

Strategic Housing Investment Plan (SHIP)

2019-2024



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Foreword

I am pleased to present this 10th Strategic Housing Investment Plan (SHIP) which sets out proposed delivery of new affordable housing in the Borders over 2019-24. We welcome the high level of Affordable Housing Investment Programme funding being allocated, and the stability and confidence this provides to project and programme delivery to 31



March 2021, and the encouragement to the housing and construction sectors into the next Parliamentary period.

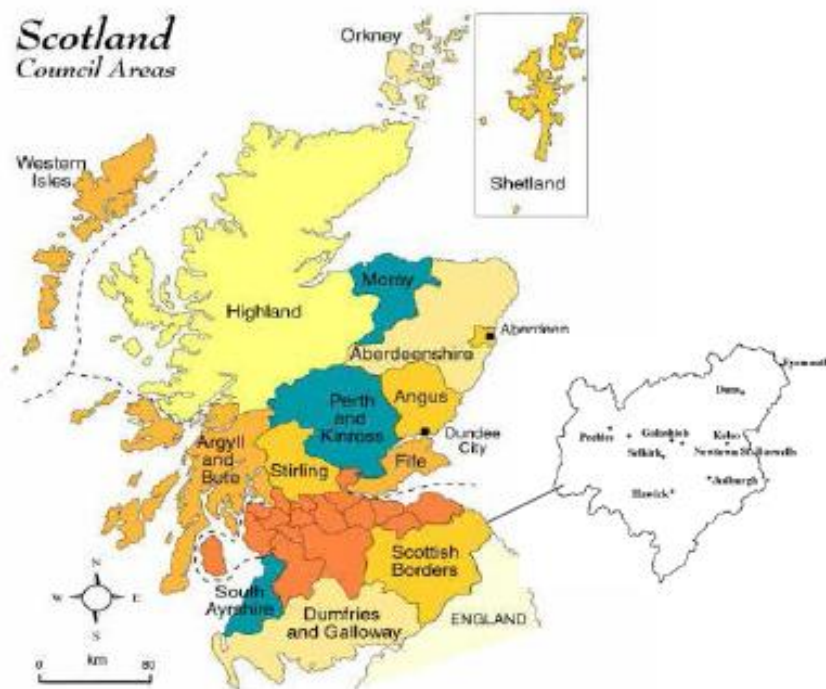
This plan has been produced through collaboration with Registered Social Landlords in particular, and demonstrates projects which can be delivered by 31 March 2021, and identifies additional projects which are capable of being brought forward to maximise potential slippage funding opportunities. This illustrates a very positive contribution throughout Scottish Borders, and also 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 has disposed of several sites to RSLs identified in the previous SHIPs, though the strategic release of "Council owned" land to enable delivery of affordable housing projects.

These partnerships will help us deliver a range of affordable, safe, energy efficient and attractive homes and places through extra care housing starting in Duns and Galashiels, local area regeneration, more rural housing, more housing for people with particular needs, as well as providing general needs at affordable rent. In total this SHIP sets out ambitious proposals for up to 1047 new affordable Borders homes at a total investment in the region of £162m for 2019-2024. With the envisaged completion of 213 homes this year brings means that as many as 1260 homes over the next 6 years could potentially be delivered to Borders communities bringing the total investment figure closer to £185m over the period.

I am certain that the affordable housing developments identified in this SHIP will have a major positive contribution to improving quality of life in the Borders and, on behalf of Scottish Borders Council and our partners it gives me great pleasure to present this SHIP submission.

Councillor Mark Rowley

Executive Member for Business and Economic Development



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:

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1. Introduction

Two years on from when the Minister first announced the *More Homes Scotland's (MHS)*, overarching approach to support an increase in supply of homes across all tenures which would incorporate a variety of existing and new initiatives to help deliver its target of over 50,000 affordable homes by 2021. Scottish Government has already made a commitment to invest over £3 billion in affordable housing in order to deliver these 50,000 homes over the lifetime of the current Scottish Parliament, with £758.146m being made available in 2018-19 which equates to £14.065m allocation to Scottish Borders area.

The Strategic Housing Investment Plan (SHIP) has a core purpose to set out the key strategic housing investment priorities for both affordable housing and other tenures over a five year period. Councils are required to submit its SHIP to the Scottish Government on an annual basis. As well as a five year operational plan the SHIP, reinforces the Council as the strategic housing authority and sets out the Council's strategic policy approach to enable the delivery of high quality housing and housing related services across tenures to meet identified need in the Borders.

The affordable housing investment priorities detailed in this plan covers the period 2019-2024 and aligns with and are consistent with Local Housing Strategy's identified priorities (LHS), assists government meet its ambitious affordable housing targets and helps inform the Scottish Government's investment decisions and the preparation of the Strategic Local Programme Agreements (SLPA).

This SHIP submission has been prepared in accordance with the revised SHIP Guidance issued by Scottish Government in August 2018. 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 being delivered within this five year SHIP period and identifies where there are development constraints in relation to particular projects. It sets out proposed timescales for when projects will be delivered and identifies a range of funding and resource mechanisms including the use of the Council's own resources, other funding initiatives and those from the Scottish Government and partners.

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 and looks at the requirements to support the delivery of wheelchair accessible housing. The SHIP also seeks to

identify projects that could be brought forward should additional funding become available or where infrastructure issues and/or other challenges are resolved.

Since SHIPs were introduced, and submitted back in 2007 the Council and its partners have delivered 959 new affordable homes which include social and mid-market rent. Scottish Borders Registered Social Landlords (RSLs) collectively now have a stock profile of 11,898 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 and the Council and its partners have started work to develop its Rapid Rehousing Transition Plan (RRTPs) due to be submitted to Scottish Government by December 2018 and which will be reflected in future Local Housing Strategies and SHIP submissions.

This is the Council's 10th SHIP submission and for much of the past decade of SHIP delivery RSLs 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 the Council and its partners have welcomed the significant increase in direct housing investment funding which is understood set to continue over the period of this SHIP.

Resource Planning Assumptions (RPAs) of up to £15,893m have been provided by Scottish Government (More Homes) until 2021. New Guidance received in August 2018 indicated that for planning purposes the Council should use this RPA for the final 3 years of this SHIP. This level of RPA, includes the sustained increase in the RSL unit bench mark rate by 20%, provides sufficient resources and certainty enabling Borders developing RSLs to deliver bigger more ambitious affordable housing programmes to meet need. Over the past couple of years the lending market has eased considerably also enabling 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 this very ambitious programme.

