

National Planning Framework 4

Minimum All-Tenure Housing Land Requirement

RESPONSE TEMPLATE

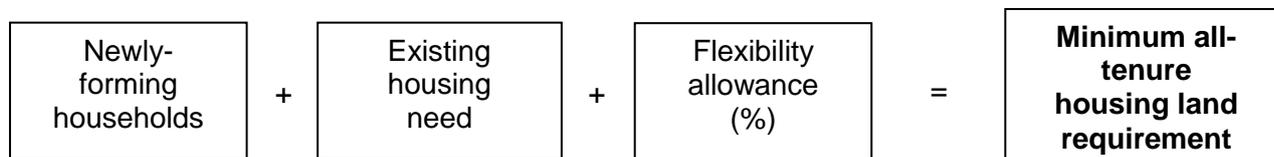
Scottish Government

Planning & Architecture Division and Housing & Social Justice

February 2021

PURPOSE

The Scottish Government has produced initial default estimates of the 10 year minimum all-tenure housing land requirement for each local authority and national park authority. These are derived from three main inputs:



The initial default estimates are set out in the Guidance and Method Paper that accompany this Response Template. They are a first step towards developing a Scotland-wide picture of the amount of land for housing that will be needed in the future to guide allocations in Local Development Plans (LDPs). They are a starting point for authorities to consider and input to in order to inform the final figures that will feature in the draft NPF4.

Authorities are being asked to consider the default assumptions for household projections and existing housing need, flexibility allowance and estimates and to make a case for adjusting them where there is clear and robust evidence and policy requirements do to so. The Guidance indicates how authorities should go about making the case for change and this template must be used to respond. The two should therefore be used in tandem. Please note that word limits set out in the template must be observed as closely as possible.

An Excel Calculator is also provided. It shows the default calculations and allows authorities to input adjusted data in three simple steps to produce locally adjusted estimates. If making a case for change, authorities must use the calculator and submit this alongside the template.

Prior to submitting the template to the Scottish Government for formal assessment, authorities are encouraged to discuss this with Scottish Government housing and planning officials and to seek any advice as they build a case. Requests of this nature should be sent to the following mailbox (NPF4housingland@gov.scot) in the first instance.

On completion, the response template and calculator should be submitted to the mailbox for assessment by Scottish Government housing and planning officials. The appraisal criteria that will be used are set out in the accompanying Guidance. A short Assessment Report will be written-up and this will contain the Scottish Government's decision.

STEPS TO TAKE

- Step 1** Read the Guidance and Method Paper accompanying this template.
- Step 2** Work with your Housing Market Partnership (HMP) and local stakeholders to consider and discuss the initial default estimates of the minimum all-tenure housing land requirement.
- Step 3** Use this response template to make a case for any adjustments you wish to make to the initial default estimates. Note that the response template should be no longer than **12 pages** (excluding the cover sheets) and this will be observed by SG when assessing the templates.
- Step 4** Discuss the template with SG housing and planning officials if that is useful.
- Step 5** The response template should be signed-off by the Head of Housing and the Head of Planning or the equivalent senior official from each department.
- Step 6** Submit the completed response template to the SG for consideration using the mailbox (NPF4housingland@gov.scot).

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

Instructions

The Scottish Government's initial default estimates use the NRS 2018-based principal household projections (equivalent to step 1 of the HNDA Tool). Alternative household projections are available including the NRS low migration variant and high migration variant. Some authorities also produce household projections in-house and authorities can consider the use of these where they can make a robust case for this.

Use the space below to provide evidence for the use of an alternative household projection. This must explain how the housing completions data provided by the Scottish Government has been considered. It must also include the actual household projections that you wish to use. Where necessary, tables of figures can be provided in an Annex.

