
**Please find attached additional items in respect of the
agenda for the above meeting**

6.	Strategic Housing Investment Plan 2018-2023 Submission (Pages 1 - 56) Consider report by Service Director Regulatory Services. (Copy attached).	15 mins
6(a)	Proposed Disposal of Allocated Housing Site at Stirches, Hawick to Eildon Housing Association for the Development of Extra Care Housing (Pages 57 - 62) Consider report by Service Director Regulatory Services. (Copy attached).	15 mins

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STRATEGIC HOUSING INVESTMENT PLAN 2018-2023 SUBMISSION

Report by the Service Director Regulatory Services EXECUTIVE COMMITTEE

17 October 2017

1 PURPOSE AND SUMMARY

- 1.1 The purpose of this report is to seek Council approval of the Strategic Housing Investment Plan (SHIP) 2018 -2023 due to be submitted to the Scottish Government by 30th October 2017.**
- 1.2 Local Authorities are required to produce an annual SHIP submission to the Scottish Government. Scottish Borders Council with the involvement of its key partners via the SHIP Working Group has prepared this SHIP submission. The SHIP articulates how the Council and its RSL partners will seek to deliver the Border's affordable housing investment needs and priorities identified in the Council's Local Housing Strategy (LHS) 2017-2022 over a rolling 5 year planning horizon. Homes delivered will be counted towards the Scottish Parliament's target of 50,000 Affordable Homes.
- 1.3 Based on a Resource Planning Assumption (RPA) from Scottish Government Officials of £43.957m for the period 2018-2021, £4.6m from charitable bonds, RSL partner private sector borrowing and a commitment from the Council's Affordable Housing Budget, approximately 674 new homes could be delivered over the 3-year period. However, in response to the Scottish Government's request to over-programme in order to manage any potential project slippage, this SHIP sets out an ambitious plan that could potentially deliver up to as many as 1,177 affordable homes over the five-year period of SHIP. This latter figure assumes that all identified challenges and infrastructure issues are resolved in a timely manner, funding is available and that agreement is reached between all interested parties and the construction sector has capacity to deliver projects. SHIP also includes a number of new build extra care housing developments in key Borders towns.

2 RECOMMENDATIONS

- 2.1 It is recommended that Members approves the SHIP 2018-2023 attached at appendix 1 for submission to the Scottish Government More Homes Division by 30th October 2017.**

3 THE STRATEGIC HOUSING INVESTMENT PLAN 2018-2023

- 3.1 Local Authorities are required to produce and submit a rolling five year Strategic Housing Investment Plan (SHIP) to the Scottish Government, More Homes (East Division) on an annual basis. Revised guidance from Scottish Government was received in June 2017 and frames the content and development of this SHIP which needs to be submitted by 30th October 2017 to inform the development of the next three year Strategic Local Programme (SLP) for 2018-2021
- 3.2 The SHIP is a five year operational delivery plan that sets out strategic investment priorities for affordable housing in order to achieve the targets identified in the Council's Local Housing Strategy (LHS) 2017-2022. This SHIP is a realistic, imaginative and practical plan that rolls forward projects identified in previous SHIPs and introduces new projects and demonstrates how, when and where the Council and its partners intend to develop new homes. It also illustrates how a variety of funding mechanisms are maximised to ensure the delivery of the projects.
- 3.3 Previous LHS targets of 100/103 affordable homes per year were at the time challenging to deliver in the prevailing financial context. However, for the financial period 2012-2017, a total of 594 new affordable homes were delivered through use of all available Affordable Housing delivery mechanisms. This averages at 119 units per annum, thereby exceeding both the then LHS and Council's targets. This has been made possible through the Council participating in the first National Housing Trust (NHT) programme and receiving additional Affordable Housing Supply Programme funding from Scottish Government, and delivering 45 new homes for mid-market rent through the Council-led NHT Local Authority (LA) Variant programme
- 3.4 The Council and its partners continue to work together to find creative and resourceful solutions in order to continue to build new affordable homes in the Borders that will meet a growing demand. In summary, the SHIP 2018-2023:
 - a) Sets out investment priorities for Affordable Housing with a particular emphasis on extra care housing for older people
 - b) Demonstrates how and where these will be delivered
 - c) Identifies the resources required and innovative funding solutions and procurement approaches to help deliver these priorities
- 3.5 The SHIP Project Working Group remains the Council's key working group that is responsible for development of SHIP, which prioritises the affordable housing projects proposed and the ongoing review of new and current projects through collaboration with Scottish Government via regular Quarterly programming meetings
- 3.6 Officers continue to pursue a couple of development opportunities under the NHT LA Variant initiative agreed by Council in December 2013. To date this has provided 45 additional affordable homes for mid-market rent by end of 31 March 2017. Information on the remaining potential projects are included in this submission which have the potential to deliver a further 24 properties¹

4 PRIORITISATION

- 4.1 The Projects contained within the SHIP programme are prioritised on the basis of a number of factors. The Project Priority Assessment Tool is a project priority weighting matrix that has been developed to provide a bottom up assessment of relative priorities of housing projects delivered by RSLs (and other potential

¹ At the time of writing a number of uncertainties were beginning to emerge over deliverability of specific projects.
Executive Committee – 17 October 2017

Developers) in the Scottish Borders over the five year rolling planning horizon provided by SHIP.

- 4.2 The model used in the project assessment and prioritisation process reflects the reality of the ever changing political and economic climate and is used by the SBC SHIP Group to review, track and monitor the relative priority of existing and new projects that arise. In this way projects can be either accelerated or deferred depending on changing circumstances.
- 4.3 Using this tool, individual projects included in earlier SHIPs can be reviewed by the SHIP Project Group to determine their priority, and new projects brought forward for inclusion in SHIP have also been assessed for prioritisation. Analysis of the outcomes of the weighting assessment exercise and project descriptions can be viewed in Appendix 1 of the SHIP update 2018-23. It should be noted that this particular submission includes potential pipeline projects that could potentially develop a further 542 new homes if market conditions changed and Developers were willing. The methodology developed and used by Scottish Borders Council is well regarded by the Scottish Government as being a transparent and robust process

5 INVESTMENT PRIORITIES FOR AFFORDABLE HOUSING 2018-2023

- 5.1 The SHIP attached at appendix 1² has been developed in line with the new guidance issued by Scottish Government in June 2017. The planned development programme illustrated in tables 7 to 7D on pages 33-35 of the SHIP shows proposed affordable housing projects and commitments for 2018-2023. Table 2 on page 18 of the SHIP outlines the anticipated number (83) of affordable homes that should be delivered in 2017-2018, which were rolled forward from the previous SHIP 2017-2022. Programming the delivery of all projects are agreed in collaboration with Scottish Government, More Homes Division (East) Office, the Borders Housing Network and the Council.
- 5.2 Based on the Resource Planning Assumptions for the period 2018-2021 (£43.957m) confirmed by the Scottish Government in June 2017 plus a further £4.6m from charitable bonds, along with RSL private sector borrowing the Council and its partners at an average grant of £72k per unit could potentially deliver up to 674 units over the remaining three year period of the Scottish Parliament. Council Officers have been asked by Scottish Government to over-programme by as much as 25% therefore, potential additional projects have been identified that could deliver as much as 803 new RSL homes over the same 3-year period (see SHIP tables, 7, 7a and 7B pages 33 and 34). Over the full five-period of the SHIP, potential site opportunities have been identified which could provide a total of 1157 new RSL homes and 20 homes for mid-market rent via Bridge Homes which could be delivered if resources were available, and all issues resolved, and agreement reached between all interested parties.
- 5.3 It is recognised that there may be other Private Developer and Open Market Shared Equity Scheme and discounted sales house completions during the period of the SHIP, but these cannot be quantified as these are not delivered via programme arrangements
- 5.4 The Council and its partners will continue to work hard together in order to identify new additional affordable housing site opportunities. In the event of any additional funding and resources being made available from Scottish Government, the Council and its partners will be keen to accelerate prioritised projects or positively respond to windfall project opportunities (including site acquisition) via the Quarterly Programme meetings with the RSLs, and the Scottish Government More Homes Division.

² There is a full suite of SHIP Appendices not included in the attached. There are hard copies of fully assembled SHIPs available in the Member's Library.

- 5.5 It should be noted that the slow-down in house sales and low level of private house building completions still continues post-recession in Scottish Borders. This adversely impacts on the release of developer led land supply, and reduces Developer Contributions being received by the Council which in turn are used to assist affordable housing delivery. The general trend remains however in that land owners remain unwilling to sell sites for affordable housing and typically have expectations of pre-crash land valuations. On a more positive note however there have been several recent examples where Developers have been keen to partner with an RSL in order to help “de-risk” starting to open up a housing site through delivery of affordable housing units prior to houses for market sale, thereby providing more certainty in terms of cash flow and income. This means that, due to the restricted level of funding available, land supply will be restricted as developers sit out the recession.

6 IMPLICATIONS

6.1 Financial

- (a) Ensuring the SHIP’s effective implementation and delivery as a strategic housing authority is dependent on SBC’s continuous provision of core services, financial resource allocations from the Scottish Government, partner agencies, private developers and individuals.
- (b) Scottish Government is keen to increase the supply of affordable housing to over 50,000 units over the lifetime of the current Parliament, so the SHIP is based on a number of known and assumed funding resources that the Council and its development partners will draw upon. These include known Resource Planning Assumptions (RPA) of £43.957m Affordable Housing Supply Programme grant for 2018-2021, plus assumed £24.1m grant for 2021-2023. Berwickshire Housing Association and Eildon Housing Association have secured £4.6m Charitable Bond funding which will be used in lieu of Scottish Government grant. The SHIP also assumes use of up to £4.9m 2nd Homes Council Tax funding from the Council and of up to £84.1m private borrowing by the Registered Social Landlords over the period 2018-23.
- (c) The Council and its partners will seek to secure Additional grant funding from Scottish Government’s Housing Infrastructure Fund in order to provide more certainty in delivery of some projects. The Council may also assist project delivery through use of limited available Affordable Housing Policy Developer Contributions. Table 11 on page of the SHIP illustrates estimated potential total investment of £174.5m over the period 2018-2023.
- (d) The SHIP presents a huge challenge and opportunity, the like of which has never been seen before when compared to previous estimated unit annual delivery numbers. The will provide a massive boost to the construction sector and the local economy. Furthermore it is estimated that this will generate in the region of £1.5m additional annual Council Tax income.

6.2 Risk and Mitigations

- (a) Delivery of the SHIP is largely dependent upon a number of variables not least of which relate to resource and other political and organisation decision making processes beyond the control of the Council.
- (b) Delivery of the SHIP is also dependant upon ownership of land by the RSLs and the recent delivery of a number of projects has depleted their limited land bank. Officers will continue to work with partner RSLs to ensure that there is a strategic approach to land-banking for affordable housing. In particular this collaboration has identified a number of Council –owned sites which could potentially be developed to provide Extra Care

Housing in key Borders settlements.

- (c) The Council constantly reviews its Corporate Property Strategic Asset Management Plans for the management of the Council's property assets in order to maximise their contribution to the Council's corporate and service goals and objectives as economically, efficiently and effectively as possible; providing the right space, at the right time, in the right location at the right cost. Therefore a strategic approach to the development of affordable housing across the Borders will aim to make the most effective use of land and/or property wherever possible, taking advantage of the Council's property and asset rationalisation process through collaborative working opportunities will be created where practical for affordable housing development.

6.3 Equalities

- (a) In line with both Council policy and legislative requirement, the SHIP 2018-2023 has been subjected to an Equalities Impact Assessment. The outcome of that impact assessment did not identify any concerns about the way the delivery of the SHIP is likely to adversely impact on any of the equalities groupings
- (b) The development of SHIP update was predicated on the endorsement of the principle of equalities as articulated in the SHIP guidance. The SHIP was subjected to an Equalities Impact Assessment, Strategic Environmental Assessment Screening and Rural Proofing
- (c) Houses produced by Registered Social Landlords will be allocated according to their individual allocations policy and procedures. As a consequence of being an RSL, they are subject to the weight of statutory scrutiny via external Regulation and Inspection by the Scottish Housing Regulatory.

6.4 Acting Sustainably

- (a) In accordance with Section 7 of the Environmental Assessment (Scotland) Act 2005 a pre-screening assessment of the SHIP 2018-2023 has been undertaken using the criteria specified in Schedule 2 of the Act. The pre-screening assessment identified no or minimal effects in relation to the environment hence the SHIP is exempt from SEA requirements under Section 7 (1) of the Act
- (b) By seeking to provide more new affordable houses, the SHIP update will promote sustainable communities and help to address many of the housing supply challenges identified in the Housing Strategy 2017-2022.
- (c) There are no adverse economic or social effects resulting from SHIP delivery, and potential environmental effects from new build housing will be addressed through the Planning Process and National policies and standards.

6.5 Carbon Management

- (a) It is considered that there are no direct effects on the Council's carbon emissions arising from the report recommendations
- (b) New Build housing will have a general effect on the region's carbon footprint however these are addressed within the Planning and Building Standards processes, and will be consistent with meeting the housing requirements and standards as set out by the Scottish Government
- (c) It is anticipated that RSL affordable housing identified in the SHIP 2018-2023 will be built to Scottish Government's "Silver Standard". In the event that this cannot be reached, new houses will be built to comply with current Scottish Building Standards, thereby seeking to maximise the

opportunity for energy efficiency and reduction of fuel poverty.

6.6 Rural Proofing

- (a) Rural proofing applies to all areas of Scottish Borders classified by Scottish Government as 'remote rural' or 'accessible rural'. This applies to all areas of Scottish Borders outwith the towns of Hawick, Galashiels/Tweedbank, Peebles, Selkirk, Eyemouth, Jedburgh and Kelso
- (b) The SHIP project working group carried out a rural proofing exercise as part of the preparation of the SHIP in August 2017. It was determined that the delivery of this SHIP will not have any unforeseen negative impact on the rural area, and was most likely to have positive effects by increasing the supply of affordable housing, and that the needs of rural areas have been properly taken into account.

6.7 Changes to Scheme of Administration or Scheme of Delegation

There are no changes to be made to the Scheme of Administration or Scheme of Delegation as a result of this report.

7 CONSULTATION

- 7.1 The SHIP Working Group has been consulted and contributed to this report.
- 7.2 The Chief Financial Officer, Monitoring Officer, Chief Legal Officer, Chief Officer Audit and Risk, Clerk to the Council, and Chief Officer HR have yet to be consulted and their comments will be incorporated in the final report.