In preparing this SHIP 2019-2024 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. Sustainable development ambitions have also been given consideration and projects aligning with these ambitions are included in this SHIP. Work has been undertaken 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 and the development of an Integrated Strategic Plan for Older People's Housing, Care and Support needs. Work is currently underway to consider the housing needs and aspirations of the Borders young people which will underpin the development of a young people's housing strategy. This will influence investment priorities for affordable housing which will be considered in next year's 2020-2025 SHIP submission.

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 2019-2024 provided 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 and strategic disposals of Council owned land.

This SHIP update rolls forward the 2018-2023 SHIP planning horizon for a further year taking us to 2024 and is underpinned by the SESPlan Housing Needs and Demand Assessment, and takes cognisance of the South East of Scotland Plan (SESPlan) and the Scottish Borders Local Development Plan. It illustrates how a variety of funding mechanisms can be drawn upon in order to ensure and maximise project delivery in order to meet the affordable housing targets and contribute to the outcomes set out in the Council's Local Housing Strategy 2017-2022 (LHS), and meet the housing supply target of 128 additional affordable homes per year. The SHIP is a realistic, resource based operational plan that sets out how, when and where the Council and its partners plan to deliver identified housing investment priorities in the Borders 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.

The Council and its partners are optimistic that through effective partnership collaboration resources allocated can be fully spent in order to deliver the projects set out in this plan. Projects have been identified which could potentially be brought forward 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.

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. Although being a contributor to the SHIP process for the past decade, this year sees Waverley Housing bringing forward a regeneration project for prioritisation for the first time. This follows the conclusion of the master-planning exercise for part of Upper Langlee in Galashiels set out in the previous SHIP submission. Details of this regeneration project will feature further on in the SHIP document (page 24 and 25). Following the selection process back in 2016 Trust Housing Association and Eildon Housing Association are the two selected RSL partners to work in partnership with the Council to ensure efficient and effective delivery of extra care housing projects across Borders main towns.

The Extra Care Housing Board established in 2016 which includes representatives from Health & Social Care, SBC Finance, Assets and Infrastructure, Planning, Housing, and the above two RSLs remain the key governance arrangement to ensure the delivery of the extra care projects. With the completion and launch of the Integrated Strategic Plan for Older People's Housing, Care and Support¹ new governance arrangements are being established to ensure effective implementation of an ambitious ten year strategy. This is effectively a housing-led solution to addressing the housing, support and care needs of Borders growing older population and envisages a wide range of house type, size and tenure mix across the Borders. It is also envisaged that the Extra Care Housing Board will become a Project Board reporting directly into the Programme Board and up through the Council and the Integrated Joint Board.

Whilst each representative on the Project Board has 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. There will now be a new emphasis on the planning and alignment of the delivery of the extra care housing

¹ Executive summary available at appendix 6

with those projects outlined in the wider Older People's strategy. In addition to the delivery of new initiatives such as technology enabled care and service reform, the strategy also identifies the issue of 'not fit for purpose' older person's housing and it is envisaged that RSLs will bring forward project proposals to address these issues through modernisation and remodelling. For example; Elm Court, Hawick which is illustrated on pages 23 and 24.

The funding resources required and available to deliver the investment priorities are outlined in section 7 page 50 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, as well as meeting a wider housing need in communities. Development of a Housing Supply Strategy is well underway in an effort to identify impediments to delivery and encourage a greater diversity in supply to meet the broader housing needs across Borders.

It is now five years since 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 was delivered via a Local Authority Variant of the National Housing Trust model in partnership with the Scottish Futures Trust and the Scottish Government in order 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 being given consent to borrow from the Public Works Loan Board and was underpinned by a Scottish Governmental rental guarantee to support the delivery of these additional new homes for affordable mid-market rent. Most of the properties have been built to current Scottish Building Standards with some being built to Housing for Varying Needs Standard and have been acquired in key strategic areas where there was a high demand for this type of affordable rent. The Council is no longer in discussions with Developers owing to rising costs and unrealistically high land price expectations which made it increasingly difficult to deliver within the financial viability parameters and to deliver within the initiative end date of March 31st 2019. Therefore, following completion and acquisition of a final 5 properties at Broomlands, Kelso will bring the total number of projects delivered under this initiative to 54. Officers are now in discussion with key partners and Scottish Government to seek the most appropriate disposal option for the Bridge Homes properties, which hopefully will see them remain in the affordable rented sector in perpetuity.

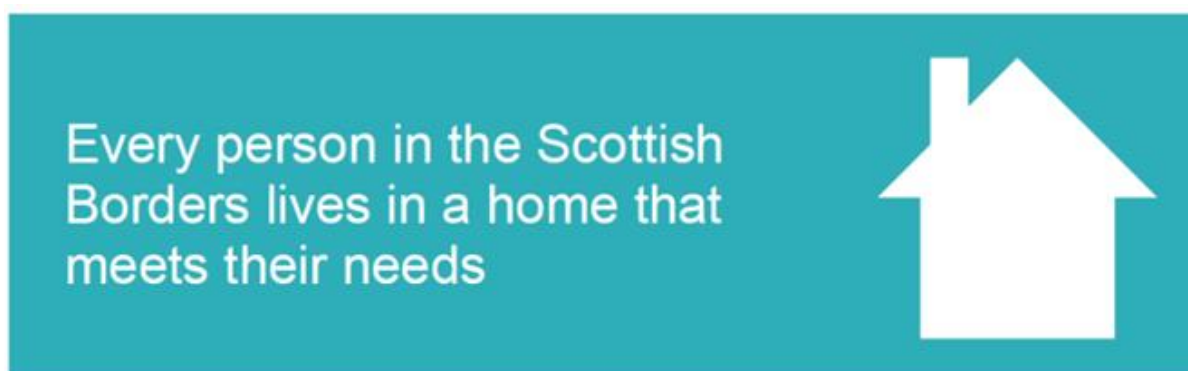
Last year also saw the 5th anniversary of Tweedside LLP's (the Council's 1st National Housing Trust Initiative) at Chris Paterson Place and this year sees the 5th anniversary of its James Hogg

Court development. In 2016 the Council agreed that Eildon Housing Association would be its nominee to take on ownership of the properties as its exit strategy for the disposal of the Tweedside Homes LLP properties. December 2017 saw the completion of a total transfer of 21 properties at Chris Paterson Place, Galashiels, and October 2018 saw the completion of a total transfer of 24 properties at James Hogg Court, Innerleithen thereby keeping them in the affordable rented sector in perpetuity and as such is reflected in this SHIP as a potential outcome.

