

National Planning Framework 4

Minimum All-Tenure Housing Land Requirement

Aberdeen City and Aberdeenshire Council Response to Consultation

May 2021

Appendix 1

Minutes of SDPA Workshop 26 April

Minutes of Engagement Group Meeting 5 May

SDPA Committee Report and Minutes 17 May

Briefing to Aberdeenshire Council Elected Members

Briefing to Aberdeenshire Council Community Councils

Newtonhill, Muchalls & Cammachmore Community Council response to consultation

Homes for Scotland response to consultation

Case Consulting response to consultation

ABERDEEN, 26 April 2021. Minute of Workshop of the STRATEGIC DEVELOPMENT PLANNING AUTHORITY.

Present: Councillor John Cox, Chairperson; and Councillors Bell, Boulton, Buchan, Cooke, Forsyth, Johnston, Lonchay, Mair, Mason and Mollison.

Apologies: Councillors Aitchison and Macdonald.

Officers: **Aberdeen City Council:** Gale Beattie, Chief Officer, Strategic Place Planning; Mel Booth, Senior Housing Strategy Officer Place - Strategic Place Planning; David Dunne Policy & Strategy Manager Place - Strategic Place Planning; Tom Walsh, Senior Planner; and Emma Robertson, Committee Assistant, Governance.

Aberdeenshire Council: Mel Greig, Senior Information and Research Officer and Paul Macari, Head of Planning and Environment.

NATIONAL PLANNING FRAMEWORK 4 HOUSING LAND FIGURES - WORKSHOP

1. The Authority received a presentation on the National Planning Framework 4 Housing Land Figures from Mel Greig, Senior Information and Research Officer and Tom Walsh, Senior Planner.

The presentation comprised the following information and was followed by questions from Members.

- (i) Background
- (ii) Previous Hierarchy
- (iii) New Hierarchy
- (iv) How have we set housing land figures
- (v) How the new planning system will set housing figures
- (vi) How have the Draft NPF4 figures been calculated?
- (vii) What are the draft figures?
- (viii) Why are these new figures so low?
- (ix) Net Annual Migration
- (x) Points to consider
- (xi) Questions to consider

STRATEGIC DEVELOPMENT PLANNING AUTHORITY

26 April 2021

Comments from Members:

- a) What was the relationship between the NPF4 housing figures and historic housing completions across the City Region.
- b) Queried the Consultation's housing projections.
- c) Concerns with Local Authorities losing control over housing land.
- d) Consultation did not reflect regional aspirations.
- e) General consensus that the Housing Market Areas should define urban and rural areas.
- f) Concerns relating to rural depopulation.

The Authority resolved:-

to note the presentation and to thank officers for the update.

NEXT STEPS

- 2. The Authority was advised that the next steps were:-
 - a) Discussion with development industry and other stakeholders by 5 May 2021;
 - b) Engagement with Community Councils;
 - c) Draft consultation response to Housing Market Partnership (Heads of Planning and Housing, Aberdeen City and Aberdeenshire);
 - d) Report to the meeting of the SDPA on 17 May 2021; and
 - e) Finalised consultation response sent to Scottish Government by 4 June 2021

The Authority resolved:-

to note the information.

DATE OF NEXT MEETING

- 3. The Authority noted that its next meeting would be held remotely on 17 May 2021 at 2pm.
- **Councillor John Cox, Chairperson.**

NPF4 Housing Land Figures – Engagement Group Meeting

Wednesday 5 May 2021 14:00 Microsoft Teams

Present:

Tom Walsh (TW) - Aberdeen City Council, David Dunne (DD) - Aberdeen City Council, Mel Greig (MG) - Aberdeenshire Council, Mairi Stewart (MS) - Aberdeenshire Council, Ailsa Anderson (AA) - Aberdeenshire Council, Sarah Shaw (SS) – Aberdeenshire Council, Ally McLeod (AM) - Aberdeenshire Council, Elaine Reid (ER) - Aberdeenshire Council, Marianne Evans (ME) - Stewart Milne Homes / Grampian Home Builders, Chris Ross (CR) - Barratt Homes / Grampian Home Builders, Valerie Leslie (VL) - Places for People

Introduction

The purpose of the meeting was to engage with stakeholders on the draft NPF4 housing land figures that have been released by the Scottish Government for Aberdeen City and Aberdeenshire. MG delivered a brief presentation explaining that the figures have been calculated using the latest NRS household projections and estimates of existing housing need to which a flexibility allowance of 25% for the City and 30% for the Shire has been added to produce a minimum housing land requirement for each local authority. A graph showed a comparison of the draft NPF4 figures with the SDP 2020 housing figures, past 10 year Housing Land Audit completion figures and 5 year effective land supply figures for 2020-24. The draft NPF4 figures are well below any of these comparisons. MG explained that the main reason for this was that the latest household projections are significantly lower than those available at the time of the SDP 2020 and that there is now negative net migration due to the local economic downturn and the effect of Brexit. Considerations put forward:

- These are minimum not maximum figures and there is scope to adjust locally if supported by robust evidence.
- Some reduction in the housing land figures may be realistic due to changes in population trends, the local economy, negative migration.
- All the existing LDP allocations based on the figures in the SDP 2020 remain so there is already flexibility to respond to any increased demand.

Discussion

Stakeholders were asked whether they thought the draft figures were reasonable and if not would there be robust evidence to support an alternative? To what extent do these draft figures reflect aspirations for the area?

CR said that the figures were too low, particularly when compared with past 10 year completions and that the region should be looking for more ambitious targets, as per the position to be put forward to the Scottish Government from Homes for Scotland. ME agreed and expressed caution about the NRS household estimates as they are based on past trends, whereas the City and Shire are looking to regenerate the area which will require sufficient new homes - therefore it is important to consider the aspirations of the region. There are also concerns with the limitations of HNDAs in fully identifying need, eg concealed households. There was general concern that SDP 2020 is very recent and yet these draft NPF4 figures are so different. TW agreed that the draft figures are vastly different to those in the SDP, mainly due to the changes in the NRS projections, and that the aspirations of the region should be a factor. However, the timeline given by SG does not allow for detailed reconsideration of the figures, more of an overview. DD added that the SDP figures had been set following detailed discussion with stakeholders and supported by a clear examination

process in contrast to the limited information given on the draft NPF4 figures. He clarified that sites have already been allocated as per the SDP figures and will not be deallocated. Overall, stakeholders felt that the draft NPF4 figures are unreasonably low and that the SDP 2020 better reflects the aspirations of the North East.

What are the implications for meeting the need for affordable housing?

VL said that Places for People were surprised to see a reduction in the housing figures within the draft NPF4 and have concerns about the impact on delivery of affordable housing. ER agreed that Housing have similar concerns, in that they are expecting 70% of the affordable units projected for the next 5 years in the Shire to be delivered through S75 agreements. It was agreed that delivery of affordable housing is closely tied in with private sector housing and current targets will be more difficult to achieve at the reduced level of the draft NPF4 housing figures.

Is the added flexibility allowance of 25% for Aberdeen City (urban) and 30% for Aberdeenshire (rural) appropriate?

The differing level of flexibility was not of great concern, nor the fact that the whole of the Shire was classed as rural. However, stakeholders did not think that the higher proportion for the Shire would actually deliver more houses.

In the past, housing land requirement has been split evenly between City and Shire but these draft figures propose a 40%/60% split – is this appropriate?

