

# **National Planning Framework 4**

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

### **RESPONSE TEMPLATE (East Ayrshire Council – 15/09/21)**

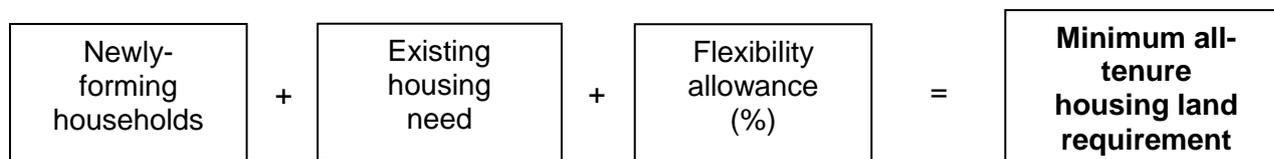
**Scottish Government**

**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](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)).

## 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.**

The high migration projection variant proposed for East Ayrshire would result in an overall reduction from around 55,777 households in 2022 to 55,576 in 2037 at the end of the projection period. Should household growth rates figures be zeroed as proposed in the MATHLR calculator in isolation and without any further uplift, doing so would bring about only a negligible increase compared to that of the principal projection. Nevertheless, a number of policy documents, local influences and priorities suggest that the rate of household growth is likely to be and should be higher than the NRS figures anticipate.

Although East Ayrshire benefits from currently having a good supply of effective land for housing, the lack of an appropriate local adjustment would result in a shortfall in housing land supply that would be contrary to the Council's approach to achieving population, household and economic growth. It is therefore necessary to adjust the initial MATHLR household projection to allow the Local Authority area to meet its ambitions and attract people from outside of East Ayrshire to live and work in the area.

The Planning (Scotland) Act 2019 passed by the Scottish Parliament in June 2019 contains a commitment through National Planning Framework 4 to increase the population of rural areas of Scotland; East Ayrshire as a whole is classified as such a Local Authority. Section 2.5 of the East Ayrshire Local Development Plan 2 Main Issues Report furthermore states that the proposed vision for the East Ayrshire Local Development Plan is that East Ayrshire will be a place with strong, safe and vibrant communities where everyone has a good quality of life and access to opportunities, choices and high quality services which are sustainable, accessible and meet people's needs. The MIR states that that vision will in part be achieved through the stabilisation of East Ayrshire's population followed by population growth.

Another policy intervention that has the potential to lead to an increase in the number of households in East Ayrshire is the Ayrshire Growth Deal (AGD). It is intended that Ayrshire Manufacturing Investment Corridor (AMIC), HALO Kilmarnock, Community Renewable Energy (CoRE) and other Ayrshire Growth Deal (AGD) projects will encourage inward migration and thereby spur demand for new homes. The AGD as a whole has the potential to create 2,100 jobs in East Ayrshire as a consequence of 7000 jobs overall being created and with a 31% share of funding and employment for the East Ayrshire area

The Council's ambition to increase the population and number of households in East Ayrshire is therefore supported by both national and local policy and is underpinned to a significant extent by the AGD and other local initiatives. It will not be possible to meet these policy ambitions without a sufficient quantity of land allocated for housing development.

To remedy problem of a potential undersupply of housing land using the default MATHLR figure and increase the number of households projected to be completed in East Ayrshire it is proposed that the following approach is taken.

The Scottish rate of household growth in urban Local Authorities and rural Local Authorities based on the high migration scenario from the 2018-based Household Projections has been established<sup>1</sup>. The percentage increase in households per year in rural Local Authority areas in Scotland is 0.21% and for urban Local Authority areas 0.53%.

The Scottish Government's HNDA tool indicates that around 69% of households in East Ayrshire are located in the northern, urban Kilmarnock & Loudoun Sub-Housing Market Area. The remainder of households are split between the southern, rural Cumnock Sub HMA and Doon Valley Sub HMA. Urban and rural combined and with each area's respective rate of growth applied at the aforementioned national rates, these areas/portions would produce an East Ayrshire-wide rate of household growth of 0.45% per annum.

Using the Scottish Government's HNDA tool and with the household growth rate of 0.45% applied to each year of the programming period, the number of newly-forming households over the 10 year plan period would be 2,467 units, rounded down using the Scottish Government's MATHLR tool to 2,450 units .

The method above is based on a desired level of inward migration and is supported by both national and local policy to stabilise and increase the population of East Ayrshire, a largely rural area in geographic terms but with urban characteristics. Average growth rates for urban and rural areas in Scotland would be matched. It would produce a household growth figure (rounded up to nearest 50) of **2450** or 245 units per year during the 10 year plan period.

