

Annex 10: Local Housing Land Requirement

Links to Evidence

Scottish Government:

[NPF4 - Annex E – Minimum All-Tenure Housing Land Housing to 2040](#)

Fife Council:

HNDAs

[Tayside HNDA3 final report for North Fife](#)

[Tayside HNDA - CHMA Sign Off](#)

[SES HNDA3 Final Report](#)

[SES HNDA - CHMA Sign Off](#)

LHS/SHIP

[Local Housing Strategy](#)

[Strategic Housing Investment Plan \(SHIP\) 2023/24 - 2027/28](#)

Housing Land Audit

[Fife Housing Land Audit 2022](#)

Engagement:

[Engagement on the Initial Building Blocks for the LHLR](#) – Fife Council’s MATHLR & HNDA Processes

Others:

[Homes for Scotland response to Draft NPF4](#)

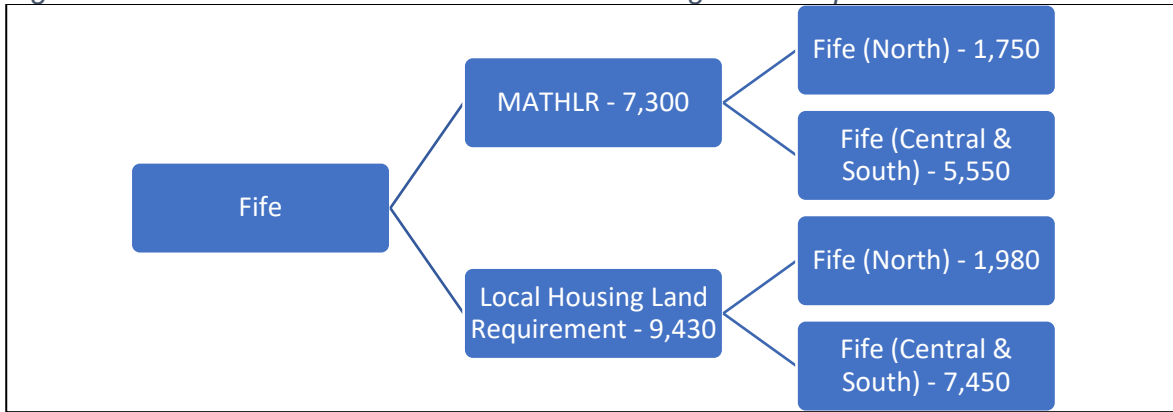
[Homes for Scotland - Existing Housing Need Fife North Estimates](#)

[Homes for Scotland - Existing Housing Need Fife Central South Estimates](#)

Summary of Evidence

- A10.1 To ensure this summary of evidence is succinct, the methodology and working for calculating the Local Housing Land Requirement (LHLR) is provided in [Annex 8](#) - the Indicative Local Housing Land Requirement Technical Paper. The technical paper allows the appropriate level of detail to be included to provide a transparent and understandable explanation of how the evidence base and ambitious indicative LHLR was calculated, with reference to the above evidence.
- A10.2 The evidence used to calculate the LHLR builds upon Fife's two Housing Need and Demand Assessments (HNDAs) [Tayside HNDA](#) [SES HNDA](#) and the two Minimum All Tenure Housing Land Requirement (MATHLR) figures for Fife defined by National Planning Framework ([NPF4 Annex E](#)). In addition, the [Housing Supply Targets \(HST\) of the Fife Local Housing Strategy \(LHS\) 2022-27](#) have been examined. Whilst the HSTs do not set the LHLR, they are a key input to inform the LHLR through considering the policy and practical considerations and the level of housing that can actually be delivered.
- A10.3 Whilst both Fife's HNDAs have been signed off as robust and credible by the Scottish Government's Centre for Housing Market Analysis ([CHMA Tayside HNDA](#) [CHMA SES HNDA](#)), the technical paper assesses evidence that identifies additional need or demand beyond that defined through the HNDA tool. This includes the use of primary data for existing concealed and overcrowded need to update the HNDA tool defaults and reflect wider need. The inclusion of this primary data has sought to address Homes for Scotland's concerns with HNDAs that the HNDA tool has a narrow focus on need relating to concealed and overcrowded households (as outlined in the summary of stakeholder engagement below). By analysing additional data not used in the preparation of the HNDA, to inform the LHLR, evidence of a wider need has been identified. This has informed the uplift to be applied to the MATHLRs to define the LHLR and more accurately reflect existing need.
- A10.4 The evidence outlined in the technical paper has been used to set the indicative LHLR for Fife of 9,430 units over the 10-year lifetime of the LDP (1,980 Fife (North) and 7,450 Fife (Central & South)). This represents an approximate 29% increase (2,130 additional units) over the Fife-wide MATHLR identified in NPF4 and meets Scottish Government's expectations by generously exceeding the MATHLR. Figures 1-2 illustrate the 10-year LHLR in the context of the MATHLR and previous completions, while Figure 3 defines the annual LHLR by tenure and geographical area.

