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**RESPONSE TO CONSULTATION ON  
FIFE COUNCIL'S DRAFT SUPPLEMENTARY GUIDANCE ON  
AFFORDABLE HOUSING**

**05 MAY 2016**

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# RESPONSE TO CONSULTATION ON FIFE COUNCIL'S DRAFT SUPPLEMENTARY GUIDANCE ON AFFORDABLE HOUSING

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## 1. Introduction

- 1.1 Homes for Scotland is *the* voice of the home building industry in Scotland, with a membership of some 200 organisations together providing 95% of all new homes built for sale across the country as well as a significant proportion of affordable housing.
- 1.2 Homes for Scotland makes submissions on national and local government policy issues affecting the industry. Its views are endorsed by committees and advisory groups utilising the skills and expertise of key representatives drawn from our member companies. Homes for Scotland therefore welcomes the opportunity to provide input into Fife Council's consultation on the revised Supplementary Guidance on Affordable Housing.

## 2. Affordable Housing Targets (Sub Section 4.2, Section 5.0 & Appendix A)

- 2.1 We note that Fife Council has had a policy to seek a 30% affordable housing contribution from housing sites within the St Andrews and North East Fife Housing Market Area since at least the Adopted 2012 St Andrews and East Fife Local Plan. We also note that this target percentage, in exceeding the suggested cap of 25% as set out in Scottish Planning Policy (paragraph 129) is justified by reference to the specific levels of affordable housing need and demand that have been assessed within that Housing Market Area.
- 2.2 Whilst we therefore do not question the policy requirement of 30% at this stage, it would perhaps be helpful to understand the success or otherwise of the previous local plan policy and current local plan policy in meeting that assessed need and demand.
- 2.3 It is evident that affordable housing need and demand is driven by a multitude of factors but one will be housing land supply; a restricted supply inevitably leading to higher house prices. Therefore, if it is found that a policy requirement of a 30% contribution in the St Andrews area has done little to redress the affordable housing need and demand, Fife Council is encouraged to investigate alternative approaches to addressing this.

## 3. Exemptions (Sub Section 5.5)

- 3.1 Homes for Scotland note the series of exemptions that would apply under the affordable housing policy and we welcome these on the whole. Homes for Scotland would however request that under bullet h. reference to "*and naturalised previously developed land*" be deleted.

3.2 Such areas of land will continue to be brownfield sites and have inevitable legacy issues to be addressed potentially including ground stability, access and derelict structures. The passage of time that will allow recolonisation of a site by pioneer trees species and other plants will not remove these development challenges.

#### **4. Affordable Housing Credit System (Sub Section 6.3)**

4.1 Homes for Scotland note proposed use of a Credit System that would apply under the affordable housing policy and we welcome this on the whole. Homes for Scotland would however request that further explanation and definition is provided within the Supplementary Guidance on how the system will be applied.

4.2 There is some concern, through the use of phrases such as:

*“The Council will define the area within which credits can be used – this will be assessed on a site-by-site basis but will generally be within the same Local Housing Strategy Area as the credits were accrued.”*

*“However, the council has to ensure that the situation does not arise whereby developers are able to ‘pick and choose’ where to locate affordable housing rather than this being informed by the HNDA as this could ultimately lead to a lack of affordable housing in some areas where it is most needed.”*

*“In this respect the building up of credits will be at a developer’s own risk and it must be accepted that having credits does not necessarily mean that it will be acceptable to build a larger number of private houses on any site of their choosing.”*

4.3 This commentary raises a degree of concern about the applicability of this approach over time with the potential for a change in attitude within the Council leaving a developer at a disadvantage. Therefore, in giving the credit system in principle support, Homes for Scotland would wish to see greater clarity about application of the credit system and commitment to the credit system from the Council to therefore offer greater comfort to developers to embrace this innovative approach.

4.4 Homes for Scotland and our members would be willing to work with the Council to help refine this element of the Guidance.

#### **5. Availability of Subsidy (Sub Section 7.3)**

5.1 It is not clear what the Council intends within the following paragraph:

*“If it is clear that development is not likely to be achieved within a maximum 5 year period (to co-ordinate with the SHIP), discussions need to take place with Fife Council and alternative means of providing the affordable housing requirement should be agreed and written into the Section 75 Agreement.”*

5.2 It would be expected that all elements of a development would be understood at the point a planning permission is issued with conversations being had between the Council, RSLs and developers in advance of that on availability or otherwise of subsidies and hence the mix of affordable house types that will be provided within a site.

5.3 Homes for Scotland would therefore wish to see this passage revised to refer to any discussions being during the formulation of proposals and well in advance of planning permission being issued

## **6. Where Subsidy is Unavailable (Sub Section 7.4)**

6.1 Homes for Scotland notes and endorses the comments offered by Stewart Milne Homes regarding the valuation of land for affordable housing.

## **7. Monitoring & Review (Section 13)**

7.1 Homes for Scotland notes and endorses the intention by the Council to keep the Supplementary Guidance up to date and to continue to monitor performance of the Local Development Plan Policy.

7.2 However, there is concern that in the 3<sup>rd</sup> paragraph of this section, reference is made to an option to *“review of percentage requirements, and perhaps site thresholds as appropriate”*.

7.3 The affordable housing contribution targets are set out in Policy 2 of FifePlan and as such, any change in percentage requirements can only be progressed through a review of the Local Development Plan. If a new housing needs assessment identifies a requirement for significant change in affordable housing provision that should trigger an early review of the Local Development Plan.

7.4 In addition, as land deals for housing sites are progressed significantly in advance of these sites reaching the planning stage, there needs to be a reasonable degree of confidence that there will not be a significant movement of goalposts between agreeing a land deal and planning permission being secured. The excessive flexibility then sought by the wording set out at the end of Section 13 will undermine that confidence.

7.5 Homes for Scotland would therefore suggest that the 3<sup>rd</sup> paragraph of Section 13 of the Supplementary Guidance be redrafted as follows:

It is anticipated that this guidance will also be reviewed at least every two years to reflect changing circumstances, new national guidance or housing needs assessments new innovative approaches to the delivery of affordable housing. This could involve, for example, a Any need to review of percentage requirements, and / or perhaps site thresholds as appropriate would be taken forward in a review of the Local Development Plan.

## 8. Unsubsidised Affordable House Types / Tenures (Appendix D)

- 8.1 Homes for Scotland notes and welcomes the summary of affordable house types and tenures that would be deemed reasonable and appropriate. In addition, Homes for Scotland would encourage Fife Council to include properties that meet the “Lifestyle Homes Standard” as a further acceptable unsubsidised affordable house type.
- 8.2 The Lifetime Homes standard is described as “a set of 16 design criteria that provide a model for building accessible and adaptable homes.” Further information is available on this approach at: [www.lifetimehomes.org.uk](http://www.lifetimehomes.org.uk) and the concept is that the home can be adapted in response to necessary changes in lifestyle and the changing needs of households over time.

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