AGENDA ITEM No.3

EAST RENFREWSHIRE COUNCIL

CABINET

17 September 2015

Report by Director of Environment

RENEWAL OF PRESSURED AREA STATUS (EASTWOOD)

PURPOSE OF REPORT

1. To seek the approval of the Cabinet for renewal of the current pressured area status (PAS) for the 4 areas of Busby/Clarkston/Netherlee, Thornliebank/Giffnock, Eaglesham and Newton Mearns which together form the Eastwood housing settlement area.

RECOMMENDATIONS

2. The Cabinet is asked to approve the proposed extension of pressured area status for the Eastwood housing settlement area for a further period, until the abolition of Right to Buy in Scotland comes into effect in August 2016.

BACKGROUND

3. Provision for the designation of pressured area status is contained within the Housing (Scotland) Act 2001 and allows designation of part of a local authority's area as a 'pressured area'. This means that some tenants of social landlords within the designated areas are not permitted to purchase the property in which they live. This applies only to those who have become new tenants, either for the first time or as a result of transfer to another house, from 30 September 2002, the date on which the modernised right to buy (RTB) was introduced. Tenants from before this date remain able to purchase their property with relevant discounts.

4. The objective of the status is to safeguard the existing social rented stock where there are already serious shortages in homes available, and the exercise of RTB in these areas is likely to worsen the situation.

5. East Renfrewshire Council was the first in Scotland to successfully make the case to the Scottish Government for pressured area status. The Council's PAS application for Eastwood settlement areas was made in 2005 and came into effect on 5th October 2005, the date on which it was approved by Scottish Ministers. The designation was approved for further renewal for 5 years by Scottish Government in October 2010, and this application was endorsed by Cabinet at the time. The current designation expires in October 2015.

6. The Scottish Government provide detailed guidance and assessment criteria which any Council making a case for PAS must meet if they are to be successful. The 2 key requirements which the application must evidence are;

- That the need for socially rented housing in the area is above, or likely to be substantially in excess of, socially rented provision.
- That this situation is likely to be exacerbated by Right to Buy sales.

7. The Housing (Scotland) Act 2010 updated the pressured area provisions since our last designation, and changes came into effect on 30th June 2011. This extended the maximum designation period from 5 to 10 years and allows particular house types, as well as areas, to be designated.

8. Significantly the ‘2010 Act’ also made provision for local authorities to designate, amend or revoke pressured area or house type designations without requiring the approval of Scottish Ministers, if it is satisfied that each of the two conditions (outlined above) are met.

REPORT

9. A copy of the finalised report outlining the proposal for PAS is attached (Appendix 1).

10. The report shows Eastwood continues to be a pressured area for affordable housing with high levels of housing need. It also demonstrates that this pressure is likely to continue into the future and that the RTB has, and would continue, to restrain the supply and exacerbate housing need. Work carried out to consider housing need in Barrhead, Neilston and Uplawmoor continues to demonstrate that despite the need for additional social housing to meet the needs of these communities, a robust case could not be made for a similar PAS designation based on the two criteria set out by Scottish Government.

11. Findings from local and regional Housing Need and Demand Assessments (HNDA) continue to support the Council’s case for PAS in Eastwood. Estimates show that the need for social rented housing remains high and is unlikely to be addressed fully through existing stock and planned developments in the short to medium term. The master plans agreed for Maidenhill, Barrhead South and North are expected to bring significant levels of new homes across the area, but this will be realised over a longer term.

12. The Local Housing Strategy 2012-2017 set out a target of 150 additional homes over 5 years, a modest but realistic target which is expected to be achieved, but much less than identified needs. Going forward, targets within the new LHS in 2017 are likely to be around only half of the identified need for social rented housing given available resources.

13. Waiting list and lettings data shows significant pressure on the current housing stock in Eastwood. There are on average up to 17.5 people on the East Renfrewshire Housing Register for every house that is relet in Eastwood and for some settlements up to 21 people on the waiting list for every house that becomes available.

14. The Council has also experienced an increase in homeless applications at a time when homeless presentations are reducing nationally. In 2014/15, some 61% of properties becoming available for let were allocated to homeless applicants (84% of lets if sheltered housing is excluded). This is a 14% increase from 2013/14 and a 43% increase on 2001/02.

15. Weighting of applicant choices has been used to judge demand across the housing management areas where social rented stock is located. This exercise shows Eastwood remains in highest demand accounting for 54% of all demand, even though only a third of homes are located here. This is an average share of 13.5% of applicant demand for each settlement in Eastwood, compared to an average 2.4% share in Levern Valley housing management areas.

16. Since the introduction of the Right to Buy in 1980 over 50% of Council properties in the area have been sold, with a third of these in Eastwood. The rate of RTB sales has reduced significantly since 2007, in part reflecting the economic downturn. However, sales in Eastwood remain steady. This is despite low stock numbers and the current PAS being in place. If PAS is not renewed this could result in significant loss of stock as people choose to exercise RTB before this is abolished.

17. In our 2010 analysis it was estimated that the PAS had prevented up to 142 properties (14% of the stock at the time) from being sold. It is estimated that a further 121 properties have been prevented from being sold in the last 5 years, with up to 34 sales likely to be prevented if PAS continues until RTB is abolished in 2016.

18. As well as helping to retain stock for social rent, the PAS for the Eastwood area is vital in supporting the delivery of affordable housing giving weight to the Council's Supplementary Planning Guidance on affordable housing and supporting negotiations with developers.

FINANCE AND EFFICIENCY

19. The financial implications associated with the PAS designation are expected to be minimal, with continuing rental income from retained properties offsetting the loss of any potential capital receipts from any sales which might otherwise have occurred.

CONSULTATION

20. Consultation on the draft plan has been carried out over 2 months with a wide range of stakeholders including affected tenants and Housing Associations. This involved direct contact with all affected tenants, and the use of Citizenspace to consult with housing providers, interested tenant and community groups and so on. A limited number of responses were received, with all but one in support of the proposed renewal.

PARTNERSHIP WORKING

21. The application for the renewal of pressured area status has been developed in partnership with housing providers and officers involved in delivering the Local Housing Strategy priorities.

IMPLICATIONS OF THE PROPOSALS

22. There are no implications from these proposals in terms of staffing, IT, property, equalities or sustainability. The legal implications are as outlined above and in the report.

CONCLUSIONS

23. This report summarises the proposal for extending PAS for the Eastwood settlement area for a further period until RTB is abolished completely in August 2016. The evidence concludes that there remains a high degree of unmet housing need in which is unlikely to be addressed in the short to medium term. It is considered that the evidence also fulfils the two criteria which make the case for Pressured Area Status.

RECOMMENDATIONS

24. The Cabinet is asked to approve the proposed extension of pressured area status for the Eastwood housing settlement area for a further period, until the abolition of Right to Buy in Scotland comes into effect in August 2016.

Director of Environment

Further details can be obtained from Phil Daws, Head of Housing & Property Services on 0141 577 3186.

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September 2015

BACKGROUND PAPERS

Scottish Government – Statutory Guidance on Pressured Area Status for Local Authorities
http://www.gov.scot/Topics/Built-Environment/Housing/16342/rtb/guidance

KEY WORDS

A report seeking authorisation to apply an extension of pressured area status for the Eastwood housing settlements until August 2016.

Key words: housing, pressured area, house buying, right to buy

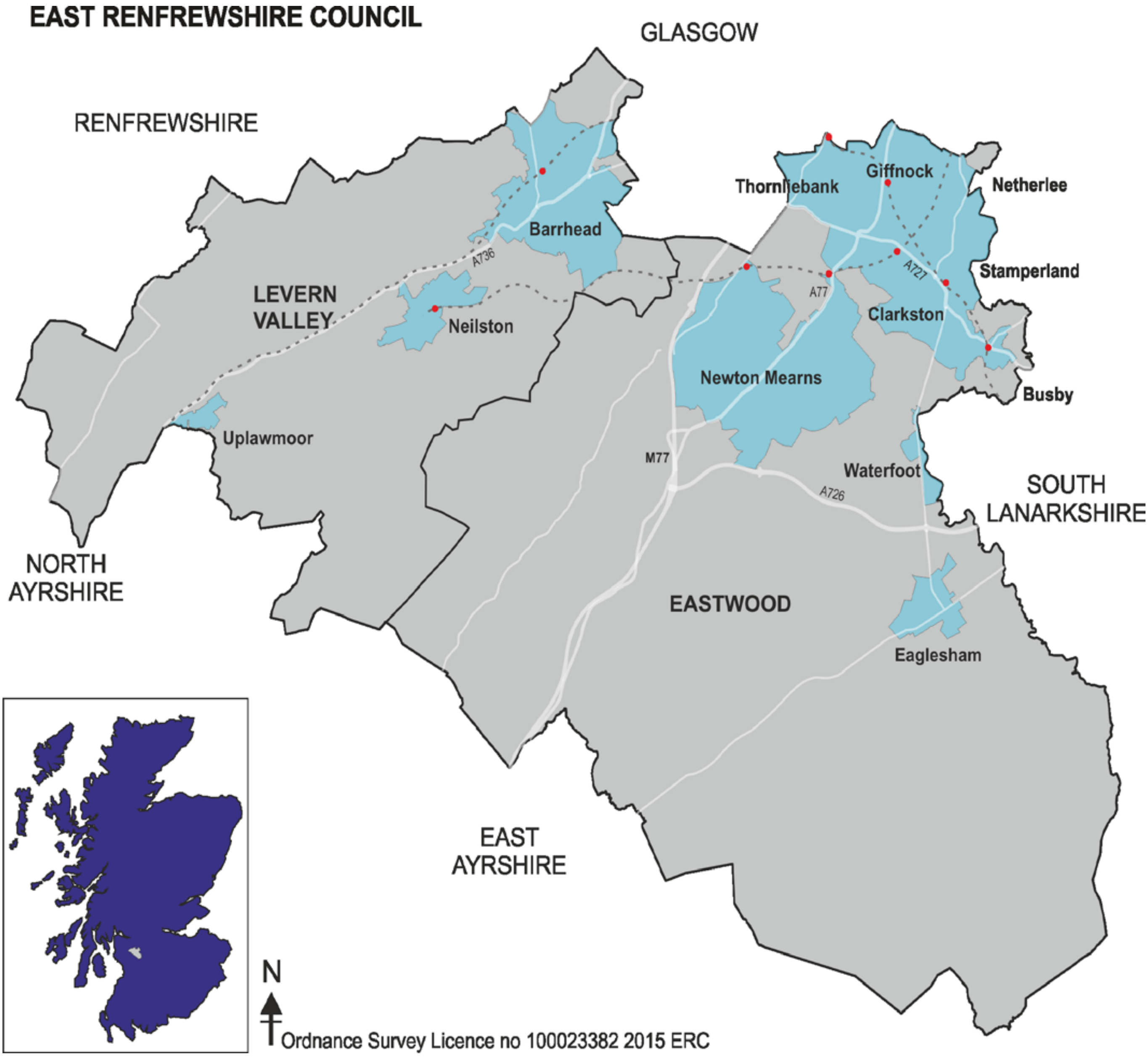
Pressured Area Status

Covering settlements in the Eastwood area of East Renfrewshire

Proposal for Renewal (August 2015)

Contents

Figure 1 – Map of Settlements within East Renfrewshire Council boundary



1. Introduction

Purpose

1.1. East Renfrewshire Council was the first local authority in Scotland to apply for and successfully obtain Pressured Area Status for the Eastwood area in 2005. This restriction was put in place for 5 years from 5th October 2005 until October 2010. Given pressure on the social rented housing stock had not changed significantly; an application was then successfully made to extend this restriction for a further 5 years (to cover the period up to October 2015).

1.2. The Pressured Area Designation (PAD) means that new tenants of the Council or RSLs who are subject to modernised tenancy terms and live within the designated area, would not be permitted to purchase the property in which they live through Right to Buy (RTB).

