

APPENDIX 2

SUMMARY OF RESPONSES TO THE DRAFT REVISED SUPPLEMENTARY PLANNING GUIDANCE NOTE: AFFORDABLE HOUSING.

Organisation	SPG Para/ Section	Comment	Proposed Response
Land Options West	Paras 1.8 and para 4.6	<p>It is submitted that this Consultative Draft SPG proposes a number of changes which differ from the terms of Policy SC4 including the following:</p> <ul style="list-style-type: none"> • social rented housing is stated as the Council's preference in the delivery of affordable housing • in terms of the on site provision of affordable housing, entry level housing units for sale is not acceptable 	<p>It is a matter for the Council to determine its priorities for the delivery of affordable housing in the light of the HNDA, Local Housing Strategy, the availability of public subsidy finance and its relationship with partner organisations. The expression of a first preference does not exclude other options from consideration, dependent on circumstances at the time. Paras 1.8 and 3.4 of draft SPG explain and clarify this. The SPG does not differ from policy SC4 in this regard.</p> <p>Objection to exclusion of entry level housing in para 4.6 accepted. It is specifically listed in PAN 2/2010 as a type of affordable housing and this sentence will be removed from finalised SPG.</p>
	Para 3.4	<p>In all regards it is submitted that a preference list (of forms of public subsidy) should not be included within the SPG. Indeed, in order to provide maximum flexibility to developers and to ensure developments remain viable, all forms of funding should be considered. In addition, given the current economic conditions and the subsequent lack of funding, as previously stated it is considered critical that the SPG provides the flexibility to allow the private sector to be solely responsible for the provision of affordable housing.</p>	<p>Accepted that a preferred list of funding models, while being useful information, will quickly become dated. The list will be deleted from the finalised SPG.</p>

	Non-specific	The proposed SPG must provide as much flexibility as possible in order to enable developers to deliver affordable housing units as part of a viable housing development.	Agree, and this is stated or implied several times in the document. The Council accepts that in a time of financial restraint a flexible approach is the only one that will help deliver affordable housing.
Mr Cooke and Mr Potter	Non-specific	Policy SC4 and the SPG require sites of <u>20 units or more</u> to provide affordable housing. However the MIR preferred option is for site of <u>more than 20 units</u> to provide affordable housing. This is inconsistent and our clients would favour the latter option in the new plan.	While this is not a matter for the SPG this inconsistency has been acknowledged and the proposed new policy HSG02 in the LDP Proposed Plan maintains the requirement to apply to sites of <u>20 units or more</u> .
MacTaggart and Mickel	Para 1.8	In regard to policy SC4 MacTaggart and Mickel query the listing of a hierarchy of preferred forms of affordable housing. They suggest that each option is given equal weighting in the wording of the policy. The sequential approach of the policy to delivery is also challenged.	The comment suggests changes to the policy, which is not being consulted on. The SPG cannot change the policy wording. Para 1.8 makes it clear that the assigning of a first preference to social housing does not exclude other options from consideration, dependent on circumstances at the time. The sequential approach to delivery is still considered robust, with on-site provision by far and away the preferred option.
	Para 3.4	The first preference for social housing is not supported by MacTaggart and Mickel. It should be recognised by the SPG that new models of social housing delivery could come forward during the lifetime of the SPG	It is a matter for the Council to determine its priorities for the delivery of affordable housing in the light of the HNDA, Local Housing Strategy, the availability of public subsidy finance and its relationship with partner organisations. However it is recognised that the particular models referred to in para 3.4 may be superseded and the list will be deleted from the finalised SPG.
	Para 4.4	The last sentence of this paragraph should be supplemented with the addendum that provision can then be 'via off-site provision or a commuted sum'.	Not agreed. This clarification is already given in the preceding para 4.3.