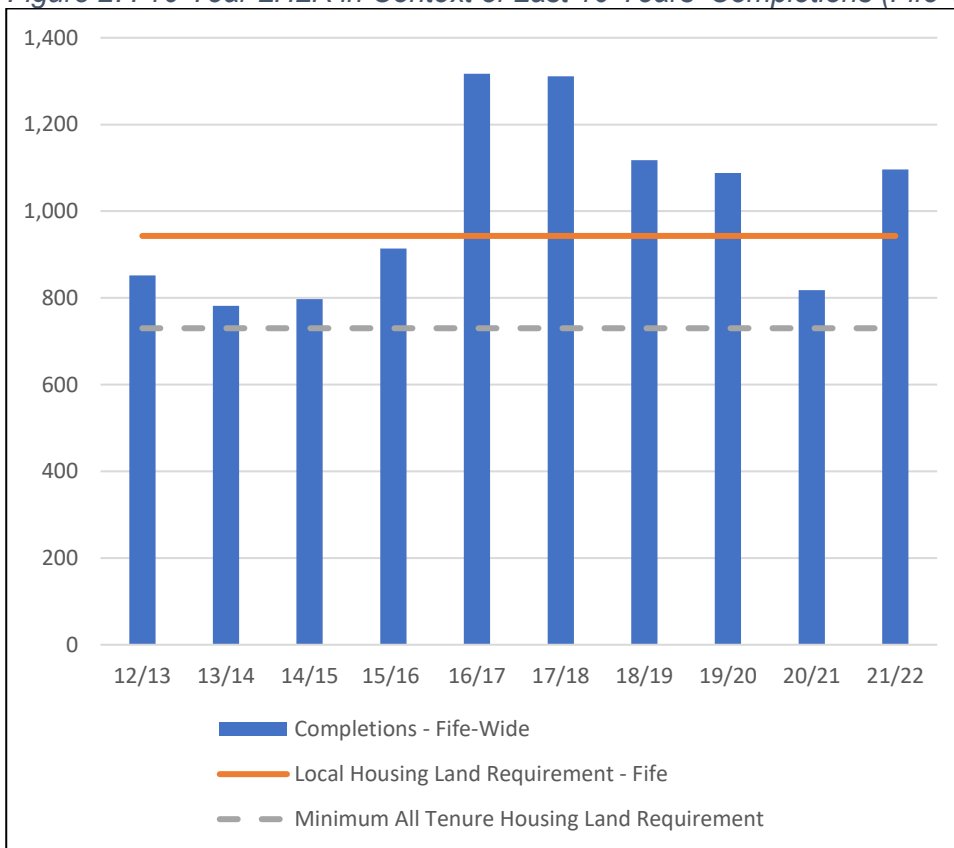
Figure 1: 10 Year MATHLR vs 10 Year Local Housing Land Requirement



Sources: Indicative Local Housing Land Requirement Technical Paper Tables 2,8 & 10

Note: replicated from Figure 6 of Indicative Local Housing Land Requirement Technical Paper