1.3. This proposal sets out the rationale and evidence for seeking to extend the designation of settlements in the Eastwood area of East Renfrewshire as "Pressured Areas", under the provisions of the Housing (Scotland) Act 2001. The proposal has been developed in line with the Statutory Guidance for Local Authorities on Pressured Areas[1].

1.4. To continue to safeguard the provision of social housing in the area we propose to renew Pressured Area Status for Eastwood for a further period until RTB is abolished in August 2016. ***This proposed renewal will cover the period between our current Pressured Area Status award expiring and abolition of RTB coming into force.***

1.5. The proposed extension will apply to the main settlements areas included in previous applications, covering the following housing management areas where social rented stock is located. **(Refer to Figure 1)**

Area 1- Eaglesham

Area 2 - Busby & Netherlee

Area 3 - Newton Mearns

Area 4 - Thornliebank & Giffnock

Statutory Provisions in relation to Pressured Area Status

1.6. The original provisions regarding Pressured Area Status were introduced by the Housing (Scotland) Act 2001. Revised provisions made by the Housing (Scotland) Act 2010, extended the maximum period a designation can be made for from 5 years to 10 years. This is not applicable as we are seeking permission to extend for a period until RTB is abolished completely on 1st August 2016.

1.7. Provision was also made for designating certain house types as 'pressured' within in a local authority boundary, removing the need for designation to be based simply around

[1] http://www.gov.scot/Topics/Built-Environment/Housing/16342/rtb/guidance

geographic pressures. We do not intend to make any changes to the geography covered by previous applications, or to introduce provision for certain house types to be considered as ‘pressured’.

1.8. Crucially, the 2010 Act also removed Scottish Ministers’ role in designating pressured areas and gave local authorities the power to make, amend and revoke pressured area designations. The power may be exercised if the authority considers that each of two conditions is met:

1. *The first is that, in the relevant part of the authority’s area, the need for housing provided by the authority or by Registered Social Landlord (RSLs) substantially exceeds (or is likely to exceed substantially) the amount of housing which is (or is likely to be) available;*

2. *The second condition is that the exercise of the right to buy (RTB) by tenants in the area is likely to worsen the situation.*

1.9. Elected Member approval was sought in 2005 and 2010 prior to submitting the PAD proposal to Scottish Ministers for consideration. Therefore the principle in relation to pressured area status has been established locally.

1.10. With this in mind, the evidence presented within this paper is considered to continue to satisfy the two conditions outlined, providing support for a further renewal of PAD for the settlements in Eastwood. The proposal for a further extension of PAD will therefore be submitted to the Council’s Cabinet for consideration and approval, following current Scottish Government guidance, in September 2015.

The Effect of Pressured Area Status

1.11. The effect of a pressured area designation is to suspend the RTB for the following tenants, in this case those living in the Eastwood settlement areas:

- *those who took out a new tenancy in the area on or after the introduction of the Scottish secure tenancy (SST) (30 September 2002);*
- *those with tenancies created before the introduction of the SST who did not before that date have a RTB entitlement - these will be principally tenants of RSLs with assured tenancies (except for those with a preserved RTB);*
- *all those who have succeeded, on or after the introduction of the SST, to tenancies created before its introduction irrespective of the terms on which they would be able to exercise their RTB entitlement in the absence of the pressured area designation.*

1.12. Generally, pressured area designations affect those tenants with a modernised RTB entitlement. However, further changes by Scottish Government mean that those who have become new tenants after 1 March 2011 have no entitlement to RTB and are therefore unaffected by pressured areas designations. Tenancies which began before September

2002 will continue to be able to purchase their property with the relevant discounts until RTB is abolished.

1.13. In our 2010 proposal, it was estimated that the Council had lost approximately 50% of its housing stock through the RTB legislation since 1980. 57% of stock was sold in the Eastwood area which historically has had lower levels of social rented housing than Levern Valley. Since then, a further 60 Council homes have been sold across the area, with 23 (38%) of these being sold in Eastwood.

1.14. At March 2015, the number of Council properties in Eastwood was equivalent to 35% of the total Council stock. With sales in Eastwood at 38% of all sales in the last 5 years, this illustrates that the attractiveness of RTB in Eastwood has not diminished, and despite the PAD being in place sales are keeping pace via tenants on the original RTB.

1.15. This in itself highlights the propensity for continued stock loss through RTB if PAD was not in place, and that by extending the current designation the Council will protect vital socially rented stock in order to meet housing needs in the area.

1.16. As illustrated in later sections, the relative pressure on the Eastwood settlements in terms of waiting list demand and turnover of stock in these areas has largely not diminished. Waiting list applicants looking for a socially rented home in the area face a continued challenge. Also, affordable alternatives in the private sector remain very limited, despite new Housing Association developments in the past 5 years at Greenlaw and Cherrybank, Newton Mearns, and Fenwick Road, Giffnock.

2. Profile of the East Renfrewshire Area

2.1. The unitary authority area of East Renfrewshire was created in April 1996, bringing together two very different areas of Eastwood and Levern Valley formerly part of Eastwood and Renfrew District Councils respectively.

2.2. Approximately two thirds of East Renfrewshire is rural farm land encompassing the villages of Neilston, Uplawmoor, Waterfoot and Eaglesham. The remaining area is made up of the mainly suburban residential areas of Thornliebank, Giffnock, Clarkston, Newton Mearns and the town of Barrhead. **Figure 1** illustrates the layout of the local authority area, the split between Eastwood and Levern Valley and proximity to surrounding local authority areas.

Housing Stock

2.3. Each area has its own distinct history and housing makeup, with Eastwood being part of the Greater Glasgow South Housing Sub Market Area, and Levern Valley part of the Renfrewshire Housing Sub Market Area (HSMA).

Table 1: Tenure of household by settlement area (%)

	Area	**East Renfrewshire Council (ERC)**	**Registered Social Landlord (RSL)**[2]	**Sold through Right to buy (RTB)**[3]	**Private rented sector PRS)**	**All Owner occupied (O/O)**
Levern Valley	Barrhead	19.2	11.6	20.1	6.8	62.4
	Neilston & Uplawmoor	16.9	2.5	12.3	4.4	76.1
Eastwood	Busby, Clarkston & Netherlee	4.1	0.4	2.7	3.0	92.5
	Eaglesham & Waterfoot	7.5	0.0	7.1	5.6	86.9
	Thornliebank & Giffnock	4.0	3.9	3.9	4.8	87.4
	Newton Mearns	3.0	1.7	2.2	6.5	88.8
	East Renfrewshire	**8.7**	**3.9**	**7.4**	**5.2**	**82.9**
	Scotland	***13.2***	***11.1***	***-***	***12.4***	***62.0***

[2] Of all RSL properties in East Renfrewshire, 100 are identified as Low Cost Home Ownership (LCHO), which includes those for sale or sold under shared equity or shared ownership schemes, Rent Off The Shelf (ROTS) and Mortgage to Rent (MTR), and therefore do not constitute part of the available stock for rent.

[3] Right to Buy (RTB) taken from the OHMS database and represents sales from 1998-94. This record is not complete but represents the best information we have on ex-Council properties.

2.4. East Renfrewshire is distinctive due to its very high levels of owner occupation (82%) – compared to 62% across Scotland[4] - and low levels of social rented housing provision (12%) and private renting (5%). In Eastwood, levels of owner occupation are considerably higher at almost 90% of all households. This presents considerable challenges for those seeking affordable housing, in particular for social or private rent in the local area.

2.5. East Renfrewshire has good transport links to Glasgow, including the M77, though weaker links between the two sides of the authority area. This, and its geographical proximity to the city, means that there is a high level of commuting[5], which has a major impact on housing demand. Eastwood historically has one of the highest levels of net out-commuting in the West of Scotland. Estimates in 1996 suggested that 22,300 people commuted out to work whilst 4,500 commuted into East Renfrewshire[6]. This profile has not changed significantly.

2.6. In contrast, although only 28% of all homes in the area are located in Levern Valley, two-thirds of the Council's properties are located here, accounting for 18% of all homes in the area. The opportunities to access affordable housing here are much greater – however this masks the fact that additional social rented homes are required, that some of the existing homes are not the size and type that people require, and that the current transport and other links between Levern Valley and Eastwood, do not allow people to move between areas easily.

Who lives in East Renfrewshire?

2.7. At 2013 National Records of Scotland (NRS) estimated that 91,500 live in East Renfrewshire: 74% in Eastwood and 26% in Levern Valley. The General Register Office for Scotland (GROS) projected the number of households in East Renfrewshire (2012 based) to be 37,575.

2.8. Families account for 57% of East Renfrewshire's households, and 30% of these have dependent children[7]. However, between 2012 and 2025 it is projected the number of single adult households will increase by 24% locally (over 2,700), with an increase also in single parent households of 26% (or an additional 529 households) and households with 2 or more adults increasing by 10% (1,047 households). Reductions in 2 parent households of 13% (or -1,194 households) are expected. This highlights the increasing number of smaller households forming which in turn impacts on the affordable housing supply.

2.9. Population and household projections are not available at present below local authority level. However, it is anticipated that the majority of the projected household increase in future years will take place within the Eastwood area.

[4] (Census, 2011)
[5] City Regions Summary Data Office of the Chief Economci Advisor, Scottish Government http://www.scotland.gov.uk/Resource/0046/00461497.pdf (October 2014)
[6] Scottish Homes, Local Housing system Analysis for East Renfrewshire (June 2000)
[7] Census 2011

3. Strategic Framework

3.1. This proposal for renewal of Pressured Areas Designation flows from the provisions of the Housing (Scotland) Act 2001, as updated in 2010. As with our original PAD application in 2005, this renewal is informed by the work of our Local Housing Strategy and critical outcomes it seeks to achieve in increasing affordable housing supply and making best use of existing housing stock.

3.2. In February 2011, the Scottish Government released ***Homes Fit for the 21st Century: The Scottish Governments Strategy and Action Plan for Housing in the Next Decade: 2011-2020*.** This sets out the Scottish Government's vision for housing for the decade. It focuses on providing affordable housing for all Scotland's people. The paper also seeks improvement in housing quality, so that everyone has a warm and comfortable home. It recognises the role that the housing system has to play in enhancing economic growth and social mobility, as well as strengthening our communities.

3.3. Locally and nationally, housing priorities are focussed on creating Social Justice for communities. The **Single Outcome Agreement (SOA)** approved by East Renfrewshire Community Planning Partnership details how the strategic vision will be realised locally. A key factor in fostering social justice includes good quality, affordable housing which is accessible and sustainable over time.

3.4. East Renfrewshire's **Local Housing Strategy** (**2012-2017)** strategic outcomes feed directly into the delivery of both the national and local outcomes identified in the SOA. The LHS also aligns with the **Local Development Plan** in estimating the local housing requirement over the short, medium and longer term. Both are informed by the findings of the **Housing Need and Demand Assessment (HNDA)**.

3.5. The findings of successive local and regional HNDAs, the latest completed this year, confirm that East Renfrewshire is a pressured housing market. The continued protection of the socially rented stock in the Eastwood area will make a key contribution to meeting more than one of our strategic housing outcomes.

3.6. The Council's **Strategic Housing Investment Plan (2015-2020)** outlines investment for the construction of new affordable housing and is aligned to the priorities set out in the LHS, ensuring resources are targeted appropriately. The primary priority is to invest in new social rented housing, particularly in Eastwood, where the shortage is greatest.

3.7. In future years, the annual development funding budget for East Renfrewshire is expected to decrease notably. This level of funding cannot develop housing in sufficient numbers to meet the extent of affordable housing need evidenced in the HNDA. This reinforces the need and obligation of the local authority to retain as many 'affordable' homes as possible in response to an evidenced and community felt housing problem.