Take no more than the 2 pages. ([see page 4 of the Guidance Note](#))

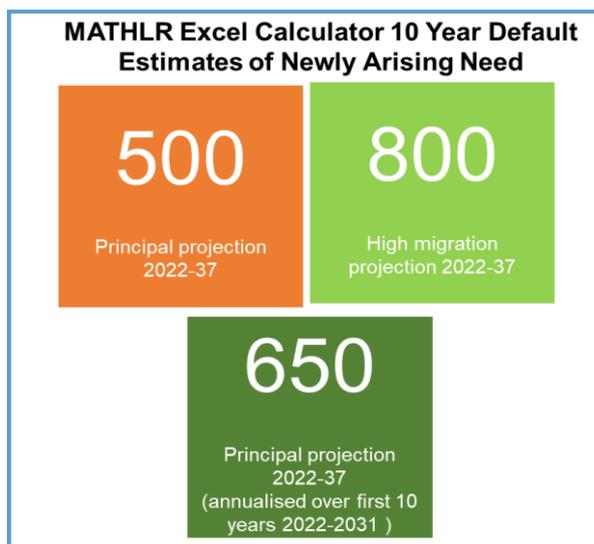
Angus Council response

We rely on the NRS 2018-based principal household projections. No alternative to the household projections figures is proposed. We considered 3 scenarios, 1 and 2 are based on the principal projection or the high migration variant. The third scenario is based on an alternative and more reasonable method of calculating the 10 year figure (2022 – 2032) as follows:

The principal projection shows that for Angus over 15 years there would be an additional circa 750 households, as an annualised figure that is 50 per year, which equates to 500 over the 10-year plan period.

However, the majority of the increase is projected in years 1 – 5 (2022 -2027) at just over 500, with circa 125 in years 5 -10 (2027-2032), and the remaining 125/150 in years 10-15 (2032 – 2037). Therefore, a more reasonable 10-year figure would be 625/650 or 65 annualised.

The 10-year completions data presented is 2464, Angus Council's own completions data from our Annual Housing Land Audits for the same period is 2919. The principal household projections in combination with the local estimate of housing need mean any of the 3 scenarios of locally adjusted MATHLR figures (set out in Template Part 4) are generally reflective of the past completions figures.



TEMPLATE PART 2 – Existing Housing Need

Instructions

The Scottish Government's initial default estimates include an estimate of existing housing need (equivalent to step 2 of the HNDA Tool). This includes homeless households in temporary accommodation and households who are *both* overcrowded *and* concealed.

Use the space below to provide robust evidence for the use an alternative existing housing need figure. This must explain how the housing completions data provided by the Scottish Government have been considered. This must also include the existing housing need figure that you wish to use. Where necessary tables of figures can be provided in an Annex.

Take no more than the 2 pages. ([see page 4 & 5 of the Guidance Note](#))

Angus Council response

The figure for existing housing need given in the initial default MALTHR is 150. As we know this figure derived from two elements – the number of households in temporary accommodation at a given date (100); and number of households that are both overcrowded and concealed. The latter element derived from a dataset which estimated that 0.1% of Scotland's households were both overcrowded and concealed and thus this figure was subsequently applied to local level (meaning 0.1% of the 54,000 Angus households = 54). We do not believe that this figure is a true reflection of the local position nor a robust methodology.