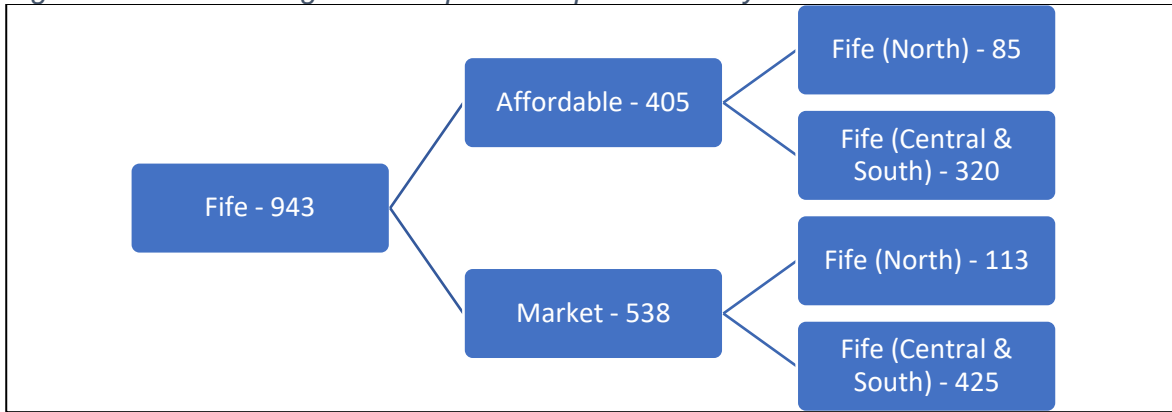
Figure 2: : 10 Year LHLR in Context of Last 10 Years' Completions (Fife-wide)



Sources: Indicative Local Housing Land Requirement Technical Paper Table 10 & Fife Housing Land Audit 2022

Note: replicated from Figure 9 of Indicative Local Housing Land Requirement Technical Paper

Figure 3: Local Housing Land Requirement per Annum by Tenure/Area



Source: Indicative Local Housing Land Requirement Technical Paper Table 10

Note: replicated from Figure 5 of Indicative Local Housing Land Requirement Technical Paper

Summary of Stakeholder Engagement

Engagement on the Initial Building Blocks for the LHLR – Fife Council’s MATHLR & HNDA Processes

A10.5 In the preparation of Fife’s two HNDAs, the Housing Market Partnership (HMP) stakeholders for both the Tayside and South East Scotland HNDAs were involved in workshops to consider and discuss the initial default HNDA estimates, the various growth scenarios modelled and the draft NPF4 MATHLR figures proposed by the Scottish Government. This approach to proactive engagement was commended by Homes for Scotland and allowed the informed views of the HMPs to be fed into each HNDA and the Fife Council response to the Draft NPF4 MATHLR. This robust assessment of the HNDAs and the Fife MATHLR figures created confidence in using this data as a firm foundation for starting to calculate the LHLR. Further details on the engagement undertaken on the draft MATHLR and the preparation of the HNDAs can be found in [Engagement on the Initial Building Blocks for the LHLR – Fife Council’s MATHLR & HNDA Processes](#).

Wider Industry Engagement

A10.6 Fife Council Planning Services regularly engages with the house building industry beyond the annual housing land audit process. The Head of Planning Services and senior managers have 6 monthly individual liaison meetings with builders operating in Fife to discuss progress on their current and future development programmes and any challenges and issues they are facing. In addition, there are regular meetings with Homes for Scotland and their members who build within Fife.

A10.7 Wider industry engagement with private and public stakeholders also takes place through the Fife House Builders Forum organised by Fife Council. The Forum, which has been running for over 15 years, provides an opportunity for industry professionals to come together and discuss the current issues facing the house building industry. Previously, this has been an annual event but 2023 saw the introduction of an additional second event in November as part of Fife Business Week.

Engagement on Evidence Report

A10.8 The timing of the March 2023 Fife House Builders Forum provided a valuable opportunity to discuss the finalised NPF4 (published February 2023) and focussed on delivering homes in the age of NPF4. As always, the Forum considered current issues affecting the house building industry, as well as forthcoming sector priorities. As NPF4 had just been published, the Forum additionally had a specific focus on assessing the impact of NPF4 and highlighting the opportunities to be more collaborative to deliver wider community benefits in the spirit of NPF4. There was much discussion between delegates and speakers on the challenges and opportunities of NPF4, including the expectations of (and on) housebuilders and local planning authorities. A clear message from the March 2023 Forum from Pauline Mills' presentation (Land & Planning Director, Taylor Wimpey East Scotland) and wider delegate discussion was a commonly held view of the housebuilding industry that the Scottish Government's Centre for Housing Market Analysis (CHMA) HNDA Tool used to prepare HNDAs takes a narrow focus on existing overcrowded and concealed household need. This had also been covered in Homes for Scotland's earlier submission to Draft NPF4 [HfS response to NPF4](#) and raised by Homes for Scotland at Fife Council's regular liaison meetings with the industry body.

