West Lothian Local Development Plan 2 Evidence Report	
Schedule	**10. Indicative Local Housing Land Requirement**

Information required by the Act and NPF4 regarding the issue addressed in this section	**Town and Country Planning (Scotland) (Act) 1997, as amended:**
	
	• Section 15 (1A) The Local Development Plan must also include targets for meeting the housing needs of people living in the part of the district to which it relates.
	• section 15(5)
	  o the principal physical, cultural, economic, social, built heritage and environmental characteristics of the district'
	  o The housing needs of the population of the area, including in particular, the needs of persons undertaking further and higher education, older people and disabled people; and
	  o The availability of land in the district for housing, including for older people and disabled people.
	• Section 16(2)(ab) In preparing the LDP the planning authority are to have regard to the list published under section 16E of persons seeking to acquire land in the authority's area for self-build housing.
	• Section 16B(3)(b)(i)) the Evidence Report must set out a summary of the action taken by the planning authority to support and promote the construction and adaptation of housing to meet the housing needs of older people and disabled people in the authority's area, and an analysis of the extent to which the action has helped to meet those needs.
	• Regulation 9 - have regard to: any local housing strategy (LHS).
	• Regulation 24 - a Delivery Programme is to set out the following matters: the expected sequencing of, and timescales for, delivery of housing on sites allocated by the LDP.
	
	National Planning Framework 4 (adopted 13 February 2023)
	
	• Policy 16 - LDPs are expected to identify a Local Housing Land Requirement for the area they cover. This is to meet the duty for a housing target and to represent how much land is required. To promote an ambitious and plan-led approach, the Local Housing Land Requirement is expected to exceed the 10 year Minimum All Tenure Housing Land Requirement (MATHLR) set out in Annex E.
	• Deliverable land should be allocated to meet the 10 year Local Housing Land Requirement (LHLR) in locations that create quality places for people to live. Areas that may be suitable for new homes beyond 10 years are also to be identified. The location of where new homes are allocated should be consistent with local living including, where relevant, 20 minute neighbourhoods and an infrastructure first approach. In rural and island areas, authorities are encouraged to set out tailored approaches to housing which reflect locally specific market circumstances and delivery approaches. Diverse needs and delivery models should be taken into account across all areas, as

	well as allocating land to ensure provision of accommodation for Gypsy/Travellers and Travelling Showpeople where need is identified. • The LDP delivery programme is expected to establish a deliverable housing land pipeline for the Local Housing Land Requirement. The purpose of the pipeline is to provide a transparent view of the phasing of housing allocations so that interventions, including infrastructure, that enable delivery can be planned: it is not to stage permissions. Representing when land will be brought forward, phasing is expected across the short (1-3 years), medium (4-6 years) and long-term (7-10 years). Where sites earlier in the deliverable housing land pipeline are not delivering as programmed, and alternative delivery mechanisms identified in the delivery programme are not practical, measures should be considered to enable earlier delivery of long-term deliverable sites (7-10 years) or areas identified for new homes beyond 10 years. De-allocations should be considered where sites are no longer deliverable. The annual Housing Land Audit will monitor the delivery of housing land to inform the pipeline and the actions to be taken in the delivery programme. Other schedules which should be read alongside this schedule on West Lothian's indicative Local Housing Land Requirement (LHLR): • 11 - Affordable and Specialised Homes • 12 - Brownfield Land • 13 - Rural Homes • 28 - Site Selection Criteria • Background Paper – Health and Housing
Links to Evidence referenced in this schedule	• Scottish Government, Housing to 2040 • Edinburgh and South East Scotland, South East Scotland Housing Needs and Demands Assessment 3 (HNDA3) • Scottish Government, National Planning Framework 4 and MATHLR figure • West Lothian Council, Housing Land Audit 2023 • Scottish Government, A Scotland for the future: opportunities and challenges of Scotland's changing population. • West Lothian Council, Local Housing Strategy 2023 - 2028 • West Lothian Council, Strategic Housing Investment Programme (SHIP) • West Lothian Council, Local Outcome Improvement Plan, 2023 - 2033 • Diffley / Rettie Report on behalf of Homes for Scotland (HFS) Existing Housing Need in West Lothian, January 2024 • West Lothian Council and NHS Lothian PHHP Directorate, Health and Housing Background Paper. • DVS, Valuation Report: Affordable Housing Viability and Commuted Sum Exercise – West Lothian Council • West Lothian Council, Declaration of a housing emergency, Minute of Meeting of Council Executive held 28th May 2024 • West Lothian Council, Housing Emergency Action Plan, October 2024 • Age Scotland, Housing Survey, April 2023 • West Lothian Council, Corporate Plan 2023 - 2028 • Scottish Government, Local Development Planning Guidelines, May 2023

	• CHMA, HNDA Estimating concealed family rates with overcrowding using Scottish survey data (2016-2018) • Scottish Government, Letter from Chief Planner and Minister for Public Finance, June 2024 • Scottish Government, Planning and the housing emergency – Delivery Plan, November 2024 • Greater London Authority: Housing Research Research Note 10: The affordability impacts of new housing supply; A summary of recent research • Letwin report – Sir Oliver Letwin's final report on how to close the significant gap between housing completions and the amount of land allocated or permissioned. • UK Government, Competitions and Market Authority (CMA), Housebuilding Market Study, Scotland Summary, February 2024 • National Record for Scotland (NRS), household projections for Scotland, 2018 based • Presentation to the West Lothian Health and Wellbeing Partnership on LDP2. • NRS Scotland, West Lothian Council Area Profile (nrscotland.gov.uk) • Scottish Government, Scottish Household Survey, 2022 • West Lothian Council, Housing Land Audit 2023 • West Lothian Council, Delivery Programme, Adopted November 2024 • The Strategic Plan Needs Assessment, carried out by Axion on behalf of the West Lothian Health and Social Care Partnership, September 2022 • UK Collaborative Centre for Housing Evidence; Sustainable Housing Policy in Scotland: Re-Booting the Affordable Housing Supply Programme

Summary of Evidence

Purpose, scope and structure of this schedule

This schedule focuses on West Lothian's indicative Local Housing Land Requirement (LHLR). LDPs are expected to identify an indicative Local Housing Land Requirement for the area they cover. This is to meet the duty for a housing target and to represent how much land is required. To promote an ambitious and plan-led approach, the Local Housing Land Requirement is expected to exceed the 10 year Minimum All Tenure Housing Land Requirement (MATHLR) for West Lothian as set out in National Planning Framework 4, Annex E.

