be accounted for. Our support for the draft figures is therefore predicated on the final version being accompanied by a robust methodology for measuring the extent of the land supply which does not undermine the ability of local authorities to focus their approach on delivery.

## PART 2 – Existing Housing Need

The Aberdeen City and Shire Housing Market Partnership understands that the MATHLR for the City Region totals as 11,219 as set out in the table below.

<b>Table 2: Housing Estimates and MATHLR</b>				
	<b>Newly-Forming Households</b>	<b>Existing Housing Need</b>	<b>Housing Estimate - Existing Housing Need plus Newly Forming Households</b>	<b>Minimum All Tenure Housing Land Requirement</b>
Aberdeen City	3323	479	3,802	4753
Aberdeenshire	4759	395	5154	6466
<b>Aberdeen City and Shire City Region</b>	<b>7902</b>	<b>874</b>	<b>8,956</b>	<b>11,219</b>

It is our understanding that the MATHLR sets what was previously referred to as 'backlog' need as; households in temporary accommodation, and concealed and overcrowded households (as per Census 2011 and augmented by Scottish Household Statistics estimates). While it is understood that this MATHLR is a similar but discrete process to a full Housing Need and Demand Assessment it merits consideration as to whether the broader demand for housing is sufficiently addressed through the minimum outputs.

The MATHLR sets out need, through a formulaic process, which considers newly forming households on a projected basis, existing housing need at a fixed point in time and then adjusts with additional flexibility to ensure an ongoing provision of housing land.

We would consider that the resulting level of need for a long-term strategy document may be skewed. While newly forming households have been considered over the period of the anticipated approval of the NPF4 this is not the case for existing immediate need. Existing need is perhaps not so much a backlog consideration but an ongoing consideration. As successful as current and future policies are, or may be, there will always be those who are homeless, in temporary accommodation or their need is concealed in overcrowded homes. It is not a fixed number at one point in time and will fluctuate over the NPF's period.

This is an ongoing challenge and it is difficult to determine if the newly forming households contained within the MATHLR adequately provisions for future homelessness or overcrowding.

Additionally, while the MATHLR has factored the above into the final minimum requirements there is an ongoing need for housing stock which sits outside this. The housing waiting lists for both Aberdeen City Council and Aberdeenshire Council indicate that the demand for local authority affordable housing remains high.

<b>Table 3: Local Authority Housing Waiting Lists</b>					
<b>Year</b>	<b>16/17</b>	<b>17/18</b>	<b>18/19</b>	<b>19/20</b>	<b>20/21</b>
<b>Aberdeenshire</b>	8,573	7,266	6,548	6,241	6,338
<b>Aberdeen City</b>	6,631	6,236	6,240	6,110	5,806

The minimum target identified for Aberdeenshire is barely above the Local Authority housing waiting list for Aberdeenshire. The minimum target for Aberdeen City is below that of the current housing waiting list. There is, in addition to this, market housing need.

Given the high proportion of need evidenced in the housing lists and the outputs of the MATHLR Aberdeen City Council and Aberdeenshire Council share concerns that future and ongoing need for both affordable and market housing would not be met.

The Scottish Government's *Housing 2040* aspires that all new homes delivered by Local Authorities will need to be carbon neutral by 2026. Aberdeen City and Shire agree that such changes are necessary if Scotland is to meet its ambition to reach net zero by 2040. While authorities will focus on achieving the delivery of carbon neutral housing stock there will also be a parallel process whereby existing stock will over time need to be brought up to the same standards. And where this is not possible it will need to be replaced. As such the MATHLR may not cumulatively cover the delivery of homes for future projected need, the upgrade and replacement of existing stock (which may be temporarily out of use) and the need for demolitions. Any regeneration project will require to meet the need of current occupiers and future need.

Aberdeen City and Aberdeenshire Councils both have ambitious Strategic Housing Investment Plans which are in the process of delivery. These SHIPs aim to address the need for affordable housing across the City Region. It is acknowledged that there are, like many local authorities, a substantial component of affordable homes delivered by private developers. There are limitations within the current Scottish Planning Policy 2020 for affordable housing requirements and issues relating to the viability of delivery for market housing must also be taken on board. Officers for Aberdeen City and Aberdeenshire have used the CHMA's HNDA 2020 tool Version 4.0 and have noted the imbalance between market and affordable need which is close to 25%/75% in favour of affordable need when using the City Region option of the tool. Delivery of such a high level of proportional need of affordable housing with the current tool and the MATHLR's minimum targets would be challenging.