2. Local Housing Strategy Outcomes and Targets

The Council's 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.

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 above.

To develop and build up the 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 and plays an important role in place making. The 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 then revised LHS Guidance 2015 and was 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 Local Development Plan.

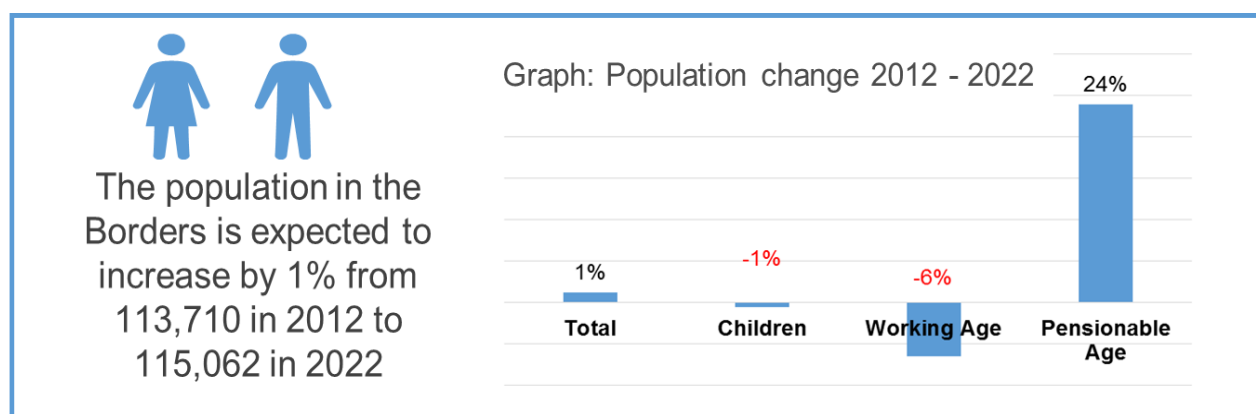
Figure 2 below sets out the Local Housing Strategy's four strategic outcomes and the affordable housing project priorities identified in this SHIP are consistent with these strategic outcomes which, are aligned to the Scottish Government's national health and wellbeing outcomes.

Figure 2: LHS Priority Outcomes



Housing is at the heart of independent living and having appropriate housing in place to keep people living independently for as long as possible was identified as a strategic priority in the LHS. Figure 3 below shows the projected increase in the older population is 24% which is higher than the expected increase across Scotland which is 21%.

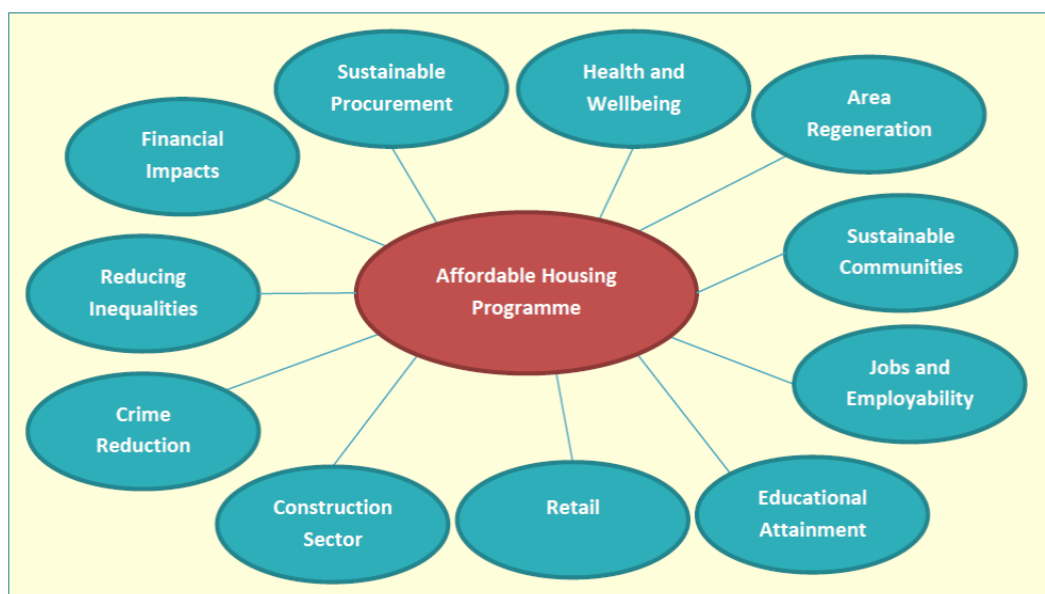
Figure 3: Population Change



Recognising the size and scale of housing and service challenges arising from the projected demographic changes and increasing numbers of older people, 2018 saw the development and launch of the Integrated Strategic Plan for Older People's Housing, Care and Support underpinned by the projected growth in the number of older people living in the Borders which is likely to increase demand for specialist housing. This new ambitious plan sets out a vision where older people will have greater choice in terms of where they live, and the services they can access. In order to address some of this need there will be an increased focus on the types of affordable housing (including wheelchair accessible) provision in this SHIP and future SHIPs.

Figure 4 below 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 supports with the Council's new Corporate Plan for 2018-2023 called 'Our Plan and Your Part in it' (which was approved at the Council meeting on 20 February 2018) aligning strongly with the themes "Supporting independent, Achieving People" and "Developing Empowered Vibrant Communities". 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 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 against current Public Health Reform priorities and actions.

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). Eildon Housing Association are currently exploring Passivhaus design as a direct response to the increasing risk of Scottish households falling into fuel poverty and this is detailed on pages 35 and 36.

There are also direct linkages with the Scottish Borders Economic Development Strategy and Corporate Plan, called 'Our Plan and Your Part In it'.² Delivery of the SHIP also links and supports the Council to deliver on its 'Connected Borders' Vision for delivering better communities the next 5 years (2017 – 2022) helping our communities have the skills, ambition and sense of purpose to lead the Scottish Borders into the future, a future that delivers economic growth and sustainable development, a future that builds our communities into strong, energetic towns and villages.

