



DEVELOPMENT AND TRANSPORT POLICY DEVELOPMENT AND SCRUTINY PANEL

WEST LOTHIAN HOUSING LAND AUDIT 2013

REPORT BY HEAD OF PLANNING AND ECONOMIC DEVELOPMENT

A. PURPOSE OF REPORT

The purpose of this report is to advise the panel of the housing land supply position in West Lothian at 31 March 2013, as identified in the West Lothian Housing Land Audit 2013 (HLA 2013).

B. RECOMMENDATIONS

It is recommended that the panel notes the content and conclusions of the HLA 2013 as set out in this report and appendix.

C. SUMMARY OF IMPLICATIONS

I	Council Values	Focusing on our customers' needs; being honest, open and accountable; providing equality of opportunities; making best use of our resources; and working in partnership.
II	Policy and Legal (including Strategic Environmental Assessment (SEA), Equality Issues, Health or Risk Assessment)	<p>The preparation of the HLA is a requirement of Scottish Planning Policy (SPP), as is maintaining a five-year land supply. Failure to do so creates scope for the refusal of planning permission for housing to be challenged at appeal.</p> <p>There are no SEA, equality, health or risk assessment issues.</p>
III	Implications for Scheme of Delegations to Officers	None.
IV	Impact on performance and performance Indicators	None, although maintenance of an effective five-year housing land supply is a requirement of national planning policy.
V	Relevance to Single Outcome Agreement	<p>Outcome 3 - Our economy is diverse and dynamic, and West Lothian is an attractive place for doing business.</p> <p>Outcome 8 - We make the most efficient and</p>

effective use of resources by minimising our impact on the built and natural environment.

VI Resources - (Financial, Staffing and Property)

Although this report has no direct resource implications, housing delivery will continue to have financial implications for the council in terms of capital expenditure.

VII Consideration at PDSP

This is the first time this matter has been reported to the PDSP for consideration.

VIII Other consultations

In the course of finalising the HLA 2013, Homes for Scotland and Scottish Water were consulted.

The Head of Finance and Estates, the Estates Manager and the Head of Housing and Construction Services have been consulted in the preparation of this report.

D. TERMS OF REPORT

D.1 The Housing Land Audit 2013

A Housing Land Audit (HLA) is produced on an annual basis and contains information on the housing land supply in West Lothian. The most recent HLA, agreed with Homes for Scotland and the house building industry, is HLA 2013 and it reflects the housing land supply position at 31 March 2013. It sets out a likely programme of future completions from this supply over the Audit period (2013 to 2018), and gives an indication of likely completions between 2018 and 2020. HLA 2013 is attached as Appendix 1.

Scottish Planning Policy (SPP) expects planning authorities to manage land supply and to programme projected completions to demonstrate the availability of land to provide an ongoing effective supply of land to meet housing requirements. This is achieved, in the first instance, through the preparation of an annual housing land audit in consultation with internal council services and external stakeholders. Where the housing land audit or development plan action programme indicates that a five-year effective land supply is not being maintained, development plans should identify triggers for the release of future phases of effective sites.

The HLA has three key functions. These are to:

- demonstrate the availability of sufficient effective land to meet the strategic housing land requirement for a minimum of five years ahead;
- provide a snapshot of the amount of land available for the construction of houses at any particular time; and
- provide an information source for a variety of purposes, including school roll forecasts, infrastructure provision, affordable housing provision and projections concerning council tax income.

The information contained in the HLA is important. In addition to the functions set out above, it enables the monitoring of the development plan strategy for housing and helps to inform emerging policy.

The HLA includes three categories of land supply:

- **effective** land supply - land which can be developed for housing (i.e. residential units can be completed and available for occupation), and will be free of constraints in terms of ownership, physical contamination, deficit funding, marketability,

infrastructure and land use, within a five-year period beyond the date of the housing land audit;

- **constrained** housing land supply - land that is considered to be constrained within the period under consideration and the constraint is not expected to be overcome in the short term; and
- **established** housing land supply - the total housing land supply (effective added to constrained).

Local plans (to be replaced in due course by local development plans) allocate land on a range of sites to meet the housing land requirement up to year 10, providing effective sites in the initial phase for at least five years from the date of adoption, and further sites capable of development by the end of year 10. The aim is to maintain sufficient effective land for at least the following five years.

The HLA 2013 provides a comprehensive description of the housing land supply at 31 March 2013, and includes the strategic allocations coming forward through the West Lothian Local Plan (WLLP). It includes all housing sites with a capacity of five or more units, ordered by tenure and planning status, and mapped. For every site, an assessment is made of likely completions over the next seven years.

It is important to note, however, that the audit pre dates the publication of the Main Issues Report for the West Lothian Local Development Plan (MIR). Consequently, none of the proposed additional housing allocations set out in the MIR to meet the requirements of the SESplan Strategic Development Plan, are included in the audit. These sites will make a significant additional contribution to the effective land supply.

D.2 Summary of the HLA 2013

During 2012/13, **523** house completions were achieved in West Lothian, a significant increase from the previous year when there were only **229** house completions.

Fig 1 : Actual House Completions (in West Lothian) From 2001

2001 - 2002	2002 - 2003	2003 - 2004	2004 - 2005	2005 - 2006	2006 - 2007	2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011	2011 - 2012	2012 - 2013
1,281	875	1,158	1,288	1,175	714	928	422	543	530	229	523

Source : Housing Land Audits 2001 to 2013

For the five-year period from 2013 to 2018, the total number of houses forecast to be built in West Lothian was **3,625** (or an average of **725** houses per annum). This figure represents the level of output that the house building industry agreed was realistic from the existing established supply and is widely referred to as the *effective five-year housing land supply*.

In addition to this, **9,941** units were programmed for development beyond 2018. This is called the *effective post five-year housing land supply*.

At 31 March 2013, the total *effective housing land supply* in West Lothian was **14,470** units (3,625 + 9,941 + [904 under construction]).

It should be noted that there are no particular reasons why a proportion of the 9,941 units programmed for development beyond 2018 could not be built earlier if demand was to increase and there was capacity in the industry to deliver a greater number of houses. The additional sites coming forward through the LDP will also provide further flexibility to increase house building should there be a need to do so.

D.3 SESplan Supplementary Guidance on Housing Land and the Emerging Housing Requirement

Previously, the effective five-year housing land supply was calculated in the context of the requirements set out in the Edinburgh & the Lothians Structure Plan, but because the Structure Plan was superseded by the SESplan Strategic Development Plan in June 2013, it is the SDP which now provides the strategic planning framework.

The SDP was approved with a number of 'modifications', including a requirement for SESplan to prepare Supplementary Guidance (SG) to identify the distribution of the assessed SESplan housing requirement across local development plan areas for the periods 2009-2019 and 2019-2024.

Draft guidance was subsequently submitted to Scottish Government on 21 May 2014 and a response from Ministers was received on 18 June 2014 which gave notice of Ministers intentions to adopt the SG, subject to a modification being made to make it consistent with the terms of policy 5 of the SDP. Specifically, SESplan has been required to base the calculation of the five year housing land supply on the period 2009-19 and 2019-2024, rather than over a single period 2009-24 as it had intended.

Until such time as SESplan and the member authorities have reported to their respective committees on the notification from Scottish Ministers, and the Supplementary Guidance on housing land is formally adopted, it is a matter of fact that the council has as yet no definitive housing requirement against which to measure the effectiveness of its five-year housing land supply. A report on progress is included elsewhere on this agenda.

However, assuming the housing distribution by authority in SESplan's draft Supplementary Guidance is adopted in its current form, the new West Lothian Local Development Plan would require to plan for the delivery of a minimum of 11,420 new homes over the period 2009-2019 and a further 6,590 homes over the period 2019-2024. House completions anticipated from the current housing land supply over these periods would contribute to this requirement.

E. CONCLUSION

The HLA 2013 was prepared during a period of continuing market uncertainty but completion figures nevertheless suggest that a recovery is now underway and this is supported by other anecdotal evidence.

The issue being experienced in West Lothian (and in most local authorities in Scotland) is that there has been a significant shortfall in the delivery of housing since 2007/08. Simply put, sites have not come forward for development as quickly as envisaged when the (pre-recession) WLLP was prepared. The consequence is that the house building industry only expects to deliver 3,625 of the 14,470 supply over the next five years. It is suggested that this demonstrates that housing output is constrained by the capacity and expectations of the house building industry and not the availability of land capable of being developed for residential purposes.

It indicates that there is significant scope within the land supply for output to be increased, by bringing forward effective land programmed beyond the five year period should demand and capacity to deliver by the house building industry arise.

It is important to note that Housing Land Audit 2013 does not include any assumptions about new sites coming forward to meet the terms of the SDP Supplementary Guidance. Incorporation of sites to meet the requirements of the approved SG will be brought forward in the LDP and could help to significantly increase the programmed completions figures.

F. BACKGROUND REFERENCES

- ♦ Housing Land Audits 2001 to 2013
- ♦ Adopted West Lothian Local Plan 2009
- ♦ SESplan Supplementary Guidance on Housing Land, October 2013

Appendices/Attachments: One

- ♦ Appendix 1: Housing Land Audit 2013

Contact Person: Steve Lovell, Development Planning Officer, 01506 282430,
e-mail: steve.lovell@westlothian.gov.uk

Craig McCorriston
Head of Planning & Economic Development

28 August 2014