

# **National Planning Framework 4**

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

### **Highland Council RESPONSE**

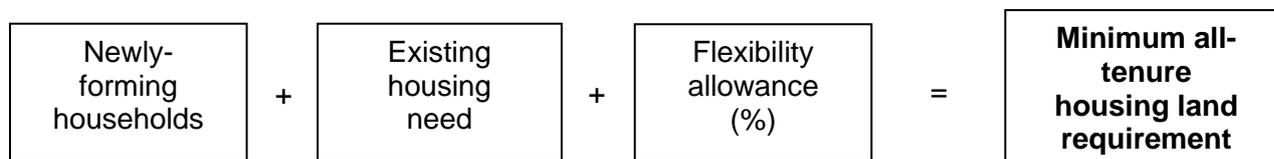
**Scottish Government**

**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 the Response Template from Scottish Government which this response is based upon. The Scottish Government estimates are intended to be 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](mailto: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](mailto:NPF4housingland@gov.scot)).

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

### Choice of Household Projection

- 1.1 The NRS 2018-based high migration projection is used by Highland Council in the development of these figures.
- 1.2 The 2018 Principal Population Projection for Highland Council area includes an assumed **average net inward migration of 748 per year** for the next 10 years.
- 1.3 The 2018 High Migration based Population projection uses an **average net migration figure for Highland Council area of +934 over the 25 years of the projection**. This is split between a small net outward figure to the rest of Scotland, and a small inward net figure from overseas. The largest component is a net inflow from the “Rest of the UK”. We have no data to suggest that this inflow, which typically outweighs the excess deaths over births found in the Highland Council area will not continue in coming years.
- 1.4 This compares with the average of net migration figures of +1016 per year for the Highland Council area (Source: NRS Local Area Migration (<https://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/migration/migration-statistics/local-area-migration>) and in **Table 1 in Appendix A**. from the 5 most recent reported years.
- 1.5 Using the Principal Projection base for (2018) HH projections by 2022 the estimate of households is 85 fewer than in the High Migration projection. By 2032 this projection delivers a figure 766 households lower and by 2037 the difference is a total of 1191 households lower across the Highland Council area.
- 1.6 No evidence of a slowing of inward migration into the Highland Council area has been found. Housebuilders demonstrate confidence in developments detailed in the 2020 Housing Land Audit and through continuing housing deliveries on existing and new sites. The latest available house price information confirms continuing increasing prices and estate agents confirm strong interest and enquiries in Highland Council area properties.
- 1.7 Highland Council considers the use of the High Migration projection to be the most appropriate projection to use at this point in the case of the Highland Council area.

### House Completions Information

- 1.8 Highland Council monitor and produce our own detailed Housing Completions data using the issuing of completion and temporary occupation certificates to track delivery of housing. This is the source data used for Scottish Government NB2 returns. We have confidence in this administratively sourced data covering the Highland Council area representing an accurate description of count of House Completions and the location of their delivery across the authority area.

- 1.9 The cumulative total of house completions in the Highland Council area for the 10 years from 2010 to (and including) 2019 is 10025 completions (not 10300 included in the supplied default calculations). Within this figure, 565 are completions within the Cairngorms National Park (CNP) area.
- 1.10 This gives a total of 9455 completion over 10 years within the Highland Council area (excluding the CNP area). It should be noted that the recent rate of delivery of around 1000 house completions per year includes properties of all tenures and is likely to include those that will become holiday accommodation or otherwise ineffective as residential housing stock. See Para 3.7 to 3.12 for an explanation of the additional factor covering “ineffective stock” that we consider is not included in the methodology chosen for these default calculations.

## **2. TEMPLATE PART 2 – Existing Housing Need**

- 2.1 The default supplied figures contain a total of 740 for the “Existing housing Need” of the backlog of need in the Highland Council area.
- 2.2 Highland Council carries out a “rules-based assessment of existing need” assessment against a 1st April snapshot of the Highland Housing Register (HHR) using a methodology confirmed as valid by the CHMA in the Highland Housing Needs and Demand Assessment in 2015. This process is described fully in **Annex 1. Backlog\_Definition\_2020\_HNDA**.
- 2.3 This approach assesses each application against a set of rules to identify those who are considered to be in need of additional housing stock units.
- 2.4 This assessment identifies a significantly higher figure of 2236 (158 of this total is in the CNP HMA) across the Highland Council area than the figures used in this projection.
- 2.5 The default supplied figures use a figure for Highland Council area of 740. The sources for this are Census 2011 data and the Scottish Household Survey (SHS) 2016-18 along with a count of households in temporary accommodation.
- 2.6 The Census derived data is now over 10 years out of date and is not considered reflective of the current position. The SHS is only available at Scotland level and the actual survey numbers for Highland is very small. This is not considered to provide representative figures in our area. The number of households in temporary accommodation is covered within our rules-based methodology.