Figure 5: Connected Borders Vision for Delivering Better Communities



² Our Plan and Your Part In it'

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. In the Scottish Borders this is known as the Community Plan and delivery of the SHIP contributes to achieving the LOIP's Community Plan'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 outcomes of the Community Plan for improvements and an affordable housing programme of this size is an integral part which will contribute positively to achieving many of its outcomes and have a direct benefit in reducing inequality for many of the people.

Figure 6: LOIP Outcomes

OUTCOMES by Theme	
Our Economy, Skills & Learning	
More people working more productively for higher wages	
More business people benefitting from greater investment and better support for their new and existing businesses, particularly in key growth sectors	
More highly skilled workers	
More people shopping, visiting and spending in local town centres	
More people benefitting from better connectivity	
More LAC (looked after and accommodated) children and young people in positive and sustained destinations	
More children, particularly those living in poverty, achieving higher levels of attainment	
Our Health, Care & Wellbeing	
More people in good health and leading an active lifestyle at every age and stage of life	
More people in good mental health at every age and stage of life	
Improved support and care for older people	
Our Quality of Life	
Fewer people experiencing violence (incl. domestic abuse)	
Fewer people experiencing anti-social behaviour (ASB)	
Fewer people killed or seriously injured on our roads	
Our Place	
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 and worryingly again in the last financial year (2017-2018) saw an all-time low of just 250 houses being built. This 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 whereas 112 of last year's 250 were for social rent (see table 1 page 17).

3. Affordable Housing Delivered 2017-2018

Page 18, Table 2 of the previous SHIP 2018-2023 submission envisaged that there would only be 83 affordable housing completions for the period April 2017 – March 2018 set against a new identified affordable housing target of 128 additional affordable homes per year.

Table 1 below sets out the progress on the delivery of the Border's affordable housing projects for the period 2017-2018 which shows a total of 145 additional affordable homes were delivered over that financial period thus exceeding the LHS target of 128. Of the 145 homes delivered, 112 homes are for social rent by Registered Social Landlords, and 33 via the Scottish Government's Open Market Shared Ownership mechanism. This included 3 individual house purchases by Eildon Housing Association and 1 mortgage to rent purchase by Waverley Housing.

All but one of the envisaged RSL completions for 2017-2018 have delivered apart from Peelwalls Ayton, where Berwickshire Housing opted not to progress the potential "off the shelf" purchase of 6 homes from a developer. Handover of another 4 flats at Innerleithen Road Peebles (now known as Hydro Gardens), by Bridge Homes the Council's Limited Liability Partnership, has slipped into 2018-19 and Eildon Housing Association completed ahead of schedule 19 homes at Sergeant's Park and 16 homes at Easter Langlee as phased handovers, and acquired a further 21 homes at Chris Paterson Place.

Table 1: Project Completions for 2017-2018

RSL	Project Name	Supplier	Units GN	Units PN	Units Total	Status Update as at 31/03/18
BHA	Gowanlea Coldstream	HA Rent	-	4	4	Completed
EHA	Roxburgh St Kelso	HA Rent	18	0	18	Completed
EHA	E. Langlee Ph3 Galashiels	HA Rent	16	0	16	Completed
EHA	Sergeant's Park Ph1 Newtown St. Boswells	HA Rent	16	3	19	Completed
SBHA	Block 27 Stonefield remodelling Hawick	HA Rent	6	0	6	Completed
EHA	Lintburn St Galashiels	HA Rent	0	8	8	Completed
BHA	Todlaw Ph3B Duns	HA Rent	14	2	16	Completed
EHA	Individual house purchase	HA Rent	2	1	3	Completed
EHA	Chris Paterson Place Galashiels	MMR	21	0	21	Completed
WH	Mortgage to Rent	HA Rent	1	0	1	Concluded
OMSE	Open Market Shared Ownership	Shared Equity	33	0	33	Concluded
Total			127	18	145	

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.

From a position of no Open Market Shared Equity sales concluded in the first year (2014-2015) there has been a year on year increase with 11 sales concluded for 2015-2016 and by working with our partners to increase the promotion of this scheme to eligible client groups saw this figure increase to 25 for 2016-2017 with a further increase to 34 in the last financial year. 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. Table 2 below shows the locations where OMSE purchases have been concluded over the last 3 years.

Table 2: Scottish Borders OMSE by Settlement 2015/16- 2017/18

Settlement	2015/16	2016/17	2017/18	Total
Berwick-Upon Tweed			1	1
Chirnside	1	2	1	4
Coldstream			3	3
Duns	1		1	2
Earlston			1	1
Eyemouth	3	7	7	17
Galashiels	1	7	7	15
Hawick	1	2	3	6
Innerleithen	1	2		3
Jedburgh			3	3
Kelso	2	3	4	9
Newton St Boswells		2		2
Peebles			3	3
Selkirk	1			1
Total	11	25	34	70

Source: Scottish Government 2018

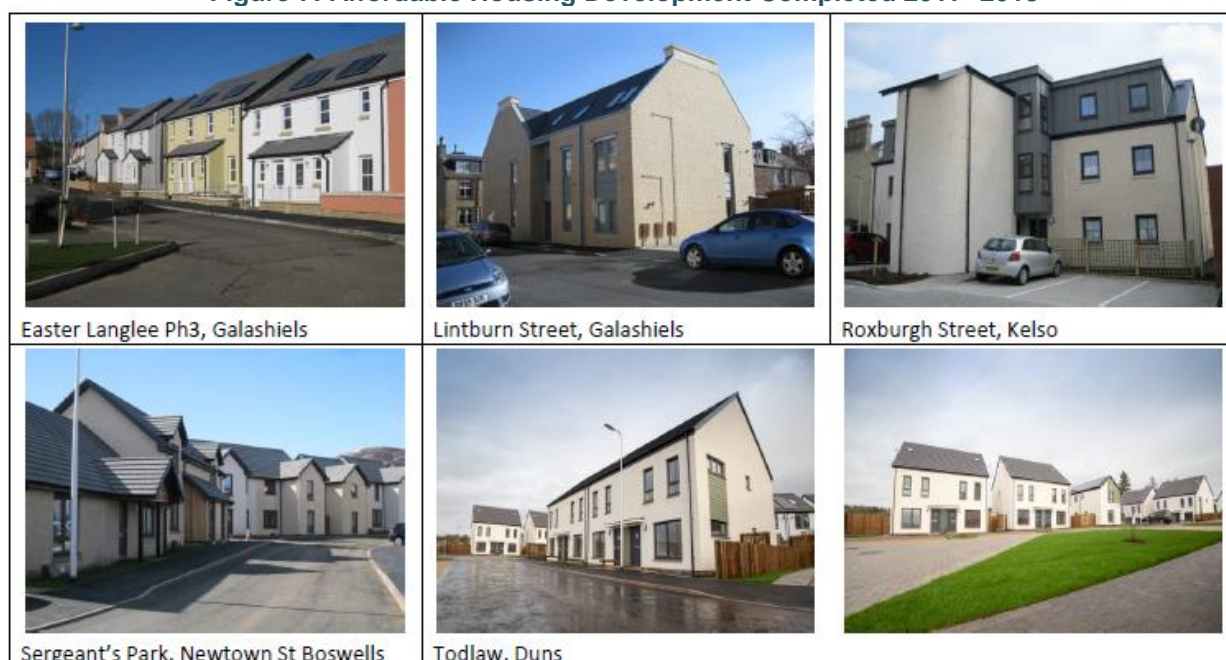
In an effort to promote and increase take up of this low cost home ownership initiative Council Officers continue to work with Link Housing Association to maximise publicity through the use of libraries, contact centres and Council website.

