



CITY REGION DEAL

Edinburgh
& South East
Scotland

HOUSING NEED AND DEMAND ASSESSMENT 3

Consultation Report 2021

1. Introduction

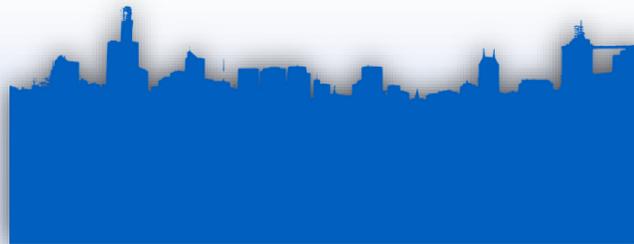
Six local authority partners from across the South East Scotland region have come together to produce the third Housing Need and Demand Assessment (HNDA3) including City of Edinburgh Council, East Lothian Council, Fife Council (West and Central), Midlothian Council, Scottish Borders Council and West Lothian Council. Partners agreed a programme of stakeholder consultation in June 2020 to support the HNDA development.

This report and related Appendix (3a & 3b) detail the consultations carried out along with the views and perspectives of stakeholders through the development of the HNDA, noting how these were utilised to inform and finalise the HNDA ahead of submission to the Centre for Housing Market Analysis (Scottish Government).

2. Housing Need and Demand Assessment

- A Housing Need and Demand Assessment (HNDA) estimates the future number of additional housing units required to meet existing and future housing need and demand in a housing market area
- It captures contextual information on the operation of the housing system to assist partners to develop policies on new housing stock supply, the management of existing stock and the provision of housing related services
- The contextual information includes analysis of demographic, affordability and wider economic trends which are key drivers of local housing markets
- The analysis helps partners understand and make evidence-based choices on meeting housing needs and demands

KEY POINT: HNDAs are designed to give a broad, long run estimate of what future housing needs might be, rather than precision estimates.



3. HNDA Project Team

The HNDA3 Project Team originated from members of the South East Scotland Housing Forum – this comprising housing and planning representatives from the City of Edinburgh, East

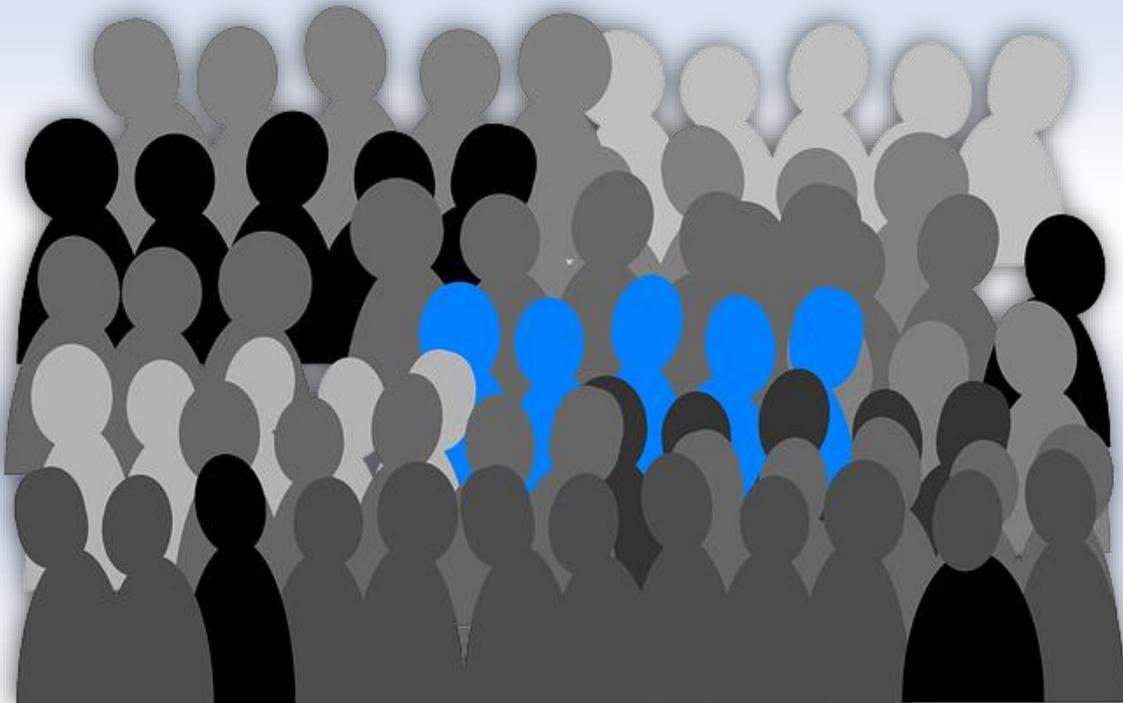
Lothian, Fife, Midlothian, Scottish Borders and West Lothian Councils. The six local authorities work in partnership at regional level and every 5-years produce the HNDA to inform wider strategic planning processes.