### **Recent housebuilding and the impact on backlog**

- 2.7 Build rates in recent years when compared against the calculated assessed “Existing Housing Need” since 2015 demonstrates the rate of delivery achieved has failed to deliver a reduction in this backlog. **Table 2. Appendix A.** shows

housing delivery numbers from 2013/4 to 2019/20 for the Highland Council area.

- 2.8 As we show in **Table 3. Appendix A.** this increasing supply of affordable tenure housing over the last 5 years has not in any way reduced the backlog of demand taken on the 1<sup>st</sup> April each year.(which has actually increased over this period).
- 2.9 We have identified that there is a **demand over and above the existing identified backlog** who are added to the HHR in each new year and cannot be accommodated. These are not covered in either the “Existing Need” element (defined by the backlog figure above) or in the “Arising Need” derived from the Household Projections – they are in fact arising each year, within the year, and are considered additional to these figures.
- 2.10 Population and Household Projections extrapolate past trends but where market difficulties exist (in the case of rising rents and house prices against lower or stagnant household incomes) then housing issues arise. People in such need become progressively underrepresented in these projections.
- 2.11 We have carried out a detailed analysis on lettings to people from the HHR over a complete year (2018/19) and have quantified an additional figure for those who arise within the single year (and would qualify as additions to the backlog of need if they were on a snapshot taken on 1<sup>st</sup> April) who could not be accommodated in the existing available stock. The attached supporting paper **Annex 2. In\_Year\_Arising\_Need** describes the process used in detail.
- 2.12 This we describe as the “In year arising need” and we consider that this additional need must be addressed in addition to the backlog measured at any snapshot point in time. The figure calculated was 194 additional households per year.

## **Market Difficulties**

### **House prices**

- 2.13 These are considered high in the Highland Council area with a median sale price in 2018/19 of £165,500. This is 8.8% higher than the Scotland-wide median sale price figure for the same year (of £152,000).
- 2.14 Highland Council area shows an increase in median sale price of 11.8% in the 4 years from 2014 to 2018/19 which compares to an 8.9% fall in Aberdeen City and a 7.1% fall in Aberdeenshire (likely to be oil industry related).
- 2.15 Sale prices continue to rise. Against a 2014 baseline the Highland Council area has seen an increase to 2019 of 18.47% in the average sale price.
- 2.16 The COVID-19 pandemic recovery is considered to be a particularly significant issue for the housing market in the Highland Council Area. Being particularly rural and considered “remote” by much of the population – the popularity of

living in this area appears to be recognised by the market. This has led to changes in the housing market evidenced by the continuing increasing sales figures and house prices being achieved. **Annex 3. Covid-19 Pandemic Recovery** outlines the emerging evidence we have identified, some of which cannot be supported by full statistical evidence at this time.

## Rental costs

2.17 These have increased between 9.1% and 12.1% (depending on type of accommodation) in the 6 years between 2012 and 2018 (CHMA supplied data).

## Incomes

2.18 2018 based data suggests that Highland Council area annual median household incomes have remained unchanged in the 4 years from 2014 to 2018 at £30680 (£590 per week).

2.19 Similar comparable figures at Housing Market Area level are included in the **Table 4. Appendix A.** below and show the expected significant differences across different areas ranging from an increase of 10% in Badenoch and Strathspey HMA to a fall of 7.3% in Caithness. Inverness HMA is the area containing 33% of the existing housing in the Highland Council area and demonstrated no change in household income over this period.

2.20 In the same period the Scotland-wide median figure also is stationary at the same figure of £28,600 per household in both 2014 and 2018. The biggest falls are in Shetland (17.2% over 4 years) and Eilean Siar (-12.5%). Other adjoining Local Authority areas of Moray and Argyll and Bute both show a similar 0% change whereas Perth and Kinross area indicates a 10.3% rise. The biggest increase is in East Renfrewshire with a 12.1% rise over the same period.

