

The logo for Inverclyde Council, featuring the word "Inverclyde" in a large, white, serif font, with the word "council" in a smaller, white, sans-serif font directly beneath it. The logo is positioned on the left side of a large, dark teal circle that is centered on the page.

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# **LOCAL DEVELOPMENT PLAN**

**HOUSING LAND TECHNICAL REPORT**  
**DECEMBER 2020**

## Introduction

The purpose of this paper is to support the Inverclyde Local Development Plan process by providing an explanation of the amount of land required for new housing development.

The Scottish Government has made increasing the supply of new housing a priority in order to address the shortage of affordable homes across the country. Planning's role in this is set out in Scottish Planning Policy, which states that:

- Planning officials should work jointly with housing officials through housing market partnerships to identify functional housing market areas, where demand for housing is relatively self-contained;
- Development Plans should address the supply of land for all housing, setting out Housing Supply Targets, separated into affordable and market sectors, for each Housing Market Area;
- Housing Supply Targets should be increased by 10% to 20% to establish the Housing Land Requirement;
- Development Plans should allocate a generous supply of land, appropriate to supporting the creation of sustainable mixed communities and successful places, for each Housing Market Area to support the achievement of the Housing Land Requirement across all tenures;
- Development Plans should allocate a range of effective sites to meet the housing land requirement up to 10 years from the date of plan adoption;
- A minimum of a 5-year supply of effective housing land should be maintained at all times;
- Development Plans should be informed by a robust Housing Need and Demand Assessment.

A Housing Need and Demand Assessment was undertaken by the Glasgow and the Clyde Valley Housing Market Partnership (comprised of planning and housing officials from the 8 Glasgow and Clyde Valley local authorities) to inform the Clydeplan Strategic Development Plan (2017). The Housing Need and Demand Assessment was assessed as 'robust and credible' by the Centre for Housing Market Analysis (part of the Scottish Government) in 2015.

Clydeplan sets out the Housing Supply Targets and Housing Land Requirement for each Local Authority area and the private Housing Land Requirement for each Housing (Sub-) Market Area, while Background Report 8: Beyond the Housing Need and Demand Assessment sets out the methodology used to translate the outputs from the Housing Need and Demand Assessment into the Housing Supply Targets and Land Requirement.

<https://www.clydeplan-sdpa.gov.uk/strategic-development-plan/current-plan/current-strategic-development-plan-july-2017> - scroll down to see all relevant documents.

