

## HMP & WIDER STAKEHOLDER CONSULTATION

**Consulted: 21/08/2020**

**Feedback to be in by: 12/09/2020**

COMMENT/FEEDBACK	RESPONSE
<p><b>We note that you have identified external stakeholders. Whilst the various documents suggest there will be further consultation, it is not very clear when this will take place or what form the consultation will take. Will there be genuine collaboration and the use of working groups? Proposals for engagement should be set out more clearly so that we and other stakeholders can plan for the work ahead.</b></p>	<p>It is accepted that consultation proposals are slightly vague at this point. Initially this was due to uncertainty around Covid-19, however with the pandemic not easing, it is now accepted that consultation will need to be carried out online.</p> <p>A further uncertainty arises from a delay in the release of the datapack from Scottish Government which informs the HNDA analysis. Once that is circulated to LAs the project plan will be reset and consultation proposals will be confirmed through further briefings.</p>
<p><b>We support evidence-based policy and targets. However, at the outset we consider it is important to note that the default HNDA approach has major deficiencies that are contrary to the roles of both the housing authority and the planning authority in ensuring the future need and demand for homes of all tenures is fully understood and planned for.</b></p> <p><b>Recent detailed research also supports the argument that the default HNDA settings are inadequate in assessing housing need and demand. Part of the problem is that household projections, which the HNDA is heavily reliant on, entrench suppressed household formation trends influenced by undersupply.</b></p> <p><b>Glen Bramley estimated the housing requirement for Scotland to be in the region of 26,000 for the 2016-31 period. That estimate was per annum over 2016-31. As Scotland did not hit these figures over 2016-19, the requirement has now increased to over 27,000 per annum up to 2031.</b></p> <p><b>The Scottish Federation of Housing Associations (SFHA) and others estimated backlog need for affordable housing alone was 49,5851 across Scotland. This is a significantly higher number than the HNDA default HoTOC method.</b></p>	<p>There is flexibility in the HNDA Tool to adjust for a range of local circumstances:</p> <ul style="list-style-type: none"> <li>• The comment relating to household projections will be considered through discussions around demographic scenarios for HNDA3.</li> <li>• The comment relating to the HoTOC method will be considered through discussions around existing housing need scenarios for HNDA3.</li> </ul>

<p><b>Households overlooked by the standard HNDA model:</b></p> <ul style="list-style-type: none"> <li>• Those who are overcrowded in their current homes</li> <li>• Concealed (but not overcrowded) households (i.e. adults living in HMOs or with friends / parents / adult children)</li> <li>• Those living in homes that are physically unfit</li> <li>• households in homes that are not affordable to them</li> <li>• households in unsuitable homes (e.g. families without outdoor space)</li> <li>• homeless households not in temporary accommodation</li> </ul>	<p>Overcrowding, concealed households and those in temporary accommodation form part of the HNDA Tool methodology. The inclusion of any further categories of households currently requiring additional housing will be considered as part of the existing housing need scenarios for HNDA3.</p>
<p><b>We believe the only way to identify these households is through additional survey work to complete the findings of the normal desk-based work. If that work cannot be undertaken, the HNDA report should acknowledge the incompleteness of the data arising from for the standard methodology and adjustments should be made to ensure baseline data does not encourage the setting of housing supply targets that do not represent the likely full extent of true need and demand.</b></p> <p><b>There are significant challenges to address and affordability issues are more pronounced than most other areas in Scotland. In order to avoid worsening or perpetuating current trends it is important that the HNDA provides a comprehensive and robust understanding of housing need and demand. We consider that an important tool in doing this would be to survey residents directly to understand their needs. We consider this work would be essential and would welcome the opportunity to discuss this in further detail with the Housing Market Partnership.</b></p>	<p>There are no plans to undertake additional survey work across the six LAs, although limited surveys may be for the strands of specialist housing needs. There is flexibility in the HNDA Tool to allow scenarios to be developed for overall housing need and demand.</p> <p>The Project Team has a wealth of secondary data available to support HNDA3, including the recent report by the City of Edinburgh Council / Indigo House (2020) Review of Housing Need and Demand in Edinburgh.</p>
<p><b>Understanding the extent of unmet need and demand in the SESplan region is particularly pertinent as affordability has become very stretched in Edinburgh and the surrounding area (Table 1). Rents in Edinburgh have also increased at a rate well ahead of wages and inflation, a further indicator, and consequence, of a constrained supply of deliverable housing land (Figure 1). Affordable housing will have an important role to play in addressing this, but resources are limited and it will be essential that private supply is enabled to meet demand in full to avoid a worsening of affordability.</b></p>	<p>Investigation into issues of affordability will form part of HNDA3, including rents, house prices, incomes, etc. The HNDA Tool allows adjustment for issues of affordability within different types of tenure and by sub-area.</p>

<p><b>Further evidence of affordability pressure is demonstrated by the fact the average household size in Edinburgh is increasing contrary to national and long-term trends (Figure 2). This trend has established itself in some of the least affordable part of England such as London. New housing supply is required to address this.</b></p> <p><b>Some have suggested that new private supply is a function of market conditions alone. However, in South East Scotland, availability of land is also an essential determining factor. In the two authorities where relatively the most significant land release has taken place, East Lothian and Midlothian, 2019 private completions are 165% and 394% respectively of the pre-recession (2004-07) annual average. This is despite the fact that mortgage credit has been less available than the pre-recession period and economic growth has been less strong.</b></p> <p><b>The default HNDA makes no upwards adjustment to the aggregate need and demand figure to take account of pressures on affordability. This is a shortcoming which should be addressed by selecting scenarios which do.</b></p>	
<p><b>Need for stronger link to Core Output 3 of the Draft Methodology Statement</b></p>	<p>Link to core output 3 to be strengthened. Included within Version 2</p>
<p><b>Include NHS as a consultee given needs of elderly population, special needs etc.</b></p>	<p>NHS &amp; H&amp;SC reps identified for Wider Stakeholder list through Project Team.</p>
<p><b>Timeline in table 1 needs updated to reflect that time has marched on</b></p>	<p>Updated and included within version 2.</p>
<p><b>Consultation with Special Groups - The Planning (Scotland) Act 2019 introduces new requirements to pro-actively engage with children and young people (including schoolchildren, youth councillors and MSYPs), disabled people, and gypsies and travellers. It is therefore important that the consultation and participation exercises are aligned with this and embrace the same groups.</b></p>	<p>Contacts to be identified by LA's for each of the specialist groups.</p>
<p><b>Participation events/gatherings work effectively for this stage of HNDA consultation. However, this will not be practical due to current restrictions. Perhaps consider hosting remote events (MS Teams/Zoom etc) for each particular needs groups. This will assist with</b></p>	<p>Consultation proposal to be prepared to plan events around the covid-19 pandemic. Unable to finalise details until data pack is available.</p>

<p>detailed discussion from interested parties although will probably mean more events albeit shorter and more focused. Similar to the proposed workshop model of engagement had a large event been feasible.</p>	
<p>Statement and process outline clearly set out.</p>	<p>Comment Noted</p>
<p>Keen to be involved in participation events</p>	<p>Comment Noted</p>
<p>Core Output 3: Specialist housing provision – good</p>	<p>Comment Noted</p>
<p>Fife Council has previously contacted CHMA to highlight work on preparing the HND A3 saying that it intends to incorporate the analysis of Fife as a whole into the SES HND A rather than split Fife across two regional HNDAs. CHMA response said that in terms of regional planning, for both HND A and LHS, it requires local authorities to reflect Housing Market Areas, with the express purpose of reflecting the cross boundary drivers, mobile demand etc, and CHMA asked how this would reflect the relationship between the North of Fife and wider Dundee market. I would also highlight that CHMA is happy to attend any HMP meeting if that would be helpful, but not as a member of the group as this would be a conflict of interest.</p>	<p>Responded 22.09.20 to advise SES HND A3 will only include Central and West Fife. North &amp; East Fife will remain part of TAYplan HND A. Made note of comment relating to CHMA attending meetings.</p>
<p>Governance - SESplan Project Board</p>	<p>Part of consultation process - outlined in PID</p>
<p>Progress - The SESplan Project Board should also be updated regularly on progress with the HND A3 project plan. Although there is overlap between SESplan and CRD they remain at present two separate entities; CRD has no Planning powers, this remains with SESplan until such time as it is wound up. Might also be an idea to have CRD and SESplan Governance arrangements checked to ensure that the approaches proposed by the HMP accord with these.</p>	<p>Part of consultation process - outlined in PID</p>
<p>Ratification of SES HND A3 - It is noted that HND A3 will require to be signed-off by the Heads of Housing and Planning prior to submission to the CHMA but this raises the question as to whether our Head of Service has delegation in such matters. If not, then it suggests that a</p>	<p>Some Local Authorities need Council Executive sign off - this will be included within revised project plan after data pack release</p>

<p>report may have to be made to the Council Executive. Furthermore, it also suggests that a report will be required to be made to the Council Executive in order to ultimately agree/ratify the new HNDA.</p> <p>The relevance of this is that if each of the six local authorities also need to report and ratify it could take some time and could have consequences for the project timescale set out in the Consultation and Participation Statement. It would be helpful to enquire if this has been factored in.</p>	
Clear, concise and explanatory – no additional comment	Comment Noted
Paper informative	Comment Noted
Received and timescales noted	Comment Noted
Agree with range of processes and outputs within statement. Interest in Core Output 3.	Comment Noted
I agree with the process and way in which the consultation take place, Outputs and process are clear and well thought out and appear to have taken in all area of housing needs and all housing providers included. I was pleased to see specialist provision included, and the many diverse groups within though there were a few groups never featured namely, care leavers, those affected by homelessness & those with addiction issues was missed out with in this section.	Contacts to be identified by LA's for each of the specialist groups.
Support proposed methodology	Comment Noted
Core Output 1 - Drive more affordable need - agreed. Good to analyse what makes / how house prices are rising, but can this process help reduce the rate at which house prices are steeply rising? People are being priced out of our area.	Comment Noted
Core Output 2 - Future economic assumptions - great.	Comment Noted

APPENDIX 3A

<p>Perhaps also linked to the level of education required for work in the future; to analyse how working class / lower educated people may be affected by changing working practices and sectors</p>	
<p><b>Core Output 3 - Specialist housing provision – good</b></p>	<p>Comment Noted</p>
<p><b>Core Output 4 - Should include Short Term Lets (perhaps these are covered under tenure types)</b></p>	<p>Analysis included within Chapter 3 Housing Stock Profile</p>
<p><b>Core Process 1 - “The governance arrangements for the HNDA3 project have been made available through the SES HNDA3 Project Initiation Document.” where? This consultation is the first we have been made aware of the HNDA3 project and was not included in any previous consultation</b></p>	<p>Responded to advise PID is on webpage</p>
<p><b>Core Process 4 - Transparency is good/required</b></p>	<p>Comment Noted</p>

## CHAPTER 3 HOUSING STOCK PROFILE, PRESSURES, MANAGEMENT ISSUES AND EXISTING NEED

Consulted: 20/01/2021

Feedback to be in by: 19/02/2021

COMMENT/FEEDBACK	RESPONSE
<p>Not sure if relevant for feedback as all reads well but from a Midlothian perspective it is encouraging to note that it has predominantly more houses than flats. To ensure this remains the same going forward then perhaps the Council Planning Department should be asking the Large Housebuilders to ensure that affordable housing provided under the 25% AHP provision is broadly in line with the current splits? In areas where More flats than houses and locations allow then perhaps an insistence on more houses than flats?</p>	<p>Comment to be passed on to Midlothian housing and planning representatives.</p>
<p>In our previous submission (5 November 2020) we noted that significant pressure on housing was apparent in the region. This manifested itself in elevated affordability ratios, above inflation rental increases and increasing household sizes in Edinburgh.</p>	<p>Affordability ratios will be assessed as part of the SES HNDA workstreams around key and future housing market drivers. These will be subject to future consultation with the Housing Market Partnership.</p>
<p>The proportion of Edinburgh housing stock in owner occupation has declined by 12.7% between 2001 and 2018. Over the same period the proportion of Scottish housing stock in owner occupation has declined by 2% from 64 to 62% (Scottish Household Survey, 2019). This appears to suggest that significant undersupply in Edinburgh is feeding back into housing choices.</p>	<p>Comment noted – it is likely to reflect the shift in owner occupation to private renting and short term lets, with more accommodation being used for such purposes.</p>
<p>A mismatch between applications for new affordable housing and availability is evident. It is noted that there were 16,066 new applications for social housing in 2019 across South East Scotland, yet an average of 5,133 local authority dwellings became available to let each year from 2014-19.</p>	<p>Comment noted – and reflects the challenge faced by relevant LAs in meeting housing need and demand evidenced within their housing registers.</p>

<p><b>Taken together these indicators present a picture which demands a more detailed investigation.</b></p>	<p>This will be assessed as part of the SES HNDA workstreams around existing and future housing need and demand. Scenarios will be developed for future consultation with the Housing Market Partnership.</p>
<p><b>We note that the chapter states that “The need for new housing can be minimised through improved stock management to make better use of current housing assets” (section 3.6). Optimising the use of existing stock is of course a desirable goal. However, many of the indicators point to serious pressure on supply and the need to consider a significant supply side intervention to reduce pressure on affordability. The ‘Future Housing Stock’ section does not consider this issue.</b></p>	<p>This will be assessed as part of the SES HNDA workstreams around existing and future housing need and demand. Scenarios will be developed for future consultation with the Housing Market Partnership.</p>
<p><b>Whether in this chapter or another we consider it will be important the HNDA grapples with the issue of pressure on housing supply, examines it further detail and considers potential all tenure solutions to alleviate the situation.</b></p>	<p>This will be assessed as part of the SES HNDA workstreams around existing and future housing need and demand. Scenarios will be developed for future consultation with the Housing Market Partnership.</p>
<p><b>The chapter heading includes reference to ‘Existing Need’. However, it is not clear what the conclusions are in this regard as the expected scale of existing need does not appear to be set out. For the reasons outlined above we consider that the pressures on housing need further examination and this includes obtaining a detailed and robust understanding of existing need.</b></p>	<p>Work is underway to set out the calculation for existing need following the HNDA guidance. This will be subject to future consultation with the Housing Market Partnership.</p>
<p><b>Overcrowded housing is an import component of unmet need. Given the shortcomings of this data we consider it is important that the HMP carries out work to obtain a complete and robust picture of overcrowding.</b></p>	<p>Work is underway to set out the calculation for existing need, including overcrowding and concealed households, following the requirements of the HNDA guidance. This will be subject to future consultation with the Housing Market Partnership.</p>
<p><b>Similarly, the concealed households data has shortcomings. Given the pressures on housing highlighted above and in our previous response an increase in concealed households since 2011 is a plausible hypothesis which should be tested.</b></p>	<p>Work is underway to set out the calculation for existing need, including overcrowding and concealed households, following the requirements of the HNDA guidance. This will be subject to future consultation with the Housing Market Partnership.</p>
<p><b>This definition of concealed households also does not include single adults living with their parents / or flatmates who want a home of their own. It is important that these households are accounted for too. Given the shortcomings of this data we consider it is important that the</b></p>	<p>Work is underway to set out the calculation for existing need, including overcrowding and concealed households, following the requirements of the HNDA guidance. This will be subject to future consultation with the</p>



<p><b>HMP carries out work to obtain a complete and robust picture of concealed households including single adults.</b></p>	<p>Housing Market Partnership.</p>
<p><b>The assessment of existing need is incomplete. This may be being deferred to a future chapter. However, we consider that the following need to be assessed to obtain fuller picture of existing unmet need and demand</b></p> <ul style="list-style-type: none"> <li>● <b>Those who are overcrowded in their current homes</b></li> <li>● <b>Concealed (but not overcrowded) households (i.e. adults living in HMOs or with friends / parents / adult children)</b></li> <li>● <b>Those living in homes that are physically unfit</b></li> <li>● <b>households in homes that are not affordable to them</b></li> <li>● <b>households in unsuitable homes (e.g. families without outdoor space)</b></li> <li>● <b>homeless households</b></li> <li>● <b>those of waiting lists for affordable housing</b></li> </ul>	<p>Work is underway to set out the calculation for existing need, including overcrowding and concealed households, following the requirements of the HNDA guidance. This will be subject to future consultation with the Housing Market Partnership.</p> <p>Affordability will be considered as part of the assessment, as will homelessness. The other elements are assumed to be resolvable through housing improvements and housing turnover.</p>
<p><b>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.</b></p>	<p>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.</p>

## HMA & DEMOGRAPHICS

**Consulted: 05/05/2021**

**Feedback to be in by: 31/05/2021**

COMMENT/FEEDBACK	RESPONSE
<p>The time to review these documents is unduly short.</p>	<p>Comment Noted</p>
<p><b>Shouldn't demographics precede HMA Assessments? Which come first - people or houses? The first thing to assess is not the number of houses, but the number of people and the resulting demand.</b></p>	<p>The HMA assessment is not intended to estimate the need or demand for housing in terms of the number of units. It is intended to assess the extent of the housing market area – the area in which people moving houses are prepared to look for accommodation.</p>
<p><b>If you can't produce food from land within your control, then you are dependent on trading with others for your survival. For an island nation that means a guarantee that your suppliers and their successors will continue to provide it, possibly in perpetuity.</b></p>	<p>Comments noted – not directly related to the HNDA process.</p>
<p><b>The HNDA tool is a clever device but is based on best guesses as to the financial success of political policies. It cannot take account of the unexpected (like Covid) or the outcome of certain political decisions (like Brexit). It is subjective with the result that no two people are likely to come to the same conclusions.</b></p>	<p>The HNDA tool is not used in assessing the extent and links between housing market areas. Later stages of the HNDA process will make use of the HNDA tool in estimate need and demand for new housing. This will be the subject of a separate consultation.</p>
<p><b>There is a need for retiral homes, social housing, and nursing homes for an ageing population. There seems to be no easy-to-understand reference to these to ensure they are built within the communities where people live.</b></p>	<p>The need and demand for new housing will be assessed in later chapters of the HNDA and will be subject to a separate consultation.</p>
<p><b>There is a need for more houses for people to downsize into as well as starter homes. These should be in the communities where people live.</b></p>	<p>The need and demand for new housing will be assessed in later chapters of the HNDA and will be subject to a separate consultation.</p>
<p><b>There is a need for a higher percentage of affordable houses than the current 25% allocated. A previous SESplan (SESplan MIR July 2015) advised that the affordable/market range should be</b></p>	<p>The need and demand for new housing will be assessed in later chapters of the HNDA and will be subject to a separate consultation.</p>

