

# **National Planning Framework 4**

**Shetland**

**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
<b>Shetland</b>	<b>300</b>	<b>850</b>

An initial default estimate of 300 units has been adjusted to 850 units.

Over the past 10 years, the completion rate of 993 (SG - [Housing statistics quarterly update: new housebuilding and affordable housing supply - gov.scot \(www.gov.scot\)](http://www.gov.scot)) shows an average of 99 units per year which is considerably more than the 300 of the initial default estimate provided.

### 2 Household Projections (Newly-Forming Households)

The Council proposes an alternative household projection of 250 which is higher than the Scottish Government default (150). The default was considered unreflective both in terms of the output from historic development and the ambitious plans that are in place for the future.

The authority ran a number of scenarios using principal, low migration, high migration, principal with a 0.2% growth, and principal with a 0.25% growth. The principal, low and high migration variant showed very little difference. The principal with a 0.25% growth was chosen to reflect the housing policy drivers and future ambitions.

The reasons given for increasing the household projection include:

- completion rates have totalled 993 over the past decade
- significant economic projects and opportunities planned for the next 10 years as detailed in the Island Deal, the Council's Corporate Plan and their Economic Development strategy. It is noted these will require a skilled workforce to relocate to Shetland and a proportion of these will require permanent accommodation
- provision of employment and housing in order to retain the young population

#### Household Projection: Default Compared to Adjusted Estimates

	Default	Adjusted
Shetland	150	250

**3 Existing Housing Need**

**Existing Housing Need: Default Compared to Adjusted Estimates**

	<b>Default</b>	<b>Adjusted</b>
Shetland	100	400

Through the Housing Need and Demand Assessment (HNDA) process, an estimate for the existing housing need for additional units has been calculated.

The local adjustment includes Active Homeless Cases (75) and applicants with specific needs; housing applicants who had been awarded points where they share amenities, are overcrowded do not have secure tenure, or have social and medical need. Duplicates were removed 316 = Total 391.

**4 Flexibility Allowance**

The flexibility allowance of 30% for Shetland as a rural area was used.

**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**

The HMP is made up of Council officials across Housing, Planning, Economic Development, Transport and Community Planning. They agreed the locally adjusted estimate.

The authority note that Shetland has no volume house builders and no local industry association. The Council's Economic Development Service support local businesses including those in the housebuilding industry and are able to provide input on the ambition of that sector to grow and develop.

Engagement with political and corporate leadership of the Council confirmed that the 850 unit adjusted estimate was an appropriate increased figure to submit to reflect the ambition for economic growth and to provide suitable housing for the existing population.

	<p>The authority noted that discussions took place with the North of Scotland Development Plans forum, and with Orkney and Western Isles Planning and Housing Teams.</p>
<b>3</b>	<p><b>Joint Housing and Planning Senior Official Sign-Off</b></p> <p>Signed-off by housing and planning lead officers.</p>
<b>4</b>	<p><b>Statistical Evidence</b></p> <p>The Council has used in-house sources of data to support its case including:</p> <ul style="list-style-type: none"> <li>• Alternative household projections based on robust NRS household projections</li> <li>• Active homelessness cases (existing housing need)</li> <li>• The Council’s housing management information including housing applications awarded shared amenities, overcrowding points, insecurity of tenure and Specialist Need (existing housing need).</li> </ul> <p>The Council worked with the Scottish Government to produce their estimate of existing housing need for their HNDA3 and this estimate was checked. Care was taken to avoid double counting between categories.</p>
<b>5</b>	<p><b>Policy Evidence</b></p> <p>The response template indicates the HMP were keen to ensure the Council’s ambitions to see Shetland grow and prosper were reflected in the need for increased housing to accommodate the anticipated increased workforce.</p> <ul style="list-style-type: none"> <li>• Shetland Islands Council Corporate Plan, ‘Our Ambition’ <a href="https://www.shetland.gov.uk/downloads/file/3094/strategic-housing-investment-plan-appendix-1a-2021-2026">Our Ambition 2021-26 – Shetland Islands Council</a></li> <li>• Shetland Partnership Plan (LOIP)</li> <li>• SHIP <a href="https://www.shetland.gov.uk/downloads/file/3094/strategic-housing-investment-plan-appendix-1a-2021-2026">https://www.shetland.gov.uk/downloads/file/3094/strategic-housing-investment-plan-appendix-1a-2021-2026</a></li> <li>• Economic Development Strategy <a href="https://www.shetland.gov.uk/downloads/file/1247/economic-development-strategy">https://www.shetland.gov.uk/downloads/file/1247/economic-development-strategy</a></li> <li>• Islands Deal <a href="https://www.shetland.gov.uk/islands-growth-deal">https://www.shetland.gov.uk/islands-growth-deal</a></li> </ul>

**MINIMUM ALL-TENURE HOUSING LAND REQUIREMENT (MATHLR)**

For the reasons specified above, the proposed MATHLR is:

	<b>MATHLR</b>
<b>Shetland</b>	850