

CAIRNGORMS NATIONAL PARK AUTHORITY

FOR DECISION

Title: The CNPA's Strategic Role in Housing Development

**Prepared by: Andrew Harper, Head of Economic and Social Development
Don McKee, Head of Planning and Development Control
Fiona Munro, Housing Policy Officer**

Purpose

To clarify the Park Authority's strategic role in housing development and to seek approval to detailed testing of specific policy options for the draft Local Plan.

Recommendations

The Board is asked to:

- Agree the assessment of the CNPA's strategic role in housing development and note the current work being undertaken to co-ordinate and address housing issues within the Park.
- Approve more detailed consideration of the Local Plan policies outlined and for them to be tested as part of the housing system analysis study being conducted by Heriot Watt University.

Executive Summary

Housing issues have a direct bearing on all four of the Park's aims. The Board are being asked to agree that the Park Authority's role in housing should be focused upon co-ordinating partner activity and sharing best practice, setting the strategic framework (via the Park Plan, Local Plan and Housing Strategy), building the evidence base to underpin policy, piloting new approaches in both policy and practice, and development control.

Housing policies within the Local Plan will be of key importance in addressing housing affordability issues, whether that be the cost of market housing or so-called 'affordable' (below market cost) housing. This paper sets out policy options for the Local Plan and seeks the Board's approval for more detailed testing of the potential impact of each policy, as part of the housing market analysis study currently being undertaken by Heriot Watt University.

THE CNPA'S STRATEGIC ROLE IN HOUSING DEVELOPMENT

Background and Introduction

1. In broad terms, and in a variety of ways, housing issues within the Cairngorms National Park (the Park) have a direct bearing on all of the Park's four aims:
 - To conserve and enhance the natural and cultural heritage of the area
 - To promote sustainable use of the natural resources of the area
 - To promote understanding and enjoyment (including enjoyment in the form of recreation) of the special qualities of the area by the public; and
 - To promote sustainable economic and social development of the area's communities
2. The current housing situation in the Park and the policy context for the Authority's work on housing was set out in the CNPA Briefing Paper No. 5 - 'Housing in the Park' (August 2004). This paper also provided an update on the range of housing actions being progressed by the Authority.
3. While this briefing paper was helpful, it was not intended to fully articulate the Park Authority's strategic role in housing development. This paper seeks to clarify the Authority's specific role and how the range of work that is being undertaken fits within this overall context.

The CNPA's Strategic Role in Housing Development

4. There are many stakeholders involved in planning, funding and delivering housing within the Park area, affordable or otherwise. The CNPA therefore has to be clear what added value it brings by being involved in housing issues. The following five activity areas are seen as those in which the Authority has 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
 - e. Development control

Co-ordinating partner activity and sharing best practice

5. The Cairngorms Housing Strategy Implementation Group provides the mechanism for the co-ordination of action to provide suitable and affordable housing for local residents. This is serviced by the Park Authority's Economic and Social Development (ESD) Group and chaired by Board member, Anne MacLean. As well as enabling the dissemination of information and collective discussion on actions, it provides a forum for sharing new approaches and best practice.

Setting the strategic framework via the Park Plan, Local Plan and Housing Strategy

6. There are various strategic frameworks that impact upon housing development in the Park, including the new Local Authority Local Housing Strategies and the current

Cairngorms Housing Strategy, the latter of which provides the context for the work of the Cairngorms Housing Strategy Implementation Group. The CNPA, of course, has a statutory duty to prepare a Park Plan and a Local Plan. The housing input to the Park Plan is being led by the ESD Group, while the Planning and Development Control (PDC) Group is leading on housing policy development and housing allocations within the Local Plan. Both Groups are liaising closely to ensure consistency between plans. In due course, the Cairngorms Housing Strategy will have to be refreshed to be consistent with the Park Plan.

Building the evidence base

7. The housing policies that will be set out within the Park Plan and the Local Plan and the land allocations for housing within the Local Plan must be based upon robust and current evidence. In particular, it needs to be ensured that the evidence-base for the Local Plan is sufficient to allow Park specific policies that will withstand a Public Inquiry and be accepted by the Scottish Executive. For this reason, following an initial scoping study by the Tribal HCH consultancy, Heriot Watt University have been appointed to conduct a housing system analysis study. This will provide the robust evidence base that is required.
8. It is anticipated that there may be ongoing areas of research identified that would help the Park Authority and its partners in addressing housing issues. For example, both the ESD and PDC Groups are considering the merits of supporting more detailed settlement-based studies of housing need. The Authority's Housing Policy Officer is also participating in two research studies being undertaken by Communities Scotland - one looking at the impact on local areas of second and holiday homes, and the other examining the relationship between affordable housing and the labour market in Scotland.

