

Housing Land Update

Planning Committee
21 April 2004

1 Purpose of report

- 1.1 This report invites Committee to note the position on three key elements of the planning for housing strategy: the latest information on the regionwide housing land supply as set out in Housing Land Audit 2004, the current position on the delivery of affordable housing, and the progress of the regionwide Housing Needs Assessment.

2 Summary

- 2.1 Housing Land Audit (HLA) 2004 has been concluded and presents a snapshot of the land supply position at 31 March last year, both regionwide and by each council area. It also calculates the level of affordable housing provision across the structure plan area. The Structure Plan requires a five-year effective housing land supply of 25,100 for the whole region and 12,100 for this Council. HLA 2004 demonstrates that there is an effective housing land supply of 25,417 in the Lothians and 13,149 in Edinburgh, meeting the overall structure plan requirement in full. Full agreement on the audit could not be reached with Homes for Scotland this year.
- 2.2 The ELSP requires the provision of affordable housing (HOU7), through specific policies in local plans, where a need has been established. No specific figures are identified in the ELSP. For Edinburgh, HLA 2004 confirms an established supply of 3,893 units and an effective supply of 3,622 affordable houses and flats. Programming the affordable units, five-year supply of affordable housing is 1,817 units, although other non-HLA sources will add considerably to that amount. Good progress is also being made on the Regional Housing Needs Assessment which will be a key input to the review of the current structure plan.

3 Main report

The Housing Land Audit Process

- 3.1 In the Lothians, an annual HLA has been carried out since 1981. The HLA process audits the number of flats and houses completed in the year to 31 March, collates data on all extant housing planning permissions and relevant local plan sites, and programmes likely housing completions over a seven year period. Agreement on the HLA is sought with interested parties, including Homes for Scotland and Communities Scotland.
- 3.2 Before HLA 2003, the housing supply was monitored by tenure (private or public sector), but it has now been revised to remove reference to tenure and include the affordable housing element for each site. This allows the level of affordable housing on the ground to be accurately recorded and gives a better understanding of its delivery mechanisms.

Policy Context

- 3.3 The Lothians HLA process is consistent with Government policy and advice contained in SPP3 - Planning for Housing, and PAN38 - Housing Land, both from 2003. The statutory strategic framework is provided by the Edinburgh and the Lothians Structure Plan 2015 (ELSP), as approved by Ministers in June last year.
- 3.4 ELSP Policy HOU10 'The Five-Year Housing Land Supply', as modified by Ministers is the key policy and states that:

"The Lothian Councils will maintain an effective five-year land supply for Edinburgh and the Lothians as a whole by supporting the development of housing land ... Where a Council's contribution to the effective five-year supply falls below 90% of its expected contribution ... that Council will take steps to allocate additional land in local plans in the core development areaswhere relevant infrastructure is available or committed. Where this is not possible, planning permission may be granted in advance of local plan adoption provided that the proposals comply with other policies of the development plan."

- 3.5 ELSP Table 3.2 sets out the consequent average five-year housing land supply for the Lothians, which is 25,100. This works out as 5,020 units per year, a build-rate higher than has ever been achieved in the region. Edinburgh's anticipated share of that total is a five-year average of 12,100 units, or 2,420 per year.

HLA 2004

- 3.6 HLA 2004 was finalised in March 2005 following a consultative meeting with representatives of Homes for Scotland (HfS). Agreement was reached as to the status and programming of the vast majority of housing sites across the structure plan area, but there were some areas where the level of output programmed in the draft audit was felt by HfS to be overly optimistic. Within Edinburgh, the disputed programming related to the Waterfront area, including Granton Waterfront, Granton Harbour and Western Harbour and the housing development within the South East Wedge. In total, these sites account for 4,240 or just over one third of the effective five-year land supply in Edinburgh. HfS did not dispute the status of these sites as effective and their ability to contribute to the land supply, but rather felt that the collective level of development programmed within these two areas was too high to be sustained. They were not, however, able to suggest an alternative phasing programme, making it impossible to quantify the level of disagreement.
- 3.7 The housebuilding industry has always taken the view that there is a limit on the number of houses that can be marketed and sold each year even in large redevelopment areas. However, the Waterfront regeneration involves different areas, types of housing and product. This is an opportunity for the housebuilders to compete on product, rather than for land, and help meet the City's housing demands.
- 3.8 The HLA 2004 effective five-year housing land supply, including the affordable supply, is shown below.

Council Area	ELSP 2015 Average five-year housing land supply Requirement	Housing Land Audit 2004			% Over-provision/ (Shortfall)
		Total Agreed Sites	Affordable Units		
			No	% of total	
CEC	12,100	13,149	1,817	14%	9%
ELC	3,200	3,430	497	14%	7%
MLC	4,000	3,274	286	9%	(18)%
WLC	5,800	5,564	115	2%	(4)%
Total	25,100	25,417	2,715	10%	1%

Implications of HLA 2004

3.9 This shows that the effective five-year housing land supply for the structure plan area as a whole exceeds the requirement of HOU10. This means that even though the effective housing land supply in Midlothian is significantly lower than its expected contribution, and West Lothian's is slightly below, there is no Policy HOU10 requirement at this stage for remedial measures to bring forward additional land.

Structure Plan Performance

3.10 The base housing land supply for the ELSP was calculated at 2001, with a total plan requirement of 70,200 units to 2015. This equates to an average of just over 5,000 completions per annum for the structure plan area as a whole, with about 2,400 completions in Edinburgh. The actual numbers of completions over the 3 years from 2001 are shown below.

	Housing Requirement			Actual Completions				
	2001 - 2015	Per annum	Expected 2001- 04	01/02	02/03	03/04	Total 2001-04	Excess/ (shortfall)
City of Edinburgh	33,900	2,400	7,200	2,559	2,561	2,442	7,562	362
East Lothian	9,000	600	1,800	576	511	225	1,312	-488
Midlothian	11,200	800	2,400	111	150	165	426	-1,974
West Lothian	16,100	1,200	3,600	1,281	875	1,158	3,314	-286
Total	70,200	5,000	15,000	4,527	4,097	3,990	12,614	-2,386

3.11 Whilst the level of completions in Edinburgh has been above the average annual requirement in the ELSP, this has not been the case for the other authorities, and for the plan area as a whole, the total 'shortfall' over the 3 years has been 2,386 units. In order to meet the ELSP housing requirement, this shortfall will have to be met over the remainder of the plan period. The ELSP anticipated that the number of completions each year would not match exactly the requirement in each council area and an additional requirement of policy HOU10 is that the adequacy of the land supply be re-examined in an annual monitoring report and, if necessary, the future five-year supply target for each Council be recalculated. The first monitoring report is to be prepared at the end of this year. There is therefore no need to recalculate the future supply targets at this stage.

Affordable Housing

- 3.12 The ELSP requires the provision of affordable housing (Policy HOU7), through specific policies in local plans, where a need has been established. No specific figures are identified in the ELSP. For Edinburgh, HLA 2004 confirms an established supply of 3,893 units and an effective supply of 3,622 affordable houses and flats. Programming the affordable units, the five-year supply of affordable housing is 1,817 units.
- 3.13 This figure incorporates housing sites with planning permission as of March 2004, and a number of housing sites identified in local plans. It is anticipated that the actual number of affordable completions over the coming five years will exceed 1,817 as additional sites come forward not currently accounted for in the audit. These include additional windfall sites, either brought forward by housing associations or through the affordable housing policy, new sites emerging from new local plans, and the redevelopment of areas of Council-owned housing.

Regional Housing Needs Assessment

- 3.14 A Housing Needs Assessment (HNA) and Market Analysis Study for the Lothians is currently underway. The results of the Study will inform the development and review of the Structure Plan and local plans, including their affordable housing policies, and local housing strategies. The Study comprises a desk-top analysis of existing data, a household survey of 3,600 households across the Lothians, and housing market commentaries on Fife and Scottish Borders. The survey is due to finish by the end of March. Topline figures from the household survey and data analysis will be presented to the project's Steering Group in April.
- 3.15 The wider Stakeholder Group meets in April to discuss the preliminary findings. This Group includes representatives from Homes for Scotland, registered social landlords (RSLs), Communities Scotland, Fife Council, Scottish Borders Council, Lothian Homelessness Forum, Lothian Health and others. The draft final report is due by the end of May 2005, with the final report by the end of July. A full dissemination plan will be developed, to start from August. The study is being carried out by consultants Tribal HCH. The total cost of the Study is £218,000, shared between the four Lothians authorities.

Next Steps

- 3.16 The results of HLA 2004 will feed into the first annual housing monitoring report in December. Work has already begun on HLA 2005, which should be completed by November 2005. This will update HLA 2004 and indicate the established and effective housing land supply, including the provision of affordable housing for the year to March 2005.

3.17 A further report will be presented to a later Planning Committee meeting to set out in more detail the progress made on delivering affordable housing and the actions needed to increase affordable completions. It will also consider the content and implications of the recently issued Planning Advice Note (PAN) 74 on affordable housing, and consider the need to update the Council's notes on the implementation of the affordable housing policy.

4 Conclusions

4.1 The regionwide five-year housing land supply, as at March last year, exceeded the structure plan's expected contribution rate and consequently no remedial action is required of any of the Lothians authorities at this stage. At the council area level, Edinburgh and East Lothian met their expected contributions, but West Lothian's contribution was slightly in deficit and Midlothian's fell short by 18%. There is no requirement at this stage to recalculate future five-year supply targets, but this will need to be addressed by the first structure plan housing monitoring report later this year.

4.2 The HLA now includes data on the delivery and programming of affordable housing and shows that the Council's policy is now bearing fruit. The HLA does not however give the full affordable housing picture; other sources will contribute to its delivery in future years.

5 Financial Implications

5.1 None.

6 Recommendations

6.1 It is recommended that Committee notes:

- a) the current level of the established and effective housing land supply in the Lothians and in Edinburgh,
- b) the progress to date in delivering affordable housing; and
- c) the progress of the regionwide Housing Needs Assessment.



Andrew M Holmes
Director of City Development

13.4.05

Appendices	None
Contact/Tel	Alistair Harvey Tel. 0131 469 3596 Ken Tippen Tel. 0131 469 3613
Wards affected	City wide
Background Papers	<ol style="list-style-type: none">1 SPPG3 - Planning for Housing, 20032 PAN38 - Housing Land, 20033 Edinburgh and Lothians Structure Plan 2015 Finalised Statement4 Edinburgh and Lothians Structure Plan 2015 Supporting Statement5 Edinburgh and Lothians Structure Plan 2015 Baseline report6 Edinburgh and Lothians Housing Land Audit 20037 Edinburgh and Lothians Housing Land Audit 2004