<p><b>64/36%. That was revised to 50/50% in 2016 – because that was what the market could afford! Hardly the right reason. 25% is far too low.</b></p>	
<p><b>There is a need for more homes for rent in Edinburgh with strict limits on holiday homes, Airbnb, etc.</b></p>	<p>The need and demand for new housing will be assessed in later chapters of the HNDA and will be subject to a separate consultation.</p>
<p><b>There is a danger that continuing to allocate new land instead of brownfield first will lead to the undesirable sprawl into the Green Belt/countryside that Edinburgh is proposing in its Cityplan2030.</b></p>	<p>The HNDA processes is intended to assess the need and demand for new housing. This information may be used by individual local authorities to inform local development plans and local housing strategies. The HNDA is not concerned with the nature and location of land allocations.</p>
<p><b>The fact that individual sections of HNDA3 are being shared with ‘the Housing Market Partnership’ doesn’t mean that communities are being involved. That is democratically unfair.</b></p>	<p>The purpose of the HNDA consultation is to invite comment from a range of stakeholders including communities.</p>
<p><b>With Edinburgh’s birth rates dropping, and as such identified by NRS as being lower than in other areas, it would make sense to send work to where people live than expect them to travel to Edinburgh to work and to shop. That reduces infrastructure, congestion and wasted time.</b></p>	<p>The HNDA processes is intended to assess the need and demand for new housing. This information may be used by individual local authorities to inform local development plans and local housing strategies. The HNDA is not concerned with the nature and location of land allocations.</p>
<p><b>It doesn’t make much sense for people to be spending a large percentage of their days (and their earnings) commuting – they will serve their community better if they live and work in it.</b></p>	<p>The HNDA processes is intended to assess the need and demand for new housing. This information may be used by individual local authorities to inform local development plans and local housing strategies. The HNDA is not concerned with the nature and location of land allocations.</p>
<p><b>Are communities not strengthened by allowing them to have shops, workplaces, schools and social facilities all within walking distance?</b></p>	<p>The HNDA processes is intended to assess the need and demand for new housing. This information may be used by individual local authorities to inform local development plans and local housing strategies. The HNDA is not concerned with the nature and location of land allocations.</p>
<p><b>There is a need to increase the number of houses built by government/local authorities for the growing number of people who are unable to afford to own and manage their own properties. The days of the Council House are not yet over. This would enable developers to downsize and</b></p>	<p>The HNDA processes is intended to assess the need and demand for new housing. This information may be used by individual local authorities to</p>

<p><b>build bespoke developments rather than create large characterless housing estates that invariably require a heavy, often new infrastructure to be built and which frequently doesn't get maintained by the local authority.</b></p>	<p>inform local development plans and local housing strategies. The HNDA is not concerned with the nature and location of land allocations.</p>
<p><b>Are tables of sales relevant to where communities should be created or is that where people are forced to live because they are 'affordable'</b></p>	<p>The housing market area assessment is intended to identify the extent of the wider Edinburgh Housing Market area, sub-market areas that may be operating within it and the links between such areas. The information relating to house sales and where people move is a strong indicator of the extent of such areas. The output from the HNDA will help inform local development plans and local housing strategies of the levels of need and demand for market and affordable housing but it is not for the HNDA to examine where and how many new houses should be located.</p>
<p><b>Why is the Registrar General's (pre-Brexit and pre-Covid) Report for 2019 being used when a more up-to-date version is available?</b></p>	<p>National Records of Scotland, latest population and household projections are 2018-based, as of 24/06/2021. NRS has published estimates, both population and household for 2019. For the purposes of the HNDA population estimates should align with the latest projections which are 2018-based, hence why 2018 is the base year used in the HNDA. The latest HNDA tool was published on the Scottish Government website (Nov 2020) and uses 2018-based household projections.</p>
<p><b>The last census was in 2011 and the next will be in 2022. Using estimated figures updated from the 2001 and 2011 figures for a period extending to 2043 is clearly unrealistic and will allow really serious miscalculations to be built in. Better to wait till 2024 when the data from the next census will have been published and we have a better idea of the impacts of Brexit, Covid and Climate Change, all of which are likely to have an impact on the actual numbers of houses needed and their location.</b></p>	<p>National Records of Scotland is a reliable and credible source of data. While the census has been delayed, unfortunately, it's not possible to wait until 2024 for the census outputs.</p> <p>Local Authorities have a duty to prepare a Local Housing Strategy (LHS), as per the the Housing (Scotland) Act 2001, to be supported by an assessment of housing need and demand and provision of related services. The Scottish Government expects a LHS to be prepared and submitted around every 5 years. The Town and Country Planning (Scotland) Act 1997 (as amended by the Planning (Scotland) Act 2016) requires Local Authorities to allocate land for use in their respective areas, including the allocation of land for</p>

	<p>housing. The Scottish Government is in the process of taking forward Planning Reform and implementation of Planning (Scotland) 2019 Act, but it will not impact on the requirement for an HNDA to support LHS or to inform Local Development Plans.</p> <p>HNDA's are prepared and published around every 5 years.</p>
<p><b>Note the caveat from NRS that 'projections are not forecasts'. NRS caution against the use of such statistics and suggest that a more realistic timespan is 5 years – which would have the added benefit of not creating blighted areas as developers buy up farms as landbanks against future 'known' needs.</b></p>	<p>Comments noted, the data has been presented as estimates and projections.</p> <p>HNDA's are prepared and published around every 5 years.</p>
<p><b>Noted that migration 'is the most difficult component of population change to estimate'. So why have projections been made for the next 25 years (to 2043)? Currently the student population is lower than a couple of years ago as the world adjusts to post-Covid scenarios. But will it return to pre-Covid levels? We don't know so should we be doing exercises that are of academic interest but of little use in the real world?</b></p>	<p>National Records of Scotland makes household projection data available for a 25 year period. It should be noted that the HNDA is prepared and published around every 5 years.</p> <p>It's hard to predict right now what the ongoing long term effects of Covid-19 will be. There is no reliable data on how Covid-19 has affected population or households.</p> <p>Local Authorities have a duty to prepare a Local Housing Strategy (LHS), as per the The Housing (Scotland) Act 2001, to be supported by an assessment of housing need and demand and provision of related services. The Scottish Government expects a LHS to be prepared and submitted around every 5 years. The Town and Country Planning (Scotland) Act 1997 (as amended by the Planning (Scotland) Act 2016) requires Local Authorities to allocate land for use in their respective areas, including the allocation of land for housing. The Scottish Government is in the process of taking forward Planning Reform and implementation of Planning (Scotland) 2019 Act, but it will not impact on the requirement for an HNDA to support LHS or to inform Local Development Plans.</p>

<p><b>The study is premature and I am not confident that it will fit the majority of matters that would allow SESplan to meet the CHMA’s conditions to allow CHMA to certify it as ‘robust and credible’.</b></p>	<p>The ‘robust and credible’ decision will be provided by the Scottish Government following the submission and assessment of HNDA3.</p>
<p><b>The study makes no reference to the consequences of Brexit on the size of the population.</b></p>	<p>There is no reliable data on how Brexit has affected population or households.</p>
<p><b>The study makes no reference to the consequences of Covid-19 on the distribution of the population.</b></p>	<p>There is no reliable data on how Covid-19 has affected population or households.</p>
<p><b>The study does not mention Climate Change which is going to be a really significant issue long before the 2043 timescale of some of the studies.</b></p>	<p>Comments noted – relates to the standards of new and existing housing.</p>
<p><b>There are already plans by a whole range of developers to build in the Green Belt/countryside around SW Edinburgh. My calculations indicate these alone could result in (say) 14,000 more houses if they were all approved. CEC’s draft Cityplan would drive up this figure much higher</b></p>	<p>Comments noted – relates to future housing delivery through LHSs and LDPs</p>
<p><b>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.</b></p>	<p>Comments noted – relates to future housing delivery through LHSs and LDPs.</p>
<p><b>Note that people who live in remote newly-developed ‘communities’ seem to still be dependent on some of Edinburgh’s shops – so why not develop communities gradually, complete with shopping and working facilities near where they live?</b></p>	<p>Comments noted – relates to future housing delivery through LHSs and LDPs</p>
<p><b>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?</b></p>	<p>Comments noted – relates to future housing delivery through LHSs and LDPs.</p>
<p><b>The previous SESplan was set aside by the Scottish government (16th May 2019) primarily because: “The Scottish Ministers are not satisfied that the Plan has been informed by an adequate and timely Transport Appraisal; and “The plan does not take sufficient account of</b></p>	<p>Comments noted – relates to future housing delivery through LHSs and LDPs</p>

<p><b>the relationship between land use and transport and The Scottish Ministers do not support the use of supplementary guidance to resolve this issue.” These matters need to be considered simultaneously with where houses are to be built. This exercise does not show that they are.</b></p>	
<p><b>There is a priority need to determine how much land we can afford to lose to promote economic objectives and how much is needed to allow for our present and future populations to survive and to export food. The Macaulay Land Use Research Institute data for the whole of Scotland produced c1986 needs to be updated to show the Land Capable for Agriculture which should be the starting point for land use planning, rather than Development Plans that start with ‘Housing Need’. Food comes before economics.</b></p>	<p>Comments noted – relates to future housing delivery through LHSs and LDPs</p>
<p><b>Please note that owing to the way this consultation was conducted, with information only sought electronically, it is arguably discriminating against those who do not have access to the internet/email and therefore the procedure fails to comply with the requirements of the Equalities Act 2010.</b></p>	<p>In ordinary circumstances we would use a broader range of methods for consulting with communities around the HNDA. We have been limited to using digital methods to ensure the safety of all stakeholders in this process. We will continue to work to current Scottish Government advice in this matter.</p>
<p><b>This Community Council understands the need to forecast housing needs but now is not the best time for such an exercise when just emerging from Brexit and, hopefully, nearing the end of the critical part of the pandemic. Life has changed in many ways and there is evidence that normal is becoming the so called “ new normal “ whatever that means in affecting population movement etc. Student population in this area may also decline as students question the value of their courses or study remotely reducing demand for housing. Moreover there is a Census next year which should give reliable information quite quickly instead of what appears to be an attempt to assess housing needs using unreliable information at a time of major uncertainty illustrating that old caveat of “ garbage in and garbage out”. We are therefore unable to make any useful input to an exercise which we feel is premature. There is also concern thar a purely electronic request for comment discriminates against some people in terms of the Equality Act 2010. This is of course an example of poor governance.</b></p>	<p>Comments noted. National Records of Scotland is a reliable and credible source of data. While the census has been delayed, unfortunately, it’s not possible to wait until 2024 for the census outputs.</p> <p>Local Authorities have a duty to prepare a Local Housing Strategy (LHS), as per the The Housing (Scotland) Act 2001, to be supported by an assessment of housing need and demand and provision of related services. The Scottish Government expects a LHS to be prepared and submitted around every 5 years. The Town and Country Planning (Scotland) Act 1997 (as amended by the Planning (Scotland) Act 2016) requires Local Authorities to allocate land for use in their respective areas, including the allocation of land for housing. The Scottish Government is in the process of taking forward Planning Reform and implementation of Planning (Scotland) 2019 Act, but</p>

	<p>it will not impact on the requirement for an HNDA to support LHS or to inform Local Development Plans.</p>
<p><b>What’s the basis for the claim that this arbitrarily defined South East Scotland works as a single housing market? The data cited don’t tell us anything useful about how well it works. For example, how easy is it to move from, say, Dunbar to Dunfermline? Are people unable to take jobs in other areas because of higher house prices and/or supply problems?</b></p>	<p>South East Scotland, in this case, is not arbitrarily defined – it is the area covered by the South East Scotland Strategic Development Plan. Analysis of house sales shows that the area is largely self-contained in terms of house sales – i.e. the majority of people buying housing in the area are already living in the area. The housing market area is centred on Edinburgh with large numbers of purchases in the city being made by people from elsewhere in SE Scotland and large numbers of sales outwith Edinburgh being made by Edinburgh residents. There are sub market areas operating outwith Edinburgh and the tables in the assessment illustrate the strength of links between these areas.</p>
<p><b>Why does the survey not use the latest NRS population data? And why does it not provide any commentary on the population projections? And why does it say nothing about Covid and its possible effects on population growth, and the distribution of people in the area, nor say anything about the possible effects of the UK’s having left the EU?</b></p>	<p>National Records of Scotland, latest population and household projections are 2018-based, as of 24/06/2021. NRS has published estimates, both population and household for 2019. For the purposes of the HNDA population estimates should align with the latest projections which are 2018-based, hence why 2018 is the base year used in the HNDA. The latest HNDA tool was published on the Scottish Government website (Nov 2020) and uses 2018-based household projections.</p> <p>The household projections are trend-based and are not, therefore, policy-based forecasts of what the Government expects to happen. The chapter on Demographics presents NRS and census data objectively.</p> <p>There is no reliable data on how Covid-19 or Brexit has affected population or households.</p>
<p><b>The draft demographic chapter makes a reasonable start in describing the current demographic profile of the area, but it is confined to readily available datasets which are widely acknowledged to be limited. The reliance on secondary data in particular limits the ability of the authorities to form a confident view of future household growth. It also deprives</b></p>	<p>Comments noted. National Records of Scotland is a reliable and credible source of data. NRS is a non-ministerial department of the Scottish Government, whose purpose is to collect, preserve information about</p>



<p><b>them of granular information on the composition of existing households, and in particular the extent to which there are concealed households for whom it would be appropriate to find a housing solution. The information presented in the draft chapter does not therefore provide a comprehensive enough set information on which to model housing need and demand and make policy decisions on planning for new homes.</b></p>	<p>Scotland’s people and history. The data NRS produce would be considered primary data, and limitations are acknowledged in their metadata.</p> <p>Concealed households are taken into consideration in the Specialist Housing Need chapter and figures for concealed households also form part of the HNDA existing need and Tool calculations. The methodology closely follows Scottish Government guidance which recommends a count of concealed households which are also overcrowded, thereby ensuring no duplication of figures between categories and enabling only those with an existing housing need to be included. Future emerging households will be reflected in projected household growth figures.</p>
<p><b>We have already outlined our concerns on these points, and suggested solutions, in its recent work on National Planning Framework 4 minimum all-tenure housing land requirements (MATHLR). An abridged version of that work is attached. As well as covering our concerns on housing need and demand evidence, the paper includes a section on demographics. Reference is made to Scotland’s first population strategy, A Scotland for the Future, which calls for a nationwide response to demographic challenges that face Scotland at the local and national level. For example, it aims to boost Scotland’s population, including by attracting families to Scotland from other parts of the UK. It also identifies a potential link between a lack of adequate housing and reduced birth rates. In Action 23 (of 36) the report commits to “continue to drive forward planning reform to improve how we plan our future places and support local government in considering planning as a strategic tool to respond to population change”.</b></p>	<p>Whilst we recognise the importance of strategic policy documents such as ‘A Scotland for the future: opportunities and challenges of Scotland’s changing population’ and its place-based approach to demography, the ‘Scotland’s Population Story’ chapter presents NRS data.</p>
<p><b>We would strongly urge the local authorities in South East Scotland to use all of the options available to them to augment the basic HNDA approach and make it a more reliable and confidence-inducing tool for policy making and target-setting. There are good examples of this available from local authorities in other parts of Scotland, for example East Ayrshire Council, Highland Council and the authorities in the Tay Cities Region We would encourage you to read their response to the recent NPF4 MATHLR consultation, much of which is applicable to HNDA work. In many other parts of Scotland local authorities have been raising concerns about</b></p>	<p>Comments noted. The HNDA projects team are considering a range of scenarios which will be presented at the stakeholder meetings at the end of October.</p>

<p><b>limitations in the data that is to hand. Several have been opting to or expressing a desire to use higher figures that those contained in the NRS principal projections</b></p>	
<p><b>We do not support the conclusion that the whole of the South East Scotland City Region is operating as a functional housing market area.</b></p>	<p>The HMAA demonstrates that all areas of SE Scotland experience significant house sales to Edinburgh residents and significant sales in Edinburgh are made to residents from all areas. This suggests a wider housing market area centred on Edinburgh. The HMAA identifies sub-market area operating within the wider market area and acknowledges that Edinburgh’s influence is considerably stronger for some sub-areas than others. There are also strong links between other sub-market areas.</p>
<p><b>Given continuing strong demand for homes across the South East of Scotland, it will be necessary for the next set of LDPs to identify land for new housing in strong market areas, whether there is one single Housing Market Area for South East Scotland or more than one. Even if the whole of South East Scotland is once again identified as one Housing Market Area, it must be recognised that there is a big difference in the strength of the market between certain areas.</b></p>	<p>The HMAA identifies sub-market areas operating within the wider housing market area and attempts to demonstrate the strength of links between these sub areas. This is to assist planning authorities in developing the spatial strategies for the next round of LDPs to ensure new housing is provided in the appropriate locations.</p>
<p><b>Looking ahead to the preparation of LDPs, we support the decision of the City of Edinburgh Council to aim to meet more of its own housing need and demand with city limits.</b></p>	<p>Comment Noted – No Action Required</p>

**ECONOMY****Consulted: 01/07/2021****Feedback to be in by: 30/07/2021**

COMMENT/FEEDBACK	RESPONSE
<p>Poverty section 2018 stat used of people in poverty – almost certainly far greater level now due to Covid even if on furlough with a reduction in pay of 20%. Could some sensitivity analysis be added to this?</p>	<p>The most recent available data to allow analysis of income at national, regional and local level is dated 2018. This has been compared to statistics in the Edinburgh Poverty Commission (2020) report, Scottish Government poverty and income inequality statistics and DWP statistics derived from the Family Resources Survey (2021). Unfortunately, data is not yet available to show the impact of Covid-19 on levels of poverty, but adjustments will be made to the text before finalising HNDA3 if further data is published.</p>
<p>City of Edinburgh – driving economic recovery (Page 36). Word of caution heavy reliance on city centre office working / workers – hybrid / home working may have a dramatic impact on this and an unknown in any opinion of future economy. I'm aware personally of one company who has an office in Charlotte Square who will not be renewing their lease. Reduction in office staff will then have the impact on the service industry built up around this groups such as sandwich bars etc.</p>	<p>Text adjusted to better reflect the uncertainty of a post-Covid 19 economy.</p>
<p>Tweaked strategy bit as it was refreshed and not sure if Fife were aware / used previous (see RP copy of chapter).</p>	<p>Changes made by LA</p>
<p>Good to see the growth in weekly pay in EL 10 years 23.3 % and gross just behind Edinburgh and 2nd in the group.</p>	<p>Comment – no changes</p>
<p>Covid noted but next 2 years will see the real impact I think on unemployment and company liquidations due to increased indebtedness and a lenders taking recovery action. (As long as no further lockdowns).</p>	<p>Comment – no changes</p>

<p><b>Balance of text/commentary vs tables/data not quite right – very heavy on data/tables.</b></p>	<p>Comment noted and some changes made to document to redress balance. However, section reflects requirements of guidance. Further work may be required if CHMA is of the same view but not mentioned in ‘informal’ feedback on economy section.</p>
<p><b>Each table/section could be clearer on how it impacts on housing and economy – what are the tables telling us for the region and could it include more reference to current and future uncertainty and perhaps some insights/naïve gazing.</b></p>	<p>Adjustments made where possible and more references made to current and future uncertainty.</p>
<p><b>Future Economy could perhaps be longer and stronger to reflect what we know has happened to housing construction and sales etc during pandemic and perhaps reflect what future economy and work patterns (being changed forever?) could mean for future housing, places and people. Edinburgh has like many other university cities seen huge growth in purpose-built student accommodation in recent years – with a lot of it underutilised at present. Will foreign students come back in same numbers and therefore stock might become available alongside potentially office blocks etc.</b></p>	<p>Text adjusted to better reflect the uncertainty of a post-Covid 19 economy.</p>
<p><b>Some mention of Build to Rent in Edinburgh?</b></p>	<p>Section on Build to Rent in Edinburgh added to Chapter 3 Stock Profile.</p>
<p><b>Earnings and income – for many young people and presumably graduates too this is unlikely to capture the current situation. Impact of being on benefits now and lack of opportunities could have significant impact on labour market of the future e.g. Financial crash saw apprentices let go, now a skills gap in SE Scotland and knock on for construction costs etc. implications for future affordability.</b></p>	<p>Text adjusted to highlight the lack of opportunities for young people, potential impact on skills, and particular issues for the construction sector.</p>
<p><b>Also noted that it would be useful to reference work we’ve done in Edinburgh Poverty Commission report – be stronger on the impact of high housing costs on ability to recruit and retain staff in Edinburgh. Also picked up that there’s no mention of affordability and private rents in Edinburgh.</b></p>	<p>Reference added.  Discussion on housing costs, affordability and private rents sits within HNDA3 Chapter 2: Affordability, to be consulted separately.</p>
<p><b>The issues, priorities &amp; challenges listed for Fife (West &amp; Central) in the 1st table are taken straight from the Fife Economic Strategy. The strategy identifies them as issues (not as</b></p>	<p>Have adjusted text to show these are Fife-wide issues, identify table as summary of strategy and mentioned that all were developed pre-Covid 19.</p>

<p><b>priorities or challenges) and they were Fife-wide issues, ie not specifically for the West &amp; Central area, so perhaps that should be clarified? This is also all pre-Covid.</b></p>	
<p><b>All the other analysis looks pretty thorough, although by using an average or total for West &amp; Central Fife, a lot of the sub-area issues (ie the Mid-Fife challenge) will be masked. For us, this would be an area of concern given the P4F commitment to tackling the issues in Mid-Fife.</b></p>	<p>This point is acknowledged, although most secondary data sources do not provide information below LA level to allow more detailed analysis to be provided. We are working to disaggregate HNDA Tool data to housing market area level which may help in providing a more localised understanding of need and demand.</p>
<p><b>It's a shame they don't pull out anything about Fife's industrial profile in the Industry Profile and Productivity Section (pages 3-4). It might have been relevant to mention here the higher-than-average proportion of people employed in manufacturing in West &amp; Central Fife?</b></p>	<p>Text changed to draw out the higher levels of manufacturing jobs in Fife alongside Scottish Borders and West Lothian.</p>
<p><b>On page 9, it's not mentioned that Fife (West &amp; Central) has the lowest employment rate.</b></p>	<p>Text adjusted to reflect lower levels of employment in Fife (W&amp;C) and the City of Edinburgh.</p>
<p><b>It might be worth stating in the tables on pages 26/27 &amp; 30/31 that the data refers to the whole of Fife. Think they are the only tables which don't specify this.</b></p>	<p>Text adjusted to reflect that it is Fife-wide data.</p>
<p><b>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.</b></p>	<p>Comment noted – no response required.</p>
<p><b>We believe that consistent and strong housing delivery across all tenures is central to not just sustainable inclusive economic growth, but societal wellbeing equally. The provision of affordable, secure, energy efficient housing is a core asset that must be delivered to achieve policy outcomes associated with, but not limited to, increased sustainability, education and health outcomes, net zero carbon and more. Ultimately housing is the fundamental infrastructure asset that enables the rest of the economy to grow.</b></p>	<p>Comment noted – no response required.</p>

<p><b>As such, the commentary we have provided in response to the consultation revolves around the linkages between housing delivery and wider economic considerations. Housing delivery is a fundamental component of and contributor to inclusive and sustainable growth. The HNDA and the policy decisions that it informs are absolutely vital to ensuring the opportunities of housing delivery can be fully embraced in this region over the next 10 years and beyond, unlocking the significant economic benefits that go with that.</b></p>	<p>Comment noted – no response required.</p>
<p><b>We would flag the following separate pieces of work that are of direct relevance to the Economy section of the HNDA for South East Scotland and that we will make available to inform your work as HNDA practitioners and policy-makers:</b></p> <ul style="list-style-type: none"> <li>• <b>Our thought-leadership work on National Planning Framework 4 (NPF4) Housing Land Requirements. An abridged version of our April 2021 resources is attached and there are cross references to some of its content throughout this response. The full versions were shared with you in April and we hope they have already proven useful to wider aspects of your HNDA work, including consideration of Existing Need.</b></li> <li>• <b>Our analysis of local authority responses to the recent Scottish Government consultation on NPF4 Housing Land Targets. We are reviewing the responses to identify good practice and useful information that would be of interest and relevance to other authorities in their HNDA and development planning work. There are many examples of good practice, including work by East Ayrshire Council which is referenced in this report. We will share our wider analysis with local authorities when complete.</b></li> <li>• <b>Our research on the Social and Economic Benefits of Home Building in Scotland. This is nearing completion and will be shared with local authorities when complete. Some of the findings of the 2015 version of this work are included at Annex A and referenced elsewhere in this report.</b></li> <li>• <b>Our response to the recent consultation on the Edinburgh and South-East Scotland Regional Prosperity Framework (2021-2041), which has much in common with this response. It is assumed the South East Scotland HNDA will be informed by that important emerging strategy.</b></li> </ul>	<p>These documents were received by the SES HNDA3 coordination team on the 29th April 2021 and were considered in advance of the NPF4 submissions. Comments were noted and LAs have developed their own existing need figures for the HNDA Tool.</p> <p>Comment noted – no response required.</p> <p>Comment noted – we look forward to receiving the updated publication.</p> <p>The SES HNDA has been informed by the Regional Prosperity Framework – Consultation Draft provided in June 2021.</p>

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**Annex A**
**Economic Benefits of Home Building in South East Scotland**

These tables show just some of the economic benefits of home building in South East Scotland, based on completion rates achieved in 2019, and using metrics from our 2015 report on the Economic and Social Benefits of Home Building in Scotland.

We are currently in the process of updating that report, to quantify and identify the direct social and economic benefits of delivering housing at a both national and regional level. Homes for Scotland will share the findings of the updated report with the South East Scotland HNDA 3 project team, when available.

The 'at risk' column is based on an annualization of the Scottish Government's initial default estimate for the minimum all tenure housing land requirements to be included in National Planning Policy Framework 4 (NPF4). HFS notes that most local authorities in Scotland are promoting higher requirements, particularly Edinburgh and Scottish Borders.

East Lothian	Per Home	Homes Built 2019	Achieved 2019	At risk at 485
Measure				
Jobs	4	928	3,712	1,772
GVA	205,000	928	190,240,000	90,815,000
Local Spend	5,000	928	4,640,000	2,215,000
Council Tax	990	928	918,720	438,570
S75	5,378	928	4,990,784	2,382,454

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<b>Edinburgh</b>	Per Home	Homes Built 2019	Achieved 2019	At risk at 2,205
Measure				
Jobs	4	3,084	12,336	3,516
GVA	205,000	3,084	632,220,000	180,195,000
Local Spend	5,000	3,084	15,420,000	4,395,000
Council Tax	990	3,084	3,053,160	870,210
S75	5,378	3,084	16,585,752	4,727,262

<b>Fife (All)</b>	Per Home	Homes Built 2019	Achieved 2019	At risk at 420
Measure				
Jobs	4	1,473	5,892	4,212
GVA	205,000	1,473	301,965,000	215,865,000
Local Spend	5,000	1,473	7,365,000	5,265,000
Council Tax	990	1,473	1,458,270	1,042,470
S75	5,378	1,473	7,921,794	5,663,034



APPENDIX 3A

Midlothian	Per Home	Homes Built 2019	Achieved 2019	At risk at 645
Measure				
Jobs	4	672	2,688	108
GVA	205000	672	137,760,000	5,535,000
Local Spend	5000	672	3,360,000	135,000
Council Tax	990	672	665,280	26,730
S75	5378	672	3,614,016	145,206

Scottish Borders	Per Home	Homes Built 2019	Achieved 2019	At risk at 135
Measure				
Jobs	4	311	1,244	704
GVA	205000	311	63,755,000	36,080,000
Local Spend	5000	311	1,555,000	880,000
Council Tax	990	311	307,890	174,240
S75	5378	311	1,672,558	946,528

West Lothian	Per Home	Homes Built 2019	Achieved 2019	At risk at 770
Measure				
Jobs	4	1143	4,572	1,492
GVA	205000	1143	234,315,000	76,465,000
Local Spend	5000	1143	5,715,000	1,865,000
Council Tax	990	1143	1,131,570	369,270
S75	5378	1143	6,147,054	2,005,994

**As drafted, the Economy section of the HNDA provides a relevant but incomplete compendium of information on the economy of South East Scotland. We have provided additional relevant economic information that we think the South East Scotland local authorities will want to add to the HNDA and consider in the plan-making process.**

Comment noted – specific points responded to below.

**As the draft recognises, South East Scotland City Region Deal, valued at over £1.3 billion, sets out to drive productivity and growth while reducing inequalities and deprivation. There is a housing element to the deal which is valued at £313 million and which is to be delivered through a regional housing programme, accelerating the delivery of housing across tenures, enabling the development of seven major strategic housing sites and driving efficiencies across the public sector estate. Whilst it cannot be pinpointed how many more homes might be required over and above those that were already being planned for when the deal was agreed, any housing need associated with the wider benefits of the deal is likely to significantly exceed the household growth projections used as a standard input for HNDA. The inclusion of housing as key theme of the deal shows the region is specifically looking to and committed to boosting past trends not simply taking a steady-as-she-goes or passive approach to supporting housing delivery.**

The City Region Deal and Regional Propensity Framework are referenced within the economy section, including reference to the £313m regional housing programme.

<p><b>As the draft begins to note, the construction industry is an important employer in the region. This fact should be more fully considered when scoping the risks associated with any reduction in the number of new homes that are being planned for and delivered.</b></p>	<p>The economy section details the level of construction jobs – 6.3% at South east Scotland level, with higher levels of construction jobs in Midlothian, East Lothian and West Lothian.</p>
<p><b>In their recent response to the Scottish Government consultation on NPF4 Housing Land Requirements, East Ayrshire Council acknowledged that the construction of new homes is an important source of employment in their area, with ONS figures estimating that approximately 2000 people in East Ayrshire were employed in the construction sector in 2019. The equivalent figure for South East Scotland is 27,789 (extract from Table 2.2 of your draft).</b></p>	<p>Comment noted – no response required.</p>
<p><b>East Lothian Council surmises that, because of the pattern of development in the area, a significant proportion of those would be employed in association with the development of new homes. It is reasonable to make the same assumption in relation to South East Scotland.</b></p>	<p>There is no data to identify what proportion of the 27,789 construction jobs are associated with the development of new homes v. improvements to existing homes.</p>
<p><b>We would ask the local authorities in South East Scotland to make the same link between housing land requirements and construction jobs as has been recognised by East Ayrshire Council. An under-ambitious approach to planning for housing could have a very negative impact on construction employment in this region, as a sector of the jobs market that is already under some pressure as recognised in your draft.</b></p>	<p>Comment noted – no response required. This would be a matter to consider in setting housing supply targets which is not part of the HNDA process.</p>
<p><b>At Annex A we have set out a series of tables showing some of the economic benefits that arose from housing delivery in South East Scotland in 2019, using a set of evidenced metrics. These will be familiar as a version of them was shared with authorities in May 2015 as part of our collaborative discussions on NPF4.</b></p>	<p>Comment noted previously.</p>
<p><b>We would like to highlight that nationally; Scotland has been unable to keep up with demand for new housing for well over a decade.</b></p>	<p>Comment noted – no response required. This would be a matter to consider in setting housing supply targets which is not part of the HNDA process.</p>
<p><b>There has been no drop-in demand for new homes in light of the Covid-19 pandemic. In some areas and for some types of home, our members report that there is a significant increase in demand.</b></p>	<p>Data is not yet available to confirm that is the case but some LAs are recognising that position. Data will be updated within the HNDA if published before submission.</p>

<p><i>See 'Market Demand Evidence' section of the abridged version of Homes for Scotland's April 2021 briefings on National Planning Framework 4 Housing Land Requirement. A copy is provided with this response.</i></p>	
<p><b>The home building sector needs the support of all of the planning authorities in South East Scotland to keep up with that demand and to ensure there is no deepening of the existing housing crisis.</b></p>	<p>Comment noted – no response required. This would be a matter to consider in setting housing supply targets which is not part of the HNDA process.</p>
<p><b>Delivering more homes will not be straightforward post Brexit and Covid-19 in Scotland. Home builders (across both public and private sectors), like all businesses, have confronted emerging and often consistently evolving challenges routinely over the course of the last 18 months. Covid-19 and Brexit have resulted in an unpredictable business environment, navigating through lengthy, strict periods of lockdown, in tandem with combatting acute supply chain shortages and the implementation of new health and safety features on housing sites.</b></p>	<p>Comment noted – no response required. This would be a matter to consider in setting housing supply targets which is not part of the HNDA process.</p>
<p><b>In terms of post-Covid recovery, we endorse the recommendation of the Advisory Group on Economic Recovery which clearly states that “investment in housing has an important part to play in supporting Scotland’s recovery, in supporting jobs, creating confidence and contributing to both social policy and climate change goals”. In that light, it is vital that the HNDA acknowledges this and that the policy decisions that flow from it help increase and maintain a steady investment in the supply of new homes of all tenures in the right locations to meet the diverse needs of the Scottish population, businesses and society.</b></p>	<p>Although reference was made within the HNDA to the work of the advisory group, and additional reference has been added to highlight their views on the importance of housing to the economy.</p>
<p><b>A recent publication from the Scottish Government, ‘The value, incidence and impact of Developer Contributions in Scotland’, has provided figures covering the period 2017 – 2020 which highlight the direct benefit gathered through S75 Agreements (and other mechanisms) as part of the delivery of new homes across Scotland. Nationally this shows that:</b></p> <ul style="list-style-type: none"> <li>• <b>Over the three-year period, approximately £771 million has been gathered through developer contributions to fund affordable housing delivery. (Including, transfer of discounted land, sale of completed units to either social rented or mid-market rent, or the sale of market homes at directly discounted prices).</b></li> </ul>	<p>Comment noted – no response required. This would be a matter to consider in setting housing supply targets which is not part of the HNDA process.</p>