Approved by

Brain Frater

Service Director Regulatory Services

Signature

Author(s)

Name	Designation and Contact Number
Cathie Fancy Gerry Begg	Group Manager Housing Strategy and Services 01835 825144 Housing Strategy Manager 01896-662770

Background Papers: SHIP Document

Previous Minute Reference:

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Jacqueline Whitelaw can also give information on other language translations as well as providing additional copies.

Contact us at Jacqueline Whitelaw, PLACE, Scottish Borders Council, Council Headquarters, Newtown St Boswells, Melrose, TD6 0SA, Tel 01835 825431, Fax 01835 825071, Email eitranslationrequest@scotborders.gov.uk

strategic housing investment plan (SHIP)

2018-2023



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Foreword

I am pleased to present the Strategic Housing Investment Plan for 2018 - 23 which progresses the delivery of affordable housing in the Borders over the next 5 years within a dynamic political and economic context.

The Council and its partners acknowledges the Scottish Government's decision to better resource the Affordable Housing Investment Programme through increasing grant rates per units and we welcome the enhanced housing grant allocation to Scottish Borders over the period of this SHIP. This plan seeks to maximise funding to deliver new affordable homes to meet the housing needs of local people at all stages of their lives. I am confident that the increase in grant confirmed over the next 3 years will allow us to make a very positive contribution in the Borders towards helping meet the Scottish Government's 50,000 national affordable homes target.

Working in partnership with the Scottish Government, and Local partners the Council will also assist the delivery of this target by providing confidence to project programming and through the strategic release of a number of Council owned surplus land for housing development.

This funding will deliver a range of benefits including the delivery of extra care housing starting with Duns and Galashiels, local area regeneration, more rural housing, more housing for people with particular needs, as well as providing general needs housing for both social and mid-market rent. In total the SHIP sets out proposals for up to 1,177 new affordable Borders homes a total investment of up to £174.5m over the next 5 years.

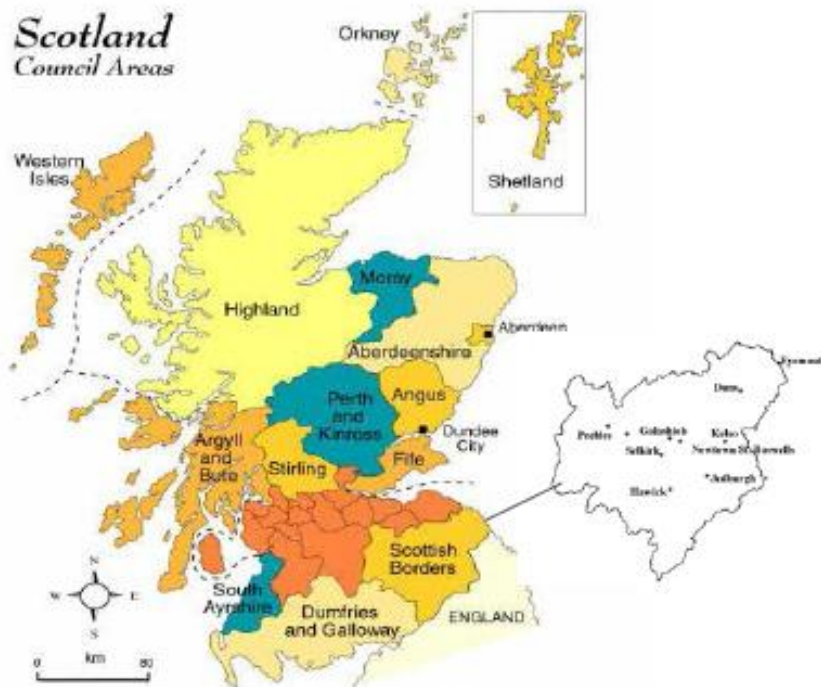
This is a considerable opportunity for Scottish Borders which will not only provide opportunities for people to live in the Borders communities of their choice but will also provide direct local employment and training. The provision of affordable, safe, attractive homes plays a central role the health and wellbeing of individuals and the communities where they live, study, work and play and it is our aim that this SHIP will have a major positive impact on quality of life in the Borders.

On behalf of Scottish Borders Council and our partners it gives me great pleasure to present this SHIP submission that will deliver our shared vision.

Tracey Logan



Chief Executive



If you would like any further information concerning Scottish Borders Strategic Housing Investment Plan, or have any comments to make on this report update, please contact Cathie Fancy, Group Manager Housing Strategy and Services:

In writing at: Housing Strategy and Services
 Scottish Borders Council HQ
 Newtown St. Boswells
 MELROSE
 TD6 0SA

By telephone: 01835 825144

By e-mail: housingenquiries@scotborders.gov.uk

1. Introduction

In March 2016, Ministers announced ***More Homes Scotland (MHS)***, an overarching approach to support an increase in supply of homes across all tenures which incorporate a variety of existing and new initiatives to help deliver its target of over 50,000 affordable homes by 2021. With a National direct investment of £422m in 2017/2018 plus a further £1.754bn to cover the three year period 2018/2019-2020/2021 which at a local level means a significant increase in investment enabling the delivery of an ambitious affordable housing programme in the Scottish Borders meeting a wider range of housing need in the community.

The Strategic Housing Investment Plan (SHIP) is the key document for identifying strategic housing projects to assist in supporting the operational delivery of the programme. Councils are required to submit its SHIP to the Scottish Government on an annual basis. The SHIP is a five year operational plan that, not only assists Government meet its ambitious affordable housing target, but reinforces Councils as the strategic housing authority and sets out its strategic investment priorities for affordable housing in order to achieve the priorities identified in its Local Housing Strategy (LHS) and, to inform the Scottish Government's investment Decisions.

This SHIP submission has been prepared in accordance with the revised SHIP Guidance issued by Scottish Government in July 2017. It is updated by current information, where applicable, and it sets how the Council and its partners have identified and prioritised projects that are capable of delivery within the SHIP Period for investment, demonstrating how they will be delivered and considers a range of funding and resource mechanisms including those from the Scottish Government, partners and the Council's own resources. It also reflects the Scottish Government's aspiration to develop a range of funding arrangements and through creative collaboration with partners identifying solutions to deliver extra care housing that addresses the housing needs of our growing older people population. The SHIP also identifies projects that potentially could be accelerated should infrastructure issues and other challenges be resolved.

The most recent statistics show that following the last ten years of SHIP project delivery of 814 new affordable homes, Scottish Borders Registered Social Landlords (RSLs) collectively now have a stock profile of 12,049 affordable homes for social and mid-market rent. Following a large scale voluntary stock transfer in 2003, RSLs are the only providers of social rented housing in the Borders, and as a stock transfer authority the Council relies on its partners to help it discharge its Statutory Homelessness Duty.

Over the last ten years of SHIP delivery RSLs have faced a number of major challenges such as the reductions in grant funding and changes in payment arrangements with the most significant challenge being the ability to access private sector capital funding at reasonable terms and conditions. However, following the Scottish Government's commitment and significant increase in direct housing investment funding over this year and the next 3 financial years resulting in a significant increase in Borders resource planning assumption up to £15m per year, including an increase in the RSL unit bench mark rate by 20% in 2016 to support the delivery of affordable housing provides sufficient resources and more certainty enabling Borders developing RSLs to deliver bigger more ambitious programmes to meet need. With the lending market easing considerably this enables RSLs to access more affordable funding packages at terms and conditions which are more acceptable to them, and the Scottish Government's review of the planning system with a focus on improving planning processes to support the delivery of good quality housing should all contribute towards effectively achieving delivery of the programme.

In preparing this SHIP 2018-2023 consideration has been given to priorities across sub areas and by tenure and house size, type which depend on a range of factors, including relative need, land availability and development constraints. Work is also underway to consider the housing needs at a localities level to link with community planning and the Health and Social Care Integration Strategic Plan objectives through its Housing Contribution Statements.

This SHIP has been developed in collaboration with key Council services including, Planning, Assets and Infrastructure, Finance, Health and Social Care services and, with a range of stakeholders of the SHIP Working Group including aligning housing priorities to reflect identified needs and commissioning intentions of the Strategic Plan. It is underpinned by resource planning assumptions for the period 2018-2021 discussed with the Scottish Government and includes a range of other funding mechanisms such as local authority on lending and funding from the Public Loans Works Board to deliver the Council's NHT Local Authority Variant Programme. It is also predicated on RSL financial capacity for private borrowing including the use of charitable bonds underpinned by other funding arrangements such as 2nd Homes Council Tax, Affordable Housing Policy Developer Contributions including strategic disposals of Council owned land.

The Council and its partners are optimistic that through positive partnership collaboration we can maximise and spend the additional resources allocated. Projects have been identified which could potentially be accelerated in the event that infrastructure issues and other challenges can be resolved. That said recognising the challenges of the lead-in timescale for developments, projects have therefore been prioritised accordingly. Notwithstanding the projects identified, work continues

to identify new potential development opportunities and these will be explored and brought forward as and when it is feasible.

This SHIP update rolls forward the 2017-2022 SHIP planning horizon for a further year taking us to 2023 and is underpinned by the SESPlan Housing Needs and Demand Assessment, and takes cognisance of the South East of Scotland Plan (SESPan) and the Scottish Borders Local Development Plan. It illustrates how a variety of funding mechanisms, including support from the Scottish Government's Infrastructure Fund to ensure the delivery of new affordable housing are maximised in order to deliver the affordable housing targets as set out in the Council's Local Housing Strategy 2017-2022 (LHS), the new housing supply target of 128 additional affordable homes per year. The SHIP is a realistic, resourceful and operational plan that demonstrates how, when and where the Council and its partners plan to deliver housing investment priorities over the next five years.

The SHIP Project Working Group remains the Council's key working group responsible for overseeing the development and delivery of the SHIP and the ongoing review and evaluation process. This includes the identification and prioritisation of sites for inclusion and monitoring delivery of affordable homes against the Scottish Borders Local Housing Strategy target of 128 homes per year. The group includes the following key stakeholders: SBC Housing, Planning and Assets and Infrastructure and RSLs who link in with SEPA, Scottish Water, Scottish Gas, Homes for Scotland, the Rural Housing Service, the local construction sector and the Scottish Rural Property and Business Association.

Eildon Housing Association, Berwickshire Housing Association and Scottish Borders Housing Association are the local developing Registered Social Landlord (RSL) partners that play a key role in supporting the delivery of affordable housing projects across the Borders. Following a selection process in 2016 to identify RSL partners to work together to deliver up to 6 new extra care housing projects across Borders main towns, Trust Housing Association and Eildon Housing Association were both selected to work in partnership with the Council to ensure efficient and effective delivery of these housing models.

An Extra Care Housing Board was established and includes representatives from Health & Social Care, SBC Finance, Assets and Infrastructure, Planning, Housing, and the above two RSLs. Whilst each representative on the Board have an individual role and responsibility the collective responsibility is to deliver the projects identified in the Extra Care Housing Delivery Framework to provide sustainable and long-term flexible affordable housing solutions for the benefit of existing

and emerging needs of older people within the main Scottish Borders towns and surrounding areas in contributing towards meeting identified housing and care needs.

The funding resources required and available to deliver the investment priorities are outlined in section 7 page 44 and are set out in Appendix 5. The SHIP does not address unsubsidised private sector market housing however it is recognised that new private house building makes a significant contribution to the local economy and to communities' sustainability.

In December 2013 Scottish Borders Council Members considered a final business case and approved proposals for new affordable (mid-market) housing in the Borders. This Council-led Affordable House programme is being delivered via a Local Authority Variant of the National Housing Trust model in partnership with the Scottish Futures Trust and the Scottish Government continues to provide additional affordable housing that helps meet an established social need whilst keeping people in jobs and stimulating the economy in the Borders.

The programme was made possible by the Council borrowing from the Public Works Loan Board to support the delivery of additional new homes for affordable rent. This builds upon the 46 homes already delivered using the National Housing Trust model at Balnakeil in Galashiels, and Innerleithen. In the main, the properties are being built to current Scottish Building Standards with some being built to Housing for Varying Needs Standard. The Council has reached agreement with and continues to be in ongoing discussions with a number of Developers to deliver additional homes at a mid-market rent in key pressured areas in the Borders however owing to rising costs and unrealistically high land price expectations make it increasingly difficult to deliver within the financial viability parameters. At the time of writing, four flats are under construction at Innerleithen Road, Peebles and the Council has signed Heads of Terms with a Developer regarding the development of 20 flats as part of the wider re-development and area regeneration of Burgh Yard Galashiels.

A Limited Liability Partnership, Bridge Homes has been set up to take ownership of the houses produced via this programme. At the time, the programme was designed to complement the then smaller social housing development programme in order to help meet affordable housing targets set in both its previous Local Housing Strategy 2012-2017 and the previous Council Administration's 'Ambitious for the Borders' vision.

With the five year anniversary of the Council's 1st National Housing Trust Initiative approaching in 2017, Council Officers are now looking to develop its exit strategy for the disposal of the Tweedside Homes LLP properties. It is recognised that the anticipated disposals will present

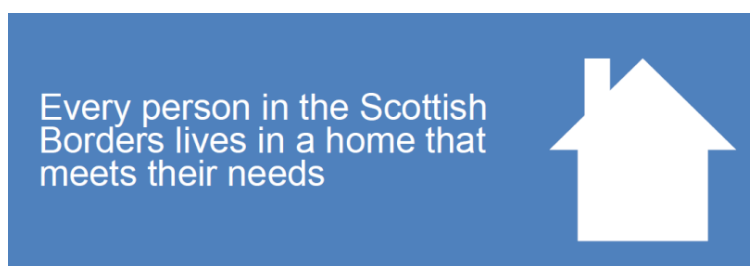
opportunities for many of these properties to be acquired by the RSL sector, thereby keeping them in the affordable rented sector in perpetuity and as such are reflected in this SHIP as a potential outcome.

2. Local Housing Strategy Outcomes and Targets

The Council's new five year Local Housing Strategy (LHS) 2017-2022 provides the strategic direction to tackle housing need and demand and to inform the future investment in housing and related services across the Scottish Borders area. The LHS identifies an affordable housing target of 128 per annum as well as identifying housing for the growing ageing population as a priority to be addressed.

