

National Planning Framework 4

Minimum All-Tenure Housing Land Requirement

North Ayrshire 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 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.

While the shortcomings of the household projections, chiefly the assumption that past trends will continue, irrespective of any changes to policy or wider circumstances, are acknowledged, North Ayrshire Council (NAC) agrees with the use of the principle household projection, in the absence of robust alternative projections.

Population projections based on several migration and other scenarios all indicate that the number of people living in North Ayrshire will reduce by between -8% and -14% by 2043. The average of these scenarios suggest a 10% reduction in population over this time, a number that correlates with the 'principal' migration forecast¹. With regard to household numbers, however, these are projected to remain more stable, with a projected decrease of only 3%.

Using the high-migration scenario with our proposed existing housing need figure (see Step 2) increases the adjusted Housing Land Requirement figure by only 5 units per year.

Notwithstanding the above position, we would note the following, which would indicate past trends may be reversed – i.e. the number of newly formed households may prove to be greater than both principle and high-migration projections – and why a higher minimum all-tenure housing land requirement should be considered.

- **Housing completions in North Ayrshire for the period 2010-2019 are recorded at 3,123, some 694% higher than the initial default minimum all-tenure housing land requirement figure for the next 10 years.**

¹ Source: [Infographics and Visualisations | National Records of Scotland \(nrscotland.gov.uk\)](https://www.nrscotland.gov.uk/infographics-and-visualisations)

- Our 2019/20 Housing Land Audit², agreed by Homes for Scotland, indicates above average completions in the last two (pre-COVID) audit years and, furthermore, programmes significantly increased delivery over the next 5 years, with an average of over 500 new homes expected to be delivered to March 2025.
- Alongside our ambitious social housebuilding programme being delivered through the Strategic Housing Investment Plan, the importance of private-sector housebuilding to support economic and population growth is recognised in North Ayrshire. In preparing our Local Development Plan (adopted November 2019), we worked proactively with the development industry, through Homes for Scotland (HFS), to take an approach that looked to stimulate the housing market in North Ayrshire. LDP2 sought to allocate proven effective sites, which were backed by builders with a track record, in order to have a transformational impact on the housing sector by stimulating demand and demonstrating that land values and sales rates in the region could prove viable, and thereby promote other interests. Seven additional housing allocations were approved by Council in April 2018 and submitted to Examination in October 2018, with five sites, were supported by the Examination which reported in July 2019. Progress on these sites is reflected in our HLA programming.

NAC's National Planning Framework 'Call for Ideas' response and the indicative Regional Spatial Strategy for Ayrshire advance an argument for the need to rebalance the housing market, away from the south-east of Scotland, where demand is high and the population is increasing, to places like Ayrshire. Currently, growth in population leads to growth in private housing investment leads to growth in population – so perpetual – and the reverse is arguably true in areas of population decline which is to the detriment of these locations. Policy interventions are required to address this and enable the benefits of the delivery of new homes, including the regeneration of communities, to be shared more equitably across Scotland. This should be a key consideration in the establishment of Housing Land Requirement figures in NPF4.

- The Coronavirus pandemic and in the increase in home working potentially provides an opportunity to support population rebalancing. The Garnock Valley has good (and improving) transport links to Glasgow yet is forecast to have the biggest population decline (7.4%, 2018-2030) in North Ayrshire and is a very challenging housing market, with limited private interest. With less need for people to travel to work everyday, investment in new housing and the creation of liveable, accessible places, with thriving local economies, where people can meet their daily needs within a 20-minute walk (i.e. 20 minute neighbourhoods) can make locations such as the Garnock Valley more attractive place to live and address population decline.

² [Housing Land Audit 2020 \(arcgis.com\)](https://arcgis.com)

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.

The estimate of existing housing need for North Ayrshire contained within the Scottish Government's initial default estimate is 368 units.

We propose an alternative existing housing need figure of 2300.

The North Ayrshire Housing Market Partnership considers the North Ayrshire Housing Register as a more accurate figure for backlog need, as opposed to the pre-populated HoTOC figure in the HNDA tool.

The needs-based 'North Ayrshire Housing Register' gives people access to 97% of the local social housing stock and, at November 2020, there were just over 6,500 households on the register, comprising 280 homeless, 2,000 transfer and 4,200 waiting list applicants.

Analysis of the Housing Register indicates existing demand for social housing in North Ayrshire is c.2,300 units. Transfer applicants, who if they are rehoused release a property which can then be reallocated to another waiting list applicant (effectively cancelling themselves out of the calculation) and waiting list applicants with no points (who have been assessed as having no housing need) have been excluded in this count of backlog need.