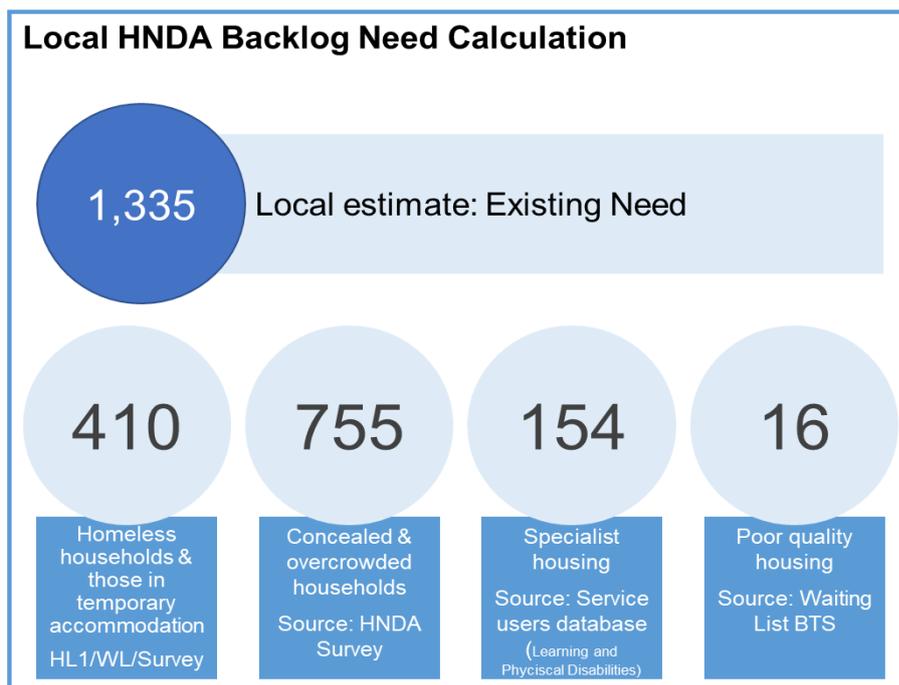
The Tayplan authorities appointed Arneil Johnson to undertake a joint HNDA which this is still underway. They were subsequently appointed to prepare locally adjusted MALTHR figures for each authority utilising relevant local data and recent primary research. The Councils have worked in partnership with the consultants to calculate revised existing need estimates.

To assist with the revised calculation, Arneil Johnston undertook a Household Study in April 2021. The hybrid study included both telephone and online survey options. There were over 2100 interviews achieved throughout the Tayplan area with around 850 from Angus residents. The methodology was such that the outputs were weighted by tenure and the survey answers were cross tabulated to avoid double counting and ensure the sample is statistically robust (achieving +/- 2.1%).

The basis of the revised calculation used a mixture of:

- HL1 households in temporary accommodation
- Temporary accommodation housing stock
- Respondents to the HNDA survey who were under threat of eviction/repossession.
- Households in the HNDA survey who identified as overcrowded
- Waiting list information on households needing to move due to medical needs or requiring specialist housing
- All tenure stock condition survey outcomes deemed to be Below Tolerable Standards

For Angus, this results in a revised backlog need calculation of 1,335, rounded to 1,350. The statistics used in the calculator are set out in Appendix A ('HNDA Backlog Model Calculations' tab), outlining the data used for each of the four elements detailed below.



The revised figure (1350) represents a significantly higher estimate of existing need in comparison to the default estimate (150), which we feel is significantly underestimated particularly when the revised figure is compared with historical completions. From 2010 to 2019 there were 2464 completions (SG figures), amounting to an average of 246 per annum. Against this figure, it would take around 5 years to deal solely with the revised backlog of existing need without taking into account newly arising needs that may develop over this time frame.

TEMPLATE PART 3 – Flexibility Allowance

Instructions

The Scottish Government's initial default estimates include the addition of a 25 per cent flexibility allowance for urban areas and 30 per cent for rural areas. This is to provide a contingency or over programming of land to allow for changes in sites coming forward over the 10-year time frame of the local development plan.

Use the space below to provide evidence for the use of an alternative flexibility allowance, which should generally be no less than those provided. This must explain how the housing completions data provided by the Scottish Government has been considered. It must also include the percentage flexibility allowance that you wish to use.

Take no more than the 2 pages. ([see page 5 of the Guidance Note](#))

Angus Council response

No alternative flexibility allowance is proposed. In addition to the numbers that will eventually be allocated in the local development plan, our experience is that additional completions can be expected – historically (2009-2019) an average of around 25% of completions come from windfall sites. There is also an additional number completed on 'small sites' ie under 5 units, representing 13% of all completions 2016 – 2020.

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

Instructions

The Excel Calculator must be used to produce a locally adjusted estimate of the minimum all-tenure housing land requirement. The initial default and adjusted estimates must be provided below.

