

# **THE HIGHLAND COUNCIL RESPONSE TO NPF4: HOUSING TECHNICAL DISCUSSION PAPER**

## **Issues for consideration**

### **1. What is your view on the guiding principles set out above?**

The Highland Council broadly accepts the guiding principles outlined in this document as the end housing need figure should largely be the same as if we were calculating the figures. This is due to the fact that the Highland Council would be supplying the data to be collated rather than calculating our own HNDA. The only difference is the calculated figure will be enshrined in national policy.

However, we have concerns about the viability of adopting the HNDA model for the purpose of setting national housing need figures. This is based on limitations of the tool in developing Local Housing Strategies. The HNDA is based on relatively short-term market trends which are sensitive to economic volatility. For example HNDA outputs including the period following the “credit crunch” underestimated actual housing need.

There are other issues with the methodology of the HNDA and particularly assumptions about the components of housing need which, we would argue, tend to underestimate actual housing needs.

The paper suggests that the HNDA assessment process is straightforward and that “flexibility” will be applied to iron out any issues with data at a local level. Our experience has been that, in fact, the HNDA process has a large subjective element and that process of assessment to provide a “robust and credible” assessment can often be challenging.

The paper needs to be much clearer on what is meant by “flexibility”, what are the limits on flexibility and what are the consequences of failure to reach agreement on the outputs? ie will Scottish Government be able to impose a Housing Land figure that a Council does not agree with, and which may not reflect local circumstances.

The paper covers situations where there are functional housing markets covering more than one Council Area. It should also address the issues for Councils containing more than one housing market areas, and particularly the issues of rural housing markets – where there are issues of lower numbers of housing transactions that have a potential impact on the model outputs.

Clarity should be provided on what the minimum target actually refers to, will it be housing unit numbers or land take? Whichever value is progressed discussion and agreement would be required on appropriate densities for housing delivery.

### **2. Should NPF contain housing land figures for all areas in Scotland or focus on certain areas?**

If the Scottish Government progresses the identification of minimum housing targets centrally, Highland Council does not see much point in undertaking this work in certain areas and not others as this will ensure a consistent approach is taken across the whole of Scotland and should hopefully simplify the housing target allocation. A distinction should however be made in the role of both rural and urban areas of growth in terms of the minimum housing targets numbers, this is especially relevant to us given the population spread across Highlands.

Whilst not directly related to the Highland context, we believe care must be taken in identification of cross Local Authority Housing Market Areas as the Scottish Government could lack the regional understanding and working practices that have been developed at a more local level.

Regardless of the identification of a minimum housing target number, it should be acknowledged that this figure is only achievable where the delivery of this figure is market led and in depressed areas of low demand defining a minimum (or maximum) target has little real value.

Finally, given the geographical size of Highland, we would seek a single Highland-wide figure that then offers us the flexibility to set separate targets at more local levels. This will allow us to be more focused in our approach to individual needs and requirements and ensuring the unique burdens and opportunities the Highland area and infrastructure offers are fully protected and promoted.

### **3. Are there areas in Scotland where an alternative approach may be more appropriate?**

Highland is a vast geographical area ranging from urban areas up to sparse rural communities, taking a single approach to the identification of a minimum housing target for the Highland region could fail to respect and reflect the existing needs and priorities only established with local working knowledge. The Council would suggest that further work be done to refine the method for assessing housing supply targets in sparse rural communities, and particularly the role of community based housing needs assessment.

### **4. What is your view on the proposed approach to setting out requirements for housing land?**

Given that the 'Baseline Housing Land Target' figures arrived at should be broadly similar, our main concern relates to the 'Flexibility Allowance' noted in the 'Proposed Approach', a term which is not properly referenced in the Paper. We would be concerned if this 'allowance' was enshrined in National Policy because as a Planning Authority our current approach is the identification of our housing supply target and restricting allocated supply beyond this figure. This is because it leads to a lack of strategic planning for future service and infrastructure delivery and we contend that this could be a harder position to argue with minimum figures including a nationally set 'allowance'.

The approach is also likely to take considerably longer to reach an agreed figure as the 'Proposed Approach' seems to indicate that consultation/agreement of Steps 1 & 2 of HNDA needs to be consulted upon with 'Key Stakeholders'. However, no definition of who these 'Key Stakeholders' is provided, is it envisaged that these will include the wider public (e.g. Community Councils and/or Local Place Plan groups)?

In addition, given the Scottish Government and Local Authorities could arrive at different figures (See Q.4 above) once each party 'Flexibility Allowance' is factored into the 'Baseline Housing Land Target', the 'Proposed Approach' seems to indicate that the only way to make local/regional adjustments to the SG figures if each party disagree would be through the LDP examination process, it could result in the SG objecting to the LA figure or vice versa. It is envisaged that this would be a desirable outcome?

### **5. Should NPF provide a single housing land figure or a range?**

In terms of the geographic size and spread of Highland coupled with the rapid ongoing expansion of Inverness in relative numbers to all other of our Housing Market Areas, we believe a single housing land figure would not work particularly effective for us.

Within Highlands we have split the area into three smaller regions (Inner Moray Firth, Caithness & Sutherland & West Highland & Islands) with each area having its own LDP with specific HMA assessments, tailored to their own local needs and requirements. Furthermore, our HNDA work feeds into the CNPA HMA, which they then deliver through their own LDP.

### **6. Is the HNDA Tool an appropriate mechanism to base housing land figures on?**

Whilst HNDA has its benefits the tool is far from perfect, is a resource intensive process and is an expensive tool to operate. The suggested approach seems to result in the duplication of using the tool. As realistically in

practice both the Scottish Government and Local Authorities will independently calculate their own figures and a deliberation will then peruse as to the final Housing Target to be adopted.

Furthermore, a significant problem with the guidance is that it does not offer advice on whether housing market areas provide the only or most appropriate spatial basis for assessing housing need, or how to disaggregate estimates within and across housing market areas. This is a serious limitation given how sensitive needs estimates are to the way spatial boundaries are drawn.

**7. Should there be scope for local and planning authorities working together to reflect functional housing market areas that cross local authority boundaries? What approaches could be used to achieve this?**

The ongoing cross border identification of Housing Market Areas is critical to the delivery of effective housing land allocation, as travel to work areas are not defined by LA boundaries. Therefore, Housing Market areas should be established/maintained based around established patterns of where people work and wish to reside, rather than an arbitrary LA boundary.

Travel to work (TTW) data, sourced from relevant Census information has traditionally been used to inform HMA boundaries – however the HMA's themselves are 'trimmed' to be wholly contained within the authority. Increased availability of other TTW data (Transport for Scotland traffic monitors, Google derived transport use data) could offer a significant improvement in understanding and speed of identifying changing travel patterns across Authority areas.

A continuing partnership relationship with Cairngorm National Park Authority (in our instance) is also required as Highland currently supplies the base data to the CNPA to calculate their own HNDA and this ongoing complimentary process aids in the integration of cross-boundary HMA.

**8. Should NPF apply a level of flexibility to the HNDA tool results to ensure a proactive approach to managing the supply of land for housing in a positive way? Should the level of flexibility be informed by recent housing completions?**

The need for a degree of flexibility is paramount in order to ensure an effective housing land supply is provided and this is already currently done. Nevertheless, we believe that the level of flexibility must be determined at a local level to ensure that each LA can control and manage its housing growth in terms on the ongoing climate and ecological emergency.

We consider that the level of flexibility can be informed by recent housing completions to a degree, but this alone should not be the sole decision on the level of flexibility. Recent completions indicate both the existence of a market for properties, availability of funding for social housing and a local need. Understanding this complex relationship requires an overlay of knowledge of the local circumstances, typically held in the Housing and Planning teams at Local Authorities.

**9. Should NPF housing land figures be met in LDPs as a minimum?**

The Council would be concerned that the identification of minimum housing figures could lead to large greenfield sites remote from services and facilities next to major road networks that create car-based living being delivered over more connected, sustainable sites in order to satisfy the 'minimum' criteria.

Moreover, whilst recognising that the need for a housing figure as a start point - there is perhaps a need to consider a maximum figure in tandem with a minimum figure in certain locations where wider services/utilities/environment capabilities are at critical saturation point. This approach would help to deliver an 'infrastructure first approach' and be an important tool in addressing the Scottish Government climate change agenda.

Should a developer wish to breach the maximum figure, they would have to fully address/fund upfront the infrastructure capacity issue(s) before additional development could proceed.

**10.LDPs are moving to a ten year timeframe. Housing land audits generally programme land supply for a five year period. For LDPs to have a ten year land supply available upon adoption what mechanisms could be used to ensure land is brought forward in accordance with the LDPs spatial strategy?**

The move away from having LDPs and Housing Land Audits timeframes aligned is considered an unfortunate result of the new Planning Act, as it will reduce the ability of LA's to respond to unanticipated situations, such as the ongoing COVID-19 pandemic and the previous Financial Crisis in 2007-8. The long-term economic fallout experienced previously and expected now, requires LA's to respond and vary policies and practices quickly and working to a 10year land supply calculation could hinder this ability to respond appropriately.

**11.Should the Scottish Government play a role in the housing land audit process?**

The Scottish Government does indeed have a role to play in both identification of Housing Land Targets and the Audit process. However, the proposed policy shift seems to imply the planning system is part of the housing shortage problem when in fact current local authority influence over the delivery of private sector delivery or the rate of its delivery is not wholly within LA control

**12.Any Other Comments?**

In order to determine housing need across rural areas reliable data is required. However, 'Datazone Level Data' is currently the best available; unfortunately for most of our rural communities, this data set is often just not granular enough with sometimes a single data sets covering multiple small settlements.

This significantly restricts the benefit of the data in establishing housing needs (and other data considerations) and therefore currently to understand specific issues in a small community at this level the use of locally sourced data is the only option. Doing so places additional burdens on rural authorities and as such a more prudent approach should be taken across these areas.

As part of the COVID-19 response, the use of individual data from 'google' has been used to track the movement of people, especially in terms of travel to work and we wonder if this dataset (coupled with Datazone) might prove to be useful in future housing need calculations.