

Scottish Borders Council: Additional response to NPF4 (Housing)

Further to the meeting held on Monday 16th August with the Scottish Government, Scottish Borders Council and Dumfries & Galloway, to discuss the consultation submission made in June 2021, Scottish Borders Council would like to provide the additional response.

Completions

Please find attached a response for the points raised in the email from Paul Lawson dated 13th August.

- (i) The 10 year total completion (2010 to 2019) for the Scottish Borders is **(3,299 units)**. This is based on the figures from the HLA.
- (ii) The reason for using the SBC HLA completion figures over the SG figures was due to the methodology. We undertake a detailed and in depth assessment of all completions as part of the annual HLA process. These figures are taken directly from the Building Warrant completion records between 1st April and 31st March annually. We spend time filtering out any completions which do not result in an additional new unit (for example habitable replacement houses/re-modelling of developments). Such units are removed, to avoid including additional units. Furthermore, we include temporary completions, as there are a number of sites within the Scottish Borders, which are complete and do not receive COC's for a number of years (due to various outstanding issues). To avoid these being included within the established housing land supply, we count temporary completions, to avoid over estimating the land supply.
- (iii) The SG 10 year completion figure of 3,512 units was marginally higher than the SBC total of 3,299 units. There is a difference of 213 units over the ten year period (21 units per annum). The reasoning for this could include factors, such as differing monitoring time frames and filtering out those units which are not considered to be new housing stock. This may also include re-modelling of existing properties/RSL developments, which are not resulting in any additional units but are being re-configured.
- (iv) Confirm that the HLA completions for SBC do include small sites.
- (v) See above (iii).

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 completions 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. It is considered that the initial default estimates conflict with national and regional policy aspirations for the Scottish Borders, including investment in the South of Scotland.

Further to the meeting on the 16th August, please find attached an updated **Annex A (Excel Calculator)**, which includes amended household projections. We note that the previous consultation response increased the household projections annually by 330 units, using the principal migration

household figures as a starting point. This was taking into consideration the past rate of completions within the Scottish Borders.

However, further to discussions at the meeting, an updated methodology is outlined below and the figures are contained within the updated **Annex A**. This should provide robust evidence as to why Scottish Borders Council seek to use an alternative household projection, with the reasoning based on policy drivers and aspirations for the future growth within the Region. It should be noted that the housing land requirement included within the previous response has not been as a result of the adjustments to the household projections.

Scottish Borders Council anticipates annual growth between 2022 to 2037 and has used the NRS 2018-based principal household projections as a starting point. A percentage growth rate has been applied annually, increasing from 0.2% to 0.9% over the 15 year period. This takes into consideration the numerous policy drivers outlined below, programming contained within the HLA and sites included within the SHIP. We consider this to be ambitious but realistic growth for the Region over the 15 year period. Table 1 below outlines the annual percentage increase for newly forming households, which results in 8.6% growth between 2022 and 2037, with an additional 4,964 units. Table 2 below outlines the housing land requirement, taken from the updated **Annex A**.

Table 1: Increase in household projections (%)

| Year | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 |
|------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| % annual growth | 0.2 | 0.3 | 0.3 | 0.4 | 0.4 | 0.5 | 0.5 | 0.6 | 0.6 | 0.7 | 0.7 | 0.8 | 0.8 | 0.9 | 0.9 |
| Additional Units (per annum) | 111 | 167 | 167 | 224 | 224 | 282 | 283 | 342 | 343 | 403 | 406 | 467 | 471 | 535 | 539 |

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 |

Evidence for increasing Household Projections

- Housing Land Audit:** The finalised 2019 HLA demonstrates that there is commitment to housing development (both market and affordable). 3,679 units are programmed within the first five years, with an additional 1,945 units programmed over years 6&7 and 2,249 units programmed post year 7. This shows the growth forecast until 2026. Furthermore, there are a number of key strategic sites, which are programmed from 2022 to 2031 within the HLA, including the Tweedbank Expansion site, which will capitalise on its location adjacent to the Borders Railway Station at Tweedbank. It is considered that the household projections take into consideration the programming contained within the HLA and those sites with development commitment.
- SHIP:** The SHIP (2021-2026) has been published for the Scottish Borders, which outlines the affordable housing investment priorities to cover 2021-2026. The SHIP sets out commitment for the delivery of affordable homes through the Scottish Borders over the next 5 years.