To develop and build up the new Local Housing Strategy (LHS) 2017-2022 the Council worked in collaboration with a wide range of partners to assess local needs, agree priorities and define ideas and solutions to deliver a shared vision for housing in the Scottish Borders. Housing plays a vital role in meeting the needs of local people, communities and the economy. The new Local Housing Strategy sets out a framework of action, investment and partnership working to deliver local priorities and was developed in a very different strategic and financial context from the previous LHS. The Strategy was developed and co-produced in accordance with the Scottish Government's revised LHS Guidance 2015 and is informed by a number of current existing plans and strategies and it is underpinned by the South East of Scotland Strategic Development Plan Housing Needs and Demand Assessment (SESPlan HNDA2) 2015, and reflects the Development Local Plan.

Figure 1: Local Housing Strategy Vision



The Local Housing Strategy sets out the vision and priorities for the future of housing and all housing related services across the Scottish Borders. It considers all tenures and types of accommodation and reflects both national priorities and local needs. In terms of the national priorities, the LHS is expected to show how its actions will support and make a contribution to the Scottish Government's vision for housing that "all people in Scotland live in high quality sustainable homes that they can afford and that meet their needs". The LHS is built on a solid evidence base, and is underpinned by a detailed 'Housing Need and Demand Assessment

(HNDA)' which estimated that 348 new houses should be delivered each year in the Scottish Borders, 128 of which should be affordable. Therefore, the agreed vision is that every person in the Scottish Borders lives in a home that meets their needs and this means affordability, quality, energy efficient and location, see figure 1 on page 11.

Figure 2 below shows the projected increase in the older population is 24% which is higher than the expected increase across Scotland which is 21%. Linked to this there is a greater demand for new Housing with Care and Support models.

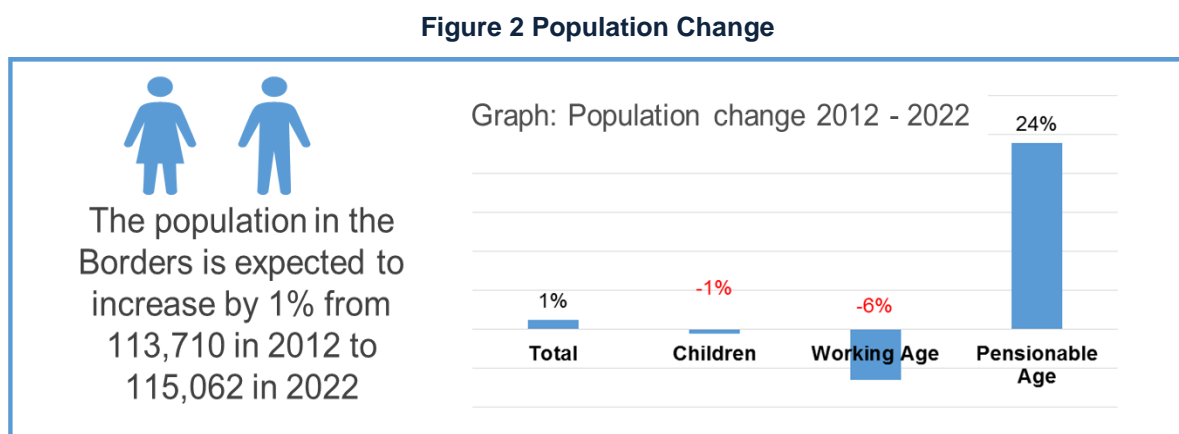


Figure 3 below sets out the Local Housing Strategy's four strategic outcomes and the affordable housing project priorities identified in this SHIP are consistent with these strategic outcomes which, are aligned to the Scottish Government's national health and wellbeing outcomes. There are also direct linkages with the Scottish Borders Economic Development Strategy and Corporate Plan.

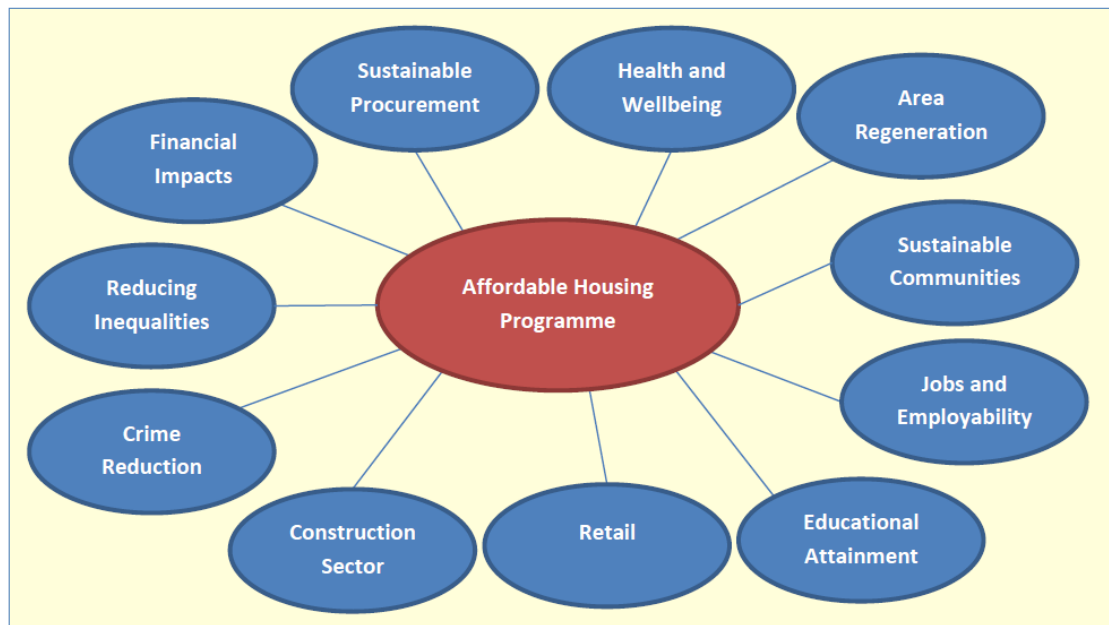
Figure 3: LHS Priority Outcomes



Figure 4 on page 13 seeks to demonstrate the pivotal role and the positive impacts that developing new affordable housing has on the wider social, economic and physical environment. It helps support the local construction industry and provides a funding stimulus into the supply chain and also links in with the Council's Corporate Plan in relation to priority 5 "helping to maintain and

improve our high quality environment” and it also links in with the objectives set out in the Council’s Scottish Borders Economic Strategy 2023 by helping “create the conditions for businesses to compete and builds on our assets”.

Figure 4: Housing’s Contribution to Social and Economic Wellbeing of the Borders

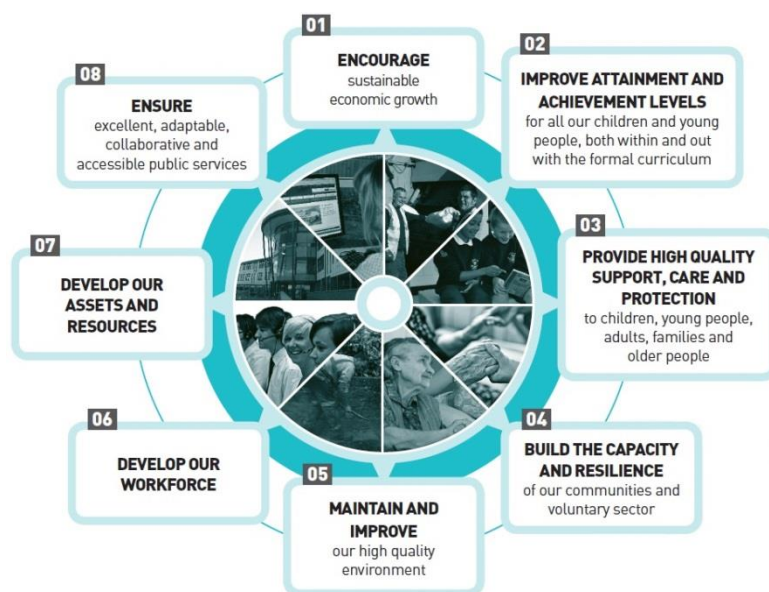


The recently published Scottish Health and Inequality Impact Assessment Network (SHIAN) report published in June 2017 confirms the positive impacts that the new affordable housing on this scale has on health and wellbeing for particular groups and communities. These findings align with previous research evidence that also showed that better housing can lead to some improvements in self-reported physical and mental health and reductions in some symptoms. Heating and energy efficiency measures can improve the indoor environment and also alleviate fuel poverty which can improve occupant’s health and wellbeing.

The SHIAN report also identified that characteristics of high quality housing that benefit health include high levels of energy efficiency, thermal comfort, ventilation, appropriate space for the household, and provision of safety features. The affordable housing projects set out in this SHIP will aim to seek to maximise the opportunities for energy efficiency and reduction of fuel poverty and to achieve the Silver Standard as a minimum thus meeting the Scottish Housing Condition Standards (SHQS) and Energy Efficiency Standard for Social Housing (ESSH).

Delivery of the SHIP also links and supports the Council on delivering on some of its Corporate Priorities such as encouraging and sustaining economic growth, and maintaining and improving our high quality environment as well as contributing to achieving to other key priorities as set out in figure 5 on page 14.

Figure 5: The Councils Corporate Priorities



Under the Community Empowerment (Scotland) Act 2015 the Scottish Government has made it a requirement to put in place a Local Outcomes Improvement Plan (LOIP) with a particular focus on reducing inequalities and delivery of the SHIP contributes to achieving the LOIP’s ambition to improve the quality of life for all who live in the Scottish Borders through working together with our communities and through partnership action. Figure 6 below illustrates the key outcomes for improvements and an affordable housing programme of this size will contribute positively to achieving many of the outcomes and have a direct benefit to many of the people in reducing inequalities.

Figure 6 LOIP Outcomes

OUTCOMES
Our Economy & Skills
Improved productivity and higher weekly wages
Improved support and investment in new and existing businesses in key growth sectors
A higher skilled workforce
More people shopping, visiting and spending in local town centres
Improved physical and digital connectivity (infrastructure and skills)
Our Health & Wellbeing
More people in good health and leading an active lifestyle
More people in good mental health
Our Children & Young People
More LAC (looked after and accommodated) children and young people in positive and sustained destinations
Improved levels of attainment from children and young people who are in our most deprived communities; looked after and accommodated; or identified as vulnerable
Our Vulnerable Adults & Families
Fewer people experiencing domestic abuse
Our Ageing Population
Improved support and care for older people
Cross-cutting outcomes:
Fewer people killed or seriously injured on our roads
More people able to afford to heat their homes
More people living independently in affordable and sustainable homes

Beyond the provision of affordable housing for social rent the Scottish Borders general house building position over recent years mirrored the national picture reflecting a significant and concerning reduction in the number of new homes being built and brought to the market. Albeit there has been some limited market recovery elsewhere in Scotland and the UK, Borders market remains worryingly sluggish. This is evidenced by the number of new homes built on average each year which was 288 in 2013-2014 rising to approximately 370 in 2015-2016 dropping again to 309 in 2016-2017 which includes the affordable housing completions in those years compared to 717 new homes being delivered when the market was at its peak in 2006-2007 with only 60 of these being for social rent.

In an effort to support the both the industry and the supply of new affordable homes the Council was the first Authority to deliver through the National Housing Trust round 1 which delivered 46 new affordable homes in Galashiels and Innerleithen and, has delivered 45 new homes for mid-market rent through its Council-led NHT LA Variant (Bridge Homes LLP) over a number of identified financially viable sites where there has been a high demand and will continue to deliver wherever possible up to March 2019. With the size of the current Affordable Housing Investment Programme it is not envisaged that there will be a requirement to deliver additional mid-market homes under this initiative beyond the end date of March 2019.

3. Affordable Housing Delivered 2016-2017

Table 3, page 21 of the previous SHIP 2017-2022 submission envisaged that there would be 104 affordable housing completions for the period April 2016 – March 2017 representing the final year of the previous Local Housing Strategy 2012-2017 which identified an affordable housing target of 103 additional affordable homes per year.

Table 1 on page 16 of this SHIP sets out the progress on the delivery of the Border's affordable housing projects for the period 2016-2017 which shows a total of 127 additional affordable homes were delivered over that financial period. Of the 127 homes delivered, 75 homes are for social rent by Registered Social Landlords, 22 for Mid-Market rent via the Council's National Housing Trust (NHT) Local Authority Variant initiative, 26 via the Scottish Government's Open Market Shared Ownership mechanism. The Council purchased 3 homes at High Street Innerleithen upon completion as part of an area regeneration project. Finally Eildon Housing Association purchased a single house to suit a tenant with particular needs. All anticipated projects delivered apart from one which has subsequently completed in May 2017 taking it into the 2017-2018 reporting period.

Table 1: Project Completions for 2016-2017

RSL	Project Name	Supplier	Units GN	Units PN	Units Total	Status Update as at 31/03/16
EHA	Howdenbank Hawick	HA Rent	3	0	3	Completed
EHA	Jedward Terr Denholm	HA Rent	8	0	8	Completed
EHA	E. Langlee Ph2B Galashiels	HA Rent	26	0	26	Completed
EHA	Individual house purchase	HA Rent	0	1	1	Completed
SBHA	Stonefield new build Hawick	HA Rent	32	2	34	Completed
SBHA	Torwoodlea Galashiels	HA Rent	4	0	4	Completed
SBC	High St Innerleithen	HA Rent	0	3	3	Completed
Bridge Homes	Croft Field Court Denholm	MMR	8	0	8	Completed
Bridge Homes	Henderson's Court Kelso	MMR	8	0	8	Completed
Bridge Homes	Waverley Road Innerleithen	MMR	6	0	6	Completed
OMSE	Open market shared ownership	Shared Equity	26	0	26	Completed
Total			121	6	127	

Therefore with a 113 affordable houses being delivered in 2012-13, 72 delivered in 2013-14, 62 delivered in 2014-15, 220 delivered in 2015-2016 and the 127 being delivered in 2016-17 means that over the 5 year period of the LHS 2012-2017, 594 new affordable homes have been delivered. This represents an average of 119 home completions per year thus exceeding the LHS then target of 103 homes per year.

Open Market Shared Equity (OMSE) is a Scottish Government funded initiative that enables eligible applicants to be financially assisted to purchase their own home through a shared equity arrangement and to be able to identify a property on the open market. This funding was in addition to the then AHIP funding allocated to the Scottish Borders.

There were no Open Market Shared Equity sales concluded in 2014-2015 and 12 sales were concluded for 2015-2016 and by working with our partners to increase the promotion of this scheme to eligible client groups saw this figure at 26 for 2016-2017. Albeit, it is positive to see this uptake it is difficult to speculate why the demand for this type of housing product is still low compared to other local authority areas but Officers are continuing to look into this.

In an effort to promote and increase take up of this low cost home ownership initiative Council Officers are working with Link Housing Association to maximise publicity through the use of libraries, contact centres and Council website.

