

National Planning Framework 4

Argyll and Bute

Minimum All-Tenure Housing Land Requirement

ASSESSMENT REPORT

Scottish Government

Planning & Architecture Division and Housing & Social Justice

September 2021

CORE OUTPUTS ASSESSMENT

1 Locally Adjusted Estimate

| | Initial Default Estimate | Locally Adjusted Estimate |
|------------------------|--------------------------------|---------------------------------|
| Argyll and Bute | 200 | 2,150 |

Argyll and Bute Council (ABC) are of the view that the initial default estimate is neither credible nor acceptable in respect of local and national strategic objectives.

An adjusted estimate would be 2,150 units which benchmarks against a 10 year completion rate of 2,025 (Scottish Government - [Housing statistics quarterly update: new housebuilding and affordable housing supply - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/housing-statistics-quarterly-update/new-housebuilding-and-affordable-housing-supply/pages/summary.aspx)) and 2,470 (ABC).

2 Household Projections (Newly-Forming Households)

The Council has proposed an alternative household projection. Using the National Records of Scotland (NRS) migration variants (low, principal and high) all results in 0 growth and using the alternative projection proposed by the authority result in 800.

The methodology used to derive the projection is that each year the household population will grow by a moderate 0.5% each year for 15 years, until 2037. Other timeframes of 5 and 10 years were also considered. The 15 year scenario was the only scenario which sees a growth in household numbers between year 1 and year 15. The 0.5% growth has been derived from professional judgement of policy drivers.

The authority benchmarked the alternative projection against the demographic projections for the Scottish Sparsely Populated Area (SPA) (2011-2046) produced by the James Hutton Institute (2018). This estimates that to hold the population in SPAs and avoid a decline in household numbers, an increase of roughly 800 households will be required in Argyll and Bute between 2021 and 2030.

The Council have proposed the alternative projection because they consider it to reflect:

- The rate of completions in the area over the last ten years (2,025 based on the Scottish Government completions).
- The predicted increase in the armed-forces population at the Faslane Naval Base and associated impact on civilian infrastructure leading to more population growth.

- The secured funding (£30m) for the Rural Growth Deal in the area to support business expansion and economic regeneration, and attracting and retaining households.
- A possible increase in in-migration as a results of the COVID-19 Pandemic and the possible shift to homeworking in more rural areas.

A supplementary submission showed that the 0.5% per annum growth scenario was selected as the minimum option which would provide continuous overall growth within realistic parameters.

The 0.5% scenario is justified when triangulated against the growth in occupied dwellings (0.76%) and actual household growth rates (0.3%) over the last 5 years, as illustrated in the table below. 0.5% would be an approximate mid-point estimate between these two indicators.

| ARGYLL & BUTE | Total dwellings | Occupied Dwellings | Population Est. | Household Est. |
|---|------------------------|---------------------------|------------------------|-----------------------|
| 2020 | 48,285 | 42,297 | 86,125 | 41,658 |
| 2016 | 46,801 | 40,761 | 87,130 | 41,040 |
| 2016-2020 % Change | 3.2% | 3.8% | -1.2% | 1.5% |
| Annualised change (Total Change/5) | 0.64% | 0.76% | -0.24 | 0.3% |

This supports household growth of 800.

Household Projection: Default Compared to Adjusted Estimates

| | Default | Adjusted |
|------------------------|----------------|-----------------|
| Argyll and Bute | 0 | 800 |

3 Existing Housing Need

The authority do not consider the default estimate of existing housing need to be realistic or a true reflection of the level of existing need in the areas. This was a consensus view confirmed in consultation with Housing Market Partnership. The authority triangulated a range of local data sets, including the HNDA household surveys, the Common Housing Register with 2,469 active waiting list applicants in 2020, HL1 returns, special needs and poor quality stock, to provide the most appropriate estimate of existing need – 850. A detailed Annex identifies the inputs used to calculate the proposed figure. Their approach is in line with that taken in their full HNDA which was appraised as robust & credible.

| Existing Housing Need: Default Compared to Adjusted Estimates | | |
|--|----------------|-----------------|
| | Default | Adjusted |
| Argyll and Bute | 150 | 850 |

4 Flexibility Allowance

The Council uses the default 30% rural flexibility classification.

| CORE PROCESSES ASSESSMENT | |
|----------------------------------|--|
| 1 | <p>Using the Response Template and Excel Calculator</p> <p>The Response Template has been used to make the case for change, word limits are not exceeded and its completion is correct. A copy of the adjusted Excel Calculator has been provided.</p> |
| 2 | <p>Housing Market Partnership and Stakeholders Involvement</p> <p>The Housing Market Partnership comprises the partners of the Argyll & Bute Strategic Housing Forum, with the support of the Strategic Housing Investment Plan Operational Group, and other thematic bodies such as the Energy Efficiency Forum.</p> <p>The HMP agreed the locally adjusted estimate as it supported the primary objective of repopulation and economic growth, supported and stimulated by suitable housing development, was agreed as the fundamental objective of all partners in Argyll and Bute.</p> <p>Consultation with HfS acknowledged the Council's general approach as an exemplar methodology, however their consultation response included a bespoke calculation of need for Argyll & Bute in comparison with the initial default estimate and the council's estimate. This calculation doubled the council's adjusted estimate (4,257 compared to 2,150). The HMP felt this was potentially over-inflated; but did provide an aspirational upper parameter which further supports ABC's adjusted estimate.</p> |
| 3 | <p>Joint Housing and Planning Senior Official Sign-Off</p> <p>Senior officer sign-off confirmed.</p> |

4 **Statistical Evidence**

The Council have used some well recognised source of in-house data including:

- An HNDA survey (2018 and 2019)
- The Common Housing Register
- Council homelessness statistics

The data sources are also used in the Council's HNDA and the Council has triangulated the data source to try to avoid over- or under-estimation.

5 **Policy Evidence**

The Council considered the following in developing its adjusted estimate:

- The MoD's Future Accommodation Model (FAM) for the increased service personnel relocated to the Naval Base at Faslane. The armed forces population (and dependants) will continue to increase over the life of the next LHS. Even if only a proportion of the 2,700 estimated requirement from the increase in service personnel, is met within Argyll & Bute, an estimate of around 2,000 leaves very limited scope for additional supply.
- Rural Growth Deal (RGD) for Argyll and Bute, which will support business expansion and economic regeneration across the area, with a primary focus on attracting and retaining economically active households. Housing projects will form a key component of the RGD outcome plan, and will include new build and refurbishment activity in key rural and island communities.
- The impacts of Covid-19 are likely to stimulate inward migration and generate positive growth in local populations.

Affordable Housing Supply Targets, associated with local policy drivers, have been considered as shown below:

| Local Policy Drivers | Total |
|--|--------------|
| Projected SHIP completions 2021-26 | 1,032 |
| Rural Island Housing Fund/Rural Growth Deal (minimum est.) | 63 |
| Total SHIP & Rural Grant Funding Tools | 1,095 |
| Future Accommodation Model requirements (maximum est.) | 2,700 |

If Argyll & Bute is to deliver pipeline units in full as grant funded by the Scottish Government within the SHIP, then up to 1,032 new units of supply could be delivered (albeit some projects are provisional at this stage). If it is assumed that this figure is supplemented by committed projects funded by Rural Island Housing Fund/ RGD, then a further 63 units at least will enhance total grant funded delivery up to 1,095 in the first 5 years of the projections. This accounts for over 50% of the adjusted estimate. If it is assumed that this grant regime

continues in years 6-10, (which is a reasonable assumption given Housing to 2040), the adjusted estimate could be delivered via the provision of affordable housing alone.

The level of ineffective housing stock was also highlighted as a consideration.

MINIMUM ALL-TENURE HOUSING LAND REQUIREMENT (MATHLR)

For the reasons specified above, the proposed MATHLR is:

| | MATHLR |
|------------------------|---------------|
| Argyll and Bute | 2,150 |