This schedule and its evidence are set out in the following sections:

- Part 1 – National Strategies, priorities and evidence
- Part 2 – Local Strategies, priorities and evidence
- Part 3 - Housing Needs and Demand Assessment 3 (HNDA3)
- Part 4 - Calculation of the Local Housing Land Requirement
- Part 5 – Options for setting West Lothian's Local Housing Land Requirement
- Part 6 – West Lothian Housing Land Supply
- Part 7 - Delivery of affordable housing
- Part 8 - Limits that effect housing delivery
- Part 9 – Engagement on the Local Housing Land Requirement

Part 1 – National strategies, priorities and evidence

1.1 The Scottish Government's **Housing to 2040** (March 2021) sets out a vision for housing in Scotland and a route map to get there by 2040. The route map aims to deliver the Scottish Government's ambition for 'everyone to have a safe, good quality and affordable home that meets their needs in the place they want to be'. The strategy sets out an aim of delivering a further 100,000 affordable homes over the following ten years up to 2031/32, with at least 70% of these for social rent.

1.2 The Scottish Government's report, **A Scotland for the future: opportunities and challenges of Scotland's changing population** also recognises the demographic challenges of an ageing population and a falling fertility rate in Scotland.

1.3 A **national housing emergency** was declared for Scotland by the Scottish Government in May 2024. Following the declaration of a housing emergency in Scotland, the Scottish Government published the **Planning and the Housing Emergency Delivery Plan** in November 2024. The Planning and Housing Emergency Delivery Plan focuses on 4 different action areas relating to policy, delivery, efficiency and capacity. The actions in relation to policy are;

- Continue to support the application of national planning policies
- Identify mechanisms to accelerate build out of housing sites
- Support good practice in community benefits from housing

1.4 The delivery plan found, 'Evidence shows that the housing emergency has emerged as a result of a number of factors. In Scotland, planning permission has been granted for many more homes than are currently being built'.

1.5 The Competition and Markets Authority has identified that since 2014, the average number of homes given planning permission in Scotland was 29,000 annually, and that this significantly exceeded housing land supply targets, and indeed the number of house starts (average 19,892 per year) and completions (average 19,160 per year), over the period as a whole. This evidence on supply raises questions about how sites that already have planning permission, which in total are estimated to represent more than 164,000 unbuilt homes across Scotland can come forward to delivery.

1.6 To further understand the specific challenge for planning, Scottish Government reviewed in more detail the land supply in the Glasgow and Edinburgh city regions, based on data gathered by local authorities in their latest housing land audits and compiled by the Improvement Service, as well as commercially available construction data on activity on sites. This suggests, as a broad estimate, that across these regions land for around 114,000 homes has been granted planning permission and not yet completed. Of these, 38,000 units had started work on site. In addition to this, there was also allocated land for a further 64,000 homes that had yet to receive planning permission.'

1.7 Further evidence on factors limiting delivery is set out in part 8 of this schedule.

Part 2 - Local strategies, priorities and evidence

2.1 West Lothian council **declared a housing emergency** on the 28th May 2024. The declaration was as a result of an imbalance between supply and demand for permanent social rented accommodation continuing to be the key challenge in West Lothian. The imbalance is the key driver of the ongoing breach of statutory duties and budget pressures that are experienced within the council due to the high reliance of unsuitable accommodation.

2.2 The need for affordable social housing in West Lothian remains high due to the high number of applications for housing, high sustainability and low turnover of properties. Low wages, reduced disposable income and increased mortgage rates continue to drive people of West Lothian to regard council and RSL housing as the main affordable housing option.

2.3 In October 2024 council officers reported a **draft Housing Emergency Action Plan (HEAP)** to Council Executive. A meeting held on 8 July 2024 was attended by the Council Leader, the Executive Councillor for Housing Services, council officers, the Minister for Housing and Scottish Government officials. At this meeting, the council asked for a reversal of cuts, more funding and suspension of some statutory requirements.

Part 3 - Housing Needs and Demand Assessment 3 (HNDA3)

3.1 A **Housing Needs and Demand Assessment** (HND3) was carried out on behalf of the South East Scotland region comprising the City of Edinburgh, East Lothian, Midlothian, Scottish Borders, West Lothian and Fife (West and Central). This was certified as being 'robust and credible' on 28th July 2022 by the Scottish Government's Centre for Housing Market Analysis (CHMA).

3.2 The purpose of the HNDA is to estimate the future number of additional housing units to meet existing and future housing need and demand by housing market area, based on a range of scenarios rather than precise estimates.

3.3 Page 63 of Scottish Government Local Development Planning Guidelines set out that 'Where the Scottish Government (Centre for Housing Market Analysis) is satisfied that the HNDA is robust and credible, the approach used will not normally need to be considered further at the Gate Check'. Where stakeholders consider further evidence may be relevant after a robust and credible HNDA has been achieved, this may be raised in engagement, reflected in the Evidence Report and it is at the discretion of the reporter to consider whether a request for further information is appropriate.

Existing Need

3.4 The existing need data included in HNDA3 is as follows:

Local authority existing need							
Category	**City of Edinburgh**	**East Lothian**	**Fife (W&C)**	**Midlothian**	**Scottish Borders**	**West Lothian**	**South East Scotland**
Homelessness / temporary	4,825	710	1,246	762	248	1,246	9,037
Both overcrowded and concealed	274	57	171	64	22	139	727
Support needs / special forms of housing	200	74	263	288	103	0	928
Total	**5,299**	**841**	**1,679***	**1,114**	**373**	**1,385**	**10,691**

* Fife (W&C) total affected by rounding due to calculation for identifying only those parts in South East Scotland

3.5 During the progression of the HNDA, the HNDA default estimates were replaced by Local Authority generated existing need figures. The figure used for West Lothian is 1,385, which is made up of 1,246 homeless and in temporary accommodation and 139 households who are both overcrowded and concealed.

3.6 The methodology used for calculating existing need is the HoTOC methodology (Homeless Households that are in Temporary accommodation and Households that are both Overcrowded and Concealed). This includes households who are either homeless in temporary accommodation and households who are both overcrowded and concealed.

3.7 The definition of concealed is a concealed family and does not include a single person, for example an elderly parent living with their adult child and family or an adult child returning to the parental home are not concealed families. Overcrowded dwellings are those which have failed to meet the Bedroom Standard, as defined in the Housing (Overcrowding) Act 2003, which lays out the groups or individuals who require a separate bedroom.

3.8 The HoTOC methodology has been introduced for HNDA3. HNDA2 used a broader definition of existing need where overcrowding <u>OR</u> concealed, as opposed to overcrowded <u>AND</u> concealed. This was to reduce the potential for duplication between these measures. The new methodology is explained through the document 'estimating concealed family rates with overcrowding using Scottish survey data (2016-2018). This methodology used overcrowding / concealed based on historic Census 2011 data uprated to more recent household figures.

3.9 The change in methodology has provided a more refined but significantly lower figure than that assessed in HNDA2. The figure used in HNDA2 for overcrowding <u>or</u> concealed was 9,746 households and the figure for overcrowding <u>and</u> concealed is 727. (page 144 HNDA3 main report).