2.21 In areas such as that covered by the Highland Council this combination of increasing housing costs (both house prices and rental costs) alongside stationary incomes (falls in real terms) re-enforces the situation already considered to exist, where a high and increasing number of people are unable to afford either private or affordable housing.

2.22 We have called this element the “in year arising need” and consider that the Minimum all-tenure housing demand figures should include this additional factor for our area.

## 3. TEMPLATE PART 3 – Flexibility Allowance

3.1 The Highland Council area geography presents a wide range of settings from densely populated urban areas to the most rural sparsely populated “fragile areas”. Significant areas of the administrative area are particularly rural and the 10 Housing Market Areas present very different market and housing challenges.

- 3.2 We wish to encourage landowners to release land to offer a diverse range of site offerings to support the clear and continuing demand in the Inner Moray Firth area and expand on existing settlements to strengthen existing communities.
- 3.3 In doing this we also fully support the ambition to encourage opportunities for rural re-population and to encourage growth in rural settlements and to support the rural economy.
- 3.4 We agree that the 30% flexibility allowance is appropriate to apply to Highland Council area figures as a contingency for over programming and provide flexibility in site selection options.
- 3.5 We consider there is a requirement for a further adjustment to be applied to the figure in this area to account for the particularly high proportion of ineffective stock found due to second homes, vacant properties and housing used for short term letting (holiday accommodation). These uses lead to a high proportion of stock builds failing to accommodate any of the needs and demands identified.
- 3.6 The additional factor we describe below for ineffective stock delivery is considered to be over and above and quite independent of the flexibility figure.

### **Ineffective Stock Adjustment**

- 3.7 Before the Covid-19 pandemic, some initial work was carried out to investigate in detail the position across Highland Council area with respect to short term lets and the proportion of lettings being made. Without a specific licencing requirement for short term lets or extensive research resources it can prove difficult to assess the impact of such services as “AirBnB” and other daily and weekly letting providers.
- 3.8 6.9% of all Council tax registered stock is considered ineffective in September 2020. This however only includes properties registered as “Second homes” and other unoccupied property and ranges from 14.6% in Ross and Cromarty West to 4% in Inverness HMA.
- 3.9 In addition to this stock – there are over 5000 properties described as “self-catering property” or by other similar descriptions in the non-domestic properties list. Our estimates are that around half of these properties may have been built as potential housing stock. We recognise that once built a proportion of all new (and converted) properties may become used for short term letting/self-catering accommodation etc. and won’t become effective residential housing stock. In tourist hotspot areas in certain HMAs this is considered a much larger percentage but have identified an overall Highland Council area ineffective stock rate of 8.9% of all stock built.
- 3.10 Highland Council consider that this Highland-wide figure of 8.9% for ineffective stock should be applied in the calculation of the Minimum Housing Land Requirement (HLR) figure, to ensure the required additional housing can be delivered. It is recognised however that it should not be applied to the

requirements identified as backlog or the “in year arising need” which are considered to be likely to be met through affordable housing solutions where change of use into short term lets is not considered a problem.

- 3.11 Successive Highland Local Development Plans (LDPs) have included this allowance and successive Scottish Government Reporters have endorsed it through the respective Examinations of the Housing Requirement totals within those LDPs.
- 3.12 The 30% Flexibility is correctly applied at the end of the process to the final calculated figure because the site flexibility this offers is required across all tenures of housing development. This supports the delivery of social and below market rent sites as well as those sites delivering market rental and owner occupier tenures.

