

National Planning Framework 4

Minimum All-Tenure Housing Land Requirement

RESPONSE TEMPLATE

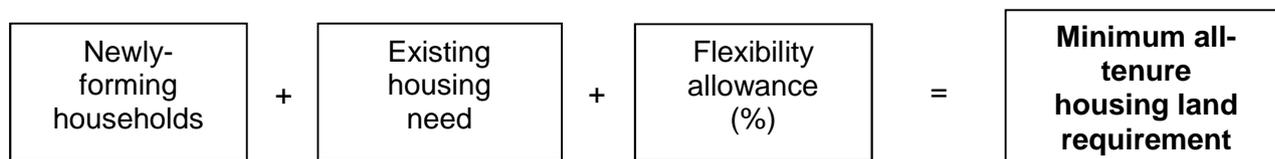
Scottish Government

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)

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.

(see page 4 of the Guidance Note)

SBC Response: Household Projections (Newly-Forming Households)

The Scottish Government's initial default estimates for the Scottish Borders, covering the 10 year period, total 1,250 newly-forming households. This is based on the NRS 2018-based principal household projections. Together with the existing need figure and additional flexibility, the Scottish Government set out an initial default estimate, for the 10 year period, of 1,750 units.

Scottish Borders Council consider the initial default estimates proposed by the Scottish Government to be too low. The Council does not consider that this takes into account past completion rates or the numerous policy drivers, which seek to attract people to live and work within the Region, help boost the economy and meet the required rise in the number of households. Some of these policy drivers include;

- Housing Land Audit programming
- Affordable housing investment set out within the SHIP
- Housing 2040 vision for housing in Scotland
- Borderlands Inclusive Growth Deal
- City Region Deal
- Indicative Regional Spatial Strategies
- South of Scotland Regional Economic Strategy

Scottish Borders council intend to agree a joint statement with Dumfries and Galloway Council and South of Scotland Enterprise confirming the important role a generous housing supply will have for promoting and developing the growth of the South of Scotland. South of Scotland Enterprise will send the statement directly to the Scottish Government.

It should be noted that the 10 year past completions set out by the Scottish Government (3,512 units) within the Excel Calculator differ to those recorded by the Council, as part of the annual Housing Land Audit (HLA). Therefore, for clarity and consistency the Council have used their own completion records as part of the calculations. Table 1 set out below, confirms the average 10 year completion rate for the Scottish Borders is 330 units per annum, for the period 2010-2019. This is considerably higher than the proposed housing land requirement set out by the Scottish Government as part of the consultation. It is considered that the average completion figure is more realistic than the initial default estimate by the Scottish Government, which conflicts with national and regional policy aspirations for the Scottish Borders, including investment in the South of Scotland. Therefore, it is considered that a case can be made to adjust and increase the initial default estimate to a more realistic level.

Table 1: Scottish Borders Council past completions (2010 – 2019)

Housing Land Audit year	Annual Completion Rate
09/10	487
10/11	490
11/12	266
12/13	306
13/14	288
14/15	272
15/16	373
16/17	250
17/18	222
18/19	345
Total average completion (10 year period)	330

It is therefore proposed that the newly forming households figure is adjusted to be more aligned with the evidence from previous completions. Table 2 below, presents the proposed adjustments for the Scottish Borders, which results in a housing land requirement of (4,400 units), covering the 10 year period. This aligns with recent growth in the region and the housing land requirement figure contained within the Proposed Local Development Plan (LDP), of (383 units) per annum. The adjusted figure builds in the additional 30% flexibility as a contingency to cover the longer 10 year plan period for future LDP's.

Table 2: Proposed adjustments to the newly forming households

NPF4 – Minimum All Tenure Housing Land Requirement			
10 Years Total			
Existing Housing Need	Newly-Forming Households	30% Flexibility	Housing Land Requirement
100	3,300	1,000	4,400

Annex A contains the updated Excel Calculator with the adjusted household projection figures and a total for the period 2022 to 2037. It should be noted that the Council used the principal migration household figure as the starting point for the adjustments.

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.

(see page 4 & 5 of the Guidance Note)

SBC Response: Existing Housing Need

The Scottish Government sets out an existing housing need figure for the Scottish Borders covering the 10 year period, for 100 units. The Scottish Government indicates that this figure includes a count of homeless households in temporary accommodation and an estimate of households who are both overcrowded and concealed. This is taken from step 2 of the Housing Need and Demand Assessment (HNDA) tool.