Figure 7: Affordable Housing Development Completed 2016- 2017



Figure 7 above shows images of some of the affordable housing projects which completed in Scottish Borders during 2016-2017. These are Croft Road Denholm which is an 8 house new build development by Eildon HA on a green field site. Howdenbank Hawick which is a 3 house remodelling of a former care home. Easter Langlee ph2B (Melrose Gait) Galashiels, which is a 26 unit development as part of the construction of this large, mixed tenure development. Bridge Homes also acquired 8 flats at Henderson's Court Kelso, and 8 houses at Croft Field Court Denholm for mid-market rent. Scottish Borders HA also delivered 4 new build homes at Torwoodlee Galashiels for social rent.

3.1 Development Project Status Update as at September 2017

The Council and its partners are pleased to report that the Council and its partners are confident that they are on track to deliver 83 units over the Strategic Local Programme (SLP) 2017-2018 period and table 2 on page 18 sets out the projects that are envisaged that will be delivered for that period. Albeit, this falls short of the 128 annual target set out in the LHS this will be considered in the context of an anticipated significant increase of affordable housing delivery the following year (2018-2019) of 282 homes as set out in table 7 page 33.

However, it should be noted that these figures do not include other affordable housing delivered through other private sector led mechanisms. With the increased effort to promote the Open Market Shared Equity Scheme it is hoped that there will be a greater number of new affordable

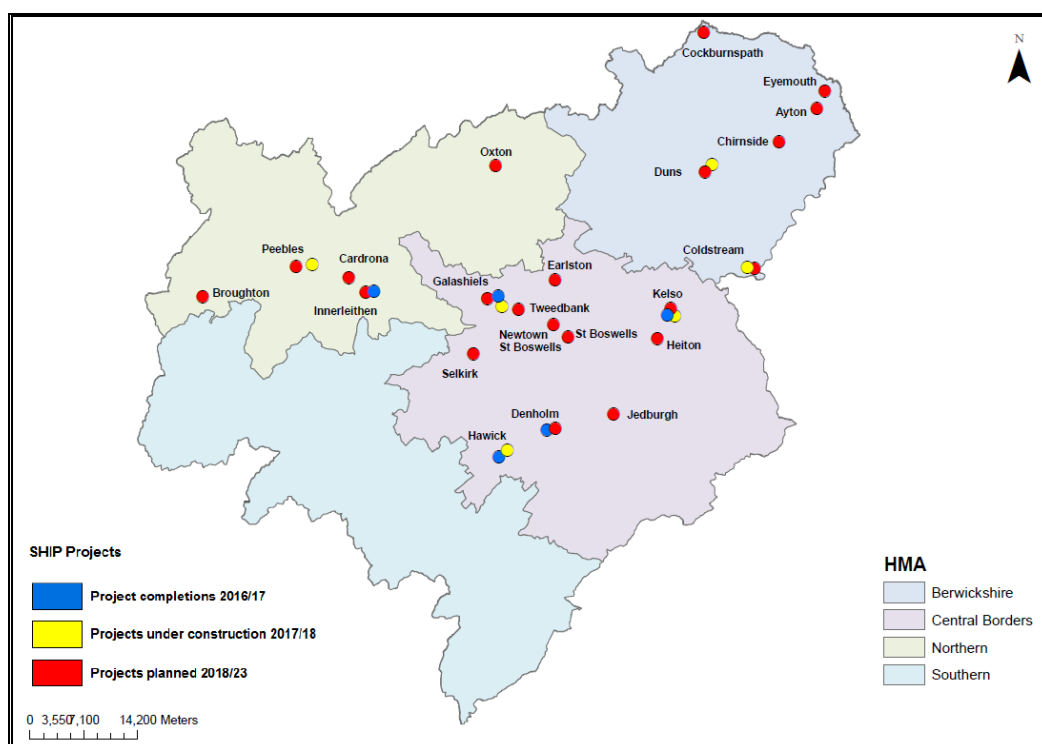
homes purchased via this mechanism. At the time of writing, 15 OMSE assisted purchases have been confirmed for 2017-2018.

Table 2: Projects Envisaged to be completed in 2017-2018

RSL	Project Name	Tenure	Units GN	Units PN	Completions anticipated at March 2018 Total Units
BHA	Gowanlee	HA Rent	-	4	4
EHA	Roxburgh St, Kelso	HA Rent	18	-	18
EHA	Lintburn St, Galashiels	HA Rent	-	8	8
SBHA	Blk 27 Stonefield Hawick	HA Rent	6	-	6
Bridge	Innerleithen Rd, Peebles	MMR	4	-	4
BHA	Todlaw ph 3B Duns	HA Rent	14	2	16
BHA	Peelwalls Ayton	HA Rent	6	-	6
EHA	Chris Paterson PI Gala	HA Rent	21	-	20
Total			69	14	83

Figure 8 below shows the locations where developments were completed throughout 2016-2017 and where there are planned developments for the period 2017/18-2018/23.

Figure 8: Completed Developments 2016-2017, Under Construction and Planned for 2018-23¹



The Council and its partners continue to seek to develop in areas of high demand and identified need across Towns and more rural communities. The map at figure 8 above also illustrates where

¹ Figure 10 includes anticipated NHT projects deliverable by March 2019.

the Council is seeking to deliver additional affordable housing such as homes for mid-market rent through Bridge Homes. Table 3 below provides a position statement on the progress of on SLPA and other projects from SHIP 2017/22 as at August 2017.

Table 3: Position Statement on SLPA and other projects from SHIP 2017/22 as at August 2017

RSL	Project Name	Units General Need	Units Part. Need	Position Update
BHA	Gowanlea, Coldstream	-	4	Complete May 2017
EHA	Easter Langlee, Galashiels Ph3	63		Under construction
EHA	Sergeants Park Ph1 Newtown St Boswells	46	7	Under construction
EHA	Roxburgh St Kelso	18		Under construction
EHA	Lintburn St Galashiels	-	8	Under construction
SBHA	Block 27 Stonefield Hawick	6		Under construction
Bridge	Innerleithen Road Peebles	4		Under construction
BHA	Todlaw Ph3B Duns	16		Under construction
EHA	Chris Paterson Place Galashiels	20		Verbal Agreement
Bridge	Main St Lilliesleaf	7		Developer in administration
BHA	Springfield Ph1 Duns	10		Planning application
BHA	Acredale Ph3 Eyemouth	28	2	Under construction
EHA	Coopersknowe Galashiels	52	6	Planning consent agreed
BHA	Todlaw Ph4 Duns	23		Design stage
BHA	The Glebe Chirside	25		Design stage
EHA	High St Selkirk	10		Planning consent agreed
EHA	Howdenburn Jedburgh	26	2	Tender pending
EHA	Springfield Terr St Boswells	3		Site acquired/design stage
EHA	Jedward Terr Ph2 Denholm	6		Design stage
SBHA	Block 5/6 Stonefield Hawick	6		RTB flats negotiations
SBHA	Rose Court Galashiels	10		Planning consent agreed
SBHA	Heriot Field Oxtou	4		Design Stage
SBHA	Glensax Road Peebles	6		Design stage
EHA	James Hogg Court Innerleithen	26		Valuation discussions
EHA	Station yard Cardrona	17		Planning application
EHA	Former high school Earlstou	53	2	Site acquired/Design stage
BHA	Former high school Eyemouth	24		Master planning exercise
BHA	Former auction mart Restou	25		Developer led project
BHA	Lady Hall Cockburnspath	20		No longer being progressed
EHA	Tweedbridge Court Peebles	32		Site acquisition/Design
EHA	Huddersfield St Galashiels	34		Planning App lodged
EHA	Springwell Brae Broughtou	12		SBC to agree disposal
EHA	Langhaugh Galashiels (ECH)	-	38	Design Stage
THA	Todlaw Duns (ECH plus Amenity)	-	49	Design Stage
SBHA	Tweed Court Kelso	10		Design stage
SBHA	Garage sites	20		Feasibility Stage
BHA	Priory Bank/Hillview Coldstream	20		Design Stage
BHA	Swinton	6		Design Stage
BHA	Beanburn/Lawfield Ayton	50		Master planning
BHA	Springfield Ph2/3 Duns	75		Planning App lodged
EHA	Stirches Hawick (ECH)	-	30	SBC to agree disposal
EHA	Renwick Gardens Morebattle	8		Pending design stage
THA	Former high school Eyemouth	-	36	Master planning exercise

In 2009, a locality planning approach for the development of priority areas to reflect local needs and issues was introduced in SHIP which at the time provided the catalyst to develop both the Peebles and Hawick housing strategies. The delivery of Tweedbridge Court project will complete the delivery of the Peebles Housing Strategy. Eildon Housing Association are in discussion with Blackwood to acquire the site and will be in a position to progress with the re-development of site to provide approximately 36 homes for social rent as set out in table 7B page 34.

Stonefield in Hawick was also recognised as a local priority with the issues of poor housing quality, low demand, and the mismatch of available stock types and sizes all prevalent. Scottish Borders Housing Association’s Area Renewal and Modernisation Programme have helped to address this, with the business case to secure AHSP grant assistance for Major Reconfiguration work supported by the SHIP. Works to date have reconfigured units from within the shell of existing blocks with, in some cases, 2 units being knocked into one. Figure 9 below illustrates some of the transformation delivered through the Stonefield regeneration programme

Figure 9 Stonefield and Deanfield Regeneration



As reported in the previous SHIP, remodelling of a further block (Block 27) was due on site in January 2017 and is currently on site and due to complete in 2017-2018 adding 6 new homes to the 53 remodelled flats that have been completed since 2009. This leaves Block 5 and 6 to be addressed and consideration is being given on whether to demolish and new build subject to Scottish Borders Housing Association securing ownership of a couple of properties secured via Right to Buy (RTB) within the block.

Notwithstanding the potential demolition and new build for blocks 5 and 6 outlined above, Scottish Borders Housing Association has also completed a further 34 new build properties in 2016-2017. Once the two remaining blocks are either demolished or rebuilt this would complete the delivery of the regeneration of the Stonefield Estate thus delivering on the visioning and stock transfer commitments promised at the time of transfer. Figure 10 below illustrates some of the transformation delivered through the Stonefield new build programme.

Figure 10 Stonefield New Build



Particularly noteworthy is the Council's High Street, Innerleithen project whose completion of 3 generous sized 1-bed properties has regenerated a longstanding gap site in the Innerleithen conservation area which has been in existence for almost 25 years and has received much positive comment from the local community. Adjacent to that site has been the redevelopment of the Waverley Road derelict building site. Figure 11 below shows provides illustrations of the before and after.

Figure 11: Gap Site & Waverley Road, Innerleithen before and after



The Council has been working closely with Waverley Housing to consider suitable options for the future of an estate within the Upper Langlee area of Galashiels. Figure 12 below shows the estate which consists of 86 flats, 133 maisonettes, 2 houses and 98 garages.

Figure 12: Upper Langlee, Galashiels



The estate has experienced poor occupancy levels, tenancy sustainment and letting trends which demonstrates that there is a surplus of flats and maisonette property types. Waverley Housing have undertaken various initiatives e.g. offering furnished lets to improve letting and tenancy sustainment levels on the estate but these have had only a limited impact. As a result the Council have committed funding to appoint a consultant to carry out a master planning study exercise with a view to bringing forward comprehensive, detailed and fully costed options for the future of the estate.

Consultants have now been appointed and are undertaking this study which is scheduled for completion in summer 2018 after which a decision will be made on the most appropriate option to progress. A key part of our approach to this exercise has been to encourage involvement of local residents in the appointment of consultants and to feed in their views on the options for the future of the estate and this will continue until project completion.

As this project develops more detailed financial information on the preferred option will be forthcoming and this will be reflected in future updates of the SHIP.

The Council published its Empty Homes Strategy back in January 2012 and secured £150k via the Scottish Government's Empty Homes Loan Fund and despite little or no interest from would be developers or owners of empty properties Council Officers continue to promote and liaise with

owners of empty properties to help bring back properties for affordable rent. Council Officers are actively in discussion with a developer regarding potential use of the loan fund in order to assist bringing a prominent long term empty tenement block in Galashiels back into use. This would see 9 homes brought back into use. See figure 13 below:

Figure 13 Kirkbrae, Galashiels



The Council and its partners are responding positively to deliver on the welcomed opportunity and challenge presented by the increase in the AHIP resource planning assumption and additional resource aimed at assisting resolving infrastructure blockages and continues to work closely to develop creative ways of delivering new affordable housing projects in order to respond to the Scottish Government’s 50,000 affordable homes target.

This significant resource increase and 3-year Resource Planning Assumptions provides the Council and its partners with more certainty in developing and delivering the mainstream housing programme as well as enabling us to take forward the development of much needed extra care housing whilst also being creative in use of sites through strategic release of SBC owned sites and in collaboration with our housing association partners we are able to deliver an ambitious SHIP that has a positive economic impact such as sustaining jobs and creating training opportunities, and in collaboration with the Edinburgh and South East Region City Deal Programme ambitions aim to maximise opportunities presented within the railway corridor.

The Council has been allocated £10.008m for 2017-2018, and been provided resource planning assumptions (RPAs) totalling £43.957m for a further 3 years for the life of the current Parliament. This amounts to £13.167m for 2018-2019, £14.897m for 2019-2020 and £15.893m for 2020-21 and in the absence of RPA's beyond 2021 and to permit the necessary advance planning of projects it has been informally suggested by Scottish Government Officials to plan on the basis of in the region of £15m or more each year for the final two years of this SHIP. The Council welcomes the decision by both Eildon Housing Association and Berwickshire to seek and secure charitable bond funding of approximately £4.6m in lieu of affordable housing supply funding.

This would equate a housing supply grant allocation in the region of £77.4m (£82m including the charitable bonds and £92m including the 2017-2018 £10m RPA) over this financial year and the next five year period covered by this SHIP. Projects have been identified and prioritised in order to maximise delivery of this funded vision, including available RSL financial capacity for the period to 2023 and in line with Scottish Government Guidance has been over-programmed to take cognisance of the minimum slippage factor of 25% both within or out with the Borders. Projects have also been identified that are capable of being accelerated should infrastructure constraints be resolved providing greater confidence in project delivery within the timescales set out in this SHIP.

To help tackle infrastructure blockages the Scottish Government established a flexible five-year grant and loan fund, initiated with up to £50 million available from 2016-17 and beyond. Table 4 below has been updated from the previous SHIP submission and illustrates the two projects that were considered by the Scottish Government through its initial prioritisation of sites in October 2016 and are now currently being progressed by Scottish Government and Eildon Housing Association.

