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# CAIRNGORMS NATIONAL PARK AUTHORITY

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## FOR DECISION

**Title: THE CNPA'S STRATEGIC ROLE IN HOUSING DEVELOPMENT**

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### **Purpose**

To inform the Board of the changing context with regards housing development and to seek agreement to a change of focus in the CNPA's housing role.

### **Recommendations**

That the Board notes the key changes in context with regards housing development;

That the Board approves the revised focus for the CNPA's strategic role in housing development, with the following being the activity areas where we have a key role to play:

- a) Co-ordinating partner activity and sharing best practice;
- b) Setting the strategic framework for housing via the Park Plan and the Local Plan and new Local Development Plan ;
- c) Building the evidence base;
- d) Implementing the housing element of the Local Plan; and
- e) Development Management.

### **Executive Summary**

Since the Board agreed the CNPA's strategic role in housing development in 2005, there have been major changes in partner delivery structures and in national policy. More recently, the economic downturn has been impacting on the housing market. While these changes have had a bearing on some of the actions in the Park Plan priority for action on 'Making Housing More Affordable and Sustainable' and on whom the lead bodies are, in broad terms the role of the Park Authority remains valid. Some revision to role is, however, proposed to better reflect the current balance of effort.

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## THE CNPA'S STRATEGIC ROLE IN HOUSING DEVELOPMENT - FOR DECISION

### Background

1. In March 2005, the Board considered the CNPA's strategic role in housing development. Given the many stakeholders involved in planning, funding and delivering housing within the Park area, there was a need to clearly define how we sought to add value to their existing activities. The following five activity areas were agreed as being those in which the Park Authority had a clear role to play:
  - a) Co-ordinating partner activity and sharing best practice;
  - b) Setting the strategic framework via the Park Plan, Local Plan and Housing Strategy;
  - c) Building the evidence base;
  - d) Piloting new approaches in both policy and practice; and
  - e) Development control.
2. Since then, much has changed. It was therefore felt to be appropriate that we should reflect on some of these changes to assess whether the above role was still valid.

### Delivery Structures

3. There have been significant changes in delivery structures both at the national and National Park levels. Communities Scotland was wound up in April 2008 at which time its main non-regulatory functions were transferred to the Scottish Government's Housing and Regeneration directorate, whilst its Regulation and Inspection division was transferred to the new Scottish Housing Regulator. In addition, Local Authorities now play more of a lead role in shaping the programmes for affordable housing investment within their respective areas. These investment programmes have been changed to operate on a three year basis through the Local Authority Affordable Housing Investment Programme but still annually for the allocation of funds through the Scottish Government.
4. Within the Park, the Cairngorms Housing Strategy and Implementation Group has been wound up and essentially replaced by the Making Housing More Affordable and Sustainable priority for action Delivery Team, which is more tightly focused in both membership and remit.

## National Policy Context

5. On October 31, 2007, the Scottish Government published its discussion document '*Firm Foundations: the future of housing in Scotland*'. This described the Government's vision for an increased supply of housing across all tenures, all of which is delivered on the basis of higher environmental and design standards; more choice of housing that those on lower incomes can afford; housing developments that contribute to the creation of sustainable, mixed communities; and social housing that provides better value for public expenditure.
6. To achieve the vision, Firm Foundations proposed:
  - a) Setting a target to increase the rate of new housing supply to at least 35,000 houses a year by the middle of the next decade
  - b) Launching a Scottish Sustainable Communities Initiative
  - c) Helping first time buyers through the creation of the LIFT: the Government's low cost initiative for first time buyers
  - d) Encouraging the private rented sector to flourish and play a full role in meeting housing need
  - e) Improving the choice available to homeless people
  - f) Offering local authorities financial incentives to build new council houses
  - g) Ending the right to buy on all new social housing
  - h) Using more efficient delivery to increase the supply of new housing association housing
  - i) Modernising the regulation of social housing
7. The Scottish Government subsequently announced a package of reforms in June 2008. All of the above proposals are now being implemented or consulted upon further. Earlier this year we responded to a consultation, on '*Investing in Affordable Housing*'. Our response was reflected in the conclusions and recommendations of the subsequent report. At the moment consultation is underway on the '*Draft Housing (Scotland) Bill*' and runs until 14 August. This includes ending the Right to Buy for new tenants and extending and devolving the process of designating pressured areas, along with proposals for modernising regulation.

## Economic Downturn

8. It is clear that the economic downturn is having a substantial negative impact on the supply of new housing across Scotland and that there has been a huge loss in confidence in the housing market generally. There is a decline in mortgage lending and in the availability of private finance for Housing associations. The Section 75 supply of affordable housing has been drying up and there is less investment in infrastructure via planning gain. Unemployment and repossessions are rising. The construction sector is under extreme pressure with a danger that house building capacity could be lost which would reduce the rate at which housing supply could increase when economic conditions improve.
9. On the other side of the coin some economic analysts are pointing to reductions in the house price to earnings ratio and suggesting that such housing market price

readjustments are necessary in the longer term to make market housing more affordable.

10. In recognition of the worsening impacts of the credit situation, in August the Scottish Government announced that they would take the following key actions:
  - a) Bring forward up to £100 million of affordable housing investment to be spent this year and next, rather than 2010-11 as originally planned (a further £10 million was announced in December);
  - b) Set new criteria for housing associations to purchase unsold stock or land to deliver houses where they are needed, at best cost to the public purse;
  - c) Fund an awareness raising campaign to encourage more people to seek money advice from the National Debtline if they are in financial difficulties;
  - d) Increase the choice of homes available through the new Open Market Shared Equity Pilot scheme to help more first time buyers get a foot on the property ladder.
  
11. They also committed to building further on a number of the measures they had announced in June, including:
  - a) Help for new home owners facing repossession through a new Home Owners Support Fund. The Fund will build on the existing Mortgage to Rent Scheme, by also giving some home owners in serious difficulties the option of retaining ownership of their home on a shared equity basis. To recognise the likely increase in repossessions the Fund's budget was increased by £25million between 2008 and 2010.
  - b) Progressing their plans to invest £25million in incentivising local authorities to build new council housing. In addition to ending the Right to Buy on new build properties, they would consider ending the Right to Buy for new tenants entering the social rented sector;
  - c) Committing £250million to LIFT from 2008-2011 in order to expand support through shared equity schemes to first time buyers on low to moderate incomes.
  
12. In June 2009 the Housing Minister announced proposals to improve the efficiency of housing associations' activities including setting a standard for development performance, supporting collaborative working with Local Authorities and sharing best practice. The Minister also agreed to award 3 year budgets to those associations or groups of associations that are best placed to use it.
  
13. The effect of the economic downturn and the subsequent policy responses will continue to be reviewed and will be reflected in the Park Plan and Corporate Plan monitoring reports to the Board. As was agreed by the Board in May, as part of the mid-term 'health check' of the Park Plan, the housing outcomes and the potential for changes in planned action have been identified as a priority for consideration at the next Park Plan Strategy Group meeting on 3 July.

### **Role of the CNPA in Housing Development**

14. All of the above changes impact on the delivery of the Park Plan '*Making Housing More Affordable and Sustainable*' priority for action. Some of the lead bodies have changed as have some of the policy or investment initiatives at their disposal. The

credit crunch may well adversely impact on the ability to achieve some of the associated outcomes, although it should be stressed that the outcomes themselves remain valid and are fully in tune with the Scottish Government's expressed vision for housing.

15. Turning to the CNPA's role then, it would appear to remain broadly valid. In the context of the Park Plan, we are seeking to make as positive an impact as we can, bearing in mind our limited statutory remit in housing and the limited staff resources and funds at our disposal. Much of our effort is thus directed at influencing and supporting others – primarily the Local Authorities, Registered Social Landlords and developers. The one area where we have a clear statutory remit in relation to housing is with our Local Plan and Development Management functions.
16. However the focus of our activities within our housing role, and the balance of effort between them, has changed as we have moved into implementing the Park Plan. Some revision is therefore proposed.

***Co-ordinating partner activity and sharing best practice***

17. The Making Housing More Affordable and Sustainable priority for action Delivery Team is now the key mechanism for delivering this aspect of our role. The Housing Policy Officer also engages in the respective Local Authority area groupings that prepare and deliver the Local Housing Strategies and Strategic Housing Investment Plans for their areas.

**Setting the strategic framework via the Park Plan, the Local Plan and new Local Development Plan**

18. As the Cairngorms Housing Strategy has been subsumed into the Park Plan, the reference to it should be removed. As above, it is more important that we influence the respective Local Authority area focused Local Housing Strategies.

**Building the evidence base**

19. This remains an important aspect of the CNPA's role, we will continue to expand the range and quality of information specific to the Park and identify opportunities to improve the efficiency of data collection. For example, the Scottish Government has to an extent standardised the information requirements for Local Housing Strategies. This greater consistency between them, and the fact that we have encouraged Local Authorities to disaggregate Park data, should lead to a lighter touch being needed to pull together Park housing market information.

**Implementing the Housing Element of the Local Plan**

20. Previously this was worded as 'Piloting new approaches'. Going forward, implementation of the Local Plan, and in due course Local Development Plan, is the area where a greater degree of work focus will be required. In line with national policy the Park Authority needs to further build on its enabling role to actively work with developers and others in encouraging and helping to shape appropriate developments that deliver the housing policies and allocations in the Local Plan. Work is therefore now starting in drawing up a Local Plan Implementation Plan. Of course housing issues will only form part of this work, but it will provide clear direction on what action will be needed to help deliver appropriate housing development in line with Local Plan policies. For example, in driving up the quality of sustainable design, is there a need for design awards, associated training packages, etc?

**Development Management**

21. The Park Authority has a statutory role in Development Management (reworded from 'Development Control' to reflect Scottish Government policy and our more positive enabling approach). This has been the primary mechanism to ensure that development is consistent with housing allocations and policy within the Local Plan. Pre-application dialogue helps to ensure that the right proposals come forward to deliver the Local Plan with decisions on applications the final test. Whilst Development Management is a function of Local Plan implementation, it warrants a focus in its own right.

## Current Activities

22. Of course in looking at the 'role' of the CNPA in housing, it is often easy to overlook the actual positive actions that we have either delivered or have helped facilitate. Some of these actions are therefore highlighted below, simply to illustrate the practical initiatives in which we have been or are involved:
- a) Helped fund a sustainable drainage design guide for housing in the countryside which will assist in directing the developer to the most appropriate drainage for their site.
  - b) Development of the Cairngorms National Park Sustainable Design Guide which will help promote good quality sustainable design.
  - c) Production of Local Housing Needs Surveys, completed as part of the community action planning project, which will feed into the evidence base for the Local Plan and which can be pro-actively used to shape appropriate developments.
  - d) Supporting Rural Housing Enablers in Highland, Aberdeenshire and Moray, who work with local communities in promoting a variety of housing options in the public and private sector.
  - e) Helped fund feasibility work and granted planning permission for the development of affordable houses at on a Forestry Commission site at Mile House near Kincaig. This focused on high quality sustainable design and use of timber in the construction.

## Consultation

23. This paper has been considered and agreed by the CNPA's Management Team and by the 'Making Housing More Affordable and Sustainable' priority for action Delivery Team.

## Implications

### ***Financial Implications***

24. There are no immediate financial implications arising from this paper. It is, as yet, unclear what the financial implications associated with delivering the Local Plan Implementation Plan might be but these will be considered through our normal budget planning and management processes.

### ***Presentational Implications***

25. There are no immediate presentational issues arising from this paper. Rather, it is a reminder of the focused role that the Park Authority has in respect of housing development and the fact that delivery of the related Park Plan outcomes is primarily a function of the work being progressed by partner organisations and of housing market conditions. Going forward, as our thinking on implementing the Local Plan develops, there will be a need to clearly communicate the enabling role that we intend to play.

### ***Implications for Stakeholders***

26. There are no obvious implications for stakeholders.

## **Next Steps**

27. Progress on our housing work and that of our partners will continue to be reported to the Board via the Park Plan and Corporate Plan update reports. In due course, as thinking develops on how we might most effectively support delivery of the Local Plan, advice and decisions will be sought from the Board as appropriate.

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