Scottish Borders Council considers that the existing need figure proposed of 100 units, covering a 10 year period to be low. However, it is acknowledged that work is currently underway in tandem to this consultation process, reviewing the existing need figure as part of HNDA3. It is considered that using live cases provides a more realistic figure for homelessness need. It should be noted that homeless households in temporary accommodation only account for approximately one third of homelessness cases. Therefore, it is considered that the proposed figure by the Scottish Government underestimates the existing need from homeless households.

However, at this moment in time, we do not consider that there is sufficient background evidence to propose a definitive adjustment. It is therefore anticipated that this would be taken into consideration in the future when the HNDA3 process is finalised and its outputs confirmed as robust and credible. As a result, the Council acknowledge that this figure is considered to be too low, however do not propose an adjustment to the housing need figure as part of this consultation process.

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.

(see page 5 of the Guidance Note)

SBC Response: Flexibility Allowance

The Scottish Borders is considered a rural area and therefore a 30% flexibility allowance has been applied. The Scottish Government have stated that flexibility is similar to the 'generosity' within the current Scottish Planning Policy (SPP), in that it reflects the aim of ensuring that LDP's allocate a generous supply of land for housing. The flexibility percentages are, however, higher than the current SPP to account for the change in legislation that now requires plans to be reviewed at intervals of no more than 10 years, instead of the current 5 years.

Consequently, as new plans will be in place for longer and it will be difficult to accurately forecast land take-up over this extended period of time. It is therefore considered that the 30% flexibility allowance is acceptable and reflects the statutory requirement in the Planning Scotland (2019) Act that NPF must contribute to the outcome of increasing the population of rural areas in Scotland.

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 = 1,750 units (Housing Land Requirement)

Adjusted Estimate = 4,400 units (Housing Land Requirement)

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

Take no more than 1 page

(see page 5 of the Guidance Note)

SBC Response: Locally Adjusted Estimate of Minimum All Tenure Housing Land Requirement

As outlined within Template 1 above, Scottish Borders Council propose an adjustment to the initial default estimate and housing land requirement.

Please find attached a copy of an updated Excel Calculator (Annex A), which includes the adjustment figures in red. The changes include;

- Adjusted single year household projections for 2022 to 2037 (shown in tab 1).
- No change has been made to the existing need figure.
- No change has been made to the flexibility allowance.

The adjustment to the household projections has populated and updated the final (tab 14).

As outlined within Template 1 above, this takes into account the past completions within the Scottish Borders over the past 10 years. Table 3 below highlights the proposed adjustment figures. It is proposed that the newly-forming households is increased to (3,300 units) taking into account past completion rates. This results in an increase to the housing land requirement totally (4,400 units) for the 10 year period.

Table 3: Adjusted minimum all-tenure figures

NPF4 – Minimum All Tenure Housing Land Requirement			
10 Years Total			
Existing Housing Need	Newly-Forming Households	30% Flexibility	Housing Land Requirement
100	3,300	1,000	4,400

It is worth noting that, the SESPlan Member Authorities are currently in the process of producing HNDA3 and it is anticipated that this will be finalised later in 2021. Therefore, it is unlikely that the final output of the HNDA3 will be completed in time to feed into NPF4. However, beyond the publication of NPF4, the LDP preparation process will provide an opportunity to take into consideration any up to date HNDA at that point in time.

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)

SBC Response: Housing Market Partnership (HMP) and Stakeholder Involvement

It is noted that there is a requirement to work with HMP's, to consider whether evidence justifies proposing alternative assumptions to the household projections, existing need defaults and a higher flexibility allowance. As part of the collaborative process, SESPlan have consulted the South East Scotland HMP in respect of the consultation, to invite key stakeholders to provide their initial views on the default all-tenure figures.

Further to the consultation, Homes for Scotland have provided a response to all Local Authorities in Scotland. The SESplan Authorities also met with Homes for Scotland and member representatives to discuss their response. Scottish Borders Council are also in ongoing discussions with Dumfries and Galloway Council. It is agreed by the respective planning authorities and Homes for Scotland that further engagement and discussions will need to take place as this process develops with a view to finalising the final housing land requirements.

