

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)

Scottish Government proposes to use the National Records of Scotland (NRS) 2018 based principal household projections (HHP) to determine the minimum all-tenure housing land requirement for inclusion in National Planning Framework 4 (NPF4). These projections form part of the 14 stages in their calculator resulting in Dumfries and Galloway Council (DGC) requiring a minimum Tenure Housing Land Requirement (THLR) of 400 units over a ten-year period. NRS High Variant is 550 units.

Dumfries and Galloway Council's 2019 Local Development Plan 2 (LDP2) 2017-2029 Housing Land Requirement (HLR) is 6,339 units. This was determined by the 2016 Housing Need and Demand Assessment (HNDA) deemed by the Centre for Housing Market Analysis (CHMA) to be robust and credible. The HNDA used the 2012 NRS HHP.

The NRS 2018 principle HHP rises until the year 2025 and then steadily declines from 2026. DGC consider that this does not account for past completion rates and the numerous policy drivers that will attract and retain people living and working in the region which will see a continued rise household numbers. These include:

Policy drivers

- DGC published 2019 Housing Land Audit (HLA) includes anticipated site programming for LDP2 allocated sites and major applications. Combining both for the region, it anticipates 8,743 will be completed of which 4,047 units being completed over the next 7 years and a further 4,696 beyond.
- Affordable Housing makes up a significant proportion of housing development within the region. DGC Strategic Housing Investment Plan (SHIP) aims to deliver 1,886 affordable homes throughout the region over the next 5 years. There has been a clear upward trajectory of affordable houses being delivered in the region, as demonstrated by past completions in the Housing Land Audits.
- Scottish Government Housing 2040 paper outlines a new ambition to deliver 100,000 affordable homes (average 10,000 annually) by 2031/32 throughout Scotland which will make an important contribution to tackling child poverty and continuing work to end homelessness. However, the significantly low NPF4 proposed housing figures (14,189 annually) casts doubt on how this target could be reached. In addition, the initial default estimate need and demand annual figure of 11,275 would result in a unrealistic 1,275 private tenures for the country after deducting the above annual affordable housing target.
- NPF4 Position Statement outlines action to support housing development in rural areas, helping to stem rural depopulation and supporting communities to thrive. The impact of the proposed NPF4 numbers will make it difficult for rural authorities to support housing development in rural areas.
- Scottish Government document 'A Scotland for the Future' outlines the shift in working patterns with a significant increase in home working for many and changed the way we think about travelling to work. This provides opportunities to attract and retain people in areas that were facing depopulation. However, this is dependent on the necessary infrastructure being in place to support remote working. The proposed figures would jeopardise this.

- The 'Scotland for the Future' document states that "rural and remote areas tend to have higher fertility rates" than cities. In terms of NHS Board Areas, Dumfries and Galloway has the 5th highest fertility rate and would suggest that a significantly decreased HLR has not taken account of this.
- Scottish Government aim to prevent and end homelessness and eradicate rough sleeping and therefore more support and solutions such as increasing accommodation options are required, not decreasing.
- Due to the region's outstanding beauty and quality of life, we expect demand for housing to rise given the impact Covid-19 has had on our lifestyles.
- Dumfries and Galloway is 1 of 5 regions involved in Borderlands Inclusive Growth Deal which estimates the delivery of approximately 5,500 job opportunities and will attract workers and families to the area as well as keeping them within the region. This suggests more homes will be required above what current completion rates have been, not significantly less.
- A South of Scotland Regional Economic Strategy is being prepared with the aim of growing and developing a stronger, fairer, and more sustainable economy that results in a vibrant, prosperous region with thriving and distinct places. This suggests more homes will be required above what current completion rates have been, not significantly less.

Past Completions

- The NRS lists our region as having 2,966 completed units using NB2 data. Our Housing Land Audits between 2010 and 2019 confirm there has been 3851 over the same period. A difference of 855 units.
- Past completions averaging 385 units over same 10-year period compared with NRS 40 units demonstrates significant disparity.
- DGC published 2019 Housing Land Audit lists 265 completed housing units which equates 225 units more than the proposed annual THLR.

Summary

DGC anticipates an increasing trajectory for household projections from 2022 to 2037. As a result, both the NRS principle and high variant housing projections are considered dangerously low. They conflict with national and regional policy aspirations to significantly invest in the South of Scotland, to repopulate rural areas and they ignore past completion data. It sends a message to potential investors and property developers that there is no demand for significant housing development which is an inaccurate and damaging message. In the absence of a recent HNDA, a recommended alternative set of stakeholder agreed household projection figures have been determined and explained below for this stage of the NPF4 process.

Recommend Adjusted Household Projection

The Council are proposing to build on the 2018 NRS principal household projections figures by applying our lowest annual completion data (257 units in 2017-2018) over the past 10 years as outlined in our HLA.

Method - Add 257 units to the NRS 2018 principal household projection figure for year 2022. Apply compound increase calculation by applying 257 units to each subsequent year to 2037. This method contributes to what is considered a more accurate minimum THLR (4250 units) for our region. Figures are detailed below and in adjusted excel calculator.

