

# **WEST DUNBARTONSHIRE COUNCIL**

## **Report by the Executive Director of Housing, Environmental and Economic Development**

**Housing, Environment and Economic Development Committee:  
2 February 2011**

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**Subject: Glasgow and the Clyde Valley Strategic Development Plan  
Draft Housing Need and Demand Assessment**

### **1. Purpose**

- 1.1** The purpose of this report is to inform the Committee of the publication and findings of the 'working draft' Glasgow and the Clyde Valley Housing Need and Demand Assessment and agree a response to the document.

### **2. Background**

- 2.1** The Housing Need and Demand Assessment (HNDA) is the first comprehensive assessment of housing need and demand for all tenures across the eight authorities of Glasgow and the Clyde Valley. The undertaking of an HNDA is a new requirement of the Scottish Government and an attempt to bring together projections for private sector demand and social-rented need, projections that were previously undertaken separately. Its preparation has required new joint working arrangements integrating both planning and housing requirements. The HNDA will serve a range of purposes. It will be a Background Report to the Glasgow and the Clyde Valley Strategic Development Plan and it will provide an essential evidence base for the Local Housing Strategy and the Local Development Plan. It will be reviewed every five years.
- 2.2** The preparation of the HNDA has been undertaken by planning and housing staff of the eight constituent authorities. A wider network of stakeholders including Homes for Scotland and local Registered Social Landlords have been kept aware of the process through meetings and briefings and have also been invited to input at this working draft stage. Scottish Government guidance on preparing an HNDA has been followed and once finalised it will be submitted to the Government where it will be assessed as to whether its findings are 'robust and credible'. If it is found to be so, then its findings should not be challenged when incorporated into the Strategic and Local Development Plans or Local Housing Strategy.

### **3. Main Issues**

- 3.1** West Dunbartonshire Council planning and housing representatives have been involved with the preparation of the HNDA and have provided comments throughout this process. As such, the findings of the working draft are considered to be broadly acceptable, although it is recognised that continued input is required to finalise the document. The recommended Council response to the working draft HNDA is set out in Appendix 1.

#### Key findings of HNDA

- 3.2** The HNDA is required to provide a series of Core Outputs, or key findings. The most relevant of these are population projections and the estimates of total future households requiring either market or affordable housing. The primary policy responses for the Council based on the HNDA will be in relation to any requirement for new private housing to meet projected demand and new affordable housing to meet projected need.

#### Population Projections

- 3.3** The population projections for West Dunbartonshire are based on two scenarios reflecting different migration assumptions. However, even under the more optimistic scenario, the population in West Dunbartonshire is anticipated to continue to decline, although there will be increases in certain age groups e.g. over-75s. The Glasgow and the Clyde Valley Strategic Development Plan Main Issues Report has selected the higher migration scenario as the projection to be planned for and this preference has been endorsed by this Council's response to that document.

	Higher Migration Assumption	Lower Migration Assumption
2008	90,940	90,940
2016	90,142	89,502
2020	89,958	88,742
2025	89,849	87,527

#### Household Projections

- 3.4** Despite a declining population, annual household growth is positive under both population projection scenarios. Much of this is driven by an increase in single person households.

	Higher Migration Assumption	Lower Migration Assumption
2008	42,699	42,699
2016	44,808	44,279
2020	45,919	44,999
2025	47,245	45,646

## Tenure Projections

- 3.5** In attempting to project the tenure split of future households two different affordability assumptions have been applied. The high affordability assumption considers that households can afford to spend up to 33% of income on housing costs and results in a high private sector projection. The low affordability assumption considers that up to 25% can be afforded and results in a higher social-rented sector projection. A trend emerging from both sets of results is a levelling off of the growth in the owner-occupied sector, a levelling off of the decline in the social-rented sector, and an increase in the private-rented sector. In order to build flexibility into the projections, the high affordability assumption has been applied to provide the private sector projection and the low affordability assumptions applied to provide the social-rented projection.

## Private Sector Projections

- 3.6** By applying the higher migration assumption population projection and the high affordability assumption, an upper level private sector household projection is achieved. The highest estimates of private sector households produced by the HNDA for West Dunbartonshire are:
- 28,400 in 2016
  - 29,250 in 2020
  - 30,150 in 2025
- 3.7** The relevant projections for the emerging Local and Strategic Development Plans are those for 2020 and 2025. With regard solely to physical capacity, there is sufficient land available at both these dates to meet the demand projections for private sector housing - this is the case in both Housing Market Areas that have been identified in West Dunbartonshire, being the self-contained Dumbarton and Vale of Leven Housing Market Area and the Greater Glasgow North and West Housing Market Area, within which Clydebank sits. However, with regard to both Housing Market Areas this does depend on some difficult sites being developed, for example Queens Quay in Clydebank. The Council needs to ensure that there continues to be an effective supply of land for housing, in terms of quantity, quality and choice.