Stakeholders would support the existing City/Shire Split of 50:50. However, they are more concerned with the split between the housing market areas and suggested that higher numbers in the Aberdeen HMA better serves the region. TW noted that a shift towards increased numbers in the AHMA has already been reflected in the SDP 2020.

Next Steps:

TW said that the proposed response to the Scottish Government from the City and Shire would be put to the SDPA on 17 May. It was noted that the template for the response allows the views of a wide variety of stakeholders to be reflected. MS suggested that the two councils now circulate to stakeholders a 'heads of terms' with principles that can be agreed on rather than the finer details, as the timescale for any debate is very tight. In summary there appears to be general agreement on the following:

- The split between the City and Shire should be 50:50 rather than 40:60
- The two councils want to have control over the split between housing market areas
- There are implications for the delivery of affordable housing
- The figures do not necessarily reflect the aspirations of the region which are better reflected in the SDP 2020

TW and MG will summarise where there has been alignment and circulate this to stakeholders in the coming days, which could then be included in the submission to SG from the two councils.

ME indicated that house builders do not intend to make individual submissions but will be represented by Homes for Scotland. CR said that Homes for Scotland have asked for a time extension as the current deadline of 4 June does not allow sufficient time for meaningful engagement. TW agreed it was difficult to carry out the engagement and arrange the necessary meeting with councillors within the timescale, but the two councils were aiming to respond by 4 June.

**ABERDEEN CITY & SHIRE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY**

Date: 17 May 2021

Report Title: National Planning Framework 4 – Minimum All Tenure Housing Land Requirement

1. Purpose of Report

- 1.1 The purpose of this report is to advise Members of the consultation, engagement and contents of the submission prepared by the Strategic Development Planning Authority officer team on the Scottish Government's National Planning Framework 4's Minimum All Tenure Housing Land Requirement.

2. Background

- 2.1 The Scottish Government's Planning and Architecture Division have been in the process of developing the next National Planning Framework. Following the publication of the autumn Position Statement it is indicated that there would be a need requirement and methodology for addressing the long standing issue of housing land supply.
- 2.2 Previously, housing land requirements were set by Strategic Development Plans at a City Region level. Now it is intended to set national and local authority housing land requirements through the National Planning Framework 4.
- 2.3 In March 2021 the Scottish Government circulated draft Minimum All-Tenure Housing Land Requirements to all local authorities. Local authorities have been asked to respond through their Housing Market Partnerships.
- 2.4 Housing Market Partnerships are to consider if the draft Minimum All-Tenure Housing Land Requirements are reasonable and to submit a response to the Scottish Government by the 4 June 2021.

3. Parameters of consultation

- 3.1 The Aberdeen City and Shire Housing Market Partnership is an established platform to consider housing need and demand across the City Region. It has previously reported the finalised Housing Need and Demand Assessment 2017 to the Strategic Development Planning Authority. This was a key component for the evidence base for the Strategic Development Plan 2020. Given the history of partnership working and extensive experience in housing

land at both officer and Elected Member level it is considered that using this established mechanism is the best way to respond to this consultation.

- 3.2 The supporting documentation to the consultation states that should a Housing Market Partnership wish to propose alternative figures, robust evidence is required to justify this.
- 3.3 The Housing Market Partnership should seek to engage with stakeholders external to the local authorities. The Housing Market Partnership should include in their submission a record of engagement and if there has been agreement on the contents of the submission.
- 3.4 The Scottish Government's methodology for the National Planning Framework uses an established and agreed method based on Centre for Housing Market Analysis's Housing Need and Demand Assessment 2018 tool version 4.0. Previous versions of this tool were used to inform the evidence base for Strategic Development Plans.
- 3.5 The methodology starts with national household projections to give a number of newly forming households and then adds an estimate of existing need. This existing need is intended to encapsulate those who are homeless or have concealed need living in overcrowded accommodation.
- 3.6 A flexibility allowance to allow for some sites not coming forward is then added. This is 25% in City and 30% in Aberdeenshire as the entirety of Aberdeenshire has been classified as a rural authority.
- 3.7 The result is a minimum housing land requirement total for 10 years for each local authority. The headline figures of the Minimum All-Tenure Housing Land Requirements are set out in Table 1 below which compares them to the recently approved Strategic Development Plan 2020, historic completions and the existing 5-year effective land supply.

	MATHLR	SDP2020	10-year completions	5-year effective land supply
Aberdeen City	4750	13,200	8,131	6,714
Aberdeenshire	6500	13,200	11,067	7,413
Total	11,250	26,400	19,198	14,127

- 3.8 The MATHLR is less than half of the SDP 2020's housing land requirement for Aberdeenshire and a third for Aberdeen City. It is also below historic levels of completion and the current five-year effective land supply.

Engagement

- 3.9 Officers undertook an extensive as possible engagement programme, given the time constraints. This comprised engagement with Elected Members, community councils and the external housing need and demand working group. The latter comprises stakeholders delivering both market and affordable housing.
- 3.10 Through the course of the engagement a number of recurring themes emerged and are set out below:
- While the Minimum All-Tenure Housing Land Requirements could be acceptable as minimum figures they do not reflect the City Region's aspirations for future growth.
 - There is concern that the minimum figures would not enable the delivery of the levels of affordable housing needed across the City Region.
 - Housing land requirements for the City Region should be split evenly between Aberdeen City and Aberdeenshire rather than the 40%/60% split proposed in the consultation.
 - It is considered more pertinent to consider such splits at a Housing Market Area level rather than a Local Authority level.
 - 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.

4. Alternative Minimum All Tenure Housing Land Requirement

- 4.1 Reflecting on the themes which emerged from the engagement process, recent regional net migration reporting and within the parameters of the consultation tool available, officers propose that the High Migration Population Projection best reflects the City Region's aspirations for future growth and the spatial distribution of that growth.
- 4.2 Using the high migration projection has the effect of increasing the MATHLR in Aberdeen City closer to that of Aberdeenshire. Amending the flexibility to 25% for Aberdeenshire, which would mean Aberdeenshire would not be completely classed as a rural authority, would result in an almost even split between both Councils.
- 4.3 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.

	Draft NPF4 (Principal Projection)	High Migration	High Migration and Aberdeenshire 25% flexibility
City	4,750	7,000	7,000
Shire	6,500	7,550	7,250
Both	11,250	14,550	14,250
Split City/Shire	42%/58%	48%/52%	49%/51%

5. Conclusions

- 5.1 Through extensive engagement it is considered that the use of the High Migration Population and reclassifying Aberdeenshire as not being a rural authority results in a MATHLR which reflects the current and future ambition of the City Region.

6. Recommendations

- 6.1 It is recommended that the Strategic Development Planning Authority:
- a) Notes the contents of the submission on the National Planning Framework 4 Minimum All Tenure Housing Land Requirement.
 - b) Direct the respective Heads of Planning to approve the consultation response to National Planning Framework 4 Minimum All Tenure Housing Land Requirement.

Report Prepared By:

Tom Walsh
Senior Planner
Aberdeen City Council

Mel Greig
Senior Information and Research Officer
Aberdeenshire Council

Gale Beattie
Chief Officer Strategic Place Planning
Aberdeen City Council

Paul Macari
Head of Planning and Environment Service
Aberdeenshire Council



ABERDEEN, 17 May 2021. Minute of Meeting of the STRATEGIC DEVELOPMENT PLANNING AUTHORITY.

Present: Councillor Boulton, Vice Chairperson; and Councillors Aitchison, Cooke, Forsyth, Graham, Grant, Johnston, Lonchay, Mair, Mollison (as a substitute for Councillor Latham) and Yuill.