Piloting new approaches

9. The initial work overseen by the Board's Housing Development Working Group to identify potential affordable housing mechanisms has proven very useful and is informing the strategy and policy development work outlined in paragraph 6.
10. The Park Authority should continue to identify innovative new approaches to addressing housing affordability within the Park. In this regard, practical partnership initiatives that are planned for the coming financial year include -
 - a) Work with the Forestry Commission and the Highland Small Communities Housing Trust to examine the potential for a pilot housing scheme at Inshriach Forest, Kincaig. This would examine the potential for sustainable affordable housing developments within forested areas, and builds upon the Forestry Commission's new policy approach towards facilitating housing development in appropriate circumstances.
 - b) Along with the Crofters Commission, examining the potential for crofting tenure to address affordable housing issues, for example through croft sub-division or the creation of new crofts.
 - c) In conjunction with the Scottish Rural Property and Business Association (formerly the Scottish Landowners Federation), identifying the present scale of

housing provision by private landowners and the potential for them to provide more affordable housing.

Development control

11. Of course the Park Authority also has a statutory role in development control. This is the primary mechanism to ensure that development is consistent with housing allocations and policy within the Local Plan.
12. **Recommendation**

It is recommended that the Board agree the above assessment of the CNPA's strategic role in housing development and note the current work being undertaken to co-ordinate and address housing issues within the Park.

Local Plan Policy Options

13. The following extract from the Heriot Watt tender submission for the housing system analysis study, gets to the heart of the policy issue for housing in the Park:-

‘Beyond the fairly well-established difficulties of affordable housing supply in rural markets¹, a duality of demand between relatively affluent in-migrants and the relatively low incomes of some sections of the local population is likely to be heightened because of the area's attractiveness and indeed official recognition of this given by National Park status. Further, supply responses are more likely to be constrained by enhanced environmental protection².
14. In other words, in line with the Park's first aim of conserving and enhancing the natural and cultural heritage, the solution cannot be purely to keep building more houses. Rather a more sophisticated response is needed that encourages the provision of a range of housing at prices that are consistent with the Park's fourth aim - to enable the economic and social development of the areas communities.
15. At this point it is worth clarifying the term ‘affordable housing’, as it can mean different things to different people. There is no standard definition but basically it can be regarded as housing that is for people on local incomes who cannot afford to compete on the open market for housing for sale but could afford some types of low cost home ownership or may require housing for rent through a housing association or the local authority. Local Plan policies may therefore have to go beyond simply looking at the provision of affordable housing as being a solution to affordability issues in the area and, indeed, may need to influence the market cost of housing.
16. While there are a variety of ways in which the CNPA can work with partners to address these housing issues, for example through encouraging the use of new funding mechanisms, the housing policies within the Local Plan will be of critical importance.

¹ M. Satsangi and K. Dunmore (2003) The Planning System and the Provision of Affordable Housing in Rural Areas: A Comparison of the Scottish and English Experience, *Housing Studies*, 18, 3, 201-217 review the evidence.

² For further discussion, see F. Richards and M. Satsangi (2004) Importing a Policy Problem? Affordable Housing in Britain's National Parks, *Planning Practice and Research*, 19, 3, 1-16.

It is therefore proposed that all Local Plan policy options should be more fully explored including:

- a) As is the case currently, although applied differently in different local authority areas within the Park, a percentage of any new development could be set aside for affordable housing. The evidence from the Heriot Watt study currently underway may support different approaches within localised housing markets. A clear definition of the price that constitutes being 'affordable' for people living in the Park would be required and this is being addressed within the Heriot Watt work. Mechanisms such as the new Rural Housing Burden, which has been introduced by the Title Conditions (Scotland) Act, could be used to ensure that such housing remains affordable in perpetuity.
 - b) All or a proportion of new development could be tied to meeting the needs of people who are resident in the Park and key workers who are coming to the area to meet economic needs (these categories would have to be carefully defined). This would effectively dampen the demand for new housing within the area, thus reducing its market cost to levels that are more generally affordable. Existing housing stock within the Park would still be unrestricted in terms of who could buy. In England this policy approach has already been taken by Exmoor National Park Authority and is actively being considered by the Yorkshire Dales National Park Authority.
 - c) Make representations to the Executive for a change in the Planning Use Classes Order to the effect that change of use from a permanent house to a second or holiday home would require planning permission.
 - d) Restricting new houses to use as a principal residence and not as a holiday home.
17. There are of course potential drawbacks to these policy approaches. For example, the policy on restricting new development to local residents or incoming key workers would almost certainly have an inflationary effect on the existing housing stock. However, it is proposed that these policy options be explored in greater detail. In particular, Heriot Watt University should be asked to test what the implications of the policies might with regards both addressing affordability issues and the level of housing allocation that would be required.

18. Recommendation

<p>It is recommended that the Board approve more detailed consideration of all options and for them to be tested as part of the housing system analysis study being conducted by Heriot Watt.</p>
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Andrew Harper, Don McKee & Fiona Munro
February 2005

andrewharper@cairngorms.co.uk
donmckee@cairngorms.co.uk
fionamunro@cairngorms.co.uk