

Research Project: Housing Land Audits

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	Executive Summary	4
1	Introduction	9
2	Policy and Research Review	11
3	Analysis of Housing Land Audits	18
4	Survey and Consultations	24
5	Summary and Conclusions	40

Appendices:

1. Scottish Planning Policy Diagram
2. Draft Planning Delivery Advice: Housing and Infrastructure
3. Analysis of Current Housing Land Audits

Abbreviations used in this report:

HLA = Housing Land Audit

HLR = Housing Land Requirement

HNDA = Housing Needs and Demand Assessment

HST = Housing Supply Target

LDP = Local Development Plan

MIR = Main Issues Report

NPF = National Planning Framework

PAN = Planning Advice Note

RSL = Registered Social Landlord

SDP = Strategic Development Plan

SPP = Scottish Planning Policy

Executive Summary

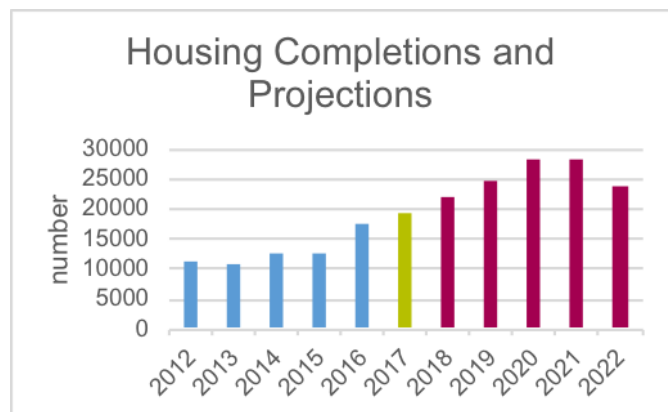
The Scottish Government instructed Ryden LLP, supported by Brodies LLP, to research **Housing Land Audits (HLAs)**. The project assesses HLAs for consistency and compliance, potential for standardisation and their role in development plan delivery.

HLAs monitor housing completions then are used to programme future house building. They assess the **adequacy of the housing land supply** against policy requirements and directly inform planning, market and infrastructure decision-making. HLAs thus support site progress through to development delivery, which is an increasing focus within the planning system. Housing Needs and Demand Assessments (HNDAs) identify the required numbers of housing units, while development plans identify the amount of housing land required. The two key functions of HLAs are to demonstrate that a 5-year effective land requirement is continuously met, and to provide a snapshot of available land at any point in time. HLAs should be informative not only for planners, but also for the development industry, infrastructure and other service providers.

The **current suite of Housing Land Audits (HLAs)** produced by Scottish planning authorities was assessed using a red/ amber/ green approach as is demonstrated in the table at Appendix 3.

The majority of current HLAs provide basic facts around a site's location, size, capacity, planning status, LDP reference, owner/developer and the historic/projected completions. There are however inconsistencies such as not specifying whether a site is brownfield (previously developed) or greenfield, not identifying the tenure of housing, not specifying types of housing proposed, uncertain treatment of small sites and the availability of mapping. The most significant HLA weaknesses are in:

- Identifying constraints and how they can be remediated (critical for effectiveness);
- Clarifying the extent of consultation during the HLA process;
- Identifying sites removed since the previous HLA.



These inconsistencies make it difficult to present an aggregate **national HLA**. The chart shows HLA completions 2012 to 2016/17 and projections 2017/18 to 2022¹. There is a 10% annual compound growth in programmed completions from 2016 to above 28,000 units in 2020 and 2021. The components of this rapid growth would require detailed assessment, but could be speculated as continued recovery in the private house building sector, the Scottish Government's major affordable housing programme, and potentially continuation/ opening-up of sites not built-out in previous periods.

The HLA research included an online questionnaire **survey** of all Scottish Local Planning Authorities, **consultations** and a **panel review** of the emerging research findings.

The survey of planning authorities found that **housing completions** data is mainly sourced from planning teams, building standards teams, developers/ property/ planning agents, and site visits. This implies that cross-checking of completions data is being undertaken during the HLA process. A small majority of respondents cited resources as a barrier, while some mentioned quality, consistency and access to completions data.

A wide range of approaches and data are used to **project future house completions**. The large majority use planning data. Just over one-third also canvas developers/ landowners/agents. Other sources include: past completion rates; construction activity; site visits; planning permissions and applications; Council housing and other teams; affordable housing reports; Homes for Scotland advice; marketability assessments; market conditions; professional judgement; online searches; key agencies; previous HLAs; and 'rule-of-thumb' guidance. Around one-third then seek further evidence of site status, effectiveness, build programme, sales performance and marketing activity, developer interest (if applicable), delays and any questionable build rates.

Where HLA forecast completions, these are reassessed annually. This reassessment may lead to the programming being adjusted. The decay of programming over time was highlighted, with short term projections difficult and "a significant degree of uncertainty" when programming completions beyond 2-3 years.

Most authorities present their **5-year effective housing land supply** (in units) against the 5-year housing supply target, to identify a shortfall or surplus. Three authorities distinguish between the housing land target and the housing delivery programme.

Two-thirds of authorities state that **newly approved HNDAs** should not immediately inform HLAs; the HLA is simply a monitoring tool. One-third suggested that a new HNDA would allow the planning system to be more responsive to the housing system.

The large majority of respondents report that **Local Housing Strategies** (LHSs) and **Strategic Housing Investment Plans** (SHIPs) are used to inform their HLAs; however, three respondents indicated that these should not inform HLAs.

¹ Completion figures for 2012 to 2015 are too low, as five HLAs did not provide data and two had only partial data. 2016 is close to the Scottish Government's data and is therefore taken to be a reasonable estimate.

Nearly half of authorities do not differentiate between housing sectors. Most of the balance of respondents **differentiate by tenure**: private or affordable. Some authorities split out historic completions by tenure, but not the effective land supply, as they do not know who ultimately will deliver the development. Others split sites using either known commitments or a standard affordable housing percentage. Some further split affordable housing into Council or RSL. Some show any affordable housing delivered by a private developer as 'private'. The Clydeplan authorities further sub-divide affordable housing types. SESplan2 proposes separate targets/ requirements for affordable and market housing tenures, which if adopted would need to flow into HLAs.

The inter-relationships between annual HLAs and **LDP action programmes** varies. One authority is using full programming of LDP sites and the HLA, while another reports that this integration is underway. A further authority indicates that their HLA and Action Programme are now undertaken by the same team. Integrated housing-and-delivery approaches are however currently the rare exception, and most inform each other to a more or less formal extent. There is a current focus on strengthening these links.

The large majority of (but not all) authorities **consult** their housing teams, Homes for Scotland and site developers/ promoters. Around half consult RSLs, Scottish Water, education and building control. A quarter or fewer consult with SEPA, the Scottish Government, Transport Scotland or communities. Around half convene working groups to discuss the draft HLA. A similar proportion (mainly the same respondents) issue an email with a link to an HLA website. Consultation challenges reported include lack of internal Council resources and uncertainty over who controls some sites. The main area of challenge however is poor / late / over-optimistic / 'ongoing dialogue' responses from some site developers/ owners. The process of consultation through Homes for Scotland was noted as helpful and becoming quicker.

The average **time** to prepare an HLA is 6-7 months: 2 months data gathering; 1 month analysis and compilation; 2-3 months consultation; and 1 month reporting.

Approximately two-thirds of local planning authorities would like further guidance on the preparation of HLAs. Firm guidance is sought: a standard national process for HLAs and in particular the calculation of a 5-year effective housing land supply including across time periods and the treatment of any shortfalls identified by that calculation. The remaining third are not seeking further HLA guidance.

Guidance is also sought on effectiveness of housing sites where marketability may be the only constraint; marketability and programming in rural areas; analysis and reporting by housing market and/ or local authority areas; differentiating between land supply and housing projections; and best practice in linking HLAs with Action Programmes.

Consultations undertaken with stakeholders and the review panel to support the research identified that consistency across HLAs is a major concern. Definitions, dates and completions data are found to be inconsistent. Looking forward, there is even greater variation across HLAs on whether future completions are based upon past built-out rates, industry standard rates, adjustments for type of owner or developer, and so on. Approaches to infrastructure and thus links to action programmes also vary; these could be improved by identifying the specific actions required to make sites effective. A suite of national standards was requested around housing tenure, types and delivery.

The potential for subjectivity in the process from evidence-based HNDAs to housing land requirements in plans was noted, and a consistent “set of rules” was suggested.

That said, it was felt by consultees that the role of HLAs is well understood, and that sharing of best practice has been increasing recently. It was noted that the next 5-10 years should see the best-researched development pipeline yet, which could be used by a wider range of service providers for their own forward planning. Consultees also suggested that the emerging ‘gatecheck’ could embed a long-term development planning approach, to not only plan for current supply, but also to identify the next potential sites (or policies to select those).

In summary, despite the growing importance of HLAs in the modernised planning system, with its focus on effectiveness and delivery, in a development industry dominated by housing and constrained by infrastructure, **the current suite of HLAs across Scotland is not consistently defined, researched, analysed, consulted on, tested, reported or integrated with development planning or delivery.** HLA inconsistency creates uncertainty in the planning and development system and the (unacceptable) possibility that applying the HLA methods used by one authority to another area would lead to different planning outcomes. Consistent, reliable housing land and development information is required by the planning system, developers, landowners, infrastructure providers, service providers and communities. This consistency could also assist in reducing delays in producing HLAs and resources expended on disputes.

The table presents options to improve HLAs. The route to implementation of any of these is a matter for Scottish Government. However, the extent of the findings would suggest that some form of planning guidance will be required. If left unguided, HLAs’ roles in delivery could gradually improve through closer working with action programmes, and some inconsistencies may be ironed out. However, fundamental elements such as housing tenures, types, completions and projections will still be undertaken in different ways, potentially undermining any consistent links with delivery, continuing the prospect of disputes, and frustrating any attempts to assemble large market area, regional or national analyses of housing land.

Data and analysis

House types and tenures. HLAs should differentiate between housing types and the tenures of completions using a standard approach. Differentiating between houses and flats should form part of a standardised approach, while noting that the mix at a site may change in future from that currently consented. If more complex monitoring is pursued for policy reasons – for example private rented, self-build, accessible and adapted housing – then HLAs should nest these within the main headings.

Completions. A standardised approach around defined house types and tenures should be a priority to minimise delays in producing HLAs and promote a consistent approach. The Scottish Government’s house completions data could form an initial baseline, reconciled to explain any differences.

Projections and programming: Dissemination of best practice beyond the existing Homes for Scotland industry guidance is required. This will require specific analysis and advice using historic performance and a range of adjustments, though it will remain a forecasting exercise subject to error and change. The more sophisticated HLAs linking with Action Programmes are separating out the supply of effective land from the programming of house building (while recognising that these are interdependent).

Reporting

Subject to creating consistent definitions and format, HLA data should be capable of being stored, linked, aggregated and interrogated in a standard manner. A uniform reporting template is not appropriate for different locations, therefore, standardisation should be around HLA data to create baseline information on types, tenures, completions and projections, as well as anomalies such as the varied treatment of small sites. Report formats may then be more or less detailed and sophisticated, depending upon the requirements of the local authority or market area. Interactive mapping should continue to be encouraged.

Integration

HLA information should form part of the GIS planning history held by authorities, tracking sites from proposals, to allocations, consents and development, and linked directly to the Action Programme and the timing of investments to release site constraints. At this stage however from an HLA perspective, there may be a risk in increasing specialisation and integration, when the wider methodological underpinnings of HLAs remain so inconsistent. The data and analysis issues are therefore at least a parallel action to systems integration, if not a precursor.

Consultation

Consultation is a valued part of the HLA process, for information-gathering and to agree the outcome. Private sector house builder consultation is established, typically via Homes for Scotland. Engagement with the Scottish Federation of Housing Associations to match the Homes for Scotland consultation seems to be essential, particularly given interlocking delivery with market housing and the Scottish Government’s current, major affordable housing programme. Some of the consultations currently undertaken with key agencies and other infrastructure providers may however be replaced by closer integration with Action Programmes. Independently chaired consultation forums may be worthwhile.

Implementation

The Scottish Government could confirm the renewed purpose of HLAs as moving beyond monitoring reports into integrated elements of development plan delivery. A suite of work is required around HLA data and analysis, programming, consultations, reporting, systems and integration. Some of this can be achieved through dissemination of best practice; other elements are more complex and require research and design of solutions (possibly including software). At the Scottish level, the objective should be a clear and consistent ‘national’ HLA. A formal forum operating over the period 2018-2020 would assist with the standardisation of HLAs in the run-up to planning reform. The areas for consideration could be assessed then included in national planning guidance. A further review and evaluation would be required 2019/2020 to establish progress, using this report as a March 2018 baseline.

Future of HLAs

The standardisation of HLAs set out above can help to drive planning reform post-2020. A fully integrated, digitised development planning system - from site proposals through to completed developments - may mean that the future HLA is simply a real-time progress report, which can be commissioned and run as required, layered with market area, sites, completions and Delivery Programme data from digital interfaces. At this future point, the housing land focus could potentially move from intensive data-gathering and analysis, onto planning, monitoring and evaluating outcomes.

1 Introduction

Introduction

- 1.1 The Scottish Government instructed Ryden LLP, supported by Brodies LLP, to research housing land audits (HLAs). The project was commissioned by the Scottish Government's Building Standards Division on behalf of the Planning and Architecture Division.
- 1.2 The project assesses current HLAs and HLA practice for all Scottish planning authorities. It considers the consistency and compliance of HLAs, and their potential for standardisation, as well as their role in development plan delivery.
- 1.3 The findings of the research may inform a more standardised approach to HLAs by planning authorities, potentially through future policy and guidance. The overarching aim is to help HLAs improve the planning system and deliver housing targets.