Figure 7 on page 19 shows images of some of the affordable housing projects which completed in Scottish Borders during 2017-2018. These are (top left to right) Easter Langlee phase 3 which saw its first 16 houses delivered as part of a bigger new build development by Eildon HA on a green

field site. Lintburn Street, Galashiels is a new 8 flatted development for the re-provision and expansion of the Supported Housing Service previously based in Chris Paterson Place.

The longstanding unofficial car parking site in Roxburgh Street, Kelso is now replaced by Eildon Housing Association's award winning³ development of 18 new homes for affordable housing which has improved both the rear and street frontage enormously in this conservation area. Again, as part of a phased programme developed EHA saw the completion of 19 new homes at Sergeants Park in St. Boswells and finally, Berwickshire Housing saw the completion of a further 16 homes at Todlaw Duns which saw the delivery of phase 3 of this development. Not shown below, however, Berwickshire also completed 4 homes for people with particular needs at Gowanlea in Coldstream.

Figure 7: Affordable Housing Development Completed 2017- 2018



3.1 Development Project Status Update as at September 2018

The Council and its partners are confident that they are on track to deliver 213 new homes over the Strategic Local Programme (SLP) for the period 2018-2019 and table 3 on page 20 sets out the projects that are envisaged that will be delivered over this period.

It should also 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 an even greater number of new affordable

³ Scottish Housing Awards Best Small development 'Social Housing' Award

homes purchased via this mechanism. At the time of writing, and as highlighted earlier in this plan 15 OMSE assisted purchases have been confirmed so far for 2018-2019.

Table 3: Projects Envisaged to be completed in 2018-2019

RSL	Project Name	Tenure	Units GN	Units PN	Completions anticipated by March 2019 Total Units
EHA	JHC, Innerleithen ⁴	HA Rent	20	-	20
EHA	Sergeants Pk, Newtown	HA Rent	34	-	34
EHA	E. Langlee, ph 3, Gala	HA Rent	47	-	47
EHA	High St. Selkirk	HA Rent	10	-	10
EHA	St John's Manse, Gala	HA Rent	10	-	10
EHA	Craigpark, Galashiels	HA Rent	9	-	9
SBHA	Rose Court, Galashiels	HA Rent	10	-	10
BHA	Acredale ph 3, Eyemouth	HA Rent	30	-	30
BHA	The Glebe, Chirnside	HA Rent	25	-	25
WHA	Individual Purchases	HA Rent	3	-	3
Bridge	Hydro Gardens, Peebles	MMR	4	-	4
Bridge	Broomlands, Kelso	MMR	5	-	5
RHG ⁵	Cessford, nr Kelso	MMR	6		6
Total					213

Albeit, this estimated project delivery falls slightly short of the 282 envisaged set out in table 7, page 33 of the previous SHIP 2018-2023 it far exceeds our 128 annual target set out in the LHS. It is important to note that 36 homes were delivered in 2017-2018 ahead of estimated programme, 34 completions have slipped owing to SEPA issues at Huddersfield Street, Galashiels and 20 MMR homes were removed from the programme as a result of the Council re-marketing the site at Burgh Yard, Galashiels as it would be impossible to deliver within the initiatives completion deadline of March 2019.

The Council and its partners continue to seek to develop in areas of high demand and identified need across Towns and more rural communities. Table 4 on page 21 provides a position statement on the progress of all Strategic Local Programme Agreement (SLPA) and other projects from SHIP 2018-23 as at 20th September 2018.

⁴ EHA Council Nominee to acquire NHT for affordable rent in perpetuity

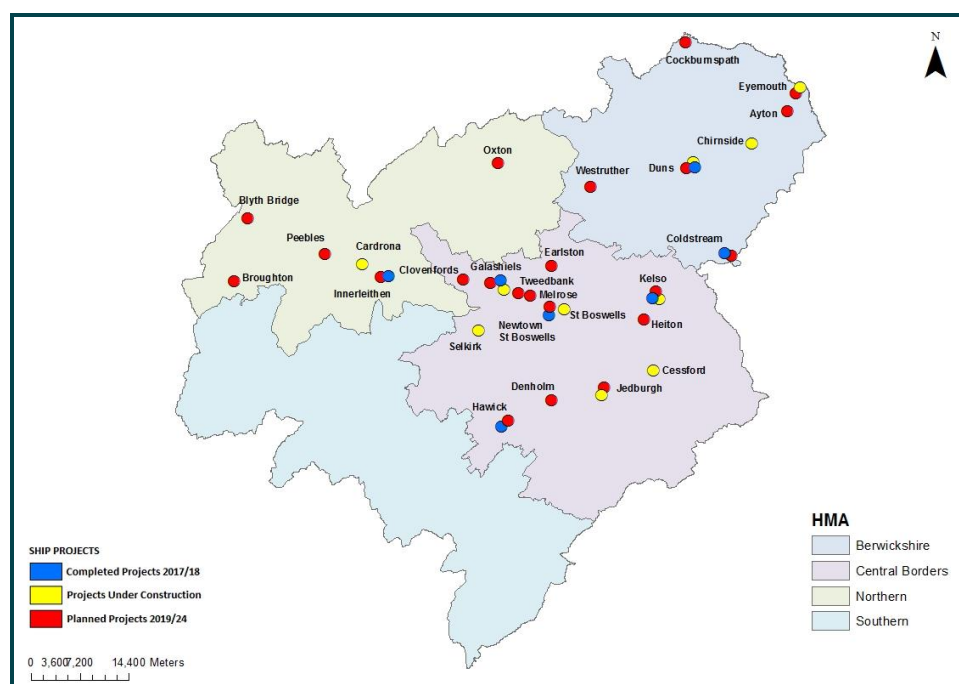
⁵ Rural Housing Grant to assist bringing empty homes back into use