	Para 4.6	The preference for serviced land for on-site provision is not supported as it can adversely impact the market provision and sale of houses. If an RSL or Council cannot meet the market housing timescales then other forms of provision should come to the fore, off-site or commuted sum	Not agreed. It will always be preferable to try to achieve on site provision of affordable housing first, before considering other sites. Alternative sites would be a sub-optimal solution to addressing housing need. Para 4.6 allows for other on-site options being provided directly by the developer if the provision of serviced land is problematic.
	Paragraph 4.8	MacTaggart and Mickel consider it unreasonable in the case of shared equity housing for the developer to have to offer the remaining 60% share to the Council if properties are not sold. It should also be acknowledged that an alternative view is for the house to revert to full market housing to allow it to be occupied.	Giving a Council first refusal on shared equity housing is accepted practice in other Councils around Scotland. If the Council then declines to take up that offer then other ways of bringing the houses into use can be considered, including full market housing. This latter aspect is proposed to be added to para 4.8 in the finalised SPG. However the developer will not be able to set aside their obligation to contribute to affordable housing by some other means, which the proposed revised para 4.8 explains.
	Section 5	In regard to meeting other developer contributions attached to a site's requirements it should be highlighted that the affordable housing contribution towards, for example, education, should be met by the council or an appropriate deduction made to the percentage of affordable housing required	The purpose of Section 5 is to highlight to developers that they should be well aware of other obligations attached to the site so that potential costs are built in early to their financial appraisals. It also acknowledges that the relative weight given to each obligation will be open to negotiation.
	Section 6	In section 6 it appears from the terminology used that the Council wishes to be quite prescriptive in advising on development mix on a site. The final say on the development mix should really be the developer's choice.	Not agreed that the terminology used suggests an over-prescriptive approach. Para 6.1 states that discussion between developer and the Council is encouraged and that advice and guidance on development mix will be given, not dictated. It is accepted that the developer will have to be satisfied that the final development mix is viable.

	Section 7	The eligibility/priority groups seems all consuming, and if people appear on several lists, there could be double counting. This section needs further consideration, perhaps with reference to the HNDA which identifies households with defined needs.	Accept that this needs clarification to emphasise that the eligible groups are those identified in the HNDA and that the list represents a sequential consideration of priority need groups
Profili Partnership	Paragraph 4.12	Clarification of what the Council regard as a 'reasonable timeframe' is sought and when in the development process does the timeframe commence? Preferably a reasonable timeframe is open to negotiation between the developer and council early on in the overall development process and ideally by pre-application stage. Profili Partnership request that the 'reasonable timeframe' is identified at an early stage.	The 'reasonable timeframe' refers to when public subsidy for the affordable housing will be made available. This timeframe will of course be transmitted to the developer as soon as this is known so that consequential issues can be built into the development proposal. Whether or not this is considered 'reasonable' will be matter of judgement.
Homes for Scotland	Para 2.12	Paragraph 2.12 is contradictory. If modelling in a HNDA is to be done at a specific spatial scale, this implies that the intention may be to make policy appropriate to that scale. The argument that Grangemouth has no need – indeed has an apparent surplus of affordable housing – yet can contribute to need across a wider area is therefore questioned. If Grangemouth already has a substantial affordable stock in excess of need, it is not necessary to add to that stock based on local need. Conversely, to use Grangemouth to meet wider area needs would simply exaggerate an existing tenure imbalance in Grangemouth	The status of Grangemouth as an area which can assist with meeting housing need more widely across the Housing Market Area is part of agreed policy. The SPG does not change that policy but assists in its implementation.