<ul style="list-style-type: none"> <li>• In 2019/20 alone, it is estimated that approximately £490 million was gathered through developer contributions for both affordable housing and infrastructure provision (£310m and £180m respectively).</li> <li>• It should be noted that the top five local authority areas benefiting from approximately between four and five in ten of all contributions are located within the central belt; with three of these being located in the Edinburgh and South East Scotland Region (Edinburgh, East Lothian and Midlothian).</li> </ul> <p>This provides further independent evidence that building upon, and maintaining the momentum on increasing housing delivery of all tenures, is key to maximizing the affordable-housing and infrastructure-financing benefits of investment in house building in South East Scotland. Without sustained increase in housing delivery there will be much greater pressures on the public purse to deliver the infrastructure that is needed for both existing and new residents, particularly affordable housing.</p>	
<p>The draft appears to omit information on the increasing costs of buying and renting homes in different parts of South East Scotland. It is really important that decisions on planning for housing are informed by evidence on that, as plan-led shortfalls in the supply of new homes on the ground has a direct and exacerbating impact on house price inflation.</p>	<p>This information is provided in SES HNDA3 Chapter 2: Affordability. This was not available when the economy section was circulated for consultation.</p>
<p>In 2007, immediately before the global financial crisis and its associated recession, the Scottish Government was so concerned about continuing house price inflation that it launched the Firm Foundations discussion paper that proposed housing delivery should increase by 40% from 25,000 homes a year to 35,000. The Scottish Government urged planning authorities and home builders alike to work to achieve that increase. Our sectors need to pull together behind that aspiration today too.</p> <p><i>See 'Inclusive Growth' section of the abridged version of Homes for Scotland's April 2021 briefings on National Planning Framework 4 Housing Land Requirement. A copy is provided with this response.</i></p>	<p>Information on house price inflation is provided in SES HNDA3 Chapter 2: Affordability. This was not available when the economy section was circulated for consultation.</p>
<p>In 2021, house price inflation remains very high, yet the current approach to housing supply targets and/or housing land requirement setting risks the development of targets that are significantly lower than current delivery levels. Planning authorities have the opportunity,</p>	<p>Comment noted – no response required. This would be a matter to consider in setting housing supply targets which is not part of the HNDA process.</p>

<p>through the HNDA process and the decisions that emanate from it, to recognise and mitigate against the direct impact that low housing targets will inevitably have on house price inflation.</p>	
<p>The draft includes some information on socio-economic indicators including information on changes in the population of working age people. The HNDA would benefit from a more holistic consideration of the links between housing supply (and so the way we plan for it) and the ability of Scotland to achieve its ambition to improve current demographic trends and increase its population, in particular its population of young and working age people. See <i>'Demographic Challenges and Ambitions section of the abridged version of Homes for Scotland's April 2021 briefings on National Planning Framework 4 Housing Land Requirement'</i>. A copy is provided with this response.</p>	<p>Comment noted – no response required. This would be a matter to consider in setting housing supply targets which is not part of the HNDA process.</p>
<p>Small scale home builders have historically contributed significantly to housing delivery in Scotland, including South East Scotland. However, following the 2007/2008 recession, the recovery witnessed by the largest home building companies stands in stark contrast to that of the small-scale home builders. The number of active SME home building companies has decreased from 782 in 2007 to 465 by 2017, representing a drop of nearly 40%. As a consequence, the number of homes for sale being delivered by these companies has dropped from 4,846 (pre-recession) to just over 2,700 homes a year.</p>	<p>Comment noted – no response required. This would be a matter to consider in setting housing supply targets which is not part of the HNDA process.</p>
<p>The impacts of Covid-19 and Brexit will have undoubtedly taken a toll on the continued recovery of this sector, and it is paramount that SME homebuilders are supported at local and regional levels to once again increase their contribution to overall housing delivery. Planning for housing from an ambitious starting point is an essential component of this as new opportunities for smaller scale home building cannot be realised if spatial strategies and allocation decisions are too focused on resisting the release of new development opportunities.</p>	<p>Comment noted – no response required. This would be a matter to consider in setting housing supply targets which is not part of the HNDA process.</p>
<p>Assisting small scale home builders is inherently linked to realizing the Scottish Government's Economic Strategy of creating sustainable inclusive growth through the provision of:</p> <ul style="list-style-type: none"> <li>• High-quality, energy efficient homes contributing towards a net-zero Scotland</li> </ul>	<p>Comment noted – no response required. This would be a matter to consider in setting housing supply targets which is not part of the HNDA process.</p>

<ul style="list-style-type: none"> <li>• <b>Employment, trade and supply chain opportunities and local area investment, especially in rural and secondary locations; and encouraging inward investment</b></li> <li>• <b>Regenerating vacant or derelict land in urban brownfield sites and helping tackle housing inequality</b></li> <li>• <b>Less standardized designs with homes often more tailored to local conditions and more adaptable for demographic change</b></li> <li>• <b>A broader range of housing tenure options.</b></li> <li>• <b>If we can support SMEs to return to pre-2007 levels of output, they could contribute circa 2,000 additional homes a year to Scotland’s housing supply, particularly in areas where larger volume home builders cannot build. Furthermore, at an estimated 4 jobs supported per home built, this additional output could support an additional 8,000 FTE jobs.</b></li> </ul>	
<p><b>We look forward to further involvement in the HNDAs 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 HNDAs process and its links with the separate work underway on NPF4. We will get in touch separately to arrange this.</b></p>	<p>Comment noted – no response required.</p>

**AFFORDABILITY****Consulted: 05/08/2021****Feedback to be in by: 27/08/2021**

COMMENT/FEEDBACK	RESPONSE
<p>With all due respect this whole consultation is far too long and wordy to complete ... I have no doubt that most Community Councils will not have the expertise to complete it.</p>	<p>Comment noted – no response required</p>
<p>Our core purpose is to support the delivery of new homes of all tenures. Despite improvements since the post global financial crisis recession, South-East Scotland is not delivering enough new homes to keep up with demand. This is fuelling the ongoing affordability challenges that are acknowledged throughout this draft chapter of your emerging HNDA.</p>	<p>Comment noted – no response required</p>
<p>Your draft correctly identifies some very important aspects of the region’s affordability dynamics, including:</p> <ul style="list-style-type: none"> <li>• <b>The high bar for first time buyers: That the lowest quartile house price (the point at which it is assumed first time buyers will enter the market) for Edinburgh, East Lothian, Midlothian and West Lothian is considerably above the national average (page 1).</b></li> <li>• <b>Strong demand to buy and build: That faster growth rates, especially within the City of Edinburgh, East Lothian, Midlothian and West Lothian, indicate strong housing demand within these areas (page 3).</b></li> <li>• <b>Table 2.1 includes house prices for both new build and second-hand properties across the South East Scotland region from 2013 to 2018/19. Recent reports consistently show house price inflation increasing further as a result of (a) pent up demand that arose during pandemic restrictions and (b) ongoing new demand as households re-evaluate their living choices.</b></li> </ul>	<p>Comment noted – no response required</p> <p>Comment noted – no response required</p> <p>The full Data pack is not available for 19/20 – 20/21 and is unlikely to be available prior to HNDA3 being finalised and signed off. The change in the volume of sales growth during this period is mentioned within the HNDA and further information has been added on recent house price inflation, however, this is based on average house price rather than lower quartile due to the lack of information available.</p>



<ul style="list-style-type: none"> <li>• <b>Table 2.5 and its supporting text reference the 2018 Scottish Government income figures, which are very useful for any affordability analysis.</b></li> </ul> <p><i>It is vital that Registers of Scotland and Scottish Government datasets are updated to include 2019/20 and 2020/21 the base evidence for HNDA3 is updated to take account of the extraordinary impacts of the Covid-19 pandemic on demand and house prices in these years.</i></p>	<p>Comment noted – no response required</p>
<p><b>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.</b></p>	<p>Comment noted – no response required. This will be considered when setting housing supply targets which is not part of the HNDA process.</p>
<p><b>In 2007, immediately before the GFC, the Scottish Government was so concerned about continuing house price inflation that it launched the Firm Foundations discussion paper that proposed housing delivery should increase by 40% from 25,000 homes a year to 35,000. This called for joint efforts between home builders and local authorities to plan for and deliver a significant increase in new homes. That concerted effort is still required, and Homes for Scotland urges planning authorities in South East Scotland to work positively with home builders in the region to ease current barriers to growing delivery.</b></p>	<p>House price inflation is set out within the affordability section and shows that growth in the City of Edinburgh, East Lothian, Midlothian and West Lothian was substantially above CPI between 2013 – 2018. Further information added on the 9 and 10 year inflation.</p>
<p><b>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.</b></p>	<p>Comment noted – no response required. This would be a matter to consider in setting housing supply targets which is not part of the HNDA process.</p>
<p><b>On the subject of sales, as set out in the Market Demand Evidence section of our work for NPF4 (attached), the Scottish Fiscal Commission has reported on the higher level of residential Land and Buildings Transaction Tax (LBTT) transactions that took place in the second half of 2020-21, referring to Revenue Scotland data showing that, since June 2020, there has been a</b></p>	<p>Paragraph added on the LBTT and how this could be linked to inflated house prices during the temporary change to the nil rate. Number of transactions are in the volume of sales table including the periods impacted by Covid-19.</p>

higher proportion of transactions in the top two bands of LBTT than in previous years. It expects this to offset the effects of the lockdown that saw construction sites closed for a period at the start of the financial year, predicting residential LBTT transactions for 2020-21 being just 9 per cent below 2019-20. Lockdown rules at the time of reporting did not restrict the housing market, and the SFC did not expect the pandemic to significantly affect transactions in 2021-22.

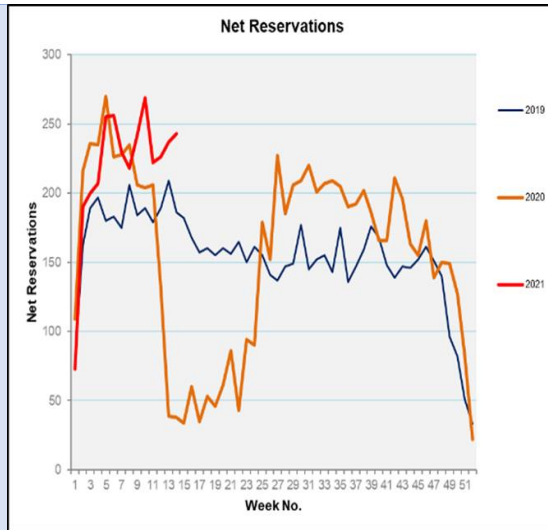
Our real time market data on net reservations supports this expectation. As illustrated in Figure 4 (below), net reservations dropped significantly during the first lockdown in Q2 2020 (weeks 14 – 26). There were only 971 net reservations in that period, 53.6% fewer than in the corresponding quarter of 2019.

However, once construction sites reopened, and with the benefit of the LBTT holiday, net reservations recovered over the next two quarters of 2020: on average 33% higher during Q3 2020 and 20% higher during Q4 2020 than in the corresponding quarters of 2019.

This boost in net reservations has clearly been sustained going into 2021, with net reservations during Q1 up 11.1% on Q1 2020 and up 21.7% on Q1 2019. There are unusually long waiting times (sometimes over a year) between people reserving a new home and being able to move into them, suggesting a significant gap between supply and demand. Home builders can bridge that gap by increasing supply in line with the sustained demand they are seeing first-hand but can only do so with the right policy support in place and if a generous land supply is maintained.

Comment noted – no response required. This will be considered when setting housing supply targets which is not part of the HNDA process.

APPENDIX 3A



**These are Scotland-wide figures. Given the known strength of market in South East Scotland it should be assumed regional sales performance is at least in keeping with the strong national trend.**

## HNDA3 STAKEHOLDER WORKSHOP CONSULTATION FEEDBACK

Workshops 1& 3 – Validating the Existing Need Calculation

Consulted: 26/10/2021, 28/10/2021

COMMENT/FEEDBACK	RESPONSE
<p>Group 1 considered the evidence used to define the SES estimate of existing housing need and whilst partners were satisfied that the use of local evidence to provide an adjusted estimate on homelessness could be justified, many felt that the estimate of concealed households (727) was extremely conservative and likely to be a significant underestimate.</p>	<p>The approach follows the HNDA guidance and methodology for assessing both overcrowded and concealed households:  <a href="https://www.gov.scot/binaries/content/documents/govscot/publications/advice-and-guidance/2020/11/concealed-and-overcrowded-households-methodology-2020/documents/concealed-and-overcrowded-2020-households-methodology-note/concealed-and-overcrowded-2020-households-methodology-note/govscot%3Adocument/CHMA%2B-%2BHNDA%2BRefresh%2B-%2B2019%2B-%2BGuidance%2B-%2BPublish%2B-%2BConcealed%2Band%2BOvercrowded%2BAccessible%2BVersion.pdf">https://www.gov.scot/binaries/content/documents/govscot/publications/advice-and-guidance/2020/11/concealed-and-overcrowded-households-methodology-2020/documents/concealed-and-overcrowded-2020-households-methodology-note/concealed-and-overcrowded-2020-households-methodology-note/govscot%3Adocument/CHMA%2B-%2BHNDA%2BRefresh%2B-%2B2019%2B-%2BGuidance%2B-%2BPublish%2B-%2BConcealed%2Band%2BOvercrowded%2BAccessible%2BVersion.pdf</a></p>
<p>The group suggested that the VERY strict definition of existing need does not take account of:</p> <ul style="list-style-type: none"> <li>those who are overcrowded but not concealed i.e. single parent with 3 children living in a bedsit</li> <li>those in concealed households not overcrowded i.e. single adults that cannot afford to leave home</li> </ul> <p>those in substandard homes or BTS accommodation</p>	<p>The approach follows the HNDA guidance and methodology for assessing both overcrowded and concealed households:  <a href="https://www.gov.scot/binaries/content/documents/govscot/publications/advice-and-guidance/2020/11/concealed-and-overcrowded-households-methodology-2020/documents/concealed-and-overcrowded-2020-households-methodology-note/concealed-and-overcrowded-2020-households-methodology-note/govscot%3Adocument/CHMA%2B-%2BHNDA%2BRefresh%2B-%2B2019%2B-%2BGuidance%2B-%2BPublish%2B-%2BConcealed%2Band%2BOvercrowded%2BAccessible%2BVersion.pdf">https://www.gov.scot/binaries/content/documents/govscot/publications/advice-and-guidance/2020/11/concealed-and-overcrowded-households-methodology-2020/documents/concealed-and-overcrowded-2020-households-methodology-note/concealed-and-overcrowded-2020-households-methodology-note/govscot%3Adocument/CHMA%2B-%2BHNDA%2BRefresh%2B-%2B2019%2B-%2BGuidance%2B-%2BPublish%2B-%2BConcealed%2Band%2BOvercrowded%2BAccessible%2BVersion.pdf</a></p> <p>Within the HNDA guidance those in substandard/BTS housing can have their housing needs met through an 'in-situ' solution and therefore should not be counted in the existing housing need figures.</p>
<p>Echoing the views expressed in previous focus groups, stakeholders questioned the evidence sources used to create the estimate of concealed households given that it 'hasn't changed much from the default figure provided by the Scottish Government'. It was noted that the reliance on secondary data for this particular element of the calculation is likely to underestimate the true extent of hidden households</p>	<p>The approach follows the HNDA guidance and methodology for assessing both overcrowded and concealed households:  <a href="https://www.gov.scot/binaries/content/documents/govscot/publications/advice-and-guidance/2020/11/concealed-and-overcrowded-households-methodology-2020/documents/concealed-and-overcrowded-2020-households-methodology-note/concealed-and-overcrowded-2020-households-methodology-note/govscot%3Adocument/CHMA%2B-%2BHNDA%2BRefresh%2B-%2B2019%2B-%2BGuidance%2B-%2BPublish%2B-%2BConcealed%2Band%2BOvercrowded%2BAccessible%2BVersion.pdf">https://www.gov.scot/binaries/content/documents/govscot/publications/advice-and-guidance/2020/11/concealed-and-overcrowded-households-methodology-2020/documents/concealed-and-overcrowded-2020-households-methodology-note/concealed-and-overcrowded-2020-households-methodology-note/govscot%3Adocument/CHMA%2B-%2BHNDA%2BRefresh%2B-%2B2019%2B-%2BGuidance%2B-%2BPublish%2B-%2BConcealed%2Band%2BOvercrowded%2BAccessible%2BVersion.pdf</a></p>

