

EAST AYRSHIRE COUNCIL

DEVELOPMENT SERVICES COMMITTEE: 16 DECEMBER 2003

AVOIDING A SOCIAL CRISIS: AFFORDABLE HOUSING AND STARTER HOMES: A CONSULTATION PAPER

Report by Director of Development Services

1. PURPOSE OF REPORT

- 1.1** To seek the views of the Committee on a consultation paper prepared by Homes for Scotland entitled 'Avoiding a Social Crisis: Affordable Housing and Starter Homes'. The paper sets out a suggested new approach to facilitate the provision of all forms of housing, including social rented and low cost ownership homes.

2. BACKGROUND INFORMATION

- 2.1** Homes for Scotland is concerned that a social crisis is looming in Scotland because those who need affordable housing and low cost starter homes are being disadvantaged by planning policies and practice. It is also felt that the current mechanisms for delivering affordable housing are cumbersome and that a lack of clarity in policy, coupled with an inconsistency of approach across Scotland, is causing uncertainty and confusion. Homes for Scotland believe that these problems can be avoided if all interested parties work together to shape mutually beneficial policy and practice through understanding everyone's needs, expectations and limitations. To this end, Homes for Scotland is promoting an open debate through the preparation of this consultation paper and is hoping to submit final views on the matter to the Scottish Ministers early in the New Year. Views on the consultation paper are requested by 30 November 2003.

3 THE CONSULTATION PAPER

- 3.1** The views and opinions expressed in the consultation paper have undoubtedly been formed by Homes for Scotland from its experience in dealing with affordable housing issues with all local authorities on a Scotland wide basis. The consultation paper itself sets out Homes for Scotland's concerns regarding the provision of affordable housing and starter homes which can be summarised as follows:

- statutory mechanisms to provide affordable housing are cumbersome and possibly ultra vires;
- local plan policy and supplementary guidance regarding affordable housing is based on uncertain interpretation of statute without full engagement of the private sector;

- policies are frustrating, delaying and fail to deliver affordable housing effectively;
- uncertainty in policy prevents developers and financiers making robust commercial decisions;
- current affordable housing policies are not rooted in a firm understanding of development economics or of the workings of the housing market; and
- policies are contributing to the shortage of housing and helping fuel inflation in property prices.

3.2 The consultation paper concludes by making a series of recommendations which Homes for Scotland considers should be implemented in order to deliver affordable housing effectively in Scotland. A summary of these recommendations is made in Annex 1 to this report.

4 GENERAL OBSERVATIONS

4.1 It is not considered that the criticisms levelled generally by Homes for Scotland about the current arrangements for the delivery of affordable housing are necessarily applicable to East Ayrshire. In particular, the consultation paper:

- (i) states that land with planning consent for homes is in short supply and that this is a particular barrier to building new affordable housing. This is not considered to be the case in East Ayrshire where sufficient effective housing land has been allocated in the adopted East Ayrshire Local Plan to meet demand for the period of the plan, including anticipated demand for affordable housing.
- (ii) states that affordable housing cannot be considered a planning gain issue. East Ayrshire Council has always encouraged affordable housing provision as a specific need in its own right, rather than as a by product of consents granted for other housing developments.
- (iii) states that affordable housing should be based on a comprehensive understanding and analysis of the needs of the local housing market and this approach is fully endorsed by the Council. The paper also states that land for affordable housing should be clearly identified and should be additional to the requirements of the private housing market. While this may not be current practice with other Scottish authorities, East Ayrshire Council has clearly identified 9 sites in the adopted East Ayrshire Local Plan specifically for affordable housing, with a notional capacity of some 280 dwellings.

5 FINANCIAL IMPLICATIONS

- 5.1** There are no financial implications for the Council as a result of the consultation exercise.

6 LEGAL/AUTHORITY IMPLICATIONS

- 6.1** There are no legal or authority implications for the Council as a result of the consultation exercise.

7 PERSONNEL IMPLICATIONS

- 7.1** There are no personnel implications for the Council as a result of the consultation exercise.

8 RECOMMENDATIONS

- 8.1** It is recommended that the Council agrees:
- (a) to approve the contents of this report; and
 - (b) to authorise the Director of Development Services to submit a full response on the Consultation Paper to Homes for Scotland based on the key points set out in Annex 1 to this report.

Stephen Chorley
Director of Development Services
17 October 2003

LIST OF BACKGROUND PAPERS

- 1** Homes for Scotland Consultation Paper: Avoiding a Social Crisis: Affordable Housing and Starter Homes

For further information on the report contact Alasdair Laurenson, Planning Officer – Policy, on 01573 576757

Implementation Officer: Alan Neish

SUMMARY OF MAIN RECOMMENDATIONS

- (i) Planning Authorities should identify a significantly increased land supply to meet housing demand.

The Council has allocated a realistic supply of housing land in the local plan to meet anticipated future demand. A large number of local plan allocations, incorporated essentially to provide market choice for the house building industry, is not considered to be in the best interests of the proper planning of the area.

- (ii) A planning authority should be entitled to reserve a proportion of a development site to be made available for affordable housing.

The Council would support this recommendation.

- (iii) Land made available for affordable housing under a Section 75 Agreement should be valued for affordable housing.

There are no objections to this recommendation from the planning point of view.

- (iv) An independent valuation should be required for the transfer of land designated for affordable housing.

The Council notes the recommendation

- (v) Where land for affordable housing is reserved under a Section 75 Agreement, any arrangement to develop that land must stand separate from the consent for the housing covered by the original planning application.

Section 75 Agreements already stand separate from the planning consent to which they relate. The Council would not, however, expect that general needs housing development be completed without a start being made on any affordable housing element of the overall development.

- (vi) Effective integrated housing development could be achieved through partnerships with Registered Social Landlords or by allowing developers to build an appropriate range of starter homes utilising reduced values for land allocated for affordable housing.

The Council would not disagree with the views expressed.

- (vii) Integrated design of all housing elements in a development should be encouraged, as should phased and orderly building programmes.

The integration of all housing types and tenures of a development, in terms of design, is strongly supported, as is the effective development of housing sites on a phased and orderly basis.

- (viii) The Scottish Executive should direct rather than guide local authorities on those key aspects of delivering affordable housing effectively.

Scottish Planning Policy SPP3: Planning for Housing clearly sets out the Executive's policy on all housing matters and is essentially advisory in its policy approach rather than regulatory. The approach taken by the Executive in this regard is fully supported and the Council would not be supportive of the recommendation of Homes for Scotland in this instance.