	Paragraph 3.4	This paragraph is too specific about types and tenures. While funding may presently be available for the types listed, that position has only emerged in the last 2 – 3 years and could well change again in the future. It seems more sensible to keep a policy and SPG general to allow for changes in circumstances.	Agreed. It is recognised that the particular funding models referred to in para 3.4 may be superseded and it is proposed to delete this list from the finalised SPG.
	Paragraph 4.4	It should be a principle of the SPG that the delivery of market housing is not unduly delayed by negotiation on affordable housing. The applicant for planning consent is entitled to certainty at the point of securing consent as to what is expected of him. Therefore, the affordable housing contribution needs to be agreed at pre-application stage on the basis of the resources available at that point to implement the affordable housing. There should be no question of deferring that decision post-consent, or introducing triggers for decisions. The Council should accept the best practicable option at the time of dealing with the application.	Agreed the affordable housing contribution needs to be agreed at a specific stage in the application process. The draft SPG is intended to implement the affordable housing policy with the principles of flexibility and practicality uppermost.
	Paragraph 4.6	This paragraph is wrong to exclude entry level units for sale, which is a category included in PAN 2/2010. SPP seeks the provision of a range and choice of housing. The importance of entry-level units is in creating a genuine “housing ladder”, where those who aspire to ownership can exit the social-rented or private-rented sectors, freeing affordable units for others.	Agree. Entry level for sale is specifically listed in PAN 2/2010 as a type of affordable housing and this sentence is proposed to be removed from the finalised SPG.

	Paragraph 4.8	Paragraph 4.8 is unreasonable. If a developer has built properties on site intended as shared equity with no purchaser interest, then why would the Council want to buy a house at market value? This would be uneconomic to then rent as a Council property. If the developer has already spent the money to build the house, then why should he also have to pay a commuted sum? The only reasonable option is for the house to revert to the developer for sale on the open market, or possibly as a subsidised sale.	Giving a Council first refusal on shared equity housing is accepted practice in other Councils around Scotland. If the Council then declines to take up that offer then other ways of bringing the houses into use can be considered, including full market housing. This latter aspect is proposed to be added to para 4.8 in the finalised SPG. However the developer will not be able to set aside their obligation to contribute to affordable housing by some other means, which the proposed revised para 4.8 explains.
	Paragraph 4.10	Paragraph 4.10 seeks the transfer of serviced land; however it says nothing about who will be liable for any other developer contributions which may arise on the site.	The issue of other developer contributions is dealt with in section 5. It acknowledges that the relative weight given to each obligation will be open to negotiation.
	Paragraph 4.12	Paragraph 4.12 raises the same issues of certainty and timing as discussed under 4.4. above. This should state that the Council “will”, not “may”, negotiate on alternative forms of provision where it is clear that subsidy is not available at the point of processing the application.	Accepted – changing the emphasis removes uncertainty
	Paragraph 4.13	A common reason for a site not being suitable for affordable housing is the existing tenure mix locally. There is little point in providing further affordable housing where there is already a significant proportion of the stock in affordable tenures. This point should be added to the bullet point list.	Not agreed. While the policy aims to achieve a suitable tenure balance in all areas there is only one sub-area, Grangemouth, where there is a technical surplus of affordable housing, according to the HNDA methodology. However as explained in para 2.12, further provision in Grangemouth can help to relieve the pressure in neighbouring sub-areas. Developers will not be able to set aside their obligation to contribute to affordable housing by some means, as explained in para 4.3.

	Paragraph 4.21	In paragraph 4.21, valuation costs cannot be “shared” if they are then to be recharged to the developer. In any event, Homes for Scotland disputes the rationale that the developer should pay the costs of other parties in the discharge of their statutory duty to deal with planning applications	Agree that a shared cost cannot be subsequently recharged and it is proposed to delete this clause from the finalised SPG. The seeking of valuation fees is not necessarily part of a planning application process.
	Paragraph 5.1	This section is again silent on the issue of who pays the developer contribution costs associated with the affordable portion of a housing site.	In principle the site developer is responsible for any developer contributions. Where there is more than one developer then costs could be split and would be a matter for negotiation.
	Paragraph 5.2	This paragraph is correct to note that, where viability is an issue, the Council may have to make a decision between developer obligations and affordable housing.	Comment noted
	Section 6	The use of pre-application discussions for the Council to advise on local affordable housing requirements is noted. However, the Policy also refers to mix and range generally. Homes for Scotland considers that market housing mix is a matter for the developer, who will have more knowledge of market demand and potential. Matters such as house type, size and price are not appropriate for planning conditions, therefore they should not be matters which the planning authority attempt to dictate.	Agree that develop has priority role in deciding on market housing mix. However there is role for the planning authority to influence the mix of type or size where there is a significant shortfall in, e.g. larger, affordable houses
	Paragraph 6.6.	This should refer to the existing housing stock in the area as a factor.	Agree to add this as a factor to the list in the finalised SPG

