

**East Ayrshire Council, Local Government, Housing and Planning Committee
17 July 2024, Housing Emergency Inquiry**

Recommendations

The Council recognises the challenges faced by local authorities, specifically in relation to housing supply and homelessness services. Local Authorities face exceptional challenges across the housing system in Scotland, with eight Local Authorities having declared a housing emergency in their area and the Scottish Government declaring a national emergency.

East Ayrshire Acquisitions Strategy

Each Local Authority is to determine how best to respond to identified housing need, as set out in the Housing Need and Demand Assessment (HNDA). Work is under way to develop the next HNDA in East Ayrshire that will provide robust evidence to inform the development of the next Local Housing Strategy (LHS). The LHS considers the challenges faced in ensuring the supply and maintenance of good quality housing as well as the delivery of housing related services that meet the needs of local communities.

Like many other local authorities across Scotland, we experienced increased demand for temporary accommodation, whilst the ability to move people on quickly to their own homes continued to be impacted by the cost of living crisis, void property conditions and increased void costs, as well as the increased complexity of need for those accessing accommodation and the availability of suitable settled accommodation.

Within East Ayrshire Council we have been undertaking acquisitions for a number of years. In the first quarter of financial year 2023/24 we have purchased 29 properties.

Complementing the new build delivery, the Open Market Acquisition Scheme continues to be a cost effective and quick method of delivering much-needed homes in priority areas, particularly in cases where an urgent housing need can be met. The Scheme is aligned with: LHS priorities and targets; the purchase of property to increase the Council's and RSL partners' access to and supply of priority house types and sizes depleted through Right To Buy; meeting specific and urgent housing need, particularly where a community care need is identified; complementing the Housing Improvement Programme works where the delivery of works has been halted where there is a last in block owner thereby consolidating stock portfolios, and facilitating a sustained approach to maintaining stock assets and supporting wider housing quality improvement and regeneration priorities identified through the HAMF and other initiatives.

We consider open market acquisitions more cost effective in most occasions than new build and should provide a speedier response to answering housing demand in specific areas. This is an area of work we intend to expand and invest within. A property will be considered for purchase, where it meets at least one of the following strategic need criteria:

- Meets housing demand identified through our Common Housing Register;

- Meets the community care needs of a tenant;
- Resolves a homeless situation / prevent homelessness;
- Meets specific tenants housing need for a more appropriately sized property;
- Facilitates regeneration.

Approaches directly from owners wishing to sell are also considered whilst actively monitoring the open market. We also consider acquisitions that are applicable only to tenement properties where they will facilitate delivery of a Housing Improvement Programme (HIP) and result in the Council attaining or maintaining majority or full ownership within a mixed tenure building. Our empty homes work has identified a number of properties which we have then purchased - these properties were in a state of disrepair and a blight on the community.

The majority of the properties we purchase are ex-council properties and the purchase results in East Ayrshire Council obtaining full or majority ownership of the block.

East Ayrshire Council are nearing completion on their first acquisition with a sitting tenant. This is an area we would like to expand as we are aware of a number of private landlords who wish to sell with sitting tenants.

Local authorities face significant challenges in being able to continue to deliver vital services to vulnerable people against a backdrop of reduced central government funding allocation and increased socio-economic challenges. Without the ring-fencing of recurring revenue to deliver statutory homeless services, the significant challenges faced by local authorities is undoubtedly set to impact on staffing budgets and the loss of essential posts, reducing capacity within the service at a time of increased demand and pressures.

East Ayrshire Void Properties

Asset management is about understanding, long-term planning, appropriate provision and sustainability of assets. Effective asset management is fundamental to the sustained delivery of good quality housing and related services in a cost-effective way. At East Ayrshire Council, the Housing Asset Management Framework represents a strategic approach for more effective use of limited resources across Community Planning Partners. This framework allows resources to be targeted where they are most effective in providing a sustainable future for our housing assets and promoting communities in which people can flourish, regardless of their life circumstances. Ensuring that the properties we retain within our housing stock are sustainable in terms of demand, location, type, and condition has assisted the Council improve void management and tenancy sustainment.

At the end of June 2024, East Ayrshire Council had 342 unlet properties. 179 of which are in the process of being allocated. Of the remaining 163, 70 are unlettable and at various stages of repair to re-let. The cause for these properties requiring repair include recent acquisitions being brought up to standard for letting (17), extensive repair of fire/flood/frost/structural damage by internal teams or through insurance (46).

East Ayrshire Affordable Housing Supply Programme

Noting the proposed actions in relation to the delivery of new and affordable homes, the Scottish Government's 2024/25 Affordable Housing Supply Programme Resource Planning Assumption (RPA) grant allocation for East Ayrshire has been significantly reduced 26.4% to £9.428M from £12.815M in 2023/24. This reduction limits the Councils, and partner Registered Social Landlords (RSLs) ability to deliver affordable homes this new financial year, both in terms of new build first allocations and re-lets where stock is vacated in support of the Council's Rapid Rehousing Transition Plan priorities. Moreover, it impacts the Council's wider aspirations as Strategic Housing Authority, to continue to promote sustainable communities across East Ayrshire for all of its residents, now and in the future. This reduction will further restrain delivery of affordable homes with future budget assumptions projected as 80%/60%/40% of current year RPA levels. Clarity and guidance required regarding the allocation of the £80 million over 2 years National Acquisition Plan.

Further, following presentation of the Local Development Plan 2 (LDP2) Examination to Council in February of this year, LDP2 Policy RES2 requires 25% of houses on sites of 30 or more units in the Kilmarnock and Loudoun sub-housing market area to be affordable in nature. As a consequence, developers with options over those sites with an affordable housing requirement will seek to engage with the Council, as Strategic Housing Authority, to determine the preferred on-site delivery in response to identified housing need. Without recourse to sustained RPAs over the lifetime of the approved Strategic Housing Investment Plan, neither the Council nor its RSL partners will be able to deliver future-proofed, new affordable homes across East Ayrshire's communities. Instead, commuted sums will be proposed by developers; a wholly unacceptable proposal in the current climate.

The approved East Ayrshire Strategic Housing Investment Plan 2024-2029 has therefore been scaled back in terms of proposed affordable housing delivery as a result of this reduction in the current years RPA and the uncertainty around future year's allocations; the impact of which is exacerbated by the ongoing cost of living crisis. The Council would therefore welcome an early discussion in this regard and I look forward to hearing from you.

Date 17 July 2024