

National Planning Framework 4

Perth and Kinross

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
Perth and Kinross	2,650	8,500

The locally adjusted estimate for Perth and Kinross is primarily driven by the use of household projections that are higher than the National Records of Scotland (NRS) high migration variant.

The locally adjusted estimate (8,500) has been considered against the Scottish Government past housing completions 2010-2019 figure (5,560) and the Council's Housing Land Audit (HLA) completions figure (4,861). The authority note the discrepancy between the two but are that view that for the purposes of this exercise, both are considerably higher than the initial default estimate.

The authority indicate that completions have been steadily rising since 2014, following a period where the financial crisis of the late-2000s impacted significantly. They note they very nearly reached 900 in 2020 (Housing Land Audit - 895 units) and as completions last year would have exceeded the annualised figure of 850, it is considered to demonstrate that that locally adjusted estimate is ambitious yet achievable.

The authority highlight that that initial results from the 2021 HLA survey show a healthy number of completions for the 2021/21 period on sites of 5 or more units. They consider that based on house building activity seen during the 2021 survey, future completions are likely to increase in line with those programmed in the 2020 HLA, at a rate of approximately 800 per year in the medium term.

PKC consider that a MATHLR which is significantly below what has been delivered even in the past three years runs the risk of a serious under supply of housing land for the next Local Development Plan.

2 Household Projections (Newly-Forming Households)

The Council have proposed an alternative household projection. The authority have clarified in an updated submission that the in-house projections are based on a gradual increase to 5% by 2029 and on to 2037, which results in a figure higher than the high migration variant. The projections are set out in the Annex to their updated submission and a revised calculator has been provided.

The authority highlight that National Records of Scotland (NRS) population and household projections for the area have been projecting a fall in the growth rate – from 9% in 2021 based figures to 1% in 2018 based figures for population and from 11% in 2012 based figures to 5% in 2018 based figures for households. They note concern that even the NRS 2018-based high migration variant will not satisfy demand. An alternative, in-house migration projection has therefore been used to more closely reflect the rate of past completions which have been strong in the area. The authority also note that the birth rate has continued to fall, and the impact of Brexit and the pandemic on migration are still to be understood.

Household Projection: Default Compared to Adjusted Estimates

	Default	Adjusted
Perth and Kinross	1,950	5,200

3 Existing Housing Need

Existing Housing Need: Default Compared to Adjusted Estimates

	Default	Adjusted
Perth and Kinross	100	1,350

The TAYplan authorities invited Arniel Johnston to assist in their next Housing Need and Demand Assessment (HNDA) including alternative existing housing need estimates. The estimates were produced using a household survey carried out online and by telephone with around 2,100 interviews being undertaken. The methodology used took account of the need to avoid double counting and to ensure the sample is statistically robust.

The proposed existing housing need figures are derived from five elements:

- homeless households and those in temporary accommodation
- households under threat of eviction/ repossession
- concealed and overcrowded households
- waiting list information related to those requiring Specialist Housing
- poor quality housing (Below Tolerable Standard)

	The use of these element results in existing housing need estimates that are substantially higher than the default figures.
4	Flexibility Allowance Perth and Kinross use the default flexibility allowance of 30%.

CORE PROCESSES ASSESSMENT	
1	Using the Response Template and Excel Calculator 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.
2	Housing Market Partnership and Stakeholders Involvement A combined HMP and stakeholder on-line workshop was undertaken. It was attended by Perth and Kinross Council, Caledonia Housing Association, Hillcrest Housing Association, Allanwater Homes, Persimmon Homes, Ogilvie Homes, Stewart Milne Homes, Barratt Homes, Scotia Homes, Discovery Homes, Richard Street Ltd, Robertson Construction and Nastech Construction. There was unanimous agreement on the locally adjusted estimate with the arguments for this including: <ul style="list-style-type: none"> • The existing housing need figure was too low and the methodology to arrive at the adjusted figure is robust and credible. • 1,270 affordable housing completions through 2021-26 SHIP projects which is half the initial default estimate. • Meeting the P&K share of the national affordable housing target will be 2,763 which is higher than the initial default estimate. • PKC's housing supply target is currently 900 per annum so much closer to the locally adjusted estimate. • The Tay Cities deal will see key projects bringing additional benefits such as employment and housing land to the P&K area, with 9,200 housing units projected to 2035. • PKC is supportive of growth and believes the adjusted estimate is achievable given current demand, reasonable population growth and historic completions. • The P&K area attracts inward migration than is experienced elsewhere in the country.

3	<p>Joint Housing and Planning Senior Official Sign-Off</p> <p>Full sign-off by heads of planning and housing for Perth and Kinross</p>
4	<p>Statistical Evidence</p> <p>The Council has used in-house sources of statistical evidence to support their case including:</p> <ul style="list-style-type: none"> • in-house household projections • Housing Land Audit completions data
5	<p>Policy Evidence</p> <p>The Council's Corporate Plan 2018-2022 and Economic Wellbeing Plan 2020-2028 promote inclusive growth and investment to enable higher value jobs and workforce retention. The Tay Cities Deal is highlighted with the Cross Tay Link Road referred to as generating 9,200 housing units up to 2035.</p> <p>The authority note that Housing to 2040 includes an ambitious programme of increased affordable housing provision with a target of 100,000 over the next 10 years. Furthermore the 2021-26 Strategic Housing Investment Plan projects 1,270 affordable housing completions. The authority draws a comparison of these with the initial default estimates.</p>

MINIMUM ALL-TENURE HOUSING LAND REQUIREMENT (MATHLR)

For the reasons specified above the proposed MATHLR is:

	MATHLR
Perth and Kinross	8,500