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**REPORT TO: PLANNING AND REGULATORY SERVICES COMMITTEE ON  
18 MAY 2021**

**SUBJECT: NATIONAL PLANNING FRAMEWORK 4- MINIMUM ALL TENURE  
LAND REQUIREMENT**

**BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND  
FINANCE)**

**1. REASON FOR REPORT**

- 1.1 This report asks the Committee to consider the proposals for setting minimum all tenure housing land requirements for planning authorities in National Planning Framework 4 and to agree the proposed response in Paragraph 4.5 to be submitted to the Scottish Government, with additional evidence.
- 1.2 This report is submitted to Committee in terms of Section III (E) (2) of the Council's Scheme of Administration relating to the Review and Preparation of Strategic and Local Plans.

**2. RECOMMENDATION**

- 2.1 It is recommended that the Committee;
- (i) note the proposals for setting minimum all tenure housing land requirements in National Planning Framework 4; and
  - (ii) agree the response set out in Paragraphs 4.4 to 4.6 be discussed with Homes for Scotland and the Housing Market Partnership and submitted to the Scottish Government, with additional evidence, before the deadline of 4 June 2021.

**3. BACKGROUND**

- 3.1 The Planning (Scotland) Act 2019 sets out a requirement for the National Planning Framework (NPF) to include targets for the use of land in different areas of Scotland for housing. The Scottish Government has developed a methodology to establish initial default estimates to inform the identification of a minimum all tenure land requirement for individual authority areas. The paper explains these are a starting point for meeting the statutory requirement. Figures for past housing completions in each local authority

have been set out alongside the initial default estimates to help inform consideration.

- 3.2 Authorities have been asked by 4 June 2021 to;
- Consider the initial default estimates and whether alternatives to the default assumptions about household projections and existing housing need should be applied.
  - Consider whether you wish to propose a different flexibility allowance, which should generally be greater than the proposed 25% minimum for urban areas and 30% minimum for rural areas.
  - Assess the extent to which the proposed land requirement compares with past completions for the area. Where the proposed requirement is substantially lower the view is that authorities should consider whether it should be increased further.
  - Set out a locally adjusted estimate of the minimum all tenure housing land requirement for your local authority area as a result of these adjustments.

Consideration of the above should be informed by local input and evidence and reference policy ambitions regarding economic growth and other matters relevant to housing land figures. Consideration should also be given to national drivers such as rural repopulation and providing homes for older people and disabled people.

- 3.3 Housing Market Partnerships (HMP) should be engaged in consideration of the figures proposed by the Scottish Government with the Council's submissions to be signed off by the Head of Economic Growth and Development and the Head of Housing and Property.

#### **4. PROPOSALS**

- 4.1 A Methodology Paper has been published to explain how authorities can make a case to adjust the initial default estimates before they are included in the draft NPF4 which is anticipated to be published in Autumn 2021. The important linkages between the Local Housing Strategy (LHS), the Housing Need and Demand Assessment (HNDA) and Local Development Plan (LDP) established through the current planning system will remain in place. In future there will be a requirement for LDP's to be reviewed within a ten year period while the LHS and HNDA will retain a five year review period.
- 4.2 The methodology used to produce the initial default estimate of the minimum all tenure housing land requirements has been aligned to the HNDA methodology, i.e. the number of newly forming households and existing housing need count are equivalent to steps 1 and 2 of the HNDA Tool. Where authorities propose to adjust the initial default estimates to arrive at an adjusted figure they are required to make a case for change and to submit this to the Scottish Government for assessment.
- 4.3 Methodology.
- Part 1 Household Projections- initial default estimates use NRS 2018 based principal household projections for the period 2022 to 2037. Three additional options are available to the default, low migration household

projections; high migration household projections; household projections which are produced in house by an authority. Authorities are required to provide robust evidence of why they seek to use an alternative projection, which must be made on the basis of local, regional or national policy drivers and aspirations.

- Part 2- Existing Housing Need. The default existing housing need estimates include a count of homeless households in temporary accommodation. Authorities may make a case for a different existing need estimate. Existing housing need cannot be met by existing stock. Authorities must consider housing completions data presented alongside their initial default estimate.
- Part 3- Flexibility Allowance. The Scottish Government initial default estimate includes the addition of a 25% flexibility allowance for urban areas and 30% for rural authorities to allow a contingency for over-programming of land to allow for changes in sites coming forward over the 10 year time frame of the LDP. Authorities may make a case for a different level of flexibility which should generally be higher than the default.
- Part 4- Locally Adjusted Estimate of the Minimum All Tenure Housing Land Requirement. Authorities are invited to adjust any of the preceding steps and to submit the adjusted Excel Calculator with the Response Template.
- Part 5- HMP and Stakeholder Involvement. Stakeholders are encouraged to engage positively through constructive co-operation on the minimum all-tenure housing land requirement. A list of all HMP members and a summary of their views must be provided in this part of the template and an indication of whether they agree with the proposed minimum, with disputes noted. Views of others including housebuilders should also be noted.
- Part 6- Joint Housing and Planning Senior Officer Sign-Off

4.4 Proposed Response- the initial default estimates of the Minimum All- tenure Housing Land Requirement (HLR) is set out in the table below.