4. Areas of Designation

4.1. The East Renfrewshire Housing Register (ERHR) was launched in November 2009. It is a common waiting list for applicants seeking a property from East Renfrewshire Council, Arklet or Barrhead Housing Associations, taking only one application form to apply. Each provider continues to allocate according to their own policy.

4.2. There are 19 Housing Management Areas covering all three providers stock (see Figure 2). An applicant to the ERHR can choose up to 10 of these areas however choices are not ranked and so it is not possible to order preferences. In response to this, a system of 'weighting' choices has been used to award each HMA a proportional choice value, based on each applicant's preferences.

Figure 2

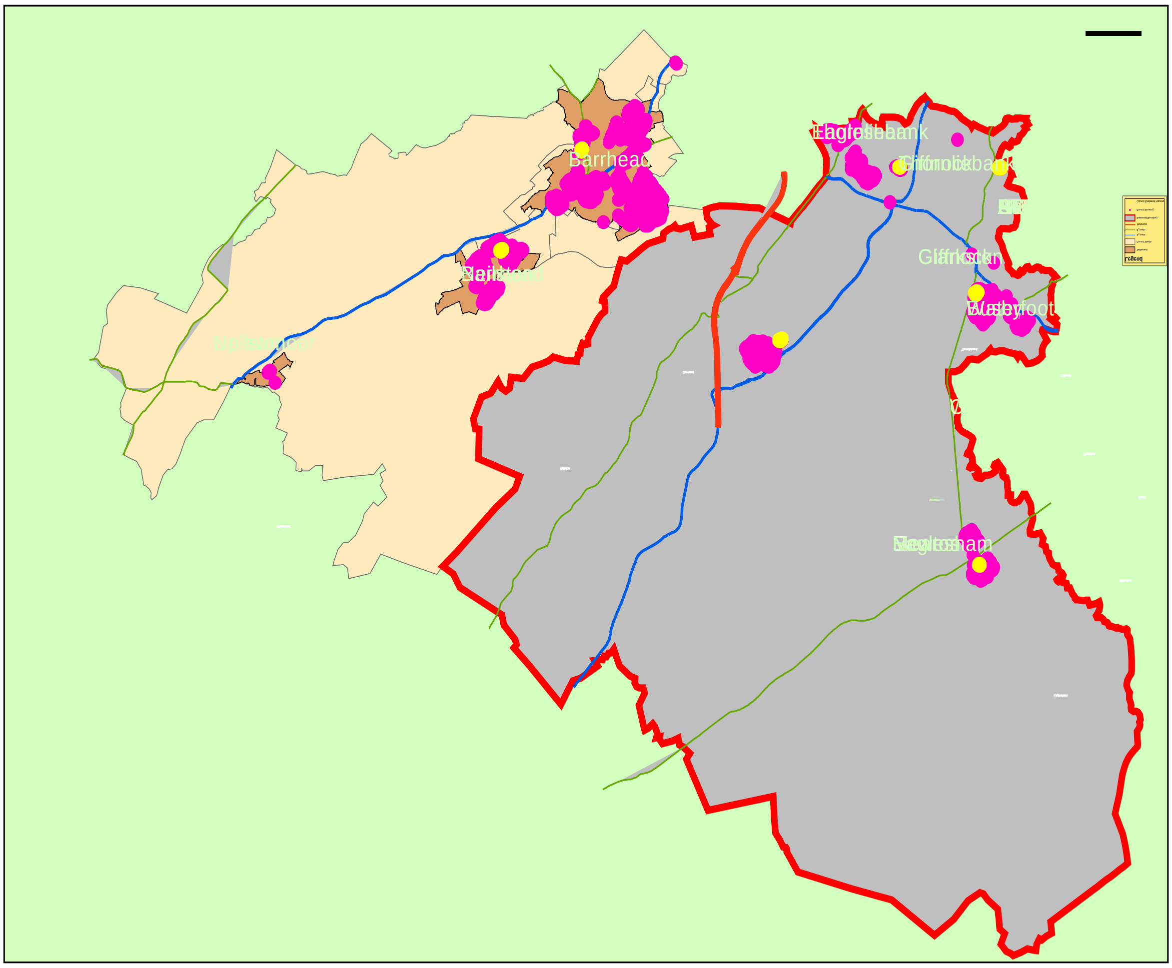
	Management /Letting Area
Barrhead South	Auchenback (Upper)
	Auchenback (Lower)
	Auchenback (Central)
	Cowan Park
Barrhead Central	Tait
	Centre
	Levern
	Craigheads
Barrhead West	Gateside
	Bellfield
Barrhead North	Waulkmill
	Crossmill
Neilston	Glen
	Neilston South
	Neilston North
Eastwood	**Thornliebank and Giffnock**
	Newton Mearns
	Busby and Netherlee
	Eaglesham

4.3. Analysis of the preference patterns of applicants on East Renfrewshire Council's waiting list provides a snapshot of demand for each of the HMA's in East Renfrewshire. As a number of applicants choose areas in both housing sub-market area's (HSMA's) it allows us to compare the level of pressure created by applicant demand in Eastwood, as well as between Eastwood and Levern Valley too.

4.4. The analysis of applicants' areas of choice at housing management area level has been undertaken across the East Renfrewshire area, but subsequent analysis within this proposal focuses on the 4 settlement areas in Eastwood currently subject to the PAD:

- Thornliebank & Giffncok;
- Newton Mearns;
- Busby & Netherlee; and
- Eaglesham.

4.5. In terms of geography, the area is quite large, but the actual stock affected by designation is small. In the map below, the red line encircles the area known as Eastwood. The pink areas represent the location of social rented stock affected by the proposal, with the yellow areas being sheltered housing stock.



4.6. The map and Table 1 (above) highlight the fact that there is a much greater concentration of socially rented stock in the Levern Valley than in Eastwood. This in part contributes to it being a pressured area. This does not detract from the additional social rented housing also required in Levern Valley, though based on the technical criteria to be satisfied for PAD, Levern Valley settlements are not included in this proposal.

5. Settlement Area Profiles

5.1. East Renfrewshire has a number of characteristics that distinguish it from the rest of Scotland in some ways and highlight the housing needs pressures it faced. It has an ageing population, with one of the highest proportions of over 60s in the country. There is also a very high rate of owner occupation, small private and social rented sector (see Table 2), and some of the highest income levels in Scotland.

Table 2: All dwellings by tenure by housing sub-market area (HSMA)

Tenure	Eastwood		Levern Valley		East Renfrewshire		Scotland[8]
Council Rented	1,046	**3.9**	1,959	**18.5**	3,005	**8.0**	**13%**
Registered Social Landlord (RSL)	437	**1.6**	1,019	**9.6**	1,456	**3.9**	**11%**
Sold under Right to Buy (RTB)	853	**3.2**	1,941	**18.3**	2,799	**7.4**	**-**
Private Rented (PRS)	1,480	**5.5**	702	**6.6**	2,182	**5.8**	**14%**
Owner Occupied	23,196	**85.9**	4,989	**47.0**	28,180	**74.9**	**62%**
Total	27,012	**100.0**	10,610	**100.0**	37,622	**100.0**	**100%**

5.2. The performance and reputation of schools is considered to be a strong pull factor for households wishing to settle in East Renfrewshire as it has three of the top ten performing secondary schools in Scotland.

5.3. The general perception of affluence in East Renfrewshire does hide pockets of deprivation with some areas of disadvantage and deprivation among the worst 10% and 25% in Scotland, including Thornliebank, Newton Mearns, Barrhead and Neilston. This can mask the how unaffordable certain housing options can be to some households, and this mix of limited options and a shortage of social rented homes places significant pressure on the housing stock.

5.4. The following settlement area profiles highlight the character of the settlements within the Eastwood, all of which are recognised as particular communities. These profiles have been compiled using data taken from 2011 Census, National Records of Scotland (NRS) and 'CACI paycheck' income data, and are used to inform our work on HNDA and planning for new housing development.

[8] Census, 2011

Eastwood housing sub-market area (HSMA)

Thornliebank & Giffnock

5.5. The Thornliebank & Giffnock area lies at the central northern tip of the local authority area. Giffnock is a large outer suburb of the Glasgow conurbation, whilst Thornliebank borders the Glasgow communities of Darnley and Kennishead to the west.

5.6. At 2012, National Records of Scotland (NRS) estimated 16,333 people were living in this area. The age breakdown is similar to that of East Renfrewshire as a strong proportion of younger age groups, but a general ageing of the population profile with one in five people now aged 65 and over.

5.7. Thornliebank & Giffnock has 6,840 dwellings, accounting for 18% of all the total housing stock of East Renfrewshire. Of these, 87.5% are owner occupied households, 7.4% are rented from a social landlord and 5.1% are privately rented. A total of 92.0% of all dwellings in the area are within private ownership.

5.8. Socially rented stock is concentrated in Thornliebank with the only council housing in Giffnock comprising of a sheltered housing block and satellite amenity flats. There are a significant proportion of flatted properties in this area comprising 25% of all stock.

5.9. It is important to note the percentage of households with annual household incomes of under £10,000 (9.2%) and between £10,000 and £20,000 (19.8%). Thornliebank & Giffnock also has a significant proportion of households with income of under £30,000 (45.2%) which is important when looking at house prices in the area and the inaccessibility of the private market to a large proportion of the current population.

Table 3: Comparative Gross Household Income – Thornliebank & Giffnock (2013)

Income Level	Thornliebank & Giffnock	Eastwood	East Renfrewshire
Lower Quartile	£18,888	£20,714	£18,330
Median	£35,833	£39,166	£34,285
Upper Quartile	£60,000	£63,750	£58,750

Source: 'CACI Paycheck' Income Data (2013)

5.10. Table 3 above details the lower quartile (bottom 25%), median (average) and upper quartile (highest 25%) of gross household annual incomes, using the most up to date 'CACI Paycheck' income data. This shows that incomes in each range for this settlement, although slightly higher than for East Renfrewshire as a whole, were lower than for the Eastwood area overall.

Newton Mearns

5.11. Newton Mearns lies in the centre of the local authority area. At its northern tip it meets the Glasgow communities of Darnley and Kennishead and is in close proximity to the M77 motorway attracting a significant commuter population.

5.12. This is the largest settlement area in East Renfrewshire, with NRS estimating a population of 25,061 in 2012. The age breakdown is similar to that of East Renfrewshire as a whole however the population is slightly younger than other settlements with 22.0% of the population under 16 years of age.

5.13. Newton Mearns has 9,906 dwellings, accounting for 26% of all homes in East Renfrewshire. Of these, 64.9% are owner occupied households, 4.8% are rented from a social landlord and 6.9% are privately rented. This is the largest concentration of private rented properties of the East Renfrewshire settlement areas, though a good proportion of this caters to the more affluent/ luxury end of the market.

5.14. The percentage of households with annual household incomes of under £10,000 (6.4%) and between £10,000 and £20,000 (14.4%) is lower than other settlements locally. Around 24% of households have an income of under £30,000 which is important when looking at house prices in the area and the inaccessibility of the private market to a large proportion of the current population.

Table 4: Comparative Gross Household income – Newton Mearns (2013)

Income Level	Newton Mearns	Eastwood	East Renfrewshire
Lower Quartile	£22,857	£20,714	£18,330
Median	£43,333	£39,166	£34,285
Upper Quartile	£71,666	£63,750	£58,750

Source: 'CACI Paycheck' Income Data (2013)

5.15. Table 4 above details the lower quartile, median and upper quartile gross household annual incomes using CAC Paycheck data. This shows that at each income level, the incomes of households in Newton Mearns are above average for Eastwood and East Renfrewshire as a whole.

Busby, Clarkston & Netherlee

5.16. The Busby, Netherlee & Clarkston area is the north-eastern quarter of the local authority. It borders Muirend and south Glasgow to the north and the White Cart Water and the Kittoch water rivers provide a natural border to the east, beyond which are South Lanarkshire settlements.

5.17. As at 2012, NRS estimated 20,965 people were living in this area. The age breakdown is similar to that of East Renfrewshire as a whole though again the population is slightly younger than other settlements with 22.3% under 16 years of age.

5.18. The area has an estimated 8,264 dwellings, accounting for 22% of all homes in East Renfrewshire. Of these, 91.8% are owner occupied households, 4.4% are rented from a social landlord and 0.81% are privately rented. Broadly the settlement stock profile is similar to the Eastwood sub-housing market area although it has fewer social and private rented homes and a slightly higher level of owner occupation.

5.19. The percentage of household with annual household incomes of under £10,000 (8.0%) and between £10,000 and £20,000 (18.3%) – similar to Thornliebank & Giffnock. There is however also a significant proportion of households with income of under £30,000 (41.8%) , which is below the average income level for the East Renfrewshire area. This has a bearing on the affordability of housing, especially for younger households with more limited incomes and access to deposits.

Table 5: Comparative Gross Household income – Busby, Clarkston & Netherlee (2013)

Income Level	Busby, Clarkston & Netherlee	Eastwood	East Renfrewshire
Lower Quartile	£19,444	£20,714	£18,330
Median	£36,666	£39,166	£34,285
Upper Quartile	£60,000	£63,750	£58,750

Source: 'CACI Paycheck' Income Data (2013)

5.20. Table 5 above details the lower quartile, median and upper quartile gross household annual incomes using CAC Paycheck data. This shows incomes are below average for Eastwood, but just slightly above the East Renfrewshire levels.

Eaglesham & Waterfoot

5.21. Eaglesham & Waterfoot lies at the south-eastern corner of the local authority area and Eastwood SHMA. Eaglesham is a conservation village, which lies approximately 9 miles south of Glasgow city centre making it the most southerly settlement in East Renfrewshire.

5.22. At 2012, NRS estimated 4,664 people were living in this settlement area, making it the smallest in terms of population. The age breakdown is similar to that of East Renfrewshire as a whole.

5.23. Eaglesham & Waterfoot is also the smallest area in terms of residential housing stock with an estimated 2,004 dwellings - accounting for only 5.3% of all homes in East Renfrewshire.

5.24. The stock profile is quite different to the overall Eastwood HSMA having a larger profile of council housing (7.5%) and a smaller owner occupied sector (85.7%). This private rented sector is also one of the largest of any settlement across East Renfrewshire.

5.25. The percentage of household on low annual household incomes of under £10,000 (8.6%) and between £10,000 and £20,000 (18.7%) is similar to other settlements, except Newton Mearns. The proportion of households with income under £30,000 (42.7%) is also important when looking at house prices in the area and the inaccessibility of the private market..

Table 6: Comparative Gross Household income – Eaglesham & Waterfoot (2013)

Income Level	Eaglesham & Waterfoot	Eastwood	East Renfrewshire
Lower Quartile	£19,998	£20,714	£18,330
Median	£35,750	£39,166	£34,285
Upper Quartile	£58,750	£63,750	£58,750

Source: 'CACI Paycheck' Income Data (2013)

5.26. Table 6 above details the lower quartile, median and upper quartile gross household annual incomes using CAC Paycheck data. This shows that household incomes for this area, although slightly higher than for East Renfrewshire as a whole, were still lower than for Eastwood.

Comparison across Eastwood and Levern Valley (HSMA)

5.27. A short comparison between the Eastwood settlements covered by the PAD and other settlements in East Renfrewshire (located in Levern Valley) – highlights some of the pressures faced in accessing social rented and other affordable homes in the area the PAD covers.

5.28. As at 2012, NRS estimated 24,007 people were living in Levern Valley, compared to around 67,000 in Eastwood.

5.29. Although a relatively small geographical area, there are nearly 10,636 dwellings, accounting for 28% of all the total housing stock of East Renfrewshire. Conversely though around 67% of all social rented housing is located Levern Valley.

5.30. The percentage of households with annual household incomes of under £10,000 (17%) and between £10,000 to £20,000 (27%) is significantly higher than in Eastwood. Barrhead also has a significant proportion of households with income of under £30,000 (62%).

Table 7: Comparative Gross Household Income Eastwood and Levern Valley (2013)

Income Level	Eastwood	Levern Valley	East Renfrewshire
Lower Quartile	£20,714	£13,571	£18,330
Median	£39,166	£25,000	£34,285
Upper Quartile	£63,750	£44,000	£58,750

Source: CACI Income Data 2013

5.31. Table 7 above details the lower quartile, median and upper quartile gross household annual incomes using 'CACI Paycheck' income data. This shows that lower and upper quartile household incomes for this settlement are significantly lower than for East Renfrewshire as a whole.

6. Social Rented Housing Stock

Registered Social Landlords (RSL's)

6.1. The social rented sector in East Renfrewshire consists of East Renfrewshire Council and nine Registered Social Landlords (RSLs). The Registered Social Landlords in the area have a combined stock of 1,456 units in East Renfrewshire with more than half of these situated in the Levern Valley SHMA (64.1%).

6.2. The majority of the housing provided by the Council and Barrhead Housing Association (BHA) is situated in the Levern Valley. Much of the housing provided by the other Associations is targeted accommodation for older people and is situated across the Levern Valley and Eastwood areas.

6.3. As indicated in Table 2 earlier, there are 437 housing association properties in Eastwood, compared to 1019 in Levern Valley. The majority of Housing Associations with stock in the Eastwood area have sheltered or very sheltered housing complexes, or amenity homes which are exempt from RTB. Those Housing Associations with mainstream housing stock are registered as charities and so their stock is currently exempt from RTB.

6.4. The housing association properties in the Levern Valley SHMA comprise largely of mainstream homes for rent, with a small amount of sheltered and amenity housing. Barrhead Housing Association applied successfully in 2012 for a further 10 year period period of exemption from RTB for tenancies in Barrhead and Neilston with the modernised RTB terms. This was in recognition of the pressures on the social rented and affordable housing supply across East Renfrewshire, and the need to safeguard existing stock.

East Renfrewshire Council

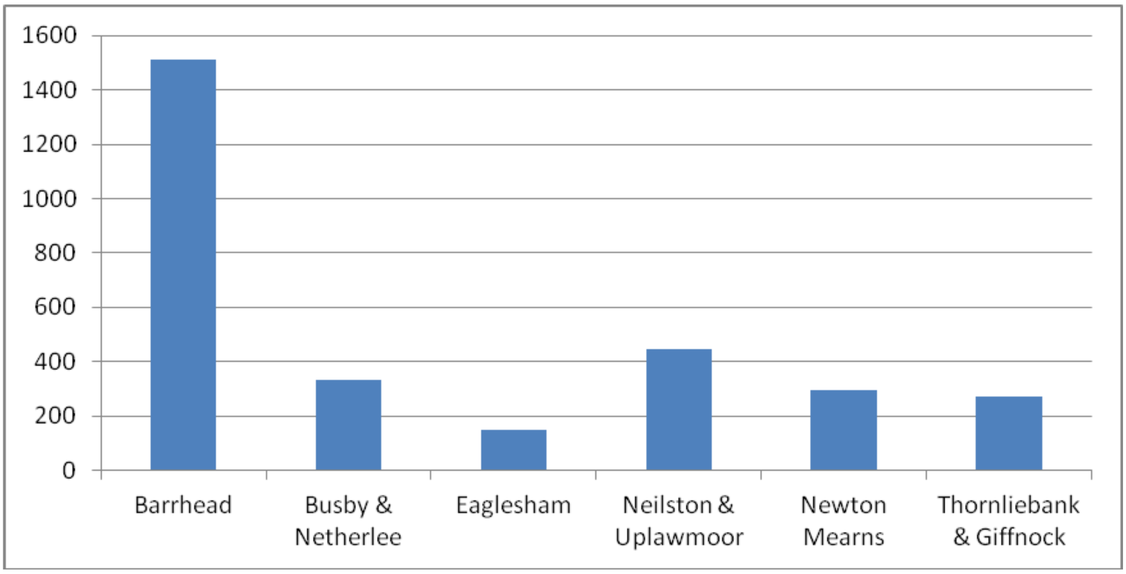
6.5. East Renfrewshire Council is the largest provider of socially rented housing in East Renfrewshire with 3,005 properties as at March 31st 2015; 1,959 (65.2%) of these are in the Levern Valley with 1,046 (34.8%) in Eastwood. Some 173 properties in Eastwood are sheltered flats leaving 873 subject to RTB. Only 71 properties in the Levern Valley are sheltered flats leaving 1,888 subject to RTB.

6.6. The chart below (Chart 1) shows the distribution of council housing stock, minus sheltered housing complexes, across East Renfrewshire. This demonstrates very low levels of socially rented stock, particularly within the Eastwood settlements.

6.7. A modest increase in Council stock will be realised this year through the 7 newbuild Council homes for rent at Polnoon Street, Eaglesham, as well as a commitment to purchase up to 10 second hand properties to bring back into the Council rented stock.

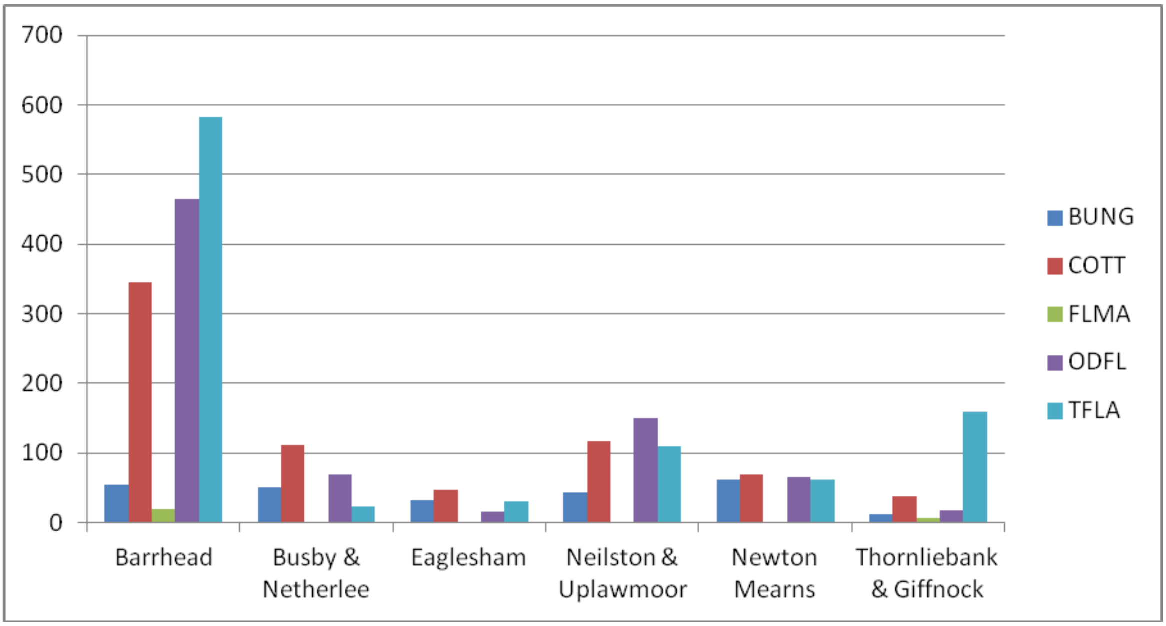
6.8. Further plans for additional social rented homes in both Eastwood and Levern Valley, as outlined in our Strategic Housing Investment Plan (2015-2020), will allow for more notable increases in stock levels. However, this will be in the medium to long term (up to 2025) given sites are tied into the development masterplans for Barrhead and Maidenhill.