## PART 3 – Flexibility Allowance

We do not agree with the classification of the whole of Aberdeenshire as 'rural' and suggest the flexibility should be set at 25% not 30%. The reasons for this are:

- Aberdeenshire is more similar in character to other City Region authorities like Fife or the Lothians which are classed as 'urban' for the purposes of calculating the MATHHLR. It has a clearly defined commuter driven housing market area determined by proximity to Aberdeen City, and the towns within it have primarily urban or suburban rather than rural characteristics.
- Aberdeenshire's overall population density is skewed downwards by the area which lies within the Cairngorms National Park. The CNP accounts for nearly 25% of Aberdeenshire's total area and is very rural compared with Aberdeenshire as a whole (just 2 people per square kilometre compared with 53 for Aberdeenshire if the CNP is excluded). Step 6 of the Method paper makes it clear that the MATHLR is set for local authority areas outwith the parks therefore the CNP area should also be discounted when considering the type of area Aberdeenshire is.
- The [2020 Proposed Aberdeenshire LDP](#) has adopted the Scottish Government's 6-fold Urban/Rural Classification to identify 'accessible' and 'remote' areas for the application of land use policies. The map extract below shows that the majority of Aberdeenshire is classed as accessible rather than remote.



- Aberdeenshire has a population of more than a quarter of a million people (261,210), far more than any other rural authority of a similar size<sup>3</sup>. For example Scottish Borders has a very similar area but a population of just 115,510, Perth and Kinross is bigger but has a population of only 151,950. Aberdeenshire has 62 settlements with a population of more than 500 people, more than any other Scottish local authority, and includes six towns with over 10,000 people<sup>4</sup>.

In addition we do not agree that allocating additional housing land to rural areas will achieve the stated objective of encouraging rural repopulation. Allocating land does not deliver housing in the absence of market demand. In Aberdeenshire we have a very generous supply of land in our Rural HMA but almost one third of it (3,737 units on 70 sites) is currently affected by marketability constraints<sup>5</sup>. Allocating more land in this situation just adds to the constrained supply and doesn't improve delivery.

In more rural areas, demand for housing is often met locally by small scale developments of 4 units or less. When there is limited market demand, these small sites are more likely to be delivered because they don't carry the risk of investing in infrastructure that is required for larger allocated sites. In Aberdeenshire's Rural HMA, development of small sites has consistently delivered around 25% - 30% of all completions.

The recent introduction of The Town and Country (General Permitted Development and Use Classes) (Scotland) Amendment Order 2020 allows for the conversion of agricultural or forestry buildings to provide up to 5 dwellings under Permitted Development Rights. While it remains to be seen what the take up of this will be, it seems likely that it could encourage additional development on small rural sites, possibly to the detriment of bringing forward allocated sites.

We believe that the rural/urban distribution would be better dealt with by a detailed Housing Market Area analysis when the HNDA tool is run locally as this allows for a more nuanced assessment of how to maximise delivery in different geographical locations.

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<sup>3</sup> [NRS Mid 2019 Population Estimates](#)

<sup>4</sup> [NRS Mid-2016 Population Estimates for Settlements and Localities](#)

<sup>5</sup> [Aberdeen City and Aberdeenshire Housing Land Audit 2020](#)

## **PART 4 – Locally Adjusted Estimate of Minimum All Tenure Housing Land Requirement**

Initial Default Estimate =

Aberdeen City	4,750
Aberdeenshire	6,500
Aberdeen City and Aberdeenshire	11,250

Adjusted Estimate =

Aberdeen City	7,000
Aberdeenshire	7,250
Aberdeen City and Aberdeenshire	14,250

## **PART 5 – Housing Market Partnership (HMP) and Stakeholder Involvement**

### **List of HMP members**

Housing Market Partnership: Heads of Planning and Housing for Aberdeen City Council Aberdeenshire Council.

Internal engagement group comprises officers from specialist teams from both authorities: Aberdeen City Council Local Development Plan team, Aberdeen City Council Housing Team, Aberdeenshire Council Planning Information and Delivery Team, Aberdeenshire Council Housing Team

### **Summary of HMP views**

The HMP views have been set out in the response above but to reiterate;

- The Aberdeen City and Shire Strategic Development Plan 2020 was approved in August 2020 and has set the aspirations for growth for the City Region until the period 2032. This has been the basis of the Local Development Plans of both authorities and cements the direction of economic growth and land supply. The HMP is of the view that while it accepts the validity of the NRS 2018 population projections as the most current baseline to inform the NPF4 it does not believe they reflect the aspirations for future delivery nor does the MATHLR reflect the City Region's history of consistent housing delivery.
- The HMP considers that the MATHLR has been presented in absence of policy and that it is merely a scenario generated by the HNDA tool. Housing land figures should be the policy interpretation of the HNDA scenario and not simply a HNDA scenario transposed into a long term strategic planning document. As set out above the policy interpretation of the HMP of the MATHLR is that it is too low, should be replaced by the high migration scenario which is not only more reflective of the City Region's future ambitions for growth but aligns with an established approved spatial strategy.