## Inverclyde's Housing Geographies

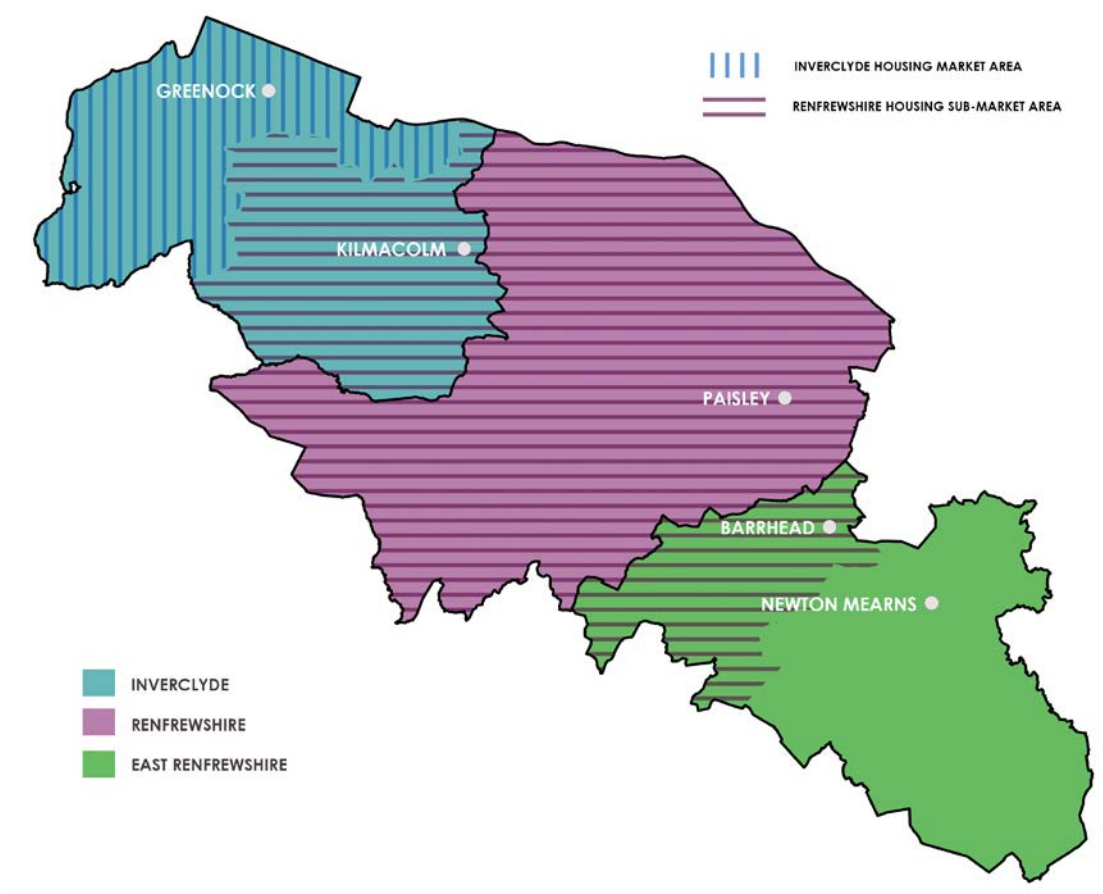
There are different geographies that need to be considered when considering housing land matters in Inverclyde. These are:

- The Inverclyde local authority area
- The discrete Inverclyde Housing Market Area
- The Renfrewshire Housing Sub Market Area.

These are illustrated in Figure 1. The discrete Inverclyde Housing Market Area covers much of Inverclyde with the exception of the Kilmacolm and Quarrier's Village and the rural area around these villages. Kilmacolm and Quarrier's Village and the surrounding rural area sits

within the Renfrewshire Housing Sub Market Area, which also covers the Renfrewshire local authority area and parts of East Renfrewshire.

*Figure 1: Inverclyde's housing geographies*



### Housing Need and Demand Assessment Outputs – Housing Estimates

The Housing Need and Demand Assessment Tool used population and household projections, along with an assessment of existing housing need and assumptions about affordability based on income and house price projections, to provide estimates of the likely number and tenure of new houses required in the period from 2012 to 2024 and 2029 to enable Local Development Plans to address the housing land requirements for these periods. Three demographic scenarios were considered based on low migration, high migration and sustained growth. The Sustained Growth Scenario was considered to best reflect the economic and demographic drivers impacting on the Glasgow city region. The tool provides estimates for Local Authority areas, with the outputs for the Inverclyde Council area shown below. These show that based on the tool, the number of households in Inverclyde, in both the private and affordable sectors (SR & BMR – social rented and below market rent), were predicted to fall in the period between 2012 and 2024 and again in the period to 2029.

*Table 1: HNDA Tool Housing Estimates – Inverclyde Council*

| Household Change by Tenure |         |       |           |         |       |           |         |        |
|----------------------------|---------|-------|-----------|---------|-------|-----------|---------|--------|
| 2012-2024                  |         |       | 2024-2029 |         |       | 2012-2029 |         |        |
| SR&BMR                     | Private | Total | SR&BMR    | Private | Total | SR&BMR    | Private | Total  |
| -134                       | -602    | -736  | -280      | -584    | -864  | -414      | -1,186  | -1,600 |

Source: Figure 5.4 Glasgow and the Clyde Valley Housing Need and Demand Assessment 2015 (Sustained Growth Scenario)



## Private Sector Adjusted Housing Estimates

The private sector Housing Estimates from the Tool were disaggregated into Housing Market Areas and compared with existing and projected stock to generate the Adjusted Housing Estimates for the Housing Market Areas. In moving from the Housing Need and Demand Assessment Tool estimates to the Adjusted Housing Estimates, the negative figures for Inverclyde were put to zero to reflect the Council's aspiration and expectation of halting population decline. When the Adjusted Housing Estimates are aggregated back into Local Authority areas, as shown in Table 2, a need for 29 houses from 2012 to 2024 and a surplus 2 houses from 2024 to 2029 is shown due to the overlap of the Renfrewshire Sub-Market Area into Inverclyde.