Apologies: Councillors Cox, Bell and Latham.

In Attendance: Rab Dickson, NESTRANS

Officers: **Aberdeen City Council:** Gale Beattie, Chief Officer, Strategic Place Planning; Karen Gatherum, Legal, Governance; Alan Thomson, Team Leader, Governance; Tom Walsh, Senior Planner; and Emma Robertson, Committee Assistant, Governance.

Aberdeenshire Council: Mel Greig, Senior Information and Research Officer; Sheena Lamont Senior Policy Planner; Paul Macari, Head of Planning and Environment; Mairi Stewart, Planning Service Manager.

DECLARATIONS OF INTEREST

1. There were no declarations of interest.

MINUTE OF MEETING OF 11 DECEMBER 2020

2. The Authority had before it the minute of its previous meeting of 11 December 2020, for approval.

The Authority resolved:-

to approve the minute as a correct record.

ABERDEEN CITY AND SHIRE RESPONSE TO NATIONAL PLANNING FRAMEWORK MINIMUM ALL TENURE HOUSING LAND REQUIREMENT

3. The Authority had before it a report advising Members of the consultation, engagement and contents of the submission prepared by the Strategic Development Planning Authority officer team on the Scottish Government's National Planning

STRATEGIC DEVELOPMENT PLANNING AUTHORITY

26 April 2021

Framework 4's Minimum All Tenure Housing Land Requirement. Tom Walsh, Senior Planner spoke to the report.

The report recommended:

that the Strategic Development Planning Authority:

- i) note the contents of the submission on the National Planning Framework 4 Minimum All Tenure Housing Land Requirement; and
- ii) directs the respective Heads of Planning to approve the consultation response to National Planning Framework 4 Minimum All Tenure Housing Land Requirement.

The Group resolved:-

to approve the recommendations.

DATE OF NEXT MEETING

4. The Authority noted that its next meeting would be held at Woodhill House or remotely as required, on 1 October 2021 at 2pm.
- **Councillor Marie Boulton, Vice-Chairperson.**



Members Briefing

Draft National Planning Framework 4 Housing Land Requirement Consultation

April 2021

Purpose of Briefing

To inform Members about a current consultation being carried out by the Scottish Government on housing land requirement figures. This briefing will explain what the consultation is about, what Aberdeenshire Council is being asked to do, what the implications might be, and sets out the different steps in the process.

What is the consultation about?

The consultation is about the quantity of land that local authorities need to make available for house building through their Local Development Plans – the ‘housing land requirement’ (HLR).

Previously, the HLR was decided at a regional level and set out in the Strategic Development Plan (SDP). However, the Planning (Scotland) Act 2019 removed the requirement for local authorities to prepare SDPs and now the HLR is to be set out at a national and council area level in [National Planning Framework 4 \(NPF4\)](#), the long term strategic plan for Scotland.

The Scottish Government have produced the draft housing requirement figures for each local authority which they propose to include in the draft NPF4 later this year. This consultation asks us to consider these draft figures, engage with stakeholders to seek their views, and provide a response by early June 2021.

In our response we can simply accept the figures as they are, or suggest alternative figures if we can provide robust evidence to support this. We can also comment on the methodology used.

Although each authority will submit their own response, we are working jointly with officers at Aberdeen City Council on this consultation since the issues raised could have regional as well as local implications.

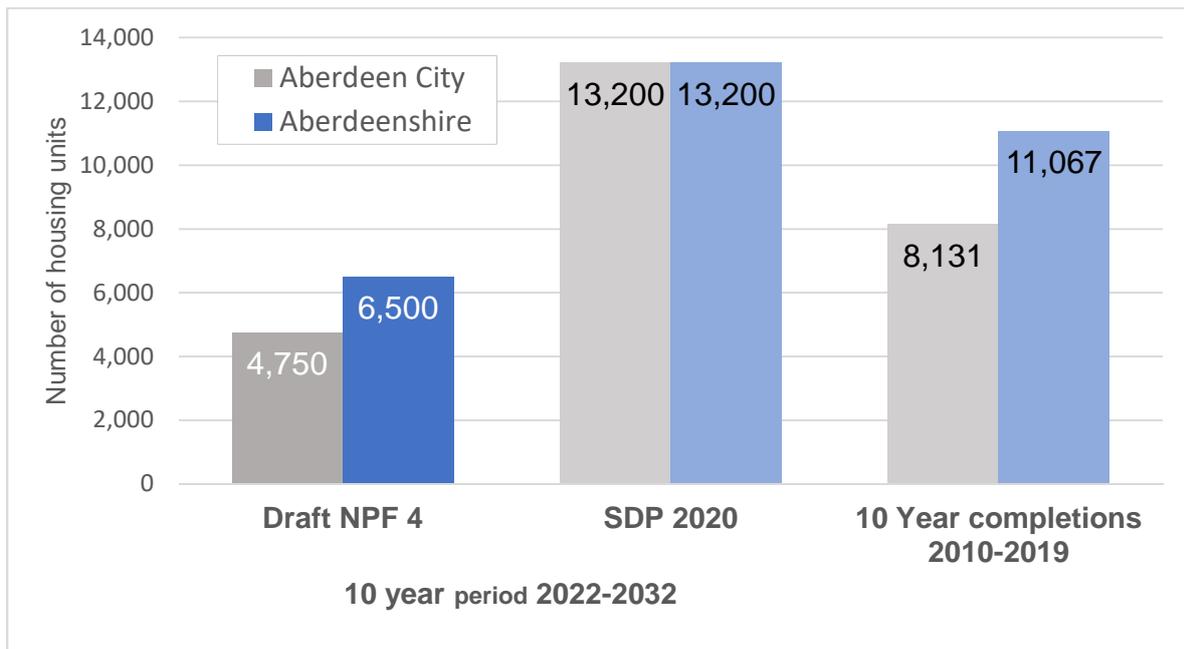
What are the draft requirement figures and how do they compare with previous figures?

The proposed requirement for Aberdeenshire is 6,500 housing units over the 10 year period 2022-2032. This means we have to ensure that enough land is made available to allow for 6,500 units to be built.