Chart 1: East Renfrewshire council housing stock by settlement area, March 31st 2015



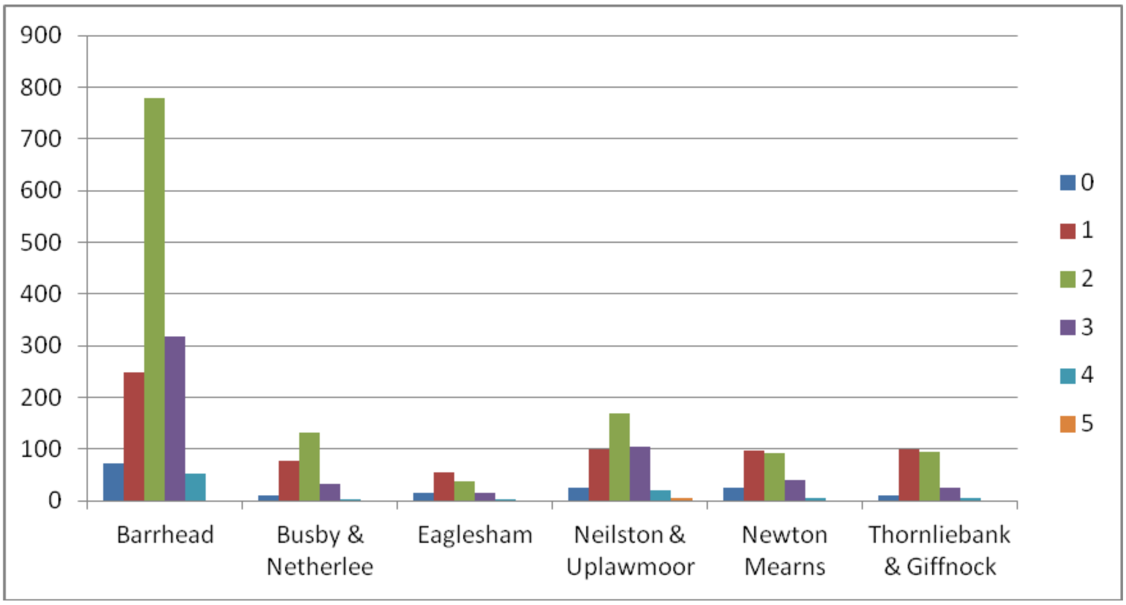
6.9. As can be seen in Chart 2 below, there are particularly low levels of houses in the Levern Valley housing sub-market area and the Thornliebank & Giffnock settlement area with flats being the predominant house type.

Chart 2: East Renfrewshire council housing stock by house type, March 31st 2015



6.10. The majority of the Levern Valley housing sub-market area stock is 2 or 3 bedroom properties with fewer smaller properties. In comparison the Eastwood housing stock is 1 or 2 bedroom properties with fewer larger properties (Chart 3). Analysis of RTB sales demonstrates that larger properties in more affluent area such as Eastwood were sold very quickly and in great numbers when the RTB was first introduced in the 1980s.

Chart 3: East Renfrewshire council housing stock by bed size, March 31st 2015



New affordable housing development

6.1. Our new build programmes for social housing cannot offset demand from those requiring socially rented housing and the numbers we continue to lose through RTB. In particular, the levels of development funding available , as well as available land have made affordable housing development a significant challenge, especially in Eastwood.

6.2. Land prices can be exceptionally high, and most land is in private ownership, meaning a reliance on developers bringing this forward before development can happen. The Council's SPG on affordable housing has been critical in securing new affordable housing on land that does come forward, since it came into force in 2006. Because of this, providing new social rented housing at an affordable rent poses difficulties for housing associations. Other options continue to be considered in terms of making land available through the Council's Asset Management Strategy but the council has very limited land holdings in Eastwood which could contribute to the development of social rented housing.

6.3. Table 8 (below) outlines the limited number of socially rented house completions in Eastwood and Levern Valley over the last 3 years. There have been peak years prior to this where a few bigger developments have been completed and the figures higher – however the general trend locally in recent years has been modest new completions given land and funding. A significant proportion of the additional social rented homes we secure locally are also *'off the shelf'* second hand purchases.

Table 8: New social rented housing completions

Year	Eastwood	Levern Valley	East Renfrewshire
2012-2013	0	16	16
2013-2014	16	0	16
2014-2015	0	0	0

7. Housing Need and Demand

Housing Need and Demand Assessments (HNDA)

7.1. Housing Need and Demand Assessments are required to inform the Local Housing Strategy and local planning for new housing. These must be carried out using guidance prescribed by the Scottish Government, and provide a very detailed evidence base.

7.2. The council commissioned Tribal Consulting Ltd in 2009, to conduct an HNDA using newly issued Scottish Government Guidance at that time. This estimated 244 new affordable homes required per annum, and reinforced previous assessments of East Renfrewshire as an area of significant pressure for social rented housing, particularly Eastwood. This informed the Glasgow and Clyde Valley HNDA published in 2011.

7.3. The analysis highlighted a significant number of households in need of social rented (or other affordable) housing living in overcrowded conditions, and younger people finding it difficult to start out in suitable housing of their own. Also a significant number of households who need to move to more suitable housing who are disabled or elderly.

7.4. The HNDA is refreshed every 5 years. The HNDA 2011 estimated unmet housing needs of over 200 per annum over 10 years across East Renfrewshire, with the bulk of this need (around 75%) in Eastwood. See Table 9.

Table 9 – HNDA (2011) Estimates of Unmet Need for Affordable Housing

Range – Net Housing Need (Per annum)	**2009/10 – 2015/16**	**2016/17 – 2019/20**
East Renfrewshire	255-298	206-238
Eastwood	225-258	182-207
Levern Valley	26-36	25-32

Source: GCV HNDA (2011)

7.5. The recently published HNDA 2015 uses new Scottish Government guidance (2014), which adopts a very different approach to estimating need than previously. This considers only the need for additional new units of housing, and does not quantify the needs of those currently living in unsuitable housing. However it still estimates that 70 units of new affordable housing are needed each year annum to meet needs – with our proposed LHS targets likely to be only around half that figure given funding and past completions.

7.6. The level of need identified continues to far exceed the number of homes becoming available for re-let and the new social rented homes that can be built. The LHS 2012-2017 set out a target of 150 additional homes over 5 years, a modest but realistic target which we are on course to meet, but which is much lower than estimated housing need.

7.7. This greatly affects waiting times for re-housing compared to other local authority areas and is particularly acute in the Eastwood area. Statutory responsibility for meeting the needs of homeless households puts significant additional pressure on this situation. This is looked at in more detail below.

Waiting List and Pressure Analysis

7.8. Detailed is also undertaken at housing management area to inform housing need and demonstrate the consistency of housing pressure within local settlements. The data used is from the Council's OHMS housing management system.

7.9. For the purposes of evidencing the PAD proposal, all socially renting tenants on the waiting list have been excluded from the analysis as they will free up a property for relet to someone else if they move. Households only applying for sheltered housing were also removed from consideration as these tenancies do not offer the RTB. In keeping with this, relets to transfer applicants and of sheltered properties have also been removed from consideration.

7.10. In terms of the integrity of the data used in this analysis, there is an annual rolling re-registration of waiting list applicants on the East Renfrewshire Housing Register. Reporting on stock, relets and so on is also carried out routinely and reported annually to Scottish Government.

Thornliebank & Giffnock

7.11. Since 2010, there have only been 77 re-lets in Thornliebank & Giffnock (excluding transfers) per financial year. This equates to just over 15 lets a year on average. Consistently high pressure on the housing stock is illustrated by the extremely high ratio of waiting list applicants to re-lets in this area. This has been around 62 to applicants to each relet on average over the last 5 years.

Table 10: Thornliebank & Giffnock supply and demand analysis

Year	Number of properties	RTB Sales	All Re-lets (including transfers)	Re-lets (excluding transfers & Sheltered)	Waiting List *	Ratio of waiting list to re-lets	Turnover
2010-11	274	3	19	15	879	58:1	6.9%
2011-12	272	2	9	9	822	91:1	3.3%
2012-13	271	1	21	14	827	59:1	7.7%
2013-14	271	-	18	17	1002	58:1	6.6%
2014-15	269	2	23	22	915	42:1	8.55%

**Transfers and Applicants only looking for sheltered housing are removed from waiting list detail.*

7.12. Turnover has been 7% on average per year from 2010 to 2015, based on relatively small numbers of relets and stock. The average turnover is 6.6%, much lower than the Scottish average of 9.1%.

7.13. In addition the council housing stock in Thornliebank & Giffnock has reduced overall by 5 properties between 2010 and 2015. This takes account of sales, acquisitions and other stock brought back into available supply for relet.

Newton Mearns

7.14. Since 2010, there have been only 79 re-lets in Newton Mearns (excluding transfer applicants) per financial year including 2013-14 when there were no re-lets at all. This equates to 16 lets a year on average, again demonstrating consistently high pressure on the housing stock by the extremely high ratio of waiting list applicants to re-lets. This has been around 48 applicants to each relet on average over the last 5 years.

7.15. Turnover has been 6% on average 2010-2015, again based on relatively small numbers of relets and stock, including an extraordinary year for relets in 2012/13 which inflated turnover figures.

7.16. The council housing stock in Newton Mearns has reduced by 9 properties between 2010 and 2015. This takes account of sales, acquisitions and other stock brought back into available supply for relet.

Table 11: Newton Mearns supply and demand analysis

Year	Number of properties	RTB Sales	Re-lets (including transfers)	Re-lets (excluding transfers & Sheltered)	Waiting List *	Ratio of waiting list to re-lets	Turnover
2010-11	303	-	24	20	891	44:1	8.0%
2011-12	301	2	18	18	869	48:1	5.9%
2012-13	299	1	31	28	927	33:1	10.3%
2013-14	296	3	-	-	942	-	-
2014-15	294	2	13	13	881	68:1	4.4%

**Transfers and Applicants only looking for sheltered housing are removed from waiting list detail*

Busby & Netherlee

7.17. Since 2010, there have only been 55 re-lets in Busby, Clarkston & Netherlee (excluding transfer applicants) per financial year including an exceptional year in 2012-13 when there was 23 re-lets. This equates to 11 lets a year on average demonstrating consistently high pressure on the housing stock by the extremely high ratio of waiting list applicants to re-lets. This has been 83 applicants on average to every property let.

7.18. Turnover has been 4% on average from 2010-2015, based on very small numbers of relets and stock.

7.19. The council housing stock in Busby, Clarkston & Netherlee has reduced by 4 properties between 2010 and 2015.

Table 12: Busby & Netherlee supply and demand analysis

Year	Number of properties	RTB Sales	Re-lets (including transfers)	Re-lets (excluding transfers & Sheltered)	Waiting List *	Ratio of waiting list to re-lets	Turnover
2010-11	336	1	12	10	727	72:1	4.0%
2011-12	336	-	9	6	720	120:1	2.7%
2012-13	335	1	28	23	705	30:1	8.3%
2013-14	332	3	6	6	748	124:1	1.8%
2014-15	332	-	11	10	708	71:1	3.3%

**Transfers and Applicants only looking for sheltered housing are removed from waiting list detail*

Eaglesham

7.20. Since 2010, there have only been 29 re-lets in Eaglesham & Waterfoot (excluding transfer applicants) including 2012-13 when there was no re-lets. This equates to 6 lets a year on average demonstrating consistently high pressure on the housing stock by the extremely high ratio of waiting list applicants to re-lets. This equates to 76 applicants for every re-let in this area.

7.21. Turnover has been 3% on average per annum from 2010-2015. Very low stock numbers and minimal relets compared to the East Renfrewshire average, as well as a relatively settled population contribute to this.

7.22. The council housing stock in Eaglesham & Waterfoot has reduced by only 1 property between 2010 and 2015.

Table 17: Eaglesham supply and demand analysis

Year	Number of properties	RTB Sales	Re-lets (including transfers)	Re-lets (excluding transfers & Sheltered)	Waiting List*	Ratio of waiting list to re-lets	Turnover
2010-11	151	-	8	7	512	73:1	-
2011-12	150	1	11	9	496	55:1	7.3%
2012-13	150	-	-	-	526	-	-
2013-14	150	-	5	5	559	111:1	3.3%
2014-15	150	-	8	8	529	66:1	5.3%

**Transfers and Applicants only looking for sheltered housing are removed from waiting list detail*

East Renfrewshire Comparison

Table 18 gives detail of supply and demand pressures at the East Renfrewshire level. This provides the opportunity to view how the figures for each of the settlements above compare to the averages for the Council area, and compare to Scotland wide figures.

7.23. Since 2010, there have been 221 re-lets on average per year across East Renfrewshire (excluding transfer applicants). This represents turnover of around 7% on average – most of the Eastwood settlements' turnover is much lower than this, the highest Newton Mearns being on par.

7.24. There is high pressure on the housing stock across East Renfrewshire, demonstrated by the high ratio of waiting list applicants to re-lets. From 2010 to 2015, the ratio has been at the lowest 8 people in the waiting list for each re-let, around the Scottish average – but this masks the very high number of applicants per let for Eastwood settlements, the lowest being 48 applicants per let in Newton Mearns and highest 83 in Busby & Netherlee.

7.25. The council housing stock in East Renfrewshire has reduced by 46 properties between 2010 and 2015, even with a small number of acquisitions.

Table 18: East Renfrewshire supply and demand analysis (& Scotland comparison)

								Scotland**	
Year	Number of properties	RTB Sales	Re-lets (including transfers)	Re-lets (excluding transfers & Sheltered)	Waiting List *	Ratio of waiting list to re-lets	Turnover	**Ratio of waiting list to re-lets**	**Turnover**
2010-11	3,049	13	219	185	1,660	8:1	7.2%	**8:1**	**-**
2011-12	3,036	13	225	182	1,972	10.1	7.3%	**7:1**	**9.2%**
2012-13	3,027	9	237	196	1,656	8:1	7.8%	**7:1**	**9.8%**
2013-14	3,011	16	229	184	1,742	9:1	7.6%	**8:1**	**8.3%**
2014-15	3,003	8	196	174	1592	9.1	6.5%	*Not Available*	*Not Available*

**Transfers and Applicants only looking for sheltered housing are removed from waiting list detail*

*** Scotland averages taken from Scottish Government Social Sector Housing Statistics (http://www.gov.scot/Topics/Statistics/Browse/Housing-Regeneration/HSfS/socialtables)*

7.26. Despite the varying levels of growth in pressure in each area over the last 5 years, it is clear that the pressure on the social rented stock in Eastwood remains in favour of PAD continuing.

Homelessness

7.27. The impact of the national 2012 target for abolition of priority need for homeless people has placed more pressure on an already strained service. In 2014/15, some 61% of properties becoming let have been allocated to homeless applicants so far (this accounts for 84% of lets if sheltered housing is excluded). This is a 14% increase on 2013/14 and a 43% increase on 2001/02 (Table 19 below).

Table 19: Numbers of properties being let to homeless applicants

Year	Total Lets	Homeless Lets	
		No.	%
2001/02	303	55	18
2006/07	284	103	36
2013/14	266	126	47
2014/15	232	142	61

Source: AVD Homeless Case Management System

7.28. The council has also experienced an increase in homeless applications of 38.4% from 2011/12 – 2013/14, at a time when homeless presentations are reducing nationally.

7.29. Table 20 outlines the comparative demand by the housing sub-market area (HSMA) of last accommodation. The proportion of homeless applicants from Eastwood SHMA has steadily increased, showing the changing profile of homelessness in East Renfrewshire. In fact, in 2013/14 there was almost an equal split in homeless presentations from Eastwood and Levern Valley. This reflects the economic climate with presentations from people unable to sustain their home or employment who would not normally use the service, as well as an increase in presentations from the Private Rented Sector.

Table 20: Homeless presentations from ER residents by SHMA

Year	Applicants Eastwood %	Applicants Levern Valley %	Total Applicants
2009/10	23	77	264
2010/11	17	83	246
2011/12	22	78	215
2012/13	33	68	234
2013/14	45	55	269

Source: AVD Homeless Case Management System

7.30. The split between Eastwood and Levern Valley does not fit with the level of supply. Therefore many of the applicants in Eastwood were not able to be re-housed in Eastwood due to the shortage of suitable vacancies.

7.31. Some 70% of the population live in Eastwood, but only 5% of homes in Eastwood are for social rent and the bulk is sheltered housing. Some 70% of homes owned by the Council and RSLs are conversely located in Levern Valley. Much of the stock is also flats or of the wrong size for those waiting.

7.32. Homeless applicants and those awarded a special case status e.g., people needing to move due to complex housing and support needs are prioritised for re-housing. However, low numbers of 1 bedroom and suitably adapted homes mean that there have been over 30 people at a time living in temporary accommodation, awaiting a suitable offer.

Applicant Area Choice

7.33. Pressure is extremely high across the Eastwood area. This pressure is higher than in East Renfrewshire as a whole and is much greater than in Scotland. These findings are reinforced by analysis at regional (HNDA) and local level (LHS).

7.34. There is a perception that people in housing need are more likely to apply to areas where they think there is more chance of them getting a housing solution. Therefore they may be more likely to apply to area with more stock and higher turnover. However, Housing Management Area (HMA) analysis demonstrates that the greatest pressure continues to be found in the Eastwood settlement areas.

7.35. While applicants now broaden their choices across East Renfrewshire more widely than in the past, there is still a significant amount of containment of applicants to the areas they currently reside (i.e. Eastwood or Levern Valley). This reflects the need to be at a reasonable distance to school, employment, family and support networks and limitations on transport and other links between the two areas.

7.36. There are 19 Housing Management Areas covering all three providers stock (see Figure 2). An applicant to the ERHR can choose up to 10 of these areas however choices are not ranked and so it is not possible to order preferences. In response to this, a system of 'weighting' choices has been used to award each HMA a proportional choice value, based on each applicant's preferences. The results are given in Chart 4 below.

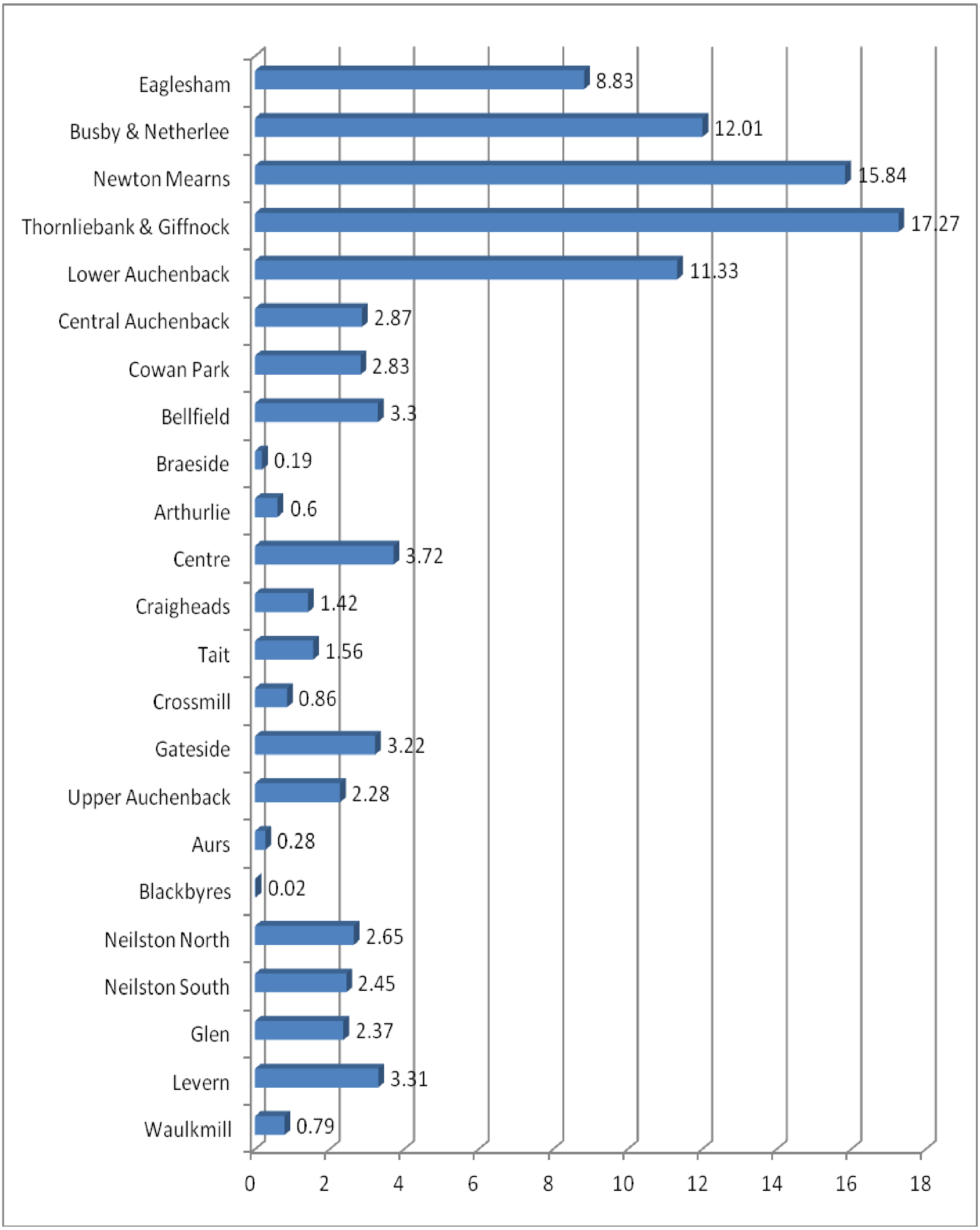
7.37. This shows that 54% of applicant choice is weighted towards Eastwood, despite the lower levels of social rented stock here. On average, each settlement area in Eastwood accounts for 13.5% of applicant choice, compared to 2.4% for the HMAs in Levern Valley.

7.38. This analysis demonstrates that the need for socially rented housing in the area is substantially in excess of socially rented provision. This is considered to fulfil the first criteria for PAD, as set out in the Housing (Scotland) Act 2010:

<u>PAD Criteria 1</u>

In the relevant part of the authority's area, the need for housing provided by the authority or by Registered Social Landlord (RSLs) substantially exceeds (or is likely to exceed substantially) the amount of housing which is (or is likely to be) available;

Chart 4: Applicant choice of areas 'weighted' (% share of choices) (Results 2015)



8. Right to Buy Sales

8.1. As is the case in most local authorities, there are no accurate records of right to buy (RTB) sales held locally since 1980. Therefore, RTB data is taken from the OHMS Housing Management System and represents sales from 1998 to the current year and represents the best information we have on ex-Council properties.

8.2. Since the introduction of right to buy (RTB) in 1980 East Renfrewshire Council has sold significant levels of its stock. As at 1st April 2014, it was estimated that 2,799 properties of all stock had been sold under the right to buy. This equates to about 50% of council stock, with one third of them being within the Eastwood housing sub-market area[9].

8.3. RTB sales across Eastwood have been variable but equate to 40 sales per year on average since 1998. However in the last 5 years, the average number of sales per year has been 6. Levern Valley was similar with 38 sales per year on average, reducing to 7 sales per year since 2010. This in part reflects the reduction in Council stock available to buy, and also that the economic climate has been less favourable to purchasers in recent years.

Chart 5: RTB Sales in east Renfrewshire by HSMA

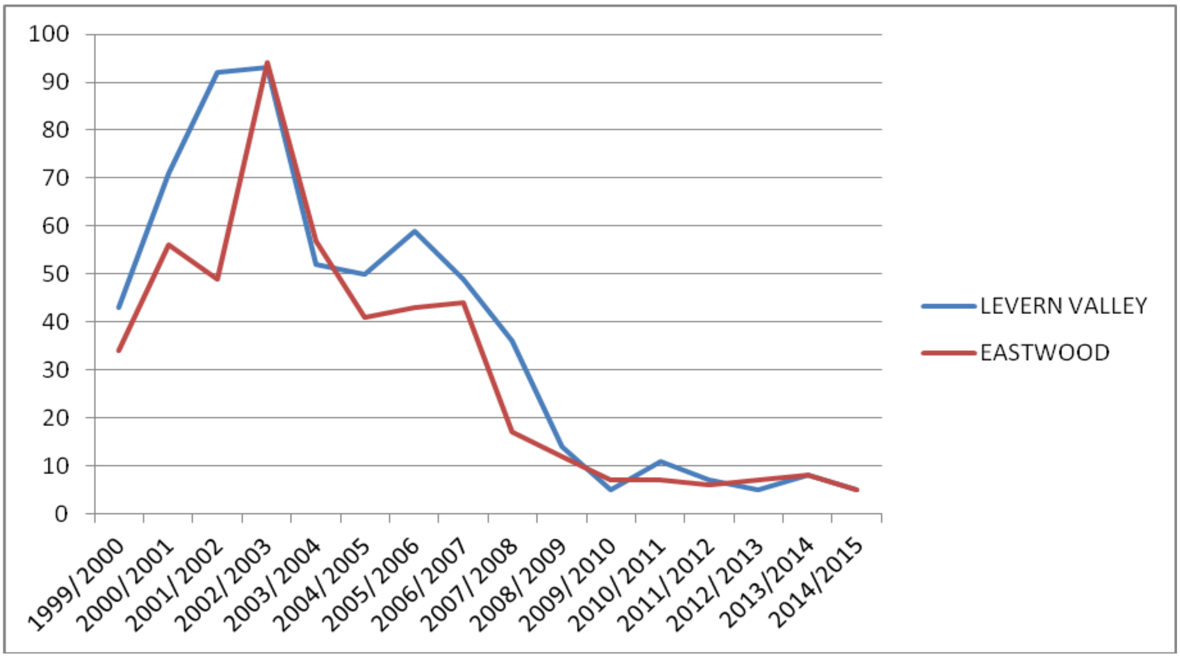


Table 21: Recent RTB Sales in East Renfrewshire and by settlement

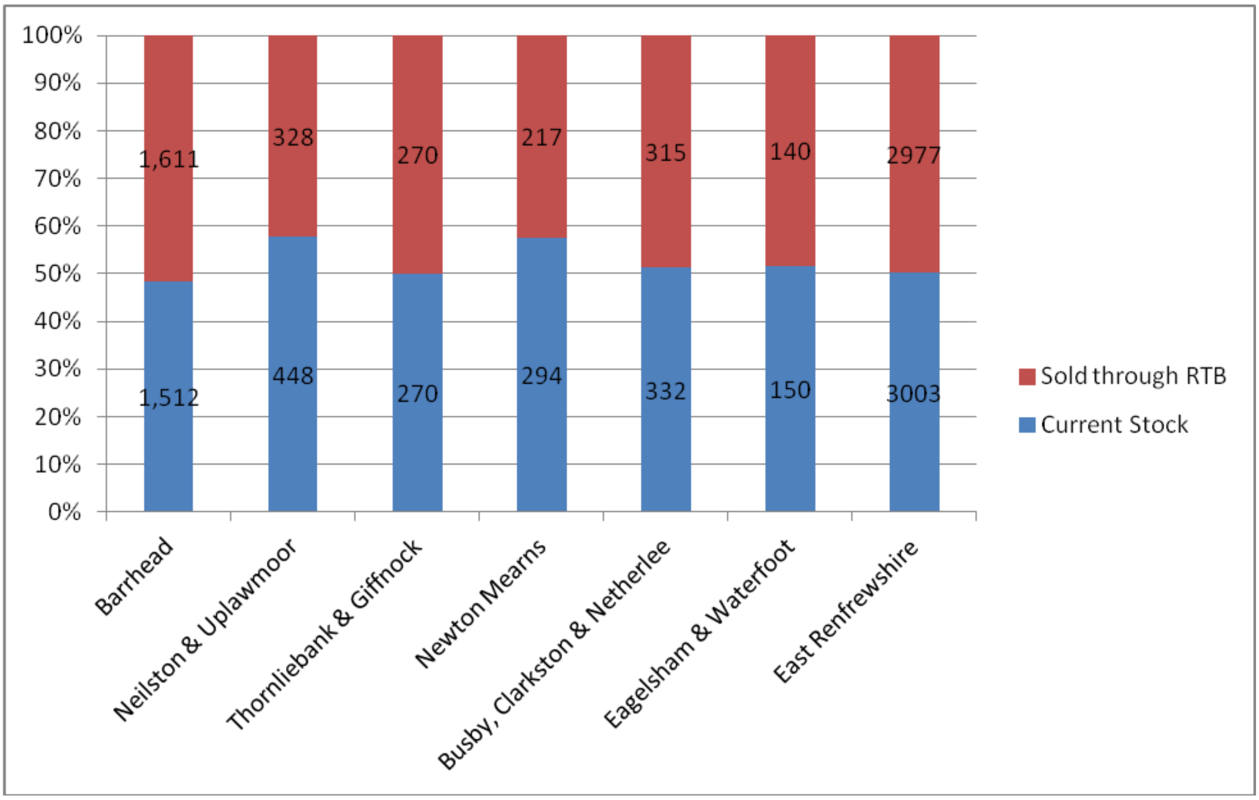
	All Sales (ERC)	Levern Valley	Eastwood		Thornliebank & Giffnock	Newton Mearns	Busby & Netherlee	Eaglesham
2010/11	13	9	4		3	0	1	0
2011/12	13	8	5		2	2	0	1
2012/13	9	5	4		1	2	1	0
2013/14	16	10	6		0	3	3	0
2014/15	9	5	4		2	2	0	0

[9] Right to Buy (RTB) taken from the OHMS database and represents sales since 1998. This record is not complete in terms of sales before then (which are included in the owner-occupied total), but represents the best information available on ex-Council properties

Impact of right to buy sales

8.4. Chart 6 below demonstrates that take-up of the RTB has been strong within each settlement across East Renfrewshire, in particular Barrhead. This is despite PAD which has resulted in far lower sales within the Eastwood housing sub-market area in recent years, but with tenants on the 'old RTB' choosing to continue to exercise their right.

Chart 6: RTB Sales in East Renfrewshire by settlement area



Rate of sales

8.5. The number of RTB sales is important to assess the impact of the RTB on the level of stock overall, but the rate of sale is a better indicator of the impact on the stock at particular points in time.

8.6. Table 22 (below) illustrates the rate of sale calculated for each settlement and for East Renfrewshire as a whole by taking the number of RTB sales in one year (financial year) and calculating this as a percentage of the stock level at the beginning of that financial year.

8.7. This illustrates the differing rate of sales within the settlements of East Renfrewshire since 2000-2001. The sales rates within the Eastwood settlements are still relatively high compared to Levern Valley and East Renfrewshire as a whole.

Table 22: Rate of sales by settlement and East Renfrewshire 2000-2015

Year	Eaglesham & Waterfoot	Thornliebank & Giffnock	Busby, Clarkston & Netherlee	Newton Mearns	Barrhead	Neilston & uplawmoor	East Renfrewshire
2000-2001	3.5	4.8	3.7	4.5	2.8	4.0	**6.3**
2001-2002	3.7	4.4	2.6	4.7	3.9	4.7	**6.6**
2002-2003	8.4	9.2	8.4	4.9	4.3	4.0	**8.2**
2003-2004	8.6	4.4	4.0	4.3	2.2	2.9	**4.4**
2004-2005	7.5	1.8	4.4	2.0	2.6	1.3	**3.5**
2005-2006	4.8	6.3	1.7	3.6	3.0	2.2	**3.8**
2006-2007	6.5	3.0	2.9	5.1	2.3	2.7	**3.3**
2007-2008	2.1	2.2	1.2	1.3	1.9	1.6	**1.8**
2008-2009	0.7	0.7	0.9	2.0	0.8	0.2	**0.9**
2009-2010	0.0	0.4	0.6	1.3	0.3	0.2	**0.4**
2010-2011	0.7	1.8	0.0	0.3	0.6	0.4	**0.6**
2011-2012	0.0	1.1	0.3	0.7	0.1	1.3	**0.4**
2012-2013	0.0	0.4	0.6	1.4	0.3	0.2	**0.4**
2013-2014	0.0	0.0	0.6	1.4	0.4	0.4	**0.5**
2014-2015	0.0	0.7	0.0	0.0	0.3	0.0	**0.2**

Source: Right to Buy (RTB) sales based on data provided by the Scottish Government on House Sales throughout Scotland

Impact of current pressured area designation

8.8. East Renfrewshire council was awarded the first pressured area designation (PAD) for Eastwood settlements from October 2005, extended for a further 5 years from October 2010. PAD only affects tenants with the 'modernised right to buy' therefore even without the designation these tenants would not have been allowed to buy their council house until at the earliest 30th September 2007.

8.9. Therefore we do not see full impact of RTB until 2007 onwards when the rate of sales decreases significantly (see Table 22). During this time there has been a significant decrease in RTB across the whole authority which can in part be attributed to the current financial climate.

8.10. Table 23 (below) shows the rate of sales split between the Levern Valley and Eastwood since the introduction of PAD in October 2005. This illustrates that even with the PAD, the rate of RTB sales are still higher within the Eastwood HSMA than Levern Valley and in some years East Renfrewshire as a whole.

Table 23: Rate of sales per year by sub-housing market area (SHMA) %

Year	Levern Valley	Eastwood	East Renfrewshire
2005-2006	2.8	3.7	3.8
2006-2007	2.4	4.0	3.3
2007-2008	1.8	1.6	1.8
2008-2009	0.7	1.1	0.9
2009-2010	0.3	0.7	0.4
2010-2011	0.6	0.7	0.6
2011-2012	0.4	0.6	0.4
2012-2013	0.3	0.7	0.4
2012-2014	0.4	0.6	0.5
2014-2015	0.3	0.2	0.2

8.11. Consideration has been given to the impact of PAD in preventing sales since it came into force in 2005. In 2010 we estimated that PAD had prevented up to 142 properties (14% of the stock at the time) from being sold. Sales on average over the last 5 years have been at a rate of 0.6% of stock, down from the 3.8% witnessed in 2005 prior to PAD coming into force, as discussed above.

8.12. There were 23 RTB sales in Eastwood over the last 5 years (0.6% rate). If the rate of sale had continued at 2005 levels of 3.7% of stock, it is estimated that a further 121 properties would have been sold in the last 5 years.

Table 24: Impact of PAD on RTB Sales in Eastwood

Year	Estimated Sales prevented by Eastwood PAD
2005-2010	Up to 142
2010-2015	Up to 121
2015 onwards	*Up to 34*

8.13. Applying this same methodology, based on the additional 296 tenants in Eastwood who would be eligible for RTB if PAD was removed, a further 34 sales could be prevented until RTB is abolished in 2016. This is significant in seeking agreement is given for the existing PAD to be extended, given the expected flurry in sales prior to RTB being abolished completely.

9. Housing Market & Affordability

9.1. This section looks at the cost of buying in the private sector in East Renfrewshire, and household incomes, to consider the opportunities there are for existing tenants to buy within the private market as an alternative to RTB.

9.2. Generally, we look at lower quartile incomes and house prices (the lowest 25%) in both cases to consider how affordable it is for people on a low/modest income to enter the housing market. This profile generally fits with those living in the social rented sector, or who would require some type of 'affordable housing'.