Table 4: Position Statement on SLPA and other projects from SHIP 2018/23 as at 20th Sept 2018

RSL	Project Name	Units General Need	Units Part. Need	Position Update
BHA	Peelwalls, Ayton	6	-	Project Aborted
Bridge	Hydro Gardens, Peebles	4	-	Completed
BHA	Acredale 3, Eyemouth	28	2	Under Construction
EHA	Craigpark Gardens, Galashiels	9	-	Under Construction
EHA	Springfield Terrace, St. Boswells	3	-	Autumn Site Start
EHA	E.Langlee Ph3 Gala	47	-	Completed
EHA	High Street, Selkirk	10	-	Under construction
EHA	Woodside Place, Galashiels	3	-	Autumn Site Start
EHA	Huddersfield Street, Galashiels	34	-	SEPA Delay
EHA	Sergeants Park, Phase 1, Newtown St. B.	34	-	Completed
EHA	Station Road, Cardrona	17	-	Under Construction
SBHA	Rose Court, Galashiels	10	-	Under Construction
SBHA	Heriot Field, Oxton	4	-	Planning Application
EHA	James Hogg Court, Innerleithen	24	-	Acquired
Bridge	Burgh Yard, Galashiels	20	-	Project Aborted
EHA	Burgh Yard, Galashiels	20	-	Site re-marketed - delay
SBHA	Glensax Road, Peebles	6	-	Planning Application
SBHA	Tweed Court, Kelso	13	-	Planning Application
EHA	Langhaugh, ECH Galashiels	-	39	Tender
EHA	Howdenburn, Jedburgh	30	2	Under Construction
EHA	Coopersknowe, Galashiels	63	6	Re-design
EHA	Former High School, Earlston	64	2	Design Stage
Trust	Todlaw ECH, Duns	-	49	Tenders Checked
BHA	The Glebe, Chirnside	24	1	Under Construction
BHA	Todlaw 4, Duns	26	1	Planning Application
EHA	Tweedbridge Court, Peebles	40	-	Planning application
EHA	Sergeants Park phase 2, Newtown St. B.	64	-	Planning Application
EHA	Springwell Brae, Broughton	12	-	Site Acquired from SBC
BHA	Burnwood, Co'path	8	-	Agreed treat as pipeline
EHA	Crawwood, Tweedbank	16	-	Project Aborted
EHA	Stirches Hawick (ECH)	-	40	Site Acquired from SBC
EHA	Main Street, Heiton	8	-	Site Acquisition Discussions
BHA	Springfield Phase 1, Duns	10	-	Tender Negotiations
SBHA	Garage sites	20	-	Individual Projects Identified
BHA	Priory Bank/Hillview Coldstream	16	-	Design Stage
BHA	Springfield Ph2/3 Duns	75	-	Phasing Negotiations
EHA	Jedward Terrace Ph 2, Denholm	12	-	Site Acquisition Discussions
EHA	Renwick Gardens Morebattle	8	-	Pending design stage
BHA	Former high school Eyemouth	24	-	Site Masterplanning
THA	Former high school Eyemouth ECH	-	36	Site Masterplanning
EHA	Former Borders College, Galashiels	33	-	Site Acquisition Discussions
SBHA	Block 5/6 Stonefield, Hawick	6	-	SBHA secures last RTB
EHA	Kelso, ECH	-	37	Developer Led Design Stage
TBC	ECH, Peebles	-	30	Move to pipeline
BHA	Ladies Field, Coldstream	30	-	Project Aborted

Figure 8 below shows the locations where developments were completed throughout 2017-2018 and where there are planned developments for the period 2018-19-2019-24.

Figure 8: Completed Developments 2017-2018, Under Construction and Planned for 2019-24⁶



Back in 2009, a locality planning approach for the development of priority areas was established to reflect local needs and issues and 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 then Peebles Housing Strategy. Eildon Housing Association acquired the site from Blackwood and has now lodged its planning application which once approved see the re-development of site to provide approximately 40 homes for social rent as set out in table 7 page 36.

Stonefield in Hawick was also at that time 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, together 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. After lengthy negotiations SBHA have now secured the last remaining Right to Buy (RTB) flat in Stonefield which means they now have 100% of Block 5/6 which enables the Association to demolish the block, tidy up the site as an interim arrangement to allow time to consider the future need and

⁶ Figure 8 includes anticipated NHT projects deliverable by March 2019.

demand in the Hawick in order to inform development options. Figure 9 below shows the remaining derelict block to be demolished.

Figure 9: Block 5/6 Stonefield for Demolition



The Integrated Strategic Plan for Older People Housing, Care and Support needs identifies a number of developments for older people across Borders that are no longer fit for purpose. In tandem of the development of this strategy Eildon Housing Association (EHA) have been considering the future redevelopment of its Elm Court development in Hawick. Elm Court was built in 1995 and consists of predominantly one-bedroom flats and is located close to the centre of Hawick with all properties arranged around a courtyard car park with two of the blocks 3 storeys high. It is up a hill and has no direct bus service to and from the town centre so is now unsuitable for many older applicants.

