

National Planning Framework 4

Minimum All-Tenure Housing Land Requirement

RESPONSE TEMPLATE

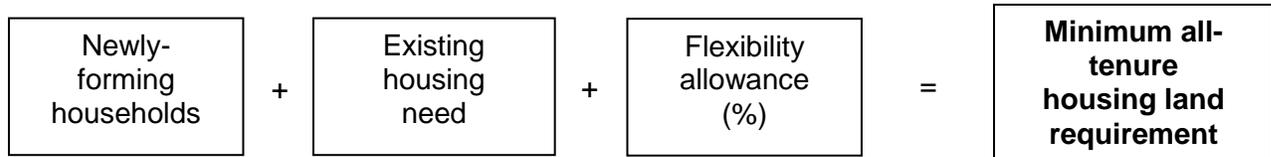
Scottish Government

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 (HYPERLINK "mailto:NPF4housingland@gov.scot" 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 (HYPERLINK "<mailto:NPF4housingland@gov.scot>" 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.

We are happy to use NRS based household projections (from 2018, or more up to date projections if available) as the initial default estimates, however we have some concerns about using the principal projection figures.

The limitations of projections are acknowledged, they assume a continuation of past trends and do not take account of changes to policy or wider circumstances. For Clackmannanshire, annual housing completions over the last 10 years have gone from a low of 28 to a high of 205.

It is suggested that there are a number of things which will affect Clackmannanshire over the next few years which should be taken into account, these include:

1. An increased employment base in Clackmannanshire through initiatives such as Stirling and Clackmannanshire City Region Deal, a Wellbeing Economy project, development of a Forth Valley Regional Economic Strategy and Recovery Plan and the development of a Regional Spatial Strategy.
2. Significant improvements to public transport, including a new rail halt at Clackmannan and the potential for further improved rail links to the east and more frequent services to the west.
3. The potential impact of increased working from home allowing for more flexibility in where people base themselves. Clackmannanshire is centrally located and has proved popular with commuters who wish to live in an area with good access to the countryside, as well as employment centres, along with value for money house prices and sizes. It is considered any increase in home working would make Clackmannanshire an even more attractive destination.

Because of this, we believe that household formation rates may be higher than the principal projections. Homes for Scotland have suggested that the principal projection

tends to under-predict household formation, and the high migration scenario which tends to over-predict household formation, but to a lesser degree. As the difference between the principal and high projections is only +81 over 10 years we would propose to use the higher figure.

Clackmannanshire is projected to be particularly impacted by an ageing population and low in-migration and birth rates and encouraging in-migration through housebuilding could help to address this. A Scotland for The Future (the Scottish Government's new Demographic Strategy) also identifies that Scotland as a whole needs inward-migration to boost the population, especially young people, and people of working-age.

Suggested figures are provided in the spreadsheet in the Annex.

(see page 4 of the Guidance Note)

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.

Clackmannanshire's current housing waiting list for non-transfer tenants stands at 900, significantly higher than the existing housing need of 150 suggested. It is therefore suggested that this is the housing need figure which should be used.

Recent affordable housing completions for Clackmannanshire have averaged 72 per annum, with the HNDA identifying a need for 75 affordable units per annum between 2016–2020. There is an affordable housing requirement of approximately 26 per annum over the next 10 years, which would be difficult to achieve if the total all-tenure housing land requirement was 45 as suggested as it would represent over 50% of total housing provision.

Average completions over the last 10 years were 128 units, which included the post-financial crisis recovery period, when annual completions were as low as 28 and 33 units. The latest figures, for 2019 identify 205 new units built, which is similar to the 1997-2019 average of 201.

Homes for Scotland suggested that some need was still 'hidden', however it has not been possible within the timescales of this exercise to gather new evidence on this. The Council would be interested in considering evidence on this if it were available, However, at this point it is considered that at least 3 of these 'hidden' categories may not justify the need for a whole new house in every instance of housing need. These categories are listed below:

- Homes physically unfit (unless due for demolition)
- Household in unaffordable housing (will be affordable for another household)
- Unsuitable due to no outside space (this will suit another household)

There will also be some of the 900 on the waiting list who will solve their own housing need by themselves in the existing market or move away and a downward adjustment

would normally be done for this. There will never be a 100% accurate figure as people fall in and out of need, and this has to be weighed up against the time and resources involved in further detailed research.

Suggested figures are provided in the spreadsheet in the Annex.

(see page 4 & 5 of the Guidance Note)

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.

We are generally happy with the proposed flexibility or 'generosity' allowance, of 25% for Clackmannanshire, up from the current LDP's 20% allowance, however we would seek clarification on how this is to be applied.

