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Firm Foundations: the future of housing in Scotland

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Consultation Questions

Firm Foundations: the future of housing in Scotland

The Cairngorms National Park Authority (CNPA) welcomes the opportunity to respond to this consultation, as it is of importance to them. The following is an extract from the Cairngorms National Park Plan from the Priority for Action: Making Housing More Affordable and Sustainable. 'The lack of access

Question 1: Do you agree that aiming to increase the rate of new housing supply in Scotland to at least 35,000 a year by the middle of the next decade is a sensible and realistic ambition, and that this will help set a necessary political context for acceleration in housing supply?

to affordable and good quality housing has been identified by many communities as a key issue facing the National Park. Young people and those on low incomes in particular have difficulty in securing suitable accommodation in their communities. The lack of access to good quality affordable housing is one of the key challenges to creating and maintaining sustainable communities in the long-term, so it is a priority to address now. The demand for housing must also be managed to ensure high environmental and sustainability standards. Provision must be consistent with conserving and enhancing the area's special qualities, but should also seek more sustainable use of resources including water, energy and materials. Outcomes for 2012 – what does this seek to achieve in five years? i. There will be a reduction in the gap between housing need and supply in the Park to meet community needs. ii. There will be a reduction in the number of businesses identifying housing as a barrier to staff recruitment and retention. iii. There will be more good quality private rented sector accommodation available at affordable rents to meet local need. iv. New housing will be of a more sustainable design. The Cairngorms National Park Authority is currently developing a new Local Plan to cover the Cairngorms National Park area. The Local Plan will eventually replace the current local plans covering the four local authority areas within the Park: Aberdeenshire, Angus, Highland and Moray. It will set out detailed planning policies to guide development in the Park over the coming years and all planning applications within the Park will need to relate to the Cairngorms National Park Local Plan. The Plan and its policies will play a key role in protecting the outstanding natural and cultural heritage of the Park from harmful development. It will also support new development needed for the Park's communities by identifying sufficient land in the right places. It aims to address the lack of housing, particularly affordable housing. Currently the Cairngorms National Park Local Plan is on deposit, has gone out for consultation and is being modified. Once these modifications have been considered by the Cairngorms National Park Board the Plan will go out for further consultation. Many of the issues raised in Firm Foundations eg land supply, realistic housing targets, new settlements etc are also being

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| | <p>considered as part of the response to the Local Plan consultation. Revisions to the Local Plan are likely to be published in the Spring. Yes, we agree that aiming to increase the rate of new housing supply in Scotland to at least 35,000 a year by the middle of the next decade is a desirable ambition. A lot of issues need to be addressed to achieve it not least the capacity of house builders, land and labour supply.</p> |
| <p>Question 2: Do you agree that, to give practical effect to the ambition, local authorities should co-operate regionally in setting realistic housing targets for housing market areas, and in enabling the delivery of these targets? If so, what arrangements should be put in place to support and provide incentives for such co-operation between relevant local authorities?</p> | <p>From a strategic point of view it is imperative that Planning and Housing Strategy departments in Local Authorities liaise on setting these realistic targets for both public and private funded housing, infrastructure and planning gain. From a funding point of view this process has started already with linking the Strategy & Development Funding (SDFP) plans of Registered Social Landlords with the priorities that lie in Local Housing Strategies for each Local Authority and their Strategic Housing Investment Programme. Communities Scotland managed the potential over and under spend. It will be difficult to co-ordinate this over 32 Local Authorities if spend is still to be annually time bound. However who will have the final say on this once Communities Scotland is no longer there. There also needs to be a link between affordable housing quotas and ensuring this is in both SDFPs and SHIPs. Using the Prudential Borrowing mechanism is the correct way and the Government can underwrite the revenue cost for the interest as they have with the previous Level Playing Field Initiative idea with regard to Public Private Partnership projects. If Local Authorities do build houses using prudential borrowing this funding should be ringfenced within their budget, keep rents affordable and encouraged innovative housing development. The Highland Housing Alliance is a good example of a not for profit development company.</p> |
| <p><i>Question 3: Is there a role for a specialist national function to provide expert support for local authorities in strategic planning for housing. What expertise do you think this function would require?</i></p> | <p>It may be useful to have a team who provides support, training and advice on revisions to local housing strategies, their monitoring and evaluation, sustainable design. They could also look to improving/changing the strategic planning in the future as required. This should not be a new organisation but encompassed within an existing organisation. It would also be useful to have some kind of common housing register which encompasses all these</p> |