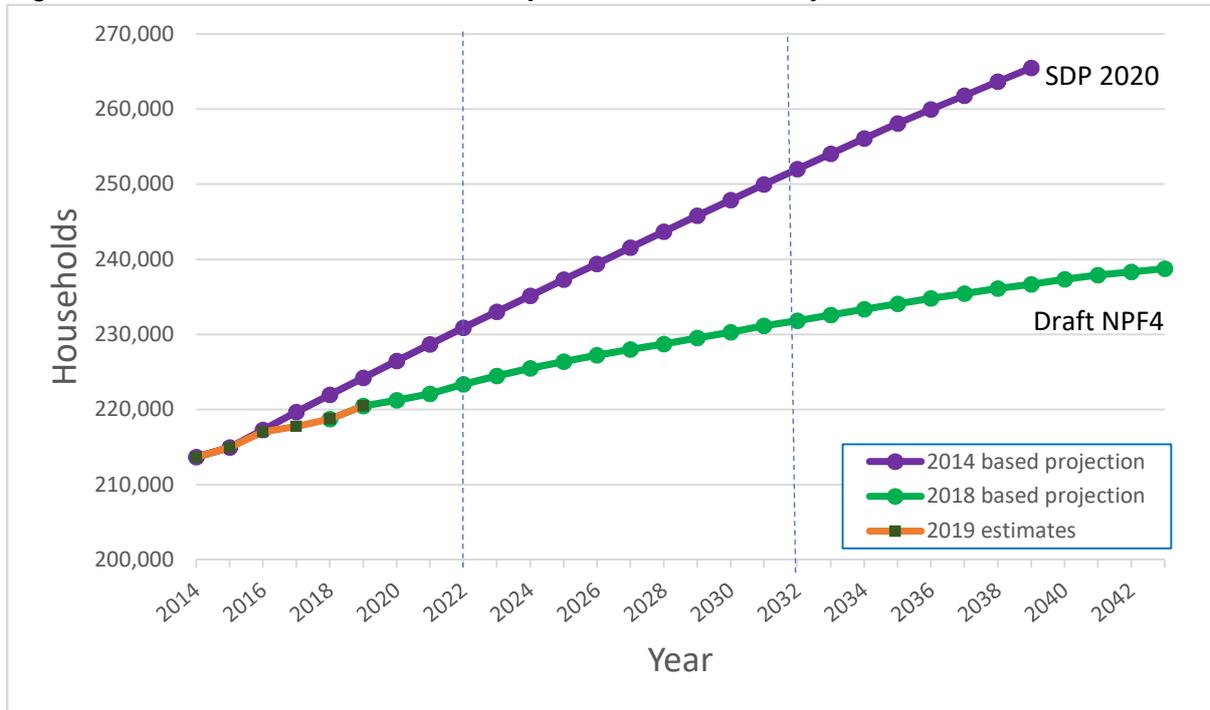
This 6,500 figure is significantly lower than the requirement in our current 2020 SDP which has 13,200 units for that same period. It is also much lower than the number of houses built over the last 10 years. Figure 1 shows this comparison. Aberdeen City figures are included for information.

Figure 1 – Draft NPF4 requirement compared with SDP 2020 and past completions



The amount of housing land required is calculated using [national population and household projections](#). The reason the draft NPF4 figures are so low is because the projections used to produce them are significantly lower than those that were available at the time of the SDP 2020. This is illustrated in Figure 2 below which shows the different projections used for the SDP and NPF4. It also gives [estimates](#) showing the actual change in household numbers in recent years.

Figure 2: Household Estimates and Projections Aberdeen City and Aberdeenshire



Population and household projections do vary over time due to changing fertility, life expectancy and migration trends. These most recent projections show a slowdown in population growth for Scotland as a whole, but it is quite pronounced in Aberdeen City and Aberdeenshire, in large part due to a decrease in net in-migration linked to the downturn in the oil and gas industry since 2014.

Should we be concerned about the draft figures being low?

One potential criticism of these low figures is that they don't reflect aspiration for growth in this area, they are just a projection of what is currently happening. If local and regional policy initiatives successfully generate more economic growth this could result in an increased demand for housing.

However, this is unlikely to be a significant concern for Aberdeenshire because our 2021 Proposed Local Development Plan has already allocated sufficient land to meet the much higher housing requirement in the 2020 SDP. If the NPF4 figures turn out to be an underestimate of what is required, there is plenty of flexibility to meet any additional demand without having to take further action.

It is also worth noting that these figures are a minimum, not a maximum, so there is still scope for us to adjust them locally if we want to in the future. While NPF4 sets the headline figures, authorities still have to undertake local Housing Need and Demand Assessments to provide the finer detail needed to inform future Local Development Plans and Local Housing Strategies.



What steps are Aberdeenshire Council taking to respond to the consultation?

1. As we are working jointly with Aberdeen City, Elected Members views are being sought through the forum of the Strategic Development Planning Authority (SDPA). A workshop was held on 26th April which provided an opportunity for SDPA Members to discuss the figures and comment on any issues.
2. Briefings made available to all Aberdeenshire Councillors, Area Managers and Community Councils with opportunity to comment.
3. Engagement with development industry representatives and affordable housing providers will take place at a meeting held on 5th May.
4. Report to the SDPA on 17th May incorporating results of stakeholder engagement.
5. Draft consultation response submitted to both Heads of Planning and Housing for sign off.
6. Final response submitted to the Scottish Government by 4th June.

The Scottish Government will consider all responses and prepare a Draft NPF4 to go before the Scottish Parliament in Autumn 2021 alongside a public consultation. The aim is to produce the final NPF4 for approval and adoption in Spring 2022.

Who to contact for more information or to comment on the consultation?

Please contact Mel Greig in the Planning Information and Delivery Team on 01467 539795 or email mel.greig@aberdeenshire.gov.uk or statistics@aberdeenshire.gov.uk

The detailed consultation documents can be found on the Resources page of the [Transforming Planning](#) website under 'Housing'.



Community Councils Briefing

Draft National Planning Framework 4 Housing Land Requirement Consultation

April 2021

Purpose of Briefing

To inform Community Councils about a current consultation being carried out by the Scottish Government on housing land requirement figures. This briefing will explain what the consultation is about, what the implications might be, how Aberdeenshire Council is responding, and how Community Councils can give their views.

What is the consultation about?

The consultation is about the quantity of land that local authorities need to make available for house building through their Local Development Plans – the ‘housing land requirement’ (HLR).

Previously, the HLR was decided at a regional level and set out in the Strategic Development Plan (SDP). However, the Planning (Scotland) Act 2019 removed the requirement for local authorities to prepare SDPs and now the HLR is to be set out at a national and council area level in [National Planning Framework 4 \(NPF4\)](#), the long term strategic plan for Scotland.

The Scottish Government have produced the draft housing requirement figures for each local authority which they propose to include in the draft NPF4 later this year. This consultation asks Aberdeenshire Council to consider these draft figures, engage with stakeholders to seek their views, and provide a response by early June 2021.

In our response we can simply accept the figures as they are, or suggest alternative figures if we can provide robust evidence to support this. We can also comment on the methodology used.

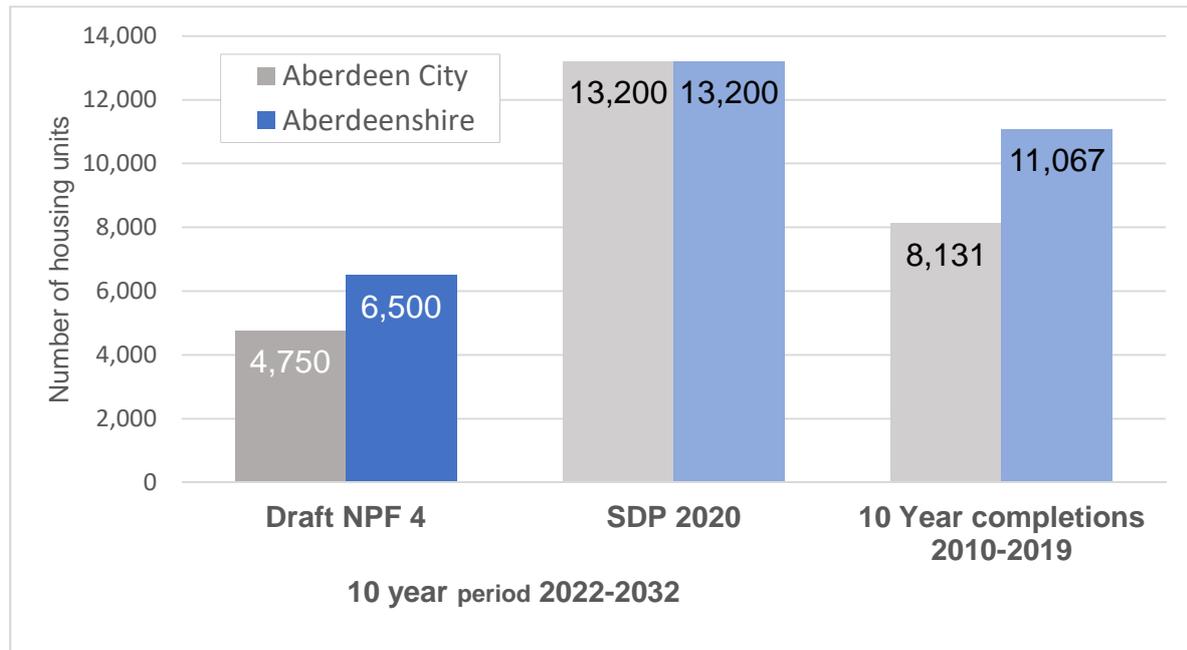
Although each authority will submit their own response, we are working jointly with officers at Aberdeen City Council on this consultation since the issues raised could have regional as well as local implications.