#### **4. TEMPLATE PART 4**

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

- 4.1 The spreadsheet in **Table 5. Appendix A.** summarises both the figures supplied in the Default (supplied data) spreadsheet and the Highland Council proposal. It shows the different figures used for inputs:
- High Migration Household Projection NOT Principal Projection for “Arising Need”
  - Highland Council Housing team derived Backlog NOT SG Supplied Backlog for “Existing Need”
- 4.2 All calculations are carried out in the default supplied spreadsheet using these numbers and result in the following base figures:
- **4,350** (figure supplied in the data **Table 6. Appendix A**)
  - **7,100** – Highland Council proposed base figure (using same default spreadsheet calculation steps **Table 7. Appendix A.**)
- 4.3 These adjusted estimate compares with the supplied House Completions figure of **10,300**. As explained in para. 1.9-1.10 above Highland Council monitor in detail house completions and have confidence that the figure delivered between 2010 and 2019 is **10,025** for the Highland Council area. We have also identified that **565** of these are in the Cairngorm National Park area.
- 4.4 Taking 565 from 10,025 leaves a house Completions figure of **9460** delivered over the previous 10 year period.
- 4.5 As described in the previous template sections the Highland Council consider that two additional factors should be included in the Minimum All Tenure Housing Land requirement:
- Adjustment for Ineffective Stock (increase of 8.9% to Highland-wide total applied only to the “arising need”) – described in paras 3.7 to 3.12
  - “In year arising need” (described in para 2.8 to 2.12) – an overall increase of 194 per annum or 1940 over 10 years

- 4.6 The supplied spreadsheet does not offer the flexibility to apply our proposed adjustments. In **Table 8. Appendix A.** we provide the calculations we have used to apply these adjustments to create the Highland Council proposed All Tenure Housing Land Requirement. For this reason, we have not supplied the calculations in the spreadsheet supplied – instead **Table 7. Appendix A.** and **Table 8. Appendix A.** along with this explanation provides our submission.
- 4.7 The process used takes the figures from the supplied spreadsheet:
- **Stage 1** – uses the calculated 10 year arising need for the Highland Council area (without the CNP HMA)
  - **Stage 2** – increases this by 8.9% for ineffective stock
  - **Stage 3** – uses the backlog figure from Highland Council Housing rules-based analysis
  - **Stage 4** – adds a further 1940 (over 10 years) for “in year arising need”
  - **Stage 5** – multiplies the total figure in Stage 4 by 1.3 (to inflate by 30% for flexibility)
- 4.8 **Table 8. Appendix A.** also includes the calculation of the All Tenure Minimum Housing Land Requirement if applying that process to the default supplied figures and is calculated to be **7,150**. However, using the Highland Council’s proposed base figures using the High Migration Projection and then applying that process (Highland Council backlog, allowance for ineffective stock and the additional “in year arising need” figure) the All Tenure Minimum Housing Land Requirement calculated – and proposed by us – is **10,000** as shown.
- 4.9 There is a historic demonstrated delivery of **9460** housing units (Highland Council – no CNP) para. 4.4 over 10 years. This should be compared against the proposed figure of **7,700** calculated for the Highland Council area (no CNP HMA) before the 30% flexibility allowance is applied (considered appropriate for the Highland Council area).

## 5. TEMPLATE PART 5

### Housing Market Partnership (HMP) and Stakeholder Involvement

- 5.1 List of HMP members - The Highland Housing Market Partnership includes:
- Highland Council Development and Infrastructure representatives
  - Head of Planning and Environment
  - Head of Development and Regeneration
  - Head of Housing
- 5.2 Through the process of Housing Needs and Demands Assessment other stakeholders have been consulted and briefed on progress including representatives from:
- Registered Social Landlords and SG Housing Investment Division (through the Highland Housing HUB)
  - Homes for Scotland

- 5.3 Summary of HMP views - The Highland Housing Market partnership was formed in early 2019 to progress work to deliver the Housing Need and Demand Assessment 2020. Updates have been presented to successive meetings of this partnership up to March 2021 when the agreed approach used in the calculation of these figures was made.
- 5.4 The Highland Council proposal for NPF4 Minimum all tenure figures have additional factors explained in Part 4 – this approach has been developed with the agreement of the HMP and the approach taken here and applied in our HNDA is the same.
- 5.5 HMP agreement - Has the HMP agreed your minimum housing land figure?

**YES – The HMP has expressed the view that these figures are considered to be appropriate based upon current available statistical evidence – however, reference to **Annex 3. Covid-19 Pandemic Recovery** is considered to be required as it recognises that these are considered base figures that will need reviewing against the emerging evidence of significant pressure on the Highland Council area housing market as recovery from the Covid-19 pandemic develops.**