Population Change

3.10 The population of the South-East Scotland area has increased by 8.3% (100,133) over the period 2008 to 2018. West Lothian has seen a slightly lower percentage of population growth compared to the South East Scotland average at 6.3%.

3.11 Growth has been concentrated in the older age groups with the number of people aged 80+ years increasing by 19.5% across South-East Scotland. West Lothian has a significantly ageing population in comparison to other areas across South-East Scotland, with a 32.1% increase in people aged 65-79 years and a 46.7% increase in people aged 80+ years.

Table 2.5: Population change							
Population 2008 by age							
	All	0-15	16-24	25-44	45-64	65-79	80+
City of Edinburgh	458,520	69,284	66,758	147,072	107,711	47,820	19,875
East Lothian	97,480	18,621	9,976	25,030	26,928	12,452	4,473
Fife (West & Central)	284,900	51,050	32,786	74,692	78,049	35,745	12,578
Midlothian	81,550	15,386	8,773	21,335	23,027	9,981	3,048
Scottish Borders	113,360	20,072	10,195	27,233	33,401	16,618	5,841
West Lothian	171,390	35,160	18,752	50,650	44,770	17,510	4,548
South East Scotland	**1,207,200**	**209,573**	**147,240**	**346,012**	**313,886**	**140,126**	**50,363**
Change 2008 - 2018							
	All	0-15	16-24	25-44	45-64	65-79	80+
City of Edinburgh	59,980	9,217	-1,683	29,522	12,559	7,941	2,424
East Lothian	8,310	729	116	-927	4,147	3,241	1,004
Fife (West & Central)	9,393	-32	-785	-6,053	4,772	9,265	2,227
Midlothian	9,790	2,204	-41	1,654	1,973	3,048	952
Scottish Borders	1,910	-1,026	43	-4,908	2,157	4,543	1,101
West Lothian	10,750	325	-177	-3,850	6,700	5,628	2,124
South East Scotland	**100,133**	**11,417**	**-2,527**	**15,438**	**32,308**	**33,666**	**9,832**
Change (%) 2008 - 2018							
	All	0-15	16-24	25-44	45-64	65-79	80+
City of Edinburgh	13.1%	13.3%	-2.5%	20.1%	11.7%	16.6%	12.2%
East Lothian	8.5%	3.9%	1.2%	-3.7%	15.4%	26.0%	22.4%
Fife (West & Central)	3.3%	-0.1%	-2.4%	-8.1%	6.1%	25.9%	17.7%
Midlothian	12.0%	14.3%	-0.5%	7.8%	8.6%	30.5%	31.2%
Scottish Borders	1.7%	-5.1%	0.4%	-18.0%	6.5%	27.3%	18.8%
West Lothian	6.3%	0.9%	-0.9%	-7.6%	15.0%	32.1%	46.7%
South East Scotland	**8.3%**	**5.4%**	**-1.7%**	**4.5%**	**10.3%**	**24.0%**	**19.5%**
Source: National Records of Scotland (2020) mid-year population estimates 2019 time series 2008-2018, Fife (West & Central) – assumes 79.13% of Fife dwellings are located within South East Scotland							

Source: HNDA3, main report, page 24.

Births, Deaths and Natural Population Change

3.12 There has been a downward trend in births in West Lothian. Overall births outnumber deaths; however, this figure has narrowed since 2008.

Migration

3.13 Migration into West Lothian has been greater than migration out in each year in the decade to 2019. Between 2014 / 15 and 2018 /19, there is an average of 820 net incoming migration.

Household changes

3.14 There has been a 7.8% increase in household changes in West Lothian between 2008 and 2018. This compares to 7.7% increase in South East Scotland and a 6% increase across the whole of Scotland.

Table 2.9: Household Change				
	2008	**2018**	**Change no.**	**Change %**
City of Edinburgh*	219,085	235,771	16,686	7.6%
East Lothian	41,783	45,975	4,192	10.0%
Fife (West & Central)	125,791	132,894	7,104	5.6%
Midlothian	33,819	39,122	5,303	15.7%
Scottish Borders	51,436	54,413	2,977	5.8%
West Lothian	72,326	77,953	5,627	7.8%
South East Scotland	**544,240**	**586,128**	**41,889**	**7.7%**
Scotland	**2,337,967**	**2,477,275**	**139,308**	**6.0%**
Source: National Records of Scotland (2020) 2018-based Household Projections; * National Records of Scotland adjustment has been made to remove additional student halls of residence from the household count; Fife (West & Central) – assumes 79.13% of Fife dwellings are located within South East Scotland				

Source: Page 33, HNDA3, Main Report

Household Projections

3.15 Household projections for South East Scotland are derived from 2018-based national statistics published on 29 September 2020.

3.16 These are not forecasts and do not attempt to predict the impact that future government policies, changing economic circumstances or other factors may have on demographic behaviour. Instead, they provide an indication of the impact that changes in demographic patterns might have on the size and age structure of the population in the future.

3.17 Household projections are based on population projections. As a result, assumptions used for population projections such as migration, fertility and mortality, will have an effect on household projections.

3.18 The household projections in this section of the South East Scotland HNDA3, rely on projecting trends in household formation from the 2001 and 2011 censuses, to 2043. They do not consider social and economic factors that have changed since 2011, including imbalances between housing supply and demand, affordability and government policy.

Household Projections

	2018	**2023**	**2028**	**2033**	**2038**	**2043**	**Change 2018-2043**	**% Change 2018-2043**
West Lothian								
1 Adult	23,216	25,023	26,595	28,007	29,359	30,725	7,509	32%
1 adult, 1+ child(ren)	6,293	6,696	6,845	6,983	7,000	6,932	639	10%
2 person all adult	23,744	25,507	26,894	27,889	29,046	30,140	6,396	27%
2+ adults, 1+ child(ren)	17,102	17,131	17,485	17,906	18,166	18,145	1,043	6%
3+ person all adults	7,598	7,858	7,816	7,871	8,144	8,493	895	12%
All Households	77,953	82,214	85,634	88,657	91,715	94,435	16,482	21%
Source: National Records of Scotland (2020) 2018-based Household Projections; Fife (West & Central) – assumes 79.13% of Fife dwellings are located within South East Scotland								

3.19 The total number of households is projected to increase from 77,953 in 2018, to 94,435 in 2043 in West Lothian; an increase of 21%, this compares to a 18% increase across South East Scotland and a 10% increase nationally.

3.20 The number of single adult households is projected to increase by 32%, compared with 20% nationally. The number of larger households is projected to increase, with households consisting of two or more adults with children, projected to increase by 6%.

3.21 The data from the demographic section of HNDA3 suggests continuing pressure of housing need and demand fuelled by growth of 6.3% in West Lothian across the last decade and with projected growth of 21% based on the NRS 2018-based principal household projection variant.