2037	74,042
2036	73,785
2035	73,528
2034	73,271
2033	73,014
2032	72,757
2031	72,500
2030	72,243
2029	71,986
2028	71,729
2027	71,472
2026	71,215
2025	70,958
2024	70,701
2023	70,444
2022	70,187
Year	HHP

TEMPLATE PART 2 – Existing Housing Need

Existing need is driven by several factors such as homelessness, overcrowding and care and support needs. Most existing need can be responded to by in-situ measures such as adaptations (e.g. installing disability aids), transfers (moving into a more appropriate dwelling) and improvements. However, a small proportion of existing need must be met through additional units where in-situ solutions cannot be found, for example to tackle homelessness. The Scottish Government has suggested that existing need should be the number of households currently in temporary accommodation and also concealed and overcrowded households. The evidence base for the Scottish Government's figure is the Scottish Household Survey 2016-18 and Scotland Census 2011.

The Scottish Household Survey is a snapshot from a sample group of the general population in private residences in Scotland. It provides local authority estimates and the Scottish Government acknowledges its limitations particularly in relation to detail and geographical coverage. Scotland's Census is the official count of every person and household in the country. There has been a census in Scotland every 10 years since 1801, except 1941. The 2021 census in Scotland was moved to 2022 due to the impact of the COVID-19 pandemic. Therefore, the current census data is now 10 years old and has reduced in value as an effective evidence base as year on year changes have occurred. There have been a number of significant events that have further decreased the usefulness of this source such as the United Kingdom's exit from the European Union and also the COVID pandemic. Both of these will have a significant impact on population growth, particularly in rural areas.

It is recommended that for the purposes of identifying existing need, the local figure recorded as currently in temporary accommodation, 181, would be combined with overcrowded household figures sourced from the region's Common Housing Register waiting list, 476. This figure does not include those on the transfer list (267) as it is expected that when they are allocated a suitable home, it will allow the existing property to be occupied appropriately.

The latest HL1 figures for Dumfries and Galloway show that Homelessness applications have increased during 2020/21 when compared to 2019/20. This is of particular concern given the current COVID-19 related guidance which in most circumstances, makes it illegal to evict a tenant. Case duration has also increased during the same period from an average of 17 weeks to an average of 27 weeks. It is anticipated that once these protections are removed, there will be an increase in presentations. Therefore, it is important that sufficient housing land is allocated that allows new build developments to help alleviate this pressure. This may be through the provision of new properties for homeless applicants, or by reducing the burden on the Common Housing Register via the Affordable Housing Supply Programme.

It is also acknowledged that there is a high probability of additional overcrowded and/or concealed families living within the private sector however the local authority does not have accurate figures to represent these households and thus were not included. In addition, it is also important to recognise the role of housing in meeting the needs of some of the region's most vulnerable people, particularly to avoid the need for residential care or to alleviate delayed discharge from hospital.

Locally as part of the work of the Adult Health and Social Care Partnership, the Adult Supported Accommodation and Residential Placement Panel (ASARPP) seek to identify homes for people with a range of complex needs. It is anticipated that the majority of this need will be met via the Council's Strategic Housing Investment Plan. There are currently 63 people seeking housing provision via this route.

Temporary Accommodation	181
Overcrowded (not including transfer applicants)	476
ASARPP	63
Total Existing Need	720

TEMPLATE PART 3 – Flexibility Allowance

No adjustment proposed

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

Initial Default Estimate = 400

Adjusted Estimate = 4250

Templates Part 1 and 2 responses provide rationale for an adjustment to the minimum all-tenure housing land requirement. The attached adjusted calculator includes changes to Step 1 and Step 2.

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

List of HMP members

- Loreburn Housing Association
- Cunninghame Housing Association
- Dumfries and Galloway Housing Partnership
- Dumfries and Galloway Council – Homeless
- Integrated Joint Board
- Story Homes

Summary of HMP views

- Welcomed opportunity to comment on the issue and to be involved in the Housing Market Partnership.
- Consideration of the region’s ageing population and how this future group want to / can be supported to live independently. Extra care developments will be key to this moving forward as people want to live in their own homes for longer. There is an initial trend of people wanting to live less in sheltered flatted developments which is going to drive the need for different housing upwards.
- Government policy around net zero carbon may increase requirements for “newer” type builds to replace historic builds that are uneconomical in delivering the heat demand requirements to be net zero carbon.

HMP agreement

Has the HMP agreed your minimum housing land figure?

Yes

List of Additional Stakeholders

South of Scotland Enterprise (SOSE)

Summary of Stakeholders Views

SOSE are submitting a letter to the NPF4 housing land team in support of Dumfries and Galloway Councils response.

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

Head of Housing

Full Name: Steve Rogers

Full Title: Head of Economy and Development

Email: HeadofEconomyandDevelopment@dumgal.gov.uk

Date: 3 June 2021

Signature:



Head of Planning

Full Name: Steve Rogers

Full Title: Head of Economy and Development

Email: HeadofEconomyandDevelopment@dumgal.gov.uk

Date: 3 June 2021

Signature:

