



Rebekah Caunt
Housing Management & Development
Stirling Council

By Email Only

22 March 2019

Comments on Draft Housing Need and Demand Assessment (HNDA)

Dear Rebekah

Homes for Scotland welcomes the opportunity to comment on the draft HNDA and the Minutes of 12 February HNDA Working Group Meeting. These were provided to us on 6 March 2019. We set out our comments in turn on the Minutes and draft HNDA below.

Meeting Minutes

For clarity Homes for Scotland's submission of 13 December 2018 made the point that the 2016-based population projections which inform the 2016-based household projections anticipate a slower rate of population growth than the average over the past 20 years. As such we consider these projections and the migration trends they assume to be pessimistic, particularly given that recent population growth has been more rapid than the 20-year trend as we explained in our 13 December submission. The principal household projection is therefore based on a rate of population growth which is lower than has recently occurred.

We disagree with the logic of the following sentence under point three:

"For example, just because a 25yr old was living with their parents, does not necessarily mean they are unhappy with their current housing situation and would require an additional unit."

This does not demonstrate that the need and demand for housing amongst concealed families and single adults should not be considered.

The point raised in our submission of 13 December 2018 and my subsequent email of 14 February 2019 is that a more thorough understanding of existing need and demand is essential. The planning system should seek to improve opportunities in the housing market. The narrow definition of existing need used in the HNDA would mean that the evidence base of the plan is flawed. It would risk an inadequate supply of new homes being planned for and so perpetuate existing unsatisfactory housing outcomes and suppress future household formation.

Suppressed household formation can also influence the household projections. Recent research commissioned by Crisis¹ explained the potential impacts of subdued supply on household projections

"While household projections are still used [in our model], they are not as central to this new method. As noted in the introduction to this report, one of the key reasons for this is that the projections themselves are based on existing trends; this raises the very real possibility of the effects of historic under-supply of new housing being perpetuated. If household growth has been artificially suppressed by the undersupply of new housing, then basing future need calculations on those lower growth figures will by necessity under-estimate that need." (p.23)

¹ Housing supply requirements across Great Britain: for low-income households and homeless people, Glen Bramley (November 2018) commissioned by Crisis and the National Housing Federation

It is therefore possible that in authorities where there has been a limited housing land supply and therefore reduced completions, that this previous performance might artificially suppress the household projections.

Similarly, we do not consider the following statement to be consistent with the HNDA Practitioner's Guide 2018

"As such, the HNDA could be passed as robust and credible solely on the basis of the HoToc method, which the group had taken account of and expanded upon."

Our understanding of the 'robust and credible' status is that the CHMA will seek to interrogate the methodology used and consider its accuracy and reliability. The Practitioners' Guide states the need for "a strong rationale for this approach with a full write-up of the method employed provided in the HNDA." (para. 1.13). We understand the production of the HNDA is meant to be a deliberative process, not a tick-box exercise. For the reasons previously set out we do not consider the approach chosen to existing need is either robust or credible.

On point five, please could the minute be amended to reflect the fact that Homes for Scotland considered that an affordability filter should be applied if the wider definition of existing need and demand we proposed was to be used. We did not object per se to assigning the Council's narrow definition of existing need to affordable housing but do object to the scope of the Councils definition of existing need and demand in the draft HNDA.

On point 9 I did not agree to using the 3.6 multiplier, but accepted I was in a minority. Homes for Scotland maintains its objection and considers that consideration should be given to increasing LTV ratios and that upper quartile lending to income ratios should be used rather than just median figures.

Draft Housing Need and Demand Assessment

On page 5 the explanation of how the HNDA informs the Housing Supply Target (HST) a direct quote from either the HNDA Managers Guide or para. 115 of Scottish Planning Policy (SPP) should be used for clarity and consistency.

It is Homes for Scotland's view that a full assessment of existing need and demand should be done as part of the HNDA. We consider this is consistent with the expressed policy of the Scottish Government to provide a more front-loaded planning system. The HNDA does not currently do this.

The housing aspirations of concealed families and single adults / couples living with their parents or other unrelated adults are explicitly not accounted for in the assessment of existing need and demand as the minutes make clear. This is therefore outwith the scope of the HNDA currently. If the HNDA is agreed on this basis of the current draft, Homes for Scotland considers that addressing the aspirations of concealed families and single adults / couples living with their parents or other unrelated adults should be taken into account when setting of the HST. There is a clear policy requirement to do so as SPP (para. 115) requires wider economic and social factors to be taken account of.

On Page 6 it would be helpful if the components of the outputs for the 2016-2041 period were broken down. We note that the principal projection (7,370) does not add up to the total of household change over the period of 7,010 (i.e. 45,961 in 2041 minus 38,951 in 2016) and existing need of 472 which gives 7,482. Similarly, it is unclear how the 2019 – 2023 projections have been calculated having regard to anticipated population change and existing need. It should also be made clear over which 5-year period the existing need is set to be cleared.

We note paragraph 1.2.2 which states "Where the Scottish Government is satisfied that the HNDA is robust and credible, the approach used will not normally be considered further at a Development Plan examination". However, we consider that matters not considered by the HNDA such as the housing aspirations of concealed families and single adults / couples living with their parents or other unrelated adults and the impact of new supply on addressing affordability are appropriate considerations for the LDP examination.

Paragraph 3.5.3 states that a number of long-term empty (more than 6 months) properties have been brought back into use. However, the properties which make up this statistic are subject to considerable churn. It would therefore be worthwhile stating the net change in long term empty properties over the same period.

There are references to the HNDA Working Group Meeting in Section 4. We would request that our comments above in relation to the meeting are reflected in the write up of this section.

Conclusion

Homes for Scotland does not consider the HNDA to be robust and credible.

By not thoroughly interrogating the extent of existing need and demand amongst concealed families and single adults, unsatisfactory housing situations will be perpetuated if further adjustments are not made to ensure appropriate allowance is made when planning for new housing. Further discussion and consultation are therefore required to provide an accurate HNDA and the current draft should not be used to inform emerging policies.

If the HNDA is not revised to adequately account existing need and demand amongst concealed families and single adults, we consider that taking account of it will be an essential policy consideration (para. 115 of SPP) when setting the Housing Supply Target in due course.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Joe Larner', written in a cursive style.

Joe Larner

Senior Planning Advisor