Housing Supply Target

# Introduction

The purpose of this report is to describe the Council’s approach to setting the housing supply target (HST) in the Local Housing Strategy (LHS). The HST gives an estimate of how much additional all tenure housing can be delivered by authorities based on the statistical estimates produced by the Housing Need and Demand Assessment (HNDA). This paper sets out the factors that have been used to translate the HNDA estimates into the HST. This will feed into the LHS and inform the Development Plan Housing Land Requirement (HLR).

## Methodology

The methodology for developing the HST is provided by:

* HNDA Managers Guide 2020, Section 12 *Beyond the HNDA – Housing Supply Targets* and Figure 3 – *The Housing Planning Framework: Aligning Key Outputs*,
* Local Housing Strategy Guidance (2019)
* The National Planning Framework (NPF) is a long-term plan for Scotland. The Planning (Scotland) Act, 2019 introduced a few changes for NPF. Amongst those were that once published, NPF will form part of the statutory development plan. It also introduced the requirement for NPF to contain ‘targets for the use of land for housing in different areas of Scotland’. NPF4 was adopted by the Scottish Ministers on 13 February 2023.

Local authority housing and planning departments need to work together to jointly agree the HST which in turn needs to be agreed by the Housing Market Partnership (HMP).

## HNDA Estimates

The HNDA Tool produces estimates on the number of additional housing units needed each year for all tenures. While it is expected that there is a clear alignment between the HNDA and the HST the two are not the same and are therefore not expected to match. The HST will take the HNDA as its starting point but will consider policy and practical considerations to reach a view on the level of housing to be delivered over a defined period.

The HNDA estimates are centred on National Records of Scotland (NRS) 2018-based household projections and the HNDA Tool which was developed by the CHMA. The tool uses a range of economic and demographic assumptions about the likely future performance of the housing market. Evidence from Chapter Two of the HNDA was used to analyse what has happened in the past in Falkirk in relation to incomes, house prices and rental prices to anticipate what may happen in the future and decide what scenarios to choose in the HNDA Tool. The preferred scenario which is Scenario 1 also includes an estimate of 370 households in existing need and uses assumptions on house prices and incomes as an affordability input to the Tool, to model a set of household projections by tenure.

Table 1 shows the annual average estimates for each of the 5-year intervals and overall, for the next 20 years. It highlights that the average annual number of units decreases from 466 units annually to 317 through the years as household projections decrease.

# Table 1: HNDA Average Annual Estimates for 20 years 2022-2041 in 5-year intervals

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Year** | **2022-****2026** | **2027-****2031** | **2032-****2036** | **2037-****2041** | **20 yr total** | **20 yr pa** |
| Social Rent | 131 | 117 | 75 | 66 | 1,946 | 97 |
| Below Market Rent | 93 | 77 | 78 | 67 | 1,579 | 79 |
| Private Rented Sector | 80 | 69 | 66 | 61 | 1,378 | 69 |
| Buyers | 162 | 139 | 137 | 122 | 2,801 | 140 |
| **Total** | **466** | **402** | **356** | **317** | **7,703** | **385** |

Source: HNDA

# National Planning Framework 4 (NPF4)

There is a statutory requirement for the National Planning Framework to contain targets for the use of land in different areas of Scotland for housing. To meet this, the National Planning Framework includes a Minimum All Tenure Housing Land Requirement (MATHLR) for each planning authority in Scotland. The MATHLR is the minimum amount of land, by reference to the number of housing units, that is to be provided by each planning authority in Scotland for a 10-year period. The MATHLR is expected to be exceeded in the local development plans Local Housing Land Requirement.

The methodology used to produce the initial default estimate of the minimum all-tenure housing land requirement was aligned to the HNDA methodology i.e., the number of newly forming households and existing housing need count are equivalent to steps 1 and 2 of the HNDA Tool. A 25% flexibility allowance is applied to ensure an adequate supply of housing land. The Scottish Government consulted with the Council on these estimates and consultation was undertaken with the Strategic Housing Group and it was agreed that the estimates were achievable.