4. Housing Market Partnership

The HNDA guidance notes Local Authorities should establish a Housing Market Partnership (HMP) to oversee the development, production and sign-off of the HNDA. The structure and membership of the HMP should be determined locally to reflect the circumstances and requirements of individual partnerships. Local Authorities must work with their Housing Market Partnerships and encourage stakeholders to engage positively in approving locally adjusted estimates through constructive co-operation.

HMP members were identified at the project outset and were involved in each stage of the HNDA development process.



5. Stakeholders

External stakeholders are central to the HNDA process and there has been a broad range of stakeholders involved in the HNDA consultation. The table below shows the mix of housing experts involved, ranging from council employees to Health & Social Care and Support providers all who have a common interest in the HNDA outputs. The stakeholders falling into the 'Other' category include care groups, charities, the prison service and drug & alcohol projects.

Homes for Scotland's primary purpose is to deliver more homes for Scotland. They look to change, challenge and collaborate on behalf of members to ensure the housing needs and aspirations of all those living in Scotland are met. They have significantly contributed to the South East Scotland HNDA, with representatives participating at each stage of the consultation process.

Types of Stakeholders	Total
Developer	41
Registered Social Landlord	40
Support Provider	20
Community Council	46
Health & Social Care	17
Registered Tenant Organisation	14
Private Landlord	2
Midlothian Council Employees	9
Fife Council Employees	31
Scottish Borders Council Employees	9
City of Edinburgh Council Employees	5
East Lothian Council Employees	1
West Lothian Council Employees	5
Councillors	10
Other	25

6. Stages of Consultation

The HNDA3 consultations began in June 2020 with the Project Initiation Document. Following this, each HNDA workstream was consulted on once a draft was available with workstreams going through 3-4 stages of consultation before reaching the final draft. Firstly, the project team was provided with an opportunity to have input to each section followed by engagement with Regional Housing Partners. Any identified changes were addressed ahead of circulation to the HMP and wider stakeholders who then had opportunity to contribute. The table below outlines the different stages of the process and the timescales for consulting.

Consultation and Participation Commenced				
Workstream	Project Team	Regional Housing Partners	Housing Market Partnership	Event
Project Background				
Project Initiation Document	Jun-20	Jul-20	Jul-20	N/A
Methodology Statement	Jul-20	Aug-20	Sep-20	N/A
Consultation and Participation Statement	Jul-20	Aug-20	Sep-20	N/A
HNDA Tool Development				
HMA Assessment	Mar-21	Apr-21	May-21	Existing Housing Need expected May 2021 Linked to NPF4 consultations Plus HNDA Tool Workshop x 2 October 2021
Demographic Assessment	Mar-21	Apr-21	May-21	
Affordability Assessment	May-21	Aug-21	Aug-21	
Economic Assessment	Apr-21	May-21	Jul-21	
Existing Housing Need Assessment	Apr-21	May-21	May-21	
HNDA Scenarios	Apr-21	Jul-21	Oct-21	
HNDA Contextual for LHS & LDP				
Stock Profile & Management Issues Assessment	Nov-20	Dec-20	Jan-21	N/A
Specialist Accessible & Adapted	Jul-21	Sep-21	Oct-21	HNDA3 Specialist Housing Workshop October 2021
Specialist Wheelchair	Jul-21	Sep-21	Oct-21	
Specialist Non-Permanent	Jul-21	Sep-21	Oct-21	
Specialist Supported	Jul-21	Sep-21	Oct-21	
Specialist Care & Support	Jul-21	Sep-21	Oct-21	
Specialist Site Provision	Jul-21	Sep-21	Oct-21	

7. Consultation Methods

The Covid-19 and lockdown restrictions have significantly impacted the range of consultation methods available throughout the duration of the project. For this reason, consultations have primarily been held online with the following methods utilised to encourage the involvement of the concerned stakeholders:

- Emails circulated to all stakeholders requesting input/feedback as workstreams progressed
- 3 x stakeholder engagement events
- Project Team action notes, key documents and consultation responses published throughout the project on the City Region Deal Edinburgh & South East Scotland website where a designated webpage was created for HNDA3.
- Opportunity to sign up for emails and involvement on the project team webpage.



8. Feedback

All feedback was transferred into a table format (see Appendix 3a) and responses were provided to show how each comment would be used to inform the development of the HNDA, where relevant. These responses are also published on the project webpage (see link above).

Comments on the impact of Brexit and COVID 19 were received throughout the consultations. Some changes were made within the text of the HNDA to reflect the uncertainty, however, data is not yet available to confirm the impacts on housing need and demand.

Sections 9 – 14 below summarise some of the main points raised during each consultation, with the full feedback available in Appendix 3a.

9. Consultation, Participation Statement & Methodology Feedback

- There were 26 comments on this introductory part of the project, outlining how the project would be managed.
- Many positive and supportive comments received.

'Clear, concise and explanatory – no additional comment'

10. Stock Profile Feedback

- There were 13 comments on this part of the project, however, many linked to other sections of the HNDA.
- As this was the first chapter to be put out to consultation, there was some confusion with one consultee expecting to see the full assessment of existing need in this section.