*Table 2: All-Tenure Housing Estimates/Adjusted Housing Estimates Summary - Inverclyde*

|                | HMA Adjusted Housing Estimates approximated to LAs/Housing Estimates 2012-2024 | HMA Adjusted Housing Estimates approximated to LAs/Housing Estimates 2024-2029 | HMA Adjusted Housing Estimates approximated to LAs/Housing Estimates 2012-2029 |
|----------------|--|--|--|
| Private Sector | 29   | -2   | 27   |
| SR&BMR Sector  | 0  | 0  | 0  |
| All-Tenure     | 29   | -2   | 27   |

Source: Figure 5.13 Glasgow and the Clyde Valley Housing Need and Demand Assessment 2015

## Housing Supply Targets

Housing Estimates (from Table 2) are then adjusted to create Housing Supply Targets. Scottish Planning Policy defines Housing Supply Target as "...a policy view of the number of homes the authority has agreed will be delivered in each housing market area over the periods of the development plan and local housing strategy..." and that 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" (para. 115).

The Housing Need and Demand Assessment Managers Guide (published by the Scottish Government - <http://www.gov.scot/Topics/Built-Environment/Housing/supply-demand/chma/hnda/ManagerGuide2014>) indicates that Housing Supply Targets should be jointly agreed through the Housing Market Partnership. The Guide sets out eight examples of factors to be taken into account in setting Housing Supply Targets that are "deliverable on the ground". It states that "Consideration of these types of factors could result in a Housing Supply Target figure which may be lower or higher than the Housing Estimate in the Housing Need and Demand Assessment." (para.13.5).

The Housing Market Partnership added environmental and social considerations to the factors set out in the Housing Need and Demand Assessment Managers Guide. The full list of factors taken into consideration in setting Housing Supply Targets for the Clydeplan area were therefore:

- Environmental factors;
- Social factors;
- Economic factors which may impact on demand and supply
- Capacity within the construction sector
- Potential inter-dependency between delivery of market and affordable housing at the local level
- Availability of resources

- Likely pace and scale of delivery based on completion rates
- Recent development levels
- Planned demolitions
- Planned new and replacement housing or housing brought back into effective use.

In Inverclyde, this led to an increased target in both the private and social rented sectors to reflect the repopulation agenda being pursued by Inverclyde Council, the historic levels of private housebuilding that are expected to continue, and the anticipated level of Scottish Government funding for social rented sector projects. The Housing Supply Targets for all sectors are shown below.

*Table 3: All Tenure Housing Supply Targets – Inverclyde*

| 2012-2024 |         |       | 2024-2029 |         |       | 2012-2029 |         |       |
|-----------|---------|-------|-----------|---------|-------|-----------|---------|-------|
| SR&BMR    | Private | Total | SR&BMR    | Private | Total | SR&BMR    | Private | Total |
| 1,100     | 2,050   | 3,150 | 400       | 850     | 1,250 | 1,500     | 2,900   | 4,400 |

Source: Schedule 7 Clydeplan Strategic Development Plan 2017

### All Tenure Housing Land Requirement

Scottish Planning Policy states that Housing Supply Targets should be increased by a margin of 10% to 20% to establish the Housing Land Requirement, in order to ensure that a generous supply of land for housing is provided. The exact extent of the margin will depend on local circumstances, and a robust explanation should be provided in the plan. The generosity margin utilised by Clydeplan, following the receipt of its Examination Report, is 15%. Table 4 illustrates the Housing Land Requirement for Inverclyde based on this adjustment.

*Table 4: All Tenure Housing Land Requirement – Inverclyde*

| 2012-2024 |         |       | 2024-2029 |         |       | 2012-2029 |         |       |
|-----------|---------|-------|-----------|---------|-------|-----------|---------|-------|
| SR&BMR    | Private | Total | SR&BMR    | Private | Total | SR&BMR    | Private | Total |
| 1,270     | 2,360   | 3,630 | 460       | 980     | 1,440 | 1,730     | 3,340   | 5,070 |

Source: Schedule 8 Clydeplan Strategic Development Plan 2017

### Private Housing Land Requirement

The appropriate geography for calculating the private sector Housing Land Requirement is Housing Market Areas. For the Inverclyde Housing Market Area and Renfrewshire Housing Sub Market Area this is set out in Schedule 9 of the Clydeplan Strategic Development Plan. For the Inverclyde local authority area this is set out in Schedule 8 of the Clydeplan Strategic Development Plan.

*Table 5: Private Housing Land Requirement by Housing Market Area*

|   |   | 2012-2024 | 2024-2029 | 2012-2029 |
|---|---|-----------|-----------|-----------|
| A | Inverclyde Local Authority Area*                                | 2,360     | 980       | 3,340     |
| B | Inverclyde discrete Housing Market Area**                       | 2,220     | 920       | 3,140     |
| C | Renfrewshire Housing Sub Market Area                            | 8,160     | 2,030     | 10,190    |
| D | Renfrewshire Housing Sub Market Area – Inverclyde part*** (A-B) | 140       | 60        | 200       |

\* Source: Schedule 8 Clydeplan Strategic Development Plan 2017

\*\* Source: Schedule 9 Clydeplan Strategic Development Plan 2017

\*\*\* Derived from subtracting Inverclyde Housing market Area figures from Inverclyde Council figures

### Adjusting the Housing Land Requirement for the Local Development Plan

The Local Development Plan is required to ensure that enough effective land is identified to meet the Housing Land Requirement. The Housing Land Requirement is set out in Clydeplan as above, but has to be adjusted to match the period covered by the Local Development Plan. The adjustment calculation for the period to 2024 is undertaken by subtracting completions that have already taken place. The expected date of adoption for the new Local Development Plan is 2022, so the Housing Land Requirement also has to be rolled forward to 2032. This has been done by making a pro rate adjustment to the 2024-2029 requirement. These calculations are set out below.

Table 6: Adjusted Housing Land Requirement to 2024 and 2032

|   |   | Inverclyde Local Authority Area (social) | Inverclyde Local Authority Area (private) | Inverclyde Local Authority Area (all tenure) | Inverclyde Housing Market Area (private) | Renfrewshire Housing Sub Market Area (private) | Inverclyde part of Renfrewshire Housing Sub Market Area (private) |
|---|---|--|---|--|--|--|---|
| E | Housing Land Requirement 2012-2024                | 1,270                                    | 2,360                                     | 3,630  | 2,220                                    | 8,160  | 140   |
| F | Completions 2012-2019                             | 441                                      | 604                                       | 1045   | 601                                      | 3,872  | 3   |
| G | Adjusted Housing Land Requirement 2019-2024 (E-F) | 829                                      | 1756                                      | 2585   | 1619                                     | 4,288  | 137   |
| H | Housing Land Requirement 2024-2029                | 460                                      | 980                                       | 1,440  | 920                                      | 2,030  | 60  |
| J | Housing Land Requirement 2024-2032 (H+(H/5*3))    | 736                                      | 1,568                                     | 2,304  | 1,472                                    | 3,248  | 96  |

### Calculating the 5-year effective housing land supply target

As well as providing for the Housing Land Requirement in development plans, planning authorities are required to maintain a 5 year effective housing land supply. The Scottish Government's technical consultation on proposed policy amendments to Scottish Planning Policy on housing (July 2020) sets out that this should be calculated by dividing the housing supply target by the plan period to identify an annual figure, and then multiplying that figure by 5. The calculation for the period 2019-2024 for the various tenures and geographies in Inverclyde is set out in Table 8 below.

Table 7: 5-year effective housing land target

|                |  | Inverclyde Local Authority Area (social) | Inverclyde Local Authority Area (private) | Inverclyde Local Authority Area (all tenure) | Inverclyde Housing Market Area (private) | Renfrewshire Housing Sub Market Area (private) | Inverclyde part of Renfrewshire Housing Sub Market Area (private)* |
|----------------|--|--|---|--|--|--|--|
| K (E/115 *100) | Housing Supply Target 2012-2024        | 1,104                                    | 2,052                                     | 3,157  | 1,930                                    | 7,096  | 122  |
| L (K/12)       | Annualised Housing Supply Target       | 92                                       | 171                                       | 263  | 161                                      | 591  | 10   |
| M (L*5)        | 5-year Housing Supply Target 2019-2024 | 460                                      | 855                                       | 1,315  | 804                                      | 2957   | 51   |

Figures are rounded to nearest 10

\* These figures are presented for context and do not infer a specific target for the Inverclyde part of the RHSMA.

### Providing for the Housing Land Requirement and meeting the Housing Supply Targets to 2024

Scottish Planning Policy directs Local Development Plans 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 Inverclyde, housing sites are monitored annually in the Housing Land Audit. The most recent finalised Housing Land Audit for Inverclyde is based at 31<sup>st</sup> March 2019 and has been agreed with Homes for Scotland, albeit with some disputed sites i.e. sites which the Council and Homes for Scotland could not agree as to whether they are effective or not, or have different views on programming. The 2019 Housing Land Audits for Renfrewshire and East Renfrewshire have also been finalised.

A comparison of the land supply in 2019 Housing Land Audits the Housing Land Requirement for the Plan period and the 5-year effective land supply target is set in Tables 9-11 below for the different tenures and market areas affecting Inverclyde.

Table 8: Comparison of housing land supply with Housing Land Requirement and 5-year effective housing land supply target, 2019-2024 for Inverclyde Council area.

|   |   | Inverclyde Local Authority Area (social) | Inverclyde Local Authority Area (private) | Inverclyde Local Authority Area (all tenure) | Inverclyde Housing Market Area (private) | Renfrewshire Housing Sub Market Area (private) | Inverclyde part of Renfrewshire Housing Sub Market Area (private)* |
|---|---|--|---|--|--|--|--|
| N | Adjusted Housing Land Requirement 2019-2024 (Table 6) | 829                                      | 1,756                                     | 2,585  | 1,619                                    | 4,288  | 137  |
| P | 5-year effective housing land supply target (Table 7) | 460                                      | 850                                       | 1,315  | 804                                      | 2,957  | 51   |
| Q | Programmed land supply 2019-2024 – all sites          | 891                                      | 1,116                                     | 2,007  | 1,018                                    | 4,368  | 98   |
| R | Programmed land supply 2019-2024 – undisputed sites   | 891                                      | 349                                       | 1,240  | 326                                      | 4,223  | 23   |

#### Providing for the Housing Land Requirement, 2024-2032

Table 9: Comparison of housing land supply with Housing Land Requirement, 2024-2032

|   |                                    | Inverclyde Local Authority Area (social) | Inverclyde Local Authority Area (private) | Inverclyde Local Authority Area (all tenure) | Inverclyde Housing Market Area (private) | Renfrewshire Housing Sub Market Area (private) | Inverclyde part of Renfrewshire Housing Sub Market Area (private)* |
|---|------------------------------------|--|---|--|--|--|--|
| S | Housing Land Requirement 2024-2032 | 736                                      | 1,568                                     | 2,304  | 1,472                                    | 3,248  | 96   |
| T | Post-2024 land supply              | 728                                      | 2,688                                     | 3,416  | 2,650                                    | 6,313  | 38   |

#### Observations

**Inverclyde authority area affordable sector** – Table 8 shows that the undisputed supply of land for affordable housing in the 2019-2024 period is in excess of the Housing Land Requirement for that period (**62 unit surplus**) and the requirement to maintain a 5-year effective land supply (**431 unit surplus**). Table 9 shows that there is a small deficit in the land available for affordable housing in the 2024-2032 period (**8 unit deficit**).

**Inverclyde authority area private sector** – Table 8 shows that the undisputed supply of land for private sector housing in the 2019-2024 period is in excess of the requirement to maintain a 5-year effective land supply (**261 unit surplus**), but that it is not sufficient to meet the Housing Land Requirement for that period (**640 unit shortfall**). When disputed sites are taken into consideration, there is not enough land programmed for development in the 2019-2024 period to maintain a 5-year effective land supply (**506 unit shortfall**) or the Housing Land Requirement (**1,407 unit shortfall**). Table 9 shows that land available for private



housing in the 2024-2032 period is in excess of the Housing Land Requirement for that period **(1,120 unit surplus)**, however not all of the available land is likely to be developed in that period.

**Inverclyde authority area all-tenure** – Table 8 shows the undisputed supply of land for all tenures in the 2019-2024 period is in excess of the requirement to maintain a 5-year effective land supply **(692 unit surplus)**, although a shortfall emerges against this measure when disputed sites are taken into account **(75 unit shortfall)**. When measured against the Housing Land Requirement, there is a shortfall of effective housing land, whether the measure is against all sites **(578 unit shortfall)** or undisputed sites **(1,345 unit shortfall)**. Table 9 shows that the land available for all-tenure housing in the 2024-2032 period is in excess of the Housing Land Requirement for that period **(1,112 unit surplus)**, however not all of the available land is likely to be developed in that period.

**Inverclyde Housing Market Area private sector** – Table 8 shows that the supply of land for private sector housing in the 2019-2024 period is in excess of the 5 year target for effective housing land for that period **(214 unit surplus)**, but that it is not sufficient to meet the Housing Land Requirement **(601 unit shortfall)**. When disputed sites are taken into consideration, there is not enough land programmed for development in the 2019-2024 period to meet the Housing Land Requirement **(1,293 unit shortfall)** or the 5 year target for effective housing land **(478 unit shortfall)**. For the 2024-2032 period set out in Table 9, the land available for private sector housing is in excess of the 2019-2029 Housing Land Requirement **(1,178 unit surplus)**, however not all of the available land is likely to be developed in that period.

**Renfrewshire Housing Sub Market Area private sector** – Table 8 shows that the supply of land for housing in the 2019-2024 period is in excess of the Housing Land Requirement for that period **(80 unit surplus)** and the 5 year target for effective housing land **(1,411 unit surplus)**. When disputed sites are taken into consideration a small shortfall emerges when the 2019-2024 supply is measured against the Housing Land Requirement for the same period **(65 unit shortfall)**, whilst the comparison against the 5 year target for effective housing land remains in surplus **(1,266 unit surplus)**. Table 9 shows the land available for private housing in the 2024-2032 period is in excess of the 2024-2032 Housing Land Requirement **(3,065 unit surplus)**, however not all of the available land is likely to be developed in that period.

**Renfrewshire Housing Sub Market Area private sector (Inverclyde part)** – Table 8 shows that the supply of land for private housing in the 2019-2024 period does not meet the Housing Land Requirement for that period **(39 unit shortfall)**, although the 5 year target for effective housing land is met **(47 unit surplus)**. When disputed sites are taken into consideration there are shortfalls in the supply of land for private housing in the 2019-2024 when measured against the Housing Land Requirement **(114 unit shortfall)** and the 5-year target for effective housing land **(28 unit shortfall)**. Table 9 shows the land available for private housing in the post-2024-2032 period does not meet the 2024-2032 Housing Land Requirement **(58 unit shortfall)**.

## **Conclusions**

The above figures indicate a requirement for some additional housing land to be identified in Inverclyde. The significant figures are:

- An indicative 640 unit shortfall in the land requirement for private housing in the Inverclyde Council area in the 2019-2024 period. Proportionally, this figure can be broken down into a 601 unit shortfall in the Inverclyde housing market area, and a 39 unit shortfall in the Inverclyde part of the Renfrewshire housing sub-market area.

- An indicative 58 unit shortfall in the land requirement for private housing in the Inverclyde part of the Renfrewshire housing sub market area in the 2024-2032 period.

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