The MATHLR for Falkirk for the next 10 years is 5,250 units.

# Local Development Plan

The Local Development Plan (LDP2) was adopted on 7th August 2020 and sets out the housing land requirement between 2017 and 2030 with a total requirement of 8,066 units or 620/year and a housing land target of 6,894 or 530 units/year.

# Setting the Housing Supply Target

Guidance on setting the HST is included in the HNDA Managers Guidance and in the LHS Guidance (2019). In setting and agreeing the HST, full consideration needs to be taken of several factors which may have a material impact on the pace and scale of housing delivery such as:

* economic factors which may impact on demand and supply
* capacity within the construction sector
* the potential inter-dependency between delivery of market and affordable housing at the local level
* availability of resources
* likely pace and scale of delivery based on completion rates
* recent development levels
* planned demolitions
* planned new and replacement housing or housing brought back into effective use.

# Economic factors which may impact on demand and supply

The HNDA considered recent trends and factors that will impact on the future economy and housing market. Within the HNDA Tool, factors such as income growth and distribution, house prices and affordability of different tenures have been taken into consideration when deciding on the possible scenarios to use in the Tool. Scenario 1, which is the preferred scenario, uses principal household projections and looked at moderate income growth and moderate to high houses prices and rent growth, as shown in Table 2.

As these have already been taken into consideration, this should not have a negative or positive impact on demand and supply.

# Table 2: Scenarios chosen in the HNDA Tool

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Demographic** | **Income****Growth** | **Income****Distribution** | **House price** | **Rental price** |
| **Scenario 1** | Principal | Moderate Real Terms Growth (CoreDefault) | No Change | Moderately High Growth | Moderately High Growth |

Source: HNDA

# Capacity within the construction sector

**Impact of COVID, Brexit and the war in Ukraine**

As Covid-19 restrictions were eased in the UK, the economy was able to recover, and construction projects around the country resumed. Increased demand in the UK construction sector and globally post covid meant demand for materials was extremely high. The pandemic disrupted the production and transportation of materials, and rising global demand meant shortages for many materials and a huge rise in prices. According to the Construction Leadership Council (CLC), 60% of imported materials used in construction are from the European Union1. The supply of timber has especially been affected by Brexit as 80% to 90% of softwood is imported from European countries.

When the construction sector returned after covid it exposed a major shortage of skilled and unskilled labourers in the construction sector. Before Brexit, about 40% of all construction workers in the UK came from other EU countries. Now, such workers may find it difficult to get a Visa to work in the country as the UK has introduced a points-based immigration system. The impact of the skills shortage in the UK is that employers may have to increase wages due to competition for skilled workers. UK industry also faces additional layers of cost and paperwork with import taxes and documentation.

In terms of the war in Ukraine, a huge percentage of steel is imported from Russia and Ukraine, massively affecting supply and price, while soft wood, aluminium, and glazing materials are imported from European nations like Germany and Poland who are dependent on Russian gas supplies for energy. Material costs are now at a 40 year high. ￼

The increasing costs of material and labour has had an impact on social housing with increasing tender prices. Tender prices for social housing in Scotland as measured by the Scottish Social

1 [The Impact of Brexit on the Construction Industry (buildsafe.co.uk)](https://buildsafe.co.uk/the-impact-of-brexit-on-the-construction-industry/) 9/3/23

Housing Tender Price Index (SSHTPI) rose by 2.1% on the previous quarter in quarter 3 of 2022/23 and 16.9% on the same quarter a year earlier2.

A meeting took place in February 2023 with Homes for Scotland and several developers to discuss housing supply targets and any issues they had developing in the area. Developers advised that due to the increase in overall costs, the cost of an affordable unit has increased by quite a bit which is putting the viability of some developments at risk.

