
CAIRNGORMS NATIONAL PARK AUTHORITY

MINUTES OF THE BOARD MEETING held at The Royal British Legion, Grantown-on-Spey on Friday 19th May 2006 at 1.45pm

PRESENT

Eric Baird
Stuart Black
Duncan Bryden
Nonie Coulthard
Basil Dunlop
Douglas Glass
Angus Gordon
Lucy Grant
David Green
Marcus Humphrey
Bruce Luffman
Eleanor Mackintosh

Anne MacLean
Alastair MacLennan
William McKenna
Andrew Rafferty
Gregor Rimell
David Selfridge
Sheena Slimon
Richard Stroud
Andrew Thin
Susan Walker
Ross Watson
Bob Wilson

In Attendance:

Andrew Harper
Jane Hope
Don McKee
Fiona Munro

Apologies:

Sandy Park

Welcome and Introduction

1. The Convenor welcomed everyone to the special meeting of the Cairngorms National Park Authority Board to consider one issue, namely housing policy.

Preferred Strategic Direction for Affordable Housing (Paper 1)

2. Andrew Harper introduced the paper seeking agreement of the Board to a preferred strategic direction for the Park Authority's work on affordable housing which would inform the current consultation on the draft National Park Plan. He set the paper firmly in the context of the National Park Plan which identified seven priorities for action over the five year period 2007 – 2012, one of these being to make housing affordable and sustainable. The purpose of the day's discussion was not to make final decisions on housing policy within the Park but to clarify the rationale for intervention in the housing market and the nature of those interventions that the Park Authority would have a role in progressing, either as lead organisation or in partnership with others. An important element of the consultation on the proposals would be a meeting on the 14th of June with the Cairngorms Housing Group.
3. The purpose of the paper was therefore threefold:
 - a) Agree why if at all the CNPA needed to intervene in the housing market;
 - b) Agree what was to be achieved by doing so;
 - c) The priority mechanisms.
4. A number of key issues could be identified as being at the root of the current housing problem:
 - a) Too few affordable houses being build;
 - b) A predicted increase in the population of the Park of 9% over the next 20 years. Coupled with this, a marked increase in the average age of the population, with the population over 60 years of age increasing from 26% to 45% over that period.
 - c) These two trends would combine to lead to a situation in which, without an increase in the supply of affordable housing, the Park would not be able to attract enough young people to support vibrant communities. This was not a matter of putting up the barricades; it was about attracting as well as retaining young people.
5. Current estimates following the work commissioned from Heriot Watt University, were that 114 affordable houses would be needed per year to bolster the supply of affordable housing. The challenge was to achieve this without compromising the special qualities of the National Park. The term affordable was being used to mean not just publicly subsidised housing but any housing available to people in need, at below the market price/rent. The paper went on to propose a number of mechanisms that the CNPA should be pursuing:
 - a) Supporting the creation of a significant number of new publicly subsidised affordable houses;
 - b) Encourage the creation of new crofts;
 - c) Introduce new residency criteria on new market housing;
 - d) Investigate other opportunities for private investment in affordable housing;
 - e) Encourage the development of Common Housing Registers and allocations policies such that people could clearly identify their housing market preferences within the National Park area;
 - f) Encourage community owned rented housing;

- g) Change the Planning Use Classes Order so that a change of use from a permanent house to a second home or holiday would require planning permission.
6. The points for discussion by the meeting were identified as:
- a) Whether or not the CNPA should intervene in the housing market and the intended purpose of such intervention;
 - b) The proposed priority areas of work for the CNPA to focus on.
7. In discussion the following points were made:
- a) Finding mechanisms for providing housing for essential workers was important. This problem was being exacerbated by tied houses in the public sector e.g. police houses, being sold off and therefore being unavailable to essential workers. There might be some possibility of dealing with this through the proposed residency criteria. It would also be possible to support local authorities who applied for Pressured Area status. However, there might be a further role for the CNPA in engaging with other public sector bodies to dissuade them from selling their properties off on the open market (although it was noted that in many cases Housing Associations usually got first option on purchase). A survey of land ownership within the National Park could be quite revealing given that a considerable amount of land and property could already be in the public domain.
 - b) It was important to recognise the need for new investment in the Park. Development costs could be very high particularly in remote areas, and there was a danger in taking forward some of the proposals that it would no longer be sufficiently attractive to developers to build within the Park. There was a danger of losing market development and the associated affordable housing – in reality, market housing was needed to fund the affordable housing.
 - c) It was noted that district valuers will now value land at a lower level if it is being used for affordable housing.
 - d) Residency criteria were not a problem in principle – but they needed to be framed appropriately.
 - e) Demographic change was put forward as one important reason for intervention in the housing market. There was a social element to this but also an economic impact. While the retired element of the population certainly were economically active, the crucial point in this context was the difficulty of servicing the needs of employers, as well as servicing the health needs of older people. The real problem of the demographic change was the lack of employees.
 - f) The point was made in respect of housing stock transfers that this did not necessarily preclude the right to buy.
 - g) It was crucial to keep houses available for rent. It might be more sensible to offer people plots of land for them to build on.
 - h) The statistics on population change, and particularly on inward migration to the Highlands area deserved close inspection. For example, a high proportion of those coming to the Highlands were families with young children, and a relatively low proportion were middle aged. And of those over 65, many tended to come up to the Highlands because of having children in the area. It was important to accept that many people might want to move into the area because of family connections, and because of the need to be able to look after ageing