Initial Default Estimate = 850

Adjusted Estimate = **2550** (scenario 3)

A copy of the adjusted Excel Calculator must be submitted with the response template.

- *Copies of the adjusted Excel Calculator for each of the scenarios is submitted.*

Take no more than 1 page ([see page 5 of the Guidance Note](#))

Angus Council response

For Angus - 3 alternative scenarios result in MALTHR of :

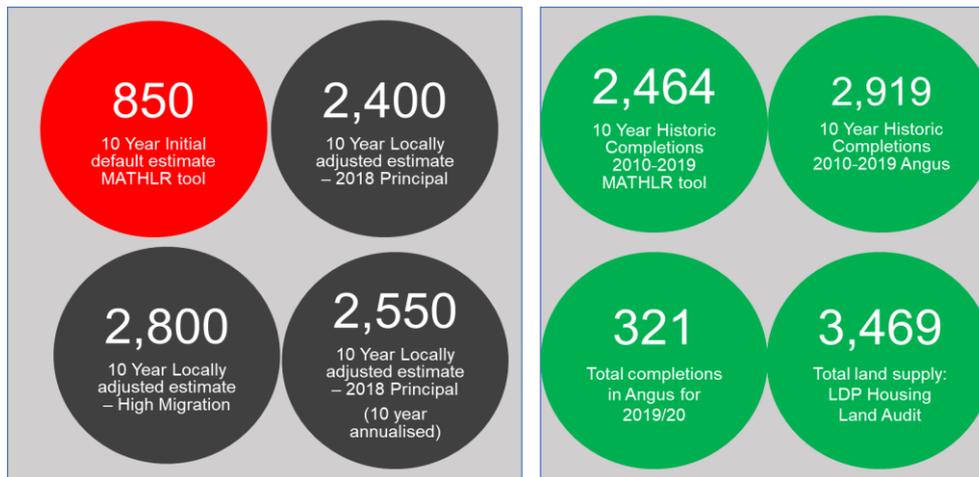
- 1 - 2400 (10 year locally adjusted existing housing need, principal projection, 30% flexibility)

- 2 - 2800 (10 year locally adjusted existing housing need, high migration projection, 30% flexibility)
- 3 - 2550 (10 year locally adjusted existing housing need, 10 year annualised principal projection, 30% flexibility)

Angus Council’s preferred option is 3 - 2550 (reasons set out in Template Part 1 above), second preferred option would be 1 – 2400. We do not propose that there is justification for the ‘high migration’ variant household projections.

As a MATHLR for inclusion in the draft NPF4 we consider the more realistic figures presented in each of the scenarios are more appropriate than the initial default figures proposed by the Government.

Inclusion of Scenario 3 (2550) as the MATHLR for Angus would support the ambition of permitting the local development planning process to focus on matters of quality and location rather than the calculation. It may be the case that on acceptance of the joint Tayplan HNDA as ‘robust and credible’ later this year there would be opportunity to propose further adjustment in response to the consultation on the draft NPF4.



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

Instructions

Use the space provided below to list the HMP membership, provide a summary of their views and an indication of whether the HMP has agreed the locally adjusted estimate of the minimum all-tenure housing land requirement. Also provide a list of additional stakeholders and a summary of their views. Use the sub-headings provided.

Take no more than 4 pages. ([see page 6 of the Guidance Note](#))

Angus Council response

In April emails were sent to the HMP consisting of house builders and RSLs active in Angus, Homes for Scotland, and Scottish Federation of Housing Associations inviting early responses to the Government's default MATHLR.

Additionally, a joint Tayside Housing Market Partnership event was held on 25 May 2021, facilitated by Arneil Johnson (appointed HNDA consultants). This brought together the four councils working together to produce a new HNDA with their Housing Market Partners. The objective of the event was to inform each Council's response to the Scottish Government's consultation on the Initial Default Estimates provided in February 2021.