# Completions

Completions in Falkirk followed a downward trajectory from 2004/05 until 2012/13. Completions then started increasing until 2016/17 but then started to fall again, albeit with an increase in 2018/19 and then again in 2021/22. Completions in 2021/22 are still 60% lower than what they were in 2004/05. In contrast the national picture is one of an upward trajectory since 2012/13, apart from 2020/21, with completions only 22% lower in 2021/22 than in 2004/05.

# Chart 1: Completions over the last 20 years by tenure

1,200

1,000

800

600

400

200

-

Private Sector Completions

Social Sector Completions

Source: Scottish Government

Table 3 shows the average annual number of completions by 5 financial year intervals. The last 5 years have had the lowest average number of completions for both the private and affordable sector but may be explained by covid and the lockdown in 2020.

# Table 3: Private Sector and Affordable Housing Completions in 5-year periods 2002-2022

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2002-****2007** | **2007-****2012** | **2012-****2017** | **2017-****2022** |
| Private sector completions | 906 | 373 | 404 | 339 |
| Affordable Sector Completions | 35 | 82 | 96 | 52 |
| **All Completions** | **941** | **455** | **500** | **392** |

Source: Scottish Government

Table 4 highlights the number of affordable housing units completed by the Council and RSLs. It shows that for some years, no new build was completed by RSLs or the council new build team. From 2017-2020, the number of completions were very low, but the number has increased in the

2 Scottish Social Housing Tender Price Index Quarterly Briefing, March 2023

last two years. Over the last 5 years the number of new builds has averaged 52.4 annually, much lower than the previous two 5-year periods.

# Table 4: Council and RSL Completions in Falkirk 2012-2022

|  |  |  |  |
| --- | --- | --- | --- |
| **Year** | **Council** | **RSL** | **Total** |
| 2012-13 | 36 | 38 | 74 |
| 2013-14 | 16 | - | 16 |
| 2014-15 | 154 | 51 | 205 |
| 2015-16 | 46 | 40 | 86 |
| 2016-17 | 18 | 82 | 100 |
| 2017-18 | 8 | - | 8 |
| 2018-19 | 19 | 30 | 49 |
| 2019-20 | 25 | - | 25 |
| 2020-21 | 71 | 3 | 74 |
| 2021-22 | - | 106 | 106 |
| **Total** | **393** | **350** | **743** |

Source: Scottish Government

# Housing Land Audit

We monitor the supply of land for housing and produce the Housing Land Audit (HLA) annually. The HLA estimates the number of houses to be built each year in the Council area. The housing supply target and requirement are set out in the Falkirk Local Development Plan.

As shown in Table 5, the Falkirk Council area has enough housing sites in the Housing Land Audit to build 2,978 units to 2026 (4.8 years supply based on the housing land requirement) and a further 3,952 units after that. Several additional sites with indicative capacity for 1,479 units are not counted as contributing to the housing land supply.

# Table 5: Housing Land Audit 2021/22, Effective Land Supply

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Settlement Area** | **Effective Supply Years 1-5** | **Established Supply****5-10 Years** | **10+ years** | **Total** |
| Bo'ness | 503 | 535 | 30 | 1,068 |
| Denny and Bonnybridge | 851 | 1340 | 265 | 2,456 |
| Falkirk | 538 | 572 | 45 | 1,155 |
| Grangemouth | 2 | 0 | 0 | 2 |
| Larbert, Stenhousemuir and Rural North | 419 | 116 | 0 | 535 |
| Braes and Rural South | 665 | 837 | 212 | 1,714 |
| **Total** | **2,978** | **3,400** | **552** | **6,930** |

Source: 2021/22 Housing Land Audit

The focus for housing development continues to broaden across the Council area. The overall effective supply has increased slightly compared to the previous year. The effective supply remains reasonably stable in Bo'ness, Bonnybridge and Banknock, the Braes Urban Area, Denny and Rural

North. The effective supply has decreased in Falkirk, Larbert and Stenhousemuir and Grangemouth. Rural South has seen the most noticeable increase with a housing consent in Whitecross. For Falkirk several allocated LDP2 sites have still to come forward for development and in Larbert and Stenhousemuir the Hill of Kinnaird 1 site is reaching completion with one further LDP site to come forward.