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<sup>1</sup> <https://www.nrscotland.gov.uk/statistics-and-data>

## 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.**

With regard to the determination of existing housing need, the East Ayrshire HNDA 2018 estimates an existing need of 650 units during the 10 year Plan period<sup>2</sup>. This approach equates to the need for new units of housing and the HNDA 2018 has screened out existing housing need that can be met in-situ using existing housing stock e.g. transfers, adaptations etc.

The principal policy driver and aspiration in the provision of affordable dwellings is the East Ayrshire Strategic Housing Investment Plan (SHIP) 2021-2026. The SHIP programmes the completion of more than 1300 units to the year 2026. Most of these units would be developed by Council or RSL on sites that had hitherto not accommodated housing or would be provided as part of private market development through the Council's affordable housing policy. This figure is twice that of the HNDA 2018 affordable estimate and is indicative of a wider potential for affordable housing provision that may be achieved during the Plan period.

A figure based on the above approach to establishing existing need is therefore considered reasonable and has been derived in a similar fashion to the Council and RSL-property driven approach taken by other Local Authorities when establishing their MATHLR figure. The figure as drawn from the East Ayrshire HNDA 2018 is considered to be robust, and would estimate an existing need figure of **650** households during the 10 year plan period. It is anticipated that the provision of land for the private market sector can be met through the household growth element in Stage 1 of the MATHLR 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

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<sup>2</sup> [East Ayrshire Housing Need and Demand Assessment 2018 \(east-ayrshire.gov.uk\)](https://www.east-ayrshire.gov.uk)

considered. It must also include the percentage flexibility allowance that you wish to use.

**Take no more than the 2 pages.**

East Ayrshire Council considers a flexibility allowance of 0.30 to be reasonable.

## **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 = **350**

Adjusted Estimate = **4050**

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)*

## 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)*

### List of HMP members

Homes for Scotland – Tammy Swift Evans  
Homes for Scotland – Joe Larner

Strathclyde sub-committee members:

Heather Phillips (Barratt)  
Robert Mckinnon (Miller Homes )  
Lesley McVeigh (Taylor Wimpey)  
Lynsey Fraser (Gladman)  
Rory Doherty (Persimmon).

Representatives of East Ayrshire Council including:

Blair Millar – Strategic Lead: Housing  
David McDowall – Interim Head of Planning  
Members Officers Working Group – Elected Members, Vibrant Communities, Ayrshire Roads Alliance, East Ayrshire Leisure Trust, Housing, Planning, Economic Development, Education, Health and Social Care Partnership, Facilities and Property Management, Waste Management.

### Summary of HMP views

We have been working positively with the HMP over the last year and had several meetings with HfS to discuss this matter. These were assisted by agreement of our 2020 HLA.

Planning officers discussed the NPF4 document in detail with Joe Larner and house building representatives on 19th March 2021, and explored a range of methodologies and scenarios as to how the HLR could be determined. In late April, HfS sent a document setting out their views on key considerations for the HLR which suggested that 450-500 units per annum appeared a reasonable target subject to determination of generosity.

Following that, Joe Larner left HfS, and we continued work at EAC to determine the HLR. Planning officers met with HfS again on 2/6/21 when we had a productive meeting with Tammy Swift Evans during which we set out our preferred HLR.

Homes for Scotland has clarified in a letter to all authorities, dated 1 June, that it is not able to endorse the locally adjusted estimates produced by any authority at this stage, in most cases due to the timescales and constraints of the process. However, Homes for Scotland has been clear they and their members are very supportive of the inclusive and proactive approach being taken by EAC not only to their NPF4 figures but to wider HNDA and planning work. The locally adjusted estimates appear well-informed and well-intended and a significant improvement on the initial default estimates. There is agreement in place that we will continue the positive dialogue. HFS is aiming to provide closing commentary on the final locally adjusted estimates for all authorities as local authorities respond. EAC and HFS will forward and supplementary information in due course if necessary.

#### HMP agreement

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

NO

If not, please explain any disputes

Not yet. There is no dispute, see response above.

#### List of Additional Stakeholders

#### Summary of Stakeholders Views

## 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)*

### Interim Head of Housing & Communities

Full Name: Robert McCulloch

Full Title: Interim Head of Housing & Communities

Email: [REDACTED]

Date: 04.06.2021

Signature: [REDACTED]

### Head of Planning

Full Name: David McDowall

Full Title: Interim Head of Planning and Economic Development

Email: [REDACTED]

Date: 04.06.2021

Signature: [REDACTED]

