

## National Planning Framework 4 – Minimum All-Tenure Housing Land Requirement

Following a meeting with the Scottish Government, Scottish Borders Council and Dumfries and Galloway Council on 16 August 2021 to discuss the consultation submission made in June 2021, Dumfries and Galloway Council would like to submit the following further information. It should be noted that in the absence of a recent HNDA, a recommended alternative set of Housing Market Partnership agreed household projections figures are set out below. They are based on Officer's work and have not been approved by the Council's Economy and Resources Committee.

The response only covers household projections as we understood from the meeting that the information previously provided in respect of existing need was sufficient.

### **Household Projections (Newly Forming Households)**

The Scottish Government propose to use the National Records of Scotland (NRS) 2018 based principal household projections to determine the minimum all-tenure housing land requirement for inclusion in National Planning Framework 4 (NPF4). For Dumfries and Galloway, the NRS 2018 principle HHP rises until the year 2025 and then steadily declines from 2026 onwards. The Council consider the principle HHP dangerously low as it 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 it is anticipated will see a continued rise household numbers. They also conflict with national and regional policy aspirations to significantly invest in the South of Scotland and to repopulate rural areas. Such a low figure also 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.

Dumfries and Galloway Council anticipates an increasing trajectory for household projections from 2022 to 2037 and propose to build on the 2018 NRS high variant household projections figures by applying a gradually increasing percentage. This will reflect the anticipated positive impact the policy drivers outlined below will have on household formation rates in Dumfries and Galloway. This approach results in what is considered a more accurate minimum all tenure housing land requirement figure of 4,550 units for our region. Figures are detailed below and in adjusted excel calculator.

### Policy drivers

- The recently published 2020 Housing Land Audit shows there is committed housing development (private and affordable) during the early part of the period. There are a number of large sites where planning permission has been granted or work has commenced on preparing a masterplan for the site. The HLA confirms that 303 housing units were completed that year.
- Dumfries and Galloway's affordable housing resource planning assumption for the next 5 years is £106 million which is fully committed to sites across the region. Regular meetings take place between the individual RSLs and the Councils Housing and Planning Service to ensure there is a supply of sites and that any issues are resolved at an early stage.

- The creation of a dedicated economic development agency for the South of Scotland - South of Scotland Enterprise (SoSE) provides an opportunity to make a real difference by establishing the South of Scotland as a centre of opportunity, innovation and growth by driving inclusive growth, increasing competitiveness and tackling inequality within the region.
- A draft Regional Economic Strategy (RES) which for the first time sets out a vision and priorities for the whole of the South of Scotland has been published for consultation. The strategy has been aligned with the Indicative Regional Spatial Strategy for the South of Scotland.
- The RES identifies, under the key theme of Thriving and Distinct Communities, the need to increase the supply of housing and the pursuit of “ambitious” housebuilding as a key priority for the region. This is needed to support ambitions to attract more people to the region as well as supporting the retention of those already here, and specifically our young people.
- The Borderlands Growth Deal 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.
- 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. Although anecdotal at this stage, there is evidence of this happening.
- Growing recognition of the strategic importance of the region at the heart of the UK and, of elevated importance post the UK’s exit from the EU, its role as a gateway to the European Market owing to its proximity and established connections with Northern Ireland.
- Scottish Government Housing 2040 paper makes it clear that increasing housing supply is essential. The ambition to deliver 100,000 affordable homes by 2031/32 throughout Scotland requires a higher minimum all tenure housing land requirement figure than the one set out in the consultation paper, such a low figure casts doubt on how this target could be reached.
- 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.

### **Recommend Adjusted Household Projection**

The Council are proposing to build on the 2018 NRS high variant household projection figures by applying incremental % increases between 2022 and 2037, this approach reflects the long term impact the of the policy drivers outlined above.

- 0.2% increases between 2023-2025
- 0.3% increases between 2026-2028
- 0.4% increases between 2029-2031
- 0.5% increases between 2032-2034
- 0.6% increases between 2025-2037

Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
%	0	0.2	0.4	0.6	0.9	1.2	1.5	1.9	2.3	2.7	3.2	3.7	4.2	4.8	5.4	6
HHP	69,983	70,207	70,394	70,593	70,776	70,961	71,180	71,432	71,687	71,929	72,214	72,547	72,887	73,302	73,743	74,189