### **HMP agreement**

The HMP agrees that the High Migration Projection is the appropriate MHLR for the City Region.

### **List of Additional Stakeholders**

#### **External engagement group**

The engagement group includes representatives from the private and public sectors delivering housing across the City Region. The group is made up of: Stewart Milne Homes, Barratt Homes, Places for People, Lippe Architects, Castlehill Housing Association, Grampian Housing, Hillcrest Homes, Colaren Home, Kirkwood Homes, Homes for Scotland, Case Consulting, Osprey Housing, Langstane Housing Association.

### Wider Engagement

Aberdeen City Council officers undertook engagement events with Aberdeen City Council Elected Members and with all Community Councils.

Aberdeenshire Council officers briefed Elected Members and Community Councils (briefings and response attached in Appendix 1).

Aberdeen City and Aberdeenshire officers undertook a workshop with Strategic Development Planning Authority (SDPA) Elected Members.

Engagement events:

26 April 2021 – workshop with SDPA elected members (Minutes attached in Appendix 1)

3 May 2021 – engagement with Aberdeen City Community Councils

5 May 2021 – external engagement group meeting (Minutes and additional submissions from Homes for Scotland and Case Consulting attached in Appendix 1)

17 May 2021 Draft response reported to and approved by SDPA (report and minutes attached in Appendix 1)

### **Summary of Stakeholders Views**

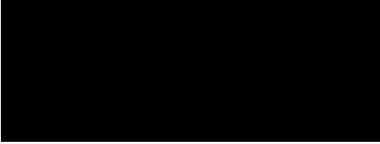
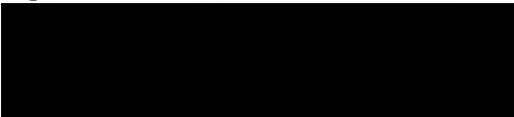
Over the course of multiple engagement events with Elected Members, private and third sector group and community councils, similar themes were repeated. There was general consensus that the MATHLR for both Aberdeen City Council and Aberdeenshire Council did not reflect the aspirations of the City Region. There was concern as to how the projections used to inform the MATHLR differ so much from those used to inform the approved Strategic Development Plan 2020. While the MATHLR can be considered acceptable as a minimum figure there is alignment that the housing need and demand for the period of the National Planning Framework 4 lies somewhere between the principle projection for the MATHLR and the Housing Land Requirement of the SDP2020.

There is alignment that the MATHLR should be split evenly between Aberdeen City and Aberdeenshire as has been the case since the approval of the Aberdeen City and Shire Structure Plan 2009. It is an agreed and robust spatial strategy which has given investment security and consistent delivery of new homes. Stakeholders consider it to be more pertinent to consider such splits at a Housing Market Area level rather than a Local Authority level.

There is general consensus that the Rural Housing Market Area as currently defined should be the only part of Aberdeenshire to be classed as rural rather than the entire Local Authority area as proposed in the consultation document. The higher levels of flexibility in areas classed as rural, while well intended, are unnecessary as focus should be on selecting deliverable sites.

There is agreement that to ensure the continued delivery of affordable housing any housing land figures would give due consideration to the role private sector delivery plays and the level of need as indicated in local authority housing lists.

**TEMPLATE PART 6 – Joint Housing and Planning Senior Official Sign-Off**

<p><u>Head of Housing Aberdeen City Council</u></p> <p>Full Name: Gale Beattie</p> <p>Full Title: Chief Officer Strategic Place Planning</p> <p>Email: <a href="mailto:galeb@aberdeencity.gov.uk">galeb@aberdeencity.gov.uk</a></p> <p>Date: 01/06/21</p> <p>Signature:</p> 	<p><u>Head of Housing Aberdeenshire Council</u></p> <p>Full Name: Rob Simpson</p> <p>Full Title: Head of Service, Housing &amp; Building Standards</p> <p>Email: <a href="mailto:rob.simpson2@aberdeenshire.gov.uk">rob.simpson2@aberdeenshire.gov.uk</a></p> <p>Date: 01/06/21</p> <p>Signature:</p> 
<p><u>Head of Planning Aberdeen City Council</u></p> <p>Full Name: Gale Beattie</p> <p>Full Title: Chief Officer Strategic Place Planning</p> <p>Email: <a href="mailto:galeb@aberdeencity.gov.uk">galeb@aberdeencity.gov.uk</a></p> <p>Date: 01/06/21</p> <p>Signature:</p> 	<p><u>Head of Planning Aberdeenshire Council</u></p> <p>Full Name: Paul Macari</p> <p>Full Title: Head of Service, Planning &amp; Environment</p> <p>Email: <a href="mailto:paul.macari2@aberdeenshire.gov.uk">paul.macari2@aberdeenshire.gov.uk</a></p> <p>Date: 31 May 2021</p> <p>Signature:</p> 