3.22 The increase in projected households is a consequence of a greater number of people migrating into the area to live, compared to the number leaving during the same period. However, it is also set to be driven by an ageing population and increasing numbers of smaller households. An ageing population impacts on household structure, as children tend to live in larger households and older people in smaller ones.

Affordability

3.23 HNDA3 includes an analysis of house prices, rents and affordability. The HNDA tool also determines the tenure of housing that will be required to meet housing need and demand. The analysis indicates significant issues of housing affordability.

Growth scenarios

3.24 The HNDA guidance recommends that estimates for the future additional housing units should be provided as a range rather than a precise set of figures. The range should be based on different demographic, affordability and economic scenarios that may occur over the coming 20-years. Each scenario will provide HNDA Tool outputs showing the estimate of additional housing units by households' potential to afford owner occupation, a private rent, below market rent or social rent.

3.25 The process for constructing scenarios was initiated by the project team with a general aim that high, medium, and low options should be produced and compared to the HNDA default position.

3.26 Six main scenarios were chosen although others stemmed from these, some being discounted after initial investigation. The projection period for all scenarios is 20- years from 2021-2040.

- Scenario 1: HNDA Tool - default position.
- Scenario 2: HNDA Tool with LA Existing Need – an additional scenario was produced to test the HNDA Tool default position but replacing the HoTOC calculation with local authority-generated existing need figures.
- Scenario 2a: HNDA Tool with LA Existing Need / Midlothian Modelling was requested by Midlothian Council based on Scenario 2 but with a 10-year backlog clearance for Midlothian only.
- Scenario 3: Strong Growth -reflecting a very positive outlook with movement towards high real terms income growth, high inward migration, greater equality, high/moderately high house price and rental growth across all local authorities.
- Scenario 4: Steady Growth – providing moderate real terms income growth, principal household projections, 'creeping' equality, moderate/trend house price and rental growth. The outputs of this scenario most closely reflect past trends.

- Scenario 4a: Steady Growth with 5-Year House Prices – this was based on Scenario 3 but incorporating more recent 5-year house price trends. As the results from this scenario were not markedly different from Scenario 4, it is not detailed further within this report.
- Scenario 5: Slow Growth - low inward migration reflecting below real terms income growth, greater inequality, moderately low / low house price and rental growth.
- Scenario 6: Stalled Growth - delay in recovery from Covid-19 pandemic to 2024 followed by moderate real terms income growth, principal projection, 'creeping' equality, moderate/trend house price and rental growth.
- Scenario 7: No Growth – the project team wanted to test the most pessimistic scenario, however, the inclusion of no household growth was unrealistic leading to no demand for market housing. A switch to using low migration provided similar results to Scenario 5. This scenario is not detailed further in the report.

3.27 Scenario 4: The Steady Growth Scenario of HNDA 3 is the preferred scenario of the City Deal Directors Group. This scenario is based on providing moderate real terms income growth, principal household projections, 'creeping' equality, moderate/trend house price and rental growth. A ten-year period has been assumed to clear the existing need (2021 – 2030).

Scenario 4, Steady Growth HNDA outputs.

West Lothian						
	2021 - 2025	2026 - 2030	2031 - 2035	2036 - 2040	20 Yr Total	20 Yr p.a.
Social rent	314	266	123	111	4,068	203
Below market	140	105	98	83	2,131	107
Private rent	165	130	131	127	2,771	139
Owner occupied	289	247	261	255	5,259	263
Total p.a.	**908**	**748**	**613**	**576**	**14,229**	**711**
Affordable p.a.	454	371	221	194	6,199	310
Market p.a.	454	377	393	382	8,030	401

3.28 The above table shows the estimate for future additional housing units over a 20-year period. For West Lothian, it shows there is a need and demand of 711 units per annum, of which 310 (44%) cannot afford a market solution to meet their housing needs (social rent and below market rent) and 401 (56%) can meet their housing needs through market solutions (private rent and owner occupied). High house price and rental growth is making market housing less accessible to newly arising households.

Part 4 - Calculation of the Indicative Local Housing Land Requirement (LHLR)

Legislative requirements and policy context

4.1 Scottish Government, Local Development Planning guidelines, May 2023 sets out that 'NPF4 promotes an ambitious and plan-led approach for new homes'. Providing land to accommodate a wide choice of homes across a range of scales of sites and locations will enable this. The Evidence Report is expected to:

- include a section specifically on housing;
- include an indicative Local Housing Land Requirement (LHLR), when setting out what the evidence means for the Proposed Plan; and

- provide a transparent and understandable explanation of how the indicative LHLR has been arrived at.

4.2 The Town and Country Planning (Scotland) Act 1997, as amended, requires at Section 3A(3)(d) that the National Planning Framework (NPF) contains 10 year "targets for the use of land in different areas of Scotland for housing". This is the Minimum All-Tenure Housing Land Requirement (MATHLR).

4.3 Annex E of NPF4 sets out a MATHLR of **9,850 homes** for West Lothian. It is expected that the MATHLR is the minimum amount of land for housing to be included within LDPs, and that the Local Housing Land Requirement will exceed the MATHLR.

4.4 The MATHLR went through several stages, namely:

1. Initial default estimate
2. Locally adjusted estimate
3. Draft NPF4
4. Adopted NPF4

4.5 The methodology for the calculation of the MATHLR is set out below:

Household Projections + Existing Housing Need + Flexibility % = MATHLR

4.6 The calculation for West Lothian MATHLR is as follows;

Household projections	Existing Housing Need	Flexibility @ 25%	MATHLR
6,500	1,400	1965	9,850

4.7 **Household projections** have been derived from The National Records of Scotland (NRS) 2018-based principal migration variant.

4.8 **Existing need** in West Lothians made up of:

1. Homeless / temporary – 1,246 Homelessness HL1 'live' cases at 31st March 2021 with a deduction for cases that are likely to be resolved in the private sector based on past trend.

2. Overcrowded and concealed – 139 based on the Census (2011) but uprated with SHS/SHCS 2017-2019 household estimates.

3. The total figure of 1,385 (1,246 + 139) has been rounded up to the nearest 50 = 1,400

4.9 The Scottish Government **flexibility** default percentage based on West Lothian being classed as 'urban' using the Randall classification has been applied (25%).

4.10 During the progression of the MATHLR, the MATHLR default estimates were replaced by the existing need figures set out in HNDA3.

Updates to the Minimum All Tenure Housing Land Requirement (MATHLR)

4.11 The MATHLR is evidence based, it combines considerations of past trends with future projections and policy ambitions, along with balancing national data with local information and knowledge. The same evidence can be used by the planning authority to inform their indicative LHLR as that used to inform the MATHLR.