	Paragraph 6.10	It is not clear what is being considered under “local market conditions” or in what way these might affect the affordable housing provision. There are a number of market conditions which might come into play – the price levels achievable locally; sales rates; type and size of properties proposed by the developer and whether these may contribute to meeting need through, for instance, low cost ownership; or conversely whether the site is in a high-value area where integrating affordable housing may be more challenging. Some clarification on this bullet point would be welcomed.	Agree to clarify wording. Covers same issue as para 6.6 above and refers essentially to the overall tenure mix.
	Section 7	It is unclear how the priority groups listed in paragraph 7.1 equate to the definition of need used in a HNDA. Simply being on a waiting list, or being an existing tenant, or being in a lower income decile, does not mean that a household has any defined needs. The point of the HNDA method is to identify that subset of households who have defined needs and make provision for them. Does the Council intend that it will prioritise access to new affordable housing for those with the highest level of defined needs?	The list in para 7.1 will be clarified to emphasise that the eligible groups are all identified in the HNDA and that the list represents a sequential consideration of priority need groups

	Paragraph 8.1	Paragraph 8.1 refers to site capacities in the development plan. Typically, development plan site capacities are based on a notional site density rather than any design or masterplan work, so it is unreasonable to say that density cannot be lower. That is a judgement for the developer having regard to the site characteristics, location and market potential of the site.	Not agreed. Attempts by developers to avoid their obligation to provide affordable housing by reducing their numbers below the 20 unit threshold will be resisted. Proposals to alter site capacity will have to satisfy policy SC6 Housing Density and Amenity, as referenced in para 8.1.
	Paragraph 8.5	This suggests that interaction between income and tenure groups may be desirable. The experience of many developers is that this may not be what happens in reality. The perception of affordable housing can still be a problem, especially in higher-value market areas, and considerable care is needed to ensure that there is no adverse impact on sales values. In that respect, the SPG is correct that peppercotting is not generally a good solution; careful positioning and design of groups of affordable housing within a site is required. It is not clear what is meant in paragraph 8.10 by “difficult housing markets”, as these issues of design and integration can apply across all types of location and sites.	Comment noted. ‘Difficult housing markets’ are those where there has been little or no interest from private developers in building houses for sale. Para 8.3 indicates that much of the text in this section is drawn from research carried out by the Rowantree Trust across Britain. Particular examples may not necessarily apply in Falkirk Council area.

Larbert, Stenhousemuir and Torwood Community Council	Non-specific	<p>The community council welcome the fact that there will remain a strong commitment to the Larbert and Stenhousemuir area to provide affordable housing in new developments.</p> <p>The community council do have a few observations we would like to make on the document:</p> <ul style="list-style-type: none"> • We would expect that the level of need for sustainable housing will vary over time. Presumably there will some sort of review built in to establish the level of need and the type of housing that is required? • We assume that the affordable housing will be integrated in to any development and located throughout any scheme, rather than located on just one site. • We also assume that there would be a requirement for affordable housing to be insulated and to make full use of renewable energy for heating and lighting, minimising the use of energy and reducing harmful emissions. 	<p><u>Housing Need</u> The level of housing need is calculated through the HNDA which must be reviewed every 5 years</p> <p><u>Integration</u> Advice on integration of affordable and mainstream housing is dealt with in section 8</p> <p><u>Energy Efficiency</u> All new housing is required to meet exacting and rising standards for energy efficiency though the building standards regime. A new planning policy on low carbon development is required under the Climate Change (Scotland) Act 2009, which will be included in the emerging Local Development Plan</p>