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| | <p>different types of housing allocation which included Local Authority, Housing Association, mid rent and private rent so that one list could be used. There has been a lot of work carried out on this already but it needs to continue and be built upon.</p> |
| <p>Question 4: Even when land has planning permission there are still blockages that prevent new housing being built. What additional arrangements would, or could, accelerate development on land with planning permissions to help ensure that future housing supply targets are met?</p> | <p>There needs to be a link between affordable housing quotas and ensuring this is in both Housing Association's Strategy and Development Funding Plans and Local Authorities' Strategic Housing Investment Programmes. So that affordable housing that is agreed through the planning system is funded through the housing investment programme. Standard section 75s? Although much work has been done with Scottish Water on improving infrastructure; planning permissions could be tied in with Scottish Water programme to ensure development of new land is delivered for housing to timescales.</p> |
| <p><i>Question 5: We have proposed that much expanded or new, stand-alone settlements may be a valid solution. How should we best encourage the development of new, sustainable communities that are sympathetic to Scotland's landscape and environment?</i></p> | <p>Through the process of Housing capacity studies for settlement (or other areas) the ability of the environment and landscape to contain new development can be assessed by considering the character and nature of that area and also looking at the landscape from a visitor's point of view. Done carefully this will indicate how much housing development an area can accommodate without adversely affecting the area. Support for such developments should be explicit from Scottish Government and SEIRU to ensure that local development plans have the ability to make provision where appropriate for such development. From the beginning training on master planning and sustainable community development would be useful if taking this idea forward from the beginning.</p> |
| <p>Question 6: How should different types of assistance within LIFT be targeted??</p> | <p>Low cost Initiative for First Time buyers: The initial assistance suggests £2,000 grant to first time buyers is not enough to make a difference. This will barely cover legal fees. The 'old' tenant's incentive scheme was £10,000 and that was a more realistic amount in assisting tenants to move out of Local Authority or Housing Association houses and buy a home on the open market. The government must be careful at which level the client gets their 'first rung on the ladder'. The government could consider giving cash aid to first time buyers where it can be shown that the resulting mortgage for the</p> |

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| | buyer brings costs into line with what they can afford. |
| <i>Question 7: How could the Government stimulate more innovative mortgage and related products and services to assist people in purchasing their first home?</i> | It is suggested that the Scottish Government seeks the views of the Council of Mortgage Lenders. Incentives could be given for green mortgages. It is also suggested that the Government look at the possibility of agreeing and interest rate protection mechanism ring fenced for qualifying purchasers. So when interest rates go up, particularly early on in their term, they are protected |
| Question 8: Should the Government provide direct cash grants to first-time buyers? | No, see answers above to Questions 6 & 7. |
| <i>Question 9: How can the private house-building sector play a bigger role in providing, without public subsidy, increased provision of affordable starter homes?</i> | Planning policy which promotes this should be provided and not continually looking back to minimum standards set out in the PAN and SPP. This needs to come from the highest level so that local plan policies can have adequate support at an inquiry and that authority aspirations for innovative ideas are not watered down because of private developer pressure. Promotion of practical examples of where this is happening already could be shared e.g. Aberdeenshire Council have some ideas which could be replicated. |
| Question 10: What issues do you consider should be taken into account when considering the increased use of private sector lets to house low-income and homeless households? | There should not be an assumption that the private sector will want to take on people on low incomes and homeless households. Many will not want to do this. The private sector will need to know how to deal with this client group especially if they need to have support from Local Authority departments and/or the Department of Work and Pensions. The private sector may need assistance with housing management and maintenance issues especially if doing this for the first time. Closer working relationships between planning services and housing services should be promoted as good practice to ensure that policy developers have adequate understanding of the issues involved in the delivery of new build private lets. Specific project teams within and cross local authority boundaries may be a good way to take such ideas forward but this may have implications for the teams they normally work in. |
| <i>Question 11: How should we ensure an appropriate balance between safeguarding tenants' rights and encouraging the private rented sector to achieve its full potential in</i> | There should be 'simple' guidance written to assist and some checks done to ensure there is regulation without being too bureaucratic. |

