
**SUPPLEMENTARY GUIDANCE: AFFORDABLE HOUSING
REVIEW AND UPDATE**

REPORT BY SERVICE DIRECTOR, REGULATORY SERVICES

PLANNING AND BUILDING STANDARDS COMMITTEE

12 JANUARY 2015

1 PURPOSE AND SUMMARY

- 1.1 **This report seeks approval of the Supplementary Guidance (SG) entitled "Affordable Housing".**
- 1.2 The current Supplementary Planning Guidance (SPG) on Affordable Housing was approved on 10 January 2011. This was an update of the SPG that was first approved in June 2005, and first amended in March 2007.
- 1.3 This revised Supplementary Guidance (SG) has been updated to include new higher thresholds related to the on-site provision of affordable housing. This is designed to encourage the development of smaller housing sites by the smaller housing developer operating within the Borders. The thresholds would enhance the viability and help to facilitate the development of these sites. The updated Supplementary Guidance (SG) is contained in **Appendix A**.
- 1.4 The thresholds for on site provision were amended in line with the Committee decision on 3 March, and the position is that contributions towards affordable housing are not sought for single house developments; commuted payments will be acceptable for developments from 2-16 units; and that on site contributions will normally be required on developments of 17 units or above. This also recognises the long held position of the RSLs that they would normally seek to acquire 4 units or more prior to committing investment towards on-site AH delivery.

2 RECOMMENDATIONS

- 2.1 **I recommend that the Planning and Building Standards Committee agrees to:**
 - a) **approve the use of the document as Supplementary Planning Guidance in the determination of planning applications pending the approval of the Local Development Plan**
 - b) **to delegate the approval of the document as Supplementary Guidance as a part of the Local Development Plan, once the Local Development Plan has been adopted**

3 OUTCOME FROM PUBLIC CONSULTATION

- 3.1 A report on the draft Affordable Housing Supplementary Guidance went to the Planning and Building Standards Committee on 30 June 2014. At this meeting the report was approved and was subject to a public consultation period of 12 weeks, ending on 26 September 2014.
- 3.2 Following this public consultation period, one detailed response was received from Eildon Housing Association (EHA). Two other responses were also received from Historic Scotland and the Scottish Environmental Protection Agency (SEPA) however they had no comments to make.
- 3.3 The main elements of the response from Eildon Housing Association are detailed in **Appendix B**. Following the comments received from Eildon Housing Association a minor wording change has been made to paragraph 2.3.
- 3.4 It is considered there is a national issue in relation to the provision of affordable housing in rural areas of Scotland especially in the current economic climate. It is felt the revised Supplementary Guidance contains the right approach at this stage of the economic recovery in the current circumstances and this position will be reviewed in the next 2-3 years to taken into account any changes.

4 BACKGROUND OF SUPPLEMENTARY GUIDANCE

- 4.1 The SG sets out the need, the tenure types, contribution and policy on affordable housing. It also provides guidance on the delivery of affordable housing.
- 4.2 The need for affordable housing is set by the most recent housing needs and demand assessment that establishes a need of some 268 units per annum. The definition and tenure types are primarily based upon the Government PAN 2/2010. The percentage contribution has been updated but continues to justify a 25% contribution within each of the Council's housing market areas. The contributions have been rounded down to this target figure in recognition of the need to continue to support the house building industry.
- 4.3 The thresholds for on site provision have been amended in line with the Committee decision on 3 March, and the position is that contributions towards affordable housing are not sought for single house developments; commuted payments will be acceptable for developments from 2-16 units; and that on site contributions will normally be required on developments of 17 units or above. This recognises the long held position of the RSLs that they would normally seek developments of 4 units or more.
- 4.4 The commuted sum contribution is based upon work undertaken for the Council by the District Valuer. The contributions have been updated to reflect the most recent report from the District Valuer in May 2014. The revised commuted sums for each housing market area are set out in Table 2 of the Supplementary Guidance on page 11.

5 IMPLICATIONS

- 5.1 **Financial**
There are no substantive cost implications arising for the Council. There is budget to cover the necessary consultation elements.
- 5.2 **Risk and Mitigations**

The key risk is that if the Committee does not take forward the Supplementary Guidance on Affordable Housing then it would be much more difficult for the Council to meet its delivery targets for affordable housing. In addition, there is a real benefit to RSLs through the provision of a land supply to deliver affordable housing.

There is a wider risk to the economy in setting requirements that may be seen to overburden the house building industry. The Supplementary Guidance recognises this factor and reduces the potential contributions down to 25% of total development. It also recognises the contribution to the economy of smaller developments and allows commuted sums to be provided for developments up to 16 units. This provides a real financial benefit to the developer.

5.3 **Equalities**

The primary focus of a Local Development Plan is to provide opportunity for appropriate development in terms of the social, economic and environmental context of the area. It therefore handles equalities by seeking to provide adequate land for reasonable needs related to matters such as affordable housing.

5.4 **Acting Sustainably**

The Local Development Plan is a key document in prioritising the environmental framework related to the future development of the area. An Environmental Report has been produced alongside the Plan. This has been supplemented by the completion of a Strategic Environmental Assessment scoping report specific to this Supplementary Guidance.

5.5 **Changes to Scheme of Administration or Scheme of Delegation**

There are no changes to be made.

6 CONSULTATION

6.1 Consultation on this report has been undertaken with the Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Service Director Strategy & Policy, the Chief Officer Audit and Risk, the Chief Officer Human Resources and the Clerk to the Council. Any comments received have been incorporated in the final report.

Approved by

Service Director, Regulatory Services

Signature

Author(s)

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Background Papers: None

Previous Minute Reference: Planning and Building Standards, 30 June 2014

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