Table 4: Infrastructure Funded Site Acceleration Opportunities

Site Location	Bid Value	Affordable Units	Delivery Timescale	Grant/ Loan	RAG	Scottish Government Comment
Huddersfield St, Galashiels	0.280	34	2018/19	Grant	GREEN	SG in discussion with Eildon Housing Association
Earlston High School	0.250	55	2019/20	Grant	GREEN	SG in discussion with Eildon Housing Association

Table 2 in appendix 5 sets out the six projects have been identified where RSLs are seeking Infrastructure funding support to help project viability and deliverability.

The delivery of the SHIP is also dependant upon ownership of land by the RSLs and the recent delivery of a number of projects had previously depleted the land bank, particularly in Northern and Central Borders. However, RSLs have had a number of successes acquiring sites for affordable housing development. In part this is due to the development industry bringing forward sites for affordable housing development. There is always going to be an ongoing need to acquire land for affordable housing with partner RSLs and this is set out in more detail in section 6 'Development Constraints' page 38.

Based on the Resource Planning Assumptions for the period 2018-2021 (£43.957m) confirmed by the Scottish Government in June 2017 plus a further £4.6m from charitable bonds, the Council and its partners at an average grant of £72 per unit could potentially deliver up to 674 units over the remaining three year period of the Scottish Parliament. However, through the SHIP Project Group process potential projects have been identified that could deliver as much as 803 new RSL homes over the same period (see tables, 7, 7a and 7B pages 33 and 34). For the full five-period of the SHIP projects have been identified and over-planned on the basis of a total of 1157² new RSL homes and a further 20 mid-market homes via Bridge Homes over the same period.

This is assuming that all development constraints are overcome, unlimited grant available to assist project delivery, developers are willing to collaborate in order to open up identified sites but what it does provide is further reassurance that we have sufficient development sites that will ensure that RPA allocations to be fully spent in the Borders and to potentially secure any slippage funding from other local authority areas. This figure does not include the 83 affordable homes envisaged to be delivered in 2017-2018 as set out on table 2 page 18. It should be noted that there may be other Private Developer and/or other RSL projects, OMSE and discounted sales that could be delivered throughout the SHIP period.

The Council and its partners will continue to review and bring forward projects that have been identified through the routine project prioritisation assessment and review process that could be delivered within the timeframes to contribute to the Scottish Government's ambitious affordable housing targets. Quarterly programme meetings with the Registered Social Landlords, the Scottish Government and the Council are instrumental in this process. The Council and its partners will continue to explore re-development and remodelling opportunities arising from the development and implementation of the Strategic Plan for meeting the Housing & Support needs of Older People and Appendix 5 sets out the programme summary within the Affordable Housing Programme budget.

² See Table 9 page 36

4. Project Prioritisation Methodological Process

Projects contained within the SHIP programme are prioritised on a site by site basis within the context of available Affordable Housing Supply Programme Funding (AHSP) allocations; the balance of the programme across sub areas including tenure and type, and are prioritised on a number of factors. These factors include; deliverability (including land ownership and the financial capacity to deliver the projects and if required to front fund individual total project costs), strategic fit (ie; aligning with the Integration's Strategic Plan, specialist provision including extra care housing), housing need, homelessness pressure spots, rurality and social, economic, environmental impact.

Following a short discussion it was agreed that there would be minor modifications to the prioritisation methodology from the previous SHIP submissions and should evidence of the impact of the Welfare Reform on the housing stock becomes clearer this will be revisited. Although the process was updated to take account of changing demographics, RSL stock numbers and the introduction of the new locality areas and main gas supplies.

4.1 Project Priority Assessment Tool

The Project Priority Assessment Tool is a project priority weighting matrix that has been developed to provide a bottom up assessment of relative priorities of housing projects delivered by RSLs (and other potential Developers) in the Scottish Borders over the five year life of SHIP and includes the Scottish Government's Urban/Rural Classification. Deliverability, including financial capacity is still seen as a key factor for considering the viability of a project and thus the 40% weighting is retained.

Land supply and development projects are initially identified by RSLs (or others) and SBC by an external environmental assessment of current and proposed local strategies, analysis of SBC's Land Audit and Local Plan and local knowledge. From this a list of potential projects is derived by each RSL in conjunction with SBC. A standard project descriptor template is used and Individual projects are then assessed by using The Project Priority Assessment Tool.

The project priority weighting matrix set out on page 27 has been developed as a mechanism to assess the priority of projects and RSL financial capacity and not for assessing project or revenue viability.

Assessment has been carried out by a panel of representatives from the four main RSLs and a Senior Housing Officer from SBC. The process is facilitated by SBC and a note of the proceedings is produced for the record.

Assessors are each issued with:

1. Scoring Guide for Assessors – this provides information and guidance on the four key criteria and how each member of the panel should make their individual assessment.
2. Guideline Data for Assessors – this provides information settlements and gives a broad overview of relative need by Housing Market Area and by settlement discussed and agreed by all parties.
3. Assessors Scoring Sheets – this provides a list of all projects to be assessed by RSL on which Assessor mark their scores. These papers are retained by SBC at the end of the process to provide a clear audit trail.
4. RSL project Descriptions –these are the individual project descriptions produced by each RSL containing the information required to allow assessment to be made.

Table 5: Project Priority Weighting Matrix

Deliverability (40% weighting)
<ol style="list-style-type: none"> 1. Funding (RSL financial capacity and ability to front fund total project costs, is funding for new development contained within RSL Business Plans) 2. Land availability (is there an effective land supply? Is it available/willing vendor?) 3. Project programme delivery (eg; is it an off the shelf project, implemented immediately) 4. Constraints (Legal/infrastructure/site/planning/flood risk/industry capacity supply chain etc)
Housing Need (25% weighting)
<ol style="list-style-type: none"> 1. As identified through SBC's Housing Needs Assessment (HMA's) – 2. Validated Source – (eg; RSL waiting list info, local community housing needs study, homelessness) 3. Equalities - Need identified for specialist provision (eg; extra care, wheelchair user, elderly, re-provisioning)
Strategic Fit (30% weighting)
<ol style="list-style-type: none"> 1. Regeneration (Area regeneration/brown field/housing estate community regeneration/re-provisioning) 2. Rurality (as defined by a population of 250 or less – this incorporates landward areas) 3. LHS Priority – (is it identified in the LHS 2017-2022) 4. Part of Existing Agreed Strategy or Programme (for example Extra Care Housing Delivery Framework) 5. Links with other non-housing Strategies or projects (eg; Eyemouth High School, City Deal/Railway Blueprint Corridor) 6. IJB Strategic Plan – Housing Contribution Statement 7. Support Town Centre Living Strategy 8. Does the project meet the conditions set out in Scottish Government's Guidance Notes
Impact (5% weighting)
<ol style="list-style-type: none"> 1. Social (is this project likely to have a positive social impact on the Community?) 2. Economic (what is the economic impact of this project likely to have?) 3. Environmental (What will the environmental impact of the project be?)

Please note: each key criterion carries a possible score of 100.

Once the assessments had been carried out the scores were transferred to the Project Priority Assessment Tool model. This calculates out the summed and weighted scores for each project and then ranked each project by priority. The rankings from the Project Priority Assessment Tool in turn helped to inform the top down strategic investment planning process used in the Resource Planning Tool. Project prioritisation through applying this Tool assisted the Council and its partners to identify and bring projects forward at very short notice should any slippage occur in other areas within the planned programme or if additional resources were available, for example; an increase in grant funding allocation. However, it should be noted that programme management issues may mitigate against projects being rigidly brought forward in the context of prioritisation ranking, eg; through the application of resource planning assumption.

This is a dynamic model that reflects the reality of the ever changing political and economic climate and is used by the SBC SHIP Group to review, track and monitor the relative priority of existing and new projects that arise. In this way projects can be either accelerated or deferred depending on the circumstances that arise.

Using this tool, individual projects considered by members of the SHIP Project Group to determine their priority ranking in 2014 have been reviewed both in 2015 and 2016, and new projects brought forward have been assessed for prioritisation. For analysis of the outcomes of the weighting assessment exercise and project descriptions see appendix 1.

The AHPPM has been applied to all current commitments and proposed projects reported in 7 to 7D on pages 33-35. All projects identified in the SHIP have detailed project descriptions which are outlined in parts 1 and 2 of the Affordable Housing Project Priority Assessment exercise which is illustrated in appendix 1. These provide individual site specific comment including; constraints, ownership, infrastructure, contamination, planning, land banking opportunities, recession impact, site access and an equalities impact assessment statement. Individual developing or receiving RSLs are required to demonstrate how they mitigate these constraints and provide timescales which will be considered on a regular basis through the application of the AHPPWM.

4.2 Resource Planning Tool

The Resource Planning Tool is a strategic investment planning model that provides a top down strategic assessment of the funding required to deliver the affordable housing objectives of the LHS. In this context, the Resource Planning Tool provides an overview of the funding allocations by tenure based on number of units, average development costs and a preliminary assessment of the funding source proportions. This SHIP has been prepared on the basis of a five-year planning

horizon and is underpinned by a draft funding assumption provided via discussion with Scottish Government More Homes Scotland as set out on page 24.

The Council and its partners will continue to seek to provide additional affordable housing to reflect the proportions of need identified through the Housing Need and Demand Assessment 2. The Council and its partners have historically been well placed to bring forward project opportunities at short notice as evidenced in previous SHIPs and shadow programme arrangements and, should slippage occur elsewhere in the region or additional resources be made available we will continue to seek to identify projects at an every opportunity.

5. Investment Priorities for Affordable Housing 2018-2023

Unlike previous SHIP's, this year there is a much greater impetus to progress and where possible accelerate project delivery in order to assist the Scottish Government meet its ambitious target of 50,000 new affordable homes and Scottish Borders Council and its partners are being extremely ambitious in an effort to maximise delivery of affordable homes to help Borders communities and to spend of our affordable housing grant allocation.

Meeting the housing requirements for older people is identified as a key priority for the new Local Housing Strategy 2017-2022 which was launched in the autumn in 2017. Work is underway to develop an Integrated Strategic Plan to address the housing, care and support needs of older people over the next 5 year period. An important part of this plan is the identified need for several extra care housing models across the main towns of Scottish Borders following an independent needs assessment undertaken in March 2016. On the 20th September Scottish Borders Council Members endorsed a flexible delivery framework for delivering extra care housing in the Borders.

Table 6 below has been updated from the previous SHIP submission and sets out the revised proposed project delivery timeframes for the delivery of 189 extra care houses in the Borders.

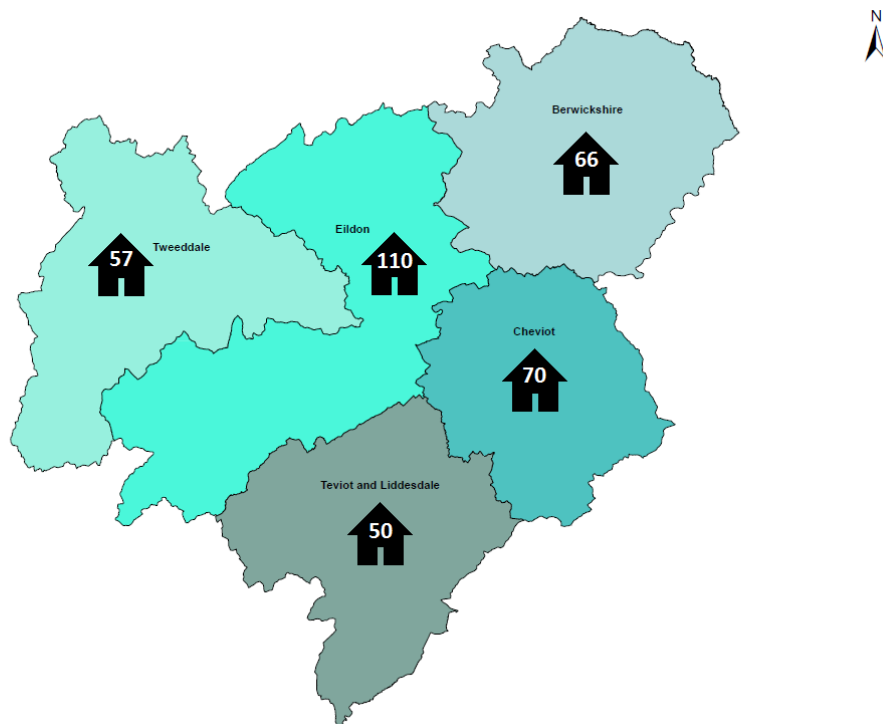
Table 6 Proposed Delivery Timeframes for Extra Care Housing Developments

	2019/20	2020/21	2021/22	>2022/23	Total
Duns	-	30	-	-	30
Galashiels	-	39	-	-	39
Hawick	-	-	30	-	30
Eyemouth	-	-	36	-	36
Kelso*	-	-	-	24	24
Peebles*	-	-	-	30	30
Total		69	66	54	189

NB*: Kelso and Peebles likely to deliver beyond the life of the SHIP

Figure 14 below sets out the estimated need for extra care housing at a locality level which shows that the need for extra care by 2035 is estimated to be 353 across the Borders.

Figure 14 Extra Care Housing Need at Locality Level



Following a preferred RSL partner selection process both Trust Housing Association and Eildon Housing Association were selected to develop and deliver up to six extra care housing developments in Borders main towns. Figure 15 below illustrates the Borders first extra care housing scheme which was developed by Eildon HA in 2013 and illustrates examples of Trust’s older people’s housing schemes elsewhere in Scotland.

Figure 15: Extra Care Housing Developments



Both Eildon and Trust HA's have been working together to draw on previous experience and to maximise potential efficiencies in the procurement process and have collaborated with the Council to develop a joint project brief. In addition the RSLs have agreed to select and appoint a joint design team for the Duns and Galashiels developments. Whilst the 2 sites are quite different and pose unique challenges to the design team, it is understood that this arrangement is working well and is producing synergies to help them accelerate designs for both projects.

Figure 16 Extra Care Housing Duns Design Impressions



Feasibility studies, initial design stage and costings have been carried out for both the development in Duns and Galashiels with figure 16 on page 31 illustrating the Duns design work and figure 17 below illustrating Galashiels.

Figure 17 Extra Care Housing Galashiels Design Impressions



Both developments are on target to deliver 30 and 38 new affordable extra care houses respectively in 2019-2020.

