

Housing Land Supply Overview

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Section 1- Introduction

1.1

The purpose of this report is to provide an overview of the **deliverability and effectiveness of existing housing land supply in West Lothian**, with regard to opportunities for future growth and in particular as a **basis for promotion of land at Dechmont**.

1.2

The requirement upon Local Authorities to maintain a generous land supply at all times, including a minimum 5 year effective housing land supply, is firmly established in national planning policy. Housing land deliverability is critical in terms of meeting demand and its importance is elaborated upon within *Scottish Planning Policy (SPP) (Scottish Government, updated June 2014)* and the *National Planning Framework 3 (Scottish Government, June 2014)*, which is reflected at regional level by the approved *SESplan (June 2013)* and at the local level by the *West Lothian Local Plan (adopted 2009)*. Specific guidance on the assessment of sites, in terms of deeming their ‘effectiveness’, is contained with *Planning Advice Note (PAN) 2/2010 ‘Affordable Housing and Housing Land Audits’ (Scottish Government, 2010)*.

1.3

The South East Scotland Strategic Development Plan (“SESplan”) identifies a housing land requirement for the SESplan area from 2009 – 2019 of 74,835 houses and for the period from 2019 – 2024 of 32,710 houses. SESplan also identifies the scale of the likely housing requirement between 2024 and 2032 as a further 48,000 houses. SESplan requires each of the constituent local authorities to maintain a 5 year effective housing land supply at all times within its own area. SESplan also authorises the grant of Planning Permission for non-allocated sites in order to maintain a 5 year effective housing land supply subject to satisfying certain specific criteria.

1.4

SESplan Supplementary Guidance on Housing Land is also a key consideration. Following public consultation, ratification by participating local authorities and submission to the Scottish Government, Ministers issued a letter on 18th June 2014 seeking a modification to ensure the Guidance accorded with SESplan in defining how a 5 year land supply is to be calculated (i.e. based on requirements for 2009-19 & 2019-24 rather than 2009-24 as proposed). It is understood that this modification will be adopted by SESplan, subject to ratification by member local authorities.

1.5

Given this position, the Supplementary Guidance and housing land requirement contained therein now comprises the up to date basis by which to assess West Lothian’s housing land requirement.

Section 2- Approach & Methodology

2.1

Clarendon have utilised the latest available agreed Housing Land Audit (Lothians HLA 2013 – agreed between local authorities and Homes for Scotland) as a basis for **assessing effective housing sites within West Lothian which should provide for a minimum 5 year minimum supply**, as per national, strategic and local planning policy. Clarendon have also considered the latest agreed Housing Land Audits for Scottish Borders Council and Fife Council in order to identify effective sites within the SESplan area.

2.2

The supply is assessed against the approved SESplan regional requirement as set out in SESplan Supplementary Guidance on Housing and the associated SESplan Housing Needs and Demand Assessment (HNDA). This enables an analysis to be undertaken of the ability for a 5 year effective supply to be maintained.

2.3

Based on the above methodology, realistic deliverability of the effective land supply can then be established with any shortfall identified versus the strategic housing land requirement.

Section 3- West Lothian Planning Context

3.1

The *National Planning Framework* sets out national priorities for development and planning and provides the context for regional and local planning. In this regard, NPF3 sets out a vision for creating successful, sustainable places where, “*all of our people are entitled to a good quality living environment*”, noting that households are forecast to increase by 23% throughout Scotland between 2014 and 2035 (Para.2.4) and 32% within the SESplan area. In order to facilitate growth, Paragraph 2.5 states that “*we want to see a significant increase in housebuilding to ensure housing requirements are met across the country*”, whilst Paragraph 2.18 confirms that, “*there will be a need to ensure a generous supply of housing land in sustainable places where people want to live, providing enough homes and supporting economic growth*”. In order to deliver increased housing, NPF3 highlights the need for ‘more concerted efforts’ to remove infrastructure constraints with particular emphasis on areas of ‘acute’ demand including the Edinburgh area.

3.2

SESplan and its associated HNDA sets out a housing requirement from 2009 to 2024 of approximately 107,000 new houses. However, due to insufficient evidence to allow the housing requirement for each constituent local authority to be assessed, the examination Reporters recommended and Scottish Ministers accepted that SESplan could only identify a regional requirement and Supplementary Guidance would be required to be produced to provide detailed information for Local Development Plans as to how much of the housing requirement should be met in each of the 6 local authority areas in the periods from 2009 – 2019 and 2019 – 2024.

3.3

Draft Supplementary Guidance was approved at the SESplan committee of 30th September 2013 and subsequently ratified by individual councils with public consultation completed by December 2013.

On 10th March 2014, SESplan committee approved the post-consultation Guidance for submission to the Scottish Government, who on 18th June 2014, issued a letter seeking modification to ensure the Guidance accorded with SESplan. **This modification will confirm that calculation of the 5 year land supply will require to be derived from the 2009-19 SESplan housing land requirement rather than an average of the overall 2009-24 period.**

3.4

West Lothian Council decided to delay the publication of the first stage of the new Local Development Plan until SESplan guidance was confirmed. On 19th June 2014, West Lothian’s Council Executive approved the LDP Main Issues Report for public consultation (between August and October 2014). A ‘Proposed LDP’ is not expected until 2015 with adoption in 2016, being approximately 2 years beyond the intended adoption timescale.

Section 4- Effective Land Supply Appraisal

Housing Land Requirement

4.1

The *SESplan Housing Need and Demand Assessment (HNDA)* provides a region-wide assessment with a requirement from 2009 to 2019 for 74,835 houses, equating to an annual completion requirement of 7,483 houses across the region and an initial 5 year land supply requirement to enable 37,415 completions. A housing demand forecast for each local authority area is provided in the SESplan HNDA which confirms that the average need/demand for new housing in West Lothian in the period 2009-19 is 11,420 units - Table 3.1 of SESplan Supplementary Guidance Technical Note.

4.2

SESplan Supplementary Guidance Table 3.1 confirms the requirement for the SESplan area for 2009-19 as 74,840 units including 11,420 units within West Lothian. As noted above, this agreed housing land requirement should form the basis of calculating a 5 year effective land supply requirement.

4.3

Taking the **wider SESplan context** firstly, completions for the period 2009-13 for the SESplan area (as per SESplan SG Housing Technical Note Table 3.8* and agreed 2013 Housing Land Audits** for Lothians, Scottish Borders and Fife-part), comprised the following:-

- 2009/12 11,771 units*
- 2012/13 3,534 units**

- Total 15,305 units

4.4

Based on the 2009-19 SESplan requirement of 74,840 units, this results in an **outstanding requirement for 59,535 units in the period 2013-19**, which equates to an annual average of 9,923 units to meet this target

or a **5 year land supply requirement of 49,615 units across the SESplan area.**

4.5

For **West Lothian**, completions for the period 2009-13, as detailed within Housing Land Audits 2010-2013, comprise the following:-

- 2009/10 543 units
- 2010/11 530 units
- 2011/12 229 units
- 2012/13 523 units

- Total 1,825 units

4.6

Based on the 2009-19 SESplan SG Requirement of 11,420 units, this results in an **outstanding requirement for 9,595 units in the period 2013-19**, which equates to an annual average of 1,599 units to meet this target or a **5 year land supply requirement of 7,995 units for West Lothian.**

Housing Land Supply 2009-19

4.7

Based on the 'net' **SESplan-wide requirement** of 59,535 units in the period 2013-19, as outlined in 4.4 above, we can assess the wider housing land supply situation by deducting programmed completions, as per Lothians HLA 2013, Fife HLA 2013 and Scottish Borders HLA 2013:-

Year	Lothians	Fife	Borders	Total
2013/14	2902	645	267	3814
2014/15	3101	804	308	4213
2015/16	3777	802	453	5032
2016/17	4162	864	786	5812
2017/18	3800	967	914	5681
2018/19	4001	1083	971	6055
Small Sites			658	658
Total	21743	5165	4357	31,265

The programmed supply results in a **substantial shortfall of 28,270 units in the period to 2019 (i.e. just 52% of current requirement is met)**.

4.8

West Lothian HLA 2013 programmed completions for the period 2013-2019 comprise the following:-

- 2013/14 573 units
- 2014/15 649 units
- 2015/16 755 units
- 2016/17 875 units
- 2017/18 773 units
- 2018/19 711 units

- Total 4,336 units

Based on the 'net' SESplan SG requirement for West Lothian of 9,595 units outlined in 4.6 above, this results in a **shortfall of 5,259 units in the period to 2019 (i.e. just 45% of requirement is met)**.

5 Year Effective Land Supply 2013-2018

4.9

In terms of the national planning policy requirement of maintaining a minimum 5 year effective land supply at all times, the existing land supply shortfall can be illustrated in terms of the 2 approaches taken to overall land supply.

Overall SESplan area

- 5 Year 'Net' Requirement: 49,615 units or 9,923 per annum (see 4.4 above)
- 5 Year Supply: 25,210 units (2013-2018 programme from Lothians, Borders & Fife-part 2013 HLAs)
- **Shortfall of 24,405 units**
- **Effective Land Supply: 51% or 2.5 years**

West Lothian (approved SG requirement)

- 5 Year 'Net' Requirement: 7,995 units or 1,599 per annum (see 4.6 above)
- 5 Year Supply: 3,625 units (W.Loathian 2013 HLA)
- **Shortfall of 4,370 units**
- **Effective Land Supply: 45% or 2.3 years**

4.10

This assessment confirms the **severe land supply shortage position in both the wider SESplan housing market area and West Lothian in particular**.

4.11

Appendix 1 provides a **rolling Effective Land Supply assessment for the whole 2009-24 SDP period** for which a land requirement has been set. This utilises 2013 HLA programming, extended programming of sites to 2024 and inclusion of the specified additional SESplan allowance (2,130 units). **This forecasts a failure to meet an adequate Effective Land Supply throughout the whole period to 2024 and highlights the need to provide early approval of new sites emerging through the LDP MIR.**

Past Completions

4.12

In order to achieve the completion rate required in West Lothian to 2019, a significant increase in completions will be required in comparison to historical rates. From 2001-02 to 2011-12, the completion rate for West Lothian comprised the following (source: Annual Housing Monitor, Lothians 2012 & 2013 HLA):-

- 2001/02 1,281 units
- 2002/03 925 units
- 2003/04 1,158 units
- 2004/05 1,288 units
- 2005/06 1,175 units
- 2006/07 714 units
- 2007/08 928 units
- 2008/09 422 units
- 2009/10 543 units
- 2010/11 530 units
- 2011/12 229 units
- 2012/13 523 units

The average completion rate in this 12 year period was 810 units per annum. The SESplan HNDA annual requirement for the 2009-19 period equates to 1,142 units per annum, whilst the adjusted annual requirement allowing for completions to 2013 is 1,599 units per annum. This demonstrates the severity of the situation in terms of requiring to build more houses than in any of the previous 12 years.

4.13

Whilst the recession has impacted on housing output, strategic land requirements are based upon population and household growth forecasts and therefore represent a demand that has substantially not been met. There is a clear need to provide a generous supply of effective housing outlets which can maximise completions and address the supply backlog.

Spatial Strategy & New Allocations

4.14

The housing land allowances within the approved SESplan Supplementary Guidance **requires West Lothian to identify land for an additional 2,130 units in the period to 2024**. This requires a significant level of new sites to provide this requirement over the next ten years.

4.15

The approved SESplan sets out regional spatial strategy including a **West Lothian Strategic Development Area**, which has a broad definition but mainly focuses on the M8 corridor.

4.16

This mirrors previous regional strategy (2004 Structure Plan) which included significant land releases within Core Development Areas to meet requirements to 2015, including Armadale (1,000 units minimum), Livingston/Almond Valley (3,000 units minimum) and Winchburgh/East Broxburn/Uphall (3,000 units minimum). These releases were reflected within the 2009 adopted West Lothian Local Plan which included site capacities in excess of these minimum requirements to allow for future growth.

4.17

The 2013 HLA confirms the following status of these three growth areas:-

CDA	Complete	Prog to 2015	Total to 2015	5 Yr Effective
Armadale	75	115	190	505
Liv'ston (2)	0	92	92	461
Winch/ Brox (2)	0	151	151	588
Total	75	358	433	1,554

4.18

This means that **of the previous Structure Plan requirement for a minimum of 7,000 houses by 2015 (focusing on these Core Development Areas), just 433 units will have been provided, i.e. 6%.**

4.19

Furthermore, just 1,554 units from these CDAs will contribute to the current 5 year effective land supply, i.e. just under 80% of the previous Structure Plan growth areas will still have not been delivered five years from now.

4.20

This illustrates the **complexity and restrictions involved in delivering a high rate of units from large-scale sites** where infrastructure, legal and planning timescales can hinder early development. It is not simply a matter of restrictions on development and mortgage finance which have reduced output from these strategic allocations. This **indicates that a range of deliverable sites, which can be phased to allow for early completions should be considered in the short term.**

4.21

SESplan Paragraphs 85-92 outline the scope for growth within the West Lothian Strategic Development Area, noting that Livingston is the principal settlement and will be the main focus for growth. New allocations are to be in sustainable locations, *“where infrastructure is either available or can be provided and in locations where there are no environmental constraints”*.

4.22

Supplementary Guidance Technical Note Paragraphs 5.37-5.40 note that strategic assessment areas include the M9 corridor, western West Lothian and the M8 corridor. However, infrastructure and environmental constraints are noted and given the

scale of the housing requirement, sites that can deliver early development (in line with provision of any specific infrastructure ‘gaps’) will need to be considered throughout the local authority area.

4.23

The **new Local Development Plan Main Issues Report**, approved by the Council in June 2014 for public consultation, moves towards this more dispersed spatial strategy with several major housing sites identified outwith the CDAs. This approach is wholly supported in assisting with the delivery of housing in the short term.

Section 5- Summary

- National, strategic and local planning policy require a 5 year effective housing land supply to be available at all times
- Approved SESplan identifies a 74,835 housing requirement in period 2009-19 for the SESplan housing market area; based on completions to 2013, there is a shortfall of over 28,000 units, i.e. just 52% of the requirement will be met
- The approved SESplan HNDA and Supplementary Guidance provides a housing land requirement for West Lothian demand of 11,420 units in the period 2009-19; based on completions to 2013, there is a shortfall of over 5,000 units, i.e. just 45% of the requirement will be met
- SESplan Supplementary Guidance is now a material consideration given the effective approval by Scottish Ministers (subject to a wording modification which reiterates the need to meet pre-2019 requirements as well as overall 2009-24 requirements)
- Utilising West Lothian's 2013 Housing Land Audit, there is a 5 year effective land supply shortfall of 4,370 units with just a 45% or 2.3 year supply being provided
- Appendix 1 provides a rolling assessment of Effective Land Supply throughout the 2009-24 period (i.e. in line with SESplan land requirements) and confirms that West Lothian fails to provide an adequate supply for any 5 year period within this timescale, based on an inclusion of the additional 2,130 unit allowance via the emerging LDP
- West Lothian's spatial strategy has focused on large-scale Core Development Areas but these major housing sites have been slow to provide completions with just 6% of the previous Structure Plan requirement to 2015 likely to be met
- West Lothian's timescales for production of their LDP means that a post-public consultation Proposed Plan will not be available until late 2015 with adoption in 2016, with completions from LDP sites unlikely prior to 2017
- The recent Council approval of a Local Development Plan Main Issues Report for public consultation provides a shift in spatial policy to allow a range of sites outwith Core Development Areas - the opportunity now exists for West Lothian to address the severe effective land supply shortfall and support applications that accord with the emerging spatial strategy, following initial public consultation later in 2014

Appendix 1 - West Lothian Rolling Effective Land Supply Assessment

West Lothian

APPENDIX 1

Assessment of Housing Land Requirement and Effective Supply

West Lothian

Based upon 2013 Housing Land Audit & SESplan & 2012 Lothians housing Monitor

Table 1: Housing Land Requirement

SESplan Housing Land Requirement 2009-19:	11420
Annual average equivalent:	1142
SESplan Housing Land Requirement 2019-24:	6590
Annual average equivalent:	1318

Table 3: Housing Land Supply Assessment

	09/10	10/11	11/12	12/13	13/14	14/15	15/16	LDP1 16/17	LDP2 17/18	LDP3 18/19	LDP4 19/20	LDP5 20/21	LDP6 21/22	LDP7 22/23	LDP8 23/24
Completions	543	530	229	523											
7 Year Land Supply (2013 HLA)					573	649	755	875	773	711	679				
Post-7r Supply small sites allowance cont'd												26	26	26	26
Post-7r Supply large sites cont'd programme												553	523	504	480
SESplan 2009-24 Allocation (2130 units)									300	300	300	300	300	300	300
West Lothian Total Estimated Supply	543	530	229	523	573	649	755	875	1073	1011	979	879	849	830	806
Annual Strategic Requirement	1142	1142	1142	1142	1142	1142	1142	1142	1142	1142	1318	1318	1318	1318	1318
	-599	-612	-913	-619	-569	-493	-387	-267	-69	-131	-339	-439	-469	-488	-512

Table 3: Rolling 5 Year Effective Land Supply

5 Year	2009/10- 2013/14	2010/11- 2014/15	2011/12- 2015/16	2012/13- 2016/17	2013/14- 2017/18	2014/15- 2018/19	2015/16- 2019/20	2016/17- 2020/21	2017/18- 2021/22	2018/19- 2022/23	2019/20- 2023/24
Effective Land Supply											
Programmed Completions	2398	2504	2729	3375	3925	4363	4693	4817	4791	4548	4343
Effective Land Supply Target	5710	5710	5710	5710	5710	5710	5886	6062	6238	6414	6590
ELS Target pa (average)	1142	1142	1142	1142	1142	1142	1177	1212	1248	1283	1318
% ELS achieved	42%	44%	48%	59%	69%	76%	80%	79%	77%	71%	66%
Years ELS	2.10	2.19	2.39	2.96	3.44	3.82	3.99	3.97	3.84	3.55	3.30