Research Context

- 1.4 Housing Land Audits monitor completions then programme future house building. They assess the adequacy of the housing land supply and in particular, whether it satisfies the minimum five-year requirement set out in policy. There is an increasing focus on development delivery within the planning system. HLAs directly inform planning, market and infrastructure decision-making, and thus support development delivery. In particular for delivery, the link between HLAs and Action Programmes, to understand the potential for site progression through to development is critical.
- 1.5 House building rates are widely reported to be suppressed. Housing continues to be the dominant development sector. However, fragmentation of the development and infrastructure sectors, the aftermath of the 2008 Global Financial Crisis, and the monumental shift from public to private provision since the 1980s - noting however the current major affordable housing programme in Scotland - may conspire to make house building more complex, slower and more selective. This report does not examine the housing delivery system but does note where the HLA research is affected by this wider context.
- 1.6 HLAs began as monitoring tools. However, through the national planning policy requirement for a continuous five-year effective land supply, the increasing focus on delivery, and the housing sector conditions described above, HLAs have assumed a major role in the planning and development system. The findings of an HLA can lead to the release of additional housing sites, or refusal of planning permission for unallocated sites. Thus the consistency and accuracy of HLAs is not simply a research matter, but a planning system and housing delivery matter.

Report Structure

1.7 The Housing Land Audits research is presented in the following sections:

- Policy and Research Review (Section 2)
- Analysis of Housing Land Audits (Section 3)
- Survey of Local Planning Authorities and Consultations (Section 4)
- Summary and Conclusions (Section 5)

Appended to the report are:

Appendix 1: Scottish Planning Policy Diagram 1: Housing Land, Development Planning and Local Housing Strategy;

Appendix 2: Draft Planning Delivery Advice: Housing and Infrastructure (withdrawn) Figure 1: Delivery of Housing and Infrastructure; and

Appendix 3: Analysis of Current Housing Land Audits (to support Section 3 of this report).



2 Policy and Research Review

Introduction

- 2.1 This section reviews policy, guidance and research for Housing Land Audits (HLAs). It considers the Scottish Planning Policy (SPP) requirement to provide an effective supply of housing land. This requirement is monitored by HLAs. The review provides a context for the analysis of HLAs in Section 3 and for the survey and consultation work in Section 4. It also provides a baseline against which to assess the implications of any potential changes to the production of HLAs.

Policy and Guidance

- 2.2 SPP states that housing land requirements should be met by an effective, rolling five-year land supply. It states (paragraph 110) that the planning system should:
- “identify a generous supply of land for each housing market area within the plan area to support the achievement of the housing land requirement across all tenures, maintaining at least a 5-year supply of effective housing land at all times;”
- 2.3 SPP notes (paragraph 111) that ‘functional’ housing market areas should be identified. It further notes that they may significantly overlap and will rarely coincide with local authority boundaries.
- 2.4 Paragraph 113 of SPP requires that development plans should be informed by the preparation of a Housing Needs and Demand Assessment (HNDA) in line with Scottish Government HNDA Guidance. Housing needs and demand figures should be generated for both functional housing market and local authority areas, and cover all tenures.
- 2.5 The Housing (Scotland) Act 2001 places a responsibility on local authorities to prepare a Local Housing Strategy (LHS), supported by the HNDA. The Town and Country Planning (Scotland) Act 1997 (as amended) requires local and strategic planning authorities to plan for land use in their areas, including the allocation of land for housing. The HNDA informs this process by identifying the number of housing units required².

² The Scottish Government provides authorities with guidance on the production of HNDAs, including a Practitioners’ Guide, HNDA Tool Instructions and a Managers’ Guide: <http://www.gov.scot/Topics/Built-Environment/Housing/supply-demand/chma/hnda>. Since the introduction of the guidance in 2014 all authorities have produced their HNDAs in this standardised way.

- 2.6 Building upon those HNDAs, paragraph 115 of SPP sets out that development plans should use evidence from them to establish a Housing Supply Target (HST). The HST is the total number of homes that the authority has agreed to be delivered and is prepared jointly and agreed by relevant strategic and local authority interest. This then informs the Housing Land Requirement (HLR), which should be the planning authority's policy view of the number of homes to be delivered, taking into account a wide range of factors and adding a generosity allowance of 10-20%. The HLR can be met from established land supply as sites are or become effective, from new allocations and from potential windfall sites. Appendix 1 reproduces Diagram 1 from SPP, which sets out how the HST flows into the development planning system, leading to the Housing Land Requirements (HLRs) within plans. Thus, the development plan identifies the amount of housing land required to build housing units initially identified in the HNDA.
- 2.7 In addition to identifying market and affordable housing, SPP introduces (at paragraphs 132-134) the requirement for HNDAs to consider specialist/ specific housing needs, such as accessible and adapted housing, wheelchair housing and supported accommodation. SPP also further advises that HNDAs should evidence need for Gypsy/Travellers and Travelling Showpeople.
- 2.8 SPP advises (at paragraphs 123–125) that planning authorities should actively manage their housing land supply and work with housing and infrastructure providers to maintain a 5-year effective land supply.
- 2.9 Effective housing land supply is defined in Affordable Housing & Housing Land Audits Planning Advice Note 2/2010 (PAN 2/2010) as being free from the undernoted constraints to the completion and occupation of residential units:
- Ownership: the site is available for development.
 - Physical nature: the site is free from constraints, or where there are constraints those can be overcome and any remedial works funded.
 - Contamination: free from, or has commitments to remediate to a standard for marketable housing.
 - Deficit funding: has been committed if required.
 - Marketability: the site or relevant parts thereof can be developed during the identified period.
 - Infrastructure: free from constraints, or can be provided realistically by a developer or another party.
 - Land use: housing is the sole preferred planning use, or a realistic option.

- 2.10 PAN 2/2010 (Section 2) also introduces guidance for HLAs. The PAN sets out good practice for annual audits of housing completions and monitoring of progression of sites through the planning system. The HLA process may be adapted to suit local circumstances, such as in rural and remote areas, where the HLR and market activity may be of a more limited scale. The two key functions of HLAs are to:
- Demonstrate the availability of sufficient effective land to meet the requirement for a continuous five year supply; and,
 - Provide a snapshot of available land at any point in time.
- 2.11 The PAN references a 2008 Scottish Government research report into the effectiveness of HLAs, which is reviewed later in this section.
- 2.12 The PAN notes that HLAs are informative not only for planners, but also for the development industry, infrastructure and other service providers.
- 2.13 Advice on the content of HLAs and methodology is provided in the PAN, which asks local authorities to consider relevant types of land and variables to monitor. Guidance on the programming of sites recognises that the exercise is “less than scientific”, and explains the risks of over or under-estimating completions.
- 2.14 The Scottish Government issued Draft Planning Delivery Advice - Housing and Infrastructure in February 2016. This was to provide assistance in the preparation of development plans and, once finalised to replace PAN 2/2010. The draft advice was withdrawn in December 2017.
- 2.15 Although withdrawn, some parts of the 2016 draft advice can provide useful information for this research project. The draft advice nested HLAs within a housing-and-infrastructure delivery framework. Appendix 2 of this report reproduces the Draft Planning Delivery Advice on Housing and Infrastructure flowchart from the advice - HLAs were shown as an output in the bottom right hand corner of the diagram. Of particular note is the bidirectional arrow to Action Programmes. This signalled a feedback loop from HLAs to site and infrastructure actions (ie. monitor and act, rather than simply observe and report).
- 2.16 The draft advice restated the requirement for a HNDA to inform the planning authority’s view of the housing supply target (HST) for the plan period. It explained that the housing land requirement (HLR) is the HST with an additional margin for generosity, as noted previously. The draft advice provided an example of how a 5-year effective land supply should be calculated. It noted that the calculation could lead to a shortfall or surplus against the housing land requirement.

- 2.17 The role and content of the HLA was set out at paragraphs 69 to 85 of the 2016 draft advice. It restated the objectives and land, and tenure types from PAN 2/2010, reiterating the need to distinguish between affordable housing sites and completions and private market housing. Definitions of affordable housing were provided in Appendix 4 of the withdrawn guidance. It also sought consistency in presentation of information from Call for Sites onwards through the plan, between annual audits and into the Action Programme. The HLA was to identify constrained sites and indicate how these would be made effective. A small number of sites may be found ineffective. An analysis of housing completions was required in order to track remaining available development land. A planning authority's HLA was to be informed by engagement with developers, agencies and infrastructure providers, and made available to communities. This was stronger and wider than PAN 2/2010's view that those involved should consider how engagement could be achieved. Online access to HLAs was promoted by the draft guidance.
- 2.18 A notable change in the 2016 draft guidance was that marketability was no longer one of the principal effectiveness criteria for housing sites (paragraph 60). Marketability is changeable and subjective; therefore, it was proposed to become an additional consideration for private sector housing, but not a determining factor in site effectiveness. Promoters could provide specific evidence in support their sites, but planning authorities were also encouraged to consider future buyers and the overall marketability of the housing land supply, using a combination of judgement and evidence. The other effectiveness criteria remained as set out in PAN 2/2010. Action Programmes were explicitly linked to site effectiveness. Transparency and clear and consistent links between sites information, Action Programmes and Housing Land Audits were recommended.
- 2.19 A summary of consultation responses to the 2016 draft guidance has been provided to Ryden for this research report. There was general support among the responses for a standardised methodology on how to calculate a 5-year effective housing land supply, although views on the best method to use varied. The methodology used to move from HNDA through to a housing land requirement was felt to be variable across authorities and could also benefit from standard guidance. There were different views on how to account for varying pace and scale of housing delivery.

Research

- 2.20 Housing Land Audits are a specialist, technical exercise, driven by planning policy requirements. Research is therefore limited and is highly focused upon HLA evidence, analysis and outputs. Wider literature exists around the housing system and the analysis of that to inform planning and development delivery. Some brief comment on that is provided in the following text.

- 2.21 A 2008 research report for the Scottish Government, 'The Effectiveness of Housing Land Audits in Monitoring Housing Land Supply in Scotland', noted the key role of audits in ensuring adequate housing land supply. The report set out to ensure commonality of information, improved presentation and accessibility and to improve predictive accuracy. It was found in 2008 that audits tended to over-estimate housing completions (this is perhaps surprising given that the lead-in period was the major housing boom to 2007).
- 2.22 The 2008 report made 16 recommendations including a best practice HLA working group, common dates, content and presentation, completion within 6 months, a minimum 7-year horizon, a need for better industry data and audits of past housing supply performance in the HLA format. Section 3 of this report will provide a view on whether this standardisation has been achieved.
- 2.23 Recommendations were also made on effective housing land, with the development industry suggesting that this must come from positive evidence rather than the absence of constraints. The researchers suggested that national guidance was required on assessing effectiveness then programming sites. National guidance was also recommended to encourage infrastructure providers to engage with the HLA process and indicate the actions and timescales to remove site constraints³. Other recommendations related to defining and distinguishing between windfall sites, affordable housing, small sites and house types.
- 2.24 The 2008 research supported the production of PAN 2/2010, as reviewed above.
- 2.25 In addition to this formal Scottish Government guidance, various stakeholders in the housing system produce their own guidance and notes on the production of Housing Land Audits. These include Clydeplan Strategic Development Planning Authority Homes for Scotland, City of Edinburgh Council and Heads of Planning Scotland.
- 2.26 In June 2017, a RTPI Scotland thinkpiece⁴ proposed that barriers to delivery should be overcome using 2-year housing delivery programmes in the form of project management plans with corporate leadership and collaboration. The implications of this would be much tighter relationships between HLAs and Action Programmes.

³ Author note: this research was published 11 years ago and Action Programming has taken up these challenges, although the links with HLAs may not yet be sufficient (see Sections 3 and 4).

⁴ Places, People and Planning – Thinkpiece, Carlin F., Calvert R., RTPI Scotland, June 2017

2.27 Other notable housing and delivery workstreams which could have implications for the production of HLAs include:-

2.27.1 In Wales, RTPI Cymru⁵ reports a strong reliance on Welsh Government local authority area household projections to inform land-use planning, and the “considerable weight” afforded to these in LDP examinations. A shared methodology for refining and applying these at the local level has been agreed, subject to the caveat that local resources and skills to interpret, adapt and defend housing requirements vary considerably. On the face of it a consistent approach and cascade from national to local level appears to be claimed for housing land planning in Wales.

2.27.2 The UK Government’s House of Commons Library published Planning for Housing⁶ in 2017. The paper notes the abolition of national housing targets in England and thus, the freedom for local planning authorities to estimate and set aside enough land to meet housing demand, and also, to choose a suitable methodology so long as that is based upon robust evidence and informed by policy and guidance. That paper notes a concern however that demand for housing outstripping supply is allowing developers to “gain planning permission at appeal for sites that the local authority did not intend for development.” There are some parallels here with the role of HLAs in confirming or failing SPP’s 5-year effective housing land requirement and the consequences for LDPs.

2.28 A housing white paper⁷ for England proposes that:

- local authorities agree their housing land supply annually and fixed for only one year;
- there is consultation on a standardised approach to assessing housing requirements; and,
- introducing a housing delivery test.

Each of these proposals is relevant to HLAs. The Department for Communities and Local Government responded to the White Paper with a consultation⁸ on a new standard for assessing housing need.

2.29 Two ongoing studies into the delivery of housing are at an early stage: the UK Government’s Letwin Review⁹ into the housing supply gap (including of land) in areas of high demand; and the Scottish Government’s ‘Identifying the Reasons for Delays with Decisions on Planning Applications for Housing’. These reports may have relevant information for Housing Land Audits when published.

⁵ The Process for Developing Robust Housing Evidence for Local Development Plans, RTPI Cymru, January 2016

⁶ Briefing Paper Number 03741, 14 June 2017

⁷ Fixing our Broken Housing Market, February 2017

⁸ Planning for Homes Consultation Document

⁹ <https://www.gov.uk/government/publications/independent-review-of-build-out-preliminary-update>

- 2.30 Although the English and Welsh examples noted above are not applicable in Scotland's devolved planning system, they are potentially relevant as those administrations seek to address comparable planning and development challenges within the wider UK national housing system.

Review of the Scottish Planning System

- 2.31 The independent review of the Scottish planning system¹⁰ (May 2016), Empowering Planning to Deliver Great Places, identified housing delivery as one of six key themes. This recommendation evolved to form part of Proposal 5: Making Plans that Deliver, in the Scottish Government's consultation paper 'People, Places & Planning'¹¹ (January 2017). Following that consultation, the Scottish Government issued a Position Statement¹² in June 2017. The statement recognised a continued support for a plan-led system, implemented through a strong delivery programme.
- 2.32 The statement was expanded through a Technical Paper (September 2017)¹³ which considers how key planning review changes could work in practice. The paper envisages that housing land requirements would be verified in early course at the newly proposed development plan 'gatecheck' stage. HLAs are identified as important both in informing this stage, and in then monitoring performance and identifying actions. Developing a new approach to calculating housing land requirements was suggested as a potential focus for work. A possible relationship to promote consistency between strategic and local housing needs was set out in the Paper, while allowing for continuation of local approach in areas not covered by strategic housing land requirements. The Paper indicated that new guidance on monitoring housing land availability would be produced.
- 2.33 A June 2017 analysis of responses to the consultation paper¹⁴ attracted mixed responses to a proposal for improvements to defining how much housing land should be allocated in the development plan. The current process was viewed as complex and time-consuming, and that time could better be used on place-making and better localised understanding. Some respondents felt that any removal of the local planning element from housing land would make the process more 'top down'.
- 2.34 The cascade of policy and guidance and additional research reviewed above is used in Section 3 to consider and compare existing HLAs across Scotland. It also informs the conclusions presented in Section 5.