	<p><a href="#">%2BGuidance%2B-%2BPublish%2B-%2BConcealed%2Band%2BOvercrowded%2BAccessible%2BVersion.pdf</a></p> <p>The reliance on primary data is likely to over-estimate housing need and the methodology is clear around the approach to only counting those who are both overcrowded and concealed.</p>
<p><b>Partners acknowledged that this group of hidden households are notoriously difficult to identify and that secondary data sources will not offer insight into the housing circumstances of key groups such as young people. In the absence of a primary research study into the housing needs of households in South East Scotland, there is no credible alternative data sources to identify those who would like to form separate households but are restricted from doing so given their limited housing options.</b></p>	<p>The approach follows the HNSA guidance and methodology for assessing both overcrowded and concealed households:  <a href="https://www.gov.scot/binaries/content/documents/govscot/publications/advice-and-guidance/2020/11/concealed-and-overcrowded-households-methodology-2020/documents/concealed-and-overcrowded-2020-households-methodology-note/concealed-and-overcrowded-2020-households-methodology-note/govscot%3Adocument/CHMA%2B-%2BHNSA%2BRefresh%2B-%2B2019%2B-%2BGuidance%2B-%2BPublish%2B-%2BConcealed%2Band%2BOvercrowded%2BAccessible%2BVersion.pdf">https://www.gov.scot/binaries/content/documents/govscot/publications/advice-and-guidance/2020/11/concealed-and-overcrowded-households-methodology-2020/documents/concealed-and-overcrowded-2020-households-methodology-note/concealed-and-overcrowded-2020-households-methodology-note/govscot%3Adocument/CHMA%2B-%2BHNSA%2BRefresh%2B-%2B2019%2B-%2BGuidance%2B-%2BPublish%2B-%2BConcealed%2Band%2BOvercrowded%2BAccessible%2BVersion.pdf</a></p> <p>It is our understanding that young people forming new households is considered within the future needs figures as part of household growth.</p>
<p><i>“There is a whole generation of younger people who are concealed within existing households and who want to move out but who would never apply for social housing. Their needs are simply not measured by the calculation”</i></p>	<p>It is our understanding that young people forming new households will be considered within the future needs figures as part of household growth.</p>
<p><b>The projected growth of single person households is likely to enhance this group over the next 20 years leading to a growing backlog of hidden households. The group acknowledged that retaining working age households is a crucial element of growing and sustaining the South East Scotland economy and that underestimating the existing needs of this group could have very negative consequences.</b></p>	<p>It is our understanding that the increasing number of single person households is considered within the future needs figures as part of household growth.</p>
<p><b>In relation to elements that may be missing from the existing need calculation, the Group sought assurance on current trends, questioning how the demand of social and Council housing is reflected but also the shift to smaller/single person households was reflected in the calculation.</b></p>	<p>The existing housing need figures show the present net demand for social housing and the shift to smaller / single person households is included within the future needs figures as part of household growth.</p>

<p><i>“we know that in each Council area there’s a huge demand for social housing, so we need to seek confirmation that this is included in the existing need calculation”</i></p>	
<p>However, the majority of the group also agreed that the local estimate was far too low, and many suggesting that the elements of the calculation only capture the most acute forms of existing need. Most stakeholders agreed that concealed and overcrowded households should be separated out as discrete households and there was also a view that the figure does not capture the need for single adults living with parents and does not adequately account for those households in unsuitable housing:</p> <p><i>“There is a real need for primary research to understand the true extent of existing need – the calculation focuses too much on acute need”</i></p>	<p>The approach follows the HNDA guidance and methodology for assessing both overcrowded and concealed households:</p> <p><a href="https://www.gov.scot/binaries/content/documents/govscot/publications/advice-and-guidance/2020/11/concealed-and-overcrowded-households-methodology-2020/documents/concealed-and-overcrowded-2020-households-methodology-note/concealed-and-overcrowded-2020-households-methodology-note/govscot%3Adocument/CHMA%2B-%2BHNDNA%2BRefresh%2B-%2B2019%2B-%2BGuidance%2B-%2BPublish%2B-%2BConcealed%2Band%2BOvercrowded%2BAccessible%2BVersion.pdf">https://www.gov.scot/binaries/content/documents/govscot/publications/advice-and-guidance/2020/11/concealed-and-overcrowded-households-methodology-2020/documents/concealed-and-overcrowded-2020-households-methodology-note/concealed-and-overcrowded-2020-households-methodology-note/govscot%3Adocument/CHMA%2B-%2BHNDNA%2BRefresh%2B-%2B2019%2B-%2BGuidance%2B-%2BPublish%2B-%2BConcealed%2Band%2BOvercrowded%2BAccessible%2BVersion.pdf</a></p>
<p>One member of the group did oppose the view that the calculation underestimates existing need. This participant felt that certain components of need such as single person households, would be accounted for within the newly forming need calculation. Their view was that eliminating the double counting between concealed and overcrowding households provided a truer reflection of existing need. Having said this, this participant did agree that that primary research would provide a more credible foundation for estimating existing needs than the use of secondary data alone.</p>	<p>The HNDA guidance does not require the use of primary research to populate the HNDA Tool:</p> <p><a href="https://www.gov.scot/publications/hnda-practitioners-guide-2020/">https://www.gov.scot/publications/hnda-practitioners-guide-2020/</a></p> <p>The guidance recommends a range of robust secondary data sources to ensure needs are not over-estimated.</p>
<p>In relation to the concealed and overcrowded element of the calculation, the Group thought this was underestimated as households that are concealed but not overcrowded (and vice versa) are not captured in the calculation nor are single people who are concealed and overcrowded as the calculation only considers families. Issues in relation to single people e.g. those living were parents and wanting to form single households were not captured in the default estimates and a survey would have been one way to address this omission.</p> <p><i>“The HNDA default settings excludes all of these households and the Scottish Government does not intend for these to be excluded. This requires work/information at a local/regional level to add to the national data and I’m not seeing anything has been done to bring those groups in.”</i></p>	<p>The approach follows the HNDA guidance and methodology for assessing both overcrowded and concealed households:</p> <p><a href="https://www.gov.scot/binaries/content/documents/govscot/publications/advice-and-guidance/2020/11/concealed-and-overcrowded-households-methodology-2020/documents/concealed-and-overcrowded-2020-households-methodology-note/concealed-and-overcrowded-2020-households-methodology-note/govscot%3Adocument/CHMA%2B-%2BHNDNA%2BRefresh%2B-%2B2019%2B-%2BGuidance%2B-%2BPublish%2B-%2BConcealed%2Band%2BOvercrowded%2BAccessible%2BVersion.pdf">https://www.gov.scot/binaries/content/documents/govscot/publications/advice-and-guidance/2020/11/concealed-and-overcrowded-households-methodology-2020/documents/concealed-and-overcrowded-2020-households-methodology-note/concealed-and-overcrowded-2020-households-methodology-note/govscot%3Adocument/CHMA%2B-%2BHNDNA%2BRefresh%2B-%2B2019%2B-%2BGuidance%2B-%2BPublish%2B-%2BConcealed%2Band%2BOvercrowded%2BAccessible%2BVersion.pdf</a></p> <p>It is our understanding that the increasing number of single person households is considered within the future needs figures as part of household growth.</p>

<p><b>To manage this risk, the group agreed that SES partners should prioritise commissioning a household survey to inform policy decision on housing supply and land allocation. If housing estimates are simply the starting point in the housing planning process, this evidence could be crucial in ensuring that housing supply interventions offer the scale and range of options needed to meet the needs of this crucially important group.</b></p>	<p>The partners in South East Scotland have no plans to commission a household survey and the Scottish Government will determine whether the reliance on secondary data has provided a robust and credible HNDA.</p>
<p><b>One stakeholder suggested the definition of existing need was too narrow and the lack of a local survey means the true extent of existing needs hasn't been fully captured.</b> <i>“there are other identifiable examples of household need that aren't covered in the calculation as no secondary data is available. This could only be picked up from a local survey”</i></p>	<p>The partners in South East Scotland have no plans to commission a household survey and the Scottish Government will determine whether the reliance on secondary data has provided a robust and credible HNDA.</p>
<p><b>Overall the Group believed that policy decisions would be better informed by a local survey to capture housing unsuitability across all sizes and types of households and living conditions.</b></p>	<p>The partners in South East Scotland have no plans to commission a household survey and the Scottish Government will determine whether the reliance on secondary data has provided a robust and credible HNDA.</p>
<p><b>Group 1 also agreed that primary research would provide a more robust evidence base for estimating existing need based on current household circumstances.</b></p>	<p>The partners in South East Scotland have no plans to commission a household survey and the Scottish Government will determine whether the reliance on secondary data has provided a robust and credible HNDA.</p>
<p><b>Group 2's main concern was the use of pre-pandemic and pre-Brexit population trends as the basis of future population projections. Whilst it was confirmed to the Group that the Scottish Government's HNDA guidance promotes the use of the National Records of Scotland's latest projections as the basis of future need, the group was of the opinion that further adjustments are necessary to consider the impact of both the pandemic and Brexit.</b> <i>“we've had a massive global pandemic and Brexit that has changed our relationship with the rest of the world. We can't ignore those factors but appear to be making long term projections that don't allow for their impact - that's insanity, complete insanity”</i> <i>“I appreciate we are trying to make decisions at a really difficult time when we don't know what the short and long term impacts (of Covid-19 and Brexit) will be on South East Scotland”</i></p>	<p>Data is not yet available to understand the impact of the Covid-19 pandemic and Brexit on housing need and demand. The South East Scotland partners would not want to delay the production of a HNDA until such data becomes available. Housing policy can be adjusted locally if required.</p>

<p><b>Stakeholders also suggested that the existing need calculation completely misses elements of housing unsuitability which typical fuels demand for housing such as wrong property size or type for household needs. The housing suitability question has been brought into sharp focus given the Covid lockdowns of the past 18 months and a re-evaluation by many households of the amenity needed to live well. New priorities such as access to outdoor space or the concept of home as a workplace are driving housing market activity but are completely missed by the estimates produced within the existing need calculation.</b></p> <p><i>“There’s anecdotal evidence from property agents and surveyors of families moving from Edinburgh in large numbers to escape the concentration of dense, flatted properties and to access outdoor space. This will undoubtedly shift the operation of the market”</i></p>	<p>Access to outdoor space or the concept of home as a workplace are elements of housing demand rather than need. Elements of property size and type are included in the existing housing need calculation where this will provide a net need and not create another vacancy.</p>
<p><b>Group members also mentioned trends in their local areas (specifically the Scottish Borders) where there is increase in demand from those wishing to move out of urban locations, with the working from home phenomenon making rural living more of a possibility.</b></p> <p><i>“will home working affect people decisions on where to live”</i></p>	<p>Noted as a potential future impact on housing demand in Scottish Borders.</p>
<p><b>Mention was also made of potential environmental targets and charges tariffs that would change commuting behaviours which may impact on people’s decision to move, that would simply not have featured in previous population trends.</b></p> <p><i>“I understand Edinburgh are looking at environmental charges for entering the city which will probably impact on the demand for housing”</i></p>	<p>Noted as a potential future impact on housing demand in the City of Edinburgh.</p>
<p><b>Other elements the Group thought that might be missing in the calculation of existing need was whether the student population (specifically in Edinburgh) was accurately reflected in the numbers, given that accommodation types are changing from HMO type models to purpose built student accommodation.</b></p> <p><i>“Previously students would have been in properties of multiple occupation with 4/5 in a flat but now we see more purpose built accommodation. Is that leading to or a factor in the increasing single person occupancy properties?”</i></p>	<p>The student population of the City of Edinburgh will be reflected in the figures for that LA area.</p>



<p><b>It was also mentioned by one member of the group that the calculation does not take account of the changing way households are now living e.g. co-living, student accommodation models, older persons housing.</b></p>	<p>The South East Scotland HNDA presents an assessment of housing need and demand. It is not the role of the HNDA to consider how needs will be delivered other than to assess the requirement by housing tenure.</p>
<p><b>Group 3 considered the evidence used to define the SES estimate of existing housing need, with partners unanimously agreeing that the Scottish Government estimate is far too low. The Group agreed that the SES locally adjusted estimate of existing need should be considered as the baseline for the calculation.</b></p>	<p>Five of six scenarios presented within the South East Scotland HNDA use a locally adjusted assessment of existing housing need.</p>
<p><b>Like the views of previous groups, Group 1 felt that even the use of the locally adjusted estimate of existing need is too low and does not provide a true estimation of the backlog need of existing households:</b></p> <p><i>“The existing need calculation only focus on the most pressing forms of need”</i></p>	<p>The locally adjusted assessment of existing housing need presents the net need for social housing at the 31st March 2021. It closely follows the HNDA guidance to ensure that there is no over-estimation of housing need.</p>
<p><b>Another member of the group criticized the fact that the calculation is based on matching supply with demand, which will not provide for more ambitious targets:</b></p> <p><i>‘Encouraging more ambitious targets will lead to increasing supply and ultimately will improve pricing and help address the affordability problem’</i></p>	<p>It is not the role of the HNDA to set housing supply targets, that is a separate process outwith the HNDA project.</p>
<p><b>The group felt that in the absence of credible data on household circumstances, the existing need calculation may be too conservative and that ‘primary research is needed to widen the evidence base on existing need’.</b></p>	<p>The partners in South East Scotland have no plans to commission a household survey and the Scottish Government will determine whether the reliance on secondary data has provided a robust and credible HNDA.</p>
<p><b>Members of Group 3 questioned how Local Authority and RSL waiting lists were used in the calculation of existing need. Specifically in Scottish Borders where there is no Local Authority housing provision nor is there a Common Housing Register, stakeholders questioned how waiting lists were used and checked to avoid the duplication of applicants on multiple RSL waiting lists.</b></p> <p><i>“Where do households on social housing waiting list feature in the calculations because they are not in the temporary accommodation figures?”</i></p>	<p>Some parts of local authority waiting lists were used to inform the HNDA existing need calculation, where this could be presented as net housing need. Housing lists are not a reliable measure of housing need due to a significant element of demand being presented within the list. Some need on the housing list could also be met through a in-situ solution which is excluded from the HNDA calculation.</p>

**Affordability (i.e. current accommodation too expensive) and suitability (e.g. desire for garden space) of current homes was an area the Group also felt needed additional scrutiny.**

The affordability of housing is a key element of the HNDA calculation in determining the tenure requirement. Desire for a garden space is reflected as part of future housing demand in choices of where and how people want to live.

## HNDA3 STAKEHOLDER WORKSHOP CONSULTATION FEEDBACK

Workshops 1& 3 – Validating the Newly Arising Need Calculation

Consulted: 26/10/2021, 28/10/2021

COMMENT/FEEDBACK	RESPONSE
<p>Stakeholders in Group 1 expressed some opposing views of the extent to which a high migration scenario should form the basis of the newly arising need estimate. It was acknowledged that the principal household projection was based largely on historic trends. The projections therefore reflect the historic period of economic uncertainty associated with the global financial crash of 2008/09 and its impact on household movement, migration and formation. Using the principal household projections as a base for housing estimates simply projects those trends forward and could well underestimate future household growth. This may be particularly problematic in the uncertain economic context following the global Covid-19 pandemic. It was also acknowledged that the principal household projections do not reflect national policy ambitions to grow Scotland’s working age population, A Scotland for the Future, Scottish Government, March 2021: Scotland’s first population strategy, and that:</p> <p><i>“the high migration scenario might be a better starting point for future planning”</i></p>	<p>A range of scenarios have been provided within the HNDA to inform future policy discussions, including options for future household growth.</p>
<p>Despite this debate, partners in Group 1 when pressed, confirmed that they would be minded to opt for the high migration scenario (7/10 stakeholders) over the principal scenario (3/10).</p>	<p>Noted, no response required as a range of scenarios have been provided within the HNDA to inform future policy discussions, including options for future household growth.</p>
<p>Informed by this debate, the majority of stakeholders in Group 2 confirmed that they would opt for the high migration scenario as the basis of estimate for newly arising need.</p>	<p>Noted, no response required as a range of scenarios have been provided within the HNDA to inform future policy discussions, including options for future household growth.</p>
<p>Most of the partners felt that the high migration figures were a more appropriate basis for newly arising need. However, this is only being because the estimate is higher than the principal projection and not because using the NRS projections as the basis of future need is sound.</p>	<p>Noted, no response required as a range of scenarios have been provided within the HNDA to inform future policy discussions, including options for future household growth.</p>
<p>A stakeholder confirmed they support the high migration estimate as the recession period when there was a downturn in the construction of new build homes was a feature of previous trends so future trends need to be adjusted accordingly.</p>	<p>Noted, no response required as a range of scenarios have been provided within the HNDA to inform future policy discussions, including options for future household growth.</p>

<p><i>“We would support the high migration scenario as it counteracts some of the flaws in the NRS projections. The current NRS projections track back to when house building was at its lowest point amid the financial crisis”.</i></p>	
<p><b>Stakeholders in Group 3 expressed an initial view that the choice should not be about whether the high migration of principal figure should be used to form the basis of newly arising need. The view of the group was that there is a lot of academic research that NRS population projections simply project forward poor household outcomes from past. Many of the group agreed that gaining an understanding of what elements of need are missing is key to making sure that the projections used in the calculation deliver a future outcome which is desirable.</b></p>	<p>The South East Scotland has provided an assessment of existing need to meet the requirements of HNDA guidance. Adjustments have been made to the inputs where this can be justified and to ensure that a figure for net housing need is provided, this meaning that a move will not create another vacancy.</p>
<p><b>Like the views of other Groups, Group 1 agreed that the use of the NRS population projections (based on historic growth) could underestimate the scale of future need.</b></p>	<p>The South East Scotland has provided an assessment of existing need to meet the requirements of HNDA guidance, this recommending the use of NRS household projections.</p>
<p><b>One of the group members also provided an example of the danger of solely basing future need on NRS projections:</b></p> <p><i>“Migration in Midlothian is shown as being high, HOWEVER this is not because of the lack of demand for housing in other areas (e.g. Edinburgh) but because housebuilding increased significantly in the past years to stimulate demand. This evidences the fact that there is a danger of basing estimate of future need on historic trends, as they do not necessarily justify the need for lower housebuilding.”</i></p>	<p>The South East Scotland HNDA has provided an assessment of existing need to meet the requirements of HNDA guidance, this recommending the use of NRS household projections. Future discussions will consider housing supply targets for each local authority, out with the HNDA project.</p>
<p><b>It was also highlighted that using population projections to project need is reasonable if we are in a steady state going forward. However this is currently not the case (e.g. fall out of pandemic, Brexit implications, independence, climate change) which mean that the steady state is not the current starting position.</b></p>	<p>The South East Scotland HNDA has provided an assessment of existing need to meet the requirements of HNDA guidance, this recommending the use of NRS household projections. Future discussions will consider housing supply targets for each local authority, out with the HNDA project.</p>
<p><b>One stakeholder in the group questioned the population projections, suggesting that increases were excessively high for South East Scotland when you consider the previous year’s population increase for the whole of Scotland.</b></p>	<p>The South East Scotland HNDA has provided an assessment of existing need to meet the requirements of HNDA guidance, this recommending the use of NRS household projections. Future discussions will consider housing supply targets for each local authority, out with the HNDA project.</p>