What are the draft requirement figures and how do they compare with previous figures?

The proposed requirement for Aberdeenshire is 6,500 housing units over the 10 year period 2022-2032. This means we have to ensure that enough land is made available to allow for 6,500 units to be built.

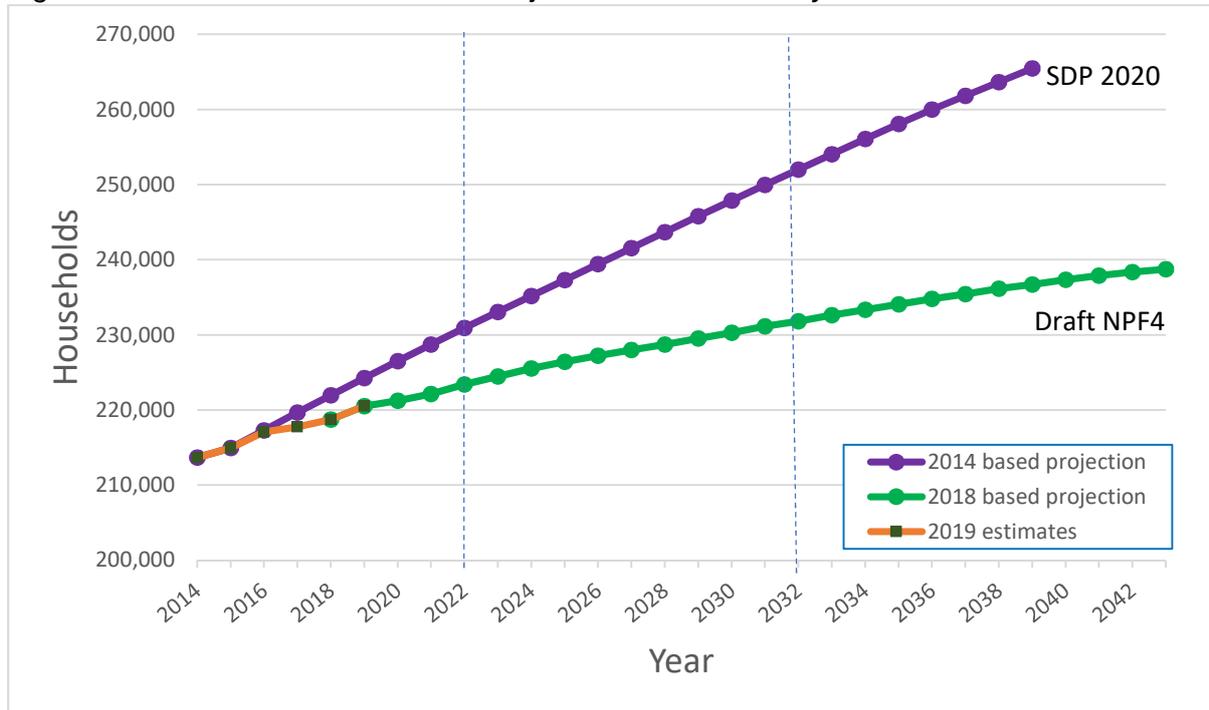
This 6,500 figure is significantly lower than the requirement in our current 2020 SDP which has 13,200 units for that same period. It is also much lower than the number of houses built over the last 10 years. Figure 1 shows this comparison. Aberdeen City figures are included for information.

Figure 1 – Draft NPF4 requirement compared with SDP 2020 and past completions



The amount of housing land required is calculated using [national population and household projections](#). The reason the draft NPF4 figures are so low is because the projections used to produce them are significantly lower than those that were available at the time of the SDP 2020. This is illustrated in Figure 2 below which shows the different projections used for the SDP and NPF4. It also gives [estimates](#) showing the actual change in household numbers in recent years.

Figure 2: Household Estimates and Projections Aberdeen City and Aberdeenshire



Population and household projections do vary over time due to changing fertility, life expectancy and migration trends. These most recent projections show a slowdown in population growth for Scotland as a whole, but it is quite pronounced in Aberdeen City and Aberdeenshire, in large part due to a decrease in net in-migration linked to the downturn in the oil and gas industry since 2014.

Should we be concerned about the draft figures being low?

One potential criticism of these low figures is that they don't reflect aspiration for growth in this area, they are just a projection of what is currently happening. If local and regional policy initiatives successfully generate more economic growth this could result in an increased demand for housing.

However, this is unlikely to be a significant concern for Aberdeenshire because our 2021 Proposed Local Development Plan has already allocated sufficient land to meet the much higher housing requirement in the 2020 SDP. If the NPF4 figures turn out to be an underestimate of what is required, there is plenty of flexibility to meet any additional demand without having to take further action.

It is also worth noting that these figures are a minimum, not a maximum, so there is still scope for us to adjust them locally if we want to in the future. While NPF4 sets the headline figures, authorities still have to undertake local Housing Need and Demand Assessments to provide the finer detail needed to inform future Local Development Plans and Local Housing Strategies.



What steps are Aberdeenshire Council taking to respond to the consultation?

1. As we are working jointly with Aberdeen City, Elected Members views are being sought through the forum of the [Strategic Development Planning Authority](#) (SDPA). A workshop was held on 26th April which provided an opportunity for SDPA Members to discuss the figures and comment on any issues.
2. Briefings made available to all Aberdeenshire Councillors, Area Managers and Community Councils with opportunity to comment.
3. Engagement with development industry representatives and affordable housing providers will take place at a meeting held on 5th May.
4. Report to the SDPA on 17th May.
5. The consultation response will be drafted and submitted to both Heads of Planning and Housing for sign off.
6. Final response will be submitted to the Scottish Government by 4th June.

The Scottish Government will consider all responses and prepare a Draft NPF4 to go before the Scottish Parliament in Autumn 2021 alongside a public consultation. The aim is to produce the final NPF4 for approval and adoption in Spring 2022.

How can Community Councils give their views?

Comments on the consultation should be sent directly to the Scottish Government at this address NPF4housingland@gov.scot by **Friday 4th June**. Alternatively they can be sent to your local [Area Office](#) by Thursday 13th May.

The detailed consultation documents can be found on the Resources page of the [Transforming Planning](#) website under 'Housing'.

Who to contact for more information?