¹⁰ <http://www.gov.scot/Topics/Built-Environment/planning/Review-of-Planning>

¹¹ <http://www.gov.scot/Publications/2017/01/3486>

¹² <http://www.gov.scot/Publications/2017/06/1061/downloads#res-1>

¹³ <http://www.gov.scot/Publications/2017/10/3738>

¹⁴ <https://beta.gov.scot/publications/planning-review-analysis-of-consultation-responses-june-2017/>

3 Analysis of Housing Land Audits

Introduction

- 3.1 Scottish local planning authorities produce a full suite of Housing Land Audits (HLAs) across the country. In seeking to identify best practice as well as helping to improve quality and consistency, the methodologies and outputs associated with these HLAs provide a comprehensive baseline analysis.
- 3.2 The spreadsheet at Appendix 3 summarises the content and outputs of all current HLAs prepared by Scottish local planning authorities. The column headings are primarily derived from current advice on the role and content of HLAs contained within Planning Advice Note 2/2010. The analysis also gives due cognisance to Draft Planning Delivery Advice – Housing and Infrastructure. Although ultimately withdrawn, it does provide recent insight into the role and purpose envisioned for HLAs by the Scottish Government. Both documents identify objectives and key variables, which a HLA should deliver. The column headers ‘Latest Published Version’ and ‘Interactive Mapping’ are not specific requirements of Scottish Government advice and are included by Ryden.
- 3.3 Against this background, HLAs are required to report the following information:
- All land with permission for housing including remaining capacity;
 - Land allocated for housing in the adopted LDP, and
 - Land with agreed potential for housing (proposed in draft LDP/capacity study).
- 3.4 Advice also identifies a set of variables for which information should be provided within HLAs:
- Site name;
 - Reference/development plan reference;
 - Location/address/grid reference;
 - Site area;
 - Capacity (total/remaining of those under construction and 5-year supply);
 - Site Ownership;
 - Planning status;
 - Completions (annual - past and projected);
 - Nature of site (greenfield or brownfield/ previously developed);
 - Number/type housing provided;
 - Tenure, and
 - Constraints (including type and remedial actions proposed to overcome it).

- 3.5 Further to the above, the specific objectives for HLAs are to:
- Monitor effective housing land supply;
 - Identify constrained sites and actions to overcome those constraints;
 - Identify past and future completions;
 - Justify sites to be de-allocated due to continued constraints;
 - Identify sites already completed within the plan period;
 - Clarify engagement with developers, agencies and infrastructure providers;
 - Make the HLA available in electronic format.
- 3.6 The review of the content and output from HLAs has been undertaken against the background of these objectives and key variables as specified by Government advice.
- 3.7 A ‘traffic light’ system has been used to grade the content of HLAs. Those with a green rating adhere strictly to Scottish Government advice. An amber rating identifies a variation on a particular requirement, while a red rating is used where variables are omitted or are not specified. The full HLA spreadsheet with summary comments is provided in Appendix 3 (the spreadsheet is large and requires to be viewed on screen at 300% or printed on A3 paper). The R.A.G. classification deteriorates moving across the diagram from basic site information to site effectiveness, development and delivery considerations.

Review

- 3.8 Generally, the majority of HLAs are consistent in providing the more basic and factual details required which allow the identification of a site’s location, size, capacity, planning status, LDP reference, owner and/or developer and the historic/projected completions. There are however some inconsistencies within the basic information provided with a number of HLAs (circa 30%) not specifying whether a site is brownfield (previously developed) or greenfield. There are also a number of HLAs which are historic, i.e. not published in 2017, although the lighter touch requirements for HLAs in rural areas may explain some of those.
- 3.9 Most, but not all, HLAs identify the tenure of housing. Those that do simply differentiate between private and affordable housing. Some HLAs identify tenure across both completions and projections. Others specify tenure for completions only. A number simply identify the proportion of the total units allocated for affordable housing, with no indication of where they sit in the future programme.
- 3.10 Very few specify the types of housing proposed, for example, flats or houses.
- 3.11 The majority of HLAs (68%) are prepared on the basis of defined housing market areas. Others identify housing by settlements and only a very small proportion under a single local authority market area. All HLAs are available electronically.

- 3.12 There is inconsistency around the reporting of engagement with other public agencies, the development industry and developers/landowners. The majority of HLAs either do not specify whether any engagement has taken place (this does not necessarily mean there has been no engagement), or only clarify engagement with some of the bodies identified in Scottish Government advice. Only a minority of HLAs (32%) clearly identify engagement and consultation with a specified range of consultees.
- 3.13 Very few (13%) HLAs identify the particular constraints associated with a site as well as the actions required to remove those constraints. Indeed, the majority of audits (61%) do not identify the nature of constraints associated with a particular site and instead simply note where a constraint exists. The remaining 26% do clarify the nature of site constraints, but offer no remedial actions.
- 3.14 Only 26% of the HLAs specifically identify those sites, which have been removed from the previous audit. Those HLAs identifying removed sites also specify the reasons for those actions. The remaining 74% of the HLAs do not provide any information concerning sites removed from the previous audit.
- 3.15 35% of HLAs are accompanied by interactive mapping allowing the user to access a site's detailed information. However, the quality and level of detail within those HLAs varies significantly from an online 'story map' format to basic site information accessed by clicking on a particular site.
- 3.16 Small sites are treated in a range of ways by HLAs. Approximately half of HLAs either include small site completion within their aggregate figures, or show these separately. Some HLAs also indicate programmed completions for small sites. The balance of HLAs either do not monitor small sites or do not say whether they are included.
- 3.17 Scotland's two National Park planning authorities rely upon their constituent local authority areas' HLAs. Cairngorms National Park is identified within the relevant local authority area HLAs – Highland, Aberdeen City and Shire and Perth & Kinross – but The Park does not contribute to those HLAs' figures. Loch Lomond and Trossachs National Park data is mixed; the Perth & Kinross HLA does include Park data, but the Stirling HLA excludes it. Separately, the National Park planning authorities' Action Plans/Programmes do include housing sites.

Comment

- 3.18 There are clear, numerous and significant inconsistencies with regard to the content of, and outputs from current HLAs and their adherence to the variables and objectives set out in Scottish Government advice.
- 3.19 All HLAs provide sufficient information to monitor the effective supply of housing land and provide a snapshot of the amount of land available for construction at any particular time. However, as detailed in Appendix 3, there are a significant number of current HLAs, which do not identify all of the variables or address the objectives identified in advice.

- 3.20 The most significant deviation from the information required and lack of consistency between audits generally relates to three particular issues, namely:
- Identifying constraints and how they can be remediated;
 - Clarifying the extent of consultation during the audit process;
 - Identifying sites removed since the previous HLA.
- 3.21 The information regarding site constraints and remedial actions is important to the relationship of a HLA with an LDP Action Programme, and thus to site effectiveness (or the actions required to make a site effective). The lack of information or detail further suggests that most HLAs are not as useful as they could be in tracking and supporting site progress through the planning system into delivery of development.
- 3.22 Despite the levels of inconsistency and deviation from Government advice identified across the full suite of current Scottish HLAs, there are some excellent examples of compliance and consistency.
- 3.23 The HLAs prepared by Aberdeen City and Shire ¹⁵ and Edinburgh City Council ¹⁶ are highlighted here as exemplars. The HLA documents produced by these authorities not only cover the more basic details required, but are also thorough in undertaking and setting out their engagement processes, clearly identify those sites removed from the previous audit, and also provide extensive information regarding the specific constraints associated with any given site. They also identify remedial actions and a timescale for the likely removal of those constraints. Since 2016, the Edinburgh Housing Land Audit has been replaced by the Edinburgh Housing Land Audit and Delivery Programme, which reports both the effective housing land supply and the programmed delivery of housing units.
- 3.24 A further example of good practice includes the full and consistent analysis and established consultation process undertaken by Stirling Council ¹⁷ in the production of its annual HLAs, and the presentation of the results both in detailed format and in a dashboard summary.
- 3.25 Also worth highlighting is the proportionate approach to small and rural markets undertaken by Argyll and Bute Council¹⁸, helpfully illustrated in its online 'story map'.

National HLA

- 3.26 The inconsistencies highlighted above make it difficult to present an aggregate, Scottish-level analysis of the housing completions and programmed building contained in the country's HLAs.

¹⁵ <https://www.aberdeencity.gov.uk/sites/aberdeen-cms/files/2017-11/Housing%20Land%20Audit%202017.pdf>

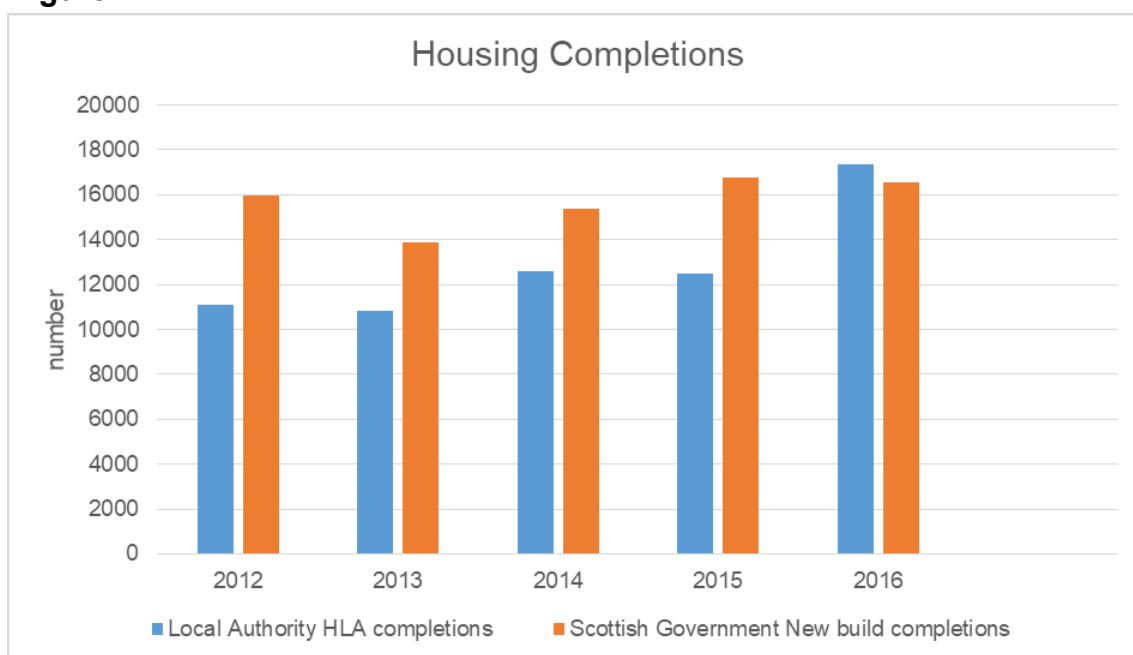
¹⁶ http://www.edinburgh.gov.uk/info/20194/development_activity_reports/1034/housing_land_audit/1

¹⁷ https://www.stirling.gov.uk/__documents/infrastructure-delivery/hla-2017-rfs.pdf

¹⁸ <https://argyll-bute.maps.arcgis.com/apps/MapJournal/index.html?appid=7998a15f6099460c977482f0a6914eec>

3.27 As a starting point for a national HLA, housing completions data is monitored on a quarterly basis by the Scottish Government using established and consistent definitions. These are shown on Figure 1 (orange bars) for 2012 to 2016. Presented alongside this national data is the total numbers of completions indicated in the current suite of HLAs. The principal gap between the two datasets, evident from 2012 to 2015 inclusive, is the absence of historic housing completions data from five of the HLAs and partial completions data from two others. The two analyses align more closely in 2016 and remaining differences should be explicable in terms of different approaches, for example, the treatment of small housing sites.

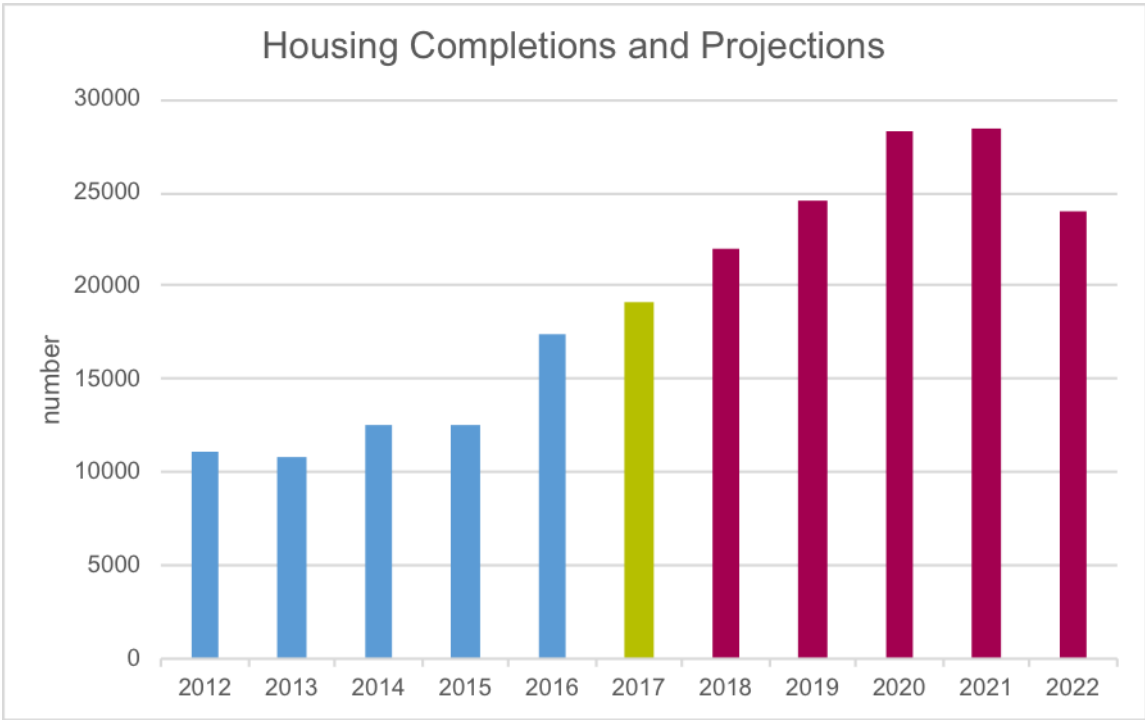
Figure 1



3.28 Figure 2 repeats the total HLA completions, then extends the analysis through 2017 to 2022 via the total housing numbers programmed in the HLAs. 2017 is based upon a mix of reported completion or programming where the 2017 data is not yet published (16). Projections in HLAs are mainly annual, although some are not broken down annually and have required assumptions to be made here.