We propose to populate the HNDA tool with backlog need figure from the housing register, rather than the built-in figures from the HNDA Tool as it is considered that HoTOC does not represent the 2,000+ households with an assessed need for housing, who are on the waiting list.

NAC therefore disagrees with the estimate of existing housing need used in the initial default estimate and proposes to use the figure 2,300.

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.

For the purposes of this exercise, we do not propose an alternative Flexibility Allowance.

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 = **450**

Adjusted Estimate = **2900**

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

Take no more than 1 page

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.

List of HMP members

Trudi Fitzsimmons – Team Manager (Housing Strategy)
Alistair Gemmell – Strategic Planning Manager
Joanna Glacken – Planning Officer
Damian Dempsey – Policy Officer (Strategy)

Summary of HMP views

This response accords with the views of the HMP and has been prepared alongside a draft HNDA for North Ayrshire.

HMP agreement

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

YES

If not, please explain any disputes

List of Additional Stakeholders

Julie McLachlan – Senior Manager - Economic Policy (NAC)
Steve Morley – Research Analyst (NAC)
Tammy Swift-Adams – Director of Planning, Homes for Scotland
Billy Kirkwood – Managing Director, RDK Construction Ltd/ Robert Ryan
Linda Anderson – Executive Director of Development Services, Cunninghame Housing Association
Laurence McClusky - Development Manager, Cunninghame Housing Association

Summary of Stakeholders Views

Steve Morley – Research Analyst (NAC)

- Agrees with rationale for increasing the number of units.
- Notes that the NRS household projections assume that past trends will continue and take no account of policy interventions by either national or local agencies.
- Considers that 2,900 units over a 10-year period would not seem excessive and is indeed less than the 3,123 completions seen over the last 10 years

Homes for Scotland

- Believe the Scottish Government's existing household need counts are too low. Considers there is a robust case for a much greater increase to the figure proposed to account for wider existing need. For example, people and families with zero housing points are nonetheless presenting themselves to your authorities and indicating need and irrespective of whether they qualify for social housing, planning for an increase in all tenure-delivery would better enable their household need to be met.
- Do not think the principal projection of the 2018-based household projections provides a good basis for estimates of newly forming households to be planned for and suggest that NAC increase the estimate of newly forming households.
- Recommends that NAC use the high migration scenario if it would provide a positive figure, to better reflect past completion rates and the demand potential of North Ayrshire. Not it is unclear what disbenefit might arise from not doing so, give, the current Indicative Default Estimate suggests there will be no household growth at all. NAC completion records would suggest that is a very unrobust assumption, and HfS would support NAC in challenging the Scottish Government figure.
- Accept the Scottish Government's flexibility allowance levels
- Believe the 2019 completion figures should be considered, rather than the 10-year average as the 10-year average takes Scotland halfway back to the depth of the post-global financial crisis recession and does not serve the policy objective of increasing housing delivery.
- HFS members building homes in North Ayrshire are confident the local market could sustain annual completions in the region of as many as 450 new homes a year. Site starts and completions prior to the Coronavirus pandemic reflected a market significantly gaining in strength, and members are speaking to many people looking to move and relocate to the coastal area. North Ayrshire is in a very good position and embrace and take positive advantage of the potential to grow the population by planning for the much-needed new homes required to facilitate that.

Julie McLachlan – Senior Manager - Economic Policy (NAC)

- The Indicative Default Estimate does not account for potential activity and investment, the pro-active approach of LDP2 and the impact of the Ayrshire Growth Deal. To tackle depopulation, the economy is our key priority: tackling low job density and creating fair employment opportunities as the key to attracting population and retaining working age population. This is reflected in the Council's Community Wealth Building (CWB).

- **Regional inequality is stark in Scotland both in terms of economic performance but also in terms of population growth and decline, with an East vs West trend emerging, and with the challenges more likely to be felt in regions outwith city regions.**

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.

Head of Housing

Full Name: **Yvonne Baulk**

Full Title: **Head of Service – Physical Environment**

Email: ybaulk@north-ayrshire.gov.uk

Date: **May 28th 2021**

Signature: 

Head of Planning

Full Name: **Caitriona Mcauley**

Full Title: **Head of Service – Economic Development and Regeneration**

Email: caitrimoncauley@north-ayrshire.gov.uk

Date: **May 28th 2021**

Signature: 