members of the population. Residency criteria therefore needed to be looked at carefully. Similarly, people may want to move into the area to set up their own businesses or be self employed, and should not be precluded from moving simply because they had no job to come to.

- i) A policy position which was interpreted as being “anti commuter” needed care; the A9 clearly provided a good transport link to areas outside the Park.
- j) The paper concentrated on the role of the CNPA, but it was essential to look at what other partners could and would do in delivering affordable housing, especially in the context of the National Park Plan. Any definition of affordable housing needed to be more transparent about the basis of the need for affordable housing. For example, it should be clear what “key workers” are.
- k) There was a clear distinction to be made between affordable housing in the sense of social housing, and affordable in the sense of housing at a price (to buy or to rent) most people could afford. An important issue was how to ensure sufficient incentive for landowners to release land or houses at an affordable purchase price or rental.
- l) Further discussion was needed on the definition of affordable housing in the sense that housing benefit was in effect a subsidy to make housing (for rent) affordable.
- m) Housing made available for rent needed to give a sufficient return over a long period such as 20 years if it was to be a viable economic proposition in the first place.
- n) Affordable housing needed to match need. For example, simply building blocks of flats would not meet the needs of those brought up to a different lifestyle. It might be possible to use residency criteria to ensure a range of different types of affordable housing.
- o) Reference was made to Tenants Incentives Scheme (TIS) under which a tenant could, rather than buy their existing rented house, receive a sum of money enabling them to buy an alternative. In this way the house was kept in the rented sector. The CNPA might look at the possibility of reintroducing TIS (it was noted that this mechanism was operating in some local authorities).
- p) It was important before finalising housing policy through the National Park Plan that consultation was as wide as possible. It was noted that housing developers had a voice through the Cairngorms Housing Group. In addition, the Heriot Watt work had involved several workshops, one with builders and developers, and one with land owners; their input had been fed into the final report. It was important to emphasise that this was precisely why there was no decision being made at today’s meeting, the purpose of which was to kick start a debate and engage with everyone as part of the consultation of the National Park Plan.
- q) The evidence in the Heriot Watt study was clear, namely that there was a serious problem with housing in the National Park. It was vital to be innovative in finding solutions; the CNPA’s role was to challenge the established thinking and be bold. The paper was good and was proposing some bold moves; but it was possible to be even bolder, for example woodland crofts, or using the new Crofting legislation to take the crofting approach outside crofting counties.
- r) It was essential to look at the quality of housing, and match this with what people were looking for.

- s) It would be important to examine the effects of any intervention in the housing market on local builders.
- t) It might be possible to encourage communities to build for the essential workers that they identified that they needed.
- u) It was important to emphasise that the proposed residency criteria only applied to new build housing. In reality there was a much larger stock of existing housing, a proportion of which would be on the market at any one time. So the effect of the proposed residency criteria on the overall social mix would be relatively small.
- v) There was some discussion as to whether it was legally possible for there to be a housing list specifically for the National Park. In reality this would have to be a list for the Park rather than the Park Authority as such a list could only be “delivered” through partners. However, it might be possible if, for example, the affordable housing percentage were increased to 50%, for 20% to be allocated to social housing, and the other 30% allocated to a community scheme for using up their “own list”. Publicly subsidised housing could only be delivered through local authority housing lists. For other affordable housing, you would not need a separate list as the new build housing could be controlled through residency criteria and a Section 75 agreement. There was no question of the Park or the Park Authority having its own list for public sector housing allocations – under current arrangements, such allocations had to be done through RSLs. But further thought could and should be given to creating a different market for housing that was genuinely affordable (but not public sector housing) because of design, density etc. Some innovative thought had to be given to how this separate market could be made available on some sort of priority basis for those in most need locally within the Park. Nevertheless, the point was made that implementing such a system would have resource implications.
- w) Some sense of the scale of the problem was given when it was pointed out that although 114 affordable houses per year did not sound a lot the projected annual completion rate for new housing within the Park was only 115 per year. In other words, the projected need for affordable housing would completely (potentially) use up all the new build housing.
- x) There was some discussion as to whether a community could own its own houses and determine ownership. This was being investigated further, and while community trusts clearly did exist, it was not yet clear whether they had to become RSLs.
- y) On residency criteria, it was important to ensure that people born in the area could return.
- z) The point was made that the proposed change in the Planning Use Classes Order could affect property values. This was at this stage only a proposal to hold discussions with the Scottish Executive, who would undoubtedly take this into account. However, the proposed change was not the same thing as a presumption against the change of use, it was merely a mechanism that could be used when necessary.
- aa) Any intervention in the housing market as proposed would need to be capable of withstanding challenge under the Human Rights Act.

- bb) Some confidence was needed that the proposed changes would indeed be effective in reducing prices in the market.
- cc) The current points system for allocating social housing left certain categories of people quite unable to find houses. People doing responsible jobs in the community, often not highly paid, and with no ability to find the amount of money required for a house deposit; their need was for small houses but they were most unlikely to get them through the current system.
- dd) The Channel Islands in effect operated two markets for rent and purchase; one for locals, and one for incomers. There could be something to learn from this.
- ee) The issues under debate were complex, and the long-term effects of changes needed to be thought through. The housing problem within the Park was an ever expanding one; incomers to the area brought families with them, leading to the next generation also needing housing. It was important to take account of the cycle of home ownership and hence determine future needs, and the capacity to deliver this. The population levels within the Park needed to be sustainable.
- ff) The other aspect of the housing supply problem was improving incomes in rural areas. The economy within the National Park was highly dependent on tourism, and there was a need to ensure workers were adequately paid within the industry.
- gg) Housing policies should be seeking to reduce the whole life cost of houses; this was currently missing from the paper. This should include the notion that houses should be affordable to run as well as to buy. There were also issues of infrastructure which could be looked at more creatively, for example, the need for roads and lighting was not the same in rural as in urban areas. Perhaps some pilot development could be taken forward in the Park area on this.
- hh) The proposed residency criteria might lead to the creation of a two tier system in which older houses (to which criteria did not apply) became more expensive, while the new houses (to which criteria did apply) became cheaper. Nevertheless, it was pointed out that the residency criteria remained attached to the house in perpetuity, through the Section 75 agreement which would be binding on all occupants.
- ii) Reference was made to the Empty Houses Initiative which had previously been available, under which private landlords were encouraged to renovate houses and then make them available at an agreed rent for an agreed number of years before the houses returned to the normal market. This should be looked at again.
- jj) Section 75 agreements as a means of restricting occupancy could be a problem in that people could often only get a 60% mortgage.
- kk) Planning gain was a more useful tool for dealing with the Local Housing problem as it enabled money to be deployed locally. This contrasted with proposals for a future land tax, which would be a national scheme with no guarantee of money being made available locally.

[David Selfridge left the meeting]

8. The Board approved the recommendations of the paper as a basis for further work and consultation as follows:

- a) The principle of intervention in the housing market to achieve more sustainable communities;**

- b) Deleted
- c) That the focus of CNPA supported intervention should be to support the delivery of housing to meet the economic and social needs of the Park's communities in line with the statutory aims of the Park;
- d) CNPA support for the creation of significant new, publicly subsidised affordable housing;
- e) To consider how the CNPA might encourage or support the creation of new crofts;
- f) The principle of residency criteria, implemented via Section 75 agreements, to ensure that new market housing is helping to meet the aims of the Park;
- g) That the CNPA investigate other opportunities to increase private investment in the provision of affordable housing;
- h) That the CNPA should seek to influence the local authorities and Housing Associations in developing their Common Housing Registers and allocations policies, so that people can clearly identify their housing market preferences within the National Park area;
- i) That the CNPA investigate the potential for encouraging and supporting community owned low cost rented housing;
- j) That the CNPA initiate discussion with the Scottish Executive about the potential for a change in the Planning Use Classes Order to the effect that a change of use from a permanent house to a second home or holiday home would require planning permission;
- k) That the CNPA discourage the public sector from disposing of houses on the open market.

9. The Board agreed an additional action: that further thought should be given to the point raised in discussion that the CNPA should investigate the proposal to set up a housing register for the National Park based on criteria particular to the Park and separate from those used by local authorities.

10. Action:

- a) Further report to be brought to the Board in due course, summarising points raised during the consultation, and the outcome of work to take forward the recommendations of the paper and points raised during its discussion.

AOCB

11. None

Date of Next Meeting

12. Friday 2nd June at Finzean Hall, Finzean.