<p><b><i>“I think the projections are ridiculously high. I’m completely bemused by these levels of projections even the low projections – I’m not a demographer but if you look at falling birth rates and falling migration from overseas the trend is down and not up”</i></b></p>	
<p><b>Stakeholders considered whether the project household growth scenarios which underpin the estimates of new need compared well to historic completion figures. Whilst it was acknowledged that future estimates benchmark well to historic delivery levels, some stakeholders expressed concern that using projections based on historic household growth could underestimate the scale of future housing ambition we should be aiming for.</b></p> <p><b><i>“Using historic patterns as the basis of future household projections will reflect the impact of the housing market crash on demand for housing. This approach will distort the long term projection and build an underestimate into future demand estimates”</i></b></p>	<p>The South East Scotland HNDA has provided an assessment of existing need to meet the requirements of HNDA guidance, this recommending the use of NRS household projections. Future discussions will consider housing supply targets for each local authority, out with the HNDA project.</p>
<p><b>However, some stakeholders cautioned against using an overly optimistic household growth figure particularly given the economic uncertainty that looks likely to be a major influencing factor at least in the short term:</b></p> <p><b><i>“what if there is an economic downturn? This is a very uncertain time”</i></b></p>	<p>The South East Scotland HNDA has provided an assessment of existing need to meet the requirements of HNDA guidance, this recommending the use of NRS household projections. Future discussions will consider housing supply targets for each local authority, out with the HNDA project.</p>
<p><b>This view was echoed by partners who also advised that we also need to consider capacity and what’s feasible and realistic to deliver as “there’s no point in setting housing supply targets that cannot be met”. Stakeholders also acknowledged that meeting housing supply targets in the post Covid era may have fewer land implications than would have historically been the case given the opportunities associated with a surplus of commercial and retail properties in our towns and Cities.</b></p> <p><b><i>“We’re in a period of unprecedented change post Covid, which may impact on how we use existing built assets”</i></b></p>	<p>The South East Scotland HNDA has provided an assessment of existing need to meet the requirements of HNDA guidance, this recommending the use of NRS household projections. Future discussions will consider housing supply targets for each local authority, out with the HNDA project.</p>
<p><b>The group questioned the historic based data being used and while there is always going to be a lag between when base data is made available and when it is used for these types of projections, the exceptional changes associated with the global pandemic would justify a revisit of assumptions.</b></p>	<p>The South East Scotland HNDA has provided an assessment of existing need to meet the requirements of HNDA guidance, this recommending the use of NRS household projections. Future discussions will consider housing supply targets for each local authority, out with the HNDA project.</p>

<p><i>“given what has happened over the last 18 months to two years, and the trends of those working from home and the trends of people wanting more space we [Scottish Borders] are seeing a huge change in the market currently but these won’t be reflected in the historic data being used.”</i></p>	
<p>Reusing and changing the use of existing assets may be a major aspect of how we reimagine town centres and meet housing need. We also need to look at pattern of demographic change, targeting options at key growth groups such as older people so that we can maximize the impact of the existing housing stock we hold.</p>	<p>Future discussions will consider housing supply targets for each local authority, out with the HNDA project.</p>
<p>Group 2 questioned two elements in relation to the estimates for future need:</p> <p>(1) how do the estimates for future need reflect the economic projections as well as economic ambitions for the area? and</p> <p>(2) how do future need calculations reflect employment changes that might occur in the area?</p> <p><i>“perhaps it’s all a question of the economic growth expected for the area e.g. if the financial sector grows so will housing demand”</i></p> <p><i>“from a previous presentation I attended on NRS projections it showed migration within Scotland from West to East driven by employment and that was where a lot of the growth was coming from this and so what if employment changes? So the fundamental is - are the jobs being created in South East Scotland area or are they being created elsewhere?”</i></p>	<p>Future discussions will consider housing supply targets for each local authority, out with the HNDA project.</p>
<p>It was raised by several members of Group 3 that research evidence suggests that housing markets where there is healthy supply will have less acute affordability pressures compared to markets with constrained supply.</p>	<p>Future discussions will consider housing supply targets for each local authority, out with the HNDA project.</p>
<p>There was also concern that the figures in the revised calculation are significantly lower than the previous HNDA 2 outcome even though affordability pressures have worsened.</p>	<p>The reduced figures are largely based on the changed methodology for assessing both overcrowded and concealed households:  <a href="https://www.gov.scot/binaries/content/documents/govscot/publications/advice-and-guidance/2020/11/concealed-and-overcrowded-households-methodology-2020/documents/concealed-and-overcrowded-2020-households-methodology-note/concealed-and-overcrowded-2020-households-methodology-note/govscot%3Adocument/CHMA%2B-%2BHNDAs%2Brefresh%2B-%2B2019%2B-%2BGuidance%2B-%2BPublish%2B-%2BConcealed%2Band%2BOvercrowded%2BAccessible%2BVersion.pdf">https://www.gov.scot/binaries/content/documents/govscot/publications/advice-and-guidance/2020/11/concealed-and-overcrowded-households-methodology-2020/documents/concealed-and-overcrowded-2020-households-methodology-note/concealed-and-overcrowded-2020-households-methodology-note/govscot%3Adocument/CHMA%2B-%2BHNDAs%2Brefresh%2B-%2B2019%2B-%2BGuidance%2B-%2BPublish%2B-%2BConcealed%2Band%2BOvercrowded%2BAccessible%2BVersion.pdf</a></p>

<p><b>One group member state that whilst the housing estimates may not be 100% accurate and fully reflective of changes in the future; partners should accept their limitations as simply the starting point for policy decisions. They should be the basis of estimating of newly arising need, recognising that they will be adjusted over time to reflect local authority's future policy ambitions.</b></p>	<p>Future discussions will consider housing supply targets for each local authority, out with the HNDA project.</p>
<p><b>Whilst stakeholders acknowledged that housing estimates are simply the starting point for policy decisions, the point was made that using the contextual evidence in the wider HNDA evidence base is essential in making informed decisions about housing supply. There is clear evidence that the SES housing market in many areas is overheated, signaling positive demand for housing that is driving house price inflation.</b></p> <p><i>“We should pursue an ambitious outlook for growth in housing supply to address this pressure”</i></p>	<p>Future discussions will consider housing supply targets for each local authority, out with the HNDA project.</p>
<p><b>It was suggested that Midlothian offers a great case study within the SES plan area of the impact on future household demand associated with pursuing an ambitious approach to housing development:</b></p> <p><i>“Midlothian is a great example of how an ambitious policy on housing development can generate and absorb demand for housing. This success is now reflected in future population growth projections”</i></p>	<p>Future discussions will consider housing supply targets for each local authority, out with the HNDA project.</p>
<p><b>The Group also questioned if there would be any policy interventions from the Scottish Government once they have completed their assessment of NPF4 submissions to rebalance population pressures e.g., the slow overheating of an area with population decline in other areas. If this was to be the case, this could have a bearing on the future estimates of need in the South East Scotland area particularly in the Lothian local authority areas.</b></p> <p><i>“the NPF hasn’t been framed yet but the initial thoughts were that they should be trying to stem population decrease from other areas of Scotland”</i></p>	<p>Future discussions will consider housing supply targets for each local authority, out with the HNDA project.</p>

## HNDA3 STAKEHOLDER WORKSHOP CONSULTATION FEEDBACK

Workshops 1& 3 – Validating SES Housing Estimates

Consulted: 26/10/2021, 28/10/2021

COMMENT/FEEDBACK	RESPONSE
<p>To gauge the reasonableness of 20-year housing estimate, stakeholders considered the rate of housing completions and how this compares to the projected figure. The Group considered published completions statistics within the Guidance for the NPF4 Minimum All Tenure Housing Land Requirement Calculation which reported 10 year completions for South East Scotland at 47,472. Extrapolating this to produce a 20-year figure therefore creates a benchmark comparator of 94,944, which compares well to the range of housing estimates produced (91,481 – 104,797).</p>	<p>Noted with no response required.</p>
<p>Whilst some Group 1 stakeholders reflected that HNDA3 housing estimates provide ‘a good starting point for future policy discussion and decisions’, others suggested the starting point was potentially too low.</p> <p><i>“The NPF (Minimum All Tenure Housing Land Requirement) target set by the City of Edinburgh Council had capacity for 48,000 homes over a 10 year period. These estimates produce a similar figure but over a 20 year period which show much lower level of future ambition”.</i></p>	<p>Future discussions will consider housing supply targets for each local authority, out with the HNDA project.</p>
<p>The Group unanimously agreed that the figures are too low and that more evidence is required to justify the figures. One of the group's members highlighted that the HNDA outcomes do not reflect the complete picture and that in setting HSTs, each local authority needs to consider various policy aspirations (including economic goals) in setting their own targets.</p>	<p>Future discussions will consider housing supply targets for each local authority, out with the HNDA project.</p>
<p>Group 3 did agree that as a starting point the HNDA calculation outcomes is a reasonable foundation for setting HST's. However, this is on the basis that the calculation is revisited based on the Group's feedback regarding newly arising and existing need being too low.</p>	<p>The HNDA follows the guidance provided by the Scottish Government making some adjustments where these can be justified.  <a href="https://www.gov.scot/publications/hnda-practitioners-guide-2020/">https://www.gov.scot/publications/hnda-practitioners-guide-2020/</a>            Future discussions will consider housing supply targets for each local authority, out with the HNDA project.</p>



<p><b>One group member raised the issue that setting a minimum target may mean that some partners will interpret this as the actual target, which will ultimately suppress more ambitious growth targets.</b></p>	<p>Future discussions will consider housing supply targets for each local authority, out with the HNDA project.</p>
<p><b>It was also acknowledged that policy targets often set a lower rather than higher threshold so that delivery can exceed planning assumptions. So factoring this in, HNDA3 housing estimates would appear to be pitched at far ‘too low a bar’ to provide the ‘basis for a generous supply of housing land’.</b></p>	<p>A range of scenarios have been presented within the South East Scotland HNDA. Future discussions will consider housing supply targets for each local authority, out with the HNDA project.</p>
<p><b>Group 2’s earlier points on the use of historic population trends were reiterated here, with stakeholders highlighting the recent trend in falling birth rates. The Group questioned whether this trend was expected to continue and if so, how this would impact on housing estimates over the next 20 years.</b> <i>“have we not had the birth rate decline since Covid 19?”</i></p>	<p>The HNDA is based on trend which will be reflected in future NRS household projections. Local housing policy can be adjusted as new data becomes available.</p>
<p><b>A number of stakeholders suggested that they felt they could not comment on the validity of the calculation outcomes in setting the HST’s, without seeing more of the evidence behind the calculation.</b></p>	<p>Future discussions will consider housing supply targets for each local authority, out with the HNDA project. The evidence of the calculation is provided in the South East Scotland main report and appendices.</p>
<p><b>Several of the members of the group strongly agreed that the current SES estimates do not form a sound basis for estimating housing need. The view of the group was that the current SES estimates would mean that supply is only being matched to the most pressing forms of housing need and emerging need from migration.</b> <i>“There should be much more ability to take into account all other aspects of need – there should be much more room for growth - much more room for household movement”</i></p>	<p>The HNDA follows the guidance provided by the Scottish Government making some adjustments where these can be justified. <a href="https://www.gov.scot/publications/hnda-practitioners-guide-2020/">https://www.gov.scot/publications/hnda-practitioners-guide-2020/</a> The Scottish Government will assess whether the calculation of need is robust and credible.</p>
<p><b>One stakeholder did agree that the calculation was a reasonable starting point and that the methodology deployed, whilst not 100% failsafe, gives a sound basis for each partner to set their HST’s.</b></p>	<p>Future discussions will consider housing supply targets for each local authority, out with the HNDA project.</p>
<p><b>Overall, scrutiny of the evidence underpinning existing and newly arising estimates enabled Group 2 stakeholders to conclude that the baseline calculation offers a sound base for future decision making on housing supply and land allocation. Having said this, Group 2 would suggest that:</b></p>	<p>The partners in South East Scotland have no plans to commission a household survey and the Scottish Government will determine whether the reliance on secondary data has provided a robust and credible HNDA.</p>

<p><i>“more confident policy decisions could be made by supplementing the HNDA evidence with primary research into household circumstances”</i></p>	
<p>Whilst the point on the use of historic figures was repeated by Group 3, there was acknowledgement that there were no better sources of population data available to project future need and very limited evidence to support trends that could be used to evidence the impact of Brexit and the pandemic.</p> <p><i>“The problem is I can’t see any better data or projections, beyond the NRS ones and while there is anecdotal evidence of post pandemic changes there has been too little time to see if these emerging trends will sustain”</i></p>	<p>Noted with no response required.</p>

## HNDA3 STAKEHOLDER WORKSHOP CONSULTATION FEEDBACK

Workshops 1& 3 – Validating Housing Estimates by Tenure

Consulted: 26/10/2021, 28/10/2021

COMMENT/FEEDBACK	RESPONSE
<p>Having scrutinised the housing estimates by ‘suitable’ housing tenures, stakeholders suggested that the estimate for market housing (between 28-29% of the total estimate) was ‘far too low’.</p>	<p>This is a key output of the HNDA Tool based on the issue of affordability in parts of South East Scotland with rents and house prices increasing at a faster pace than household income.</p>
<p>The view of the majority of stakeholders in Group 3 was that as the overall housing estimates are too low, this filters through to the outcomes at a tenure level.</p> <p><i>‘Projecting the demand of market housing of 25k-30k at a SES plan level over the next 20 years seems painfully low, given private completions were around 5,000 per annum over the last 5 years – the outcomes are not reflective of what's happening in reality’</i></p>	<p>This is a key output of the HNDA Tool based on the issue of affordability in parts of South East Scotland with rents and house prices increasing at a faster pace than household income.</p>
<p>In scrutinising the SES housing estimates by tenure, stakeholders concluded that:</p> <p><i>“a 30% delivery target for market housing over the next 20 years would deliver around 30,000 new market homes. This seems incredibly low”</i></p>	<p>This is a key output of the HNDA Tool based on the issue of affordability in parts of South East Scotland with rents and house prices increasing at a faster pace than household income.</p>
<p>Once the group reflected on the 20-year South East Scotland estimates at both a regional and tenure level they voiced concerns that the figures ‘being so low’ will lead to ‘significant problems’ for the future operation of the housing market.</p>	<p>Future discussions will consider housing supply targets for each local authority, out with the HNDA project.</p>
<p>It was acknowledged that the affordability calculation with the HNDA tool is merely a starting point for policy decisions based on market performance rather than a set of definitive tenure targets. Despite this, some stakeholders suggested that the calculation methodology is more successful in identifying need for affordable housing and less successful in identifying hidden or effective need for market housing. It was suggested that further scenario analysis around the lending assumption of 3.9 times household salaries would be beneficial and that a higher multiple (between 4.5-5 times salary) should be explored given that many households are borrowing at that range.</p> <p>In terms of whether the estimates provide a sound basis for future policy decisions on tenure delivery, stakeholders noted imbalances both in the scale of the proposed estimate for</p>	<p>Chapter 2 presents the assessment of affordability including justification for the lending multiplier used within the HNDA Tool.</p>

<p><b>affordable housing and in the contribution that market housing makes to affordable housing delivery:</b></p> <p><i>‘the scale of funding and land allocation required to deliver proposed affordable housing estimates is simply not feasible’</i></p> <p><i>‘the contribution of market housing through developer contributions to affordable housing delivery needs to be considered very carefully. If supply targets for market housing are too low, it will stifle delivery of affordable housing policies and lower overall affordable supply’</i></p>	<p>Future discussions will consider housing supply targets for each local authority, out with the HNDA project.</p>
<p><b>Stakeholders also expressed scepticism of the proposed estimates for market rent and below market housing, questioning who would deliver the extent of housing units estimated given the absence of scalable build to rent models or investors in Scotland. It was also suggested that whilst build to rent schemes had proven to be successful in City housing markets, the economics of delivering new market and mid-market homes are challenging in more suburban or rural housing contexts. The contraction of the private rented sector in the post Covid housing boom could also be an important policy factor which requires further consideration as well as the proposed rent controls under consideration which could dissuade build to rent investors.</b></p>	<p>Future discussions will consider housing supply targets by tenure for each local authority, out with the HNDA project.</p>
<p><b>The Group asked that all the previous points were considered here also.</b></p>	<p>No response required.</p>
<p><b>The Group questioned the impact of the pandemic on affordability calculations and how household incomes may have significantly changed and with that household ability to afford the different tenures. South East Scotland partners may therefore wish to revisit the affordability thresholds.</b></p> <p><i>“Speaking to colleagues in the Citizens Advice Bureau this morning, you just cannot predict who is going to come looking for help [post pandemic], so I think the need and demand is going to change as is who can afford what. So these figures might need readjusted.”</i></p>	<p>There are no plans to hold the production of South East Scotland’s HNDA until new income data becomes available. Adjustments can be made to local housing policy as new data emerges.</p>
<p><b>The Group also asked how historic performance of projections in previous HNDA calculations fared with actual numbers by tenure with historic delivery evidence a useful validator to current projections.</b></p>	<p>Data on past housing completions has been provided to each local authority to compare against the outputs of the HNDA Tool.</p>
<p><b>Ultimately, stakeholders were reluctant to confirm if the proposed housing estimates on a tenure basis were a sound basis for setting future Housing Supply Targets as they had just</b></p>	<p>Future discussions will consider housing supply targets by tenure for each local authority, out with the HNDA project.</p>