A10.9 As detailed in the Indicative Local Housing Land Requirement Technical Paper, Fife Council engaged with Homes for Scotland to consider how this industry concern could be addressed in Fife. As the Tayside HNDA had already utilised primary data collection to address this issue, the discussion focussed on how the concerns could be addressed for Fife (Central & South) – the area of Fife covered by the Edinburgh and South East Scotland HNDA. As no secondary data sources existed that could address the concerns, and perceived gaps, the need for primary data was discussed. As the Technical Paper details, primary data collected as part of the Tayside HNDA, but covering Fife (Central & South) was analysed and used to update the existing overcrowded and concealed household need for Fife (Central & South).

A10.10 This updated need was reflected in the draft LHLR and LHLR supporting technical paper and topic paper that were shared with Homes for Scotland. The comments received from Homes for Scotland resulted in changes being made to the LHLR methodology before it was finalised.

A10.11 Homes for Scotland also took the decision to commission their own primary data research for key areas of Scotland, including Fife. Fife Council requested that Fife be in the first tranche of local authority areas to be assessed to allow the findings to inform the Evidence Report. At an update meeting on 17th August 2023,

Homes for Scotland noted they were 1½ weeks into the 5-6 week contract and expected to be in a position to share the results of the primary data collection and analysis by late September 2023 (to fit in with the Evidence Report preparation timeline). Unfortunately by early November, the Homes for Scotland research had still not been received. To meet the deadlines in the Evidence Report work programme, Fife Council had to circulate the draft Local Housing Land Requirement technical paper to Homes for Scotland for comment without the benefit of Homes for Scotland's research helping to inform the draft indicative LHLR.

A10.12 The sharing of a draft indicative Local Housing Land Requirement (LHLR) technical paper with Homes for Scotland attracted comments covering:

- homelessness figures;
- data informing the indicative Local Housing Land Requirement calculation;
- past completions;
- the role the house building industry plays; and
- projected completions in relation to the indicative Local Housing Land Requirement.

A10.13 These comments resulted in changes being made to the indicative LHLR. In addition, Homes for Scotland commissioned two housing needs analysis reports for Fife (one for [Fife North](#) and one for [Fife Central & South](#)). Although received much later than originally programmed, Fife Council fully reviewed and considered these reports in the preparation of the evidence report. Additional analysis, based on the data presented in these reports, was undertaken to inform the Evidence Report and can be found below.

A10.14 The Homes for Scotland reports only estimate existing housing need. Therefore, to identify the impact of this existing need as part of any housing requirement (which would also include future need), the Homes for Scotland existing housing need figures for Fife (North) and Fife (Central & South) have been plugged into the MATHLR methodology in Table 1 below. This illustrates what a revised MATHLR calculation would look like if this existing need had been used in the preparation of NPF4. The figures in the table with a strikethrough highlight the NPF4 MATHLR figures.

Table 1: Homes for Scotland Housing Need Research – illustrates results if fed into a revised MATHLR calculation