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| <i>Scotland's overall housing market?</i> | |
| Question 12: Do you think there is sufficient engagement between the public sector and private landlords? If not, what else should national and local government be doing? | It is suggested that the Scottish Government liaise with the Scottish Rural Property and Business Association and Scottish Association of Landlords to seek their views. The CNPA has been doing this through their housing delivery group and meetings |
| <i>Question 13: What other options should we consider for increasing the supply of private rented housing for low income and homeless households?</i> | Private landlords get tax relief on renting housing as holiday homes but not for 'ordinary' renting. There are some changes being made to the tax regulations and the private landlords are looking at the options for affordable rented housing in the future. The current tax regime is a massive disincentive to bring 'ordinary' renting on stream in areas where there is high holiday home demand such as the Cairngorms National Park. The SRPBA members are keen to build affordable housing for rent and have approached the Scottish Government for a change in grant mechanism. This would assist in increasing the supply. |
| Question 14: How could more private landlords be encouraged to let to tenants on benefits and homeless households | See answers to questions 11 and 13. |
| <i>Question 15: What other schemes or incentives might help us to recycle empty properties more effectively?</i> | Communities Scotland's Rural Empty Property Grant has tried to do this. The grant calculation is such that the property receives around £20,000 if the lease is for 20 years. However if the property needs a lot of work the contribution to renovating is too high for the owner to consider this. For example it may be simpler to demolish the 'sub' standard property and be allowed to build an 'eco' friendly house in its place. A mechanism could be agreed through the planning system which would allow a streamlined procedure for building a new property on the footprint of the old one. Guidance could be produced to say when the 'old' building was deemed too costly and an estimated % of grant available. It is suggested that funding for grants for bringing flats above shops back into use may assist in recycling empty properties. |
| Question 16: Do you agree that we should exempt new build social housing from the Right to Buy? | Yes, there have been too many houses lost to the social rented sector through right to buy already. |
| <i>Question 17: Do you agree that we should subsidise local authorities in areas of need to</i> | Yes, as long as where the housing is built is in line with their local housing strategy, rents are affordable and houses are built to a sustainable |