# The potential inter-dependency between delivery of market and affordable housing at the local level

Falkirk Council’s affordable housing policy is set out under Policy HC03 in Local Development Plan 2. The policy applies to all sites with a capacity of 20 or more units and requires a percentage of either 15% or 25% of units delivered to be affordable. Table 6 shows the housing areas and the percentage of affordable housing required. In Larbert, Stenhousemuir & Rural North and in Polmont & Rural South, 25% affordable housing is required and in Bo’ness, Grangemouth, Falkirk and Denny, Banknock and Bonnybridge 15% is required.

**Table 6: Affordable Housing Policy Percentage Requirement by Housing Submarket Area**

|  |  |  |
| --- | --- | --- |
| **Percentage requirements** | **25%** | **15%** |
| **Housing settlement areas** | Larbert/Stenhousemuir Polmont& District Rural NorthRural South | Bo’ness Bonnybridge/Banknock Denny & District FalkirkGrangemouth |

Source: Falkirk Council SG 06 Affordable Housing

There is a broad range of approved affordable housing tenures that the Council will accept on sites subject to the affordable housing policy. These are:

* Social rent
* Mid-market rent
* Affordable home ownership – shared equity, discounted low-cost sale, housing without subsidy, shared ownership
* Wheelchair accessible housing – social or private tenure

The Scottish Government also issued guidance in 2019 for setting Local Housing Strategy (LHS) targets to support the delivery of more Wheelchair Accessible housing. Falkirk Council LHS 2017- 2022 set a target of 5-10% wheelchair housing where viable for housing supported through the Strategic Housing Investment Plan. Taking account of national priorities, the target now applies to all tenures.

The Council monitors the supply of land for housing and produces the Housing Land Audit (HLA) annually. The HLA estimates the number of houses to be built each year in the Council area. Table 7 shows the estimated number of sites for the first 5 years by housing sub-market area and the estimated number of affordable units that will be built. There are 1,023 affordable properties that

could become available by 2026, with the majority in Denny & Bonnybridge. Some of these are standalone affordable housing sites and the others are through the AHP on private sites.

# Table 7: Number of sites in Housing Land Audit by Housing Submarket Area

|  |  |  |
| --- | --- | --- |
| **Area** | **Effective Supply 2021-2026** | **Affordable Housing Units** |
| Bo'ness | 503 | 96 |
| Denny & Bonnybridge | 851 | 379 |
| Braes & Rural South | 538 | 203 |
| Falkirk | 2 | 289 |
| Grangemouth | 419 | 0 |
| Larbert, Stenhousemuir & Rural North | 665 | 56 |
| **Total** | **2,978** | **1,023** |

Source: Falkirk Council Housing Land Audit 2021/22

Table 8 shows the number of units in the 2023-2028 Strategic Housing Investment Plan through AHP sites. There are 532 in total with some sites providing all the units as affordable housing instead of the usual percentage.

# Table 8: Number of units in the SHIP 2023-2028 through AHP Sites

|  |  |
| --- | --- |
| **Area** | **No.** |
| Bo'ness | 157 |
| Denny & Bonnybridge | 117 |
| Braes & Rural South | 136 |
| Falkirk | 8 |
| Grangemouth | 0 |
| Larbert, Stenhousemuir & Rural North | 114 |
| **Total** | **532** |

Source: Falkirk Council SHIP

# Availability of resources

The Affordable Housing Supply Programme (AHSP) comprises a range of funding mechanisms to enable affordable housing providers to deliver homes for social rent, mid-market rent, and low-cost home ownership in communities across Scotland to support local authorities’ Local Housing Strategies.

The Scottish Government have made a commitment to delivering 110,000 affordable homes by 2032 of which at least 70% will be available for social rent and 10% will be in remote, rural and island communities.