<p>been presented with a considerable amount of the complex information. It was also acknowledged that there will be different views depending on sector interest i.e. Council officer, house builder, Community Councillor.</p>	
<p>One of the group members felt that the proportion of demand evidenced for mid-market housing (MMR) was too high, particularly considering the current grant regime which supports MMR housing. There was also a strong view within the group that the calculation outcomes do not create sufficient supply to enable positive housing choices:</p> <p><i>‘We need to be projecting a higher figure to enable people to meet their aspirations’</i></p>	<p>Future discussions will consider housing supply targets by tenure for each local authority, out with the HNDA project.</p>
<p>A couple of Group 1 stakeholders questioned the affordability calculations within the toolkit, fundamentally questioning the assumption that those that cannot afford to buy a property, will rent one. In addition to this, the use of lower quartile incomes and price benchmarks to gauge financial capability was also questioned as a robust method for determining housing estimates by tenure.</p> <p><i>“The calculation methodology should be more reflective not just of the housing market but also people's choices”</i></p>	<p>The HNDA follows the guidance provided by the Scottish Government. <a href="https://www.gov.scot/publications/hnda-practitioners-guide-2020/">https://www.gov.scot/publications/hnda-practitioners-guide-2020/</a> Lower quartile incomes and house prices are used as a way of measuring the affordability of entry level housing. Further discussion can take place in setting housing supply targets around future tenure choice.</p>
<p>Another stakeholder suggested that 60% of homes being subsidized housing does not seem sustainable and that just basing the estimates on a need to rent or buy does not reflect how people will choose or want to live in the future.</p>	<p>Future discussions will consider housing supply targets by tenure for each local authority, out with the HNDA project. People’s choices for living will be considered at this point if other options are available e.g. self-build.</p>
<p>Stakeholders agreed that an under delivery of market housing over the next two decades in South East Scotland could have significant consequences for housing market operation and for the delivery of affordable housing:</p> <p><i>“Building fewer market homes could jeopardise the delivery of affordable housing given the relationship between market housing completions and developer contributions to the affordable housing policy”</i></p> <p>Furthermore, <i>“housing delivery planning is complex, and we need to use housing estimates in an intelligent way. We need to use the evidence to drive policy decisions which influence market operation”</i></p>	<p>Future discussions will consider housing supply targets by tenure for each local authority, out with the HNDA project.</p>

<p><b>It was acknowledged that policy decisions should be targeted to ease housing market pressures, improving housing affordability for households. Housing markets are dynamic, and the affordability calculation offers an overly simplistic snapshot in time:</b></p> <p><b>“If we build less market housing in the future, we won't ease house price inflation - the affordability pattern will be the same, we won't improve it”</b></p>	<p>Future discussions will consider housing supply targets by tenure for each local authority, out with the HNDA project.</p>
<p><b>Stakeholders also suggest that appetite for home ownership should be reflected in policy making around housing supply and that intermediate tenures such as shared equity and shared ownership could provide very credible options for the 30% households deemed suitable for market or below market rent options who may aspire to owning their home.</b></p>	<p>Future discussions will consider housing supply targets by tenure for each local authority, out with the HNDA project.</p>
<p><b>Equally, policy decisions should acknowledge that whilst tenure estimates suggest that over 40% of households would benefit from affordable housing, many young, economically active households will be excluded from the sector as they do not have the scale of need required to be eligible for social housing. It's crucial therefore that the needs of households in this category are not overlooked in policy decisions on housing supply.</b></p>	<p>Future discussions will consider housing supply targets by tenure for each local authority, out with the HNDA project.</p>
<p><b>Another comment by Group 3 was to question the appetite for build to rent as currently there is limited pipeline development of this nature, but with recognition that this may not be the case in all South East Scotland areas. The suggestion from the Group was therefore to just have a combined private tenure total as the basis of future policy decisions.</b></p>	<p>Future discussions will consider housing supply targets by tenure for each local authority, out with the HNDA project.</p>
<p><b>One stakeholder highlighted that the outcomes of the tenure calculations shine a light on the problems of using demographic projections as opposed to economic forecasts. They felt that the results of the tenure split calculation under the strong growth scenario was counter intuitive as the outcome of this scenario presents an increase in demand for affordable housing as opposed to a decrease in demand for affordable housing when compared to the principal-based scenario.</b></p>	<p>Future discussions will consider housing supply targets by tenure for each local authority, out with the HNDA project.</p>
<p><b>In relation to the Scottish Borders tenure split, there was concern in Group 3 that the social housing proportion (22%) is low, especially when compared to the previous HNDA for the area. It was noted that the private/social split and the mid-market tenure would be a challenge in this area given that market rents are very close, and sometimes cheaper, than social rents.</b></p>	<p>Future discussions will consider housing supply targets by tenure for each local authority, out with the HNDA project.</p>

<p><b><i>“about 60% of what we are building at the moment down here [Borders] is affordable housing”</i></b></p> <p><b><i>“22% for social housing is concerning as we’d be writing off the mid-market rent proportion as realistically not a viable option”</i></b></p>	
<p><b>The Group were therefore seeking to know what has changed from HNDA2 to HNDA3, what has significantly altered the tenure split and if this is just a change in Scottish Borders or all South East Scotland areas?</b></p>	<p>The main change has been the increase in house prices and rents, particularly in the City of Edinburgh, ahead of income, fuelling a greater requirement for more affordable housing.</p>
<p><b>The Group also queried that the tenure split was based on ability to afford a tenure type and not the tenure aspiration of households in the area:</b></p> <p><b><i>“If you are not capturing what people want i.e. to buy or to rent, then that is an issue”.</i></b></p>	<p>Future discussions will consider housing supply targets by tenure for each local authority, out with the HNDA project.</p>
<p><b>The Group recognised that the affordability threshold for the market housing tenure was based on a 3.9x mortgage multiplier but questioned if this was a realistic rate as mortgage providers are likely to approve higher lending levels. The suggestion was that scenarios could be run to see what effect variations on the mortgage multiplier may have on the tenure split of housing estimates.</b></p>	<p>Chapter 2 presents the assessment of affordability including justification for the lending multiplier used within the HNDA Tool.</p>
<p><b>The final comment made in relation to tenure split was that by estimating a reduced proportion of market housing this will compound the affordability issues of this tenure in future HNDA calculations:</b></p> <p><b><i>“if you build less privately owned housing, next time fewer people are going to be able to afford privately owned and the 7.9x ratio will go up. I’m unsure if this is getting recognised so not addressing the affordability issue, may be why the market housing rent levels are lower in this HNDA calculation.”</i></b></p>	<p>Future discussions will consider housing supply targets by tenure for each local authority, out with the HNDA project. This will include local consideration about what is required to address issues of housing affordability through the LHS and LDP.</p>

## HNDA3 STAKEHOLDER WORKSHOP CONSULTATION FEEDBACK

Workshops 1& 3 – – Validating Housing Estimates by Area

Consulted: 26/10/2021, 28/10/2021

COMMENT/FEEDBACK	RESPONSE
<p>The proportion of the SES housing estimate which should be met in the Edinburgh City area was described as ‘unsurprising’ by Group 1 stakeholders given the population base in this area and future household growth rate. It was noted that previous regional planning across South East Scotland had made policy decisions not to meet all of the previous housing estimates within the City as part of a wider spatial strategy across the functional housing market. The SESplan Strategic Development Planning authority had been successful in providing coordination and leadership in this regard and stakeholders were keen to stress the importance of SES partners continuing to have this strategic and collaborative focus.</p> <p><i>‘It is key that all housing need and demand is met across the South East Scotland area over the planning period. To achieve this, it’s crucial that partnership working, and collaboration continues to drive the housing delivery strategy’</i></p>	<p>Future discussions will consider housing supply targets by tenure for each local authority, out with the HNDA project.</p>
<p>As well as the importance of collective planning on an ongoing basis, the need to proactively monitor and evaluate housing market operation and household migration across the wider South East Scotland area is crucial in targeting appropriate housing supply interventions at a local level.</p>	<p>Future discussions will consider housing supply targets by tenure for each local authority, out with the HNDA project.</p>
<p>Group 2 were reluctant to confirm if the proposed housing estimates on a partner area were a sound basis for setting future Housing Supply Targets as they had only just been presented with the complex information. However the representative from the Edinburgh HSCP believed the Edinburgh population projections were reasonable based on the number of new patients being registered with GPs in recent years.</p>	<p>Noted with no response required.</p>
<p>Stakeholders questioned the size and house types being built and that the larger houses being built were not meeting the needs of existing residents at a local level but were accommodating demand from Edinburgh residents moving out of the City. South East Scotland</p>	<p>Future discussions will consider housing supply targets by tenure for each local authority, out with the HNDA project.</p>



<p>partners were asked to consider the scale/range of market options required at a local level (including market entry level housing) to balance the developer appetite for high-end new build housing:</p> <p><i>“there is a tendency for builders to want to build larger houses when there is not a basic demand for that locally”</i></p> <p><i>“there is a tremendous number of people moving out of the City and local people can’t afford to purchase the large homes being built”</i></p> <p><i>“we should be focused on meeting the needs of the area and not the economy of housing”</i></p>	
<p>Stakeholders also asked what consideration should be given to the role of existing housing stock in terms of meeting future need.</p> <p><i>“That’s part of the problem, we have houses that are not a decent fit to household needs. How are we adapting these to better fit those needs?”</i></p>	<p>Noted with no response required – a matter to be addressed through the LHS and LDP.</p>
<p>Group 3 again highlighted the fact that the figures at a SES plan level were surprisingly low, which meant that the figures at a partner level were also exceptionally low.</p>	<p>The HNDA follows the guidance provided by the Scottish Government. <a href="https://www.gov.scot/publications/hnda-practitioners-guide-2020/">https://www.gov.scot/publications/hnda-practitioners-guide-2020/</a> The Scottish Government will assess whether the calculation of need is robust and credible.</p>
<p>A Group 3 stakeholder from Fife, generally agreed with the housing estimates by area. In contrast, whilst stakeholders from Scottish Borders and Edinburgh felt that the figures were painfully low, they did feel unable to comment on whether this was driven by the proportionate split of need by tenure or the fact that the overall demand from the HNDA calculation was too low.</p>	<p>Noted with no response required.</p>
<p>Group 3 agreed that because the figures are so low at a SES plan area level, that the same applies at a partner area level. Their group vocalised concerns regarding the underestimation of housing supply estimates on future market operation in each partner area:</p> <p><i>“If we get it wrong and underestimate future supply required, we are building a much bigger problem further down the road”</i></p>	<p>Future discussions will consider housing supply targets by tenure for each local authority, out with the HNDA project.</p>

<p>Whilst the concern from the group was around the global scale of housing estimates across South East Scotland, there were little objections to the proportionate split of need as evidenced at a partner level.</p>	<p>Noted with no response required.</p>
<p>Stakeholders could understand the extent of housing estimates by partner area given the way SES partners have followed the HNDA calculation methodology e.g. the proportion of homes estimated as required in the Edinburgh City area (48%) felt logical and accurate given current household numbers and assumptions on projected household growth.</p>	<p>Noted with no response required.</p>
<p>Having said this, stakeholders were keen to see an element of housing demand and aspiration factored into the spatial strategy for housing planning. It was acknowledged that many households who work in Edinburgh simply live out-with the City, not through choice, but in order to access affordable housing options within commuting distance:</p> <p><i>“If we’re ever going to realise the Scottish Government’s vision for 20 minute communities, we need to focus supply planning in the areas where most want to live and work”</i></p>	<p>Future discussions will consider housing supply targets by tenure for each local authority, out with the HNDA project.</p>
<p>The Group were concerned that future planning policy is being determined by historic population projections which do not reflect changes in household aspirations or need, the impact of the pandemic and Brexit on household circumstances and falling birth rates over the last six years.</p> <p><i>“I’m deeply troubled that we are using data from 2018 and we are using this to inform future planning policy and lifestyles; what people want; and the fact that many people don’t need to go into the office; has made these assumptions completely invalid.”</i></p>	<p>Future discussions will consider housing supply targets by tenure for each local authority, out with the HNDA project.</p>
<p>A stakeholder echoed the concerns over the use of historic data being used for estimates and had these concerns even before the pandemic. They suggested a household survey would be one way of addressing this. They were also concerned that with Fife being split over two strategic planning authority areas (TAYPlan and SESPlan) one part of Fife (TAYPlan) had access to household survey information and the other part didn’t so it would be more difficult to justify the calculation used in SESPlan.</p>	<p>Future discussions will consider housing supply targets by tenure for each local authority, out with the HNDA project.</p> <p>The partners in South East Scotland have no plans to commission a household survey and the Scottish Government will determine whether the reliance on secondary data has provided a robust and credible HNDA.</p>

<p><i>“I don’t understand why the South East authorities haven’t decided to invest in the survey work and I don’t understand Fife’s own thinking that survey work was necessary for one part but not the other.”</i></p>	
<p><b>The final comment in relation to the estimates for partner areas was in relation to land availability particularly in Edinburgh.</b></p> <p><i>“there is absolutely no way that 48% of the requirements can be built in Edinburgh as there is no more room or limited space – so we cannot sustain this concentration of people in certain areas. What are the policy decisions needed to stop that migration out of certain parts?”</i></p>	<p>Future discussions will consider housing supply targets by tenure for each local authority, out with the HNDA project.</p>
<p><b>As well as the importance of collective planning on an ongoing basis, the need to proactively monitor and evaluate housing market operation and household migration across the wider South East Scotland area is crucial in targeting appropriate housing supply interventions at a local level.</b></p>	<p>Future discussions will consider housing supply targets by tenure for each local authority, out with the HNDA project.</p>

## HNDA3 STAKEHOLDER WORKSHOP CONSULTATION FEEDBACK

Workshop 2 – Improving insight on Specialist Housing

Consulted: 27/10/2021

COMMENT/FEEDBACK	RESPONSE
<p>Suggestions from Group 1 in relation to how insight into specialist housing was currently improving or could be improved were as follows:</p> <ul style="list-style-type: none"> <li>• There is a need to improve the use of planning information on adaptations to private sector homes that could supplement information held by PSHG teams for self-funders</li> <li>• Consideration should be given to developing a national/uniform housing application form which could be developed to consistently capture data and assess specialist housing needs</li> <li>• Closer working with HSCP partners to review out of area placements would be beneficial, exploring how an integrated approach between social care and housing could deliver better outcomes for individuals</li> <li>• Improving understanding between housing, health and care service areas on the needs of individuals and their families prior to the transition of individuals from child to adult services and adult to older people services</li> <li>• More national research and evidence of unmet need for specialist housing to supplement the Scottish Government’s HNDA data sources to address the current insight gaps</li> <li>• Using the integration and prevention agendas to work with and access insight from GPs and health care professionals on the need for specialist housing</li> </ul> <p>A closer working relationship between housing professionals and HSCP colleagues to assess the appropriateness of specialist housing and to anticipate unmet and future needs</p>	<p>Noted as recommendations for future housing policy through the LHS and LDP.</p>
<p>Ideas generated by the group on what would be important to start now to address the limitations in specialist needs data were as follows:</p> <ul style="list-style-type: none"> <li>• Locality groups across areas should be a route for GPs to collect information on unmet need for specialist housing. Engaging GPs in data sharing partnerships with housing, health and care colleagues will be a crucial element of this approach</li> <li>• Encouraging the sharing of best practice between partner areas such as the Housing Plus model in Fife and its impact in managing non-mainstream housing requirements</li> </ul>	<p>Noted as recommendations for future housing policy through the LHS and LDP.</p>

<ul style="list-style-type: none"> <li>Resourcing a dedicated role/team to act as a conduit between health and housing data systems and processes to extract and assemble evidence of unmet need (as producing insight on unmet housing or care needs can often just be a small part of someone’s job role):</li> </ul> <p><i>“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.”</i></p>	
<p>Most of the stakeholders of Group 2 acknowledged that there is a clear need to improve insight on the extent and nature of unmet need for specialist housing. Stakeholders agreed that there is difficulty in predicting the needs and aspirations of key client groups including the growing population of older people across South East Scotland. The ability to have the right information at the right time is hugely challenging but vitally important.</p>	<p>Noted and work will continue to improve the availability of data around key client groups.</p>
<p>A stakeholder in Group 2 who works as part of a local authority change and transformation team and who co-ordinates engagement activity to understand the current and future needs for specialist housing in the area, provided insight into some of the key messages arising from this work, including:</p> <ul style="list-style-type: none"> <li>A lack of wheelchair accessible housing in the areas where people most want to live</li> </ul> <p>Evidence of an increasing need for temporary/short stay respite accommodation</p>	<p>Noted with no response required.</p>
<p>Stakeholders in Group 3 acknowledged that whilst partner agencies share the same priorities to evidence need for specialist housing, this rarely influences how we collect, assemble, analyse or report data. It was acknowledged that legacy data systems do not reflect new multi-agency partnerships and are a barrier to a more collaborative approach to assembling data and sharing data:</p> <p><i>“We’re still reliant on legacy data systems which means we’re not planning and designing data systems and collection processes in a consistent and collaborative way”</i></p> <p><i>“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”.</i></p>	<p>Noted and work will continue to improve the availability of data around key client groups.</p>