### **Summary of Stakeholders Views**

- 5.6 On 24<sup>th</sup> March 2021 the outline figures supplied in the NPF4 Minimum All-Tenure Housing Land Requirement paper were presented to a wide range of stakeholders comparing and contrasting with the default supplied figures and the Highland proposed figures (including the additional factors as described in previous parts of this submission).
- 5.7 Attending were a broad range of development industry representatives that operate within or have clients that operate within Highland’s housing market in either or both of the affordable and market sectors alongside Highland Council representatives from Housing and Estates and Planning functions.
- 5.8 An acknowledgment was given around the significant discrepancy between the recent history of completions, and the default supplied baseline figures. The figures in this submission were developed through the extended process of delivery of the Highland HNDA 2020 and are derived from those in the draft HNDA.
- 5.9 In addition, as part of our work to refine our Indicative Regional Spatial Strategy (IRSS) for the Highland Council Area, we gave some visibility to this Scottish Government request for feedback on the Minimum All-Tenure Housing Land Requirement and to our ongoing preparation of a response.
- 5.10 This engagement was carried out with a range of External Partner/Stakeholder Organisations whilst seeking their feedback on ideas for refining the IRSS. Specifically, we gave it visibility through: our online engagement with a range of External Partner/Stakeholder Organisations and in presentation to a workshop

with our Council's Elected Members, whilst seeking feedback on ideas for refining the IRSS; our Refined IRSS itself as submitted to Scottish Government and published on our website; our associated Report to the Economy and Infrastructure Committee, seeking approval of the Refined IRSS.

## **TEMPLATE PART 6**

### **Joint Housing and Planning Senior Official Sign-Off**

#### Head of Housing

Full Name: David Goldie

Full Title: Head of Housing and Building Maintenance

Email: [david.goldie@highland.gov.uk](mailto:david.goldie@highland.gov.uk)

Date: 04 June 2021

Signature:



#### Head of Planning

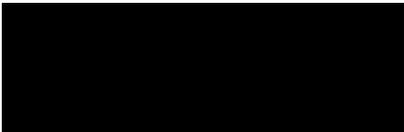
Full Name: Malcolm Macleod

Full Title: Executive Chief Officer – Infrastructure, Environment and Economy

Email: [Malcolm.MacLeod@highland.gov.uk](mailto:Malcolm.MacLeod@highland.gov.uk)

Date: 04 June 2021

Signature:



## Appendix. A Tables and Figures referred to in the main document

**Table 1. Historic Net Migration to/from Highland Council area**

Year	Net Migration
2014/5	+1120
2015/6	+1200
2016/7	+810
2017/8	+970
2018/9	+980

Source – NRS Mid Year Estimates to 2019

**Table 2. Affordable and All Housing Delivery 2013/14 to 2019/20**

Financial Year	RSL	HC	Other Affordable Schemes	Total Affordable Delivery	HC Area ALL Completions
2013/14	82	125	165	372	873
2014/15	92	193	176	461	921
2015/16	100	118	215	433	817
2016/17	50	131	238	419	789
2017/18	124	110	232	466	981
2018/19	259	162	254	675	1280
2019/20	215	141	204	560	1361

Sources: Scottish Government Affordable Housing Supply Programme – Annual Reports and HC Data

**Table 3. Highland Housing Register (HHR) Priority Applicants (from Rules based assessment)**

Snapshot Date	HHR Total Applicants	Rules based Existing Backlog Figure
1 April 2015	From HNDA2015	2144
1 April 2016	6799	2099
1 April 2017	7170	2230
1 April 2018	7437	2319
1 April 2019	7487	2234
1 April 2020	7396	2236

Source: Highland HNDA 2015 and Housing Team

**Table 4. Local Household income Estimates 2014 and 2018**

Housing Market Area	Median Income Estimates			4 year change %	Annual change %
	2018 based	2014 based	Change		
<b>Badenoch &amp; Strathspey</b>	£34,320	£31,200	£3,120	10.0%	2.5%
Caithness	£26,520	£28,600	-£2,080	-7.3%	-1.8%
East Ross	£27,560	£28,600	-£1,040	-3.6%	-0.9%
Inverness	£32,240	£32,240	£0	0.0%	0.0%
Lochaber	£31,200	£29,640	£1,560	5.3%	1.3%
Mid Ross	£33,280	£32,760	£520	1.6%	0.4%
Nairn	£28,080	£30,160	-£2,080	-6.9%	-1.7%
Ross and Cromarty West	£30,680	£29,120	£1,560	5.4%	1.3%
Skye & Lochalsh	£30,160	£29,640	£520	1.8%	0.4%
Sutherland	£28,080	£27,040	£1,040	3.8%	1.0%
<b>Highland Council Area</b>	<b>£30,680</b>	<b>£30,680</b>	<b>£0</b>	<b>0.0%</b>	<b>0.0%</b>

Source: Banded Income Statistics and CHMA

**Table 5 – Supplied figures and Highland Council Proposal base figure**

STEP	Action	Area	Scenario	Base year			10yr total	15yr total	Notes									
				2022	2032	2037												
STEP 1	Input Household Projections	Highland Council Area	Original NPF	111067	114639	115719			Whole HC Area inc CNP HMA									
		Highland Council Area	HC Proposal	111152	115465	116310			Whole HC Area inc CNP HMA									
		CNP Highland HMA	Original NPF	6312	7480	7616			Used a factor of 7.8% of Highland Total for CNP HMA									
		CNP Highland HMA	HC Proposal	6314	7496	7657			Used a factor of 7.8% of Highland Total for CNP HMA									
STEP 2	Input Existing Need	Highland Council Area	Original NPF	74	740				Whole HC Area inc CNP HMA									
		Highland Council Area	HC Proposal	223.6	223.6	0			Whole HC Area inc CNP HMA									
		CNP Highland HMA	Original NPF	4.5	4.5				CNP Highland HMA Only									
		CNP Highland HMA	HC Proposal	15.8	15.8				CNP Highland HMA Only									
STEP 3	Input Flexibility	No change				30%	30%	30%	No Change									
STEP 4	Calculate No of Newly Forming HH ("Arising Need") over 15 years	Highland Council Area	Original NPF						4652	2037 figure - 2022 figure (Still whole HC Area)								
		CNP Highland HMA	Original NPF							704	2037 figure - 2022 figure (CNP HMA)							
		Highland Council Area	HC Proposal							5759	High Migration Projection used (Still whole HC Area)							
		CNP Highland HMA	HC Proposal							744	High Migration Projection used (CNP HMA)							
STEP 5	Zero Negative numbers	Not Applicable							Not Applicable									
STEP 6	Subtract CNPA from HW and redo LA Totals	Highland Council Area (No CNP)	Original NPF							3948	THIS is where the projected HH Arising need is removed from the HC Area total)							
		Highland Council Area (No CNP)	HC Proposal								5015	THIS is where the projected HH Arising need is removed from the HC Area total)						
STEP 7	Existing Need - Subtract CNP sub area totals from respective LAs and redo LA totals only	Highland Council Area (No CNP)	Original NPF								695	Subtract 45 (CNP HMA) from 740						
		Highland Council Area (No CNP)	HC Proposal									2078	Subtract 158 (CNP HMA) from 2236					
STEP 8	Add together "existing need" and "newly-forming households" from steps 6 and 7	Highland Council Area (No CNP)	Original NPF									4643	695+3948					
		Highland Council Area (No CNP)	HC Proposal										7092	2078+5014				
		CNP Highland HMA	Original NPF											749	45+704			
		CNP Highland HMA	HC Proposal											902	158+744			
STEP 9	Annualise the newly-forming households by dividing step 5 (actually Step 4) by 15 years (this is ONLY dividing the 15 year Arising Need by 15)	Highland Council Area (No CNP)	Original NPF	263									Annualised "arising need"					
		Highland Council Area (No CNP)	HC Proposal	334									Annualised "arising need"					
		CNP Highland HMA	Original NPF	47									Annualised "arising need"					
		CNP Highland HMA	HC Proposal	50									Annualised "arising need"					
STEP 10	Create a 10 year total using the annualised figures from step 9. (Total HW Only Existing plus 10 years of Arising Need) CNP Component plus 10 yrs Arising Need	Highland Council Area (No CNP)	Original NPF										3327	Existing Need (695) plus 10x the annualised "arising need" (263*10) (Step 9)				
		Highland Council Area (No CNP)	HC Proposal											5421	Existing Need (2078) + (334*10) (Step 9)			
		CNP Highland HMA	Original NPF											514	Existing Need (full total) plus 10x the annualised "arising need" (Step 9)			
		CNP Highland HMA	HC Proposal											654	Existing Need (full total) plus 10x the annualised "arising need" (Step 9)			
STEP 11	Remove the National Park HMAs	Highland Council Area (No CNP)	Original NPF											3327	Presentational Change Only			
		Highland Council Area (No CNP)	HC Proposal												5421	Presentational Change Only		
STEP 12	Order into City Regions – Not relevant for Highland	Highland Council Area (No CNP)	Original NPF												5421	Presentational Change Only		
		Highland Council Area (No CNP)	HC Proposal													5421	Presentational Change Only	
STEP 13	Add in a land supply flexibility allowance and re-do totals to arrive at an initial default minimum housing land requirement Inflate total by 30% Flexibility	Highland Council Area (No CNP)	Original NPF													4325	((Existing Need+Arising Need)* 0.3)+(Existing Need+Arising Need)   3327+398=4325	
		Highland Council Area (No CNP)	HC Proposal														7048	5421+1626 = 7048
		CNP Highland HMA															668	514+154
		CNP Highland HMA																850
STEP 14	Round final estimates to the nearest 50	Highland Council Area (No CNP)	Original NPF														4350	Supplied default figures
		Highland Council Area (No CNP)	HC Proposal															7100

## Table 6 – Default Supplied figures – Step 14 Summary

STEP 14 - Round final estimates to the nearest 50 and show housing completions

Unitary Local Authorities, City Regions and National Parks	NPF4 - Minimum All Tenure Housing Land Requirement				Housing Completions
	10 Years Total				
	Existing Housing Need	Newly-Forming Households	(25% urban, 30% Rural)	Housing Land Requirement	2010 - 2019
Aberdeen City	500	3,300	950	4,750	7,734
Aberdeenshire	400	4,600	1,500	6,500	12,132
<b>Aberdeen City Region</b>	<b>900</b>	<b>7,900</b>	<b>2,450</b>	<b>11,250</b>	<b>19,866</b>
Angus	150	500	200	850	2,464
Fife (North)	150	700	200	1,050	2,403
Dundee City	400	1,200	400	2,000	2,377
Perth and Kinross	100	1,950	600	2,650	5,560
<b>Dundee City Region</b>	<b>800</b>	<b>4,350</b>	<b>1,400</b>	<b>6,550</b>	<b>12,804</b>
City of Edinburgh	2,150	19,900	5,500	27,550	16,654
East Lothian	500	4,350	1,200	6,050	5,124
Fife (Central and South)	600	2,750	850	4,200	9,613
Midlothian	500	5,950	1,600	8,050	6,271
West Lothian	600	6,500	1,750	8,850	6,568
Scottish Borders	100	1,250	400	1,750	3,512
<b>Edinburgh City Region</b>	<b>4,450</b>	<b>40,700</b>	<b>11,300</b>	<b>56,450</b>	<b>47,742</b>
East Dunbartonshire	250	2,300	650	3,200	3,678
East Renfrewshire	100	3,150	800	4,050	2,999
Glasgow City	3,400	13,750	4,300	21,450	15,338
Inverclyde	200	0	50	250	2,397
North Lanarkshire	900	4,150	1,250	6,300	7,567
Renfrewshire	300	3,600	1,000	4,900	5,846
South Lanarkshire	850	5,400	1,550	7,800	11,341
West Dunbartonshire	350	0	100	450	2,601
<b>Glasgow City Region</b>	<b>6,350</b>	<b>32,350</b>	<b>9,700</b>	<b>48,400</b>	<b>51,767</b>
Argyll and Bute	150	0	50	200	2,025
Clackmannanshire	150	200	100	450	1,145
Dumfries and Galloway	250	50	100	400	2,966
East Ayrshire	200	50	100	350	3,669
Eilean Siar	50	0	0	50	1,270
Falkirk	350	3,850	1,050	5,250	4,579
Highland	700	2,650	1,000	4,350	10,300
Moray	200	1,200	400	1,800	4,514
North Ayrshire	350	0	100	450	3,123
Orkney	50	300	100	450	1,450
Shetland	100	150	50	300	993
South Ayrshire	300	100	100	500	2,400
Stirling	300	2,400	650	3,350	2,878
<b>All Fife</b>	<b>750</b>	<b>3,450</b>	<b>1,050</b>	<b>5,250</b>	<b>12,016</b>
Cairngorms National Park	50	600	200	850	n/a
Loch Lomond and the Trossachs National Park	50	150	50	250	n/a

Comparison of minimums to completions

GREEN = completions higher than minimum  
BLUE = completions lower than minimum

## Table 7 – Highland Council Proposed base figures - Step 14 Summary

STEP 14 - Round final estimates to the nearest 50 and show housing completions

Unitary Local Authorities, City Regions and National Parks	NPF4 - Minimum All Tenure Housing Land Requirement				Housing Completions 2010 - 2019	Comparison of minimums to completions GREEN = completions higher than minimum BLUE = completions lower than minimum
	10 Years Total					
	Existing Housing Need	Newly-Forming Households	(25% urban, 30% Rural)	Housing Land Requirement		
Aberdeen City	500	3,300	950	4,750	7,734	
Aberdeenshire	400	4,550	1,500	6,450	12,132	
<b>Aberdeen City Region</b>	<b>900</b>	<b>7,850</b>	<b>2,450</b>	<b>11,200</b>	<b>19,866</b>	
Angus	150	500	200	850	2,464	
Fife (North)	150	700	200	1,050	2,403	
Dundee City	400	1,200	400	2,000	2,377	
Perth and Kinross	100	1,950	600	2,650	5,560	
<b>Dundee City Region</b>	<b>800</b>	<b>4,350</b>	<b>1,400</b>	<b>6,550</b>	<b>12,804</b>	
City of Edinburgh	2,150	19,900	5,500	27,550	16,654	
East Lothian	500	4,350	1,200	6,050	5,124	
Fife (Central and South)	600	2,750	850	4,200	9,613	
Midlothian	500	5,950	1,600	8,050	6,271	
West Lothian	600	6,500	1,750	8,850	6,568	
Scottish Borders	100	1,250	400	1,750	3,512	
<b>Edinburgh City Region</b>	<b>4,450</b>	<b>40,700</b>	<b>11,300</b>	<b>56,450</b>	<b>47,742</b>	
East Dunbartonshire	250	2,300	650	3,200	3,678	
East Renfrewshire	100	3,150	800	4,050	2,999	
Glasgow City	3,400	13,750	4,300	21,450	15,338	
Inverclyde	200	0	50	250	2,397	
North Lanarkshire	900	4,150	1,250	6,300	7,567	
Renfrewshire	300	3,600	1,000	4,900	5,846	
South Lanarkshire	850	5,400	1,550	7,800	11,341	
West Dunbartonshire	350	0	100	450	2,601	
<b>Glasgow City Region</b>	<b>6,350</b>	<b>32,350</b>	<b>9,700</b>	<b>48,400</b>	<b>51,767</b>	
Argyll and Bute	150	0	50	200	2,025	
Clackmannanshire	150	200	100	450	1,145	
Dumfries and Galloway	250	50	100	400	2,966	
East Ayrshire	200	50	100	350	3,669	
Eilean Siar	50	0	0	50	1,270	
Falkirk	350	3,850	1,050	5,250	4,579	
<b>Highland</b>	<b>2,100</b>	<b>3,350</b>	<b>1,650</b>	<b>7,100</b>	<b>10,300</b>	10,025-565 9460
Moray	200	1,200	400	1,800	4,514	
North Ayrshire	350	0	100	450	3,123	
Orkney	50	300	100	450	1,450	
Shetland	100	150	50	300	993	
South Ayrshire	300	100	100	500	2,400	
Stirling	300	2,400	650	3,350	2,878	
All Fife	750	3,450	1,050	5,250	12,016	
Cairngorms National Park	50	650	200	900	n/a	565
Loch Lomond and the Trossachs National Park	50	150	50	250	n/a	

## Table 8 – Adjusted Highland Council proposed figures

Stage	Calculation (all over 10 year period)	Supplied NPF Figure		Highland Council Proposal	
		Actual Figure	Rounded to 50	Actual Figure	Rounded to 50
1	Forecast of 10 year arising need (Additional households) (Step 10 - 10 year Newly Forming Households)	2,623	2,600	3,343	3,350
2	Future "Ineffective Stock Allowance" +8.9% (applied to above)	233	250	298	300
3	Backlog Clearance (Step 7)	695	700	2078	2100
4	Additional In Year Need (to be delivered by AFF)	1940	1950	1940	1950
	<b>Total to here</b>		<b>5,500</b>		<b>7,700</b>
5	Generosity /Flexibility/Contingency 30% (multiply by 0.3)	1650	1650	2310	2300
	<b>All Tenure Minimum Housing Land Requirement</b>		<b>7,150</b>		<b>10,000</b>