To assist in advance planning of housing investment, the Scottish Government has provided local authorities with annual minimum resource planning assumptions to 2025/26 and they are shown in Table 9. To minimise the risk of under spending in the Programme and to maximise the delivery of

affordable housing, the Scottish Government suggests that Councils build in a minimum 25% slippage element into the programme.

If grant is not spent Scottish Government will allocate it to another local authority. This is because Scottish Government have national targets for affordable housing. To maximise the resources available and reduce slippage in the programme, it is important that projects are delivered as programmed in the SHIP.

# Table 9: Resource Planning Assumptions 2023-2026

|  |  |  |
| --- | --- | --- |
| **Year** | **RPA estimate** | **RPA + 25%** |
| **2023-24** | £12,550,000 | £15,687,500 |
| **2024-25** | £12,594,000 | £15,742,500 |
| **2025-26** | £12,802,000 | £16,002,500 |
| **Total** | **£37,946,000** | **£47,432,500** |

Source: Scottish Government

The last SHIP was approved by Executive on 4th October 2022. Table 12 highlights the number of new build units approved by year and highlights that there are 890 new build units planned in the SHIP over the next 5 years, with a total of £76,997,023 required in funding from the Scottish Government. As Table 10 shows, RPA is known for the first three years of the SHIP. Taking the figure of RPA plus 25%, there is some shortfall in funding.

# Table 10: New Build Projects within the Falkirk Council 2023-2028 SHIP

|  |  |  |
| --- | --- | --- |
| **Year** | **No of Units** | **Scottish Government Funding** |
| 2023-24 | 98 | £13,338,386 |
| 2024-25 | 199 | £14,882,224 |
| 2025-26 | 149 | £15,466,077 |
| 2016-27 | 203 | £16,400,364 |
| 2027-28 | 241 | £16,909,972 |
| **Total** | **890** | **76,997,023** |

Source: Falkirk Council SHIP

# Grant levels

A review of Affordable Housing Investment Benchmarks was undertaken between March and June 2021. The review was carried out by a cross-sector working group of officials and was jointly chaired by the Scottish Government and COSLA.

Benchmark assumptions are not grant rates or grant ceilings, and therefore have no role in shaping expectations of grant funding levels for any project. Projects that can be delivered with grant funding at or below the relevant benchmark assumption follow a streamlined application and approval process, with projects which are seeking grant funding in excess of the relevant benchmark assumption following a more detailed value for money assessment.

The working group recognised that the Affordable Housing Supply Programme had worked well in delivering significantly increased numbers of affordable homes in recent years. While the flexibility

of the system was welcomed, unit costs had risen significantly over this time, and it was recognised that the benchmarks therefore needed to be increased.

Following consideration of information presented during the review, the Scottish Government produced the following set of baseline benchmark assumptions in October 2021 shown in Table 11. There are also additional quality measures benchmarks. Benchmarks are not grant rates or grant ceilings and should have no bearing on organisations’ rent setting processes.

## Table 11: Benchmark

|  |
| --- |
| **Benchmark Grant** |
| RSL social rent | £78,000 |
| Council social rent | £71,500 |
| RSL mid-market rent | £53,500 |
| Council mid-market rent | £49,000 |

Source: Scottish Government

In December 2022 the Scottish government announced the budget for 2023/24 and advised that it plans to spend £752m in its Affordable Housing Programme, around a 5% cut on its previous projections. The figure is around £37m less than its planned spend of £789m, and nearly 10% less than [the previous year’s allocation of £831m.](https://www.insidehousing.co.uk/news/news/scottish-budget-831m-affordable-housing-spend-higher-than-expected-but-not-enough-say-sector-bodies-73660#%3A~%3Atext%3DInside%20Housing%20%2D%20News%20%2D%20Scottish%20Budget%2Cnot%20enough%E2%80%99%2C%20say%20sector%20bodies)

Construction output price inflation for new public and private housing increased by 10.5% annually in September 2022. One of the drivers of output price inflation has been large increases in the prices of construction materials used in new build, although the annual growth rate has moderated from 24.0% in June 2022 to 10.1% in October 20223. This inflation means that projects are unlikely to be at benchmark levels and will mean a more detailed appraisal. The construction output price inflation along with the cut in the Affordable Housing Budget could undermine the ambition to deliver 110,000 homes over the next 10 years.

# Likely pace and scale of delivery based on completion rates and recent development levels

This factor is similar to “capacity within the construction sector” as they are largely about past and anticipated completion rates. These taken together may be influential in providing a view of likely future delivery at least in the short term. This has been discussed in detail on page 3 & 4.

# Planned demolitions

At the moment there are no planned demolitions.

# Planned new and replacement housing or housing brought back into effective use. Empty homes

Reducing the number of empty properties and making best use of existing stock in the area is a key objective for the Council. There has been an Empty Homes Officer in post since 2013 to ensure that empty homeowners are given advice, information and support to enable them to get their property back into use. Tackling empty homes can help to reduce pressure on the need for new housing,

3 Scottish Government, Scottish Housing Market Review, Q4 2022

make significant steps in improving house conditions and reduce their detrimental impact on the community.

There are just over 700 empty properties in Falkirk at any time and there is a target to bring 70 properties back into use annually. Table 12 shows that 625 properties have been brought back into use since 2013.

# Table 12: Number of empty properties brought back into use

|  |  |
| --- | --- |
| **Year** | **No.****Brought Back** |
| 2013-2014 | 45 |
| 2014-2015 | 105 |
| 2015-2016 | 90 |
| 2016-2017 | 62 |
| 2017-2018 | 50 |
| 2018-2019 | 57 |
| 2019-2020 | 65 |
| 2020-2021 | 52 |
| 2021-2022 | 38 |
| 2022-2023 | 61 |
| **Total** | **625** |

Source: Falkirk Council Information Systems

## Buy Backs

The Council has made a commitment of an additional £8.5M per year over the next 5 years (2023- 2028) to buy back around 80 ex-council properties per annum.

The scheme originally concentrated on buying back one- and two-bedroom properties. In 2015 the scheme was widened to include houses with more than two bedrooms. In 2020 information from the Rapid Rehousing Transition Plan highlighted that there was an acute demand for larger properties and an ongoing need for properties for disabled people. The Council’s Executive approved the proposal that in specific circumstances, properties could be purchased at a cost of up to 10% over the Home Report value and or DV price point whichever is higher. The specific circumstances are:

* Houses of four or more bedrooms
* Property types which had been adapted or had the potential to be adapted for a disabled person. The specific property types would be ground floor flats, bungalows or houses which have or the potential to have a bedroom, shower and or bath and toilet on the ground floor.
* Such properties would also be identified as meeting identified housing need and be in high demand for let.

There is potential for the Council to buy back an additional 400 properties in the next 5 years through the scheme.

So far over the lifetime of the scheme, the council has bought back 813 properties.

## Table 13: Number of properties bought through the buyback scheme

|  |  |
| --- | --- |
| **Year** | **No.** |
| 2013-2014 | 69 |
| 2014-2015 | 76 |
| 2015-2016 | 76 |
| 2016-2017 | 78 |
| 2017-2018 | 95 |
| 2018-2019 | 87 |
| 2019-2020 | 80 |
| 2020-2021 | 90 |
| 20212022 | 79 |
| 2022-2023 | 83 |
| **Total** | **813** |

Source: Falkirk Council Information Systems

# Infrastructure Constraints

Infrastructure costs such as transport and education contributions can have an additional burden on housing development. Sites in Denny Bonnybridge and Banknock may be subject to a required contribution to the Denny Eastern Orbital Road. Major infrastructure improvements on the strategic road network are targeted through a Tax Increment Finance (TIF) Scheme which is based on the uplift in land value on larger industrial sites. The 25-year TIF plan has three phases across Falkirk and Grangemouth. Under the plan, links from the M9 motorway to industrial areas will be improved and 400,000 square metres of business space will be made available.