4.12 However, where more recent information is available this should be used as it enables the Evidence Report to be more up-to-date in looking to the future, for example updated household projections, local need figures or a relevant change in local, regional or national policy. This replaces the previous process requiring consistency with a strategic plan that was prepared a number of years previously.

4.13 The Scottish Government, Local Development Planning guidelines sets out (page 63) 'Where more recent information is available this should be used as it enables the Evidence Report to be more up-to-date in looking to the future, for example updated household projections, local need figures or a relevant change in local, regional or national policy'.

Household projections

4.14 The most up to date household projections remain the NRS 2018 based, published in 2020. The council do not therefore propose to alter the 6,500 figure from the MATHLR calculation.

Existing Need

4.15 Two areas have been identified where there has been change to existing need

- **Updated Homelessness figure (**Application for homelessness defined by guidelines set by the Scottish Government Supporting documents - HL1 user information
- **Expansion of the definition of existing need.**

Updated HL1 live cases

4.16 The most up to date HL1 figure for West Lothian is 1,169 (2023/24 figure). This represents a decrease of 77 HL1 cases since MATHLR was approved. There were 600 children in the HL1 applications.

Expansion of the definition of existing need.

4.17 During engagement on the preparation of HNDA3 and this Evidence Report schedule, there has been considerable concern expressed that the definition used for existing need is too narrow. The HNDA Tool and supporting guidance state that the existing housing need figure used by the Scottish Government is only a minimum and that other types of existing housing need exist.

4.18 Consequently, this represents an opportunity to expand existing housing need where evidence to quantify it was available; including ensuring that it resulted in a need for a new home and that there was no double counting.

4.19 One of the LOIP Pillars and Outcomes is that 'everyone has access to appropriate, affordable and sustainable housing which meets their needs' and defines success as 'Working in partnership to increase affordable housing supply in West Lothian between 2023 to 2033'. **West Lothian Councils Corporate Plan 23/24 – 27/28** sets out five priorities, one of which is to 'tackle homelessness, poverty and inequality'.

4.20 The **Health and Housing background paper** notes that there is reciprocal relationship between housing and health, and according to the Health Foundation we can't afford to tackle physical and mental health issues without thinking about or addressing housing issues and vice versa. The paper notes the Maslow's hierarchy of need, with shelter identified as one of the most basic needs that people require.

4.21 The United Nations Convention on the Right of the Child (UNCRC) came into force in Scotland on 16th July 2024. This act is a human rights approach to ensure children's needs are met and contains 45 legally binding articles to protect children. Article 27 refers to an adequate standard of living for children and young people:

> ***Article 27*** *(adequate standard of living) Every child has the right to a standard of living that is good enough to meet their physical and social needs and support their development. Governments must help families who cannot afford to provide this.*

4.22 Research commissioned by Shelter in 2017 found that one in 20 adults had visited a GP in the previous year with a mental health issue related to their housing. GPs reported that housing issues were both a primary cause, as well as an exacerbating factor in their patients' mental health problems. Research, again conducted by Shelter in 2006 also found that the effects of bad housing and homelessness can stay with a child for a lifetime; children living in crowded homes are more likely be stressed, anxious and depressed, have poorer physical health, and attain less well at school.

4.23 The council are therefore consulting on the potential for widening the definition of existing need to include all those households that fail the bedroom standard, as defined in the Housing (Overcrowding) Act 2003, as opposed to having to be both overcrowded and concealed (two families living together that fail the bedroom standard). The implication of this would be to increase the current 139 figure featured in the MATHLR calculation to 2,245.

4.24 Two options are therefore presented below on how the council could and should calculate the Local Housing Land Requirement.

Part 5 – Options for setting West Lothian's Local Housing Land Requirement

5.1 Two options for setting West Lothian's Local Housing Land Requirement are set out below.

Option 1 – 10,000

Household projections	Existing Housing Need	Flexibility @ 25%	= MATHLR	Further allowance	LHLR
6,500	1,300	1965	9,850	250	10,000

Reasoning

5.2 Where the Scottish Government (Centre for Housing Market Analysis) is satisfied that the HNDA is robust and credible, the approach used will not normally need to be considered further at the Gate

Check. HNDA3 was confirmed as robust and credible by the Scottish Government Centre for Housing Market Analysis (CHMA) in July 2022. It is considered that the data used to prepare the MATHLR is up to date, with the exception of the Homeless HL1 live cases.

5.3 It is proposed to adjust the 'Existing need' element from 1,400 to 1,300. This is made up of:

- Homeless / temporary – 1,169 Homelessness HL1 'live' cases at 31st March 2024 (reduced from 1246).
- Overcrowded and concealed – 139 based on the Census (2011) but uprated with SHS/SHCS 2017-2019 household estimates.
- The total figure of 1,308 (1,169 + 139) has been rounded to the nearest 50 = 1,300

5.4 A further allowance of 250 units has been added to meet the expectation that Local Development Plans take an ambitious approach with LHLR that exceed the MATHLR as set out in the Scottish Government Local Development Planning Guidelines (page 63) and the Chief Planners letter, June 2024

Option 2 – 12,500

Household projections	Existing Housing Need	Flexibility @ 25%	Further Allowance	LHLR 12,500
6,500	3,400	2,500	125	12,500

Reasoning

5.5 The consideration of this option is in response to concerns expressed that the definition of existing need is too narrow. What constitutes 'existing need' is subjective and views are being invited if all households that fail the bedroom standard are considered in need or just household that fail the bedroom standard and are made up of two families (concealed households).

5.6 The figure of 3,500 has been calculated by;

- Homelessness – 1,169
- Overcrowding – 2,245

5.7 This equates to 3,414 but has been rounded to the nearest 50 – 3,400.

5.8 In terms of existing need, in 2022, the Scottish Household survey found that around 70,000 households in Scotland lived in overcrowded accommodation (3.21%), under the bedroom standard. The NRS households and dwellings in Scotland, 2023 revealed that in 2022 Scotland had 2,515,319 households, of which 80,042 are located in West Lothian (3.21%). If the household proportion of 3.21% is applied to the Scotland wide figure of overcrowding, this equates to 2,245.

5.9 Furthermore, an analysis has been carried out of the council's housing waiting list. A total of 2,291 applicants have been awarded points for overcrowding. It is believed that the two figures triangulated well and the figure of 2,245 should be used.

5.10 Not all sites that are allocated are delivered for a variety of reasons, hence the requirement for a 25% flexibility allowance. Taking away the flexibility allowance leaves 6,500 + 3,400 = 9,900. Spread over ten years, this equates to 990 units per year, which is highly comparable with the past 5 years completion figures (996), as can be seen on table XX above.

5.11 A further allowance of 125 units has been added to meet the expectation that Local Development Plans take an ambitious approach with LHLR that exceed the MATHLR as set out in the Scottish Government Local Development Planning Guidelines (page 63) and the Chief Planners letter, June 2024

Benchmarking

5.12 It is useful to benchmark the evidence and two options presented.

West Lothian Housing Land Supply Target for LDP1.