Delegates from the four local authorities and housing market partners were presented with background information to the Tayplan HNDA process and the evidence base used to support locally adjusted estimates including key primary research headlines from the HNDA survey. This also provided a presentation on the NPF4 briefing including the Scottish Government's methodology, initial default estimates and the sources used to provide robust evidence of alternative projections for MATHLR.

Given ongoing Covid-19 restrictions, the event was held digitally via Microsoft Teams. A total of 66 partners and stakeholders attended the event. A total of 22 partners and stakeholders attended the Angus specific sessions.

The objectives for the breakout session were to share with the partners:

- The initial default estimates provided to the Council from the Scottish Government
- The basis of alternative locally adjusted MATHLR estimates
- To gain partner's views on the preferred alternative scenario

Partners were invited to discuss the alternatives, provide further evidence and support/challenge the assumptions. An interactive Whiteboard was used at each of the sessions record the views and opinions of partners and stakeholders. Copies of the slides used at the breakout sessions and the feedback reports have been made available to all delegates.

List of HMP members

See Appendix B

Summary of HMP views – the following is extracted from the Feedback Report of the joint HMP event held on 25 May 2021

“ Following a presentation outlining the local evidence and the assumptions used to develop three local MATHLR estimates for Angus Council, stakeholders were asked to consider:

“Of the locally adjusted scenarios we have presented, which estimate should be selected as the preferred Minimum All Tenure Housing Land Requirement?”

The outcomes were as follows:

- Group 1: 1 stakeholder selected Scenario 2 (2,800) and 13 stakeholder selected Scenario 3 (2,550) as their preferred MATHLR estimate
- Group 2: 11 stakeholders selected Scenario 2 (2,800) and 1 stakeholder selected Scenario 3 (2,550) as their preferred MATHLR estimate

Taking the sessions together 12 stakeholders support the selection of Scenario 2 (2,800 over the next 10 years) as the local MATHLR estimate for Angus, and 14 stakeholders support the selection of Scenario 3 (2,550 over the next 10 years).

The difference in the view of the two groups was mainly due to risk appetite of the participants. Whilst the first group opted for a more conservative estimation of 255 homes per annum. The second group expressed its ambitions for growth for Angus and felt the highest MATHLR of the three scenarios should be submitted to the Scottish Government.

Group 1 "Scenario 3 (2,550) is an estimated MATHLR 10 year figure and there's still opportunity for the housing land requirement in the LDP to be higher based on other information and research that comes forward between draft and publication."

Group 2 "We envisage that further down the line following HNDA results and revised HSTs, Angus will take a realistic approach and over deliver on the prudent assumptions we have currently."

Furthermore, in validating the selection of the MATHLR estimate, stakeholders were asked:

"...Do you have any challenges to the assumptions we have made to derive local estimates?"

Stakeholders considered the local estimate of existing need (1,350) which is significantly higher than the Scottish Government's default estimate of 150. Universally, stakeholders agreed that the initial default estimate is a significant underestimation of the housing needs of the existing population and should be based on a more realistic number derived from the following:

- i. 410 homeless households & those in temporary accommodation from HL1 statistics
- ii. 755 concealed and overcrowded households from HNDA Survey
- iii. 154 households requiring specialist housing from Service User Database
- iv. 16 households that are currently in poor quality housing from the register of properties Below Tolerable Standard

Stakeholders supported the principle that the estimate of existing need should extend beyond temporary accommodation, overcrowded and concealed households to measure the needs of those with; specialist housing needs; and poor housing condition. Having considered the evidence presented, the suggested local estimate of existing need was assessed by stakeholders as robust and credible.

In addition, whilst Group 1 stakeholders agreed that Scenario 3 was the preferred option, it was noted that using completions over the past decade as a benchmark may be scarred slightly from the financial crisis in 2008. Moreover, using a 10-year annualised figure of 255 homes per annum may mean the MATHLR is still light due to current high demand.

"We know demand is high, should we not be making a case for a higher 10 MATHLR?"