The school estate has some identified capacity issues, particularly in areas such as Larbert and Stenhousemuir and Polmont with High Schools and some primary schools in both areas with capacity issues. We will work in conjunction with colleagues in Education to take this into account. Flooding is recognised as constraining some areas, with coastal flooding highlighted in Grangemouth and parts of the Rural North coastal areas.

The Scottish Government Housing Infrastructure Fund (HIF) is available to deliver housing sites where the scale and nature of infrastructure costs would prevent the site from being supported through affordable housing supply programme grant.

Falkirk Council submitted a funding application for 3 sites in Banknock and Dennyloanhead. The number of units delivered at these sites was constrained due to development works being required at Junction 7 of the M80. The Scottish Government offered grant of up to £1.543m in May 2018 to facilitate the junction improvements.

The cost of the infrastructure works increased, and after consideration by technical officers at Scottish Government the grant was increased to £2.544m.

Colleagues in Place Services advise work is ongoing around drainage issues, the project will be retendered, and the necessary agreements will then be sought with Transport Scotland and the other funding partners.

The site has potential to deliver 160 affordable units and xx private units.

# Proposed Housing Supply Target

The following Housing Supply Target has been agreed jointly by housing and planning and give consideration to resources and land available to deliver affordable housing.

It has been agreed that the annual overall target should be 520 to reflect the target in the existing LDP and the minimum all tenure housing land requirement (MATHLR) which is an average of 525 units annually.

The SHIP 2023-2028 has approval for 890 new build properties, an average of 178 units annually. When the actual completions over the last 5 years are looked at in terms of affordable housing, there were on average 52 annually. The HNDA has estimated 224 affordable units annually. It was agreed that although the number of completions has been low in recent years, there are a number of sites that have been delayed but are now on site which will increase the number of additional units completed. It was agreed that a realistic and ambitious target would be to take account of the number of units in the SHIP and the estimate from the HNDA and have a target in the range of 180- 225 affordable units annually.

In terms of private housing, there were on average 339 completions over the last 5 years. The Falkirk Council area has enough housing sites in the Housing Land Audit to build 2,978 units to 2026, an average of 596 units a year. It was agreed to have a range for the private housing target of 295-340 units annually.

# Table 14: Housing Supply Target Compared to HNDA Estimates

|  |  |  |
| --- | --- | --- |
|  | **HNDA** | **HST** |
| Affordable new build | 224 | 180-225 |
| Private new build | 242 | 295-340 |
| Annual Total | **466** | **520** |
| **Total over 5 Years** | **2,328** | **2,600** |

**Consultation on the Housing Supply Target**

The second stage consultation of the LHS respondents were asked their opinion on the housing supply target. The feedback highlighted concerns regarding affordability, allocation, infrastructure, and the overall adequacy of the proposed target to address the housing crisis in the region. There is a common sentiment that the target needs to be more ambitious to effectively meet the diverse housing needs of the community. While the feedback is essential, the number of affordable units identified for the target takes account of the number of properties planned in the Strategic Housing Investment Plan which is dependent on Scottish Government funding.

# Relationship with Local Development Plan and National Planning Framework 4

Following the adoption of the National Planning Framework (NPF4) in February 2023 the development plan is now made up of NPF4 and the Local Development Plan (LDP2). The preparation of LDP3 has now begun and the 2022 HNDA will feed into both the LHS target and the next LDP requirement figures. The LDP3 requirement must also meet the minimum all tenure housing land

requirement in NPF4. LDP2 remains in place until the next LDP3 is adopted, and it is important to ensure that the new LHS target does not limit the delivery of enough housing to meet the current adopted LDP2 target which will be in place until at least 2027. The LHS target therefore requires to be ambitious and achievable. The timescales for the adoption of the LHS and the next LDP are different, but they will use the same evidence base and should therefore be broadly in alignment.