3.29 The growth in projected house building is rapid on Figure 2. As above, historic completions to 2015 are incomplete, and thus are too low. Taking 2016 as a consistent starting point, the compound growth in house building to 2020 indicated by the HLAs exceeds 10% per annum, peaking in 2020 and 2021 at above 28,000 units in each year. This may be a slight underestimate due to the incomplete nature of the base HLA data. Programmed growth is not uniform across local planning authorities and is driven by some indicating completion rates up to double (or more) their peak rates 2012-16. The components of this rapid growth would require a very detailed assessment to fully understand, but could be speculated as continued recovery in the private house building sector, the Scottish Government's major affordable housing programme, and potentially continuation/ opening-up of sites not built-out in previous HLA periods.

Figure 2



4 Survey and Consultations

Introduction

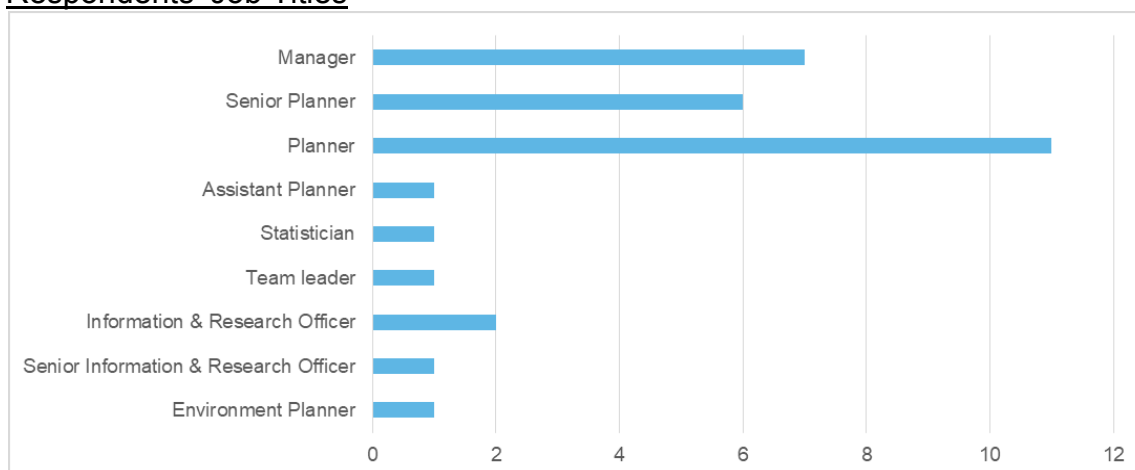
- 4.1 The research into Housing Land Audits included an online questionnaire survey of Scottish local planning authorities. This was supplemented by individual consultations and a panel review of emerging research findings in March 2018. The survey is reported first below, followed by a summary of the consultations.

Planning Authority Survey

- 4.2 The online survey was issued to the 32 Scottish local development planning authorities in late February 2018 and held open until late March 2018. The survey secured a 100% response rate.
- 4.3 The analysis below provides the combined responses to each survey question. Where free text or supplementary comment was requested, a summary review of those written responses is also provided. As an indication of the depth of interest in this topic among local planning authorities, the exercise attracted not only a full response, but also more than 12,000 words of written comment.
- 4.4 **Question 1** asked respondents to indicate which planning authority they were responding on behalf of. As noted above a full response was secured. The two National Park local planning authorities were not surveyed, as they do not produce separate HLAs; for example, Cairngorm relies on HLAs produced by Perth & Kinross, Moray, Highland and Aberdeenshire local planning authorities.
- 4.5 **Question 2. Please select your job title.**

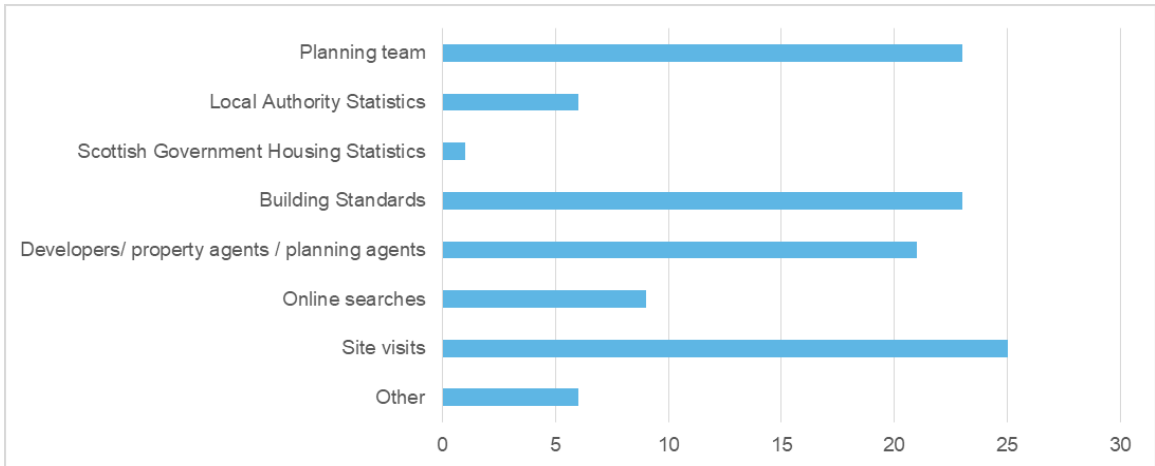
A significant majority of respondents (78% - see chart) are planners, senior planners or planning managers. Three respondents are research officers rather than planners. The response implies that the production of HLAs may require qualification, knowledge and experience rather than simply being straightforward data-based monitoring reports.

Respondents' Job Titles



4.6 **Question 3** asked respondents to confirm all sources for housing completions data in their HLAs.

Sources for Housing Completions Data



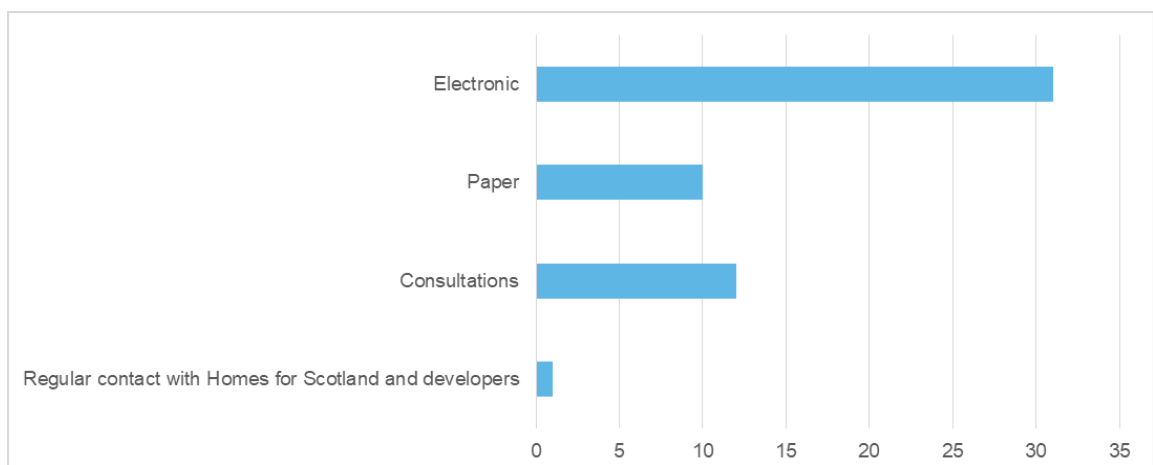
A significant majority source housing completions data from four principal sources: their planning team; their Building Standards colleagues; developers, property agents and planning agents; and site visits.

A minority selected 'local authority statistics', which may also refer to Planning or Building Standards departments. Single responses were made for: Scottish Government Housing Statistics, Strategic Housing Team, Strategic Housing Investment Plan, Affordable Housing Programme, completion certificates and site managers.

These responses indicate that there is no single source for data on housing completions in HLAs. The average authority is using between 3 and 4 different sources. This implies that cross-checking, and possibly reconciliation of different or misaligned housing completions data, is being undertaken during the audit process.

4.7 **Question 4** asked what methods are used to transfer and validate housing completions data.

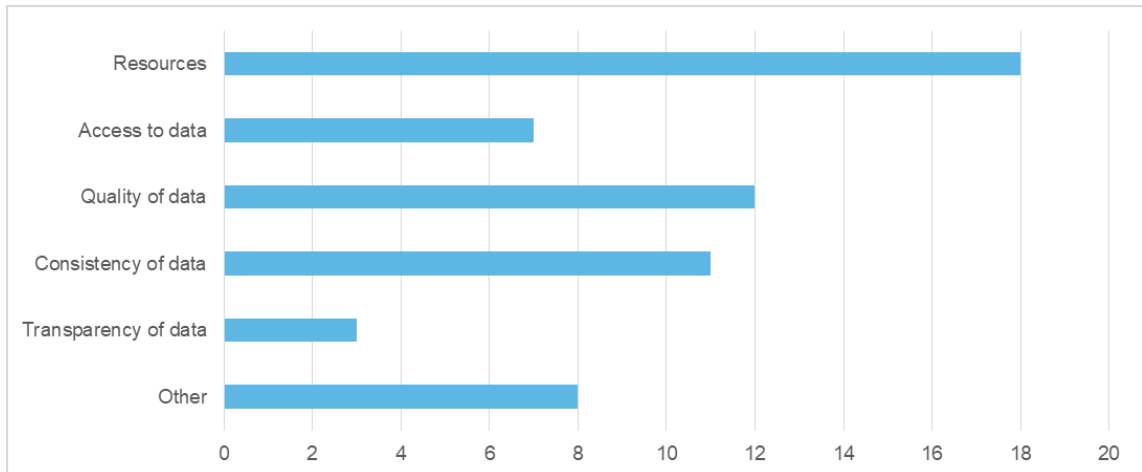
Methods Used to Transfer and Validate Housing Completions Data



All local planning authorities handle and check housing completions data electronically. Paper sources and consultations are each used by approximately one-third¹⁹ of respondents.

4.8 **Question 5** sought the barriers to collating housing completions data.

Barriers to Collating Housing Completions Data



A small majority of respondents cited resources as a barrier. Other responses were made by minorities related to quality, consistency and access to completions data. Three respondents reported delays in receiving information on completions and one inconsistency across systems. Two respondents stated that there are no barriers to collating housing completions data.

4.9 **Question 6** asked for methods and data sources used to forecast future housing completions.

Methods and Data Sources Used to Forecast Future Housing Completions



¹⁹ parts of this response may duplicate the checking of housing completions in Question 4

The large majority of respondents use planning authority data to project future house completions. Just over one-third also issue pro formas to developers / landowners / agents to ask for their anticipated future completions.

Projecting house completions involves a wide range of sources. These include: past completion rates (market and affordable), buildings under construction, developer and landowner projections, site visits, planning permissions, planning application supporting statements, Council housing services (and other asset teams if relevant to land supply), SHIP programming for RSL sites, Homes for Scotland advice, marketability assessments, the state of housing market and construction sector, professional judgement and planners' local knowledge, online searches, Key Agencies, and data from the previous HLA trawl which fell after the cut-off date. Some authorities have 'rule-of-thumb' guidance for anticipated completions by site and developer type and the stage of the site in the planning process (eg. no completions in first two years of planning permission).

- 4.10 **Question 7** asked whether those preparing HLAs request further evidence from developers / landowners / agents to justify projected house completions.

The responses to Question 6 indicated that almost half of authorities formally sought external information on projected completions (although the free text indicates that others may also consult on this less formally). The responses to Question 7 indicates that around one-third of authorities then seek further evidence from those parties. That information tends to concern site status, effectiveness, build programme, sales performance and marketing activity, developer interest (if applicable), reasons for any delays, and any build rates proffered which do not look realistic or conflict with other information. Some authorities report using Homes for Scotland's guidance on build rates, which may include confirmation of programming with them.

The broad implication from Questions 6 and 7 is that most authorities project future housing completions from their own sources and methods, partly informed by the projections of site promoters/developers. Cross-comparing this information with responses at Question 20 below indicates that most authorities seek that external comment on programming at a later stage around a draft HLA, rather than as a data input.

- 4.11 **Question 8** asked how authorities treat sites where forecast completions did not happen. Generally the authorities responded that sites are reassessed each year, in conjunction with planning colleagues, developers and other consenting authorities where appropriate, to determine the reasons for any non-completion. That information is also retained by some authorities for the next LDP review.

This reassessment may lead to the programming being moved back by a year, or otherwise adjusted depending upon the specific reasons. For example, a site infrastructure constraint or an event such as developer administration can lead to a delay in developing. ‘Non-contributing HLA sites’ were noted as being those with no forecast completions, while more challenged sites can be reclassified as non-effective²⁰. If a site has not started after 3 years, then the planning permission expires and it is ignored for programming purposes. The decay of programming over time was highlighted, with current market conditions reportedly making short-term projections difficult and “a significant degree of uncertainty” when programming completions beyond 2-3 years into the future.

In smaller and rural markets, projecting completions by site can be inaccurate and projecting total activity in a market area is found to be more useful.

One authority reports that their approach to projecting / programming now, states what would need to happen to bring forward or increase delivery of house completions, including any potential interventions or planning support. This is done on a site-by-site basis and is agreed with Homes for Scotland.

4.12 **Question 9** asked whether any sites included in HLAs are not agreed with developers / landowners / agents.

Approximately 60% of authorities have HLA sites, which are not agreed with the promoter/ developer. Overall, the rate of dispute appears to be low²¹. Additional comments in response to this question were also made by authorities who currently do not have any non-agreed sites.

Programming is typically discussed and agreed with Homes for Scotland (a membership organisation) rather than any individual developers. Some also consult with a dominant RSL in their area. Some authorities host an event at which promoters / developers may challenge each other’s site programming.

Authorities seek firstly to resolve any disputes. Any remaining non-agreed sites are identified and published in the HLA as ‘disputed’. The reason for the dispute can be used to inform the next HLA. One authority reports that the rate of dispute for HLA sites increases at the critical stage of LDP preparation, and when there are planning appeals testing the housing land supply.

A tendency was reported for landowners and agents – rather than developers - to “programme positively”, without necessarily having any means to deliver that development. In those circumstances, the authority takes a “realistic view” which may not align with the promoter’s aspirations. Local builders are also reported as sometimes over-estimating their capacity to deliver new houses.

²⁰ An HLA cannot de-allocate a site, although it could be removed if developed for an alternative use. Some authorities though report deleting windfall (unallocated) sites if their planning permissions lapse.

²¹ Non-agreed sites range from the 40% of authorities who report they currently have none, to those reporting one or two, and one authority with a historic non-agreement rate of around 7%.

- 4.13 **Question 10** asked respondents to summarise the method adopted in calculating and presenting their effective 5-year housing land supply²².

Most respondents describe the process of dividing the 5-year housing land supply by the 5-year housing supply target, then multiplying the result by 5 (all expressed in housing units). A figure of less than 5 indicates a numerical shortfall against the target, a figure above 5 a surplus. Some reference this calculation to Planning Performance Framework Guidance or the withdrawn 2016 Draft Planning Delivery Advice: Housing and Infrastructure (see Section 2). One notes that the calculation is the 7-year HLS divided by the HST multiplied by 5. Another indicates that they use a 12-year strategic development planning horizon to reach the 5-year effective housing land supply figure.

A minority of respondents described in response to Question 10, that the housing land supply is set out in the LDP. Completions are then deducted at each HLA. This does not obviously incorporate a test against target to identify shortfall or surplus, although it is difficult to be certain from the written responses alone.

Three authorities distinguish between the effective 5-year land supply and the projected 5-year completion figure. This approach measures the housing supply land and the delivery of homes “as separate things”. The latter is programmed using the 5-year approach and the land supply presented as ‘remaining’ at the current rate of delivery²³. The capacity of effective housing land is thus presented in two ways: against the housing land target and the anticipated programme against a delivery target.

- 4.14 **Question 11** asked whether newly approved Housing Needs and Demand Assessments (HNDAs) should immediately inform annual HLA demand requirements²⁴.

A two-thirds majority of respondents state that newly approved HNDAs should not immediately inform HLAs. Under the current system, the requirement for housing land is developed through the planning process. That is required to translate need and demand into a policy via a Housing Supply Target (HST). Unlike the HST, the HNDA does not take account of “capacity, resource availability, deliverability or economic, social and environmental factors”. The majority respond that it would be inappropriate to use a new HNDA as a basis for informing HLA demand requirements. The HLA is simply a monitoring tool.

²² This report is reliant solely on the summary written responses received and has not interrogated or cross-compared the methods described.

²³ This is similar to the “years’ supply” approach typically used in employment land audits.

²⁴ Some respondents challenged the wording of the question, noting that HLAs are monitoring tools and do not themselves set a demand requirement.

Taking a more nuanced view, one respondent suggested that a new HNDA should not inform the HLA, but could inform planning applications. Another suggested that new HNDAs should be given some weight, but treated with caution. One cautioned that the implications require to be considered, but HNDAs immediately informing HLAs is something to work towards.

Notably, one-third of respondents took the opposite stance. They suggest that a new HNDA would allow the planning system to be more responsive to the housing system. The most up-to-date picture allows the planning authority to consider whether the housing supply is meeting current need and demand. One respondent simply reported that any new HNDA already does inform their HLA.

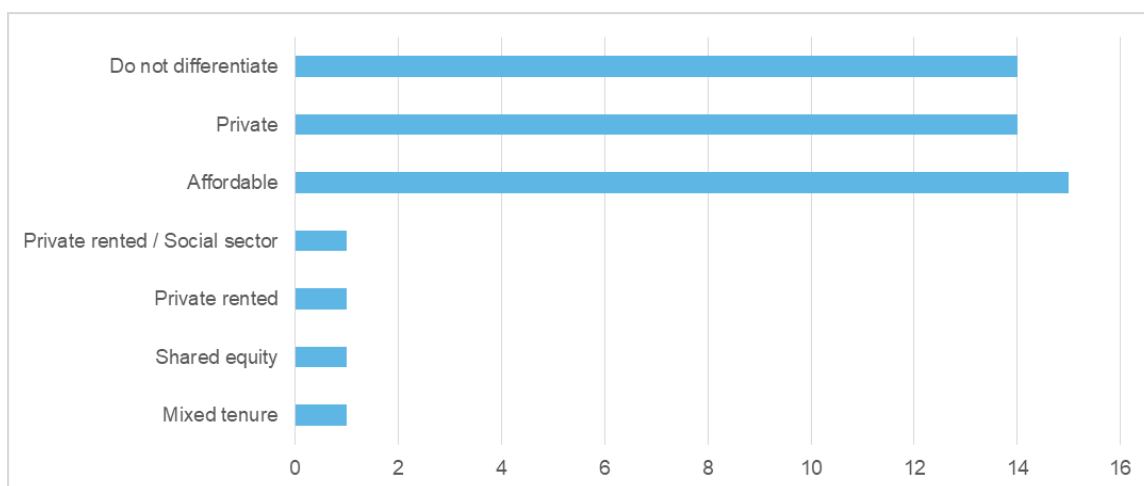
4.15 **Question 12** asked what role Local Housing Strategies (LHSs) and Strategic Housing Investment Plans (SHIPs) should have in informing HLAs.

The large majority of respondents report that these are used in HLAs to provide up to date information, identify sites, highlight locations of likely change, identify funding commitments (SHIPs), and support programming/ delivery forecasts across RSLs and Council housing. The LHS provides overall direction which is then progressed through the SHIP.

The terms ‘crucial’ and ‘critical’ recurred in responses to this question. However, 3 respondents indicated that the LHS and SHIP should not inform HLAs.

4.16 **Question 13** asked which market sectors are differentiated within HLAs’ effective housing land supply.

Market Sectors Differentiated Within HLAs’ Effective Housing Land Supply



Nearly half of authorities do not differentiate between housing sectors. Most of the balance of respondents do however differentiate by tenure: private or affordable. Reasons for this split include different targets, funding and delivery.

Some authorities split out historic completions by tenure, but not the effective land supply. This is because they do not know who ultimately will deliver the development. Others do split sites using either known commitments or a standard affordable housing percentage. Some respondents further split affordable housing into Council or RSL. Some show any affordable housing delivered by a private developer as 'private' (whether these are RSL completions as part of a planning permission or low cost home ownership developer units).

The Clydeplan authorities in West Central Scotland split subsidised rented housing from all other of types of housing; social rent and mid-market rent are in one category while the other includes subsidised ownership, private ownership and private rent. In East Central Scotland, SESplan2 proposes separate housing land targets/ requirements for affordable and market housing tenures, which if adopted would need to flow into HLAs.

- 4.17 **Question 14** asked how the requirement to provide a generosity allowance within the Housing Supply Target is reflected in the Housing Land Requirement.

Respondents mostly noted that the generosity allowance is either set out in the SDP or applied by a stand-alone LDP to the HST to reach the HLR. A large number of respondents noted that a 10% generosity allowance was applied by the development plan. Some though noted higher figures such as 15%, 20%, 30% (emerging plan) and 35%. One older LDP has no generosity allowance.

- 4.18 **Question 15** invited comments on the respondent's current practice for forecasting housing completions.

The responses are similar to Questions 6 and 7 around use of data, previous Audits, market trends, developer and housing types, settlement and infrastructure capacity, Homes for Scotland guidance and consultations, Clydeplan guidance, professional experience and "being realistic".

In terms of additional practices, one authority uses a self-assessment developer survey in addition to their annual HLA consultation with Homes for Scotland. Another uses a detailed housing sites monitoring map, which tracks activity and helps with forecasting. Some authorities make detailed assessments of potential future windfall sites.

One respondent would welcome information on the average margin for error in forecasting completions and the sharing of best practice. Another rejected the term 'forecast' and indicated that they programme completions using developer information and experience. A large rural authority notes that their approach of allocating a wide choice of sites in their LDP makes it difficult to programme which sites will be developed and when. The challenge of programming for affordable housing beyond a current SHIP period was also noted.

4.19 **Question 16** asked about the inter-relationship between annual HLAs and the LDP action programme.

One authority is using full programming of LDP sites and the HLA as a “monitoring regime” for site effectiveness and actions via the programme. Another reports that this integration is underway to provide a single document. A further authority indicates that their HLA and Action Programme are now undertaken by the same team, and both inform anticipated delivery rates on housing sites.

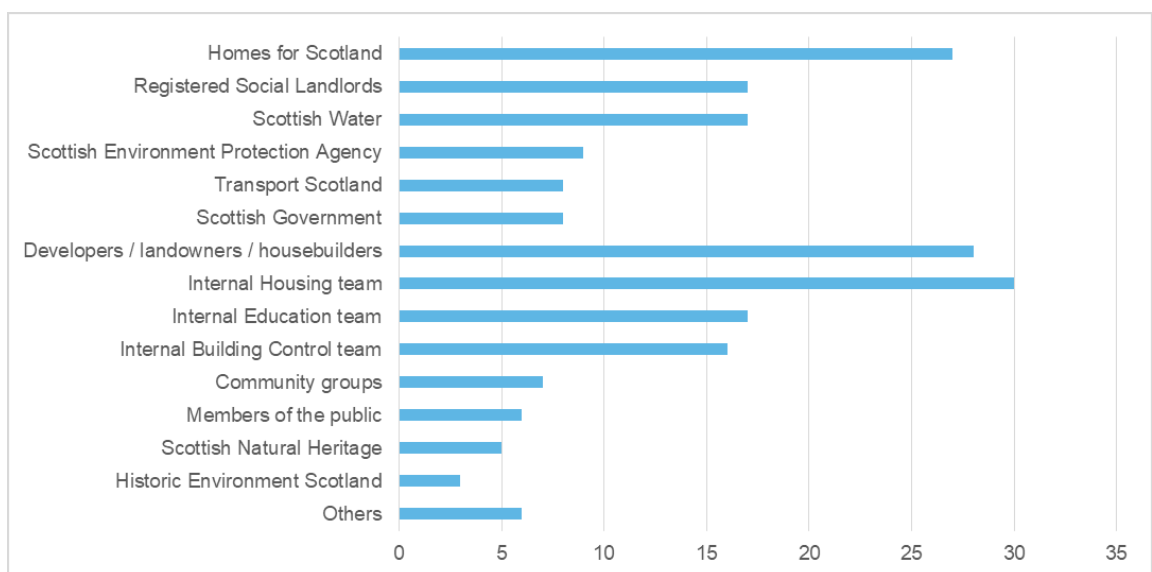
Financial modelling and risks are analysed and reported by a small minority of respondents, including timing of actions and developer contributions, which is linked directly to programming of house building in a fixed annual reporting cycle (beginning with HLA and delivery, then Action Programme, then Council budgeting). Such integrated housing-and-delivery approaches are currently the rare exception among HLAs in Scotland.

More generally, authorities report that the HLA and Action Programme inform each other to a more or less formal extent, with the latter identifying potential issues affecting the delivery of housing sites and the required actions. Some note that the Action Programme is updated each year using the programming provided in their new HLAs, informing all parties of their responsibilities.

Authorities do report a current focus on strengthening the links and information flows between HLAs and Action Programmes, for example by considering “new style delivery programmes” by merging both as above. It was however noted that the HLA as an output will still remain separate, as it is a regular and widely acknowledged report.

4.20 **Questions 17, 18 and 19** asked about consultations when preparing HLAs.

Consultations Undertaken When Preparing HLAs



The large majority (but not all) authorities consult with their internal housing teams, Homes for Scotland and site developers/ promoters²⁵. Around half of respondents consult with each of RSLs, Scottish Water, Education and Building Control. A quarter or fewer consult with each of SEPA, the Scottish Government, Transport Scotland or communities/ the public. One respondent reports a consultation with most of these and with their SDP team around the draft HLA. Another consults with the NHS.

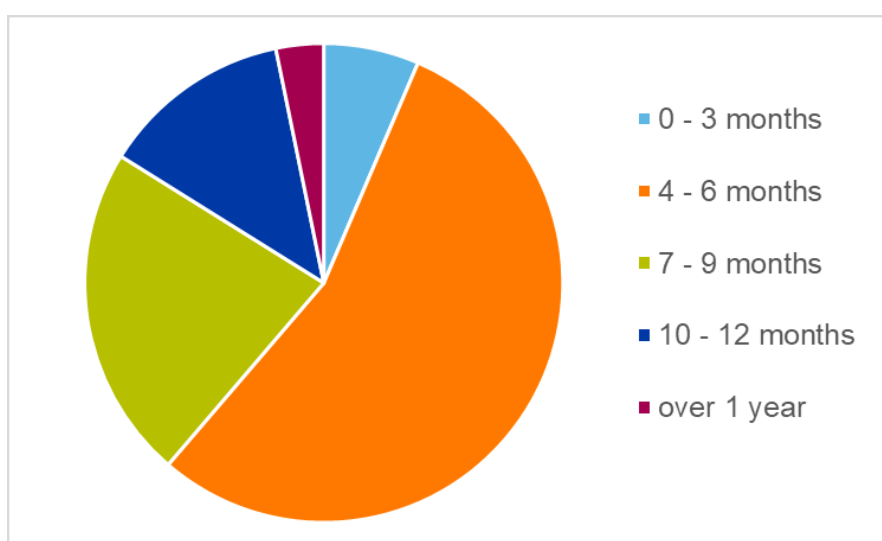
Around half of respondents convene working groups to discuss the draft HLA. A similar proportion (mainly the same respondents) issue an email with a link to an HLA website. The format of materials issued for consultation includes maps and draft programming. One authority reports having insufficient resources to consult on the draft HLA. Another uses their Council's consultation portal.

Challenges reported with HLA consultation include lack of internal Council resources to comment on all sites and uncertainty over who controls some sites. The main area of challenge however is poor / late / over-optimistic / 'ongoing dialogue' responses from some site developers/ owners. The process of consultation through Homes for Scotland was noted as helpful and improved.

4.21 **Question 20** asked local planning authorities how often they publish their HLA. All publish annually, apart from one, which has had a resource constraint but now plans to publish an annual HLA, and one rural authority, which publishes every 2 years.

4.22 **Questions 21 and 22** asked about the time taken to produce HLAs. Just over half take 4-6 months. Only two local planning authorities take less than 3 months and the remainder take longer than 6 months. The implied average preparation time is 6 – 7 months.

Time Taken to Produce HLAs



²⁵ Cross-tabulation of question responses suggests that there may be some duplication here – ie. consultation with site promoters / developers may be via rather than separate from Homes for Scotland

As explored by the questions in this survey, an extensive process is involved in producing HLAs. Where authorities broke down the process in their responses, the typical stages take:

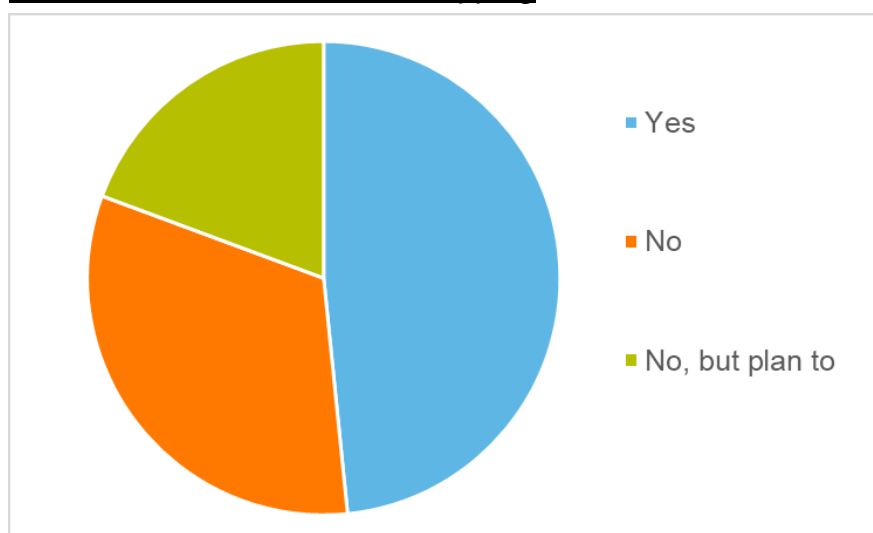
- data gathering 1-5 months; typically 2 months but longer if site visits made
- analysing survey data and compiling draft HLA around 1 month
- consultations 2-3 months (with outliers of 1 month and 4 months)
- finalising and reporting 1 month

One authority reporting shorter timescales advises that data gathering is ongoing rather than a specific HLA task. Similarly, another monitors completions and planning activity on a monthly basis, which keeps the annual HLA task manageable and quicker; that authority also reports that the HLA timescale is meshed with other programmes rather than separate.

4.23 **Questions 23 and 24** asked about interactive HLA mapping on the local planning authority's website.

Just under half²⁶ of respondents report that interactive HLA mapping is provided. One-third do not provide interactive mapping. The balance of respondents plan to introduce interactive mapping in future. The main barriers to providing this are resources, costs and insufficient technical expertise. A number of respondents noted that Geographic Information Systems (GIS) are now in place within their planning departments and this will aid interactive mapping for HLAs in future.

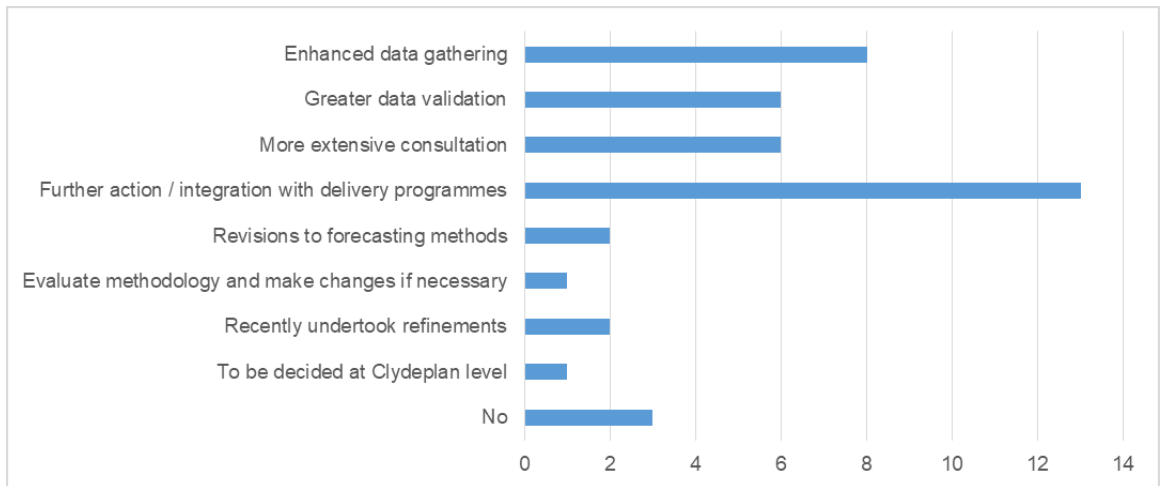
Provision of Interactive HLA Mapping



²⁶ The Chapter 3 analysis of current HLAs found that some of the publicly available online mapping to support HLAs was not interactive.

4.24 **Question 25** asked whether respondents plan any further refinements to HLA data collation and analysis.

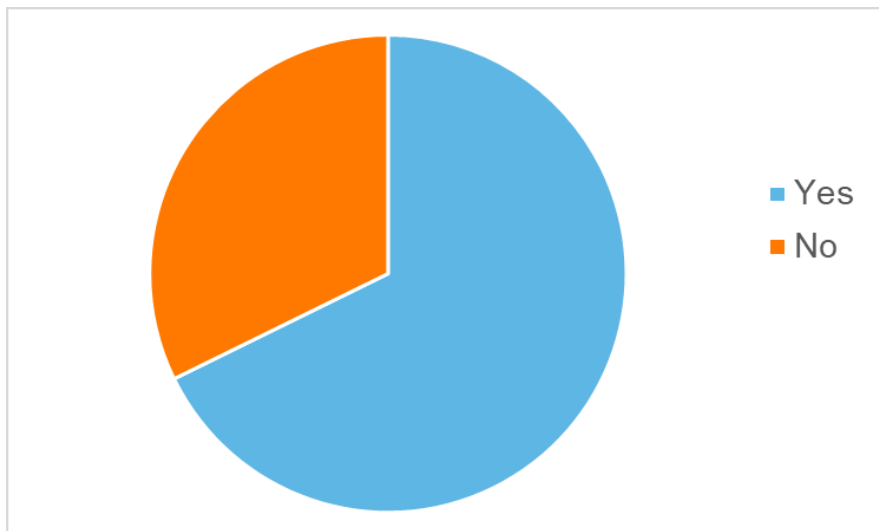
Planned Refinements to HLA Data Collation and Analysis



Just under half propose to better integrate HLAs with Action / Delivery Programmes. Smaller numbers have plans to enhance their data analysis or consultation processes. Some respondents pointed to work already undertaken recently to utilise GIS or to programme delivery.

4.25 **Questions 26 and 27** asked about further guidance on preparing HLAs.

Requirement for Further Guidance on Preparing HLAs



Approximately two-thirds of local planning authorities would like further guidance on the preparation of HLAs. The remaining third are not seeking further guidance.

The guidance sought is firm rather than descriptive or general: a standard national process for HLAs and in particular the calculation of a 5-year effective housing land supply including across time periods and the treatment of any shortfalls identified by that calculation. The 5-year methodology in the Planning Performance Framework and the withdrawn 2016 Draft Planning Delivery Advice - Housing and Infrastructure received positive mention.

Current guidance is felt to be vague and can lead to different and conflicting methodologies. This can reportedly extend to different interpretations by independent Reporters. New guidance around the Planning Bill is sought.

Further guidance is sought on effectiveness of housing sites where marketability may be the only constraint, particularly where areas are to be regenerated. It was suggested that marketability is not as fixed as other constraints. PAN 2/2010 remains relevant, but the policy emphasis on housing and delivery has increased during the 8 years since it was published. Better guidance on marketability and programming for rural authorities is sought.

Other areas where clarity is felt to be required include: analysis and reporting by housing market and/ or local authority areas; differentiating between land supply and housing projections (this has emerged recently and may be gaining interest); and guidance on best practice in linking HLAs with Action Programmes.

Consultations

- 4.26 Consultations with HLA stakeholders and a research panel discussion built upon the survey by examining topics in more detail. Although often the responses (understandably) went beyond narrow HLA matters, into more general housing land issues, these issues are reported here as it provides useful context.
- 4.27 Those consulted to inform the research programme were: Heads of Planning Scotland; Homes for Scotland; the Improvement Service; the Royal Town Planning Institute; the Scottish Federation of Housing Associations; the Scottish Planning Consultants' Forum; the Scottish Property Federation; and Stirling Council (for a detailed process-based Housing Land Audit).
- 4.28 Housing Land Audits were reportedly initiated during the late 1970s. They measured the market in order to provide a land supply, and account for windfall sites within that supply. Anecdotally, the early HLAs simply took household number forecasts, checked historic build rates and then ensured both could be met.
- 4.29 Consistency across HLAs is a major concern of consultees. The two major areas in Scotland – Clydeplan and SESPlan – do not produce consistent data even at the most basic level of defining housing tenures. Nor are the durations selected across HLAs consistent, other than the 5-years' effective land supply policy requirement, nor the start, completion and reporting dates of HLAs. Completions data, rather than being historical fact, suffers from different definitions, time lags, and varying use of either housing market areas or local authority areas.

- 4.30 Consultees suggested that other measures such as infrastructure capacity and windfall sites are likewise not dealt with consistently across local planning authorities. This then means that Action Programmes to help deliver sites and development are not consistent.
- 4.31 Looking forwards, there is even greater variation in whether future completions are based upon past built-out rates, industry standard rates, adjustments for type of owner or developer, and so on. There appear to be both explicit and implicit hierarchies of site promoter and speed of delivery, possibly adjusted to reflect established and anticipated market conditions.
- 4.32 To combat these variances, a national standard is requested for housing types and tenures, say: flats or houses; affordable or market; and specialist eg. senior living and care homes (Use Class 8) and travellers' accommodation. HLAs should then recognise whether housing is to be delivered by the market, affordable or other sources.
- 4.33 Consultees noted the growing difference between the specialist and detailed nature of HLAs, linked to delivery of sites and development, and the simpler approach taken for example, with employment land, which is grouped into marketable (immediately available or having minor constraints), or having major constraints or safeguarded for a specific use.
- 4.34 Many HLAs are not agreed with landowners and developers, although they may note the specific points of disagreement for clarity. Consultees thought that any areas of disagreement, including promoted sites judged to be non-effective, could be made more specific, ie. by identifying the action(s), which would make those sites capable of inclusion. If the actions remain unresolved and with foreseeable resolution over a series of defined periods, sites could be noted for potential de-allocation at the next LDP 27. Where sites are struggling with effectiveness though, taking action to remove blockages was noted as preferable to moving to other locations with their own infrastructure needs.
- 4.35 The potential for subjectivity in the process leading up to HLAs was raised during consultations. Housing Needs and Demand Assessments (HNDAs) provide validated evidence using standard guidance. The process of then using scenarios to reach a Housing Supply Target (HST), then a range of generosity options to set a Housing Land Requirement (HLR), was felt by consultees to be open to subjective influence. They suggested a consistent "set of rules" around this process, due to the multiple steps and optionality at each.
- 4.36 That said, it was felt that the role of HLAs in monitoring performance and helping with programming, is well understood. The basic approach to HLAs is common across authorities in terms of collating, analysing then reporting against SPP requirements. From the consultations, there is also a sharing of best practice, which has been increasing recently.

²⁷ Author note: this could have distributional consequences as it can be very large allocations with step change infrastructure requirements and viability challenges that roll over without resolution.

- 4.37 Consultations typically involve engagement with Homes for Scotland, on behalf of their members. Engagement with non-member builders is less common, as is engagement with affordable housing providers (some are members of Homes for Scotland and some are very large and engaged with planning, but many are not). Consultees report that regular annual consultation speeds-up the process and leads to more rapid identification of areas of potential disagreement. Some thought that too much weight is afforded to development industry views, and that those should be restricted to checking of sites information only, not whether any policy requirement is met. One interesting planning authority example used a committee chaired by an independent expert to reach an agreed HLA audit.
- 4.38 There is a reported delivery misalignment where market housing can be too slow and phased to bring forward batches of affordable housing. Stand-alone affordable housing in low demand housing areas may come forward faster and more easily than that integrated with private housing in stronger market areas. This should be reflected in the programming of affordable units in HLAs, informed by Strategic Housing Investment Plans.
- 4.39 HLAs are felt to have the potential to help understand and support site and development delivery. The former through infrastructure phasing within delivery programmes, the latter through market capacity and achievable pace for private housing, and availability of funding for affordable housing. This is slowly emerging and the next 5-10 years should see the best-researched development pipeline yet²⁸.
- 4.40 In this regard, it was suggested that HLAs (and LDPs) should be used by a wider range of service providers – of schools, utilities and healthcare – as the best estimate of population change in an area to inform their investment plans. This would place an onus on HLAs to be as accurate as possible, ie. a factual document, not a policy ambition.
- 4.41 Consultees support the continuation of HLAs as rolling audits, in conjunction with Action Programmes, which are also updated annually. The two should inform and update each other not only for efficiency but to accurately confirm site effectiveness and programme investments. Spatial mapping of sites and their progress, as is provided by some authorities, is found to be very helpful.
- 4.42 Some consultees believe that the 5-year effective housing land supply requirement in SPP is treated by local planning authorities not as a minimum, but as a maximum. At the extreme they believe that this “gears the whole planning system towards not developing land” through a tightly controlled and strictly capped set of ‘allowed’ sites. Some consultees went further, to suggest that if housing is a top policy priority, then a formal national target could be set and implemented, as it would be for example in energy, education or healthcare.

²⁸ For the avoidance of doubt, this was not the sole view of a modernising planning authority, but a broader sentiment from those currently steeped in HLAs.

- 4.43 Consultees' view that the development strategy should be that, and not simply land allocations. The emerging 'gatecheck' procedure could embed that long-term development planning approach²⁹. This could allow authorities to not only plan for current supply, but also identify the next potential sites (or policies to select those) beyond the 5-year supply. In that way if a shortfall emerges, there would be preferred options to bring into consideration, rather than an opportunity to promote other sites that may not be preferable in planning terms.
- 4.44 An area of ongoing debate is the treatment of projected housing completions, which did not happen. One view is that this is unsatisfied demand and should be carried forwards. The other approach is to assume that need and demand, if not emerging, should not be carried forward.

Deliverability of Site Allocations research project

- 4.45 In parallel with this Housing Land Audits research project, Ryden has also been undertaking the Deliverability of Site Allocations research project for the Scottish Government to inform planning reform. A brief summary of directly relevant points from that draft research is provided below:-
- 4.45.1 The vast majority of sites promoted for allocation in local development plans – exceeding 95% in some cases - are for housing. To balance this house builder and major landowner-dominated process, local planning authorities also encourage smaller developers and landowners as well as communities to promote and support site allocations. There is however a structural change in weaker market areas towards a dependency upon the affordable housing providers and the Scottish Government's current active programme.
- 4.45.2 Some points around site effectiveness arose. Some sites and locations reportedly may be rejected as unviable by major developers, then successfully developed by local builders. Some authorities use 'small sites' policies to bypass infrastructure challenges at major sites, or are promoting self and custom-build, or are encouraging individuals, or accept that rural areas may have limited interest. In these situations, there may be willing landowners and end markets for housing, but no willing developer promoting a site. Promotion by a major developer may provide evidence of effectiveness, but absence of such a promoter does not prove lack of effectiveness (absence of demand being impossible to prove). This question of planning for 'unmet' housing need and demand – for locations, types, tenures not offered – was also raised during HLA consultations.

²⁹ Author note: the 'gatecheck' is still emerging; from the consultation opinions it may be that the term is unfortunately redolent of 'gatekeeper', and thus already open to misinterpretation.

5 Summary and Conclusions

Introduction

- 5.1 The Scottish Government instructed Ryden to research housing land audits (HLAs). The project has considered all current HLAs produced by Scottish planning authorities, their consistency, conformity with guidance, and potential for standardisation. The project has also considered the relationships of HLAs with Local Development Plan (LDP) Action Programmes to inform and support planning, market and infrastructure decision-making. The overarching aim is to help HLAs improve the planning system and deliver more housing in Scotland.

Research Summary

- 5.2 Housing Land Audits (HLAs) began as simple monitoring documents. In the modernised planning system however, with its focus on effectiveness and delivery, and in a development industry dominated by housing and constrained by infrastructure or a lack of it, these monitoring reports have become significant undertakings for local planning authorities and a major focus for the development industry.
- 5.3 In the context of this growing importance of HLAs, **the research finds that the current suite of HLAs across Scotland is not consistently defined, researched, analysed, consulted on, tested, reported or integrated with development planning or delivery.**
- 5.4 There are clear, numerous and significant inconsistencies against the variables and objectives set out in Scottish Government advice. All HLAs monitor the effective supply of housing land and provide a snapshot of land available for construction. Methodologies, definitions and outputs are however inconsistent, other than in the Clydeplan and Aberdeen City and Shire SDP areas where a common approach is shared. Some basic information such as tenure and site type (greenfield or brownfield/ previously developed) can be missing. Particular gaps across HLAs are the lack of information on site constraints and remedial actions, and information on sites removed from the audit.
- 5.5 These inconsistencies and gaps identified are of particular concern due to:-
- 5.5.1 The strategic local, regional and national challenge of planning for housing and monitoring progress with delivery.
- 5.5.2 The weight that HLAs can carry within the planning system via PAN 2/2010 and SPP in potentially rendering LDPs as not up-to-date due to the lack of a 5-year effective housing land supply.
- 5.5.3 The emerging local challenge of formally linking HLAs with Action Programmes and thus delivery of development plans.

- 5.6 It is important to stress that HLA consistency here is mainly not about ‘neatness’ or presentation. It concerns the uncertainty created in the planning and development system and the (unacceptable) possibility that applying the HLA methods used by one authority to another authority’s area would lead to different planning outcomes. Consistent, reliable housing land and development information is required by the planning system, developers, landowners, infrastructure providers, service providers and communities. It could also assist in reducing delays in producing HLAs and resources expended on disputed views.
- 5.7 Looking forward, it is crucial to understand whether HLAs will continue to be stand-alone monitoring reports, or are increasingly a critical, integrated element of delivery programmes for development plans³⁰. The research demonstrates that the large majority of HLAs at this time are locally evolved monitoring reports. A small number of authorities though – the exemplars noted here are Aberdeen City and Shire and Edinburgh City Councils – are now thorough in terms of consultation and site progress, constraints and remedial actions. This allows integration with Action Programmes and thus development plan delivery.
- 5.8 Other authorities do indicate an aim to make HLAs more delivery-focused. However, it would be of concern if the inconsistencies in current HLAs were transferred into a more complex, integrated, digitised, delivery-focused process. The opportunity afforded to this research project, to ‘unpick’ the HLA definitions, methodologies and trends, could be gradually lost if continuing evolution further embedded separate and different local planning-and-development-delivery system.

Conclusions

- 5.9 The planning system is currently being reformed. In that context, the Scottish Government asked Ryden not to produce a ‘new methodology’ for HLAs, but rather to highlight the areas for attention and suggest any interim guidance. In light of the inconsistencies identified by the research and the increasing delivery focus noted above, the potential actions in the table across pages 42 to 47 are presented as options to standardise HLAs, both for short to medium term benefit, and in advance of the next planning system, which is expected to be operational post-2020.
- 5.10 The table presents the HLA components and options for HLA data and analysis; reporting; integration; consultation; and implementation. The table does not comment on components of HLAs which appear from the research to operate as intended, for example the use of appropriate functional housing market areas, or the reporting of regeneration housing units net of any demolitions. The table concludes with some (out-of-scope) suggestions for the planning system and thoughts on the future of HLAs based upon this research.

³⁰ A single comment from the online survey of local planning authorities is telling: it is not clear whether HLAs are simply to “confirm that land is available”, or to plan “what we want to happen”.

5.11 The route to implementation of any of these options is a matter for the Scottish Government. However, the extent of the findings would suggest that some form of planning guidance³¹ would be required. If left unguided, HLAs' roles in delivery could gradually improve through closer working with action programmes, and some inconsistencies may be ironed out. However, fundamental elements such as housing tenures, types, completions and projections will still be undertaken in different ways and using different local judgements, potentially undermining any consistent links with Action / Delivery Programmes, continuing the prospect of dispute around what could be presented as 'facts', and frustrating any attempts to assemble large market area, regional or national analyses of housing land.

Housing Land Audits: components and options

HLA Component	Options
Data and analysis	
House types and tenures	<p>HLAs should differentiate between housing types and the tenures of completions using a standard approach. Chapters 3 and 4 identified that approaches are not consistent and some HLAs do not differentiate at all.</p> <p>Market housing for sale is straightforward to define. Affordable housing less so as it has two dimensions in HLAs³²: the type such as social rented or shared equity; and the delivery route which may be directly by an RSL or involve the private sector through a planning permission. Programming and linking to Action Programmes requires both dimensions.</p> <p>Differentiating between houses and flats should form part of a standardised approach, while noting that the mix at a site may change in future from that currently consented.</p> <p>Care is required around any more detailed differentiation of house types and tenures. The research identified interest in sectors such as private rented, self-build and custom-build housing. SPP requires local authorities through their HNDAs to identify accessible and adapted housing, wheelchair housing and supported accommodation, including care homes and sheltered housing. HNDAs will also evidence need for sites for Gypsy Travellers and Travelling Showpeople. This requirement does not flow through into HLAs. If monitoring of any of these types and tenures is pursued for policy reasons, then the analysis should nest them with the main headings (market or affordable), and note that these may measure a point in time rather than existing in perpetuity (for example a resold self-build home is simply a market unit).</p>

³¹ Some topics and points in the table are shared with the withdrawn 2016 Draft Planning and Delivery Advice-Housing and Infrastructure. As this guidance was withdrawn, the two are not cross-compared.

³² Appendix 4 of the withdrawn 2016 Draft Planning Delivery Advice - Housing and Infrastructure provided definitions of affordable housing

<p>Completions</p>	<p>The research ³³ identified a surprising range of data sources, methods and checking / validation used to calculate housing completions in HLAs. Given that completions are physical facts and require completion certificates, and the data is aggregated by Scottish Government Housing Statistics, a standardised approach around definitions of house types and tenures should be a priority in order to minimise delays in producing HLAs and promote a consistent approach.</p> <p>A first objective could be for HLAs to move onto the Scottish Government's quarterly reporting basis for house completions and seek to reconcile or explain any differences. This could smooth the annual data collation task and speed-up the production of HLAs. Monthly and eventually real-time (see below) monitoring of completions could be further objectives.</p> <p>For both tenure / type and completions, there may be a requirement to parallel-run existing and new approaches for an overlap period. That would also be the time to consider alignment of HLA publication around either the calendar or financial year-end (although quarterly completions monitoring may remove that requirement).</p>
<p>Projections and programming</p>	<p>As the HLA process moves forwards from confirming historic house completions into projecting and programming future delivery, so the research finds³⁴ that the methodology becomes more localised, variable and subjective (although based upon experience). An extensive mix of information sources is collated and interpreted. The modelling approach is a mix of evidence-based and operator adjustment.</p> <p>Dissemination of best practice beyond the existing Homes for Scotland industry guidance on projecting completion rates is required. This will require specific analysis and advice using historic performance and a range of adjustments.</p> <p>Programming will though remain a forecasting exercise, based upon best information, but entirely open to misestimation, new information and changes in circumstances.</p> <p>It is noted that the more sophisticated HLAs linking with Action Programmes are separating out the supply of effective land from the programming of house building (while recognising that these are interdependent).</p>

³³ Paragraphs 4.6, 4.7 and 4.8

³⁴ Paragraphs 4.9, 4.10, 4.18, 4.20

Reporting	
Report formats	<p>The research has identified that all HLA data is already stored electronically. Subject to creating consistent definitions and format, it should be capable of being stored, linked, aggregated and interrogated in a standard manner. This process is required in order to create the baseline for integration set out below.</p> <p>Report formats can learn from best practice and present data in a consistent manner. However, the requirements of different planning authority areas – from major cities to rural communities and stand-alone settlements to overlapping housing market areas – would suggest that a uniform reporting template is not appropriate. Standardisation should therefore be around HLA data, as above, to create baseline information on types, tenures, completions and projections, as well as anomalies such as the varied treatment of small sites. Report formats may then be more or less detailed and sophisticated, depending upon the requirements of the local authority or market area.</p> <p>It would be useful if a clear, upfront non-technical summary or dashboard could be provided within all HLAs, identifying what has been achieved in meeting the housing requirements in the LDP, including the levels of completions expected in previous audits and what has actually been delivered.</p> <p>Interactive mapping should continue to be encouraged to provide open access to housing land data with planning portals. Again, authorities not yet providing this functionality can learn from those who have established interactive mapping.</p>
Integration	
HLAs within development planning	<p>The research has identified that a small number of local planning authorities are well advanced in integrating HLAs with their LDP Action Programmes. Others are undertaking or examining this integration between what are currently separate, but mutually informative reports.</p> <p>HLA information should form part of the GIS planning history held by authorities, tracking sites from proposals, to allocations, consents and development, and linked directly to the Action Programme and the timing of investments to release site constraints, all within the same suite. The Scottish Government or Heads of Planning Scotland, supported by the Digital Task Force, could work with those planning authorities currently at the cutting edge of this approach in order to assist in rolling out systems to other authorities.</p> <p>At this stage however from an HLA perspective, there may be a risk in this increasing specialisation and integration within some authorities, when the wider methodological underpinnings of HLAs remain so inconsistent. The data and analysis issues noted above are therefore at least a parallel action to systems integration, if not a precursor.</p> <p>From the research it could be queried how appropriate a complex integration process would be in smaller and rural areas, where there is limited certainty over what will be built and where year-to-year.</p>