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| <i>use their prudential borrowing capacity to build new council houses?</i> | design. The local authority could also potentially use the Housing Revenue Account to assist with more innovative capital projects. Also see answer to Question 2 above. |
| Question 18: Do you agree that we should introduce large-scale competitions for subsidy? | This type of competition would favour the large builders and not the small local builders. This should be discouraged in rural areas. The briefing document would have to be very specific on what was required in design, procurement, funding and land acquisition and that it did actually provide value for money and not destroy the market. The subsidy needs to be realistic as there maybe unrealistic expectations of what can be built for the cost price whether using large scale competitions or not. |
| Question 19: If not, how would you ensure that public subsidy is used to build as many good quality RSL houses as possible? | A realistic benchmark could be set taking into account different factors eg land, works, infrastructure, labour costs and inflation. This could be linked to the Local Housing Strategy and Planning policies. |
| Question 20: Do you agree that we should subsidise the development of houses for mid-market rent? | No (but), this is just another option for the RSL to broaden their tenant base however the mechanism is perhaps for people who do not want to stay in an area for too long and do not want to buy a property. If funding for this was available it would have to be additional rather than taking from the existing pot as this would affect the amount of funding going to the higher subsidised 'lower' rent RSL housing and Homestake, which this client group could possibly afford depending on the percentage purchased. If this subsidy goes to subsidiaries of RSLs why not private landlords/developers? |
| Question 21: If so, should the subsidy be awarded as part of the competitive regime for awarding HAG that we are proposing? | No, subsidy should be awarded as part of the well thought out system for awarding HAG across all the mechanisms and so that rural areas do not lose out. |
| Question 22: If not, how would you increase variety in social housing? | See above. |
| Question 23: Do you agree that we should encourage landlords to look at means of adjusting the mix of their stock in the interests of achieving more sustainable mixed communities? | This should be addressed as part of the Local Housing Strategies and Local Plans. |
| Question 24: Do you think that subsidies for development should be provided to bodies other than registered social landlords? | Yes, there must be a mechanism to allow small private landlords to help deliver affordable homes to rent and must fit with the Local Authorities' Local Housing Strategy. There |

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| | also needs to be some sort of regulatory framework. |
| Question 25: What sorts of protections should be offered to tenants in these circumstances? | Others with more knowledge on this subject would be able to answer this. However there needs to be some way of protecting tenants from 'bad' landlords of bodies other than registered social landlords. |
| Question 26: Do you think that the Scottish Government should vary Right to Buy discounts by (a) locality and/ or (b) type of property? | Perhaps, depends if there is a pressured market or not. If there is a pressured market should be no right to buy. |
| Question 27: Do you agree that ALMOs can provide a satisfactory alternative to stock transfers? | No, Arms Length Management Organisations should only be considered as a satisfactory alternative as long as they are regulated in some way. |
| Question 28: Do you think that additional help from Government to enable landlords to meet the SHQS should be linked to improvements in a landlord's performance? | No, there should be a minimum benchmark that allows landlords performance to be rated. Some landlords may already be above this minimum. There would have to be guidelines to explain how progress could be made to improve on the minimum standard. |
| Question 29: If so, what measures do you think would be beneficial? If not, why not? | |
| Question 30: Do you agree that we need to find new ways of focussing on the quality of place/open space and greenspace within deprived neighbourhoods? | PAN65 has moved away from setting open space levels per property to allocating appropriate space for the development. The community should be consulted. Open space provision in terms of quality and quantity of often neglected due to economic limitations but research consistently shows links to improved quality of life indicators where these factors are taken seriously. There are many examples of best practice within UK and Europe of good open space provision frequently led by communities themselves. The Landscape Institute would be a good first point of contact for more details. There is already planning guidance on open space strategies. This should focus Local Authorities on the quality of place/open space. Emphasis should be put on management and maintenance of the open space. Mechanisms need to be put in place to subsidise the open space as well as the house building otherwise it won't be maintained. |
| Question 31: Do you have suggestions for approaches that are not resource intensive and that include stakeholders? | No comment |
| Question 32: Do you agree that the lead role | |

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| (and recipient of any resources) to undertaken this work should be open to a range of stakeholders? | No comment |
| <i>Question 33: Do you agree with the features and principles we have set out here for a modernised regulation framework?</i> | The modernised approach to regulation may lead to less bureaucracy however how is the Scottish Government going to ensure the whole question of affordability is addressed? The new procurement process may not achieve this; who is going to check if Communities Scotland has been wound up? There needs to be sufficient funds to deliver all these different types of housing throughout Scotland. |
| Question 34: How would you like social housing regulation to be organised? (For example, should it be a separate organisation or part of a group of other regulators?) | No firm view as long as social housing regulation is carried out. CNPA would prefer to know the options before passing comment. |

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