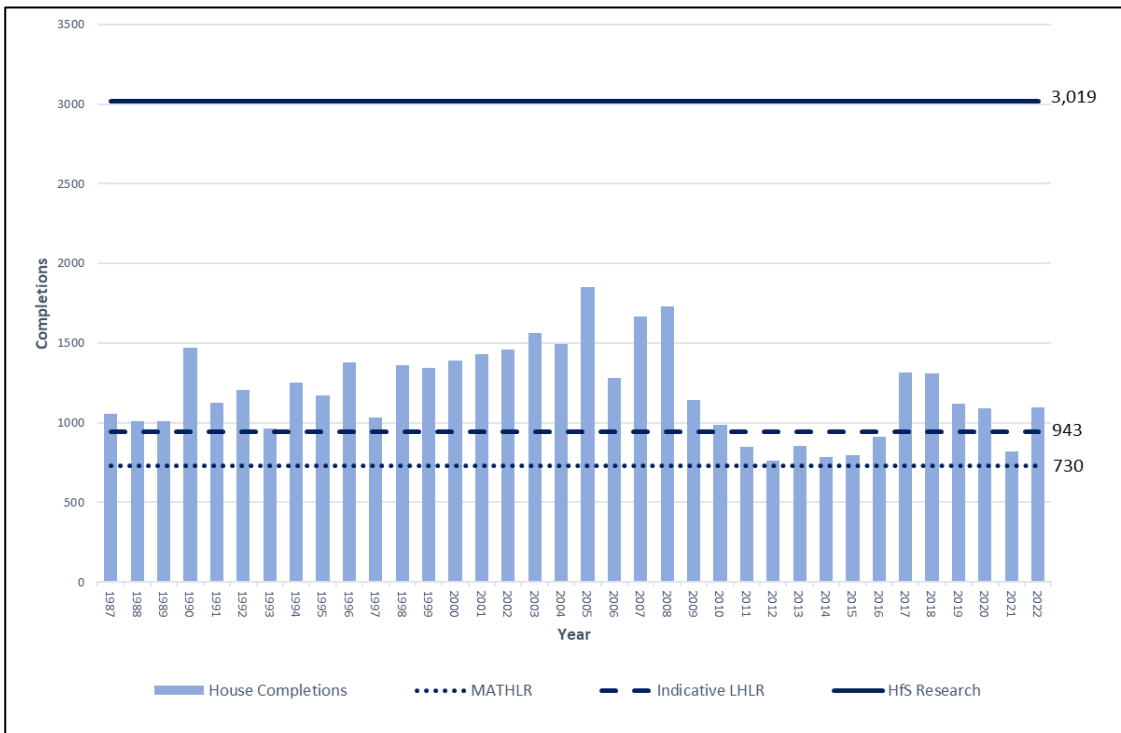
	Existing Housing Need	Newly Forming Households	Flexibility Allowance 25%	Minimum All-Tenure Housing Land Requirement
Fife (North)	700 5,200	700	350 1,475	1,750 7,375
Fife (Central & South)	1,700 15,500	2,750	1,100 4,562	5,550 22,812
Fife	2,400 20,700	3,450	1,450 6,037	7,300 30,187

Source: National Planning Framework 4, Scottish Government

Note: Figures in NPF4 were round up or down to the nearest 50.

A10.15 A reworked MATHLR figure using Homes for Scotland’s housing need research and their increased existing need would result in an annual requirement of 3,019 (more than 4 times that of the NPF4 MATHLR). The last 10 years have averaged 1,009 completions a year. To meet this annual requirement, average completions would have to triple the delivery of the last decade (299%). All at a time when (according to the [housing building figures published by the Scottish Government in December 2023](#)) the number of all-sector new build homes completed in Scotland decreased by 6% (1,355 homes) in the latest year to 21,952 homes, down from 23,307 homes. Figure 1 displays what the annual requirement would be from the revised MATHLR calculation in the context of past completions, the NPF4 MATHLR and the indicative LHLR.

Figure 4: Homes for Scotland Research in context of Past Completions, the NPF4 MATHLR and the Indicative LHLR



A10.16 Through ongoing engagement with Homes for Scotland in the preparation of the Evidence Report, Fife Council has looked to accommodate changes to address comments received. This has resulted in additional primary data analysis of concealed and overcrowded households and changes to the methodology to calculate the LHLR. However, given the significant difference in the housing need figures prepared by Fife Council and Homes for Scotland, no agreement can be reached on existing need and the associated LHLR.

Summary of Implications for the Proposed Plan

A10.17 The LHLR sets out the requirement both by MATHLR/HNDA geography and by tenure and will inform and guide the LDP strategy. The Proposed Plan will require to allocate housing sites to satisfy these requirements whilst balancing development with infrastructure requirements (including considering any existing infrastructure capacity in Fife). It will require to focus on placemaking whilst also being aware of the carbon impacts of individual and cumulative allocations. Deliverability will be key, testing sites using the site assessment criteria, to establish a deliverable housing land pipeline to meet the LHLR.

A10.18 Sites will require to be allocated over a range of geographies and settlements and include a range of site sizes and tenures. However, the Proposed

Plan will not just be required to meet the overall LHLR. It will require to meet the specific local housing needs such as the need for wheelchair and amenity housing and affordable housing. This will be addressed through local policy within the Proposed Plan and the evidence for these and wider housing need is discussed in more detail under the housing needs topic.

Statements of Agreement/Dispute

A10.19 Given the significant difference in the housing need figures prepared by Fife Council and Homes for Scotland, it is clear that no agreement can be reached on existing need and the associated LHLR.