If you would like any further information on the consultation, or advice on responding, please contact Mel Greig in the Planning Information and Delivery Team on 01467 539795 or email mel.greig@aberdeenshire.gov.uk or statistics@aberdeenshire.gov.uk

Draft National Planning Framework 4

Housing Land Requirement Consultation

12 May 2021

Thank you for the opportunity to comment on Scotland's Fourth National Planning Framework, housing requirement figures.

The Community Council Briefing, dated 29 April 2021, explains that the proposed draft NPF4 requirement for Aberdeenshire is 6,500 housing units over the 10-year period 2022-2032. This figure of 6,500, is significantly lower than the requirement in the 2020 Strategic Development Plan, which has 13,200 units for that same period. It is also much lower than the number of houses built over the last 10 years.

Our understanding is that housing requirements are converted to allocations within the Local Development Plan (LDP). There are issues associated with both under-allocation and over-allocation within the LDP.

If sites allocated in the LDP are still available, then there are no grounds for developers to apply to build on unallocated sites. However, if the allocated sites are exhausted within the duration of a LDP, then a developer can legitimately apply to build on any site they like, resulting in Aberdeenshire Council losing control of planned growth and economic development. More importantly, communities are subjected to ill-considered developments where they are not wanted, and valuable local amenities are put under un-planned pressure.

Over-allocation of sites within the LDP will encourage developers to cherry-pick the most profitable sites. Again, resulting in Aberdeenshire Council losing control of planned growth and economic development. The draft NPF4 seeks to prioritise the use of vacant and derelict land ahead of greenfield land through a 'brownfield first' approach. This approach could fail if greenfield sites are too plentiful. Over-allocation will also create undue pressure to fragment the greenbelt.

Even with the NPF4 proposed requirement, it will be necessary for Aberdeen City and Aberdeenshire to continue to research and publish their own Housing Land Audit to ensure an informed allocation in the LDP.

The 2021 Proposed Local Development Plan has already allocated sufficient land to meet the much higher housing requirement, but that plan has yet to be approved by Scottish Ministers.

Michael Morgan
Chair, Newtonhill, Muchalls & Cammachmore Community Council

Tom Walsh
Senior Planner
Aberdeen City Council

13 May 2021

By email only

Dear Tom

NATIONAL PLANNING FRAMEWORK 4 (NPF4) – INITIAL DEFAULT ESTIMATES FOR MINIMUM ALL TENURE HOUSING LAND REQUIREMENTS (HLRs).

Thank you for inviting Homes for Scotland to meet with you and colleagues from Aberdeen City and Aberdeenshire Councils on 5 May to discuss the above. Our representatives Chris Ross and Marianne Evans found it a useful discussion and welcomed the chance to collaborate in this work.

All local authorities recently received a set of resources from HFS that we hope will help you as you consider your desired delivery levels and corresponding HLRs. In this letter we have added some locally specific information that looks at:

- the gap between the Scottish Government's initial default estimates and where HFS thinks Scotland as a whole and its constituent authorities should be aiming; and
- some of the economic benefits to be gained through a modest increase on current delivery levels, and what would be at risk if the initial default estimates did go on to be included in NPF4.

The figures we present on the former are modelled on our manifesto 'ask' for a pan-Scotland, all-tenure aspiration to deliver at least 25,000 homes each year. We have looked at how those 25,000 homes might be distributed across Scotland if each authority made the same percentage contribution to that target as it did to the 22,596 homes delivered in 2019.

The HFS position on the three components of the Scottish Government calculations can be summarised as follows:

- We believe the Scottish Government's **existing household need counts** are too low. Detailed information, and potential solutions, are included in the second of the four papers which we issued to Councils (overcoming HNDA limitations).
- We do not think the principal projection of the 2018-based household projections provides a good basis for **estimates of newly forming households** to be planned for. Again, detailed information, and potential solutions, are included in the second of the four papers which we issued to Councils (overcoming HNDA limitations).

- Generally, we accept the Scottish Government’s **flexibility allowance** levels.

We note your view that part of Aberdeenshire should be considered urban rather than rural and should use the 25% rather than the 30% flexibility allowance. We may be able to agree to this, subject to seeing the detailed reasoning and the impact it would have on the housing land requirement for the parts of Aberdeenshire which you would be wanting to reclassify. The evidence for the proposed change should include an analysis of past performance in homes being delivered on sites in those areas in line with projections. Is there a strong track record of land allocated for development in those areas coming forward as projected?

Additionally, we believe it is the 2019 **completion figures** that should be considered, rather than the 10-year average suggested by the Scottish Government. This is because the 10-year average takes Scotland halfway back to the depth of the post-global financial crisis recession and does not serve the policy objective of increasing housing delivery.

Turning to the initial default estimates for Aberdeen City and Aberdeenshire, we hope the additional tables in this letter are of use on top of the resources already provided.

Table 1: Comparison of Scottish Government targets to HFS modelled suggestion

	A Existing Need Count	B Newly forming households Estimate	(A+B) Need + Demand Estimate	Adjustment to reflect 2019 completions and policy aspiration to increase delivery	Flexibility allowance (25% or 30% in with Scot Gov levels)	Minimum HLR
City IDE	500	3,300	3,800	-	950	4,750
City HFS initial suggestion	500 +	3,300 +	3,800 +	12,491	3,123	15,614
Shire IDE	400	4,600	5,000	-	1,500	6,500
Shire initial suggestion	400 +	4,600 +	5,000 +	12,989	3,897	16,886
Combined IDE	900	7,900	8,800	-	2,450	11,250
Combined HFS	900 +	7,900 +	8,800 +	25,480	7,020	32,500

We note and agree with your view that the initial default estimate housing land requirements for both Aberdeen City and Aberdeenshire would not reflect the aspirations of the City Region moving forward nor historic levels of delivery. We do not believe they should be considered acceptable even as a minimum because of the confusion and lack of certainty and transparency this would create within the planning system, for the public, home builders and other investors, and infrastructure and service providers alike.

HFS would support significant upward adjustments of the initial default estimates of need and demand, as they are coming out significantly lower than current (2019) completion levels and do not support the objective of increasing housing delivery, or wider policy objectives. Our table models where that upward adjustment would reach if local authorities collectively achieved the HFS policy target of delivering at least 25,000 homes of all tenures each year. The model rolls forward the proportionate contributions to supply that each local authority made in 2019, when 22,596 homes were delivered across Scotland. Corresponding minimum all-tenure HLRs are shown, for contrast. The HFS excel spreadsheet, circulated previously, holds our workings on this.

We note and have no objection in principle to your preference for a 50/50 (rather than 60/40) split of the overall housing land requirement for the region between Aberdeen City and Aberdeenshire. Incidentally, our modelled figures provide for a more even split, providing for a 48/52 split between the City and the Shire. We would not want to see a disproportionate skew towards the rural housing market area either in the housing land requirements themselves or in the pattern of land allocations that follow.

The HFS paper on overcoming HNDA limitations (as previously circulated) identifies reasons why the Scottish Government existing need counts have come out so low. The primary issue is the very narrow definition of existing household need. The Scottish Government only counts:

- homeless households in temporary accommodation; and
- households of more than 1 person which are both overcrowded and concealed.

Table 2 gives examples of other types of existing household need that the HNDA toolkit does not acknowledge or attempt to count, and which local authorities may wish to make provision for in their locally adjusted estimates.

