

HOUSING LAND

Position Statement

May 2016

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1. Introduction

- 1.1 The provision of land for housing is a key component of the West Lothian Local Development Plan (LDP). The LDP requires to identify and allocate sufficient land to meet the identified need and demand for housing for a ten year period following adoption of the plan and the timely release of that land to enable the building of homes makes an important contribution to the local economy, supports the regeneration of communities and helps to create well designed and successful places.
- 1.2 The broad strategy and scale and distribution of housing land across West Lothian, and set out in the LDP, are consistent with the provisions of the Approved SESplan Strategic Development Plan (June 2013), herein referenced as SDP [1], which was prepared and approved in the context of Scottish Planning Policy current at that time. Scottish Planning Policy was subsequently replaced in June 2014 and has been a material consideration in preparation of the *Proposed Plan*. In accordance with Section 16 (6) of the Planning etc (Scotland) Act 2006, West Lothian Council are required to ensure that the LDP is consistent with the approved SDP [1].
- 1.3 This paper supports the *Proposed Plan*, which is the penultimate stage in the preparation of the LDP. When approved, the LDP will replace the current West Lothian Local Plan (WLLP).
- 1.4 The specific focus of this Position Statement is to provide a clearer understanding of the fundamentals of housing need and housing land supply by setting out the housing context of the LDP, the methodology used to allocate new housing numbers and addressing some of the issues raised in representations against the *Proposed Plan* relative to housing land.

2. Policy Context

The National Planning Framework (NPF)

- 2.1 The third National Planning Framework (NPF3) was published by Scottish Government in June 2014 and sets the high level policy context for development planning in Scotland. It provides a spatial context for the Government's Economic Strategy (2011) and for the spatial development of Scotland as a whole and it sets out the Government's development priorities over the next 20 years. It is a statutory document which requires to be taken into account when preparing a Development Plan.
- 2.2 NPF3 establishes priorities for change to deliver the outcomes for Scotland. The diversity and distinctiveness of Scotland's cities is recognised. Edinburgh and the South East region is identified as a high growth area requiring a planned approach to ensure development needs are met. A more concerted effort to deliver a generous supply of housing land is called for. Infrastructure constraints are also acknowledged and a requirement for cross-boundary transport infrastructure improvements is recognised.

Scottish Planning Policy

- 2.3 SPP 2014 sets out national planning policies which relate to the preparation of development plans, design of development and determination of planning applications. It is intended to promote consistency in the application of policy across Scotland and explain how the outcomes for Scotland defined in NPF3 and SPP 2014 can be delivered on the ground.

- 2.4 SPP 2014 contains principal policies on sustainability and placemaking. These are overarching policies which apply to all developments. Subject policies are provided and relate to four outcomes; i.e. creating sustainable, low carbon, natural resilient and connected places. The policy on sustainability introduces a presumption in favour of development that contributes to sustainable development. The presumption does not change the primacy of the development plan. Planning applications must be determined in accordance with the development plan unless material considerations indicate otherwise. Proposals that accord with up-to-date plans should be considered acceptable in principle. For proposals that do not accord with up-to-date plans, the primacy of the plan remains. Where plans are out-of-date, or do not contain relevant policies, then the presumption will be a significant material consideration. If a shortfall in the 5 year effective land supply emerges then the policies for the supply of housing land will not be considered up-to-date.
- 2.5 SDP [1] was prepared and adopted in compliance with the terms of an earlier iteration of Scottish Planning Policy, SPP 2010. The West Lothian LDP was also commenced and then taken to an advanced stage to accord with SPP 2010. However, as the West Lothian LDP *Main Issues Report* was being published in June 2014, Scottish Government simultaneously brought into force SPP 2014 and this had practical consequences for the LDP. Not least was the fact that there were fundamental differences between the demands placed on SDPs and LDPs with regard to the methodology used to identify housing land requirements between SPP 2010 and SPP 2014. However, for practical reasons, the *Main Issues Report* was held to be too advanced to allow for any substantive revision to be made and it was decided to progress with the plan in order to avoid delaying the process any longer than was necessary. While recognising the importance of keeping LDPs up to date, it was concluded that it would not be appropriate to restart the process because new policy guidance had been issued.
- 2.6 Recognising that Section 16 (6) of the Planning etc. (Scotland) Act 2006 required that local development plans falling within a strategic development plan area should be consistent with the strategic development plan, the council has sought to accommodate the requirements of SPP 2014 in the LDP despite SDP [1] itself not complying with SPP 2014 and not adopting the housing methodology set out in SPP 2014. Retrofitting a plan that had been substantially produced in advance of new Scottish Planning Policy and where the process of site identification had been substantially completed has been a challenging undertaking, most notably in terms of establishing housing numbers and undertaking housing land calculations.
- 2.7 In response to specific criticisms which have been made regarding the issue of 'generosity allowances', the *Proposed Plan* has taken on board the particular requirement of SPP 2014 and adds an allowances to the housing supply targets, albeit that there is no explicit policy remit or mechanism contained in SPP 2014 for doing so. Nevertheless, the approach adopted by the council fulfils the goal of providing an excess supply of land.
- 2.8 In other important respects, the LDP also embraces the requirements of SPP 2014, namely that:
- (a) planning authorities maintain a five year effective supply of housing land at all times with the 'effective' housing land supply being defined as "the part of the established housing land supply which is free or expected to be free from development constraints in the period under consideration and will be available for the construction of housing";

- (b) that “planning authorities should actively manage the housing land supply ... to ensure a generous supply of land for house building is maintained and there is always enough effective land for at least five years”; and
- (c) a range of sites should be allocated which are effective or expected to become effective in the plan period to meet the housing land requirement of the SDP up to Year 10 from the expected date of adoption.

3. Development Plan Context

- 3.1 West Lothian’s development plan context is given by the Strategic Development Plan for Edinburgh and South East Scotland, referenced in this statement as SDP [1]. It was prepared by the Strategic Development Planning Authority for Edinburgh and South East Scotland (SESplan) and was approved by Scottish Ministers on 27 June 2013. However, contingent on this approval, Scottish Ministers required the preparation of *Housing Land Supplementary Guidance* (HLSG) in support of SDP Policy 5 (Housing Land) to confirm the distribution of what is referred to in SDP [1] as the ‘Assessed Housing Requirements’ for each of the six member authority Development Plan areas in the period 2009-2019 and in the period 2019-2024.
- 3.2 SDP [1] Policy 5 identifies that, for the period from 2009 up to 2024, there is a requirement for sufficient housing land to be allocated so as to enable 107,545 houses to be built across the SESplan area, including on land which is currently committed for housing development. Policy 5 also indicates that Supplementary Guidance will be prepared to provide detailed further information as to how much of the requirement should be met in each of the six member authority areas, both in the period 2009-2019 and in the period 2019-2024.

Figure 1. SDP [1] Assessed Housing Requirement by Plan Period

2009-2019	2019-2024	2024-2032
74,835	32,710	47,999
(Annualised 7,484)	(Annualised 6,542)	(Annualised 6,000)

* Source: SESplan SDP [1] Table 2

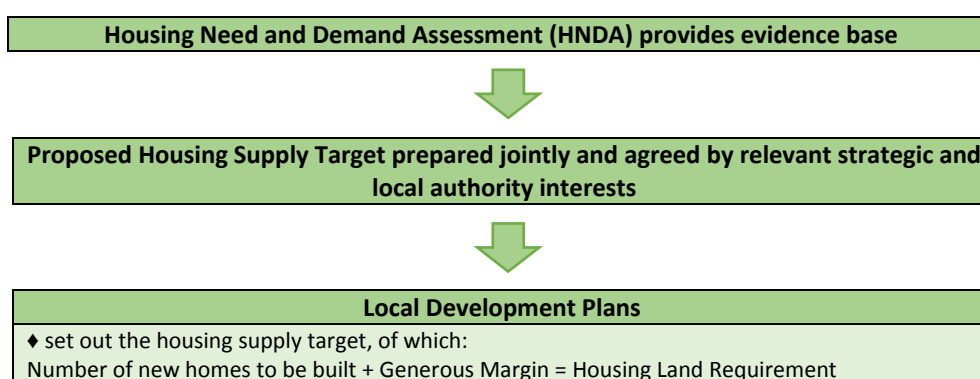
- 3.3 SESplan subsequently published draft HLSG in November 2013, and in addition to identifying what are now referred to as the Housing Supply Targets (HSTs) for each LDP area, indicated that allocations were to be focused in sustainable locations where infrastructure was either available or could be provided and in locations where there were no environmental constraints. It was also noted that due to environmental constraints and other restrictions within the City of Edinburgh’s boundaries, a significant proportion of housing need and demand generated in the City of Edinburgh Council area would need to be met in the other five LDP areas.
- 3.4 Following a period of public consultation and assessment of the responses, the HLSG was approved by Scottish Ministers on 18 June 2014 subject to a proviso that the prescribed method for calculating the adequacy of the five year effective housing land supply should be removed in advance of its adoption. The originally drafted HLSG had advised SESplan authorities to “*base their calculation of the five year land supply on the period 2009 to 2024, taking into consideration housing completions*” but Scottish Ministers took the view that the inclusion of this sentence gave rise to a “*potential inconsistency*” between the SDP and the HLSG. SESplan accepted this revision, albeit that the practical implications of modifying the

HLSG by removing this sentence were significant. In making the modification, LDPs were explicitly required to calculate the five year housing land supply over two distinct periods, 2009 to 2019 and 2019 to 2024. However, no guidance was given on how the overlap between the two periods should be treated. This is of particular significance as the current 5 year period straddles the two periods. The revised HLSG was adopted by SESplan in October 2014 and is now an integral part of the adopted Strategic Development Plan, SDP [1].

4. Identifying Housing Need and Demand

- 4.1 Scottish Planning Policy (2014) indicates that Housing Need and Demand Assessments (HNDAs) should provide part of the evidence base for defining housing supply targets, in local housing strategies and allocating land for housing in development plans and should be prepared in accordance with the Scottish Government HNDA Guidance.
- 4.2 HNDAs analyse key housing market drivers, past and present, in order to estimate future housing need and to set out information to support land use planning. Using a modelling tool with demographic and economic inputs, they provide estimates of the total additional future housing required over a 20 year period. This is split into a number of tenure estimates covering owner occupation; private rent; below market rent and social rent. These estimates are then used to inform the Housing Supply Targets or HSTs. HSTs are defined in the glossary for SPP 2014 as ‘the total number of homes that will be delivered’.
- 4.3 For the six SESplan authorities, HSTs have been informed by a specific HNDA published in 2011 and referenced in this statement as HNDA [1]. It was prepared as part of the strategic development plan process covering the whole SESplan area and was certified as ‘robust and credible’ by the Scottish Government’s Centre of Housing Market Analysis (CHMA) in 2011. SPP 2014 states that where the Scottish Government is satisfied that a HNDA is robust and credible, the approach used will not normally be considered further at a development plan examination. HNDA [1] comprises a comprehensive analysis of housing need and demand with the intention of determining the range of housing need, demand and affordability issues in the area and also to inform the Local Housing Strategies (LHSs) of member authorities.
- 4.4 Understanding the need and demand for additional households within the LDP area formed the basis for setting the housing supply targets and, ultimately, the overall land requirement that requires to be allocated in the LDP. The diagram below (sourced from Scottish Planning Policy, 2014) summarises the process.

Figure 2. Housing Land, Development Planning and the Local Housing Strategy (SPP 2014)



◆ Meet the housing land requirement (which includes generous margin) and set out how it will be distributed.
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* Source: SPP 2014

- 4.5 The housing supply targets which the LDP has adopted are those which have been prescribed in SDP [1] and which in turn have been informed by HNDA [1].
- 4.6 Notwithstanding this, it is now clear that HNDA [1] was largely modelled on pre-recession information and is no longer the most accurate predictor of future needs and demand. The council now has concerns about the veracity of HNDA [1], and by implication, the housing supply targets which flow from it. The council does not consider that the level of need and demand identified in HNDA [1] represents an accurate picture of current need and demand for housing.
- 4.7 Since the publication of the West Lothian Local Development Plan *Main Issues Report* in August 2014 and the adoption of the SESplan HLSG in October 2014, a new Housing Needs and Demand Assessment, HNDA [2] has been published to inform the preparation of the next Strategic Development Plan SDP [2]. HNDA [2] has been approved by the Scottish Government's Centre for Housing Market Analysis as "robust and credible". HNDA [2] is the most up to date assessment available of housing need and demand in West Lothian.
- 4.8 It is significant that HNDA [2] incorporates the National Records of Scotland (NRS) 2012 household projections, as opposed to the 2010 based projections which were the basis of HNDA [1]. The more up to date projections identify a substantially reduced housing requirement for West Lothian. The reduction is around 40% based on a default growth scenario in HNDA [2]. The default rate of growth based on the 2010 projections is 19,480 houses over the period to 2012-2032 (the time period for SESplan Supplementary Guidance), while the rate of growth based on the 2012 projections, over the same period, is 11,400 houses. Nevertheless, the LDP continues to meet in full the requirements of the HLSG.
- 4.9 Additionally, HNDA [2] presents a more detailed assessment of housing demand over the projection period and breaks the overall demand figure down into four distinct tenures: social rent, below market rent, private rent and owner occupation. It identifies that a much higher percentage of housing demand in West Lothian will be for rented housing, including socially rented, rather than owner occupied housing. Overall socially rented housing is expected to account for around 34% of demand over the period to 2032.
- 4.10 Higher demands for social rented housing can be seen as representing a tenure shift which will likely have implications for housing land allocations in the future. What is emerging is that the allocation of land will not in itself address housing demand. The availability of funding to build socially rented housing will be a critical factor. HNDA [2] identifies four alternative futures that are based on the 2012 household projections. The socially rented sector accounts for the highest proportion of demand in all the growth scenarios whilst owner occupied only accounts for between 27.4% and 33.5% in the growth scenarios. Even taking the highest of these percentages and applying it to the overall demand figure (11,400 houses) gives an owner occupied requirement over the period to 2032 of 3,819 houses. The socially rented figure over the same period and on the same basis would be over 5,000 units.
- 4.11 These figures suggest that recent considerations of the council's five year land supply has been based on a grossly over optimistic assessment of demand for housing generally and owner occupied housing in particular. The HNDA [2] figures confirm that the five year

requirement for market housing is in the region of 980 houses (based on the wealth distribution scenario). It is accepted that the private sector has a role in meeting mid-market rent requirements as well as owner occupation requirements (and that they make contributions to social renting through the council's affordable housing policy) but these would not increase the overall five year requirements to a significant extent. Any deficiency in the effective five year land supply is, therefore, likely to be in land for socially rented housing, rather than land for owner occupied housing. HNDA [2] suggests that socially rented housing is set to be the sector of highest demand and if any action is required to bolster the land supply it should be focused on land for social housing provision rather than for owner occupation. The council is already engaged in bringing forward a programme of 1,000 new build council houses to address part of this need.

- 4.12 On 30 May 2016, SESplan Joint Committee considered the Proposed Plan for SESplan [2]. The Proposed Plan, which represents the settled position of the strategic planning authority, confirm the HST for West Lothian of 633. A further 10% generosity allowance was added to the HST to give an annual housing land requirement of 696 houses. While the West Lothian LDP must, and does, conform to the housing requirement set out in SDP [1], the new housing supply targets and housing land requirements are a material consideration and demonstrate that the housing land allocations in the West Lothian LDP provide a very significant generosity allowance (of around 40%) when compared to the most up to date assessment of need and demand.

5. Housing Supply Targets

- 5.1 SESplan treats the whole of the SESplan area as a single housing market area and sets the housing land requirement at local authority level. Using an analysis of environmental and infrastructure opportunities, capacities and constraints, SDP [1] identified Housing Supply Targets (HSTs) for each SESplan authority to use in preparing their LDPs to meet the housing requirements of SDP [1] and HLSG. As noted at 4.5, these requirements were based on assumptions of economic recovery and a significant increase in house-building activity.
- 5.2 SDP [1] indicates that land for a total of **107,560** new homes will be required across the SESplan area in the period up to 2024, of which **74,835** houses are required by 2019. For West Lothian, HNDA [1] assessed its housing need and demand as **11,420** houses and **5,090** houses for the periods 2009-2019 and 2019-2024 respectively. This represents just over 15% of the SESplan need and demand for the 2009-24 plan period.
- 5.3 However, as West Lothian is expected to make a significant contribution to the wider development needs and aspirations of South East Scotland (as opposed to meeting only the county's own housing need and demand), SESplan, when transposing the HNDA [1] figures, set the LDP housing Supply Target for the West Lothian Local Development Plan more than 9% higher than the 'robust and credible' HNDA [1] requirement of **16,510**. Cumulatively, the Housing Supply Target for West Lothian for the period 2009-2024 totals **18,010**. This breaks down as **11,420** units for 2009-2019 and **6,590** units for the period 2019-2024. It is now the role of the LDP to determine how these housing targets will be met, taking account of the contribution made from existing sites and other allowances such as completions from windfall sites, small sites and demolitions.

Figure 3. West Lothian LDP Housing Supply Targets 2009-2019 and 2019-2024

2009-2019	2019-2024
11,420	6,590
(Annualised 1,142)	(Annualised 1,318)

* Source: SESplan Supplementary Guidance Table 3.1

- 5.4 Since publishing the *Proposed Plan* it has been acknowledged that a requirement of SPP 2014 (paragraph 119) is to meet the housing land requirement of the strategic development plan up to year 10 from the expected year of adoption, the implication being that an additional housing supply target also needs to be identified for the period from 2024 to 2027 (on the assumption that the West Lothian LDP is adopted in 2017).
- 5.5 SDP [1] does not set a HLT beyond 2024, however it is understood from the outcome of other LDP Examinations that it is regarded by the DPEA as a legitimate requirement under these circumstances and that an appropriate allowance should be identified. It is therefore necessary to establish a figure which satisfies assessed need and demand for the period 2024-2027. Given that HNDA [2] represents the most up to date assessment of housing need and demand it is appropriate to derive the additional requirement from HNDA [2]. As set out in paragraph 4.12 HNDA [2] establishes the annual housing land requirement over the period as **633** houses per annum. Adding a 10% generosity allowance gives a housing land requirement of **2,088** houses over the three year period.

Figure 4. West Lothian LDP Housing Supply Target 2024-2027

2024-2027
1,899
(Annualised 633)

* Source: Table 5.1.2 SESplan Housing Need & Demand Study 2011 (plus 10% generosity allowance)

- 5.6 In addition to the housing supply targets that the LDP must provide for (Figures 3 & 4 above), SDP [1] anticipates that over the course of the plan period, there will also be a contribution to new housing from sites which become available for development during the plan period which were not anticipated to be available when the *Proposed Plan* was prepared, so called “windfall” sites. Windfall sites arise unexpectedly and are by definition not part of the planned housing supply. They are opportunities for new housing, usually involving the reuse or redevelopment of previously developed sites, i.e. brownfield sites which were not included within the development plan. Windfall sites will continue to yield output over the LDP period, assisting in meeting housing targets and increasing flexibility. A significant proportion of recent windfall output has come from council new build RSL sites and reflects an active programme of social housing development, underpinned by Scottish Government funding, and the fact that the Council is exploiting its own land assets more extensively for this purpose than ever before.
- 5.7 In order to forecast the potential scale of contributions over the period to 2024 from these windfall developments, SESplan undertook an Urban Capacity Study in 2009 with the aim of providing quantitative housing windfall values to assist in the formation and justification of future SDP Housing Policy. The methodology recognised that not all of the sites identified in the study would be developed for housing but other sites that have not been identified may also come forward. To reflect this, the amount of land identified was 'discounted' to arrive at a realistic level of likely output from windfall sites. SDP [1] SG Housing Land Technical Note Table 3.7 sets out an estimate for windfall completions in West Lothian over the SDP period.

This identifies 880 windfall completions over the period 2009-2024 and 640 completions over the period 2024 to 2032.

Figure 5. Anticipated Output from ‘Windfall’ Development in West Lothian 2009-2032

	2009-2019	2019-2024	2024-2032
Total number of houses	480	400	640
	(Annualised 48)	(Annualised 80)	(Annualised 80)

* Source: SESplan Housing Land Technical Note

- 5.8 The main difficulty with forecasting windfall sites however is that their delivery cannot be guaranteed. Consequently, windfall sites should be regarded as providing an additional element of flexibility as they present opportunities for redevelopment, regeneration and place making through the reuse of buildings and previously developed sites without requiring a specific allocation in the LDP.
- 5.9 Similarly, allowances for demolitions which occur over the plan period also need to be taken account of. Demolitions are a statistically small but nevertheless important component of both housing land supply and of need and demand in West Lothian and are also referenced in SDP [1] SG Housing Land Technical Note Table 3.7. It identifies 668 demolitions over the period 2009-2014 and 160 demolitions over the period 2024 to 2030.

Figure 6. Anticipated Demolitions in West Lothian 2009-2032

	2009-2019	2019-2024	2024-2032
Total number of houses	568	100	160
	(Annualised 57)	(Annualised 20)	(Annualised 20)

* Source: SESplan Housing Land Technical Note

6. Housing Land Requirements

- 6.1 The Housing Supply Targets (HSTs) set out in Figures 3 and 4 indicate the number of new homes expected to be built over the period 2009-2027 and in turn inform the Housing Land Requirement (HLR), which is the sum of the number of new homes to be built plus a generosity allowance.
- 6.2 The introduction by Scottish Government of SPP in June 2014 altered the policy context in planning for new housing. SPP 2014 (paragraph 116) requires that the HST be augmented by a margin of 10-20% in order to ensure that a generous supply of land for housing is provided. The exact extent of the margin depends on local circumstances and is a matter to be determined by the planning authority.
- 6.3 For the West Lothian LDP, the percentage of generosity adopted (10%) has been determined by a range of factors that include: -
- The variety of developable locations across the Strategic Development Area which provide a range and choice for both market and affordable housing;
 - The ability of the house building industry to deliver new housing in these areas in the period of the Plan;
 - Future funding for affordable housing;
 - The environmental capacity of the area; and
 - Infrastructure constraints, timescales and funding.

The definitive housing land requirements for the West Lothian LDP are set out in Figure 7.

Figure 7. Identifying the West Lothian LDP Housing Land Requirements

	2009-2019	2019-2024	2024-2027	2009-2027
LDP Housing Land Supply Target	11,420	6,590	1,899	20,794
10% Generosity Allowance	1,142	659	189	2,079
LDP Housing Land Requirement	12,562	7,249	2,088	22,873
	(Annualised 1,256)	(Annualised 725)	(Annualised 696)	

- 6.4 It should be noted that as the base date of SDP [1] is 2009, houses completed between then and the end date of HLA 2014 (31 March 2014) should be deducted from the Housing Land Requirement for the period 2009-2014. Housing Land Audit 2014 identified 2,440 completions but the figure does of course increase over time. It will also be observed that the annual average requirement for the first period (2009-2019) is considerably higher than for the second. This is mainly due to two factors:
- HNDA [1] identified a significant backlog of households currently in need of affordable housing which should be addressed early. This backlog is on top of newly arising need and demand and is all added to the housing land requirement of the first period; and
 - House building during the first period has been adversely affected by economic conditions resulting in lower completion rates than required. The shortfall is added to the remaining requirement of the first period raising the annual average needed even further, to a level that has only ever been achieved twice before in West Lothian.
- 6.5 Respondents who have commented on the *Proposed Plan* have expressed concern that there is a suggestion that the council is seeking to aggregate the individual land requirements in order to make the task of addressing them over a consolidated period of time that much easier, the issue being that the requirements are significantly more demanding during the first plan period (which only has three years remaining). This is not the council's intention. However, there is a practical difficulty in that less than 5 years remains in the first period of the plan (2009-2019). Consequently, there needs to be a mechanism for calculating the 5 year requirement where it straddles two periods in SDP [1]. No guidance is given on this matter in SDP [1] the Housing Land Supplementary Guidance or SPP 2014.
- 6.6 SPP 2014 indicates that these housing land requirements are capable of being met from a number of sources, including sites from the established supply (sites identified from previous plans) which are effective or expected to become effective in the plan period, sites with planning permission, proposed new land allocations, and in some cases, a proportion of windfall development. SPP 2014 also requires the LDP to allocate a range of sites which are effective or expected to become effective in the plan period to meet the housing land requirements in full, ensuring a 5-year effective supply at all times.
- 6.7 A significant part of the SESplan housing requirement has already been accounted for and identified through sites previously allocated in the West Lothian Local Plan (and now carried forward to the LDP). In the Core Development Areas of Armadale, Winchburgh and Calderwood in particular there has been substantial progress.

7. The Housing Land Supply

The Housing Land Audit

- 7.1 The Housing Land Audit (HLA) is an annual assessment of the housing land supply in West Lothian. It has the dual function of demonstrating the availability of sufficient effective land to meet the requirement for a continuous five year supply and provides a snapshot of the amount of land available for the construction of housing at any particular time. It is undertaken by the council but with input from Homes for Scotland, private sector house builders, infrastructure providers and public agencies. It is used as a monitoring tool to ensure that the forecasts for estimated house completions over the five year ongoing effective land supply period remain robust and realistic.
- 7.2 Sites in the HLA include those under construction, sites with planning consent for housing, sites in adopted local development plans and other buildings and land with agreed potential for redevelopment for housing. Conversions and sub-divisions are included but refurbishment of existing housing stock is excluded.
- 7.3 The future build estimates shown in the HLA represent completions expected from the established land supply. However, in addition, there are a number of other sources that will provide additions to the supply in the schedules including constrained sites, windfall and other development and land specifically coming forward through Local Development Plans.
- 7.4 The Scottish Government in PAN 2/2010: *Affordable Housing and Housing Land Audits* (August 2010) advises that HLAs should indicate the output from effective sites for a five year period with an indicative figure for later years.
- 7.5 When quantifying the housing land supply for the West Lothian LDP, the most recent and most comprehensive source of housing land data available to the council was used, which at that point in time, was HLA 2014. An integral part of the process of preparing the HLA is consultation with representatives of the house building industry and other interested parties in order to try to reach agreement on the effective supply. In 2014 all of the site details recorded in HLA 2014, including the forward programming of completions, were agreed with Homes for Scotland with no disputed schedules and were held to represent levels of output that the house building industry was comfortable with and capable of achieving.
- 7.6 A number of respondents who have commented on the *Proposed Plan* have been critical of the council for not using HLA 2015 but the reason for this is it was not available to the council at the time when housing allocations were being made post MIR stage in the summer of 2015.

Figure 8. Summary Table from West Lothian Housing Land Audit 2014

Status	Total site capacity	Total affordable units	All completions by 31/3/14	Total dwellings remaining	Programmed Completions								
					14/15	15/16	16/17	17/18	18/19	14 - 19	19/20	20/21	Post 2021
Under Construction	4,446	525	968	3,478	624	471	337	261	179	1,872	53	53	1,500
Consent	2,905	770	0	2,905	40	392	285	200	120	1,037	30	10	1,828
No Consent	6,761	1,193	0	6,761	18	149	437	576	470	1,650	477	400	4,234
Small Sites	250	0	10	240	40	50	50	50	50	240	0	0	0
Total Effective Supply	14,362	2,488	978	13,384	722	1,062	1,109	1,087	819	4,799	560	463	7,562
Constrained	7,953	0	0	7,953									
Total Established Supply in West Lothian	22,315	2,488	978	21,337									

- 7.7 HLA 2014 shows 7 years of programming on effective sites with an indication of the number of house units remaining to be developed post-2021. This lack of programming information beyond 2021 does not necessarily imply any restriction on a developer to develop in advance of any stated programming. Neither the Housing Land Audit nor the Development Plan places any such restriction, except in a very small number of cases, on any site coming forward for development earlier than programmed, typically where there are known infrastructure impediments.

Effective Housing Land Supply

- 7.8 The **effective housing land supply** contains all sites which do not have identified constraints and are therefore expected to be available for housing development. For a site to be classed as effective, it must be free of constraints set out in Planning Advice Note 2/2010 *Affordable Housing and Housing Land Audits* that would prevent development on the following basis:

Ownership: the site is in the ownership or control of a party which can be expected to develop it or to release it for development. Where a site is in the ownership of a local authority or other public body, it should be included only where it is part of a programme of land sales;

Physical: the site, or relevant part of it, is free from constraints related to slope, aspect, flood risk, ground stability or vehicular access which would preclude its development. Where there is a commitment to removing the constraints in time to allow development in the period under consideration, or the market is strong enough to fund the remedial work required, the site should be included in the effective land supply;

Contamination: previous use has not resulted in contamination of the site or, if it has, commitments have been made which would allow it to be developed to provide marketable housing;

Deficit funding: any public funding required to make residential development economically viable is committed by the public bodies concerned;

Marketability: the site, or a relevant part of it, can be developed to provide marketable housing; Infrastructure: the site is either free of infrastructure constraints, or any required infrastructure can realistically be provided by the developer or another party to allow development;

Land use: housing is the sole preferred use of the land in planning terms or if housing is one of a range of possible uses other factors such as ownership and marketability point to housing becoming a realistic option;

Other: the site is free from other constraints not covered by the categories above.

Five Year Effective Housing Land Supply

- 7.9 The effective supply is divided into two subcategories; (1) the **five year effective housing land supply** and (2) the **post five year effective housing land supply**.
- 7.10 The five year effective housing land supply consists of the total number of units which are expected to come forward within five years of the base date of the audit and includes an estimate based on an analysis of completions over the past five years of the likely contribution within the period on small sites of five units or less. The five year effective

housing land supply is the figure used to measure the adequacy of the land supply for Plan monitoring purposes. SDP [1] Policy 6 requires the council to maintain a five years' effective housing land supply at all times. SDP [1]

- 7.11 HLA 2014 indicates that for the five year period from 2014 to 2019, the total number of houses forecast to be built in West Lothian was **4,799** (or an average of 960 houses per annum).
- 7.12 Based on figures taken from HLA 2014, the need for land over the 2014-2019 period is calculated as being for **5,321** houses (just under half of the 10 year SDP [1] HST of 11,420 with Figure 9 providing the calculation). This equates to **1,064** homes per year. As can be seen, the effective housing land supply of **4,799** falls short of this by **522** units. However, this 'shortfall must be viewed in the context of additional sites which have come forward in the interim and which are capable of delivery by 2019. The capacity of these additional sites is in excess of the calculated 'shortfall'.

Figure 9. Five Year Land Supply Using The Recalculated Average Method

Land Requirement 2009-2024	18,010	
Completions 2009-2014	2,440	
Completions 2014/15	763	
Completions 2015/16	756	
Total Completions	3,959	
Remaining Land Requirement 2016-2024	14,051	
Annual Requirement	1,756	Based on 8 years remaining to the end of the plan period
5 Year Requirement	8,782	
Identified supply 2016-2024	15,873	
Identified supply 2016-2021	10,381	5 years from the revised base year of 2016
		Calculated as identified supply (10,381) divided by the annual requirement (1,756)
Number of years supply	5.91	

- 7.13 Figure 9 demonstrates that an effective land supply of more than 5 years exists at 2016 taking into account land identified in HLA 2014, constrained sites becoming effective and new allocation in the *Proposed Plan*. As set out in paragraph 6.5 above, there is no prescribed mechanism for calculating the effective 5 year land supply where the five year period in question straddles the two plan periods set out in SDP [1]. It is inevitable, in the circumstances that some aggregation of housing land requirements over the two plan periods will be necessary. If this is not the case then any shortfall in the first period (2009-2019) would simply be lost.
- 7.14 As the five-year effective housing land supply is defined as that part of the land supply expected to be developed over a five year period, it should not be seen as a measure of land capacity or potential but what will be built over the period. It is invariably affected by market, economic and financial conditions which in turn have a strong bearing on the

actions of developers as much as it is affected by the availability of land. As reduced credit availability affected both the development industry and potential house buyers, this has been very apparent across Scotland during the last few years and throughout the economic downturn. It should however be emphasised again that the annual requirement set out in the Figure 9 is well in excess of any annual completions ever achieved in West Lothian and is almost three times the calculated annual requirement in HNDA [2]

- 7.15 The onset of the credit crunch in 2007 and subsequent recession witnessed a steep decline in the annual number of house completions due to a dramatic reduction in demand and this has impeded efforts to maintain an effective 5 year housing land supply. The completion rate in West Lothian had been generally above the required level for the first 5 years of the SDP but tailed off significantly post 2008. The number of completions achieved in 2010/11 was only 41% of that achieved during 2004/05 and in 2011/2012 there was a further substantial falling off to a so far unprecedented low of just 229 houses.
- 7.16 Data suggests that building rates, while still significantly adrift of where they were in the early to mid 2000's, are nevertheless recovering and the council is optimistic that the policies and proposals in this plan will continue to provide sufficient housing land to allow a five year supply to be maintained. However, simply allocating land does not achieve housing output. That requires a step change in housing output from the housing sector. The council's housebuilding programme will assist with this and will account for around 500 completions per year over the next two years. Figure 10 charts the number of completions since 2002 in West Lothian.

Figure 10. Housing Completions in West Lothian

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1,281	875	1,158	1,288	1,175	714	928	422	543	530	229	523	615

*

Source: West Lothian Housing Land Audits 2002 to 2014

- 7.17 If annual monitoring shows that a five year's effective supply is not being maintained, Policy 7 of SDP [1] provides a mechanism for increasing the effective land supply, either by bringing additional land forward through local development plans or granting planning permission for additional greenfield housing sites.

Post Five Year Effective Housing Land Supply

- 7.18 Units on effective sites which are programmed for completion beyond the five year period fall into the post five year effective supply. According to HLA 2014 there were **8,585** units programmed for development beyond 2019. At 31 March 2014, the total **effective housing land supply** in West Lothian, was **13,384** units.

Constrained Housing Land Supply

- 7.19 The constrained housing land supply consists of those sites or parts of sites which have problems preventing their development starting within five years from the base date of the audit. Where constraints exist on a site precluding its development, the site is considered to be 'non-effective' and no contribution towards meeting SDP [1] requirements can be assumed. This consideration does not, however, prevent a site from making a contribution in the future if the constraints can be resolved or if circumstances change.

- 7.20 HLA 2014 identifies a constrained housing land supply of **7,953** units. By definition, constrained sites are not programmed within the HLA. However, it is frequently the case that the constraint is to do with market conditions rather than a physical or planning limitation and many constrained sites are expected to contribute to the housing land requirement in the longer term.
- 7.21 Respondents to the Proposed Plan have generally argued that sites identified as constrained rather than effective should not be expected to contribute to the supply during the plan period. The council however maintains that these sites are constrained largely due to market conditions, or infrastructure considerations. They were assessed during the preparation of the HLSG and again recently and there is no reason to believe the sites will not come forward during the plan period, provided that market conditions improve and infrastructure provision is remedied. As the constrained sites were included in the HLSG Technical Note calculations, it follows that their potential contribution (inclusion) has been recognised as legitimate by Ministers and that it would be wrong to unilaterally discount such sites in their entirety from contributing to the supply.

Figure 11. Constrained Housing Land Supply 2009 to 2014

2009	2010	2011	2012	2013	2014	Change between 2009/14
7,927	8,220	9,856	8,566	8,063	7,953	+0.3%

* Source: West Lothian Housing Land Audits 2009-2014

- 7.22 Analysis of all sites in the West Lothian HLA 2014 that are constrained suggests that the main reasons are marketability, sites having no consent and site specific physical issues.

Figure 12. Constraint Analysis

Constraint	%
Contamination	2
Funding	2
No Consent	30
Infrastructure	7
Land Use	6
Marketability	32
Other	0.5
Ownership	6
Physical	14.5

* Source: West Lothian Housing Land Audit 2014

Established Housing Land Supply

- 7.23 The **established housing land supply** is calculated by adding together the five year effective housing land supply, the post five year effective housing land supply and the constrained housing land supply. The HLA 2014 identifies the West Lothian established housing land supply at **21,337** units at 31 March 2014.

Figure 13. Established Housing Land Supply 2009 to 2014

2009	2010	2011	2012	2013	2014
25,915	22,526	21,164	21,860	21,629	21,337

* Source: West Lothian Housing Land Audits 2009-2014

8. New Housing Allocations

- 8.1 While HLA 2014 holds details of the established housing land supply it is important to re-iterate that it does not capture the newly allocated sites in the *Proposed Plan*. Similarly it excludes most of the sites coming forward as part of the council's 1,000 social houses project and a significant number of sites granted consent since 31 March 2014 as the publication date of the plan did not coincide with that of HLA 2014. These are significant omissions which have consequences for the wider issue of housing land supply in West Lothian and this is addressed by **Appendix 1**, a spreadsheet which comprehensively identifies all of the sites which are expected to contribute to meeting the LDP housing land requirements (and which also underpins Figure 5 in the *Proposed Plan*).
- 8.2 The new housing sites that are included in the *Proposed Plan* have been selected following extensive public engagement and consultation. In 2011 the council chose to undertake a 'call for sites/expressions of interest' exercise which invited members of the public, landowners, developers and other interested parties to identify land with potential for future development. It also sought information on development viability and effectiveness and subjected candidate proposals to close scrutiny, calling on the assistance of Key Agencies and other third party advisors to help identify constraints and to allow solutions to be identified. Successful sites submitted through this procedure, together with others identified by officials through settlement survey work were presented in the Main Issues Report (MIR) in 2014, and now form part of the spatial strategy outlined in the *Proposed Plan*.
- 8.3 It should be noted that Appendix 1 intentionally excludes those sites previously shown in HLA 2014 which have been built or were almost complete as it would have been inappropriate to have carried forward sites that were effectively 'spent'. Wholly completed sites with no remaining capacity are removed from the established land supply on an annual basis through the HLA although the units completed still contribute to the housing land requirement. This also explains why there may be some variations in the figures identified by those respondents to the *Proposed Plan* who have sought to enumerate the housing land supply and may have incorrectly assumed a straight read across from HLA 2014 to Appendix 1. While Appendix 1 also adopts a substantial element of the programming used in HLA 2014, the opportunity was taken to review and update this to better reflect the most current understanding of circumstances.
- 8.4 As set out above, a number of additional sites have obtained planning permission since 31 March 2014 i.e., after the period covered by Housing Land Audit 2014, and thereby boosting the pool of housing land. These sites should also be accounted for when seeking to understand and establish as comprehensive over view of the housing land supply position as possible. These sites, and their anticipated programming, are set out in Figure 15 below.

Figure 14. New sites that contribute to the housing land supply since 31 March 2014

Site Name	Total Nos	15/16	16/17	17/18	18/19	19/20	15-20	20/21	21/22	Post 2022
Armadale Bathville Cross	18	0	18	0	0	0	18	0	0	0
Armadale Netherhouse Phase 2	85	24	24	24	11	0	85	0	0	0
Bathgate 13-15 Glasgow Road	22	0	0	11	11	0	22	0	0	0
Bathgate Bathgate Com Ed Centre	0	0	0	0	0	6	6	0	0	0

Bridgend Auldhill	5	0	5	0	0	0	5	0	0	0
Broxburn Kirkhill	230	0	100	130	0	0	230	0	0	0
Calderwood CDA Almondell, Phase 1 Sites MWd	31	15	16	0	0	0	31	0	0	0
Calderwood CDA Almondell, Phase 1 Sites LKd	36	0	36	0	0	0	36	0	0	0
Raw Holdings West (Seven Wells) Site B Affordable	15	0	15	0	0	0	15	0	0	0
Livingston Deans South, Phase 1	42	0	42	0	0	0	42	0	0	0
Livingston Deans South, Phase 2	25	0	25	0	0	0	25	0	0	0
Livingston Deans South, Remainder	159	0	0	0	48	48	96	63	0	63
Livingston Land at Elburn Office Park	87	0	0	40	47	0	87	0	0	0
Livingston Land North of Almondvale Stadium	20	0	10	10	0	0	20	0	0	0
Livingston Land South of Almondvale Stadium	17	0	10	7	0	0	20	0	0	0
Livingston Dedridge East (Former LammermuirHouse)	44	0	44	0	0	0	44	0	0	0
Livingston Almond Link Road (Civic Centre Junction)	20	0	20	0	0	0	20	0	0	0
Livingston Howden Road South	36	0	0	36	0	0	36	0	0	0
Philpstoun Philpstoun Bowling Green	5	0	5	0	0	0	5	0	0	0
Pumpherston Drumshoreland/Kirkfor thar Brickworks, Site B	86	0	50	36	0	0	86	0	0	0
Pumpherston Uphall Station Road (Pumpherston Primary School & Institute)	14	0	14	0	0	0	14	0	0	0
Whitburn Polkemmet, Heartlands, Areas A6	20	10	10	0	0	0	20	0	0	0
Winchburgh Block Q1 & Q3 Site B	41	0	0	41	0	0	41	0	0	0
TOTAL						.	1,004			

* Source: West Lothian Council Draft HLA 2015

- 8.5 Appendix 1 includes a number of sites which were constrained in HLA 2014 (and now identified as effective in the *Proposed Plan*), and also the re-programming of sites from the effective housing land supply.
- 8.6 Between 2015 and 2019, the first plan period, there are anticipated to be **4,422** programmed completions from sites identified in HLA 2014 as effective sites, and a further **642** completions assumed from sites previously identified in HLA 2014 as constrained. Additionally, there are **1,496** programmed completions from newly allocated sites not in HLA 2014 at all.

- 8.7 For the second plan period 2019 to 2024, the figures are **4,279** programmed completions from sites identified in HLA 2014 as effective sites, and **3,716** completions assumed from sites identified in HLA 2014 as constrained. There are **2,610** programmed completions from new allocated sites not in HLA 2014.

9. Addressing the Housing Land Requirements

- 9.1 It is important that there is an accurate representation and appreciation of what land is available for housing development in West Lothian. As explained previously, HLA 2014 is only a snapshot of the position at a particular point in time. Circumstances change and new sites present themselves for development. The HLSG clearly envisages a re-assessment of the housing land supply position during the preparation of each of the constituent LDPs and on that basis it is entirely appropriate that the council has the opportunity to put forward the most up-to-date and comprehensive iteration of the housing land supply position in order to demonstrate that the housing land requirements of SDP [1] can be met.
- 9.2 When the Main Issues Report (MIR) was published in August 2014 it referenced an Established Housing Land Supply of 22,847 units, a figure derived from HLA 2012. While it has subsequently been established that this figure was incorrect (it should have been recorded as 21,860) it is of no consequence because the MIR considered, evaluated and then settled on a growth scenario which undertook to provide land for 26,347 homes.
- 9.3 Having further reflected on the representations received to the MIR, HLA 2014, the requirements of the HLSG, the requirements of SPP 2014, and Circular 2/2010: *Affordable Housing and Housing Land Audits*, it was subsequently decided by the council at a meeting on 15 September 2015 that the LDP should move forward with different housing land allocations to those which had been set out in the MIR. The proposition was instead to recognise and provide for the full HLR, i.e. a total of **18,010** houses over the whole plan period (**11,420** between 2009 and 2019 and **6,590** between 2019 and 2024) **plus** a generosity allowance of 10% for each **of the two plan** periods. This amounted to a total of **19,811** homes, the number identified in Row C, Figure 5 of the *Proposed Plan*.
- 9.4 At that time, no provision had been made for any requirement beyond 2024. It has however been recognised that Scottish Planning Policy (SPP 2014) requires at paragraph 119 that: "Local development plans in city regions should allocate a range of sites which are effective or expected to become effective in the plan period to meet the housing land requirement of the strategic development plan up to year 10 from the expected year of adoption. They should provide for a minimum of 5 years effective land supply at all times. In allocating sites, planning authorities should be confident that land can be brought forward for development within the plan period and that the range of sites allocated will enable the housing supply target to be met."
- 9.5 The council acknowledges the expectation in SPP (2014) that the plan must meet the housing land requirement up to year 10 of the assumed date of adoption (which is anticipated to be 2017) and has accordingly identified a HLR for the period 2024-2027 of **3,062** units (see para 5.4). It should be noted that there has in any event always been provision in the *Proposed Plan* for what is described as 'future proofing' and that Appendix 1 identifies at least 18 sites which are expected to deliver 7,779 homes beyond 2024. These sites are not programmed

Figure 15. The West Lothian LDP Housing Land Requirements

	2009-2019	2019-2024	2024-2027	2009-2027
LDP Housing Land Requirement	12,562	7,249	2,088	21,899

- 9.6 On the supply side, Appendix 1 serves to consolidate the housing land supply position in so far as it identifies all the housing land available for development. In the period from 2017–2024 this amounts to 17,192 units and post 2024 there is a supply of land capable of accommodating 7,779 homes.

10. Conclusions

- 10.1 The council has long anticipated that the delivery of housing would be a key issue for the LDP and that it would ultimately determine the success of its strategy. It is evident that the housing land issues being addressed through this LDP are not unique to West Lothian but are instead broadly the same as in all other local authorities across Scotland.
- 10.2 There have been some suggestions that the council is failing to maintain an effective five year land supply over the first period 2009-2019 set out in SDP [1]. There is some difficulty with calculations over this period as there is no longer five years between now and March 2019. Therefore, the five year calculation must straddle the two period set out in SDP [1]. There is, however, no guidance in SDP [1] or indeed SPP as to how this situation should be addressed. This paper sets out two methodologies for doing so, both of which demonstrate an effective five year land supply.
- 10.3 The latest Housing Needs and Demand Assessment identifies a much reduced housing need and demand figure for West Lothian than does SDP [1]. Nevertheless, the plan continues to meet the housing land requirements set out in SDP [1] in full and, indeed, goes further than that requirement by including a generosity allowance. The plan, when read in the context of the latest needs and demand assessment provides for a generosity allowance of around 40%.