List of HMP members

SESPlan conducted a consultation with the South East Scotland HMP to gather their views on the proposed figures. The letter sent to the HMP's is attached for your attention (Annex B). A list of all HMP members is contained below;

- Departments within Scottish Borders Council, including; planning, corporate policy, health and social care partnerships, homelessness and economic development
- Berwickshire Housing Association
- Eildon Housing Association
- Scottish Borders Housing Association
- Waverly Housing
- Borders Third Sector Partnership
- Homes for Scotland
- CALA Homes
- MacTaggart & Mickel
- Walker Group (Scotland) Ltd
- Persimmon Homes East Scotland
- Robertson Homes
- Avant Homes
- Stewart Milne Homes
- Barratt Homes & David Wilson Homes
- Dandara
- Miller Homes
- Cruden
- Taylor Wimpey East Scotland
- Bellway
- Bield HA
- Trust HA
- Link HA Ltd

- *The other stakeholders consulted relate specifically to the other SESPlan Member Authority areas, who will report back on those within their respective responses to the Government.*

The SESPlan Member Authorities met with Homes for Scotland and member representatives, to discuss the response received from Homes for Scotland. It should be noted that Scottish Borders Council also provided Homes for Scotland with a copy of the committee report presented to the Planning and Building Standards committee, which set out the Council's proposed adjustments. Further to this, Homes for Scotland provided an additional response letter dated 1st June directly to Scottish Borders Council.

Summary of HMP views

The only comments received were from Homes for Scotland. Please find attached their responses for your attention (Annex C, D & E). Annex C contains the initial response from Homes for Scotland dated 29th April which was circulated to all Local Authorities. Annex D contains the response from Homes for Scotland received in relation to the HMP consultation dated 5th May. Lastly, Annex E contains the most recent response from Homes for Scotland sent directly to Scottish Borders Council dated 1st June. A summary of the comments received from Homes for Scotland in relation to the Scottish Borders are outlined below.

- The figures HfS present are modelled on their manifesto 'ask' for a pan-Scotland, all-tenure aspiration to deliver at least 25,000 homes each year. They have looked at how those 25,000 homes might be distributed across Scotland if each authority made the same percentage contribution to that target as it did to the 22,596 homes delivered in 2019.
- HfS believe that the Scottish Government's existing household need counts are too low.
- HfS do not think that the principal projection of the 2018-based household projections provides a good basis for estimates of newly forming households to be planned for.
- HfS accept the flexibility allowance proposed.
- They believe that it is the 2019 completion figures that should be considered, rather than the 10-year average suggested by the Scottish Government and included in the tables. This is because the 10-year average takes Scotland halfway back to the depth of the post-global financial crisis recession and does not serve the policy objectives of increasing housing delivery.
- HfS proposes an adjusted figure to the household projection together with existing need, of 3,441 units, with an additional 1,032 units added as flexibility, totalling a housing land requirement of 4,473 units over the 10 year period.
- Raise concerns of the narrow definition of existing household need, as the Scottish Government only counts; homeless households in temporary accommodation and households of more than 1 person which are both overcrowded and concealed. They provide examples of other types of existing household need that the HNDA toolkit does not acknowledge or attempt to count, and which local authorities may wish to make provision for in their locally adjusted estimates.

HMP agreement

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

NO

It should be noted that the HMP consultation was undertaken before Scottish Borders Council finalised the adjustments to the initial default estimate and presented these to the Planning & Building Standards Committee.

It should also be noted that given the tight timescales to return a response to the Scottish Government for the 4th June and to allow sufficient time to present the adjustments to the Planning and Building Standards Committee, there has not been time to consult again with HMP's on the proposed adjustments to the figures.

List of Additional Stakeholders

N/A

Summary of Stakeholders Views

N/A

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)

SBC Response: Joint Housing and Planning Senior Official Sign-Off

Head of Housing

Full Name: Ian Aikman

Full Title: Chief Planning and Housing Officer

Email: IAikman2@scotborders.gov.uk

Date: 3rd June 2021

Signature: I Aikman

Head of Planning

Full Name: As above

Full Title: As above

Email: As above

Date: 3rd June 2021

Signature: I Aikman