Table 2: Households Excluded from the NHDA Existing Household Need Count

Type of Existing Household Need	Description and Example
An overcrowded (but not concealed) household.	A household living in a home that has too few bedrooms for the family members (for example a family with a boy and a girl but only 2 bedrooms).
Households that are concealed (but not overcrowded).	A household that wants but does not have a home of their own (for example a young family living with grandparents).
Single person households in need (even if both overcrowded and concealed) (e.g., adults living in HMOs or with friends / parents / other relatives).	For example, an adult son or daughter forced by circumstance to be still living with a parent. If they wanted to form a home with a partner they would be 'counted', as a single person they are not.
Those living in homes that are physically unfit .	For example, a family living in a home with very poor condition roof / walls / ceiling.
Households in homes that are not affordable to them.	For example, a family that is struggling financially and spending more than 50% of their income on housing costs.
Households in unsuitable homes.	For example, a family with children living in a home with no private outdoor space.

We have also suggested that local authorities increase the estimate of newly forming households. This component of the initial default estimates uses the principal projection from the 2018-based household projections. The projections assume a continuation of past trends, irrespective of any changes to policy or wider circumstances. The NRS itself acknowledges the limitations of its projections, and states that they are not policy-based forecasts of what the Scottish Government expects to happen. We are also concerned that the projections have, in the past, proven to be poor predictors of what happens in practice.

Rather than simply accepting the estimate of newly forming households that has been provided by the Scottish Government, HFS considers that local authorities should look at the full range of projections, from low through the default 'principal projection' to high. The most appropriate and reliable outcome may lie between the principal projection (which tends to under-predict household formation) and the high migration scenario (which tends to over-predict household formation, but to a lesser degree). We would be happy to look with you at any alternative scenarios to the principal projection.

As well as the HNDA paper already mentioned, the resources previously distributed by HFS include a paper on Policy Thinking for Locally Adjusted Estimates. One area of policy thinking we have highlighted is around the economic benefits of housing delivery. The tables below illustrate a selection of the economic benefits of home building in Aberdeen City and Aberdeenshire and considers how these benefits could be increased with the modest (10.6%) increase in housing delivery that HFS has modelled. It also shows what jobs and wider economic benefits are at risk if delivery reduced to the low number of homes indicated in the initial default estimates of need and demand.

Table 3: Economic Benefits of Home Building in Aberdeen City and Aberdeenshire

Aberdeen City	Per Home	Homes Built 2019	Achieved 2019	Uplift at	At risk at
Measure				1249	380
Jobs	4	1129	4,516	480	2,996
GVA	205000	1129	231,445,000	24,600,000	153,545,000
Local Spend	5000	1129	5,645,000	600,000	3,745,000
Council Tax	990	1129	1,117,710	118,800	741,510
S75	5378	1129	6,071,762	645,360	4,028,122

Aberdeenshire	Per Home	Homes Built 2019	Achieved 2019	Uplift at	At risk at
Measure				1299	500
Jobs	4	1174	4,696	500	2,696
GVA	205000	1174	240,670,000	25,625,000	138,170,000
Local Spend	5000	1174	5,870,000	625,000	3,370,000
Council Tax	990	1174	1,162,260	123,750	667,260
S75	5378	1174	6,313,772	672,250	3,624,772

Like you we believe that, to ensure the continued delivery of affordable housing, consideration must be given to the important role private sector delivery plays in that. Our policy thinking paper includes further detail on this that you should find helpful.

We also agree that local authority housing lists are important evidence and should be considered in reviewing and adjusting the initial default estimate of the existing need count. We are aware of other authorities in Scotland making upward adjustments to their figures on that basis.

You have advised us that your local authorities would favour housing land requirements in line with those set out in your new Strategic Development Plan and reflected in your emerging Local Development Plans. If this becomes a formal part of your submission to the Scottish Government, please let us know as this may be something we can formally support, subject to further discussion with HFS members.

In general, we believe there is merit in further discussion before you make a submission to the Scottish Government. We reserve our right to comment further as more details emerge either during the current exercise or as work on NPF4 progresses.

We very much hope this letter, and the more detailed information in the resources which we shared earlier, help your thinking on your response to the Scottish Government, including any locally adjusted estimates. If there is anything at all that you want to ask us, including anything in this letter or the wider resources that need to be clarified, please do not hesitate to get in touch with me.

Finally, HFS wrote to the Scottish Government on 29 April to ask that they give local authorities more time to report back on their Locally Adjusted Estimates. It is clear local authorities have had a lot of thinking and preparation to do ahead of commencing stakeholder engagement, and the 4 June deadline is fast approaching. With many authorities wanting to do their own HNDA work and/or being required to seek committee sign-off for their locally adjusted estimates, the time available feels just too squeezed for such an important and complex collaborative exercise. If an extension of time is something you would support, we would be grateful if you could confirm this to us and the Scottish Government.

Yours sincerely

Tammy Swift-Adams

Tammy Swift-Adams
Director of Planning

Cc: Mel Greig, Aberdeenshire Council

**DRAFT HOUSING LAND REQUIREMENT FIGURES
for NATIONAL PLANNING FRAMEWORK 4**

RESPONSE

1.00 Introduction

- 1.01 When it was initially announced that the Government intended setting housing land requirements in NPF4 and that that document, in turn, would form part of the local development plan, it might have been assumed that this was an informed Government response to the constant cry from private sector stakeholders that local development plans persistently fail to deliver and maintain a generous supply of effective housing land.
- 1.02 Unfortunately, recent events have indicated that the Planning and Architecture Division of the Scottish Government has continued to recommend to Scottish Ministers that defective strategic development plans with inadequate housing allowances be approved.
- 1.03 Additionally, of course, representations made by private sector stakeholders during the plan preparation process are frequently ignored or misrepresented in reports to Elected Members primarily to conceal the fact that the local development plan fails to deliver sufficient effective allocations to maintain the minimum five year effective land supply at all times.
- 1.04 Against this background, the question of what meaningful engagement or discussion can private sector stakeholders anticipate from this recent invitation has to be asked. Is it intended that the views of private sector stakeholders will be recorded and reported to the Planning and Architecture Division? Is it intended that the views of private sector stakeholders will be recorded and accurately reported to any Committee of the City or Shire?

2.00 Comments on the letter from John McNairney and Shirley Laing

- 2.01 It is clear that the Government is seeking a national response to the issue of delivering a sufficiency of effective housing land supply through the local development plans.

- 2.02 While the terms 'local development plan' and 'minimum all-tenure housing requirement' appear in the letter there is no reference to the need to maintain a minimum five year effective land supply at all times through the development plan.
- 2.03 The underlying problem relates to the confusion between the strategic requirement, (target plus flexibility percentage), and the magnitude of the strategic allowances necessary to ensure that it is at least mathematically possible to maintain the minimum five year effective land supply at all times.
- 2.04 Nothing in the covering letter inviting a response to this matter recognises the foregoing problem. That omission continues into the 'Minimum All-Tenure Housing Land Requirement Guidance' with particular reference to the last sentence in paragraph 8.

SPP,
paragraphs 110 and 119

3.00 Minimum All-Tenure Housing Land Requirement - Guidance

- 3.01 Paragraph 7 advises that the important linkages between the LDP and HS and the HNDA and their purpose are to be retained.
- 3.02 Template Part 1 advises that Planning Authorities have to follow the NRS 2018 based principle households projections with the option to adopt a low or high migration alternative. The third option of using in-household projections requires local, regional or national policy drivers and aspirations. There is a need for the submission of robust evidence in support of this alternative which seems to relate to the adoption of a migration growth scenario higher than the higher variant available from NRS.
- 3.03 The 2018 projections show Aberdeen City with 107,586 households in 2018 rising to a projected 121,665 households by 2041. This equates to an average increase of 612 households per annum. In the case of the Shire the average increase in the number of households over the same period is 765 households per annum.
- 3.04 The latest housing land audit data for the 10 year period from 1st January 2018 indicates actual and anticipated completions totalling 11,323 or 1123 per annum in the Shire and 11,815 or 1182 per annum in the City. Bearing in mind that the anticipated completions do not have

the benefit of land supply being refreshed through the emerging LDPs within the next year, the disparity between the household projections and the projected house completions is substantial.