Scottish Borders Council received an allocation of £16.972m for the period 2020-21 and there is significant allocation forecast going forward. It is considered that the household projections take into consideration the committed development contained within the SHIP for (2021-2026) and acknowledges the potential future developments.

- **Housing 2040:** The aim of Housing 2040 is for everyone to have a safe, high quality home that is affordable for the people who need them. Through the new NPF the planning system will shift away to be more directive about the quality of places, including by guiding where new development should happen and how those developments can deliver more for new and existing communities. And by developing vacant and derelict land, repurposing existing properties and locating homes closer to services and facilities within 20 minute neighbourhoods, it supports the delivery of homes in town centres and at the heart of communities. It is considered that the household projections must take into consideration the ambition of Housing 2040 to deliver 100,000 affordable homes by 2031/32 throughout Scotland.
- **South of Scotland Enterprise (SOSE):** Launched in April 2020, SOSE were established by the Scottish Government in recognition of the unique circumstances of the South of Scotland, and the need for a fresh approach to drive inclusive growth across the area. The aim is to drive inclusive growth, increase competitiveness and tackle inequality within the region. This opportunity must also be recognised in the household projections and future growth for the wider South of Scotland area.
- **Borderlands Inclusive Growth Deal:** Formally signed in March 2021, bringing up to £452 million of fresh investment to the Borderlands area. The programme of investment will deliver significant economic benefit for the communities and businesses. The Deal is focused on four strategic themes of improving places; enabling infrastructure, encouraging green growth and supporting business, innovation and skills.
- **Indicative Regional Spatial Strategies:** The need to increase the supply of housing is a key priority. This is needed to support ambitions to attract more people to the area, as well as supporting the retention of those already here, and specifically our younger people.
- **Draft South of Scotland Regional Economic Strategy:** Draft published earlier in 2021, which challenges us to be more confident about the future, to aim higher, to be more open to change, building on what we know makes the South of Scotland special and unique. The Strategy has been shaped by the need to respond to a range of key influences, which whilst challenging us in the short term also give rise to positive and sustained opportunity, these include; sustained covid -19 recovery and new economic opportunities; the future of us and changes in the way we work; demographic changes and a need to attract and retain younger adults and sustain rural populations and major funding programmes.
- **Covid 19:** There is the potential that the covid-19 pandemic could result in a shift of where people choose to live and work and there may be a transition to people re-locating to more rural areas and working from home.
- **City of Culture bid:** South of Scotland Enterprise is bringing together key stakeholders to develop a bid for the region to become the 2025 UK City of Culture. It aims to celebrate the region's heritage, culture and creativity, help recover from the COVID-19 pandemic and ultimately bring investment into the region.
- **City Region Deal:** Tweedbank is one of the key identified growth areas for housing and business as part of the City Region Deal. The Central Borders Innovation Park Programme is part of the Research, Development and Innovation theme.

- **Draft Regional Prosperity Framework:** The framework plays a part in the drive for sustainable development within the Scottish Borders. The Framework is to be a non-statutory public statement of an aligned economic vision, ambition and priorities for the South East Scotland, which is seeking to influence and be influenced by other plans and strategies developed at national, regional and local levels. It sets out a 20-year vision to help address significant challenges and opportunities ahead.
- **NPF4 Position Statement:** The Position Statement outlines action to support housing development in rural areas, helping stem rural depopulation and supporting communities to thrive.

It is considered that the above policy drivers contribute to the ambition of the Scottish Borders for future growth. We aim to invest and provide a number of opportunities within the area, which hopefully attract people to stay and move to the Scottish Borders. It is considered that taking into consideration a range of factors including; past completion trends, programming within the HLA, sites included within the SHIP, existing allocations and the key policy drivers outlined above, that the projected household growth for the Scottish Borders should be increased in line with the updated **Annex A**.

Existing Need

As outlined in the previous response, Scottish Borders consider the default existing need figure to be too low. However, at the time of the earlier response, there was not sufficient evidence to suggest an alternative estimate. Since the response, HNDA3 is now underway and updated information can be shared. **Annex F** contains the updated information in respect of existing need. **Annex F** sets out figures that are considered to be more realistic. However, it should be noted that these still need to be considered as part of the HNDA3 process and ultimately deemed to be robust and credible.