Figure 10: Elm Court, Hawick



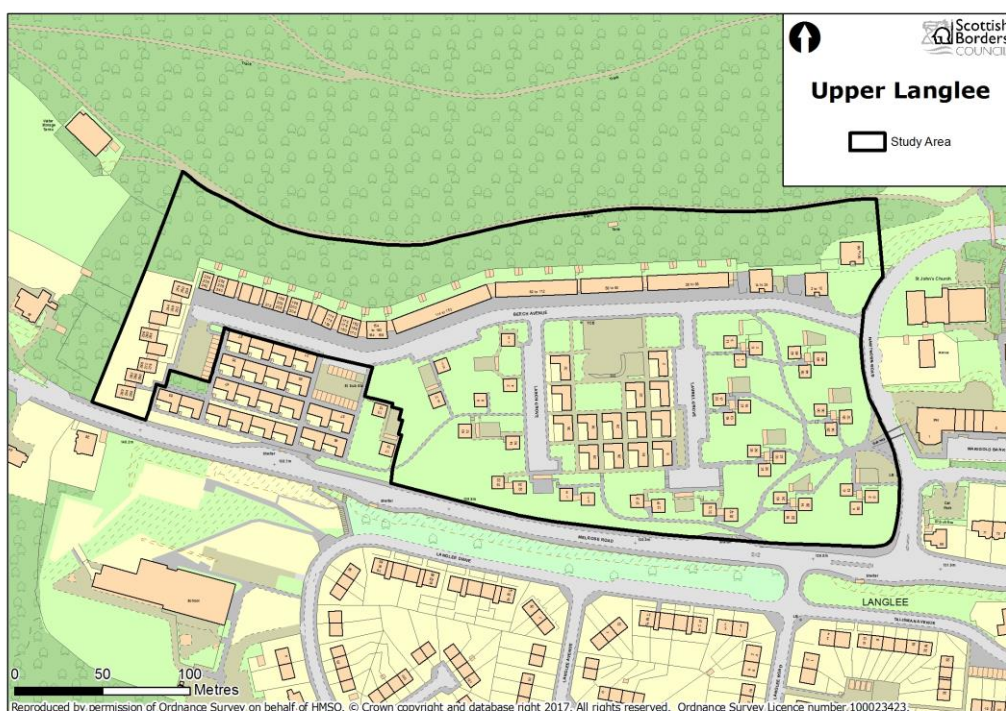
Figure 10 above shows images of Elm Court as it currently stands and the Association are currently engaging with its tenants to identify personal housing options in order to consider rehousing solutions that can be offered by Eildon to its tenants. Figure 11 on page 24 shows the architects designs of Elm Court which through re-modelling and redevelopment could provide 21 flats and houses to meet appropriate housing need and demand in the area.

Figure 11: Illustrations of Redevelopment of Elm Court, Hawick



As reported in last year's SHIP submission 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 extent of Upper Langlee which was the subject of the masterplan study.

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. The Council committed funding to support the appointment of 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.

The appointed Consultants have now completed the masterplan which received Waverley Housing Association's Board approval in principle on 21st June 2018 to progress with the Consultant's recommendation for Option 3 for the Potential Regeneration of Upper Langlee subject to more detailed feasibility analysis and resident consultation.

Figure 13 below illustrates just two examples of the potential transformation of this part of the Upper Langlee area. There are currently 229 properties in Upper Langlee with the project proposing the demolition of 159 properties, and the refurbishment of 70 and the provision of 115 new build that will better meet the needs and aspirations of the tenants and residents.

Figure 13: Upper Langlee Architects Impressions Beech Avenue and Laurel Grove



This is a high cost regeneration project with estimated costs of delivering the preferred option 3 around £21.6 million. This is likely to be delivered over a number of financial years through an anticipated 4 phases of development. It is anticipated that this will be led by Waverley Housing and funded from a mix of anticipated grant funding from the Scottish Government, Waverley Housing Association's private finance and potentially some support from the Council through the

use of 2nd Homes Council Tax or Affordable Housing Policy Developer Contributions. However there is already a significant financial commitment on the Affordable Housing Budget for the foreseeable in order to deliver on the Extra Care Housing projects set out as part of the new Integrated Strategic Plan for Older People's Housing, Care and Support in the Borders. There has been an aspiration to regenerate and transform this part of Upper Langlee for quite some time and has been assessed as a strategic priority for the Council and for Waverley.

The Council's resource planning assumptions (RPA) allocation has been increased from £13,167 to £14.065m for 2018-2019, together with an advised RPA of £14.897m for 2019-2020 and £15.893m for 2020-2021 totals £44.855m grant funding for the life of the current Parliament. To permit the necessary advance planning of projects, the new SHIP Guidance states that Councils should plan on the basis of the RPA provided for 2020-2021 and for the Scottish Borders this equates to an RPA of £15,893m each year for the final three years of this SHIP. The Council welcomed the decision by both Eildon and Berwickshire Housing Associations to seek and secure charitable bond funding of approximately £4.6m in lieu of affordable housing supply funding which has been utilised to financially assist 3 projects⁷ which are all expected to complete in 2018-2019.

This equates to a five-year housing supply grant allocation of £78.069m for the period of the SHIP 2019-2024. Added to this year's (2018-2019) RPA of £14.065m together with the charitable bonds of £4.6m brings the total level of proposed subsidy over a six year SHIP period to £97.134m. Projects have been identified and prioritised in order to maximise delivery of this funded vision, including available RSL financial capacity for the period to 2024 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 brought forward should infrastructure constraints be resolved providing greater confidence in project delivery within the timescales set out in this SHIP.

The Council and its partners are responding positively to deliver on the welcomed opportunity and challenge presented by the sustained 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 anticipated 3-year Resource Planning Assumptions for 2019-2021 provides the Council and its partners with more certainty in developing and delivering an ambitious housing programme as well as enabling us to take forward the development of much

⁷ The Glebe, Chirnside, High St, Selkirk, Howdenbank, Jedburgh

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.

Based on the Resource Planning Assumptions for the period 2018-2021 (£44.855m plus the additional £4.6m from charitable bonds, the Council and its partners at an average grant of £72k per unit could potentially deliver up to 686 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 potentially deliver 751⁸ new RSL homes over the same period (see tables, 3, 7, and 7a pages 20, 36 and 37). For the full five-period of the SHIP projects have been identified and over-planned on this basis and a total of 1047⁹ new RSL homes could be delivered. and with the estimated 213 homes envisaged being delivered during 2018-2019 which includes a further 9 mid-market homes via Bridge Homes brings the total number of new homes that could deliver over this and the next five years is 1260.

This is assuming that all development constraints are overcome, sufficient grant available to assist project delivery and developers are willing to collaborate in order to open up identified sites. However, the planned programme provides some 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. 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 provide more new homes in the Borders and 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 7 sets out the programme summary within the Affordable Housing Programme budget.

