



**REPORT TO: HOUSING AND COMMUNITY SAFETY COMMITTEE ON 13
FEBRUARY 2024**

SUBJECT: HOUSING NEED AND DEMAND ASSESSMENT 2023

**BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND
FINANCE)**

1. REASON FOR REPORT

- 1.1 To inform the Committee of the status of the Housing Need and Demand Assessment and its findings.
- 1.2 This report is submitted to Committee in terms of Section III G (10) of the Council's Scheme of Administration relating to the preparation and implementation of strategic housing plans.

2. RECOMMENDATION

2.1 It is recommended that the Committee:

- (i) considers and notes the “robust and credible” status of the Housing Need and Demand Assessment 2023, and its key findings; and**
- (ii) notes that a consultative draft Local Housing Strategy 2024-29 will be presented to Committee in winter 2024.**

3. BACKGROUND

- 3.1 The Housing Need and Demand Assessment (HNDA) is a statistical reference document which provides a key evidence base for both Local Housing Strategies (LHS) and Local Development Plans (LDP). It is largely analytical, using a wide variety of both national and local data sources, supplemented by qualitative information where appropriate, and using agreed assumptions.
- 3.2 The methodology of HNDA development is set out in Scottish Government Guidance. The Guidance requires that HNDA development is overseen by a Housing Market Partnership. Members include Officers from Housing and Property, Planning, local Housing Associations, Health and Social Care Moray, Cairngorms National Park Authority, and Homes for Scotland.

- 3.3 The Housing Market Partnership has been consulted throughout development of the HNDA, both as a body and individually, making use of particular specialisms of individual members or groups of members e.g. Registered Social Landlords, Health and Social Care Moray.
- 3.4 The Scottish Government's Centre for Housing Market Analysis (CHMA) appraise the process and methodology used to produce the HNDA and award "robust and credible" status when appropriate.

4. DEVELOPING THE HNDA

- 4.1 The draft HNDA 2023 was submitted to the Scottish Government on 8 September 2023 and "robust and credible" status was awarded on 21 December 2023. A full version of the HNDA is available on the Council's website at www.moray.gov.uk/hnda.
- 4.2 HNDA findings are interpreted and refined into Housing Supply Targets through development of LHS and LDP. Therefore, decisions about the amount and type of affordable housing that should be delivered are taken in the LHS Housing Supply Target. The allocation of a generous supply of land for housing is based on the LDP Housing Supply Target, not the HNDA findings.

5. CONSULTATION

- 5.1 In April 2022 the Council appointed Arneil Johnston to develop the HNDA. Arneil Johnston's activity has been overseen by an officer group which includes representatives from Housing and Planning. Formal governance of the development of the HNDA is provided by the Housing Market Partnership.
- 5.2 HNDA are developed firstly from secondary data, i.e. readily available statistical data. This has been supplemented by and triangulated with primary research delivered by Research Resource. This involved analysis of 506 responses to an online survey, and telephone interviews with 405 randomly selected households. The survey was publicised on the Council social media channels and the staff interchange, as well as via Housing Market Partnership contacts. The methodology of this research is detailed in the HNDA at Page 23-30 and Appendix B.
- 5.3 Arneil Johnston have facilitated a series of focus groups on the housing needs of specialist need groups e.g. professionals involved with delivery of services to people with learning disabilities, public and private sector organisations with an interest in housing for essential workers.
- 5.4 The HNDA includes a separate research report into the housing needs of the gypsy/traveller community.

6. **HNDA FINDINGS**

- 6.1 On 31 January 2024, Arneil Johnston delivered a presentation to elected members on the methodology, development and findings of the HNDA.
- 6.2 The HNDA findings are disaggregated into Housing Market Areas. There are 6 Housing Market Areas in Moray – Buckie, Cairngorms, Elgin, Forres, Keith and Speyside. These are intended to represent housing search areas which are recognisable to the general public and are derived from analysis of patterns in private house sales. Housing Market Areas form the basis for geographical target setting in both the LHS and LDP.
- 6.3 The HNDA is required to identify Key housing market drivers affecting the local housing market. These are detailed in Pages 31-38 of the HNDA but are listed below:
- Population decline
 - Ageing population
 - Increasing household numbers
 - Diminishing affordability levels
 - Access to mortgage finance
 - House purchase price and private sector rent increases
 - Local aspirations for economic growth.
- 6.4 The HNDA is required to provide an estimate of the number of additional housing units required. This estimate is presented as a range across 3 scenarios i.e. Scenario 1 based on the NRS principal household projection, Scenario 2 based on the NRS high migration household projection, and Scenario 3 where Scenario 2 has been enhanced with an allowance for housing need associated with economic growth anticipated as part of the Economic Growth Strategy. All scenarios have been found to be “robust and credible”. The Growth Scenario was favoured by the Housing Market Partnership for implementation and found there is a need for 6,730 additional housing units across Moray between 2022-2042. The main drivers for this need is projected growth in the number of households, associated with demographic change, the trend towards smaller households, and projected economic changes. Full details are available in Section 5 of the HNDA (from Page 39). These figures provide a key evidence base for the Housing Supply Target in the Local Development Plan 2027.
- 6.5 The HNDA provides the proportion of additional housing units required in each tenure, based upon agreed assumptions on housing costs and affordability and future economic conditions in Moray, detailed in the HNDA (Page 54). The HNDA has found that 55-66% of additional housing units are required to be priced at below market price i.e. affordable rented or intermediate tenure.
- 6.6 The HNDA makes an agreed assumption that the backlog of affordable housing need would be cleared in 5 years and finds that there is a need for 714 additional housing units per year for 20 years. These figures are shown in the table below.

