Planning and Building Standards Services

South Lanarkshire

Local development plan 2

Proposed plan

Housing technical report

July 2018

Community and Enterprise Resources

SOUTH LANARKSHIRE COUNCIL

South Lanarkshire Local Development Plan 2

Proposed Plan – Housing Technical Paper.

Contents:

1. Introduction

One of the key issues to consider when developing a Local Development Plan (LDP) is the requirement to provide housing of the right size, in the right location to meet the needs and demands of communities.

The Housing (Scotland) Act 2001 established a statutory responsibility for local authorities to prepare an assessment of housing need and demand and produce strategies for addressing housing issues identified over a five year period.

Development plans are required to set out Housing Supply Targets and Housing Land Requirements based on “robust and credible” assessments of future housing needs. The LDP must therefore ensure that a generous 5 year supply of effective housing land is continually available and that this is updated and reviewed annually.

This Technical Report sets out the key context and framework for strategic housing development, which covers: Government policy and guidance, the Glasgow and Clyde Valley (GCV) Housing Need and Demand Assessment (HNDA), and the strategic requirement for housing land as contained in Clydeplan, the GCV Strategic Development Plan 2, and South Lanarkshire’s Local Housing Strategy (LHS). This framework provides the basis for long-term strategic planning of housing development.

The Housing Land Audit is the primary means of collecting and analysing South Lanarkshire land supply for housing. The data to inform the audit is collected at the 31st March each year. From the audit the Council ensure that it continues to have sufficient land capacity, including a generosity margin above the Housing Supply Target, to meet all housing requirements.

The information contained within in this technical report supports both the Main Issues Report (MIR) and the Proposed South Lanarkshire Local Development Plan 2 (SLLDP2) and outlines the Councils position with regard to housing across all tenures. In particular it sets out how the SLLDP2 will meet the requirement set out in Scottish Planning Policy (SPP) to provide a minimum 5 year effective land supply.

2. Overview of legislation

The policy framework for housing in Local Development Plans is contained in National and Strategic Planning Guidance. This section focuses on the national guidance and advice which local authorities follow when producing policies and proposals for LDP's.

Scottish Planning Policy (SPP) provides the national planning context for provision of housing land by setting out the government's commitment to supplying new homes and identifying a 'generous' supply of effective land in the right locations. Paragraph 72 of SPP states "Local development plans should allocate land on a range of sites which is effective or capable of becoming effective to meet the housing land requirement up to year 10 from the predicted year of adoption, ensuring a minimum of 5 years effective land supply at all times".

The SPP also highlights factors which should be taken into consideration when considering the location of potential new development sites including (extract from SPP paragraph 77):

- the efficient use of existing buildings, land and infrastructure.
- accessibility of homes, services, open space and employment opportunities by a range of transport options,
- co-ordination of housing land release with investment in infrastructure including transport and educational investment, and with other major proposals,
- the deliverability of the strategy, and
- the protection and enhancement of landscape, natural, built and cultural heritage, biodiversity and the wider environment, including consideration of flood risk.

In addition SPP states that housing need and demand assessment should provide the evidence base for both defining housing supply targets for inclusion in local housing strategies and the allocation of housing land in LDP's (SPP paragraph 67).

3. HNDA and Strategic Development Plan

In 2008 the Glasgow and the Clyde Valley Housing Market Partnership (HMP) was established with representatives from each of the eight constituent local authorities in the GCVSDP area to produce a Housing Need and Demand Assessment (HNDA) covering the Glasgow and the Clyde Valley Housing Market Area. The second HNDA was completed in 2015. For the full HNDA 2 see www.clydeplan-sdpa.gov.uk .

The HNDA2 identifies thirteen Housing Market Areas (HMA) of which four are located within South Lanarkshire. These are East Kilbride, Hamilton, Clydesdale and Cambuslang/Rutherglen. The latter however, is part of the Greater Glasgow South HMA.

The HNDA2 has core outputs which include setting out the key housing market drivers and producing estimates of the amount and likely tenure of additional housing required to meet existing and future need across the HMA (See paragraph 6.41 of Clydeplan). These provide the evidence base to be considered in developing Local Housing Strategies and strategic and local development plans.

Housing Supply

Assessment of the housing land supply (see Section 5) shows that there is sufficient effective and established land supply to meet demand in the private sector to 2022 (17 -22) then for 2022-24 and post 24 at both South Lanarkshire and GCV levels. Notwithstanding this the continued financial and economic pressures, particularly on first time buyers will continue to constrain the market for the next few years resulting in suppressed completion rates.

The demand for owner occupied housing will be met through development of the Community Growth Areas (CGA's), Development Framework and Residential Masterplan sites identified in the adopted South Lanarkshire Local Plan. In addition there will be a limited release of sites proposed in the South Lanarkshire Local Development Plan 2. This is discussed in more detail in Section 5.

Glasgow and the Clyde Valley Strategic Development Plan

The Glasgow and the Clyde Valley Strategic Development Plan 2 (Clydeplan) was approved in July 2017. A number of scenarios were considered and following consultation through the SDP2 Main Issues Report, 'Sustained Growth' was determined as the principle planning scenarios for setting both the Housing Supply Targets and the Housing land Requirement. (For more detail see SDP2 Chapter 6.)

The SDP2 sets out Housing Supply Targets (HST's) for both the private and the social sector.

Table 1 All-Tenure Housing Supply Targets

Period	Private	Social Sector	All Tenure
2012-2024	50,950	22,310	73,260
2024-2029	18,750	8,980	27,730
2012-2029	69,700	31,290	100,990

(Schedule 7 All Tenure Housing Supply Targets by Local Authority, SDP2 page 56)

An additional generosity margin of 15% was applied to derive a Housing Land Requirement (HLR) as follows:

Table 2 Indicative All-Tenure Housing Land Requirement (SDP Area)

Period	Private	Social Sector	All Tenure
2012-2024	70,840	15,700	86,540
2024-2029	28,890	2,170	31,060
2012-2029	99,730	17,870	117,600

(Schedule 8 All Tenure Housing Land Requirement by Local Authority, SDP2 page 57)

These figures have informed South Lanarkshire Council's approach for developing its HST and HLR, which are broadly consistent with those set out in SDP2, as required by Scottish Planning Policy.

The Housing Supply Target for the local authority area has been set at 758 private sector houses and 300 social rented sector houses per annum. South Lanarkshire's all tenure housing land requirement (including the 15% generosity) is as follows:

Table 3 South Lanarkshire Indicative All-Tenure Housing Requirement (SLC)

Period	Private	Social Sector	All Tenure
2012-2024	10,460	4,140	14,600
2024-2029	3,143	877	4,020
2012-2029	13,603	5,017	18,620

4. **Local Housing Strategy**

The Local Housing Strategy (LHS) outlines how the Council and its partners intend to meet housing need and demand and improve the quality of housing across all tenures in South Lanarkshire over the period 2017-2022.

The LHS is informed by the HNDA 2 and reflects the level of need and demand highlighted within the document itself and subsequently translated into the Strategic Development Plan 2. The LHS and the LDP2 in turn reflect the levels of strategic housing requirements.

The LHS is required to give housing supply targets that can realistically be met taking account of ongoing financial and economic pressures. It is likely that the main supply of private sector housing (owner occupied) will come from the community growth areas and other sites identified in the South Lanarkshire Local Plan 2.
HST's vary from HNDA2 2015 housing estimate in two ways (See LHS Housing Supply Targets)

- Distribution of mobile demand across Housing market Areas in the Glasgow and the Clyde Valley city region conurbation resulted in an increase in the adjusted housing estimate for market (private) housing of around 92 units per year.
- The affordable housing estimate exceeded peak historic delivery rates and would require substantial investment.

However in June 2017 the Scottish Government substantially increased SLC's Resource Planning Assumptions to £97 million (2017 -21) and as a result the Council is now committed to double its target to deliver new council housing to 1,000 through the Home and Investment Programme. A revised Strategic Housing Investment Programme (2018-2023) was approved by the Council (November 2017) and will be updated annually.

Private Rented Housing

The private rented sector has significantly increased over the past few years with the overall share of the housing market rising from 10,600 units in 2012 to 15,600 units in 2016, an increase of 47%. There are a number of reasons why this sector has expanded including the sharp decrease in mortgage availability making owner occupation more difficult, sellers opting to rent out their properties rather than having them empty or being sold at a reduced price and houses originally build for the owner occupation market being transferred to the private rental market when developers have been unable to sell at market prices.

Using Existing Supply Effectively

A significant proportion of all housing need will be met from efficient and effective use of existing housing stock. There are over 31,500 social rented properties in South Lanarkshire and based on past trends around 8-9% become available for let to new tenants each year. Just under half of all new lets are to those assessed as being in most urgent housing, including homeless households.

South Lanarkshire's population is ageing and as a result there is increasing demand for suitable and sustainable housing that can meet the particular needs of older households. The Council will continue with its approach of considering how a person's housing needs and aspirations can best be met, which will involve upgrading and modifying its housing where appropriate to support more people be able to stay in their own homes or moving to alternative accommodation of the most appropriate tenure.

5. Monitoring Housing Development

The Housing Land Audit (HLA) is carried out annually to assess house-building performance and the effectiveness of land supply for future housing development in South Lanarkshire.

For the purposes of this paper, house-building performance over the period 2013-2017 is considered, in particular to highlight how economic drivers have impacted on building rates and housing land supply.

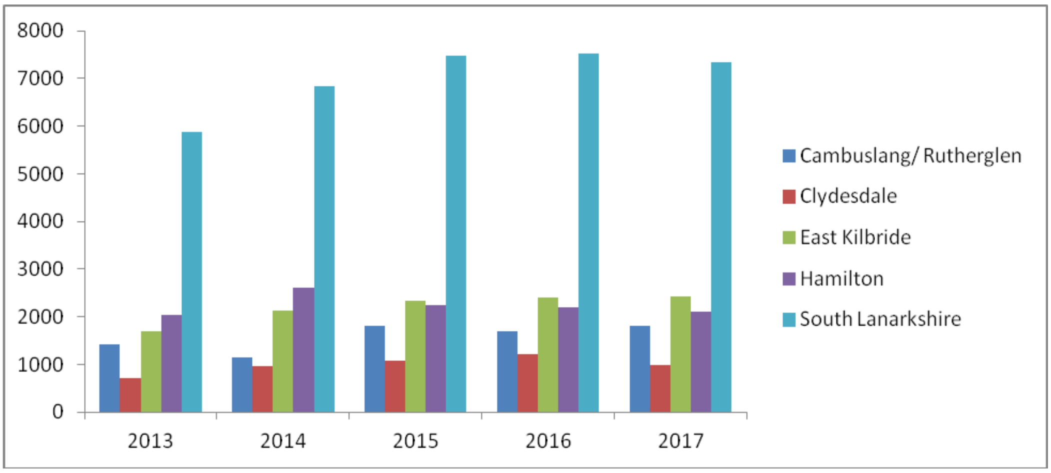
Effective housing land supply includes sites that are part of the established supply and expected to be free of development constraints and available for the construction of housing.

Between 2013 and 2017, effective land supply as determined via the HLA process, rose from 5876 to 7270 units. The main reason for this was the reassessment of sites in terms of likely build rates as a result of the downturn in the economy, the low availability and accessibility of mortgages compared to previous years and the reduction in completion rates. This is show in table 4 and figure 1 below:

Table 4 Effective Private Housing Land Supply 2013-2017

	2013	2014	2015	2016	2017
Cambuslang/ Rutherglen	1411	1150	1813	1692	1811
Clydesdale	712	954	1088	1222	994
East Kilbride	1707	2121	2326	2401	2425
Hamilton	2046	2613	2246	2197	2112
South Lanarkshire	5876	6838	7473	7512	7342

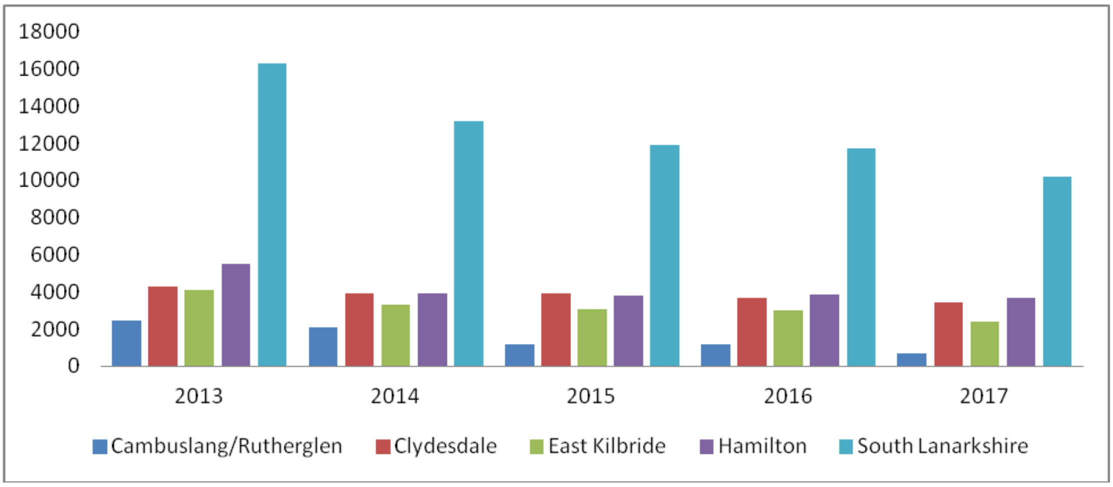
Figure 1 Effective Private Housing Land Supply 2013 - 2017



Over the same time period, non-effective land-supply fell from 22,205 to 17,521 units. The main reason for this is the reassessment of sites in terms of likely build rates and in addition sites that had been on the HLA for many years but not developed and with little prospect of being developed were removed.

Table 5 Non- Effective Private Housing Land Supply 2013- 2017					
	2013	**2014**	**2015**	**2016**	**2017**
Cambuslang/Rutherglen	2467	2055	1194	1174	688
Clydesdale	4255	3892	3899	3691	3451
East Kilbride	4101	3310	3030	3014	2390
Hamilton	5506	3939	3802	3844	3650
South Lanarkshire	16329	13196	11925	11723	10179

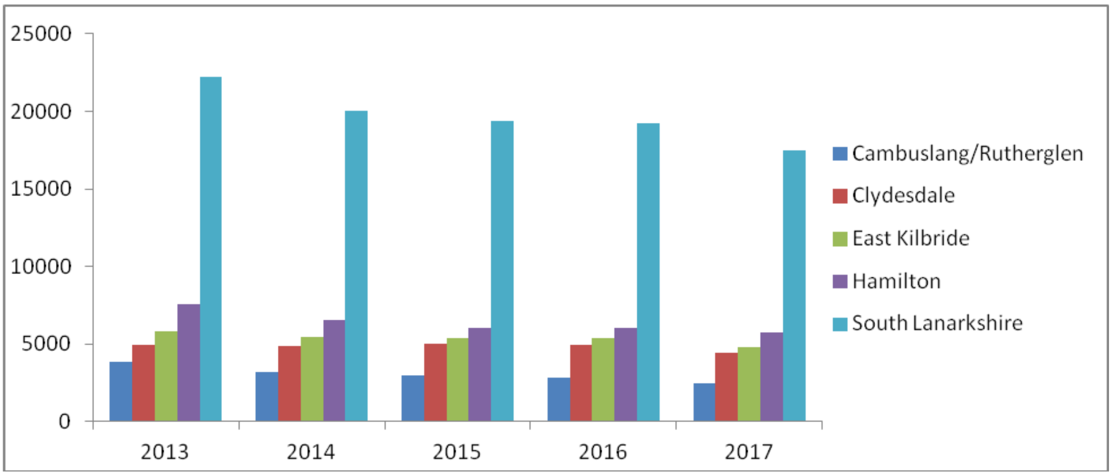
Figure 2 Non- Effective Private Housing Land Supply 2013 - 2017



Cumulatively, over this period the overall established land supply (effective and non-effective) has decreased, though it remains well above the Housing Land Requirement (HLR) as identified through the strategic development planning process.

Table 6 Private Housing Land Supply 2013-2017					
	2013	**2014**	**2015**	**2016**	**2017**
Cambuslang/Rutherglen	3878	3205	3007	2866	2499
Clydesdale	4967	4846	4987	4913	4445
East Kilbride	5808	5431	5356	5415	4815
Hamilton	7552	6552	6048	6041	5762
South Lanarkshire	22205	20034	19398	19235	17521

Figure 3 Private Housing Land Supply 2013 - 2017



Future Programming

For the purposes of LDP2 the 2017 land audit is the most up-to-date data available for housing activity in South Lanarkshire. This was agreed with Homes for Scotland in 2017 and no sites contained within the audit are disputed as being capable of development. The audit contains likely levels of development over the next 7 years and then an indication of what is likely to happen post 7 years.

Table 7 2017 Housing Land Audit

Private	17/18	18/19	19/20	20/21	21/22	22/23	23/24	P24
Clydesdale	116	122	136	147	165	154	131	3451
Cambuslang/Rutherglen	193	221	293	315	298	297	274	708
East Kilbride	184	185	284	451	445	404	343	2519
Hamilton	289	359	340	345	297	266	216	3650
Total	782	887	1053	1258	1205	1121	964	10328
Public	**17/18**	**18/19**	**19/20**	**20/21**	**21/22**	**22/23**	**23/24**	**P24**
Clydesdale	33	49	57	57	35	0	0	4
Cambuslang/Rutherglen	0	11	65	106	75	65	45	116
East Kilbride	78	103	68	55	25	25	50	311
Hamilton	20	155	198	87	10	0	0	145
Total	131	318	388	305	145	90	95	576

In the private sector, between 2017 and 2024 there is a programmed output of 7,270 units and a post 2024 output of 10,328 units. The largest land supply is in East Kilbride, followed by Hamilton, Clydesdale, East Kilbride and Cambuslang/Rutherglen. Over five years there is a supply of 5,185 private sector units which gives 6.84 years supply when assessed against the housing supply target. This equates to a 36.8% generosity in housing supply available over the 5 year period.

For the social rented sector, between 2017 and 2024 there is a programmed output of 1,472 units and a post 2024 output of 576 units. Over five years there is a supply of 1,287 social rented sector units which gives 4.3 years supply when assessed against the housing supply target. Whilst this is currently below the HST this does not include sites added to the 2017 SHIP which was not approved until November 2017. The sites from the SHIP will be added to the 2018 housing land audit. Additional social rented sites have been added to the SHIP to address the additional funding from the Scottish Government for social rented housing.

The all tenure figures for 2017 to 2022 is 6,472 (5 year period) and additional 2,270 between 2022 to 2024 giving a seven year supply of 8742 units and then 10,904 units post 2024.

Additions to Housing Land Supply.

South Lanarkshire has identified sufficient land supply to meet its projected housing requirements. Therefore, it is not proposed to identify a wide range of additional sites across South Lanarkshire. Working with developers and Homes for Scotland, the Council has considered a number of sites that developers might wish to bring forward, of which a small number are being proposed for release, in areas where there is particular pressure to ensure further generosity.

The following sites are proposed for release in the LDP2:

	Indicative Capacity
West of Redwood Dr East Kilbride	120
Duchess Place Farme Cross	120
Almada Street (former UWS)	350
Peel Road Thorntonhall	160
Glassford Rd Strathaven	60
TOTAL	**810**

In addition, an area is proposed to be added to the site at East Overton Strathaven. Due to changes in house types the original site is not large enough to accommodate the original estimate for the number of units which would make the site viable. Therefore, the potential release of this area is to allocate enough land for the site to reach its original capacity but will not result in additional HLA units as the overall capacity will remain unchanged.

It is anticipated that 25% of the 810 units will be affordable units which will add around 608 effective units to the private sector land supply and 202 to the affordable social rented sector. Once these numbers are added to the housing land the generosity further increases and a five year supply of social rented housing is achievable even before the additional SHIP sites are added.

PRIVATE SETOR

2017 Effective Land Supply (5 years)	5185
Potential private sector additions	608
Total 5 year effective supply	5793
HST (5 years)	3790
Supply/Target	53% generosity

SOCIAL RENTED SECTOR

2017 Effective Land Supply (5 years)	1287
Potential social rented sector additions	202
Total 5 year effective supply	1489
HST (5 years)[1i]	1500
Supply/Target (excluding SHIP additions)	0% generosity

ALL TENURE

2017 Effective Land Supply (5 years)	6472
Potential additions	810
Total 5 year effective supply	7282
HST (5 years)	5290
Supply/Target (excluding SHIP additions)	37.6% generosity

[1] This does not include any additions to the social rented sector which may occur as a result of the requirement for private sector sites of 20 units or more to include a 25% allocation for affordable housing.

6. Conclusion

The figures clearly conclude that there is no requirement for additional sites to be promoted in South Lanarkshire since there is no shortfall in housing land based on the agreed 2017 housing land audit and the sites proposed for released through the LDP2 process.

The housing land audit is continually reviewed and updated to ensure that if any shortfall were identified that the Council would consider additional sites being brought forward to meet the requirement. In the 2017 audit sites were removed which have been audited for many years with no prospect of being developed. This process will continue in the 2018 audit and all of the sites contained within LDP2 should be effective or capable of being made effective in the next ten years.

Since adoption of the LDP in 2015 many of the sites that were identified for development such as the CGA's at Newton, Larkhall, Hamilton, Carluke and Ferniegair and some of the larger sites at Rolls Royce, Shields Road, East Kilbride, Strathaven West and East Overton, Strathaven and Greenlees Road and Lightburn Road Cambuslang are now under construction. These sites will continue to produce units over the next 5 to 10 years and along with other sites such as the East Kilbride CGA and the other medium to large scale sites across South Lanarkshire.

In addition the new SHIP programme should result in substantial additions to the social rented stock across South Lanarkshire in the short to medium term.

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