The Development projects illustrated in tables 7 to 7D on pages 33-35 sets out all the proposed affordable housing projects for 2018-2023. These projects have been prioritised for investment by the SHIP Project Group using the AHPPWM and have been agreed in principle for funding through collaboration with Scottish Government, More Homes Division, the Borders Housing Network and the Council.

Table 7: Proposed Development Projects 2018-2019

RSL	Project Name	Tenure	Units General Need	Units Part. Need	Units Total
BHA	Acredale 3 Eyemouth	HA Rent	28	2	30
EHA	Craigpark Gdns Gala	HA Rent	10	-	10
EHA	Springfield Tce St Boswells	HA Rent	3	-	3
EHA	E.Langlee ph3 Gala	HA Rent	63	-	63
EHA	High St Selkirk	HA Rent	10	-	10
EHA	Woodside Pl Gala	HA Rent	4	-	4
EHA	Huddersfield St Gala	HA Rent	34	-	34
EHA	Sergeant's Park Newtown	HA Rent	46	7	53
EHA	Station Yard Cardrona	HA Rent	17	-	17
SBHA	Rose Court Gala	HA Rent	10	-	10
SBHA	Heriot Field Oxtou	HA Rent	4	-	4
EHA	James Hogg Court Innlthn*	HA Rent	24	-	24
Bridge	Burgh Yard Galashiels*	MMR	20	-	20
Total			273	9	282

*potentially able to acquire in 2017-2018

Table 7A: Proposed Development Projects 2019-2020

RSL	Project Name	Tenure	Units General Need	Units Part. Need	Units Total
SBHA	Tweed Court, Kelso	HA Rent	10	-	10
SBHA	Glensax Road Peebles	HA Rent	6	-	6
EHA	Langhaugh Gala (ECH)	HA Rent	-	39	39
EHA	Howdenburn Dr, Jedburgh	HA Rent	26	2	28
EHA	Coopersknowe Gala	HA Rent	67	6	73
EHA	Earlston ex HS	HA Rent	64	2	66
THA	Todlaw Duns (ECH)	HA Rent	-	49	49
BHA	The Glebe Chirnside	HA Rent	25	-	25
BHA	Todlaw ph4 Duns	HA Rent	23	-	23
Total			221	98	319

Table 7B: Proposed Development Projects 2020-2021

RSL	Project Name	Tenure	Units General Need	Units Part. Need	Units Total
EHA	Tweedbridge Court Peebles	HA Rent	36	-	36
EHA	Sergeants Pk ph2 Newtown	HA Rent	60	2	62
EHA	Springwell Brae Broughton	HA Rent	12	-	12
BHA	Burnwood Co'path	HA Rent	8	-	8
EHA	Crawwood Tweedbank	HA Rent	16	-	16
EHA	Burgh Yard Gala	HA Rent	20	-	20
EHA	Stirches Hawick [ECH]	HA Rent	-	30	30
EHA	Main St Heiton	HA Rent	8	-	8
BHA	Springfield ph1 Duns	HA Rent	10	-	10
SBHA	Garage sites - various	HA Rent	20	-	20
Total			190	32	222

Table 7C: Proposed Development Projects 2021-2022

RSL	Project Name	Tenure	Units General Need	Units Part. Need	Units Total
EHA	Jedward Tce Denholm	HA Rent	6	-	6
BHA	Beanburn Ayton	HA Rent	50	-	50
BHA	Eyemouth ex HS	HA Rent	24	-	24
BHA	Priory Bk/Hillview Coldstream	HA Rent	20	-	20
THA	Eyemouth ex-HS (ECH])	HA Rent	-	36	36
BHA	Springfield ph2/3 Duns	HA Rent	75	-	75
Total			175	36	211

* Unit numbers to be confirmed following feasibility study

Consistent with last year's SHIP, the Council and its RSL delivery partners continue to be ambitious, resolute and optimistic in seeking to progress, accelerate and increase project delivery in order to maximise the current grant opportunity to deliver more affordable homes in the Borders to meet housing need. In so doing will also assist the Scottish Government meet its ambitious target of 50,000 new affordable homes by 31st March 2021.

Table 7D on page 35 sets out proposed development project opportunities which could deliver up to 123 units with some of the projects being illustrated potentially delivery beyond 2022-2023. Further work and/or negotiation will required in order to realise these potential development opportunities.

Table 7D: Proposed Development Projects 2022-2023

RSL	Project Name	Tenure	Units General Need	Units Part. Need	Units Total
EHA	Ex-Borders College Gala	HA Rent	33	-	33
SBHA	Block 5/6 Stonefield Hawick*	HA Rent	6	-	6
TBC	Ex HS Kelso (ECH)**	HA Rent	-	24	24
TBC	Peebles (ECH)***	HA Rent	-	30	30
BHA	Ladiesfield Coldstream	HA Rent	30	-	30
Total			69	54	123

* SBHA will need to secure the purchase of two RTB's to proceed with the development

** An option appraisal of the KHS Site will be required which will take into account other planned development activity and best use of the site

*** A site has yet to be identified and secured in Peebles

It is also important to note that at this stage the number of particular needs housing in individual projects have not yet been identified and confirmed. Project delivery timescales could also change periodically as project timescales/new projects progress and RPAs for each year are announced and confirmed.

There is a number of additional potential affordable housing projects that have been identified either through direct contact from the Developer and Eildon Housing Association or are being explored through Section 75 or anticipated Section 75 requirements. However, development of these sites is largely dependent on market led activity and commercial decisions by the Developer and site owners. Some of these sites have been known to the Council and its partners for some years and this indicates a continuous sluggish Borders Housing Market.

Table 8 on page 36 sets out potential sites currently being investigated as future possible affordable housing development opportunities and indicates that as much as an additional 542 affordable homes could be delivered if the market was to change and Developers were willing.

For example, the strategic release of housing land within the railway blueprint corridor aligns with Edinburgh and South East Scotland City Region Vision which will have a transformative impact on regional housing supply and on reducing inequalities across the region. This forms part of the Regional Housing Delivery Plan which outlines the collaborative measures being undertaken by the Edinburgh & South East of Scotland City Region (ESESCR) to address the housing crisis facing the region which can only be realised through working and investing jointly with RSL partners, various land owners, developers and housebuilders. For Borders this means the potential development of Lowood which would provide a mixed tenure development adjacent to the Tweedbank Railway Station.

Table 8: Potential Pipeline Development Projects

RSL	Project Name	Tenure	Units General Need	Units Part. Need	Units Total
EHA	Auction Mart, Newtown	HA Rent	53	2	55
EHA	Nethershot Kelso	HA Rent	38	-	38
EHA	Hendersyde Kelso	HA Rent	30	-	30
EHA	Royal Hotel site Stow	HA Rent	13	-	13
EHA	Milestone Newtown	HA Rent	56	4	60
EHA	Wallaceneuk Kelso	HA Rent	30	-	30
TBC	March St Mills Peebles	HA Rent	17	-	17
EHA	Railway Corridor Lowood	HA Rent	75	-	75
EHA	Kingsmeadows, Peebles	HA Rent	40	-	40
EHA	South Park, Peebles	HA Rent	17		17
BHA	Auction Mart, Reston	HA Rent	25		25
EHA	Dicks Field, Ancrum	HA Rent	12		12
EHA	Angles Field, Selkirk	HA Rent	8		8
BHA	Swinton Site, Berwickshire	HA Rent	6		6
EHA	Melrose Road, NTSB	HA Rent	108		108
EHA	Renwick Gardens, Morebattle	HA Rent	8		8
Total			536	6	542

Notwithstanding the project completions as outlined in table 1 on page 16 there are still areas of high and unmet affordable housing demand across the Borders that the private sector cannot satisfy particularly with the advent of the Welfare Reform. Table 9 below illustrates the total number of estimated unit completions over the life of the SHIP and through positive collaborative working between all relevant parties as much as 1177 affordable homes could be delivered over the next five years. The Council with its partners will continue to pursue the pipeline and other opportunities and seek to explore new funding mechanisms for the development of affordable housing including supporting communities to development opportunities at a local level.

Table 9 Estimated Unit Completions 2018-2023

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	2018/19	2019/20	2020/21	2021/22	2022/23	
AHSP	282	319	222	211	123	1157
NHT LA Variant Programme	20	-	-	-	-	20
Discounted sale	-	-	-	-	-	-
Re-modelling	-	-	-	-	-	-
Totals	302	319	222	211	123	1177

Although there remains a strong need to provide additional family housing there is also an increasing need for smaller units in Tweeddale and Central and Eastern Borders, especially in the Galashiels, Kelso, and Peebles, Eyemouth and Duns areas, to meet demand. Galashiels, Duns and Eyemouth have ample sewerage capacity for future housing development. Issues relating to land supply should be largely resolved in SBC's Adopted Local Plan and Affordable Housing Policy.

Following the economic downturn the housing market has still not yet returned to previous levels of activity and this continues to adversely impact on the developer led land supply and contributions identified. The general trend remains however is that developers are still not prepared to sell land without a building contract as part of the deal. This means that due to the restricted level of funding available land supply will be restricted as developers wait for full market recovery. Albeit at a low level the Council continues to receive pre-planning enquiries and planning applications. A number of which relate to larger sites which are anticipated will provide additional on-site delivery of affordable housing opportunities through the Section 75 process.

Responsibility for identifying the level of adaptations needed and the level of funding required now rests with the Integrated Joint Board (IJB). SBC has agreed an annual budget figure to assist means tested major adaptations in its capital budget.

The Occupational Therapy staffing provision located within the Care and Repair Service has been increased in order to deal with assessment and prioritisation of major adaptation requests direct, rather than receive referrals from the decentralised SWD Area offices at Locality level.

Care and Repair work on basis of cash planning targets to manage the workload, whilst financial responsibility for delivery of allocated budget spend and grant administration and grant offers remains with the Council's Strategic Housing Services. Spend is monitored by SBC Chief Finance Officer and reported to Council via routine reporting processes. Spend and numbers of adaptations delivered is also monitored and reported in the Council's Housing's Annual Report and LHS annual reviews.

As a stock transfer authority, the Council has allocated £375k for 2017-2018 to grant support an estimated 80 major adaptations annually in private sector housing stock.

6. Development Constraints

There are a number of barriers and constraints that could hamper the development of new affordable housing in the Borders. The SHIP guidance requires Authorities to demonstrate how projects contained in the SHIP will be resourced and delivered and albeit the lending market has improved somewhat since the financial crash, RSL financial capacity remains an issue that will be monitored regularly should project delivery remain at anticipated current levels for an indefinite period. To ensure that any development constraints are resolved by the estimated site start date, deliverability, including financial capacity is recognized as a key factor in the development of our AHPWM reported in Section 4. As part of the project prioritisation process constraints are discussed on a site by site basis and weighting is influenced by the identification of what actions and timescales are in place to resolve them. The main constraints include:

- Land supplies
- Water and sewage
- Construction industry capacity
- Tender prices
- Public utilities (physical/infrastructure capacity, approval processes)
- Flood Risk

Most of these constraints are out with the control of the Council and its RSL development Partners but can adversely impact on the delivery of additional affordable homes in Scottish Borders. Notwithstanding resource allocation decisions the Council and its partners work closely with the Scottish Government More Homes Division to make best use of affordable housing supply programme funding. There is also limited opportunity to expand the level of funding secured by the Council through both Commuted Sums and the Affordable Housing Budget.³ The Council and its RSL development partners have ongoing discussions to explore different ways to deliver affordable housing in the Borders quicker and in the most cost effective way.

In previous SHIPs, land supply was reported as an ongoing challenging issue and determining factor particularly as the Council has very little land in its ownership as it has disposed of both some non-HRA and most of its ex-HRA land to RSLs over recent years. This is eased to a degree as a result of some Developers being more willing to partner with RSL as a way of opening up sites for future market housing and some Developers are now prepared to develop sites on the

³ 2nd Homes/Council Tax Budget (2nd HCT)

basis of 100% affordable housing. The Council has carried out a Call for Sites exercise which has identified a number of additional site opportunities.

Various techniques are now available for land assembly and land banking and are used through planned release by the Council, Section 75 (although the latter still remains sluggish as a result of the recession) and opportunistic site acquisitions and negotiated design and build contracts. From time to time the Council may declare land and/or buildings as surplus to requirements and these are routinely considered for their appropriateness in order to provide affordable housing.

The Council continues to review its Corporate Property Strategic Asset Management Plans which sets out the broad strategy for the management of the Council's property assets in order to maximise their contribution to the Council's corporate and service goals and objectives as economically, efficiently and effectively as possible; providing the right space, at the right time, in the right location at the right cost. It is therefore important that a strategic approach to the development of affordable housing across the Borders makes the most effective use of land and/or property wherever possible, takes advantage of the Council's property and asset rationalisation process and ensuring that through collaborative working with our local developing housing associations that opportunities will be created where practical for affordable housing development.

The Council has built up a large bank of knowledge regarding possible housing development sites throughout its area. An effective use of this resource is that it allows RSLs to tap into such 'knowledge' which covers a number of issues including flood risk assessments and contaminated land, thereby alerting them to early identification of constraints and allows them to focus their attention on developable sites.

As a strategic housing authority the Council's Planning Department annually carries out a Housing Land Audit in order to ensure that there is a five-year supply of sites for housing development. As an integral part of this process consideration is given to identifying potential constraints on development such as; the availability of funding and infrastructure capacity (where drainage and sewerage are particular issues in many small rural settlements). Where development constraints are identified, these are explored to determine whether potential development is realistic and whether or not some form of intervention may be appropriate. Eg; use of Compulsory Purchase Powers (CPOs)

As reported earlier the development opportunities provided by the Section 75 planning agreements remain low as a result of the recession although the Council has experienced an

appetite by some developers to develop sites for 100% affordable housing which is evidenced through the Council's earlier NHT negotiations and more currently agreements with RSLs reflecting difficulties in financial viability in deliver additional projects for NHT. Arguably the market is still failing to deliver enough new homes to meet demand and this is a housing crisis affecting not only the Scottish Borders but also the neighbouring Local Authorities as rising inequality and cost of living impacts on households in Borders, and other parts of the South East Scotland City Region. As reported in page 35 a regional response to these issues, presenting innovative solutions and key policy interventions, has been negotiated with both the Scottish and UK Governments through the Edinburgh and South East Scotland City Region Deal and is currently being progressed.

The Council has agreed frameworks in order to consider and prioritise funding from commuted sums and also from the Council Tax Affordable Housing Budget. These are being used for a variety of purposes to assist provision of affordable housing, including the extra care housing programme, with assistance to land purchase being one such category of use.