House prices

9.3. East Renfrewshire as a whole traditionally records some of the highest property sale values in Scotland. This section utilises Registers of Scotland (RoS) and CACI Paycheck income data to understand the developing trends in house prices relative to incomes

9.4. Table 25 (below) presents amalgamated sales data from 2009 – 2013 to demonstrate house sales values across East Renfrewshire. The table shows the distinction between the two HSMA's of Eastwood and Levern Valley. Median and upper quartile prices in Eastwood were around double those recorded in the Levern Valley. Given that 81% of the sales were in the Eastwood during this period, this significantly weighed the overall East Renfrewshire averages.

Table 25: Private sector sales trends by settlement areas and HSMA, (2009-2013 combined)

			Sales Value		
Area	**Sales**	**% of all East Renfrewshire Sales**	**Lower Quartile**	**Median**	**Upper Quartile**
Eagle/Wat	322	5.1	£110,050	£161,316	£253,545
Thor & Giff	1,322	21.1	£138,425	£224,914	£305,500
Bus/Net/Cl	1,548	24.8	£138,030	£197,650	£263,000
Newton M	1,880	30.1	£151,164	£235,047	£323,400
Barrhead	829	13.3	£65,163	£98,313	£138,135
Neil/Uplaw	352	5.6	£74,785	£126,181	£176,675
Eastwood	5,072	81.1	£139,300	£213,991	£296,888
Levern Val	5,072	18.9	£67,849	£104,243	£147,600
East Ren	6,253	100.0	£120,950	£187,353	£277,817

9.5. Prices in Newton Mearns were the highest over this period. It has 26% of all dwellings in East Renfrewshire, and its share of sales is around 30%, reflecting its popularity. Prices in Thornliebank & Giffnock ranked second over this period with prices slightly lower in value compared to the Eastwood HSMA, making it slightly more affordable[10].

9.6. Busby, Netherlee & Clarkston ranked third over this period. It has 22% of all dwellings in East Renfrewshire, and its share of sales was above this figure at 24.8%, exceeded only by Newton Mearns. The most affordable settlement area in Eastwood was Eaglesham & Waterfoot which ranked fourth over this period.

9.7. In contrast, house prices in Levern Valley were significantly lower than for all Eastwood settlements. Reflecting on the lower levels of owner occupation in the Levern Valley too, the percentage of sales was 18.9% which is lower than its share of all dwellings in East Renfrewshire (28%). This shows the different dynamics faced in the two SHMAs with regard to tenure and choice.

Household incomes

9.8. Table 26 (below), details the lower quartile household annual incomes for the settlement areas, the HSMA and East Renfrewshire using `CACI Paycheck` data. In all cases for the Eastwood settlements, even the lower quartile incomes (used as a determinant of those requiring affordable housing) sit above the East Renfrewshire average.

Table 26: Lower Quartile Household incomes of Eastwood households (2009-2013)

Year	Th'bank & Giffnock	Busby, Neth & Clarkston	Newton Mearns	Eaglesham & Waterfoot	Eastwood HSMA	East Ren
	Lower Quartile (LQ) Incomes					
2009	£23,125	£21,111	£23,125	£20,556	**£21,979**	£19,444
2010	£23,125	£21,667	£23,571	£21,111	**£22,369**	£19,444
2011	£18,125	£17,222	£20,714	£18,333	**£18,599**	£16,667
2012	£17,222	£13,750	£21,429	£16,668	**£17,267**	£16,668
2013	£18,888	£19,444	£22,857	£19,998	**£20,297**	£18,330

9.9. Despite this, lower quartile incomes still sit at a level which would make the purchase of a home in the private market out of reach. This is notwithstanding the reduced mortgage availability and deposit requirements of up to 20% expected by lenders at this time for First Time Buyers.

[10] Lower Quartile

9.10. For example, even with 100% mortgage available the average household with lower quartile level income in Thornliebank & Giffnock would need to borrow 7 times their income to afford a lower quartile valued property. Even in Eaglesham and Waterfoot with the lowest sales values (lower quartile), one of these households would need to borrow 6 times their household income to afford to buy.

9.11. In reality, a deposit of up to 20% would be sought from lenders, reducing the level of mortgage required. However, the ability of households living in the social rented sector to raise this amount of deposit – equivalent of between £22,010 and £30,233 for Eastwood settlements – is doubtful in most circumstances.

The national picture

9.12. The Scottish Government has recently published a review of The Scottish Housing System: Selected Economic and Social Trends[11]. It provides a valuable overview of recent volatility in the housing market, and continuing uncertainty. The paper notes that the Scottish housing system has experienced considerable change over the last decade.

9.13. A sharp increase in house prices starting in the early 2000s, was driven by economic growth and the availability of mortgages. The boom was inevitably followed by the credit crunch and subsequent recession. This resulted in a drop in house prices and an even larger drop in housing activity levels, such as house sales and private sector new build.

9.14. The financial crisis has among many other effects, led to a very sharp reduction in the availability of mortgage credit. The principal factor has been the withdrawal over overseas lenders from the UK market. This has been further reinforced by much more stringent lending conditions imposed by the FSA on mortgage lending. The consequence is that the overall level of lending to first time buyers has fallen sharply.

9.15. Therefore while stagnant or even falling house prices are making housing more "affordable" in conventional terms, lack of finance is making housing less accessible.

Summary

9.16. This analysis of RTB trends and affordability in the housing market demonstrates that the exercise of RTB, in the absence of PAD, will increase the pressure on the social rented stock in Eastwood. This is likely to be exacerbated by the lack of other options to enter home ownership, which would be affordable to tenants currently living in the social rented sector, making RTB more attractive. This is considered to fulfil the second criteria for PAD, as set out in the Housing (Scotland) Act 2010:

<u>PAD Criteria 2</u>
That the exercise of the right to buy (RTB) by tenants in the area is likely to worsen the situation.

[11] *The Scottish Housing System: selected economic and social trends*, (February 2011) Scottish Government Community Analytical Services.

10. Consultation

10.1. Various approaches have been used to seek the views of stakeholders. The consultation period took place between June and August 2015. Details are below.

Housing Providers

10.2. The Housing Providers forum meets twice yearly, as well as sharing information and consulting on an electronic basis, on issues of mutual importance. The Forum consists of representatives from East Renfrewshire Council (Planning, Housing & Health and Social Care Partnership) and all Registered Social Landlord's operating in the area. Given past applications, providers are familiar with the particular pressures in East Renfrewshire and the significance of PAD for Eastwood. The group were consulted with directly and provided the opportunity to comment on the renewal application using our consultation hub Citizen Space.

10.3. Barrhead Housing Association & Trust Housing Association were also corresponded with directly as they are the only two RSLs who have tenancies in the area which were likely to be affected by the PAD renewal. No objections were raised, and support for the proposed renewal was offered.

Local Housing Strategy Partnership

10.4. This is the main steering body for the local housing strategy. The make-up of the partnership group is the Convenor for Housing & Maintenance Services; other Elected Members dependent on theme; Director of Environment; Head of Housing & Property Services; and Officers from Housing / Strategy Teams; Planning & Regeneration; Health and Social Care. Invitation is based on the theme to be covered at individual workshop meetings.

10.5. At a recent presentation to the group in May, detailed discussion was undertaken on the pressure for social rented and other affordable housing in the area, and support was offered for the work undertaken to safeguard and increase supply locally, including ongoing use of PAD.

Tenants Consultation

10.6. As part of our requirement to consult with our tenants, all tenants affected by PAD, as well as 3 Registered Tenants Organisations in these areas were consulted on the intention to seek renewal of PAD. At the end of June a letter was sent all affected tenants and RTO's inviting them to comment directly or via our consultation hub Citizen Space, as well as an offer to come and speak to groups directly. The letter set out why we were applying for this designation and the impact.

10.7. A small number of survey responses were received, along with around a dozen general telephone enquiries from tenants. No TRO's requested a further discussion session with the Housing Service on this topic. At the close of consultation on 21st August 2015 the council had received 5 feedback responses. 4 respondents supported PAD as they felt it was important to ensure there was sufficient affordable housing in the area. Only 1 objection was received as the tenant wished to purchase their council home within the next 5 years, and felt discriminated against for living in a specific area, whereas others in East Renfrewshire were still able to buy. Part of this was the lack of new affordable housing built since 2005 in the Eaglesham area, an ongoing pressure.

11. Conclusions & Recommendations

11.1. The analysis in this paper is based around the two criteria set out by Scottish Government to support renewing PAD. These focus on pressure within the social rented sector in the geographical areas identified, in this case the main settlements in Eastwood. Also the likely impact on this pressure of continuing RTB in these areas, and resulting loss of stock.

11.2. The analysis demonstrates that there is considerable pressure on the social rented housing stock within all the settlements in the Eastwood sub-housing market area of East Renfrewshire. It has demonstrated the long term impact of the RTB on these communities and the inability now and in the future, to meet the requirements of people who are in need of affordable housing.

Housing Need in Eastwood settlements

- The evidence base in the proposal has demonstrated that there are very high levels of owner occupation and very low levels of socially rented housing throughout the Eastwood area.
- In all settlements in Eastwood, there are high levels of housing need demonstrated through high ratios of waiting list applicants (excluding transfer applicants) to lettings, alongside sustained rates of RTB sales above the local authority average.
- The HNDA identifies high levels of affordable housing need across East Renfrewshire and in particular Eastwood, continuing into the future.
- Young people and those on a modest income cannot afford to get onto the property ladder in Eastwood and are moving out of the area to seek affordable housing.

Impact of RTB

- There has been a high level of uptake of the RTB in terms of numbers and of rate of sale over time, particularly within the Eastwood settlements.
- Socially rented housing provision is diminishing at a rate above the East Renfrewshire average, and without PAD in place could reduce considerably in the period until RTB is abolished in 2016..
- New affordable housing developments have not replenished the high levels of social rented housing exiting the sector through RTB, and planned development will have a limited impact on meeting projected housing needs in the short to medium term.

Lack of alternative Housing Options in Eastwood

- Ex-RTB properties in the open market do not present an affordable housing option for many but particularly not to local households with entry-level (lower quartile) incomes.
- New build and mainstream second hand homes are very expensive, and with high deposit requirements home ownership has become out of reach for many households.
- There is a high level of household containment between Eastwood settlements and other areas in East Renfrewshire, both in the private and social rented sectors.
- A significant proportion of housing association properties in Eastwood do not cater for general needs.

Impact of PAD

11.3. The extension of the PAD application would allow the council to protect the low levels of social housing in the Eastwood settlement, particularly from any flurry in sales that may occur between PAD expiring and RTB being abolished completely in 2016.

11.4. There is an increasing pressure on an already strained service through our duties to homeless households, with the proportion of lets to homeless applicants at its peak. This has had a knock on effect on general waiting list applicants with increased waiting times and already limited housing options. Further loss of Council stock through RTB will only serve to worsen this situation.

Recommendation: Renewal of Pressured Area Designation (PAD) for Eastwood settlements

11.5. In terms of meeting the requirements of a proposal for pressured area status, this proposal has evidenced that the two key criteria for PAD, as set out by Scottish Government continue to be met:

PAD Criteria 1

- ***The need for socially rented housing in the Eastwood housing sub-market area is greater than the socially rented provision for a considerable period in the past as well as currently and that this need is anticipated to increase in the future,***

PAD Criteria 2

- ***This is exacerbated by RTB sales and the situation will continue to worsen, with the affordable housing stock in Eastwood coming under even more pressure.***

11.6. It is therefore recommended that the proposal to renew the existing PAD designation is agreed. This should cover the period until such times as the RTB is abolished completely in Scotland in August 2016.

11.7. As with previous PAD awards, the proposed extension will apply to the main settlements areas included in previous applications, covering the following housing management areas where social rented stock is located.

Area 1- Eaglesham

Area 2 - Busby & Netherlee

Area 3 - Newton Mearns

Area 4 - Thornliebank & Giffnock