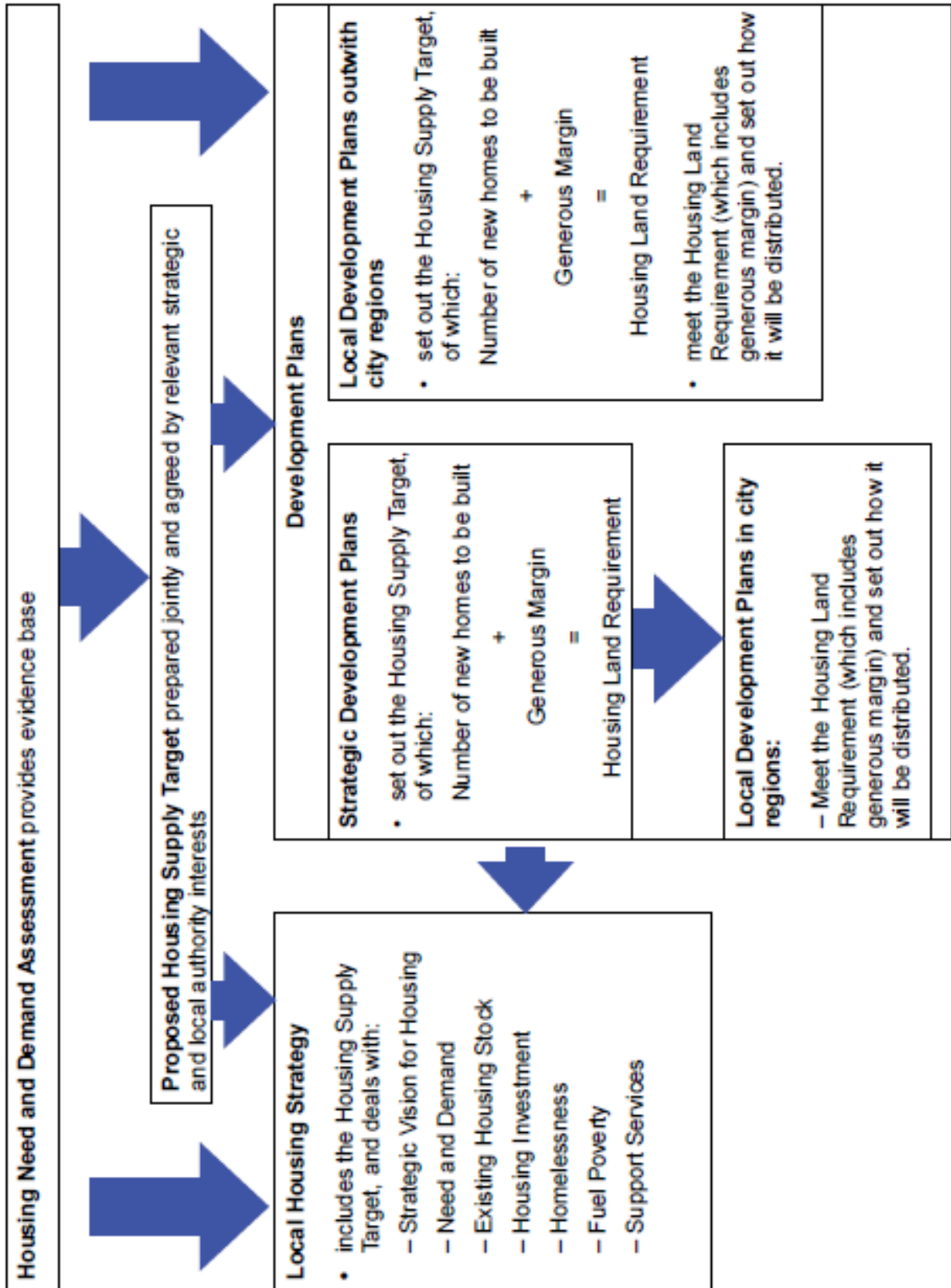
Consultation	
HLA consultation process	<p>The research indicates that consultation is a valued part of the HLA process, particularly around the programming of future development. However, while some local nuance may be expected, the current consultation process varies greatly. Some of that engagement is information gathering to better inform the HLA, while some takes the form of a formal consultation to agree the outcome of the HLA.</p> <p>The private sector house building industry is typically consulted via Homes for Scotland as an umbrella organisation for its members. Non-members may be also approached directly for discussions and may or may not respond. Affordable housing providers are consulted in market areas where they are very active (or are the local authority), but potentially not in other areas. Engagement with the Scottish Federation of Housing Associations to match the Homes for Scotland consultation seems to be essential, particularly given interlocking delivery with market housing via affordable housing quotas and also the Scottish Government's current, major affordable housing programme.</p> <p>The withdrawn 2016 Draft Planning Delivery Advice: Housing and Infrastructure expanded PAN 2/2010's promotion of participation in HLA production, to HLAs actually being informed by engagement with developers, agencies and infrastructure providers. Some of the consultations currently undertaken with key agencies and other infrastructure providers may however be replaced by closer integration with Action Programmes, as those will include extensive consultation and joint working.</p> <p>If the formal process to agree HLA outputs as well as inputs is to continue, then the forum with an independent chair used by one authority may be worthwhile. This type of forum followed by an approved HLA may also shorten the consultation period and thus the currently long HLA production periods.</p>
Implementation	
Implementation of greater HLA consistency and quality	<p>The Scottish Government could confirm the renewed purpose of HLAs as moving beyond monitoring reports into integrated elements of development plan delivery. As part of this, a suite of work as indicated above is required around HLA data and analysis, programming, consultations, reporting, systems and integration. Some of this can be achieved through dissemination of best practice; other elements are more complex and require research and design of solutions (possibly including software).</p> <p>At the Scottish level, the objective should be a clear and consistent 'national' HLA.</p> <p>A formal forum operating during the period 2019-2021, possibly convened by the Scottish Government, and including Heads of Planning Scotland and the Improvement Service, in consultation with house builders and infrastructure agencies, would assist with the standardisation of HLAs in the run-up to planning reform.</p> <p>If the Scottish Government decides to support a standardised and consistent approach to HLAs, then the areas for consideration noted above could be assessed then included in national planning guidance. A further review and evaluation would be required by 2019/ 2020 to establish progress with HLAs at that time, using this report as a March 2018 baseline.</p>

Future of HLAs	
Concluding comment	<p>The standardisation of HLAs set out above can help to drive planning reform post-2020. A fully integrated, digitised development planning system - from site proposals through to completed developments - may mean that an HLA is simply a real-time progress report, which can be commissioned and run as required, layered with market area, sites, completions and Delivery Programme data from digital interfaces.</p> <p>At this future point, the housing land focus could potentially move from intensive data gathering and analysis, onto planning, monitoring and evaluating outcomes.</p>
Planning System (<i>out-of-scope additional comments</i>)	
5-year effective housing land supply	<p>SPP's requirement for a continuous 5-year effective housing land supply, in tandem with PAN 2/2010's effectiveness criteria, mean that the findings of an HLA can lead to the release of additional housing sites, or refusal of planning permission for unallocated sites.</p> <p>A calculation to establish this 5-year housing land supply is set out in different draft documents³⁵ but is not yet published as a standard to be adopted. A standard approach could also confirm the treatment of shortfalls in completions from previous HLA periods and the treatment of any new HNDA information (see paragraph 4.14) when undertaking future programming.</p>
HLAs in the planning system	<p>HLAs evolved to monitor the erosion of housing land and to ensure effective future supply. If they are to move beyond being a planning audit of whether there is 'enough' land, to become part of a programmatic approach to delivery of a range of housing and complex infrastructure, then a formal statement could support this transition.</p>
Planning Reform	<p>If LDPs are to remain extant for 10 years rather than 5, Housing Land Requirements may decay over time. In the absence of any adjustment mechanism the 'new need and demand information' problem noted above could compound over time.</p> <p>As noted here, the move from Action Programme to Delivery Programmes would potentially enhance the role of HLAs in delivering development plans.</p> <p>The removal of Strategic Development Plans may affect some of the more considered HLA and regionally standardised work currently produced in Scotland (noting however that new strategic/ regional planning approaches are proposed).</p>

³⁵ The 5-year housing land supply methodology is set out in the Planning Performance Framework and the withdrawn 2016 Draft Planning Delivery Advice - Housing and Infrastructure

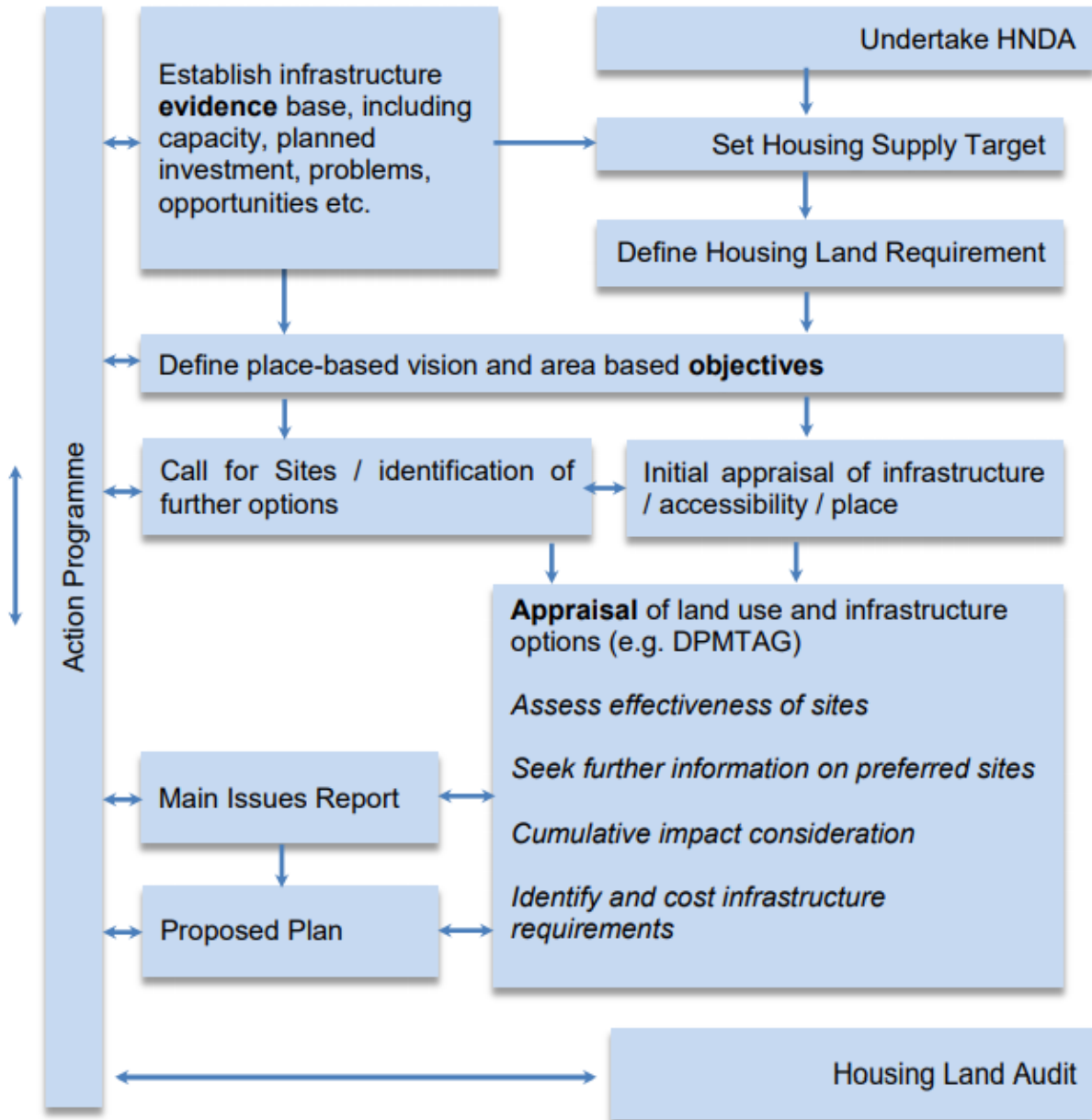
Appendix 1:

Scottish Planning Policy Diagram: Housing Land, Development Planning and the Local Housing Strategy



Appendix 2:

Draft Planning Delivery Advice: Housing and Infrastructure (withdrawn):
Delivery of Housing and Infrastructure



Appendix 3:

Analysis of Current Housing Land Audits (view fullscreen at 300% / print A3)

Housing Land Audits - Information and Content Review																
Latest Published Version	Site Name/Reference	Location/Address	Site area	Site size (ha/ha (municipal))	Type (brown/green/red)	Owner/Developer	Planning status	Consent (approved)	Number of types	Theme	Comments of remedial actions	Engagement with other parties	Breakdown by housing area	Site visited (since previous audit)	Available electronically	Interactive mapping
Mar-17	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Number not type	No	No	Yes - In-house developers	Yes	No	Yes	Yes - online brochure
Mar-17	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes - HE/In-house/developers/public agencies	No - single residential	No	Yes	No
2018	Yes	Yes	Yes	Yes	No	Yes	Proposed only	Proposed only	Number not type	Yes	No	No specified	By settlement	No	Yes	No
Mar-17	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Number not type	Yes	No	Yes - HE only	By settlement	No	Yes	Yes - online brochure
Apr-17	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No specified	By settlement	No	Yes	No
Mar-17	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No specified	Yes	No	Yes	Yes - available online as an interactive map
Jan-17	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Number not type	Yes	No	Yes - In-house/developers/public agencies	Yes	No	Yes	Yes - available online as an interactive map
Mar-17	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Number not type	Yes	No	Yes - HE only	By settlement	No	Yes	No
2017	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes - HE/public agencies	Yes	No	Yes	Yes - available online as an interactive map
Oct-17	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Number not type	Yes	Detail of context area without remedial actions	Yes - HE/In-house/developers/public agencies	Yes	No	Yes	No
Mar-18	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Number not type	No	Detail of context area without remedial actions	Yes - HE/In-house/developers/public agencies	Yes	No	Yes	Yes - available online as an interactive map
2017	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Number not type	No	No	No specified	Yes	No	Yes	No
Oct-15	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Number not type	No	Detail of context area without remedial actions	No specified	Yes	No	Yes	Yes - online brochure with links to basic site details
Mar-17	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Number not type	Yes	No	No specified	Yes	No	Yes	No
Apr-17	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Number not type	Yes	No	Yes - HE/In-house/developers/public agencies	Yes	No	Yes	No
2017	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Number not type	Yes	No	No specified	Yes	No	Yes	No
Aug-17	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes - HE	By settlement	No	Yes	No
2018	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Number not type	Yes	No	No specified	Yes	No	Yes - but by request only	No
Sep-17	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Number not type	Yes	Yes	HE/In-house/developers/public agencies	Yes	Yes	Yes	No
Feb-17	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No specified	By settlement	No	Yes	No
Finalised May 2017	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Detail of context area without remedial actions	No specified	Yes	Yes	Yes	No
Aug-17	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Number not type	Yes	Yes	HE/In-house/developers/public agencies	Yes	Yes	Yes	Yes - available online as an interactive map with links to basic site details
Sep-17	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Number not type	Yes	Detail of context area without remedial actions	Yes - HE/In-house/developers/public agencies	Yes	No	Yes	Online HE/In-house/developers/public agencies
2018	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Number not type	No	No	No specified	Yes	No	Yes	Yes - online brochure with basic site details
2017	Yes	No address - identified on a part	Yes	Yes	No	No	Yes	Yes	Number not type	No	Detail of context area without remedial actions	No specified	By settlement	No	Yes	Yes - available online as an interactive map
Mar-17	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Number not type	Yes	Detail of context area without remedial actions	Yes - HE/In-house/developers/public agencies	Yes	Yes	Yes	No
Mar-17	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Number not type	Yes	No	No specified	By settlement	Yes	Yes	No
Jan-18	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Number not type	Yes	No	Yes - HE/In-house/developers/public agencies	Yes	Yes	Yes	No
Oct-17	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Detail of context area without remedial actions	Yes - HE/In-house/developers/public agencies	Yes	No	Yes	No
Apr-17	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Number not type	Yes	Detail of context area without remedial actions	HE/In-house/developers/public agencies	No - single urban area	Yes	Yes	Yes - available online as an interactive map



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