EHA and Harts are very excited about their new Development Partnership and see this as a real opportunity bring in substantial investment and new homes into the Borders. Eildon's initial partnership programme is looking to bring in over 250 new homes with a cost of over £35m

Harts have been selected due to their track record working with EHA, most recently the current scheme under construction at Sergeants Park 1 in Newtown St Boswells. Negotiated procurement is allowed (known as direct drawdown) through the Scottish Procurement Alliance (SPA) framework thereby ensuring full compliance with EU procurement rules. There will be a formal development agreement between Hart Builders (Edinburgh) Ltd and EHA which sets out how projects will be secured and driven through planning and Building Warrant stage. Each individual project will then be let via a Joint Contracts Tribunal (JCT) Design and Build contract.

Table 10 Projects Delivered via a new Development Partnership Arrangement

Project	Nos of Units	Total Project Cost	Grant
Craigpark Court, Galashiels*	10	£1,563,857	£838,080
Earlston High School, Earlston #	66	£9,000,000	£5,300,000
Huddersfield Street, Galashiels	34	£4,618,154	£2,536,128
Sergeants Park 2, Newton St Boswells #	62	£8,500,000	£5,000,000
Tweedbridge Court, Peebles #	36	£4,400,000	£2,800,000
Coopersknowe, Galashiels #	73	£11,000,000	£5,500,000
Totals:	281	£39,082,011	£21,974,208

*figures include 9 new build and 1 off the shelf # Estimated figures

The initial Development Agreement will embrace the six projects set out in table 10 on page 40 but is drafted to allow an ongoing programme of projects to be delivered through this partnership. An example of this will be Scottish Borders Housing Association's 10-unit at Rose Court scheme which will be procured via the same JCT arrangements their client will be SBHA, with EHA acting as agents.

This approach allows EHA to utilise Harts experience during the design and planning stage, mitigating cost whilst reducing design, survey and tender periods whilst maximising buildability and deliverability across the programme. It helps provide Harts with the certainty of work and EHA certainty of delivery and cost.

Land Supply

Land supply and control is quite fragmented in the Scottish Borders and is largely controlled by private developers and house-builders. The detail can be summarised as follows:

- Supply and control of land across the Scottish Borders varies. It is fragmented and where not already in the ownership of RSLs is largely controlled by private developers and house-builders.
- Scottish Borders Council has very little land available for housing developments but as reported earlier in the SHIP acquired an affordable housing site at Easter Langlee in December 2012 and which it has disposed to EHA in 2016 to dovetail with project programming arrangements to deliver 63 homes at Easter Langlee which is now under construction.
- Berwickshire Housing Association has a significant land bank and has carried out a review of potential development sites and open spaces owned by it which could be made available for redevelopment. All BHA's sites are in the Berwickshire area.
- Eildon Housing Association has been actively progressing project development and has secured ownership of a number of sites, which provides much more certainty in project delivery. These include Easter Langlee Ph3, Huddersfield St, Craigpark Gardens, Langhaugh, Coopersknowe, Woodside Place, Galashiels, former high school Earlston and Springfield Terr St Boswells. In the meantime the Association is also seeking to secure sites during 2017/18 at High Street Selkirk, Station Yard Cardrona, Tweedbridge Court Peebles, Stirches Hawick, and Howdenburn Jedburgh.

- Scottish Borders Housing Association has a land bank arising from site clearance of existing stock and garages. The largest of these sites are in Hawick with a small number of small sites in Central Borders.
- Land supply identified in the Local Plan tends to be in relatively small parcels and is distributed across most of the settlements
- A lot of the sites identified in the Local Plan are in the control of house builders / developers with affordable housing being provided via section 75 agreements. The trend to date has been for developers to want to act as contractor to RSLs rather than simply selling on land.
- Opportunities of sites in private ownership do arise. These tend to be windfall or infill sites and tend to be relatively small.
- There are two substantial development sites in Central Borders at Easter Langlee, Galashiels (circa 450 units) and at Newtown St Boswells (circa 900 units). Both are considered to be areas of strategic priority.
 - Development of Easter Langlee has continued, with Persimmons Homes working in partnership with Eildon Housing Association. Phase 2B has recently completed in 2016/17. As outlined above phase 3 is now under construction for the delivery of 63 units for Eildon Housing Association.
 - Whilst the Newtown St Boswells expansion presents a number of development opportunities, the construction start of 53 homes for Eildon HA at Sergeants Park is considered as the first affordable housing site opportunity in the expansion area. Eildon Housing Association is currently in discussion with a Developer with a view towards delivery of a 2nd phase of around 62 homes.
- Sites are systematically reviewed as potential projects and thereafter prioritised and included in SBC's Strategic Housing Investment Plan (SHIP). This is an ongoing process to allow newly identified sites to be assessed and introduced and the status of previously identified prospective sites reviewed.

Land Supply Strategy

Control of land supply is the key to successful programme delivery. The strategy proposed to secure short, medium and long term land supply to link in with SBC's SHIP and beyond is:

- Enter into agreements with landowners and developers
- Purchase land using SBC revolving fund
- Option available for RSLs to front fund land acquisitions
- Improve effectiveness of s75 agreements including early intervention with developers
- Partnership acquisitions with SBC to assist in strategic land assembly.
- Work in partnership with SBC to acquire land through its strategic land disposal strategy

Locality- based Approach

Scottish Borders Council will continue to explore the need for developing locality based strategies to assist in clearly identifying short, medium and long-term affordable housing priorities and thus provide focus on land acquisitions required.

A feasibility study driven approach is being progressed by the Council and Waverley Housing to identify options for the development of an area regeneration strategy for the Beech Avenue area of Langlee in Galashiels, through partnership working with locally active RSLs. It is anticipated that this could potentially provide additional brown field site opportunities for affordable housing which are most likely to be available beyond the period covered by this SHIP 2018/23.

Site Development Briefs

Scottish Borders Council will in consultation with its RSL partners, identify the size and type of housing required within Housing Market Areas, settlements and individual sites to meet housing need and to link in with other Council strategies. This will also extend to recipients of Section 75 Agreements where it envisaged that size, type, housing mix, space standards, tenure(s), method of land valuation etc will be set. Early intervention with developers on s75s including agreeing target development costs for the whole affordable housing package to achieve realistic benchmarks, master planning, design solutions and legal agreements to tie in land and development deals to stabilise costs will help bring greater certainty in deliverability on an ongoing long-term basis. Early discussion with contractors will help provide certainty of workload will have a greater impact on their competitiveness rather than the size of the individual project or overall programme.

The SHIP 2017/22 noted that that on the basis of the then available information from the Building Cost Index Services [BCIS] , it was estimated that costs were projected to decrease 2.6% for 2017/18, then increase +0.8% in 2018/19, +3.7% for 2019/20 and +4.3% for 2020/21. Locally active RSLs have been using the BCIS all-in Tender Price Index, but it is now considered to be not really reflective of the Scottish market in the Affordable Housing Sector, where cost increases are not consistent with these projections, so much so that an RSL commissioned Quantity Surveyor has suggested that it would be safer to anticipate a +5% annual increase rather than rely on BCIS indices. Such tender price inflation is clearly a matter of concern for programme delivery.

It is difficult to bring projects from inception through to tender approval quickly due to ever increasing external factors and compliance requirements. Consultation with public utilities, Scottish Environmental Protection Agency (SEPA) and so forth also impact on project design and development process. This in turn impacts on the ability of RSLs to turn projects on quickly or to bring forward a shadow programme unless the land is already owned and the project already substantially worked up. However, SEPA continues to be regularly represented at the joint meetings between the Council, RSLs and Scottish Water with the aim of meeting programming needs and thus improves deliverability.

The Council is dealing with the above constraints in a variety of ways such as regular liaison with Scottish Water and other public utilities to reach a greater understanding of each player's respective processes. This in turn informs the programming of development and design work in order to produce realistic project delivery timescales.

Brief details on all of the above constraints and any actions being taken to remove or reduce these constraints are provided on a site by site basis. Notwithstanding these constraints the five-year planning horizon set out in this SHIP remains relatively stable with a clear demonstration of projects being delivered and sites that can be confidently be developed.

7. Resourcing the Programme

The Council is currently progressing with a National Housing Trust Local Authority Variant which will rely on borrowing from the Public Loans Work Board and the use of its 2nd Homes Council Tax to assist the delivery of additional affordable housing. There are a number of funding resources that the Council and its development partners can draw upon including Affordable Housing Supply

Programme Funding, 2nd Homes Council Tax, Commuted Sums, Housing Association Private Finance and Scottish Water Grant Funding and for the first time the use of Charitable Bond funding in lieu of Scottish Government Grant.⁴

In 2015 - 2016 the Council used £0.326m Council Tax on second homes to assist Bridge Homes to acquire 13 houses for mid-market rent at Violetbank in Peebles (£0.195m), pay a deposit to a developer for 7 houses in Lilliesleaf (£0.084m), and the balance assisted SBHA to acquire flats for demolition in Stonefield Hawick.

In 2016-2017, the Council used £1.059m Council Tax on second homes and empty homes to acquire 3 flats at High Street Innerleithen, and also assisted Bridge Homes to acquire 20 properties at Croft Field Court Denholm, Henderson Court Kelso and Waverley Road Innerleithen for Midmarket rent. £0.250m 2nd Homes Council Tax was also used to enable Eildon Housing Association to acquire the site for 66 properties at former high school Earlston, and £0.140m contribution was made to the Council's revenue budget. This explains the figures provided reflected in Scottish Government SHIP Table 5.1 within the Appendix 5. In the same year the Council used £0.162m Developer Contributions to assist Eildon Housing Association progress projects at Lintburn Street Galashiels(8 units), Roxburgh Street Kelso (18 units), Sergeant's Park Newtown St Boswells(53 units) , and a feasibility study for the site at Guard's Road Coldstream. This explains figures provided in Scottish Government SHIP Table 5.2 within the Appendix 5.

Table 11 below illustrates the estimated level of total investment in affordable housing of up to £174.5m for the next five years programme of the SHIP.

Table 11: Estimated levels of Investment in affordable housing 2018 – 2023^{*5}

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	2018/19	2019/20	2020/21	2021/22	2022/23	
AHSP (SLP)	£18.1m	£19.2m	£16m	£15.2m	£8.9m	£77.4m
Charitable Bond	£0.7m	£3.9m	-	-	-	£4.6m
RSL Private Borrowing	£19.4m	£23.6m	£16.4m	£15.6m	£9.1m	£84.1m
Extra Care 2 nd C/Tax	-	£1.5m	£0.8m	£0.8m	1.5m	£4.6m
NHT LA Variant Programme	£1.9m	-	-	-	-	£1.9m
NHT 2 nd Homes C/Tax	£0.3m	-	-	-	-	£0.3m
Remodelling (AHSP)	-	-	-	-	-	-
Other (infrastructure)	£0.6m	£0.4m	£0.6m	-	-	£1.6m
Totals	£41m	£48.6m	£33.8m	£31.6m	£19.5m	£174.5m

* Figures are rounded up

⁵ Calculations were done on the basis of 3p 3 apartment benchmark grant of £72k per unit and assumed private borrowing of £74k per unit and 2nd Homes Ct tax for NHT LA Variant at £15k per unit and an assumed £750k 2nd Homes Ct tax per Extra Care Development and figures were rounded up for modelling purposes.

8. Equalities

A good supply of high quality affordable housing is a basic requirement and fundamental in ensuring the effective delivery of a number of the national outcomes particularly outcome 7 'We are tackling the significant inequalities in Scottish Society'. Figure 3 on page 12 sets out our Local Housing Strategy 2017-2022 Priority Outcomes.

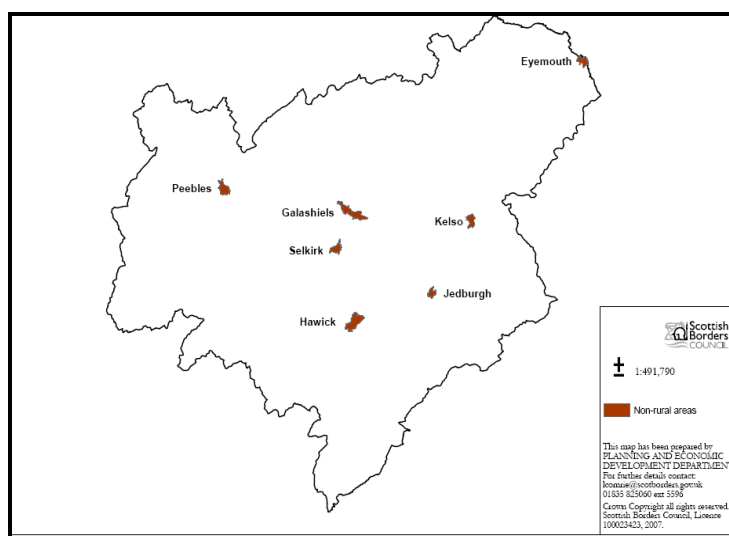
8.1 Impact Assessments

Rural Proofing

Rural proofing is designed to help ensure that the needs of rural areas are fully taken into account in the development of all new Council policies and strategies. Rural proofing aims to check that rural areas are not overlooked or adversely affected by Council policy and strategy decisions. A 10 question rural proofing checklist was developed to ensure that the needs of people who live in, work in, or visit the Countryside are considered.

The SHIP project working group carried out a rural proofing exercise as part of the preparation of the SHIP in August 2017. It was determined that the delivery of this SHIP will not have an unforeseen impact on the rural area and that the needs of rural areas have been properly taken into account. Rural proofing applies to all areas of Scottish Borders classified by Scottish Government as 'remote rural' or 'accessible rural'. This applies to all areas of Scottish Borders out with the towns of Hawick, Galashiels, Peebles, Selkirk, Eyemouth, Jedburgh and Kelso. See Figure 18 below.

Figure 18: Non Rural Areas Map



8.2 Equalities

In line with both Council policy and legislative requirement the SHIP 2018-2023 update was subjected to an Equalities Impact Assessment. The outcome of that impact assessment has not identified any concerns about the way the delivery of the SHIP is likely to affect any of the equalities groupings.

In accordance with Section 7 of the Environmental Assessment (Scotland) Act 2005 a pre-screening assessment of the SHIP 2018-2023 had been undertaken using the criteria specified in Schedule 2 of the Act. The pre-screening assessment identified no or minimal effects in relation to the environment hence the SHIP is exempt from SEA requirements under Section 7 (1) of the Act.