FEEDBACK *'The assessment of existing need lacks clarity. We consider the scope of existing need is greater than what is considered in this chapter and further investigation is required to obtain robust information on the various aspects of existing need.'*

RESPONSE *'Work is underway to set out the calculation for existing need, following the requirements of the HNDA guidance. This will be subject to future consultation with the Housing Market Partnership.'*

11. HMA & Demographics Feedback Overview

- 39 comments were received for this section from several different stakeholders.
- One organisation felt that the 3-week time period to review was too short. Where requested, an extension of time was provided to ensure organisations had the opportunity to respond fully.
- Many comments received relate to the future housing delivery through Local Housing Strategies and Local Development Plans and were not part of the HNDA process.

'Is Edinburgh already too big? What is the ideal size of a 'community' – e.g., Juniper Green, Currie, Balerno – each of which is around 8,000 people?'

'Houses tend to be built on available fields – very often the reduced amount of good quality farmland we need for food production. There should be an embargo on this with towns being required to contain themselves within their existing footprints.'

12. Economy Feedback Overview

- Many organisations provided constructive feedback on this section and there were 42 comments in total to review.
- The Scottish Government was also approached to provide informal feedback and the response helped address some of the more technical aspects of the economy section. Some examples of stakeholder comments are noted below.

‘We look forward to further involvement in the HNDA process and will provide the additional information provided under paragraph 5 as soon as it is available. We would welcome a discussion with the partnership authorities on the wider HNDA process and its links with the separate work underway on NPF4. We will get in touch separately to arrange this.’

‘We thank the South East Scotland HNDA 3 Project Team for inviting us to comment on the Economy section of the Housing Need and Demand Assessment (HNDA). It is essential that planning for housing in South East Scotland is driven by long-term thinking and ambition, informed by a comprehensive understanding of the regional economy.’

13. Affordability Feedback Overview

- 8 Comments were received for review.
- Some of the comments again related to housing supply targets and not the HNDA itself so were noted.
- Further information was added to the HNDA on the impact the Covid-19 pandemic has had on house sales and house prices including the influence of the temporary change to the nil rate band for Land and Buildings Transaction Tax (LBTT).

‘As the Affordable Housing and Inclusive Growth sections of our NPF4 work (attached) show, planning for too few homes will undermine local and national policy ambitions to respond to and tackle affordability pressures.’

‘In 2021, house price inflation remains very high, yet the Scottish Government has adopted an approach to its NPF4 minimum HLRs which risks planning for 37% fewer homes than are currently being built. That drop increases to 50% when you factor in the sound assumption that not all of the land allocated for housing will have homes built on it in practice. Some authorities in this region (City of Edinburgh and Scottish Borders) have challenged the initial figures for their areas, but others have to date accepted them. Any authority that accepts

or sets housing targets that are so significantly below real need and demand levels is inevitably going to increase the likelihood of continuing affordability pressures.'



14. Virtual Stakeholder Engagement Events

Arneil Johnston housing consultants were commissioned to host virtual stakeholder events on behalf South East Scotland HNDAs project team where the HNDAs Tool calculation was presented for discussion, and stakeholders had the opportunity to review and scrutinise the evidence and assumptions that were used to estimate future housing requirements. Discussions were held regarding what this means for the future delivery of housing in the South East Scotland area.



- 3 Workshops were held over different times and dates to offer stakeholders choice to attend at suitable time. Workshops 1 & 3 focused on the HNDAs calculation with Specialist Housing being the principle focus of Workshop 2.

Tuesday 26 October, 2.00pm – 4.30pm – Workshop 1: HNDAs Calculation
Wednesday 27 October, 10.00am - 12.30pm – Workshop 2: Specialist Housing
Thursday 28 October, 10.00am -12.30pm – Workshop 3: HNDAs Calculation

- 92 stakeholders attended the events, and a breakdown of the attendance at each session is outlined below. There were numerous representatives from each of the six councils involved.

- An example of some comments from Workshops 1 & 3, Validating the Existing Need calculation



'The existing need calculation only focus on the most pressing forms of need'

'Will home working affect people decisions on where to live'

'Encouraging more ambitious targets will lead to increasing supply and ultimately will improve pricing and help address the affordability problem'

- An example of some of the comments from Workshop 2, Improving Insight on Specialist Housing

'Data recording and sharing is very complex. There are no coordinated communication or data management systems in place to help me do my job.'

'Our OTs service must respond to the needs and applications of a range of agencies (housing, health, social work) and we must navigate our way around different processes and systems to do this'

'We can't build out the problem of increasing specialist needs so need to look to tech and adaptations in existing stock to help people live well and independently'

16. Conclusion

All comments provided through the consultations were considered by the HNDA project team during the HNDA development. An audit trail is available on request to show what happened next with individual comments, many being incorporated into the HNDA. The HNDA Project Team are very grateful to all respondents for their support in helping shape South East Scotland's HNDA3.