### Social Rented Projections

- 3.8** The picture for social rented housing is more complicated, with two different methodologies producing significantly different results. The methodology contained within Scottish Government guidance and adopted as preferred by the Glasgow and the Clyde Valley HNDA identifies that in addition to already projected changes to social-rented stock e.g. demolitions and a new build element averaging at 120 units per year, there is a shortfall of social-rented homes in West Dunbartonshire that would be addressed by the development of an additional 25 houses per year over the next Local Housing Strategy period of 2011-2016. This would need to be coupled with housing management measures to address issues such as overcrowding and housing not currently meeting specific needs.
- 3.9** A second approach to assess social rented housing requirements mirrors the methodology used to calculate private sector demand i.e. it simply compares the number of households requiring a social-rented homes with the amount of social-rented stock available at fixed future dates, and does not incorporate re-let figures. This produces significantly higher levels of need across the whole of Glasgow and the Clyde Valley, and within West Dunbartonshire suggests a shortfall of some 3,500 social rented homes at 2016.
- 3.10** Whilst it has not been possible to reconcile these two outcomes, the preferred option detailed in paragraph 3.8 above reflects the methodology required by the Scottish Government and is therefore the most likely to be accepted as 'robust and credible' when the HNDA is submitted to the Scottish Government. However, there will be further work undertaken to try to reconcile the two methodologies ahead of the HNDA being finalised and submitted to the Scottish Government.

### Low Cost Home Ownership

- 3.11** The HNDA has also considered how many households who cannot afford to meet their housing needs in the private sector could still afford to access low cost home ownership. This is expressed as a maximum potential figure; in West Dunbartonshire up to 2,150 households could potentially meet their needs in low cost home ownership if there was no supply constraint. Any such need met in this intermediate sector would result in a reduced requirement for social rented housing.

### Specific Housing Needs

- 3.12** The HNDA recognises that consideration of specific housing needs is also relevant, and provides an overview of the main issues to be considered in the Local Housing Strategy in addressing the housing requirements of households with a range of specific needs. These include older people, people with disabilities, the homeless and gypsies/travellers.

#### **4. People Implications**

- 4.1** There are no implications associated with this report.

#### **5. Financial Implications**

- 5.1** There are no financial issues directly associated with this report. However, the findings of the HNDA may have some bearing on the level of future funding received from the Scottish Government for investment in social housing.

#### **6. Risk Analysis**

- 6.1** There is a risk that the HNDA may not be assessed as robust and credible by the Scottish Government. This would require the study to be revisited with implications for the preparation timetables for the Strategic Development Plan, Local Housing Strategy and Local Development Plan. This risk has been minimised by following as far as practically possible the Scottish Government guidance on undertaking an HNDA.

#### **7. Equalities Impact**

- 7.1** The HNDA is being prepared as part of the Glasgow and the Clyde Valley Strategic Development Plan process which is subject to an Equalities Impact Assessment. The results will be used within the Council's own Local Housing Strategy and Local Development Plan which will both be the subject of Equality Impact Assessments

#### **8. Conclusions and Recommendations**

- 8.1** The outcomes of the draft HNDA show a continued growth in the number of households in the Council area. The comparison of supply and demand in the private sector indicates that there is sufficient land in terms of quantity to meet private sector demand into the foreseeable future. Although there will continue to be a requirement to assess this land in terms of its effectiveness and quality and contribution to choice. In terms of social rented need, the preferred methodology indicates a small shortfall over the next Local Housing Strategy period that could also be met by the existing housing land supply. Further work is required however to confirm the social rented requirement. Following consultation on the working draft HNDA, a finalised version is to be produced for submission to the Scottish Government.
- 8.2** It is recommended that the attached Appendix 1 forms the basis for the Council's response to the HNDA.

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**Date: 10 January 2011**

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**Appendices:** Appendix 1 - Glasgow and the Clyde Valley Strategic Development Plan Housing Need and Demand Assessment: West Dunbartonshire Council comments

**Background Papers:** Glasgow and the Clyde Valley Strategic Development Plan Background Report 10 Housing Need and Demand Assessment

**Wards Affected:** All

**Appendix 1**

**Glasgow and the Clyde Valley Strategic Development Plan**  
**Housing Need and Demand Assessment**  
**West Dunbartonshire Council comments**

General

- WDC has been a joint contributor to this Report, and as such has provided detailed comments at all stages of preparation. The following points are highlighted during this period of consultation for clarification or expansion in the text of the final HNDA.
- The preparation of the HNDA has been a learning process for all involved. It is anticipated that revised Scottish Government guidance will acknowledge the complexities of the process and address some of the particular areas where experience indicates that further guidance is necessary. Wider stakeholders have not been engaged as comprehensively as would have been wished, primarily because of timescales and the complexity of the issues involved.
- The final HNDA should include an executive summary and/or conclusions.
- It would also be useful if the chapters were linked, with the end of each chapter having a statement 'bringing the evidence together' to take forward the HNDA.