9. Monitoring and Evaluation

The SHIP Project Group continues to act as a steering group to monitor the delivery of the SHIP and is responsible for the on going review process. The group meets twice yearly to align with the existing quarterly programme planning review meetings between the Council and the Scottish Government's More Homes Division (East). New potential project opportunities are routinely assessed by the group using the AHPPWM and prioritised within the context of already prioritised affordable housing projects. Similarly, any changes in circumstances in those projects already assessed are reviewed within the same framework. This has allowed the Council and its partners to respond to dynamic circumstances and realise opportunities when they present. The overall monitoring of the delivery of SHIP is reported to Council, the Community Planning Partnership and Borders LHS Partnership which is done on an annual basis.

10. Summary

Local Authorities are required to produce and submit a SHIP to the Scottish Government annually for review. Scottish Borders Council with the involvement of its key partners via the SHIP Working Group has prepared this SHIP 2018-2023 submission. The SHIP articulates how affordable housing priorities in the Council's Local Housing Strategy (LHS) will be resourced and delivered over a rolling five year planning horizon.

This SHIP submission has been prepared on a variety of funding arrangements including; a resource planning assumption (RPA) for 2017-2018 and a subsequent three-year resource planning assumption covering the period up to 2020-2021, RSL resources and private sector borrowing, and for the first time charitable bonds, and the Local Authority support through the use

of 2nd Homes Council Tax, Affordable Housing Policy Developer Contributions, and strategic disposal of the Council's land. A creative and practical approach has been adopted in the preparation of this SHIP which has been developed from a continued confirmation of RSL financial capacity and assurance on the deliverability of projects.

As stated on page 7, the development of this SHIP, in is accordance with the new Guidance issued by the Scottish Government in July 2017. Methods of project prioritisation have been illustrated and constraints have been addressed through the SHIP process and project prioritisation weighting matrix to ensure that projects are deliverable. The SHIP also addresses the contribution that the project priorities make to greener standards, energy efficiency, environmental standards and equality issues.

This SHIP submission outlines the continued excellent delivery of 279 new affordable houses over the period 2016-2017, an anticipated delivery of 83 over 2017-2018 and a very ambitious and aspirational 1177 new affordable homes over the life of the SHIP 2018-2023. Should all identified challenges and infrastructure issues be resolved in a timely manner, the anticipated grant funding is forthcoming, the sector has the capacity to deliver on such a scale then the Council and its partners are optimistic that we can deliver substantially more affordable homes than delivered previously, that will not only help Borders communities access affordable housing but contribute towards meeting the Scottish Governments' ambitious 50,000 new affordable homes target over the life of the Parliament.

11. Glossary

AHSP	Affordable Housing Supply Programme
BCTG	Borders Construction Training Group
BHA	Berwickshire Housing Association
B'wood	Blackwood
BRPCP	Borders Regional Procurement Partnership
ECH	Extra Care Housing
EHA	Eildon Housing Association
GN	General Needs housing
GIS	Geographic Information System
HA	Housing Association
HCS	House Condition Survey
HCS	Housing Contribution Statement
HECA	Home Energy Conservation Act
HMA	Housing Market Area
HNDA	Housing Needs and Demand Assessment
HNS	Housing Needs Study
IJB	Integrated Joint Board
LA	Local Authority
LD	Learning Difficulties – (housing for people with)
LCHO	Low Cost Home Ownership
LHS	Local Housing Strategy
ME	Minority Ethnic
MHS	More Homes Scotland
NHT	National Housing Trust
OMSE	Open Market Shared Equity Scheme
OMV	Open Market Value
OP	Older Persons' housing
PAN	Planning Advice Note
PRS	Private Rented Sector
PSHG	Private Sector Housing Grant
RPA	Resource Planning Assumption
RSL	Registered Social Landlord
RTB	Right To Buy
SBC	Scottish Borders Council
SBHA	Scottish Borders Housing Association
SESHoF	South East Scotland Housing Forum
SG	Scottish Government
SHCS	Scottish House Condition Survey
SHIF	Strategic Housing Investment Framework
SHIP	Strategic Housing Investment Plan
SHIPPG	Strategic Housing Investment Plan Project Group
SHQS	Scottish Housing Quality Standard
SLP	Strategic Local Programme
SPP	Scottish Planning Policy
TBC	To be confirmed
THA	Trust Housing Association
TOPS	Transforming Older Peoples Services
WC	Wheelchair standard housing
WH	Waverley Housing

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**PROPOSED DISPOSAL OF ALLOCATED HOUSING SITE AT
STIRCHES, HAWICK TO EILDON HOUSING ASSOCIATION
FOR THE DEVELOPMENT OF EXTRA CARE HOUSING.**

Report by the Services Director Regulatory Services

EXECUTIVE

17 OCTOBER 2017

1 PURPOSE AND SUMMARY

- 1.1 **The purpose of this report is to seek Council agreement in principle to dispose of the Council-owned allocated Housing Site at Stirches, Hawick to Eildon Housing Association in order that it may be re-developed to provide extra care housing.**
- 1.2 The report also proposes that the Council disposes of the site on the basis of a nominal £1.00 as being best value in accordance with current Scottish Government Guidance regarding disposal of former Housing Revenue Account (HRA) assets. The site has been identified as a potential site in the Extra Care Housing Delivery Framework, approved by Members on 20th September 2016 and is consistent with the approach taken previously by the Council in disposal of 11 former Housing Revenue Account sites since 2003 for the development of affordable housing. It has also been prioritised as an affordable housing site for anticipated development by Eildon Housing Association in the Council's Strategic Housing Investment Plan (SHIP) 2017-22 and SHIP 2018-23.

2 RECOMMENDATIONS

- 2.1 **It is recommended that the Committee:**
- (a) **Agrees in principle to the proposed disposal of the allocated housing site at Stirches Hawick to Eildon Housing Association in order that it may developed to provide extra care housing, and additional affordable housing if space permits.**
 - (b) **Delegates authority to the Council's Service Director, Assets and Infrastructure to lead on representing the Council's interest in concluding the disposal of the allocated Housing Site at Stirches, Hawick to Eildon Housing Association on the basis of a nominal price of £1.00, and upon terms and conditions to be agreed.**

3 BACKGROUND

- 3.1 A needs assessment study for extra care housing across the Borders has been undertaken by consultants who concluded that there is a large projected need for this type of housing model across the main towns in Scottish Borders. This study estimated a need in Hawick of up to 50 units by 2035. A report to Members in September 2016 set out a proposed Extra Care Housing Delivery Framework to deliver up to 4 new build extra care housing developments in key Borders towns over the SHIP period 2017-2022.
- 3.2 The agreed delivery framework sought to utilise Council owned sites, where feasible, and maximises Scottish Government grant provision, complemented by private sector borrowing by Registered Social Landlords (RSLs) over the five years of the SHIP 2017-2022. The Council owned Allocated Housing Site at Stirches was identified as a potential site for the development of Extra Care Housing in Hawick.
- 3.3 Ownership of the site was retained by Scottish Borders Council, following the Voluntary Stock Transfer of the Council's housing stock in March 2003, in order that this be released as a strategic site for affordable housing development in due course. The Council subsequently published Supplementary Planning Guidance for this site in March 2007.
- 3.4 The Disposal of Land by Local Authorities (Scotland) Regulations 2010 allow local authorities to dispose of their land site for less than best consideration provided the requirements of the applicable regulations are met. In addition, as a result of stock transfer conditions, the Council is required to seek Ministerial consent to dispose of former Housing Revenue Account assets. It is proposed that the Stirches site be disposed to Eildon Housing Association on the basis of a nominal £1.00 for the development of Affordable Housing in the form of Extra Care Housing. This may also present the opportunity to provide additional affordable housing at this location to meet other strategic housing needs subject to the future design exercise. This would meet the considerations required by the Regulations and would be consistent with the approach taken previously by the Council in disposal of 11 former Housing Revenue Account sites since 2003 for the development of affordable housing.
- 3.5 The site has been identified, prioritised for development and included in the Council's SHIP 2017-22 and 2018-23. Local Authorities are required to produce and submit a Strategic Housing Investment Plan (SHIP) to the Scottish Government on an annual basis. SHIP is a five year plan that sets out strategic investment priorities for affordable housing in order to achieve the targets identified in the Council's Local Housing Strategy (LHS) 2017-2022.
- 3.6 It is envisaged that the Stirches development will provide extra care housing for social rent, and potentially mid-market rent and shared equity options, all of which are considered as being consistent with the Council's Affordable Housing Policy. Further site specific feasibility study work will be carried out in due course by the Association's design team to confirm numbers of units than can be developed on the site.
- 3.7 Scottish Government (More Homes Division) Officers are aware of this proposed project and have indicated willingness to grant assist Eildon Housing Association to progress the development of the site, and thereby assist the Scottish Parliament to meet its ambitious 50,000 affordable housing target over the life of the Parliament. On the basis of current thinking reflected in the SHIP 2018-2023, it is envisaged that this project could potentially complete in 2020-2021.

4 IMPLICATIONS

4.1 Financial

- (a) The Scottish Government has published revised Guidance regarding disposal of assets from Housing Revenue Accounts which seeks to provide consistent procedures, and sets out what Councils can now decide under General Consent , and those site disposals which still require Ministerial consent. The Guidance requires that Councils obtain a valuation in order to demonstrate market value prior to seeking Ministerial consent. Council Officers have instructed the District Valuer to provide a valuation report which is not available yet.
- (b) It is considered that the proposed disposal of this site is consistent with the principles of best value can be demonstrated since this will provide more confidence in ensuring project delivery and can be considered against anticipated total project development costs. It is envisaged that there will be some transaction costs to the Council arising from this proposed disposal. It is proposed that these will be reflected in the terms and conditions to be agreed with Eildon Housing Association.

4.2 Risk and Mitigations

The proposed disposal of this site to Eildon Housing Association is consistent with the approach taken by Council Officers to continue to work with partner RSLs to ensure that there is a strategic approach to land-assembly in order to provide greater confidence in affordable housing project delivery.

4.3 Equalities

- (a) In line with both Council policy and legislative requirement, each annual SHIP is subjected to an Equalities Impact Assessment. The outcome of that impact assessment did not identify any concerns about the way the delivery of the SHIP is likely to adversely impact on any of the equalities groupings.
- (b) The development of SHIP 2017-22 was predicated on the endorsement of the principle of equalities as articulated in the Scottish Government's SHIP Guidance. Each annual SHIP is subjected to an Equalities Impact Assessment, Strategic Environmental Assessment Screening and Rural Proofing.
- (c) Houses produced by Registered Social Landlords (RSL) are allocated according to their individual allocations policy and procedures. As a consequence of being an RSL, they are subject to the weight of statutory scrutiny via external Regulation and Inspection by the Scottish Housing Regulator. It is envisaged that the Council's Social Work Department will also be a partner in the assessment and prioritisation of applicants for allocation to homes in this new extra care housing development. It is considered that the proposed new extra care housing development will have a positive impact by increasing the supply of such housing in order to meet an identified strategic need in the Hawick and the wider Teviot and Liddesdale Locality area.

4.4 **Acting Sustainably**

- (a) In accordance with Section 7 of the Environmental Assessment (Scotland) Act 2005 a pre-screening assessment of each annual SHIP submission is undertaken using the criteria specified in Schedule 2 of the Act. The pre-screening assessment identified no or minimal, effects in relation to the environment hence the SHIP is exempt from SEA requirements under Section 7 (1) of the Act.
- (b) By seeking to provide more new affordable houses in particular extra care housing on this site will help promote sustainable communities and help to address many of the housing supply challenges identified in the Council's new Local Housing Strategy 2017-2022.
- (c) There are no adverse economic or social effects resulting from this project delivery. Potential environmental effects from new build housing on the Stirches site will be addressed through the Planning Process and application of National Policies and Standards.

4.5 **Carbon Management**

- (a) It is considered that there are no direct effects on the Council's carbon emissions arising from the report recommendations.
- (b) New Build housing on the Stirches site will have a general effect on the region's carbon footprint. However these are addressed within the Planning and Building Standards processes, and will be consistent with meeting the housing requirements and standards as set out by the Scottish Government.
- (c) It is anticipated that RSL affordable housing identified in the SHIP 2018-23 will be built to Scottish Government's "Silver Standard". In the event that this cannot be reached, new houses will be built to comply with current Scottish Building Standards, thereby seeking to maximise the opportunity for energy efficiency and reduction of fuel poverty.

4.6 **Rural Proofing**

- (a) Rural proofing applies to all areas of Scottish Borders classified by Scottish Government as 'remote rural' or 'accessible rural'. This applies to all areas of Scottish Borders outwith the towns of Hawick, Galashiels/Tweedbank, Peebles, Selkirk, Eyemouth, Jedburgh and Kelso. Hawick is therefore not classed as being a rural area.
- (b) The SHIP project working group carried out a rural proofing exercise as part of the preparation of each SHIP submission. It was determined that the delivery of individual SHIP projects will not have any unforeseen negative impact on the rural area, and are most likely to have positive effects by increasing the supply of affordable housing, and that the needs of rural areas have been properly taken into account.

4.7 **Changes to Scheme of Administration or Scheme of Delegation**

There are no changes to be made to the Scheme of Administration or Scheme of Delegation as a result of this report.

5 CONSULTATION

- 5.1 The Chief Financial Officer, Monitoring Officer, Chief Legal Officer, Chief Officer Audit and Risk, Clerk to the Council, and Chief Officer HR have yet to be consulted and any comments will be reflected at Committee.

Approved by

Brian Frater
Service Director Regulatory Services

Signature

Author(s)

Name	Designation and Contact Number
Cathie Fancy	Group Manager Housing Strategy and Services 01835- 825144
Gerry Begg	Housing Strategy Manager 01896- 662770

Background Papers:

Supplementary Planning Guidance – Stirches, Hawick (March 2007)
“Disposal of assets from Housing Revenue Accounts”- Guidance on Scottish Ministers Consent – Scottish Government March 2016.

Previous Minute Reference:

Report by Service Director Regulatory Services to Executive Committee 8 March 2016, titled “Business Case for Extra Care Housing”

Report by Service Director Regulatory Services to Executive Committee 20 September 2016, titled “Delivering extra care housing in the Scottish Borders: A delivery framework 2017-2022”.

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Jacqueline Whitelaw can also give information on other language translations as well as providing additional copies. Contact us at Scottish Borders Council, Council Headquarters, Newtown St Boswells, Melrose, TD6 0SA, Tel 01835 824000 ext 5431, email jwhitelaw@scotborders.gov.uk.

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