5.13 Table 1 sets out the housing land supply targets for LDP1 compared to the MATHLR, Option 1 and Option 2.

	LDP 1 2009 - 2024		MATHLR		LHLR Option 1		LHLR Option 2	
	Total	Per Annum	Total	Per Annum	Total	Per Annum	Total	Per Annum
Housing Land Requirement	19,811	1,321	9,850	985	10,000	1,000	12,500	1,250
Generosity / Flexibility Allowance (10% for LDP1, 25% for LDP2)	1,801	120	1965	197	1965	197	2,500	250
Housing Land Requirement minus generosity / flexibility allowance	18,010	1,201	7,885	789	8,035	804	10,000	1,000

5.14 For LDP1, there was a 10% generosity applied to the housing supply target. This is very similar to the 'flexibility' allowance applied to the MATHLR. The increase of 10% to 25% is as a result of changes in legislation requiring plans to be reviewed every 10 years rather than the previous 5 years. As plans are likely to be in place for longer, there is a greater chance of changes to sites coming forward.

Comparison with completion rates

5.15 An annualised approach to the Local Housing Land Requirement per annum for option 1 and 2 is 1,000 and 1,250 respectively. This represents a reduction in comparison with LDP1 Housing Land Requirement per annum of 1,321.

5.16 West Lothian's past completions rates according to Housing Land Audits are as follows:

HLA	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024*
	775	884	587	590	934	1107	621	832	1335	1083

*Draft HLA '24

10 Year Total	8,748
10 Year Average	875

5 Year Total	4,978
5 Year Average	996

5.17 Affordable housing past completion rates

Year	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24
WLC	146	4	131	124	373	222	0	13	73	9
RSL	8	0	61	21	55	91	12	80	238	155
Total	154	4	192	154	428	313	12	93	311	164

Source: Scottish Government Housing Statistics for Scotland. Completions in financial year for Local Authority New build and Housing Association New Build.

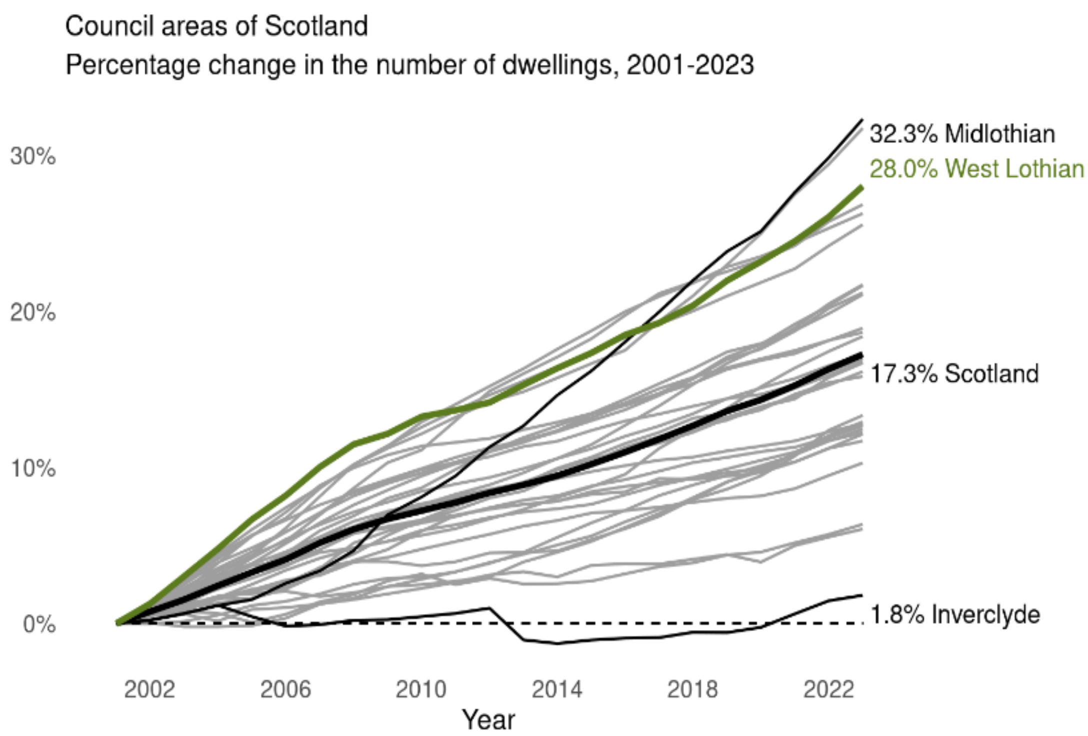
10 Year Total	1825
10 Year Average	183
5 Year Total	893
5 Year Average	179

5.18 The council has also undertaken its own programme of open market acquisitions which have amounted 320 between October 2016 and March 2024.

Percentage change in the number of dwellings, a comparison with other Council areas in Scotland.

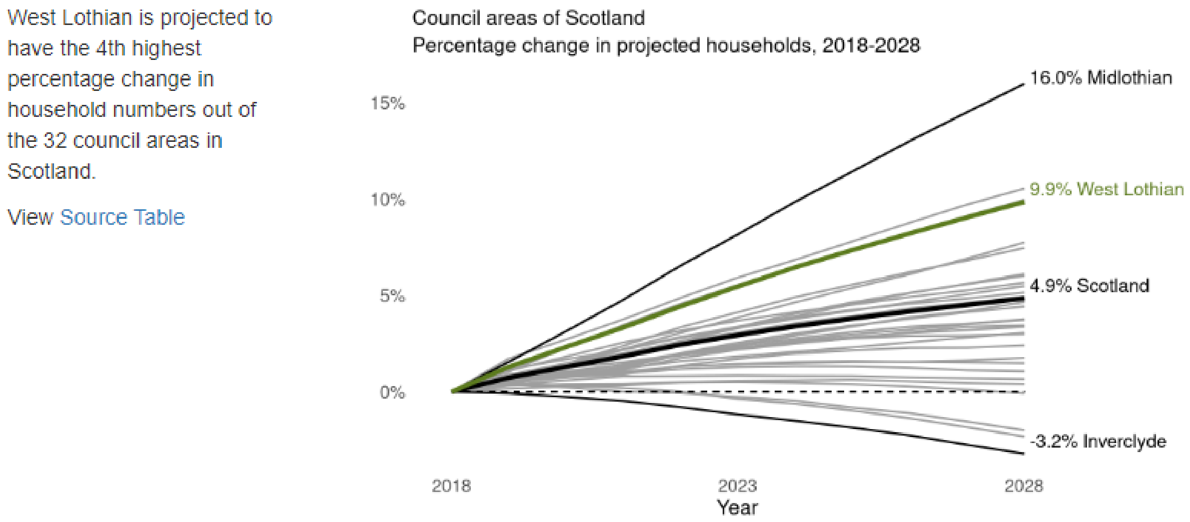
5.19 Compared with 2001, the number of dwellings in West Lothian has increased by 28.0%. This is the 3rd highest percentage change out of the 32 council areas in Scotland and a more rapid change than for Scotland as a whole (+17.3%). This shows that West Lothian has already taken an ambitious approach to housebuilding since 2001 with an above average increase in the number of dwellings.

Figure 1 Percentage change in the number of dwellings 2001 - 2023



Source: NRS [West Lothian Council Area Profile]

Figure 2 Percentage change in projected households 2018 – 2028



Source: NRS [West Lothian Council Area Profile]

5.20 This shows that rapid growth that West Lothian has recently experienced is projected to continue.

Comparison of MATHLR figures across Scotland

5.21 Table xx indicates that West Lothian MATHLR has the third highest MATHLR figure, behind Edinburgh and Glasgow. As a portion of existing dwellings is 11.6%, which is higher than the Scottish average of 7.24%. If option one is adopted (10,000) the proportion is a 11.77% increase and if option 2 is adopted (12,500) the proportion is a 14.72% increase.

Table 2: Comparison of MATHLR as a percentage to the number of dwellings in 2023

Area	Number of dwellings by council area 2023	MATHLR	iLHLR submitted to Gateway	MATHLR % relative to stock in dwellings 2023
Scotland	**2,721,225**	**196,992**		**7.24%**
Aberdeen City	124,369	7,000		5.63%
Aberdeenshire	122,524	7,550		6.16%
Angus	58,286	2,550		4.37%
Argyll and Bute	49,144	2,150		4.37%
City of Edinburgh	263,670	36,750		13.94%
Clackmannanshire	25,277	1,500		5.93%
Dumfries and Galloway	76,275	4,550		5.97%
Dundee City	76,306	4,300		5.64%
East Ayrshire	59,737	4,050		6.78%
East Dunbartonshire	48,165	2,500		5.19%
East Lothian	52,327	6,500	6,660	12.42%

East Renfrewshire	40,849	2,800	3,100	6.85%
Falkirk	76,689	5,250		6.85%
Fife	182,775	7,300	9,430	3.99%
Glasgow City	324,431	21,350	22,000	6.58%
Highland	123,568	9,500		7.69%
Inverclyde	39,913	1,500		3.76%
Midlothian	44,052	8,850	8,851	20.09%
Moray	47,060	3,450	3,730	7.33%
Na h-Eileanan Siar	15,097	192		1.27%
North Ayrshire	70,223	2,950		4.20%
North Lanarkshire	160,560	7,350		4.58%
Orkney Islands	11,719	1,600		13.65%
Perth and Kinross	76,136	8,500		11.16%
Renfrewshire	91,192	4,900		5.37%
Scottish Borders	59,974	4,800		8.00%
Shetland Islands	11,629	850		7.31%
South Ayrshire	56,697	2,000		3.53%
South Lanarkshire	158,594	7,850		4.95%
Stirling	42,990	3,500		8.14%
West Dunbartonshire	46,068	2,100		4.56%
West Lothian	**84,929**	**9,850**		**11.60%**
Cairngorms		850		
Loch Lomond & The Trossachs National Park		300		

Source; NRS households and dwellings 2023 and NPF4

Part 6 – West Lothian Housing Land Supply

6.1 The latest published Housing Land Audit is 2023 (HLA ’23). This sets out that the council has land for 17,103 all tenure homes remaining that are effective, in other words are suitable for development and are free from constraints.

6.2 Of these, 13,279 are programmed within a 10-year period. By the time LDP2 is adopted in 2027, it is estimated 4,000 homes would no longer for part of the housing land supply as they would have been built out. The Housing Land Audit is a snapshot in time and represents the housing land supply as at 31st March 2023. Some effective sites may stall, while other sites find solutions to previous identified constraints.

6.3 West Lothian’s Strategic Housing Investment Plan (SHIP) 2025/26 to 2029/30 identifies sites for 2,173 affordable homes.

6.4 The council’s SHIP and HLA ’23 establish a healthy land supply that could meet Local Housing Land Requirements, however sites going forward into LDP2 will require to be rigorously assessed to ensure site delivery and compliance with planning policy and council priorities.

6.5 In accordance with Scottish Government Local Development Planning Guidelines, May 2023, ‘No site should automatically roll forward from one plan to the next without being assessed. All sites proposed to be allocated for development in plans should have been assessed for their deliverability through the site appraisal process’.

Windfall

6.6 A windfall assumption will take account of those sites which become available for development unexpectedly during the life of the LDP and so are not identified individually in the plan. Any assessment of the expected contribution of windfall sites to the indicative LHLR must be realistic and based on clear evidence of past completions and sound assumptions about likely future trends.

6.7 To the five years to 31st March 2023, there were 395 completions that came from windfall sites. This equates to 79 units per year. The majority of these came from three sites that did not have any housing capacity included in LDP1. The capacity of the three sites as follows;

- Land at Hunter Road, Livingston (white land within the settlement boundary) – 110 units
- Gregory Road, Livingston (previously allocated for employment) – 158 units
- Former police station, Almondvale Road, Livingston – 146 units.

6.8 Note there are remaining units at Hunter Road and Gregory Road at the 31st March 2023, therefore the 395 figure does not contain the full capacity of Hunter Road and Gregory Road.

6.9 Small sites under 4 units have contributed 83 units over a 5-year period to 31st March 2023. This equates to just short of 17 units a year.

6.10 LDP1 contained many small sites within the settlement boundary that were allocated for housing. These sites have been slow in coming forward for development and LDP2 will need to assess the approach to allocations for small developments. De allocation of these sites to 'white land' could increase the contribution of sites coming forward from windfall.

6.11 The Schedule on Business and Industry, Community Wealth Building and Rural Development identifies that there is a surplus of employment land in West Lothian. LDP 2 will need to assess whether any of this employment land could be reallocated to which could count towards the Local Housing Land Requirement.

6.12 It is therefore proposed to assume 30 units a year will contribute to the Local Housing Land Requirement that is derived from a windfall source.

Part 7 - Delivery of affordable housing

7.1 HNDA3 reveals that over the 20-year period (2021 – 2040), 310 (44%) per annum will not be able to afford a market solution to meet their needs and 401 (56%) per annum will. (See table XX). This level of affordable housing demand is likely to be reflected in future Local Housing Strategies. The indicative affordable housing supply targets in the current Local Housing Strategy are as follows (page 25);

Table XX

Indicative Affordable Housing Supply Targets LHS 2023-2028

Tenure	2023/24	2024/25	2025/26	2026/27	2027/28	Total
WLC	70	70	80	80	80	380
RSL	240	240	240	240	240	1,200
Total Affordable	**310**	**310**	**320**	**320**	**320**	**1,580**

7.2 The delivery of affordable homes is to a large extent limited by the availability of Scottish Government Affordable housing funding. This is a fluid situation and recently the council has seen a 26% reduction in the Affordable Housing Programme budget, thereby limiting the ability to deliver affordable homes on suitable and identified sites.

7.3 Delivering the affordable homes that people need will continue to be a priority for the council. At the start of the Local Housing Strategy 2023/24 to 2027/28, West Lothian's development partners have completed the affordable housing programme of 3,000 new affordable homes from 2012-2022. The council has operated its own council house build programme and operate an affordable housing policy, requiring affordable housing between 10% and 25% on development sites.

7.4 How the council will identify and deliver sufficient affordable housing will be a matter for the proposed plan. Increasing the LHLR will increase the amount of affordable homes that can be delivered through mixed tenure developments.

7.5 The council has commissioned a report carried out by the District Valuer that investigates the effects of increasing the affordable housing percentage. This will be a matter for consideration through the proposed plan. The report has also looked at the implications of changing the way the commuted sums are calculated, which may provide a reasonable fall-back situation when Scottish Government funding is limited.

Part 8 – Factors and limits that effect housing delivery

8.1 A high Local Housing Land requirement does not necessarily translate into greater delivery nor an improvement in affordability and meeting the housing needs of all people, including those on low incomes.

8.2 In February 2024, the Competitions and Market Authority (CMA), undertook a **Market Study in Housebuilding** investigating the housebuilding market. It found that:

- Overall, the housebuilding market is not delivering well for consumers and has consistently failed to do so over successive decades.
- The number of houses being built and their affordability are propelled by two key drivers: the nature and operation of the planning system, and the limited amount of housing being built outside the speculative approach (such as affordable housing, self-build, and build-to-rent). The level of build-out rates is an additional factor.
- Housing availability and conditions can influence socially important factors such as health outcomes, educational attainment, and productivity. However, housing need differs from housing demand.
- Housing demand is determined by the number of people or organisations willing and financially able to buy a property.
- Private sector housebuilders are likely to be more focused on building homes to meet demand rather than need. As a consequence, the number of houses that housebuilders are likely to build is likely to vary according to the business cycle, with housing output strongly correlated with changes in macroeconomic outlook and, under-deliver housing relative to the socially desirable level, as the wider benefits of adequate housing are not captured by housebuilders (or other market actors).
- Housebuilders may have less incentive to provide housing aimed at consumers on low incomes, for example, even though improving the housing situation of these individuals may have the greatest impact on wider societal benefits.

- In terms of how quickly housing is built and the price at which it is sold, instead of building houses as quickly as possible, a range of evidence shows housebuilders tend to build them at a rate that is consistent with the local absorption rates, i.e., the rate at which houses can be sold without needing to reduce their prices.

8.3 A number of proposals were put forward for the Scottish Government to consider. One of the aims of the proposals is to increase the number of homes being built, including in areas of high demand, placing a downward pressure on affordability. However, the limitations of the proposals were recognised due to complex nature of the housing market which are heavily influenced by external factors, such as interest rates, mortgage availability, household incomes. Market cyclicality and the speculative housebuilding model means that private housebuilders do not collectively have the necessary incentives to build houses at the rate required to meet policymakers' objectives.

8.4 Other factors that influence housing delivery include;

- A limit of Scottish Government affordable housing funding. The Scottish Government announced a reduction in the Affordable Housing Supply Programme Resource Planning Assumption (RPA) for 2024/25 from £15.430m to £11.324m. This will impact on delivery of future affordable housing projects and delivery of new affordable homes.
- Slow build out rates of private houses. In 2018. the Letwin Report concluded 'the homogeneity of the types and tenures of the homes on offer on these sites, and the limits on the rate at which the market will absorb such homogenous products, are the fundamental drivers of the slow rate of build out.'
- The CMA report found housebuilders are incentivised to control their build-out rate to a level that maintains selling prices and this is largely due to the speculative housing model. The CMA observed in order to secure land to build on, given the competitive nature of biding for the land, there is an upward pressure on house sales prices and a downward pressure on costs in order to achieve the highest land value.
- There is limited capacity in terms of funding, materials, labour, and planner capacity.

8.5 The **Strategic Plan Needs Assessment**, carried out by Axion on behalf of the West Lothian Health and Social Care Partnership, September 2022 notes the growth in population and the planned new housing developments have created challenges for GP practices. Workforce issues were regarded by almost all and service providers as the key issue which is preventing good care and treatment. This is affecting provision across all sectors. Further evidence on healthcare infrastructure is set out in the relevant schedule.

Part 9 – Engagement Questions on the LHLR

9.1 In considering the evidence set out in this schedule and the two options for calculating the LHLR presented, West Lothian Council are seeking views on:

1) Which option would you support as the council's Housing Land Housing Requirement for LDP2 (10-year plan)?
    - Option 1 – 10,000
    - Option 2 – 12,500
    - Other (explain why)

2) Social housing is allocated on the basis of need. Market housing is determined by the ability to pay. What could or should the delivery mechanism be to ensure those households identified as overcrowded receive a home that meets their needs?

3) The overcrowding figure of 2,245 as set out in Option 2 has not been netted down to those in need that require an additional unit of housing stock, for example, an in-situ solution may exist, such as moving to a bigger socially rented home some may be able to buy their out of the way of their housing situation. Should it be and what should that figure be?

4) The Scottish Household survey 2022 has revealed that 'around 37% of all households (949,000) had one bedroom in excess of the minimum requirement under the bedroom standard. A further 888,000 (35% of all households) had two or more bedrooms in excess'. Can and should planning policy be created to address under occupancy of existing homes rather than increase the Local Housing Land Requirement?

Summary of Stakeholder Engagement

Statements of Agreement / Dispute

This will include statements from stakeholders highlighting their agreement or the areas they dispute.

Summary of Implications for the Proposed Plan

This will cover what the evidence means for the plan, e.g. the spatial strategy, the Delivery Programme or plan preparation.

Based on the evidence the proposed plan is required to:

1. Identify a Local Housing Land Requirement for the area they cover. This is to meet the duty for a housing target and to represent how much land is required. To promote an ambitious and plan-led approach, the Local Housing Land Requirement is expected to exceed the 10 year Minimum All Tenure Housing Land Requirement (MATHLR) set out in Annex E.
2. Prioritise the delivery of affordable housing to tackle homelessness, poverty and inequality
3. Consider mechanisms to accelerate the build out of allocated housing sites.
4. Consider mechanisms to ensure the homes built meet the need of our population including the elderly and disabled people to recognise the demographic needs of West Lothian.
5. Consider incentives to reduce the amount of under-occupied homes.