Should this allowance be applied evenly over the 10 years of the LDP or, given that the justification for the increase is to account for plans being reviewed at longer intervals, could larger sites, or sites which may have longer lead in times and would therefore be programmed later in the 10 year timeframe could make up a larger part of this flexibility allowance?

We would also query the relevance of 'zeroing' of negative figures in the calculations supported?

We feel that rounding the figures to the nearest 50 "*to reflect the more flexible and indicative approach*" is unnecessary and simply adds to the complexity of the calculations.

(see page 5 of the Guidance Note)

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.

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

Take no more than 1 page

Initial Default Estimate = 450

Adjusted Estimate = 1500

With the 25% flexibility or 'generosity' allowance, this would result in a requirement of 1875.

In order to check that these 1875 units would be deliverable, this was compared to the 2020 HLA. The 2020 HLA was used to identify the housing contribution of 2 types of housing site:

- Committed (under construction or with an implemented planning permission)
- Likely (planning permission or recent developer/landowner engagement)

The table below shows the contribution in terms of housing completions for each of the categories of site and how this would impact on housing delivery by year.

Type	2021-2025	2026-2030	2031-2035	Total
Committed	427	0	0	427
Likely	1434	1122	359	2915
Total	1861	1122	359	3451
Annual Ave.	373	225	72	230

The table shows that even the committed sites would result in average completions of 42 units over the next 10 years, compared with the NPF4 calculations of 45 units. There are 2556 likely units identified over the same period which, if included amounts to 256 completions per annum over the next 10 years. This compares to the highest recent annual completion rate of 205 in 2019 and a long-term average completion rate of 201 between 1997-2019.

It is therefore suggested that an **annual completion rate of 200 houses** would be appropriate for Clackmannanshire as a minimum estimate over the next 10 years (2000 in total), and this figure should be included in NPF4 in order to ensure the build out of committed and likely Development Plan sites.

(see page 5 of the Guidance Note)

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)

List of HMP members

Clackmannanshire Council
Homes for Scotland
Kingdom Housing Association
Allanwater
Campion Homes
Keepmoat Homes

Summary of HMP views

An initial meeting of the Clackmannanshire Housing Market Partnership was held on 21st April 2021, attended by Clackmannanshire Council Planning and Housing representatives, Homes for Scotland and Kingdom Housing Association (with apologies from the Federation of Master Builders). Following an undertaking by Homes for Scotland at that meeting, Champion Homes, Keepmoat Homes and Allanwater have all agreed to participate in the Clackmannanshire HMP.

Following that meeting and further consideration of the figures, a draft response was prepared by the Council and circulated among the HMP members, along with summary extracts of the Excel spreadsheet provided by the Scottish Government.

HMP agreement

Has the HMP agreed your minimum housing land figure?

NO

Homes for Scotland and Campion Homes commented on the draft response and their points have been picked up in this final response. The Federation of Master Builders and Keepmoat Homes advised that they had no comments to make on the circulated draft response.

Kingdom Housing Association and Allanwater Homes did not respond to the circulation of the draft response before the deadline of 4th June.

In a letter to all local authorities dated 1 June, Homes for Scotland explained that it is not currently able to approve the locally adjusted estimates emerging from any authority, primarily because of time and process constraints rather than a reflection on the work many local authorities have done to date.

Homes for Scotland has confirmed its conversation with the Council and HMP was positive, that the authority has taken an inclusive and proactive approach and was one of the first to initiate stakeholder discussions with a clear emphasis on building consensus.

Homes for Scotland is supportive of the Council's use of the high migration scenario of future household growth and the identification of local initiatives that support a higher estimate of future household formation. The locally adjusted MATHLR of 1,500 is a positive improvement on the initial default estimate of, though Homes for Scotland notes it remains lower than the 200 homes a year completion rate that the Council considers appropriate for the area.

In discussions with the HMP Homes for Scotland was pleased to note the potential interest in the use of household survey work to improve the evidence base on existing household need.

Homes for Scotland note the Council's view that not all forms of existing need will translate into the need for a new home, but ask that the Council give further consideration to the potential benefits of survey work, especially noting some other authorities across Scotland have recently incorporated this into their HNDA work and have been able to use the arising data to inform their input on the NPF4 targets.

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)

Head of Planning

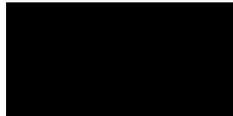
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Date: 4th June 2021

Signature:



Head of Housing

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Date: 4th June 2021

Signature:

