

POSITION STATEMENT ON PLANNING AND AFFORDABLE HOUSING

1. There is strong commitment across Scotland to the provision of high quality housing for people who are unable to access or afford market housing. The RTPI in Scotland shares this commitment and recognises the valuable role that land use planning can play in securing land for a wide range of housing categories within the affordable housing definition.

2. The availability of affordable housing varies across Scotland with particular difficulties experienced in securing sites for affordable housing in areas of economic and population growth and in rural areas. A major challenge is that the statutory planning system on its own cannot deliver the considerable affordable housing needs in a market led economy. Many issues of concern relating to implementation and funding of affordable housing lie outside the scope of the statutory planning system. However, the spatial planning discipline has an important role to play in policy integration. The Institute therefore recognises the need for a clear statement of the role of land use planning in the provision of affordable housing and the need for the issue of affordable housing to be addressed in close collaboration by a number of stakeholders. Planning issues need to be examined within the wider macro-economic context which influences house prices and affordability and within wider objectives of creating and nurturing sustainable communities. In particular, the contribution to be made by the land use planning system needs to be set alongside efforts to address:
 - the specific role of new build in the overall pattern of supply across all tenures;
 - issues of deficiencies in the quality of social rented housing stock and their local environs in a comprehensive manner;
 - the development of new housing stock with a zero-carbon footprint;
 - mechanisms to maintain a supply of social-rented homes as 'affordable' in the longer term;
 - more flexible and programmed approaches to housing finance;
 - a more transparent and more efficient approach to planning agreements; and
 - specific issues pertaining in rural areas.

The need for a revised policy

3. SPP 3 has established that the provision and retention of affordable housing is a legitimate planning concern and the Institute supports the review and strengthening of SPP 3, as announced by the Minister in 2006, with the aim of considering how to:
 - secure a more generous allocation of land for housing in development plans;
 - release land more quickly through the planning system;
 - ensure that development plans identify sufficient land for housing where a need has been identified;

- improve housing quality and density which impact on overall housing provision;
 - integrate work on housing needs assessments by local housing strategies and development plans; and
 - utilise new powers under the Planning etc (Scotland) Act for Ministers to intervene when a development plan does not reflect housing needs.
4. The Institute recognises the need for a comprehensive raft of policy and guidance from the Scottish Executive and welcomes proposals to review SPP3. We consider that the review should lead to a stronger policy position on affordable housing; be supported by clearer guidance through the revision of PAN 74 on matters of definition, needs assessment, objective setting, land valuation methodology, and joint working; and be linked to specific programmes to encourage joint working, effective funding, skills development, and innovative practice.

The Definition of Affordable Housing

5. The Institute supports the wide definition of affordable housing to include social-rented as well as intermediate housing. Policy objectives should address the provision of high quality housing for people who are unable to access or afford market housing for example vulnerable people and key workers as well as helping people make the first step from social-rented housing to home ownership. Such a policy requires close collaboration between planning and housing authorities in defining and implementing affordable housing targets.
6. The definition of 'need' will remain a potentially contentious issue and a critical first step in improving the approach to the provision of affordable housing will be the development of more effective methodologies of housing need assessment to produce usable forms of information for use in the planning system. There is a need for greater synergy between the guidance on eligibility for affordable housing, recycling of subsidy etc available from Communities Scotland¹ and the more local definitions of need.

The need for revised guidance

7. The Institute considers that national guidance should encourage more effective links between development plans and Local Housing Strategies and closer integration of planning and housing disciplines. Further guidance, in the form of a revision or supplement to PAN74, is required to detail closer working relations between local housing strategies and development plans; to address issues surrounding the valuation of land for affordable housing and the value of commuted sums which may be received by Councils; and the development of methodologies for Housing Needs Assessments.
8. We consider that PAN 74 would benefit from some fine tuning in the form of the inclusion of what constitutes low cost home ownership and how this should be defined or delivered. Additional guidance is also needed to address specific

¹ See Bramley G, Karli N, Watkins D (2006) 'Local Housing Need and Affordability Model for Scotland – update (2005 based). A report to the Scottish Executive and Communities Scotland. Research for Communities Scotland Report 72.

points such as: clarification of what is meant by a 25% benchmark; and more detail on approaches to site thresholds would be helpful.

The new statutory context

9. Whilst the Institute opposed the inclusion of specific topics such as affordable housing in the proposals for new primary planning legislation, we consider that the introduction of the new development plan led system together with enhanced arrangements for s75 agreements should further facilitate the provision of affordable housing. At the same time, the new provisions under the Housing (Scotland) Act and the requirement for local councils to prepare housing strategies, should provide opportunity to establish better forecasts of housing need and give greater synergy between housing strategies and development plans.
10. Recent surveys² have shown that planning authorities are beginning to formulate policies on affordable housing as development plans are reviewed and supported by supplementary planning guidance. In evaluating progress, the problems associated with the long lead in times for policies should be recognised. That desired outcomes are not yet being achieved may be an issue associated with the slow pace of statutory plan making. The Institute considers that the new development plan led system will provide the stimulus for a more efficient plan led system. However, implementation of any policy to secure affordable housing will require close collaboration between public housing providers and the Planning Authority.

The need for joint working

11. A recent report by the RTPI, the Chartered Institute for Housing (CIH) and the Local Government Association (LGA)³ examined the need for better integrated working practices within and between authorities on housing and planning issues. This report makes a number of recommendations which the Institute considers have relevance for Scotland, as follows:

Integration of Planning and Housing Policy

- provide incentives and rewards for local authorities who perform their strategic housing roles well;
- encourage joint working between housing and planning departments through joint planning and housing policy and practice guidance;
- consider how more comprehensive integration between housing and planning and other activities might be achieved across strategic planning areas and community planning partnerships;
- encourage housing and planning departments to sign up to joint spatial and long-term investment strategies based on resource projections covering: new house development – including both market and affordable housing; demolition of private and public dwellings and the creation of

² By Murray Tosh MSP and Sylvia Jackson MSP; by Tribal Consultants for the Scottish Executive; and by the Chartered Institute for Housing in Scotland.

³ RTPI, the Chartered Institute for Housing (CIH) and the Local Government Association (LGA) (2003) Intelligent Approaches to Housing: achieving better integration in planning for housing', RTPI, CIH and LGA, London.

- attractive places to replace them; and refurbishment of existing private and public housing;
- ensure that sub-regions as identified for planning and for housing purposes are more closely aligned in both housing market and planning terms; and
 - monitor implementation to ensure that strategic priorities for housing are delivered.
12. The research points to good practice including the need to update Local Plans and Local Housing Strategies with sensible affordable housing targets, based on sound needs assessments; to ensure corporate working between housing, planning, legal and estates departments – e.g. shared commissioning of local housing needs assessments; the need to develop supplementary planning guidance, development briefs, model agreements and to address other planning gain requirements – e.g. schools and infrastructure provision; the need to involve housing associations in developing these new processes; and the need to develop scheme appraisal capacity to monitor agreements and outputs.
13. The research also makes a series of recommendations for improving internal joint working practices on housing and planning issues. These relate to employment practices and internal organisation; joint policies and policy development; procedures and practices to promote a more integrated approach; and training and wider activities, including:
- combining housing and planning officer and member networks into joint strategic partnerships;
 - collaborating on research into housing markets at various levels;
 - running joint seminars and consultation events on planning for housing; and
 - running workshops for all involved in delivering housing – designed to encourage effective partnership approaches to delivering affordable housing in mixed communities.
14. The Institute considers that other pre-requisites for unlocking an adequate supply of housing include effective funding strategies and effective planning for infrastructure, in particular overcoming the constraints imposed by the water and sewerage system. Scottish Water's future investment programme is providing a much needed increase in resources and should help to release constraints on housing development. Communities Scotland's new Strategic Investment Framework which introduces financial commitments on a three year basis with an additional two year planning assumption should also improve programme delivery.

Skills development

15. The Institute recognises that delivery of affordable housing must be based on partnership working and an understanding of the funding regimes of all stakeholders. Implementation of the policy must be accompanied by training for frontline Development Management staff on the funding and delivery of affordable housing. Research⁴ has noted the need for enhanced market

⁴ Ross I (2005) Planning Agreements and Positive Planning for Sustainable Communities in Scotland' Scottish Executive, Edinburgh.

awareness on the part of planners and the need for skills development in the light of the Egan Report's recommendations. Affordable housing represents an area of work where there is a need for a broader skills base for planning and closer collaboration between professional institutes, planners, developers and other professionals involved in taking forward the sustainable communities agenda. In particular, the Institute considers that planning schools can help by ensuring that graduates receive the appropriate basic training; and that employers should work with the professional institutes and the Improvement Service to deliver specialist CPD opportunities to practitioners working in the field of housing policy on matters such as planning agreements.

Working with the Private Sector

16. Within this broad policy framework, the Institute recognises the importance of working closely with the private sector in addressing delivery issues. Successful implementation will require clarity, consistency and certainty of policy; guidance on working arrangements involving local authorities, RSLs and the private sector; smooth and transparent development and operation of s75 agreements; and the development of agreed detailed arrangements for programming, finance and patterns of housing provision. Such partnership working should also seek to encourage and share innovative good practice.

Affordable Housing and Planning Obligations

17. The Institute considers that the quota system will remain a central element in affordable housing land supply in Scotland. Without such a system, it will be very difficult to secure the mixed communities which are an important and worthwhile objective of the Scottish Executive's policies. However, problems remain regarding the operation of the 25% benchmark, the definition of quota systems, the definition of policies based on robust housing needs assessments and the length of time taken to secure s75 agreements. The Institute considers that new provisions for s75 agreements under the new Planning etc (Scotland) Act should improve transparency and speed decision-making processes, however, further guidance will be needed in relation to the specific needs of affordable housing agreements particularly in relation to the phasing of development, the need to bring forward affordable units at the earliest possibility, and the development of effective monitoring processes.
18. The Institute supports the identification of alternative delivery mechanisms and considers that greater attention should be given to investigating public sector land release, land banking as in the case of the Highlands Alliance, and in the short term, the allocation of sites for affordable housing in rural areas and in areas of severe shortage. In this context, the Institute notes the need for joint working and policy implementation across local authority services including on matters such as the financial provisions governing land release. The issue of how to retain a supply of social rented homes in the longer term remain critical; the Institute considers that the use of Section 75 agreements is questionable in this context as they would place an onerous 'policing' role on local authorities. More guidance on how to maintain the supply of social rented and low cost housing in perpetuity and in particular on the implementation of alternative schemes including the open-market Homestake scheme and the recycling of value back to housing associations is required.

19. Development Plans and Supplementary Planning Guidance have a vital role in setting the framework for criteria in section 75 agreements. This should address the levels and nature of contribution towards affordable housing provision in a form which, on the one hand may be a general guide only in advance of the point of supply but, on the other, provides advance indications which will advise developers and landowners on the likely impact on land values for the purposes of negotiations. This use of planning instruments should aim to protect both planning and housing interests as well as commercial property development interests.

Recommendations and Future Action

20. In summary, the Institute considers that further work is required to:
- update and revise the SPP3 policy context to include the operation of the 25% benchmark;
 - revise PAN 74 to cover further guidance on housing needs assessments; the valuation of land for affordable housing; the definition of low cost home ownership; and the use of model policies;
 - develop guidance on joint working between Local Housing Strategies and Development Plans;
 - develop a new partnership approach and methodology for the preparation of local housing assessments, recognising that a 'one size fits all' approach is not appropriate;
 - develop specific advice on the operation of s75 Agreements as applied to affordable housing as part of new arrangements under the Planning etc (Scotland) Act;
 - develop mechanisms which will maintain a supply of social rented homes as 'affordable' in the longer term;
 - develop design codes relating to neighbourhoods as well as individual buildings addressing issues of quality as well as quantity; and
 - develop new training initiatives to address skills and resource requirements in planning and housing departments; and
 - develop detailed guidance on practice and delivery in partnership with housing, community, local government finance and developer interests.