

City Plan 2030

Housing Technical Note

June 2024



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Purpose

- 1.1 This technical note is to provide clarity and explanation on housing target and housing land supply matters in the transition from the proposed plan submitted for Examination and the modified plan for adoption.

Housing target and housing land supply

- 2.1 The Report of Examination modifies the housing supply target and subsequent housing land requirement and housing land supply methodology of the proposed plan to an approach based on NPF4 (see [Appendix 1](#) Housing Land Methodology). NPF4 introduces a requirement for future development plans to set a local housing land requirement, which is expected to exceed a minimum all tenure housing land requirement (MATHLR) set out in NPF4 for each planning authority in Scotland for a 10 year period.
- 2.2 The housing land supply target and housing land requirement have been replaced by the MATHLR figure for the City of Edinburgh of 36,750. This is 161 homes less than the housing supply target of 36,911 and 7,543 less than the housing land requirement of 44,293 set out in the proposed plan. The MATHLR is based upon the Housing Need and Demand Assessment 3 and includes a flexibility allowance of 25% over and above the need and demand figure. The full methodology for the calculation of the MATHLR is set out in the [NPF4 Housing Land Requirement Explanatory Report Addendum](#).
- 2.3 The Report of Examination sets out a ‘land supply’, which is a notional phasing by the Reporter of the number of completions assumed from the sites over the period of the plan 2024 to 2034. This includes a set of sites named in the Report as ‘opportunity sites’. These are sites which the Reporter considers to be currently constrained, which provide future opportunities to deliver housing in the plan period should a means of addressing constraints be found.

Table 1: City Plan Housing Land Requirement and Housing Land Supply from Report of Examination

	2024-2034
NPF4 Minimum All-Tenure Housing Land Requirement (MATHLR)	36,750
Anticipated land supply:	
• Legacy sites	16,037
• Other sites in Housing Land Audit and Completions Programme 2022	6,662
• New proposed sites* (Table 2)	11,218
• Constrained opportunity sites (Table 15)	6,371
Total anticipated supply 2024-203	40,288

**excludes parts of sites included in the Housing Land Audit and Completions Programme 2022*

- 2.4 This contrasts with the figures from the proposed plan. Table 2 below, which also includes the ‘opportunity sites’, demonstrates the relationship between the figures for the land supply as

expressed in the modified plan, and as set out in the proposed plan and its [Housing Technical Note](#).

- 2.5 The capacity of sites in the modified plan is 2,048 lower than the proposed plan due to approvals and completions since the publication of the proposed plan and the removal of 2 sites by the Reporter. The modified plan sets out land supply based upon notional programming over the plan period rather than the site capacity. The total capacity of allocated sites in the modified plan is 55,485. The modified plan’s programming shows 40,288 units from the 55,485 capacity programmed over the 2024-34 plan period representing the plan period’s housing land supply.
- 2.6 The programmed units in the modified plan are lower than those set out by the Council in response to a Further Information Request (FIR21) due to a shift in programming of some larger sites to a later period.

Table 2: Comparison of Proposed Plan and Modified Plan

	Overall Site Capacity		Notional Programme 2024 - 2034	
	Proposed Plan (2021)	Report of Examination (2024)	FIR21 (2022)	Modified Plan (2024)
Legacy Sites*	19,875	18,443	16,973	16,037
Other HLA sites**	12,838	10,942	6,666	6,662
New proposed sites	18,449	19,729	13,005	11,218
Opportunity sites	6,371	6,371	6,371	6,371
Total***	57,533	55,485	43,015	40,288
	Change	-2,048	Change	-2,727

* The proposed plan was based on capacities at 2021. This was updated during the course of Examination through Further Information Request (FIR) 21 to 2022. Consequently, the capacity figures in the Report of Examination are 2022 based. Some of the legacy sites experience completions over the year, reducing the remaining capacity.

** The capacity figure includes completions programmed before 2024 and after 2034

*** This figure varies slightly from the table on page 29 of the proposed plan (57,428) due to corrections to capacities.

Appendix 1 Housing Land Methodology

Housing Land Requirement

- 1.1 The proposed plan set out the number of homes to be delivered over the period 2021-2032. National planning policy at that time, SPP 2014, required that plans should set out the housing supply target (separated into affordable and market sector) for each functional housing market area, based on evidence from the Housing Need and Demand Assessment (HNDA). The target should be reasonable, should properly reflect the HNDA estimate of housing demand in the market sector, and should be supported by compelling evidence.
- 1.2 At the time of the proposed plan preparation, in City Regions, the requirements for new housing were set by the Strategic Development Plan (SDP). Edinburgh's extant SDP at the time of preparation was the [South East Scotland Strategic Development Plan \(SDP 1\)](#) approved in 2013 and [Housing Land Supplementary Guidance October 2014](#).
- 1.3 SDP 1 provided an all tenure housing supply target for the SESplan region to 2032 but did not provide a breakdown by local authority beyond 2024. A Proposed SDP2 was rejected by Scottish Ministers, meaning that there were no approved housing supply targets for Edinburgh to cover the entire period of Proposed City Plan 2030 (2021-2032).
- 1.4 A Housing Need and Demand Assessment (HNDA 2) carried out for the SESplan region in 2015 was the most up to date assessment of future housing need and demand for the City of Edinburgh over the proposed plan period. Over 60% of the 38,000 to 46,000 homes it required for Edinburgh were affordable tenures.
- 1.5 The HNDA 2 numerical estimates were used alongside other relevant factors to identify the Housing Supply Targets for the proposed plan. These factors included the need to align with the spatial strategy, availability of resources to deliver required supporting infrastructure and the rate of past and recent completions.
- 1.6 Affordable Housing Supply Targets were not set at a level that would meet the full estimate of need for affordable homes estimated by HNDA 2. Delivery of affordable housing is severely limited by funding. The Council Business Plan at that time, 2017-2022, set out a commitment to develop a programme to deliver at least 10,000 social and affordable homes over the following five years, with a plan to build 20,000 by 2027. The subsequent 2021-2024 Council Business Plan continued this commitment. An affordable housing supply target was set reflecting the significant need for affordable housing while taking account of what would be realistic and deliverable. The market housing supply target exceeded the demand set out in HNDA 2, as market housing can help meet some, but not all, of the shortfall in the need for affordable housing through more affordable types of market housing, help to buy and an expanded role for new build private rented sector housing.
- 1.7 A market target of 19,559 and new build affordable target of 17,352 units were set out in the proposed plan providing a total housing supply target for the period 2021-2032 of 36,911.
- 1.8 SPP 2014 expected the plan to set out the level of housing land required (Housing Land Requirement) to enable the Housing Supply Targets to be met, stating that the housing supply target should be increased by a margin of 10 to 20% to establish the housing land

requirement, to ensure that a generous supply of land for housing is provided. The exact extent of the margin being dependant on local circumstances.

- 1.9 Affordable housing delivery is related to the level of resources, primarily finance to fund affordable housing delivery. Further availability of land for affordable housing would not increase the likelihood affordable housing is delivered. Therefore, decisions on generosity margins primarily relate to delivery of market housing. It was acknowledged that the spatial strategy may require higher levels of intervention than might be the norm.
- 1.10 A generosity allowance of 20% was applied to the housing supply target. This was the upper limit of that set out in SPP 2014. This reflected the brownfield strategy and its inherent risks and was intended to ensure adequate land to provide for need and demand, where some sites may fail due to ownership, infrastructure or economic reasons.
- 1.11 During the course of Examination of the proposed plan, the Council provided revisions to the housing supply target and housing land requirement to take the date of the plan period to 2034, reflecting the expected date of adoption in 2024, and provide a base date of 2022 to tie in with the agreed Housing Land Audit and Completions Programme (HLACP) which was the most up to date at that time. This is set out in Table 1 below.
- 1.12 Following the submission of the proposed plan for examination, but prior to the conclusions of the examination, SDPs ceased to have effect, NPF4 was published, and Local Development Planning Guidance issued, providing a new context for LDPs. In the Report of Examination, the Reporter concluded that although City Plan was prepared during the transitional period, NPF4 now provides the national planning context for the identification of the housing land requirement in LDPs.
- 1.13 NPF4 introduces a change in the way the housing land requirement is determined. The Local Housing Land Requirement is expected to exceed the 10 year Minimum All-Tenure Housing Land Requirement (MATHLR) set out in Annex E of NPF4. The MATHLR is the minimum amount of land, by reference to the number of housing units, that is to be provided by each planning authority in Scotland for a 10 year period.
- 1.14 While expecting the Local Housing Land Requirement to exceed the 10-year MATHLR, NPF4 does not give detailed guidance as to the extent to which the MATHLR figure might be exceeded. As the plan was prepared in the period prior to NPF4, it was not possible to set a local housing land requirement in the manner set out in the [local development planning guidance, 2023](#). The MATHLR therefore now provides the benchmark figure which the housing land requirement exceeds. Annex E of NPF4 sets a requirement for Edinburgh of 36,750. This includes a flexibility allowance of 25%. The methodology for the calculation of the MATHLR is set out in the [NPF4 Housing Land Requirement Explanatory Report Addendum](#).

Table 1: Proposed City Plan 2030 Housing Supply Target 2021-32 Revised Target 2024-2034 and MATHLR

	Proposed City Plan period 2021-2032	Revised period 2024-2034	MATHLR 2024-2034
Housing Supply Target	36,911	34,905	36,750
Housing Land Requirement	44,293	41,866	

Housing Land Supply

- 2.1 SPP 2014 expected LDPs to allocate a range of sites which are effective or expected to become effective in the plan period to meet the housing land requirement in full. It expected planning authorities to be confident that allocated land could be brought forward for development within the plan period and that the range of sites allocated enabled the housing supply target to be met. The housing land requirement can be met from a number of sources, most notably sites from the established supply 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.
- 2.2 NPF4 states that deliverable land should be allocated to meet the 10-year Local Housing Land Requirement. Deliverable land is described as “land that is free from constraints or there is a commitment to overcome constraints, and development is able to be delivered in the period identified for the site within the Deliverable Housing Land Pipeline”.
- 2.3 The local development plan delivery programme is expected to establish a deliverable housing land pipeline for the Local Housing Land Requirement. Local Development Planning Guidance, May 2023 indicates that the requirement can be met by sites with planning permission; sites allocated in the plan, where the delivery programme indicates there is a firm commitment to delivering homes; and windfall development.
- 2.4 The transitional nature of City Plan 2030 means there is no current deliverable housing land pipeline. Transitional arrangements anticipate that when this plan’s action programme is subsequently reviewed as required (at least every two years), it would be so as a delivery programme.
- 2.5 A reassessment of sites by the Reporter considered the sites against 3 categories:
 - sites considered deliverable in the plan period;
 - sites that could be deliverable in the plan period; and
 - sites not deliverable in the plan period.
- 2.6 The reassessment determined that 49 out of the total 95 new proposed sites are deliverable in the plan period and these have been retained within Table 2 of the plan. These are sites which are vacant, undergoing development activity or subject to some kind of planning proposal such as a Proposal of Application Notice, Environmental Impact Assessment (EIA) screening, planning application or grant of planning permission.
- 2.7 44 of the 95 sites are identified within Table 15 as opportunity sites. This distinction recognises that while these sites are currently occupied by other uses with no current indication or timescale for redevelopment, the nature of the constraints are such that they may be overcome in the period in the plan. The sites have a key role in delivering the plan’s strategy with a focus on utilising land within the city. They are considered to provide future opportunities to deliver housing should a means of overcoming constraints be identified. Past experience and strong demand in Edinburgh indicate that there is reasonable prospect of these sites coming forward to contribute to the supply of housing in the plan period.

- 2.8 Two sites have been removed from the proposed plan, totalling 179 units. These sites were not considered to have a reasonable prospect of delivery in the plan period due to the position of the landowner.

Supply and Programming

- 3.1 The land supply set out in the Report of Examination identifies an anticipated land supply for the period 2024-34 of 40,288. This relates to the indicative programming of sites over the plan period and not the overall capacity of sites (supply).
- 3.2 The indicative programming on which City Plan anticipated supply is based, determined through the examination process, is provided in the [Report of Examination](#). The programming is indicative and subject to change. It is reviewed on an annual basis as part of the Housing Land Audit and Completions Programme process.
- 3.3 Delivery of new homes is affected by many economic and demand factors unrelated to the supply of land available for development. The overall land supply is higher than that which is programmed. It represents the actual amount of land available for development, not just developers programmed output. Table 2 below sets out the overall supply alongside the current anticipated supply.

Table 2: Capacity and Programming

	Capacity of sites	Modified plan anticipated programming
Legacy Sites	18,443	16,037
Other HLA sites	10,942	6,662
Proposals*	19,729	11,218
Opportunities	6,371	6,371
Total	55,485	40,288

* excludes parts of sites included in the Housing Land Audit and Completions Programme 2022.

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