

Heads of Planning

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15 March 2011

Dear Colleague

## **PLANNING FOR AFFORDABLE HOUSING**

Further to my letter of 29 October 2010 about the provision of an effective supply of land for housing, I am writing to you now regarding requirements for developers to contribute towards affordable housing. In particular I would like to raise the importance the Scottish Government attaches to planning policies, and the implementation of these policies, reflecting the current economic climate.

Scottish Planning Policy (SPP) states that where a need for affordable housing is identified, it should be addressed in the development plan as part of the housing land allocation. It goes on to say that innovative and flexible approaches will be required to deliver affordable houses in suitable numbers. The SPP makes it clear that affordable housing policies should be realistic and take into account considerations such as development viability and the availability of funding. The SPP states that the development plan may seek 25% of the total number of housing units within new housing developments to be affordable, where this is justified by a housing need and demand assessment. But if evidence points to a different figure, then the 25% does not apply. Further advice on the range of options for providing affordable housing is contained in PAN 2/2010 on affordable housing and housing land audits.

My letter of 29 October 2010 stressed the importance the Scottish Government places on removing constraints to the development of housing land in the current economic climate. Authorities will also be aware of the significantly lower levels of public funding that are likely to be available to support the development of affordable housing in the coming years. In these circumstances I suggest that authorities, in drawing up and implementing planning policies on affordable housing, should consider:

- Whether contributions of 25% or more are likely to be deliverable in the current economic climate. Levels of affordable housing requirement that act to stifle overall levels of housing development are likely to be counter-productive. In certain cases the effect could be that development would not proceed at all.
- The nature of affordable housing need in an area and the extent to which this can be met by proposals capable of development with little or no public subsidy. It is counter-productive to secure land for proposals requiring high levels of subsidy unless the authority is confident that a source for this subsidy can be identified.

I am aware that several development plan policies on this topic already build in a consideration of development viability, and that many authorities have demonstrated a willingness to respond flexibly to the changes in circumstances that we are facing. Nothing in this letter should be taken as a change in the Scottish Government's policy on the role of the planning system in delivering affordable housing. The SPP already contains references to realism and flexibility and my purpose in writing is only to highlight these to you as you prepare, implement and monitor your affordable housing policies.

Yours faithfully

A handwritten signature in black ink, reading "James Mackinnon". The signature is written in a cursive, slightly slanted style.

**JAMES G MACKINNON**  
Chief Planner