

## Fife Housing Partnership Meeting

<b>Date:</b>	<b>Tuesday 25<sup>th</sup> February 2025 (11.30am – 1pm)</b>
<b>Venue:</b>	<b>Virtual via MS Teams</b>
<b>Attendance:</b>	Partners: Tom Barclay (KHA), Alan Dalby (FFOTRA), Cllr Brian Goodall (FC), Bruce McCall (GK), Gerry McDougall (Private Landlord), Caryn Nicolson (FF) & Vivienne Smith (H&SCP).  Support: Rob Bowditch, Tracey Drummond, John Mills, Mhairi Mullen, Paul Short, Gavin Smith & Lucy Turner (FC).
<b>Chair:</b>	Tom Barclay, KHA (Vice Chair)
<b>Issued:</b>	28 <sup>th</sup> February 2025

Item	Agenda Items	Action
1.0	<p><b>Welcome</b></p> <ul style="list-style-type: none"> <li>• Rob Bowditch replaces Nigel Kerr as Protective Services representative.</li> <li>• Christopher Conroy replaces Fiona McKay as H&amp;SCP representative. Christopher was unable to attend, therefore, Vivienne Smith attended as H&amp;SCP rep.</li> <li>• David Steane will retire from the Scottish Government at the end of May. FHP recognised the tremendous support from David at both a regional and national level. David has been a well-regarded supporter of FHP for many years, providing good but challenging advice when required. He provides invaluable support with the LHS and SHIP and will be a hard act to follow. FHP wish David all the best for his retirement.</li> </ul> <p><b>Apologies</b> Partners: Gavin Brady (CK), Alistair Dee (Scot Gov), Lucy Denvir (NHS), Nicki Donaldson (FHG), James Erskine (Rural Property &amp; Business Association), Clare Jones (NEFTRF), Cllr Judy Hamilton (Chair) &amp; David Steane (Scot Gov).  Support: Greig Henderson, Joan Lamie, Patricia Spacey &amp; Helen Wilkie (FC).</p>	
2.0	<p><b>Note of Previous Meeting</b> The partnership agreed the note of previous meeting.</p> <p><b>Action Note:</b> Action point 2 – an interim report on the allocations policy is due to go to Committee in April. An update should be available to report to FHP at the May meeting.</p>	
3.0	<p><b>Short-term Let Licensing &amp; Affordability Study</b> TD updated on the position with Short-term Let (STL) licensing. Over 2,000 applications were received across the different categories; home letting, home sharing, home share/let and secondary letting. The deadline for existing hosts to apply for a licence was 1<sup>st</sup> Oct 2023 which led to a surge of around 1,000 applications in Sept 2023, creating a very busy period for the team. The highest concentration of licences are in the Largo &amp; East Neuk LHS area at 719, followed by St Andrews at 663. Some STL properties may have more than one use (e.g. may also be a private let or empty home). Almost 80% of licences granted are for accommodating 1-6 guests. A total of 11,549 guests can be accommodated through existing licences. It is anticipated 1,000 renewal applications will</p>	

be received in Q2 2027/28 which will clash with St Andrews hosting 'The Open' golf championship during July 2027. There are no STL Control Areas currently in place in Fife. Implementing a Control Area would result in the requirement for planning permission for secondary letting. This may help manage high concentrations of secondary lettings and allow local authorities to ensure homes are being used to best effect. A paper was presented to Cabinet Committee in January, along with an affordability study as an evidence base but the recommendation to not implement STLs was not agreed. An amendment is due to go back to Committee in April.

LT updated on the affordability assessment which was primarily conducted as an evidence base for STL Control Areas but can be used for other purposes too. The study considers the operation housing markets across the 10 LHS areas in Fife and settlements with a high concentration of STLs. The assessment criteria is based on 2020 Housing Need and Demand Assessment (HNDA) Tool guidance. Some data at lower level is limited and should be treated with caution. Assuming an 18% deposit and loan to income ratio of 3.2, the income requirement for a lower quartile house price to be affordable in Fife is £28,188. This increases to £59,194 in the St Andrews LHS area. Less than 40% of households in the St Andrews LHS area can afford the lower quartile house price, making it the least affordable area in Fife. Rental suitability is driven by the private rental market which means affordability of this tenure directly impacts the requirement for social rent. Data is collected quarterly through Zoopla so the assessment only reflects advertised properties. Again, St Andrews is the least affordable area. Around 16% of households in Fife are deemed suitable for Below Market Rent (BMR). Affordability issues identified in certain areas can be linked to several causal factors, meaning STLs cannot be recognised as the primary driver.