Chapter 1

- Whilst the Strategic Development Plan area excludes that part of the Loch Lomond and the Trossachs National Park within West Dunbartonshire, the Council remains the housing authority for this area, and the information base of the HNDA has primarily used data for the whole of West Dunbartonshire Council. This should be acknowledged by the HNDA.

Chapter 3

- Figure 3.1 is a useful summary of the HNDA process, but it needs correction and revision.

Chapter 4

- This chapter needs to be more closely linked to the rest of the HNDA, and could usefully draw on the market commentary in the Tribal report.

Chapter 5

- This chapter reviews and reaffirms the previously established housing market framework. A minor change has been made in West Dunbartonshire, with Milton and Bowling now forming part of the discrete Dumbarton and the Vale of Leven Housing Market Area. This change was made so that the boundaries correspond to those of the housing sub-areas used in the Local Housing Strategy.

## Chapter 6

- An introductory paragraph is suggested here indicating how household projections are usually derived - rather than going straight into population in Community Establishments. Need to link Table A7 with Figure 13 in Technical Appendix 02 and ensure consistency.
- The statement in para 6.74, which indicates that household growth is likely to be below projected levels in coming years, is not followed up anywhere else. What are the implications? Do we need to highlight this, perhaps in the conclusions, and show that it builds in another element of 'flexibility'?

## Chapter 7

- Para 7.4 Need to recognise here that this is a narrower definition of affordable housing than the official version eg in PAN 2/2010 and HNDA Guidance, for example by discounting low cost housing without subsidy. Consider the implications of using a narrow definition.
- Para 7.23 Should refer to Figure 7.4 and not 7.3. Figure 7.3 should quote annual completions 2009-20.
- Para 7.25 Need to clarify where this potential stock *is* counted.
- See note above and consider producing similar table to Figure 7.5 for C2 High Affordability.
- Figure 7.6 Again, considering the likely supply restrictions on shared equity etc, the C2 High affordability option looks more sensible.

## Chapter 8

- No comments.

## Technical Appendices

- Need to run page numbering through appendices.

## TA1 Housing Market Area Framework



- No comments.

## TA 2 Current Housing Supply/Stock Profile

- Indicate clearly at the beginning that this TA is to meet Core Output 1, and put conclusions/summary at end, not in the introduction
- Clarify Figures 2a and 2b.
- Extend maps to include whole area
- Para 4.3 - fewer rooms not smaller rooms
- Figure 11 - replace with completions data from HLA monitoring for consistency.
- Figure 12 - indicate definition of affordable used.
- Figure 13 - link to Chapter 6 and Table A7
- Figure 14 - revise, show relevant dates, Council Tax figures incorrect etc

## TA 3 Gross Current/Backlog Need

- Annex 2 - Why is A1 scenario used here? Use C2 to be consistent?

## TA 4 Affordability Study (Tribal)

- Produced by consultants, with significant input from Housing Market Partnership Core Group, Version 8 is final report.

## TA 5 House Price Analysis

- Clarify the purpose of this TA. Does it support Affordability Analysis?
- Link to Table 5.3 and Appendix D?
- Still can't distinguish colours on graphs - expand x-axis and label end of lines with authority names.

## TA 6 Review of Supply and Demand/Need for Housing

- This is a very helpful summary of the main outcomes of the HNDA.
- Backlog Need - para 4.1 - does this need to have "as well" added to end of sentence? Table 4.2 is still difficult to understand - consider whether this information could be presented differently. Para 4.3 refers to total backlog need again, and should be at the beginning of the section. It refers to TableTA03 Annex 2, which compares backlog need with A1 - better with C2?
- Tables 13-17 missing
- Paras 6.5/6.6 Do we need to present Stage 1 figures for private tenure? Table 6.1 describes 'inter-tenure moves', but 'inter-tenure flows' were only modelled at Stage 2?

- Table 7.1 Can we indicate level of Shared Equity in HLA figures in this Table. Also are they included in s/r stock projections, and if so is this something that needs to be highlighted?
- HLA figure for Dumbarton/Vale has not been adjusted for Bowling Milton change, although this has been taken into account in Table 7.2 (can deal with this in a footnote if required). Asterisk relates to 2008/09 completions.
- Tables 8.5 and 8.6 - using a worked through example indicating the source of the figures in these tables would be a useful addition.