"The economy is on 'fire' just now with the level of demand for private and affordable housing, I don't see the harm in the target being aspirational. Although, we do understand it must be evidentially justifiable."

These arguments were echoed by Group 2 stakeholders and some went further to state the outcomes of the scenarios may take Angus backwards when comparing to historic completions and HSTs. From 1997 onwards, on average in excess of 255 homes per annum have been built in Angus, but it was agreed this may be a matter for the LDP rather than the MATHLR.

Stakeholders in Group 2 agreed that the scale of committed economic development projects, specifically through the Mercury Programme, for Angus builds economy and growth. The investment into the area would in turn mean the creation of thousands of jobs into the economy and should see as high a number as possible for the MATHLR put to the Scottish Government:

“If we look to Dundee who are investing significantly in the local economy, this too should have a greater effect on Angus as those who migrate to Dundee might actually look to live out with the City and open the door to potential Angus residents.”

This was further acknowledged for an ambition for growth in housing provision:

“There is a feeling that there is a significant level of people migrating from out with the area (and Scotland) and we should be encouraging Angus Council to continuously review these pressures and projections”

“High migration assumption should be reassessed when compared to completions for 2019/20 and revised HST”

Overall, there was a split in opinion of scenarios between both groups, but both agreed there is a responsibility the figures submitted are credible and robust from the evidence the Council has been able to collate.

Finally, stakeholders were asked to consider:

‘Does the preferred MATHLR estimate allow us to achieve an ambition to grow housing provision in the Angus area?’

The collective opinion in the two sessions each opted for a different scenario, although in combination there is a marginal preference for Scenario 3 Scenario 2 should not be discounted as there was appetite for growth expressed in both sessions. Additionally, both groups also agreed that whatever scenario is submitted will be a lot more realistic than the initial default estimate (850) provided by the Scottish Government.

“We have a figure that is much more reasonable than the SG put forward for their Initial Default.”

“The more supply we can offer, the more the cost of living and housing comes down. We should not be constraining supply.”

“The best scenario would be to allow a larger amount in the NPF4 to give us the best chance of delivering supply.”

“Post pandemic suggests a greater use of home-working and if you live rural then this will not be as such an issue before the pandemic hit and become a more attractive place to migrate to.”

If supply exceeds demand - the only person that suffers is the builder as the costs go down ... and that might not be such a bad thing!”

Whilst the majority choice over the sessions was Scenario 3 (2,550), the final comment of the day was as follows:

“The more optimistic we are, the better it is for Angus.”

The views expressed by stakeholders will inform Angus Council’s final response taking account of the overall view that the housing need is underrepresented in the default figures and there is an appetite for growth. As part of the evidence to support the alternative MATHLR, the opinions gathered at today’s event will be incorporated in the Council’s response to the Scottish Government’s consultation on the MATHLR by Friday 4 June 2021.”

Finally, correspondence has been received from Homes for Scotland indicating support for the use of surveys to inform existing housing need and stating that their members who had attended our stakeholder event on 25 May have spoken very

positively about the inclusive approach to engagement undertaken to support this process.

HMP agreement

Has the HMP agreed your minimum housing land figure? *Please delete accordingly*

YES – In principle there was unchallenged agreement for a higher figure to replace the initial default estimate. There was marginal support for Scenario 3 (2550) over Scenario 2 (2800).

List of Additional Stakeholders – none

Summary of Stakeholders Views – none

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

Instructions

This template should be agreed and signed-off, jointly, by the Head of Housing and the Head of Planning or the equivalent senior official from each department. Typed signatures can be provided.

Take no more than 1 page. ([see page 6 of the Guidance Note](#))

Submission of preferred scenario 3 – 2550 agreed with Angus Council Members.

Head of Housing

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Full Title: SERVICE LEAD - HOUSING

Email: morrowj@angus.gov.uk

Date: 3 June 2021

Signature



Head of Planning

Full Name: KATE COWEY

Full Title: SERVICE LEAD – PLANNING & COMMUNITIES

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Date: 3 June 2021

Signature:

