

## **EAST AYRSHIRE COUNCIL**

### **GOVERNANCE AND SCRUTINY COMMITTEE – 13 FEBRUARY 2009**

#### **AFFORDABLE HOUSING REVIEW: UPDATE REPORT**

##### **Report by Executive Director of Neighbourhood Services**

#### **1. PURPOSE OF REPORT**

- 1.1 The purpose of this paper is to update members on progress being made in relation to the provision of affordable housing in East Ayrshire and the preparation of the new Local Development Plan and Local Housing Strategy.

#### **2. BACKGROUND**

- 2.1 Following the meeting of this Committee held on 29 August 2008, Members considered a briefing paper (circulated), the purpose of which was to inform Members of work which had been carried out by officers in relation to affordable housing to date, and of work that would be carried out once new legislative procedures had been introduced regarding the preparation of the new Local Housing Strategy and Local Development Plan. After consideration, it was agreed that the Head of Housing submit a six-monthly report to Committee on the progress made on the matters contained within the briefing paper.

#### **3. ALTERATION TO THE EAST AYRSHIRE LOCAL PLAN**

- 3.1 The Alteration to the East Ayrshire Local Plan is set to be ratified by the Council in February 2009, and it is anticipated that any Public Local Inquiry into any outstanding objections to the Local Plan Alteration, and any objections to modifications, will take place during summer 2009 with the plan proceeding to adoption in early 2010. The Supplementary Guidance on the Council's affordable housing policy is due to be submitted to Cabinet for approval at the meeting on 4 February 2009.

#### **4. HOUSING NEED AND DEMAND ASSESSMENT**

- 4.1 The East Ayrshire Housing Need and Demand Assessment, as prescribed by Scottish Government, will underpin both the Council's new Local Development Plan and revised Local Housing Strategy. In order to assist all local authorities with the assessment process, the Scottish Government has established the Centre for Housing Market Analysis. The Centre has

devised a training programme for the forthcoming year and officers from Housing and Planning will attend events as appropriate.

- 4.2 Once the Alteration to the East Ayrshire Local Plan is ratified, work will immediately begin on the Housing Need and Demand Assessment process. The first priority will be the establishment of the Housing Market Partnership to take matters forward over coming months.

## **5. LOCAL HOUSING STRATEGY**

- 5.1 As previously advised, the new Local Housing Strategy Guidance was published by Scottish Government in June 2008. Further guidance from Scottish Government to councils on incorporating homelessness and fuel poverty issues within the new system has still to be published.
- 5.2 Once any Public Local Inquiry into the Alteration to the East Ayrshire Local Plan has been concluded and outstanding objections resolved, work will begin on preparing the new Local Development Plan. This is likely to be in early 2010, with a Main Issues report published later that year. In order to align timescales and ensure proper correlation between the two plans, the updated East Ayrshire Local Housing Strategy is due to be published in 2011.

## **6. AFFORDABLE HOUSING INVESTMENT PROGRAMME**

- 6.1 The Council's Housing Service works in partnership with Scottish Government to plan and deliver the Affordable Housing Investment Programme in East Ayrshire through the activities of registered social landlords and developers. The Council's five-year Strategic Housing Investment Plan 2009/10 to 2013/14 was approved by Cabinet and submitted to the Scottish Government for consideration in late November 2008. The Strategic Housing Investment Plan sets out how Scottish Government development funding and social housing providers' own funds will be used to increase the provision of good quality houses for social rent and low cost home ownership. The Plan also reflects any potential private developer contributions to the Council's affordable housing policy.
  - 6.2.1 The outcome of the Council's Strategic Housing Investment Plan bid is still to be determined by Scottish Government however, if successful, the affordable housing investment funding to be awarded over the five year term of the Plan would amount to £54.202M.
- 6.3 The Plan programme seeks to increase the provision of general and community care housing across tenures, building 929 affordable houses, with a total programme spend of £96.972M over the five year term of the

Plan. The Scottish Government requires the Plan to be updated annually with the next submission due in November 2009.

## **7. ACCELERATED NATIONAL PROGRAMME**

- 7.1 In August 2008, in response to the worsening impacts of the current economic downturn, the Scottish Government announced that it would bring forward £100 million from the Affordable Housing Investment Programme in order to accelerate the building of affordable housing over this year and next. On 27 January 2009, the latest phase of this accelerated funding was announced, amounting to an investment of £17 million. This funding will allow housing associations to purchase unsold stock from the private sector as well as land on which future affordable housing can be built. It will also help to get planned projects on site earlier than anticipated. Locally, funding has been awarded to begin work in Longpark Phase 6, delivering 39 new units of accommodation for social rent by Cunninghame Housing Association.

## **8. COUNCIL HOUSE BUILDING**

- 8.1 The Scottish Government has announced plans to set aside £25M to encourage new council house building. Following adoption of the proposed Strategic Housing Investment Plan in November 2008, a bid for funding under the scheme to subsidise construction of new council housing in East Ayrshire for older people in response to demand data and demographic patterns, was submitted to Scottish Government in January 2009.
- 8.2 The Scottish Government has signalled its intention to introduce legislation to exempt new social housing from the Right to Buy legislation to protect the new build stock for future generations of tenants. In East Ayrshire, issues arising from the continuing loss of existing council housing due to the current Right to Buy legislation, including the existing arrangements whereby a temporary halt to sales can be applied by obtaining pressured area status, are under discussion with the Scottish Government.

## **9. CONCLUSION**

- 9.1 The forthcoming work on the Housing Needs and Demand Assessment will give the Council the opportunity to identify housing need in relation to affordability across all housing tenures in East Ayrshire. Subsequently, the new Local Housing Strategy will set realistic housing supply targets to meet this need, while the new Local Development Plan will allocate sufficient available land to deliver the required number of houses.

- 9.2 The new affordable housing policy included as part of the Alteration to the East Ayrshire Local Plan, will deliver a contribution to affordable accommodation from the private sector, while the Affordable Housing Investment Programme will continue to deliver public sector investment in affordable housing development to meet the priorities articulated in the Council's Strategic Housing Investment Plan.
- 9.3 The outcome of both the Strategic Housing Investment Plan and the Council's bid for funding to 'kick-start' council house building is yet to be confirmed, and the Council continues to work closely with Scottish Government's Housing Investment Division to ensure we are best placed to continue to take advantage of any opportunities that may arise from the Accelerated National Programme being brought forward in response to the current economic situation.

## **10. RECOMMENDATIONS**

10.1 The Governance & Scrutiny Committee are invited to:-

- (i) note the progress made in relation to the provision of affordable housing in East Ayrshire

William Stafford  
Executive Director of Neighbourhood Services

CMCA/SM/JQ

30<sup>h</sup> January 2009

### **LIST OF BACKGROUND PAPERS**

1. Governance and Scrutiny Committee Affordable Housing Review Briefing Paper – 29 August 2008

Any person wishing to inspect the background paper listed above should telephone 01563 554876 and ask for Chris McAleavey, Head of Housing.

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