

## **Local Government and Communities Committee**

### **Strategic Housing Investment Plans**

#### **Response from South Ayrshire Council**

Dear Mr Doris,

#### **Consideration of Strategic Housing Investment Plans**

Thank you for your letter dated 31<sup>st</sup> May 2017; please accept my apologies for the delay in replying.

Our Housing Needs and Demand Assessment (HNDA) influences development of both the Local Housing Strategy and the Local Development Plan. The HNDA provides a number of net new housing requirement scenarios based on a range of assumptions including demographics and migration. The Local Housing Strategy then uses this spectrum of assumptions to agree a set target of new housing both in the public and private sectors. In South Ayrshire this target is then broken down in to 2 smaller Housing Market Areas. Our Strategic Housing Investment plan then aims to detail on a site by site basis how we could achieve that target, subject to sufficient investment.

With regards to your 2 specific questions, I can provide the following as a response:

*Q1. How do you decide on the number of specific house type, house sizes and tenures that will be delivered in your area (which may either be detailed in your SHIP or decided at a later date)?*

The sites listed within the SHIP are identified in partnership with local RSL's and our Planning colleagues, based on land supply released through the Local Development Plan. As the SHIP covers a 5 year period, many of the listed sites are allocated an estimated number of affordable homes based on land size. It is only at the point of site investigations and project design that the number of homes for each site can be confirmed.

In deciding the number of specific house types and sizes by site, this will depend on the information contained within our HNDA and also the priorities and challenges we identify within our Local Housing Strategy. Furthermore, we use our local knowledge and our waiting lists to determine the likely interest and demand in any particular location. We also have a close working relationship with our Health and Social Care Partnership to help meet the needs of an ageing population and those with particular needs. We have recently completed 29 x 1 bedroom bungalows over 3 sites to provide level access, smaller accommodation for older people to downsize from

family sized accommodation. We also recently built 1 bedroom flats with an open plan living room/dining area that can easily convert to a 2 bedroom home. Our larger family sized accommodation typically has a large bedroom that can be split in to 2 smaller bedrooms should the family composition increase. This allows our families to grow without having to move home while it further supports creation of settled communities. Using these requirements as a starting point, it is typically at the design brief stage that house types and sizes will be agreed. This might result in a shift in the number of homes delivered against those originally detailed within the SHIP, however, we manage this at a local level in partnership with the Scottish Government's More Homes Division.

In relation to tenure, we have a continuing demand for affordable housing while schemes such as Help to Buy reduce our requirement for shared equity models.

Despite high rental values in South Ayrshire, the Broad Market Area Local Housing Allowance levels are averaged on an Ayrshire wide basis. With rental levels in North and East lower than South Ayrshire, the LHA levels are significantly lower than market rents in our area. Therefore, mid market rent products are unattractive to developers as they cannot generate sufficient return on their investment. The Broad Market Area LHA levels also have a significant impact on our ability to discharge our homelessness duties through private sector tenancies as landlords are seeking rents higher than LHA levels. As a result of these combined factors, our SHIP focuses on the provision of affordable housing for social rent.

*Q2. How you monitor and evaluate whether the SHIP, and the projects finally delivered, meets the requirements and needs of the local area and also contribute to the Scottish Government's target of 50,000 affordable homes by 2021?*

We have carried out a number of bespoke consultation sessions for specific sites while we have also used a number of events to obtain the views of tenants and residents on the ideal affordable home. Furthermore, we carry out post evaluation interviews on a one to one basis with our new tenants to identify what improvements can be made to our designs.

We have in place a design and build framework agreement with a contractor and this has allowed us to work in partnership over the years to refine both our designs and construction techniques.

Overall we have very high levels of satisfaction with our new build projects.

Of greater concern to me is the availability of land that can be acquired at an affordable value to support our new build plans. With a significant majority of the land in South Ayrshire in private ownership, we are reliant on private developers bringing their sites to the market. Added to this, we are starting to notice a sharp rise

in development costs due to the pressure on the industry to meet the Scottish Government target alongside the continued development in South East England. These cost rises are in excess of the increase in subsidy granted to us by the Scottish Government over the past 2 years. Irrespective of this, we are keen to continue to develop and are thankful of the funding commitment made to South Ayrshire, which would allow us to deliver our SHIP in full should all sites be brought to the market place by private developers.

Yours sincerely

David Burns  
Head of Housing & Facilities