**Comments were raised on the following:**

- This is all excellent work. Was there anything new discovered through this experience or research?
- Pressures are significant in the East Neuk and St Andrews areas, however, there are other areas outwith, such as Culross that experience similar issues.
- Intervention is required in the housing market to lessen acute demand and reduce house prices. New supply plays an important role in this.
- Is there data available on the number of rejected STL licences?
- The affordability study could be used to overlay with the housing emergency.
- The required deposit in some areas can be quite high when looking at the median house price. Can household savings be identified through CACI paycheck data to offer insight into the households who can afford the home ownership deposit?

From an STL perspective the volume of properties which have multiple uses including HMOs and private lets was surprising. On the affordability side the fact more households can afford home ownership before a private let is eye opening. Data can be circulated in due course on STL licence refusals. CACI data does not provide an insight to household savings. Households may also receive help with a deposit from a family member. The lower quartile house price is deemed as the entry level, which results in a lower deposit requirement than the median house price.

**Action/Decision**

No further action / decision required.

TD

<p><b>4.0</b></p>	<p><b>St Andrews Housing Needs Study</b></p> <p>JM advised a study on housing need and pressures in the St Andrews area was completed by the Town Commission on Housing during 2013. The strategic approach is currently undergoing a reset across the Council by the director of Place, and it would be timely to refresh the 2013 study. In the St Andrews area, a House in Multiple Occupation (HMO) overprovision policy was introduced in 2019, affordable housing options have been taken forward by the University of St Andrews (including the Grange housing post graduate accommodation developed jointly with Kingdom Initiatives) and STL licensing has been implemented, although the outcome on Control Areas is still to be confirmed. The study will be refreshed through a joint-working approach with the University of St Andrews. This will help inform medium- and long-term planning at a local level and may be rolled out to other areas of Fife in due course.</p> <p>Comments were raised on the following:</p> <ul style="list-style-type: none"> <li>• Shared Ownership initiatives can be expensive, but we may wish to explore these in the St Andrews area.</li> </ul> <p>Low-Cost Home Ownership initiatives need to be considered for St Andrew as these can help address the large deposit requirements for entering home ownership in the area.</p> <p><b>Action/Decision</b> No further action / decision required.</p>	
<p><b>5.0</b></p>	<p><b>Capital Plan / Affordable Housing Update</b></p> <p>JM advised the Affordable Housing Programme is now funded up to 2029 following on from Cabinet Committee held last week. The programme is currently under pressure due to a number of challenges. These include the restoration of the 2025-26 Resource Planning Assumption (RPA) to 2023-24 level, increasing construction costs (an average of £255k per 2-bed unit) and the cost of borrowing placing business plans under high risk, however, it is evident new build delivery cannot stop. New build delivery initiated in 2010 in Fife. The Fife Council element of the programme is fully funded up to 2029 with Fife Housing Association Alliance (FHAA) funding still to be confirmed. 336 new council homes and 350 new FHAA homes will be delivered between 2026-29, which is less than previous programme phases. This has been impacted by funding and costs. It is important to ensure the right homes are being delivered in the right places through the 2026-29 programme and alternative delivery models including MMR should be explored. At a national level, the Housing to 2040 board are exploring options to change the housing finance system, write off debt and explore other European good practise funding models.</p> <p>Comments were raised on the following:</p> <ul style="list-style-type: none"> <li>• It is difficult to balance sustainability and increase new supply under current conditions.</li> <li>• Kingdom Housing Association have a very fundable new build programme in place.</li> </ul> <p><b>Action/Decision</b> No further action / decision required.</p>	
<p><b>6.0</b></p>	<p><b>Housing Emergency Update</b></p> <p>GS provided an update on the Housing Emergency which was a replication of a presentation delivered to the Scottish Government recently. The existing partnership framework in place through the Local Housing Strategy is positive but needs enhanced to</p>	

	<p>respond to the housing emergency. Positive progress has been recorded so far and homelessness in Fife has not increased as projected through the research by Heriot-Watt University. Other local authorities have experienced increases as predicted. There has been a significant reduction in the use of hotel / B&amp;B accommodation in Fife. There are a number of headwinds to address which will take time to work through. These include a shortfall in the national budget restoration, resettlement needs, housing bill proposals, early prisoner release and homelessness funding. Fife are one of five local authorities working closely with the Scottish Government on a Housing Emergency 'Sprint'. It is anticipated this exercise will help reset the Housing to 2040 agenda. Research is being conducted by the David Hume Institute and Professor Duncan MacLennan to look at the actions required to transform the housing system in Scotland. The results from this should be interesting. Proposed actions have been identified across the three housing emergency themes and a communications strategy is in development. Partnership input will be required to deliver actions and radically reform a broken housing system. A report is due to go to Cabinet Committee on the 6<sup>th</sup> March.</p> <p>Comments were raised on the following:</p> <ul style="list-style-type: none"> <li>• It is evident the housing emergency is equally driven by both prevention and supply.</li> <li>• Partnership working in Fife is very well established and of a high standard.</li> </ul> <p><b>Action/Decision</b> No further action / decision required.</p>	
<p><b>7.0</b></p>	<p><b>AOCB</b></p> <ul style="list-style-type: none"> <li>• A visit is arranged for FHP to attend the H100 demonstration centre in Methil. This will take place on 28<sup>th</sup> May from 11am – 1pm. Places are limited to 15, however, there are still plenty spaces available. Anyone interested in attending should contact LT.</li> <li>• The CIH Scotland Housing Festival 2025 takes place next week in Edinburgh. FHP are encouraged to get involved: <a href="#">Scotland's Housing Festival 2025   Chartered Institute of Housing</a></li> </ul>	<p><b>All</b></p>
<p><b>Next Meeting</b></p>	<p><b>Tuesday 20<sup>th</sup> May 2025 – 3:00pm</b> <b>Face-to-face at Rm. FHM05.002, Fife House, Glenrothes</b></p>	

# FIFE HOUSING PARTNERSHIP

No.	D.O.M	Action Points	Action	Lead	Deadline	Complete
1	21.05.24	Acquisitions Team Email	Share the generic acquisitions team email address with FHP. <b>Email address - <a href="mailto:Property.Acquisitions@fife.gov.uk">Property.Acquisitions@fife.gov.uk</a></b>	GS	May 2024	✓
2	21.05.24	Allocations Policy Task & Finish Group	Report on group progress to FHP including comparisons of needs based and choice-based systems. <b>09.05.25 – Allocations policy update on May agenda.</b>	GS	<del>Nov 2024</del> <del>Feb 2025</del> May 2025	✓
3	21.05.24	Draft Empty Homes Strategy	Circulate the draft empty homes strategy to FHP for comment. <b>27.08.24 – Strategy circulated 21.08.24 and approved during FHP meeting.</b>	TD	May 2024	✓
4	27.08.24	Housing Emergency Action Plan (HEAP) Cabinet Committee Report	Circulate the 6 <sup>th</sup> June Cabinet Committee report which contains the HEAP to FHP.	LT	Aug	✓
5	25.02.25	Short-term Let (STL) data	Data to be circulated on the number of STL licence refusals <b>28.02.25 - To date no applications for a licence have been refused. However, due to invalid applications received (for reasons such as relevant certificates not provided), we have rejected to determine these applications, additionally invalid applications have been withdrawn by applicants for similar reasons such as certificates and not following the correct procedure.</b>	TD	May	✓
6	25.02.25	H100 demonstration centre site visit	An FHP site visit will take place on 28 <sup>th</sup> May from 11am – 1pm. Anyone interested in attending should contact LT. <b>09.05.25 – all places filled. Agenda to be circulated by SGN one week prior to site visit.</b>	All	May	✓

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