Authority	Default estimates. 10 years				Past housing completions
	Existing Housing Need	Newly Forming Households	Flexibility Allowance (30%)	Minimum housing land requirement	2010-2019
Moray	200	1,250	400	1,850	4,514
Authority	<b>Proposed Response- Local adjustment</b>				Past Housing Completions
<b>Moray*</b>	Existing Housing Need	Newly Forming Households	Flexibility Allowance	Minimum housing land requirement	2010-2019
	480	2180	798	3458	4514

Table 1- Proposed HLR from Scottish Government

4.5 As the first part of the table above demonstrates, the housing land requirement for the 10 year period proposed without any local adjustment would fall considerably short of previous housing completions and, although a minimum figure, could result in a shortfall of housing land over time, with resultant impacts upon economic growth and potentially homelessness and land values. Although Moray benefits from currently having a good supply of effective land for housing, supporting such an approach without local adjustment would result in shortfalls in housing land supply and would be contrary to the Council's approach to economic growth.

4.6 The second part of the table at "Moray\*" sets out the proposed Council response as locally adjusted minimum figures, including;

- existing need is currently 480, significantly higher than the proposed figure of 200.
- Using Council tax records the number of households in 2021 is estimated to be 43,600. Using a national forecast of 5% increase in the number of households in Moray over a 10 year period, this increases the newly forming households to 2180, significantly higher than the default figure and more reflective of previous completion rates. This is based upon the Council's economic growth aspirations to grow the economy, supporting a number of high profile Growth Deal projects, the increase of personnel and support roles at RAF Lossiemouth, aspirations to retain young people, attract talent and also reflecting the even stronger in-migration being experienced arising from Covid-19, reflected in much higher house sales than previously experienced.
- Additional investment coming from Scottish Government funding to accelerate and deliver affordable housing and eradicate homelessness.
- Adding flexibility of 30% results in a much more realistic minimum figure of **3458 as a minimum to be achieved.**

4.7 It is proposed that the above figures and justification form the core of the response to the Scottish Government to meet the deadline and officers from planning and housing services provide the evidence base to support this position. As requested by the Scottish Government, Council officers will share the proposed response with the Housing Market Partnership and Homes for Scotland and note any points of disagreement.

## 5. **SUMMARY OF IMPLICATIONS**

### **(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

The LDP is a vital aspect of supporting and facilitating the Council's priority for economic growth. The Plan also aims to deliver other key objectives including the delivery of affordable housing.

Setting housing land requirements at the right and achievable minimum level supports the Corporate Plan and LOIP.

### **(b) Policy and Legal**

Regional housing land targets are a new requirement set out in the Planning (Scotland) Act 2019.

**(c) Financial implications**

None at this stage.

**(d) Risk Implications**

There is a risk that if the minimum housing land requirements are set too high then they will be difficult to achieve and if it is set too low then it could fail to provide enough land for housing to meet need and demand.

**(e) Staffing Implications**

The full staffing implications of the new Planning (Scotland) Act 2019 will not be known until all regulations and guidance has been published and when these are reported to this Committee the staffing implications for services will be fully assessed.

**(f) Property**

None at this stage.

**(g) Equalities/Socio Economic Impact**

None at this stage.

**(h) Consultations**

Consultation has taken place with the Depute Chief Executive Economy, Environment and Finance, the Head of Economic Growth and Development, the acting Housing Strategy and Development Manager, the Legal Services Manager, the Equal Opportunities Officer and Paul Connor (Principal Accountant) and their comments incorporated into the report.

As requested by the Scottish Government, Homes for Scotland has been consulted through their Regional North Board chairperson and will be copied into the council's agreed response prior to submission to the Scottish Government. The Housing Market Partnership will also be consulted and any points of disagreement reported to the Scottish Government.

**6. CONCLUSION**

**6.1 NPF4 will set out draft regional housing land targets, which will be a minimum which LDP's will be required to meet through land designations for residential use.**

**6.2 The Scottish Government is consulting planning authorities on draft figures which allow for consideration of local adjustments to take account of local circumstances. This report sets out the draft figures and proposes a higher minimum figure is set to support the Council's existing backlog need, forecast newly forming households and to reflect**

**past completions rates and the Council's aspirations for economic growth.**

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Background Papers:

Ref:

FINAL