3.05 If there is a genuine attempt on the part of the Scottish Government to ensure that an All-Tenure housing requirement is promoted through NPF4 in each local authority area then it has to be recognised that the requirement on an annualised basis must be at least sufficient to accommodate a detailed assessment of anticipated completions.

3.06 Where the land supply promoted through a local development plan is predicated on a requirement that is less than the anticipated rate of completions during the initial plan period maintaining a minimum five year effective land supply during that period will become a mathematical impossibility as evidenced by NEST: 2001 and the Aberdeenshire Local Plan:2006.

3.07 The foundation of any competent approach to the delivery and maintenance of a generous supply of housing land requires the introduction of a simple mathematical model to ensure supply adequacy. This is particularly important if the lifespan of LDPs is to be increase to 10 years.

3.08 The model has a compelling simplicity and if applied with the correct component values will ensure that any development plan will have the mathematical capacity to deliver an maintain a minimum five year effective land supply at all times through the development plan.

3.09 The equation of mathematical supply adequacy in any development plan is given as:

$$A/B \times (B+5) - C = D$$

where

'A' is the overall plan period strategic housing requirement for the HMA or part thereof including the flexibility percentage;

'B' is the number of years in the plan period;

'C' is the effective land supply available for the 15 years period from the base date of the plan;

'D' is the magnitude of the land supply that has to be identified through new local development plan allocations.

3.10 As noted above, the value for 'A' has to be sufficient to accommodate the anticipated rate of completions during the first plan period.

4.00 Annex A – Initial Default Estimates

- 4.01 It is difficult to comprehend the role that the default estimates of the housing requirement are meant to play in the delivery of a generous supply of housing land particularly as the supporting text makes reference to the purpose of the HNDA being retained.
- 4.02 In August 2020, Scottish Ministers approved the Aberdeen City and Shire Strategic Development Plan. That document promotes a requirement including the flexibility percentage of 1320 houses per annum in the City and in the Shire. Over a ten year period these two Authorities have a combined and approved requirement of 26,400 houses against a minimum default estimate of 11,300 houses.
- 4.03 The default estimates are so totally unrealistic having regard to other more tangible data readily available within the two Authorities that any attempt to found a development plan on such requirements would compromise the entire plan led system of land use control.
- 4.04 The latest HNDA is far from a genuine attempt to calculate an All-Tenure Housing land requirement for each Local Authority in the North East of Scotland. It is, like the two previous HNDAs fatally flawed by the imposition of a predetermined outcome in that both Authorities will have identical housing land requirements despite the fact that there are significant differences in the baseline populations, the rates of population growth, the demographics of each Authority's populations and the huge difference in the geographical nature of the land areas the two Authorities occupy.
- 4.05 On the basis that these requirements have been recently approved by Scottish Ministers after an examination they should stand inform the default land requirement estimates. However, the 50/50 split between the City and Shire is an issue that should be revisited.
- 4.06 Previous HNDAs moved part of the affordable requirement from the Shire part of the AHMA to Aberdeen City purely to balance the requirements equally between the two Authorities. A 60/40 split between the Shire and the City would be more appropriate to accommodate the significant difference of meeting demand in a number of settlements rather than within the urban context of the City of Aberdeen. Within Aberdeenshire itself, there needs to be at least a 60 / 40 split between the AHMA and the RHMA to more accurately reflect demand.

4.07 The flexibility allowance is less critically important than setting the requirement as accurately as possible. It is difficult to see how it would be possible to achieve 30% rural flexibility margin given that the 2020 housing land audit identified 70 sites in the RHMA with a combined capacity of 3737 houses (equivalent to a 7.1 year supply when measured against the latest strategic requirement), were logged as marketability constrained. The suggested 25% margin in the AHMA should not be exceeded in the RHMA because of the difficulties in identifying additional effective allocations.

4.08 There is a reference in the Annex A table to Past Housing Completions. This shows that the City and Shire saw completions of 19,866 houses over the ten year period from 2010. In January 2006 it was confirmed that the NEST Structure Plan: 2001 promoted substantially inadequate housing allowances due to the use of the seriously flawed 1999 Structure Plan Forecasts and the failure to accommodate the need to maintain the minimum five year effective land supply at all times through the development plan. Work commenced on a replacement Structure Plan, (Aberdeen City and Shire Structure Plan: 2009) but the actual allocations delivered through the associated local development plans did come into the land supply until around 2012 / 2013.

4.09 As a consequence, it is reasonable to assume that completions during approximately half of the ten year period referred to in Annex were artificially depressed by an inadequate effective housing land supply. The updated position indicates an uptick in completions of circa 16% attributable to the enhanced land supply given that economic factors have not been particularly positive in the North East in recent years.

5.00 Summary and Conclusions

5.01 If the Scottish Government is minded to impose minimum housing requirements across each local authority area it has, in the first instance, to clearly define the purpose of the exercise. If the purpose is to deliver, through the development plans, a generous supply of housing land sufficient to meet the actual All-Tenure Housing Requirements of each local authority the initial default estimates of the minimum housing land requirements are hopelessly inadequate and insufficient, in the case of Aberdeenshire to meet more than 50% of the strategic requirements given in Table 2 of the Aberdeen City and Shire Strategic Development Plan: 2020.

5.02 Society would be better served if the default estimate of the minimum All-Tenure Housing Land Requirement at least equated to anticipated

completions adjusted, where necessary, to reflect the impact of effective land supply shortages over the past decade and forecasts in population change.

- 5.03 The traditional target output for the HNDAs has been an accurate assessment of the housing requirements in full across all tenures. It follows that the output of the exercise cannot be lower than the assessment of anticipated completions taken to the same base date in the same HMA. Completions do not necessarily embrace demand across all tenures or, for instance, demand from concealed households.
- 5.04 There is a need for Scottish Government and Local Authorities to adopt a more comprehensive understanding of the land supply issue rather than addressing individual components of the matter in isolation of other often contradictory data.
- 5.05 Having genuinely made a best effort to set realistic default estimates of the minimum All-Tenure Housing Land Requirements, the Scottish Government and Local Authorities must ensure that the allocations identified in local development plans satisfy the equation of mathematical adequacy not least because local development plans now have a shelf life of 10 years.
- 5.06 In the case of the City and the Shire, there is a need to move from the traditional reliance on artificial constructs to support the distribution of strategic allowances. Aberdeen City is not troubled by the traditional spatial strategy which merely delivers an agreed housing allowance for a particular plan period. The distribution of allowances in the Shire has been problematical since the birth of the Authority resulting in a monumental marketability constraint issue in the RHMA which has been amplified by successive development plans rather than addressed. The balance between supply and demand in the Shire needs to be addressed objectively and, as was concluded during the preparatory stages of the Aberdeen City and Shire Structure Plan: 2009, the alternative pole growth strategic model should be considered as it achieves greater social inclusion and the delivery of housing.

Ian A Downie, Dip Arch, (Abdn)
Planning and Development Consultant

c a s e CONSULTING Limited

26th April 2021