<p><b>Group 3 stakeholders acknowledged that improving multi-agency data management would depend on improving operational relationships and communication channels across partners. Whilst partners could evidence real progress in building relationships (particularly between housing and the HSCP), it was noted that the development of joint data systems or data sharing arrangements was still embryonic. It was also noted that collaboration tends to focus on meeting immediate need rather than forward planning and that good data on emerging or historic housing needs is crucial in ensuring that joint planning and commissioning is effective.</b></p>	<p>Noted as recommendations for future housing policy through the LHS and LDP.</p>
<p><b>It was also acknowledged that there are some key elements of data we simply don't collect, record or research, particularly in relation to property adaptations or specifically designed private sector housing.</b></p>	<p>Noted and work will continue to improve the availability of data around key client groups and tenures.</p>
<p><b>Stakeholders agreed that there needs to be more multi agency data sharing and specifically between professionals in housing and the HSCP. The need for better data sharing protocols; (knowing what data is available and what to ask for) will not only improve insight but will help to facilitate more informed future planning.</b></p>	<p>Noted as recommendations for future housing policy through the LHS and LDP.</p>
<p><b>One member of the group felt that there should be more reliance placed on Common Housing Register data, however, acknowledging that this approach can have its limitations as physical disability is sometimes only disclosed at a point of crisis.</b></p>	<p>Noted and work will continue to improve the availability of data around key client groups.</p>
<p><b>Group 3 identified two key actions that could have a real impact on improving data limitations on unmet need for specialist housing, namely:</b></p> <ol style="list-style-type: none"> <li><b>1. Negotiate common definitions of what we mean by each category of specialist housing to be consistently used by partners</b></li> </ol> <p><b>Identify the key data managers assembling insight on specialist housing across housing, health and care services and form alliances which enable consistent data collection and reporting, as well as the design and commissioning of joint data systems.</b></p>	<p>Noted as recommendations for future housing policy through the LHS and LDP.</p>
<p><b>One of the members of the group (a Council Tenant) provided an insight into their current circumstances and the fact that their housing needs are changing. They raised the point that</b></p>	<p>Noted and work will continue to improve the availability of data around key client groups.</p>

<p>they were unaware who they should disclose this to support forward planning. They also suggested that there needs to be more survey work undertaken, as well as real time information collated from housing officers/frontline staff on the changing housing needs of customers.</p>	
<p>The point was also made by a member of the group that having information on a locality basis is so important as needs can vary significantly at a locality level. It crucial therefore that insight needs are assembled in a greater level of detail than at a local authority level.</p>	<p>Noted and work will continue to improve the availability of data around key client groups.</p>
<p>Stakeholders agreed that a key barrier to improving data insight was a lack of consistent and commonly understood definitions on what we mean by specialist housing. A lack of common definitions not only makes it impossible to record and share data in a consistent way, but it also makes the customer journey very challenging for housing applicants or those seeking to access specialist accommodation:</p> <p><i>“Many social landlords have now shifted their sheltered housing provision towards a retirement housing model, yet our data collection processes haven’t caught up with this shift. Amid such a fast moving policy agenda, our data management processes are too slow”</i></p>	<p>Noted as recommendations for future housing policy through the LHS and LDP and for future working with regional partners.</p>

## HNDA3 STAKEHOLDER WORKSHOP CONSULTATION FEEDBACK

Workshop 2 – Accessible & Wheelchair Housing Estimates

Consulted: 27/10/2021

COMMENT/FEEDBACK	RESPONSE
<p>This group discussed the need to redress the balance between social and private wheelchair/accessible homes given that most homes in Scotland are located in the owner occupier sector. At the present time, it is impossible to apply a wheelchair standard to private developers as there is no national building regulations on wheelchair accessibility. One stakeholder referenced the approach taken by Moray Council who issued guidance for developers, although it's unclear how effective this has been in increasing wheelchair and accessible unit numbers. A suggestion was made that privately developed flats might be one way to increase the number of accessible homes as ground floor/level access accommodation:</p> <p><i>“it's really almost impossible to apply targets [for wheelchair/accessible homes in the private sector] at this stage, unless there is a national shift in regulations and it's a really big concern how far behind, we are, even just to meet current need never mind the need arising from demographic change. The private sector will be critical in meeting these needs.”</i></p>	<p>Future discussions will consider housing supply targets by tenure for each local authority, out with the HNDA project. Also noted for consideration of future housing policy through the LHS and LDP.</p>
<p>Group 2 recognised that new accessible/wheelchair housing is the most acute need to be addressed in the future provision of specialist housing, both in terms of addressing the backlog but also in identifying future need. One member of the group felt that local authorities should be ahead of the curve and need to step up the delivery of more specialist/wheelchair homes. This could be achieved through encouraging local authorities to set more ambitious delivery targets.</p>	<p>Future discussions will consider housing supply targets by tenure for each local authority, out with the HNDA project.</p>
<p>Placemaking was also a consideration for the group. It is essential that the local environment is accessible as well as the home itself.</p>	<p>Noted with no response required. Future discussions will consider housing supply targets by tenure for each local authority, out with the HNDA project.</p>
<p>As part of improving accessibility, Group 3 stakeholders also acknowledged the importance of placemaking in meeting the need for accessible and wheelchair housing ensuring good connectivity to local amenities, services and transport links. This is particularly important in the future delivery of wheelchair homes.</p>	<p>Noted with no response required. Future discussions will consider housing supply targets by tenure for each local authority, out with the HNDA project.</p>



<p>Stakeholders in Group 3 acknowledged that major barrier to the delivery of more accessible or wheelchair homes is the economics of development on sites where developer contributions support the delivery of affordable housing:</p> <p><i>“It’s much easier to develop accessible housing on the sites we (the Council) own. When we’re working with developers to realise an affordable housing contribution, the footprint and cost of accessible housing often alters the development mix for the site and compromises securing the 25% affordable target”</i></p>	<p>Noted with no response required. Future discussions will consider housing supply targets by tenure for each local authority, out with the HNDA project.</p>
<p>To counter this, the Group considered whether there is a role for local planning policies to set clear targets and expectations on the need to deliver accessible housing. Further clarity could encourage developers to consider the cost implications of delivering accessible or wheelchair housing at an earlier stage in the development funding process, enabling more positive planning and delivery negotiations.</p>	<p>Noted as recommendations for future housing policy through the LHS and LDP and for future working with regional partners.</p>
<p>Given the expected increase in the older people demographic, Group 1 stakeholders suggested that targets need to go further than 6% as this only address backlog and not future need for wheelchair housing. The barriers Group 1 thought were most evident in the delivery of new accessible/wheelchair homes were as follows:</p> <ul style="list-style-type: none"> <li>• Developers may be unconvinced there is enough profit in accessible housing delivery as accessible homes generally require a larger footprint per unit and lower the economics of a site development mix</li> <li>• Previous specialist developers (such as McCarthy and Stone) have left the Scottish market, having not considered it a profitable sector</li> <li>• The lack of insight into who in the owner occupier sector requires wheelchair or accessible homes is a major barrier to evidencing market demand for accessible housing</li> </ul> <p>Transition costs (both house prices and removal costs) can be prohibitive to wheelchair users in private sector housing.</p>	<p>Future discussions will consider housing supply targets by specialist type for each local authority, out with the HNDA project.</p>
<p>It was recognised that one of the major barriers to delivery is the cost of delivering accessible housing. The group highlighted the cost and benefits of accessible homes not only be recognised by social housing funding contributions but that there should be a greater role for HSCP resources in funding the delivery costs.</p>	<p>Noted with no response required.</p>

<p><b>The Group agreed that whilst private developers were meeting the requirements of the new building regulations which improve accessibility, there is a clear role for the private sector in delivering fully accessible housing options and in futureproofing housing design to enable homes to meet the changing needs of their occupiers. It was acknowledged that to encourage the development of more accessible homes, we need to understand better what local consumers want. This could include fairly simple aspirations on property size and type that well-designed market homes could satisfy.</b></p>	<p>Noted as recommendations for future housing policy through the LHS and LDP and for future working with regional partners.</p>
<p><b>It was agreed that private and social housing developers should be encouraged to increase delivery of wheelchair housing, although the affordability of new build wheelchair housing could be challenging not just in terms of rent or mortgage costs but also given Council tax implications:</b></p> <p><i>“Most new build wheelchair properties have a bigger footprint than general needs housing so coupled with the age of the property, they can be valued typically at a Council tax Band D or E. This stretches affordability for many wheelchair user households”.</i></p>	<p>Noted as recommendations for future housing policy through the LHS and LDP and for future working with region</p>

## HNDA3 STAKEHOLDER WORKSHOP CONSULTATION FEEDBACK

Workshop 2 – Specialist Housing: Private Sector Role

Consulted: 27/10/2021

COMMENT/FEEDBACK	RESPONSE
<p>Group 1 suggested having ‘age ready’ homes as part of developments would be one way the private sector could play a role in delivering specialist housing options. There was acknowledgement that the Scottish Government were committed to reviewing the Housing for Varying Needs standard and a consideration of ‘future proofing’ homes in this standard would go some way to delivering homes that could become specialist homes in the future:</p> <p><i>“there’s probably a lot private developers could do in terms of design and space standards as well as smart homes and new technology etc.”</i></p>	<p>Noted as recommendations for future housing policy through the LHS and LDP and for future working with regional partners. al partners.</p>
<p>There was also discussion on what might be an appropriate specialist housing option for the South East Scotland area (age exclusive versus mixed developments) and the importance of having these developments in an area with good amenities – again the idea of place being a key consideration.</p>	<p>Noted as recommendations for future housing policy through the LHS and LDP and for future working with regional partners.</p>
<p>Some anecdotal evidence was shared of older people buying ‘lodge accommodation’ on holiday parks to gain a sense of community, access an accessible property and have amenities and potentially onsite entertainment. The concern here was that many might avoid this option as this will be a depreciating asset unlike a traditional home:</p> <p><i>“recently I’ve had a few older people who have taken the choice to buy chalet homes in private parks as they feel it is a bit like sheltered housing with the amenities on site and have social events and can have carers come into the park. This was a more affordable option than moving to sheltered housing for those individuals.”</i></p>	<p>Noted with no response required.</p>
<p>The group also suggested that there should be a focus on looking at equity sharing models for those individuals who cannot access social rented housing yet have equity and want to retain home ownership:</p> <p><i>“Consideration needs to be given to different funding models”</i></p>	<p>Noted as recommendations for future housing policy through the LHS and LDP.</p>

<p><b>Group 2 all agreed that there needs to be a greater role for the private sector in delivering specialist housing options:</b></p> <p><i>“There needs to be a range of choices for people at different stages in their life, they cannot all be funnelled into social rented housing, many people want choice – they may have built up equity in their home and want to continue with home ownership”</i></p>	<p>Noted as recommendations for future housing policy through the LHS and LDP.</p>
<p><b>Building on the previous question, Group 3 stakeholders agreed that there was a clear role for private developers in the delivery of specialist housing options – both in the delivery of specially designed and adapted homes but also in future proofing the design of general needs properties.</b></p>	<p>Noted as recommendations for future housing policy through the LHS and LDP.</p>
<p><b>An example was shared that in St Andrews, the private sector has invested in homes for older people, because there is a market, so where the private sector sees a clearly defined market, they see a profit and they will build. This is not the case in all areas of Scotland; therefore, it was suggested by one stakeholder in Group 2 that we need to break through this issue and not just rely on Section 75 contributions to take a leading role in providing specialist housing:</b></p> <p><i>“I don’t know the mechanism of how we do it, but we need to ensure there is a range of accessible options on all site delivered by Council, RSL and private developers”</i></p>	<p>Noted as recommendations for future housing policy through the LHS and LDP.</p>
<p><b>Another stakeholder highlighted that there needs to be more marketing and awareness raising of available specialist housing options and more focus placed on targeting the accessible housing to those who need it.</b></p>	<p>Noted as recommendations for future housing policy through the LHS and LDP.</p>
<p><b>It was agreed that public awareness raising, and marketing of available specialist housing options is key to ensuring that they are targeted to those who most need them. The delivery of an Extra Care housing development in Midlothian is a great case study example of this:</b></p> <p><b>The development itself was very well designed and appealing but we had to deliver a huge amount of public awareness raising and promotion to challenge misconceptions of what was on offer (i.e. that it was care based housing or residential care). After we did this, high proportions of owner occupiers came forward to express their interest”</b></p>	<p>Noted as recommendations for future housing policy through the LHS and LDP.</p>

<p><b>Private developers should be encouraged to be proactive in marketing new homes which could meet the needs of key client groups such as older people. To this end, it was acknowledged that encouraging a positive private sector response to improving accessibility may rest on the delivery of the right product in the right place, with clever future proofed design features, rather than setting stringent accessibility or wheelchair targets:</b></p> <p><i>“We should aim for improvement in private sector accessibility generally rather than over reliance on target setting”</i></p>	<p>Noted as recommendations for future housing policy through the LHS and LDP.</p>
<p><b>On this basis, stakeholders also agreed that private developers should be encouraged to deliver options which would meet the needs of the growing population of older people in South East Scotland but perhaps on a more affordable basis than the high end McCarthy and Stone type options that have been a feature of past delivery.</b></p>	<p>Noted as recommendations for future housing policy through the LHS and LDP.</p>
<p><b>It was acknowledged that some private developers are engaging with future proofing measures and whilst this is promoted at planning stage, it hasn’t quite yet translated into marketing or housing allocation strategies which target new homes to key client groups.</b></p>	<p>Noted as recommendations for future housing policy through the LHS and LDP.</p>

**HNDA3 STAKEHOLDER WORKSHOP CONSULTATION FEEDBACK**

**Workshop 2 – Enabling Independence at Home**

**Consulted: 27/10/2021**

COMMENT/FEEDBACK	RESPONSE
<p>In relation to improved joint planning and commissioning processes for the delivery of property adaptations, the Group suggested:</p> <ul style="list-style-type: none"> <li>• Improved recording of existing properties with installed adaptations in both social and private sectors was essential</li> <li>• Encouraging the development of facilities like those in Fife Hubs where individuals can meet OTs and housing officers and test adaptations and smart solutions, improving awareness of the range of potential options available to them</li> <li>• Improving the availability of housing options and advice services as well as public awareness of the availability of these services</li> <li>• Building relationships with private landlords to understand better the property attributes of PRS homes and help them to find long term tenants who would be suitable for properties with accessibility features</li> <li>• Enabling OTs to play a greater role in helping individuals, particularly in the private sector, to be proactive with the suppliers of aids and adaptations</li> <li>• Encouraging individuals to plan ahead to prevent the crisis stage that many reach as a result of changing housing, health and care needs:</li> </ul> <p><i>“People in the social sector have a lot of interaction with their landlord on whether their property is meeting their needs, but this is lacking in the private sector”</i></p>	<p>Noted as recommendations for future housing policy through the LHS and LDP.</p>
<p>The Group suggested that for the Technology Enabled Care:</p> <ul style="list-style-type: none"> <li>• There needs to be a promotion of the TEC solutions that are available as well as how current smart solutions in the home (e.g. smart lighting, home voice control/Alexa, smart heating, etc.) can be used by individuals to promote and enable independent living</li> <li>• There needs to be general upskilling of staff on the TEC agenda and a transfer of knowledge from TEC project leads across services and organisations:</li> </ul> <p><i>“Health and Social care colleagues tend to lead on TEC solutions, but we need to share that knowledge with other front line staff and organisations”</i></p>	<p>Noted as recommendations for future housing policy through the LHS and LDP.</p>

<p>For Care and Support services Group 1 agreed that the most pressing issue is the current shortage of care staff in the sector and being able to recruit care and support workers. This has been exacerbated by the Covid-19 pandemic and Brexit:</p> <p><i>“a high priority in our local authority is the crisis in carer recruitment. This is also a big challenge for health and social care partners”</i></p>	<p>Noted with no response required.</p>
<p>Group 2 were of the opinion that to enable independence at home there needs to be more investment in ancillary support services such as cleaning and handy persons services. One stakeholder vocalised the importance of mixed and sustainable communities in supporting independence at home.</p> <p>The Group also recognised that identifying support needs is often very reactive:</p> <p><i>“We need to get in there early, rather than at crisis point, we need to stop working in silos, therefore when social work, health or housing identify changing needs that information needs to be shared at an early stage. We need to improve information sharing to inform and improve future planning”</i></p>	<p>Noted as recommendations for future housing policy through the LHS and LDP.</p>
<p>It was also felt by many members of the group that communication channels need to be expanded, and that there needs to be more awareness raising and signposting of all the resources available to support independence at home.</p>	<p>Noted as recommendations for future housing policy through the LHS and LDP.</p>
<p>There was a consensus from Group 3 stakeholders that an essential element of enabling independence at home related to the integration of housing planning into care and support planning processes. Although the integration of health and social care services is gathering pace, improving early planning of housing options and interventions could be improved.</p>	<p>Noted as recommendations for future housing policy through the LHS and LDP.</p>
<p>This also relates to the provision of property adaptations in coordinating care and support interventions to enable independence at home. Partners need to improve intelligence on the property adaptations that have been installed and create joint planning processes to ensure that they are reused and targeted towards those in housing need. Furthermore, housing,</p>	<p>Noted as recommendations for future housing policy through the LHS and LDP.</p>

<p><b>health and social care professionals need to consider opportunities for retrofitting accessibility measures into existing homes.</b></p>	
<p><b>Finally, in promoting and enabling independence at home, Group 3 stakeholders unanimously agreed the importance of encouraging early and preventative conversations with households to meet their future care, housing and support needs.</b></p> <p><b>“Households need to understand much better what's out there so that we can encourage early consideration of future housing options. Encouraging personal housing planning, particularly for older households should be encouraged”</b></p>	<p>Noted as recommendations for future housing policy through the LHS and LDP.</p>