Additional Housing units required per year (years 1-5), by tenure, by housing market area							
Tenure (Scenario 3 – Growth)	Buckie HMA	Cairngorms HMA	Elgin HMA	Forres HMA	Keith HMA	Speyside HMA	Total
Social Rent	62	0	289	66	39	30	486
Below market rent/ Intermediate tenure	10	1	28	10	5	5	57
Private rent	9	1	45	15	5	5	81
Owner occupied	16	1	39	18	8	8	89
Total	97	12	401	109	57	47	714

Figures may not sum due to rounding

- 6.7 The HNDA has found that since 2001, population change across the Moray area has been driven by an ageing population with a 52% increase in those aged 65+ and an 86% increase in the 85+ age group. Population ageing is projected to continue with a 32% increase in those aged over 65 between 2022 and 2042. As a result, there will be a growing need for amenity housing and wheelchair accessible and in all tenures, to enable people to live well as independently as possible for as long as possible.
- 6.8 The HNDA includes an assessment of the need for wheelchair accessible and amenity housing (HNDA Appendix I), following consultation with key stakeholders in this area (HNDA Appendix O). The HNDA has found a need for 150 amenity units and 90 wheelchair accessible units per year for the next 5 years. The strategic response to this finding will require further consultation with Health and Social Care Moray and specialist Housing Associations and will be detailed in the forthcoming draft Local Housing Strategy.
- 6.9 The HNDA includes an assessment of the need for key worker housing (HNDA Appendix O). This assessment found that a shortage of key worker housing options is having a substantial impact on public and private sector recruitment and retention in Moray and that *“public sector employers and particularly the NHS, are experiencing major housing related recruitment problems”*. Competition in recruiting NHS and allied health professionals was exacerbating wider key worker housing pressures in Moray, with public sector organisations less able to be agile in the Moray housing market and less able to test creative solutions. The HNDA recommends that *“given the competing pressures across public and private employers, creating a definition of key workers that social landlords could use to target and prioritise the allocation of social housing is required”*, and that mid-market rent development should be considered as a model for new provision. These issues will be considered as part of development of the next Local Housing Strategy.
- 6.10 In December 2023 Officers initiated discussion with NHS Grampian with the aim of increasing supply of housing suitable for their needs. Addressing NHS Grampian housing need has been referenced in two reports elsewhere on this agenda i.e. Affordable Housing Programme and Allocations Policy.

- 6.11 The Gypsy Traveller Accommodation Needs Research recommends development of 1 or 2 public sites with a mixture of permanent and temporary pitches. Full details available in the HNDA (Page 87 and Appendix J).

7. FUTURE ACTIONS

- 7.1 The HNDA 2023 findings will be fundamental to the development of the next LHS. It is notable that although the methods used to deliver the HNDA 2023 vary from the previous HNDA, the findings are similar. This means that the priorities and approaches are likely to remain similar between current and new LHSs. Officers will present a consultative draft LHS to this Committee in winter 2024/25.
- 7.2 In addition, the HNDA findings from the baseline for the housing land requirement in the LDP, as well as identifying issues to be addressed through planning policy, e.g. provision for gypsy travellers etc.

8. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

The HNDA provides a key evidence base to support development of the Councils strategic approach to housing issues, delivered through the LHS 2024-29 and LDP.

(b) Policy and Legal

The Scottish Government's HNDA Guidance states that "The Directorate for Planning and Environmental Appeals has commented that, where the CHMA has confirmed that an HNDA is robust and credible, the approach used should not be subject to any further procedure at a Development Plan examination. Any discussion at examination is therefore expected to focus on issues raised in representations that relate to the proposed policies and housing allocations included in the proposed Development Plan and their relationship with the findings of the HNDA. The HNDA 2023 findings form the baseline for the housing land requirement in the LDP.

(c) Financial implications

There are no financial implications arising from this report.

(d) Risk Implications

None. Action taken as a result of the HNDA findings will be developed through the LDP and the LHS 2024-29.

(e) Staffing Implications

There are no staffing implications arising from this report.

(f) Property

There are no property implications arising from this report.

(g) Equalities/Socio Economic Impact

The HNDA includes a needs assessment in relation to protected groups, particularly in relation to age and disability and will inform future decisions that will assist in meeting those needs.

The HNDA also includes an assessment of the need for affordable housing and can assist inform strategic decisions in accordance with the socio-economic duty under section 1 of the Equality Act 2010.

(h) Climate Change and Biodiversity Impacts

The HNDA will be a key evidence base for the forthcoming LHS. The aims of the LHS will be closely aligned to the Council's Climate Change Strategy, and Local Heat and Energy Efficiency Strategy (LHEES).

(i) Consultations

This report has been subject to consultation with the Depute Chief Executive (Economy, Environment and Finance), the Head of Housing and Property Services, the Head of Economic Growth and Development, the Strategic Planning and Development Manager, the Equalities Officer and Lissa Rowan, Committee Services Officer.

9. CONCLUSIONS

9.1 Scottish Planning Policy requires that LDP and LHSs are developed in tandem, and that both are supported by a HNDA. This report advises the Committee that the Council's HNDA 2023 was assessed as "robust and credible" on 21 December 2023.

9.2 This report summarises the HNDA 2023 findings and advises that a consultative draft LHS will be presented to this Committee in winter 2024/25.

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Background Papers: with author

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