⁸ Over-programmed by 25%

⁹ See Table 11 page 40

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. SBC's Rapid Rehousing Transitional Plan will be incorporated into next year's project prioritisation process.

Following a short discussion it was agreed that there would be minor modifications to the prioritisation methodology from the previous SHIP submissions and this year the weighting was updated to take cognisance of the recently launched Integrated Strategic Plan for Older People's Housing, Care and Support in the Borders which is a ten year strategy. The Locality Plans also featured in the prioritisation process where account was taken of community aspirations if possible. 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 key factors for considering the viability of a project and thus the 40% weighting is retained. This now includes meeting the needs of older people including delivering on our 10% wheelchair target which will be reviewed in 2019 to develop a new baseline of evidence of need.

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 29 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 locally based 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 on 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-provision) 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 (e.g.; Extra care Housing Delivery Framework) 5. Links with other non-housing Strategies and policies (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 9. Older peoples Integrated Strategic Plan 10. Locality Plans
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 de-prioritised and deferred depending on the circumstances that arise.

Using this tool, individual projects are considered by members of the SHIP Project Group to determine their priority ranking with existing projects being reviewed, and new projects brought forward that 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 set out in tables 7 to 7D on pages 36-38. All projects identified in the SHIP have detailed project descriptors 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 funding assumption provided by Scottish Government More Homes Scotland as set out on page 26.

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 2019-2024

As with the previous SHIPs, this year there is an even greater impetus to progress and where possible speed up project delivery in order to assist the Scottish Government meet its ambitious target of 50,000 new affordable homes. 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 all of our affordable housing grant allocation.

As reference earlier in this SHIP, meeting the housing requirements for older people is identified as a key priority for the Local Housing Strategy 2017-2022 which was launched in the autumn in 2017. Work on the development of a ten year Integrated Strategic Plan to address the housing, care and support needs of older people has now been completed and launched in June 2018. Integral to this plan is the identified need for several extra care housing models across the main towns of Scottish Borders. On the 28th June 2018 Scottish Borders Council Members approved the new ten year strategy which will see the delivery extra care housing in the Borders as an integral part of its effective implementation.

Table 6 below has been updated from the previous SHIP submission and sets out the revised proposed project delivery timeframes for the delivery of 222 extra care homes in the Borders.

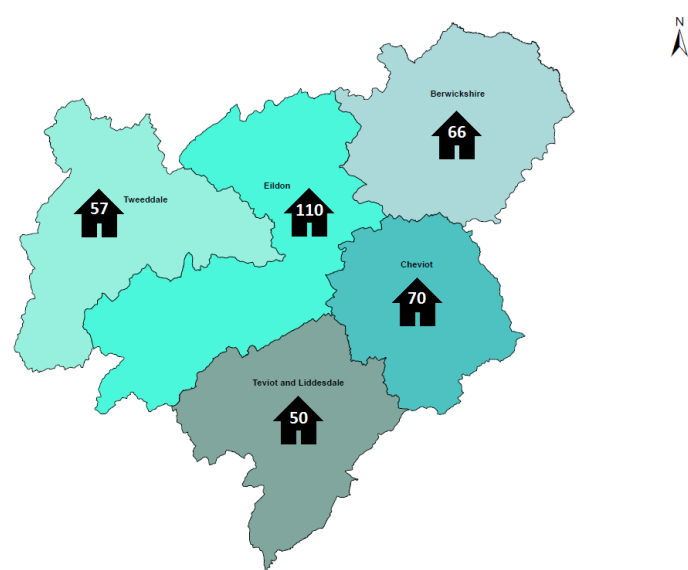
Table 6: Proposed Delivery Timeframes for Extra Care Housing Developments

	2019/20	2020/21	2021/22	>2022/23	Total
Duns	-	30	-	-	30
Galashiels	-	39	-	-	39
Hawick	-	-	40	-	40
Eyemouth	-	-	46	-	46
Kelso	-	-	37	-	37
Peebles*	-	-	-	30*	30
Total		69	123	30	222

It should be noted that a site has yet to be identified and secured for the next Extra Care Housing Development in the Peebles area (*listed in table 6 page 31 for beyond 2022-2023). The project remains in the SHIP as part of the Extra Care Housing Delivery Framework and will be timetabled accordingly when a site has been secured.

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

Figure 14: Extra Care Housing Need at Locality Level



As stated earlier in this plan 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: Extra Care Housing Developments



Figure 15 on page 32 illustrates the Borders first extra care housing scheme which was developed by Eildon HA six years ago and illustrates examples of Trust's older people's housing schemes elsewhere in Scotland.

Figure 16: Extra Care Housing Duns Design Impressions



The Duns project has completed the design stage and obtained planning permission with a site start scheduled for autumn 2018. Figure 16 above illustrates the current design in Duns with figure 17 on page 34 illustrating Eildon Housing Association's Langhaugh project in Galashiels.

It is envisaged that Trust HA will deliver its Duns project in 2020-2021 with 30 as extra care homes and 19 amenity homes and, Eildon Housing Association will deliver its Galashiels project in April 2020 providing 39 extra care homes.

Figure 17: Extra Care Housing Galashiels Design Impressions



Early design work is underway looking at the wider former Eyemouth High School site in the form of a joint exercise by Trust Housing Association, Scottish Borders Council and Berwickshire Housing Association. The mini-masterplan could include the provision of up to 46 Extra Care housing developments by Trust HA¹⁰ with an expectation for site start in 2020. This development will learn any lessons and follow a similar standard set by the Extra Care development at Duns.

Following consents from Scottish Ministers the Council has disposed of the Stirches site in Hawick for £1 for the development of Extra Care housing and potential housing models for particular client groups. At this early stage in the development process it is anticipated that around 40 houses will be delivered for Extra Care with a delivery timeframe of 2021-2022.

Following a decision by the Council to market the former Kelso High School site, the Council is currently in discussions with a developer who is keen to develop the site. This Developer has approached Eildon Housing Association with a view towards retention and conversion of the listed former High School Buildings to build an extra care housing development. The Developer hopes to progress design proposals with a view towards lodging planning application later in 2018-2019.

5.1 Investment Priorities for Affordable Housing & Energy Efficient Scotland

As stated on page 15 of this SHIP improving energy efficiency and reducing fuel poverty is a key priority for Scottish Government and for the Council. Over the period to 2032, the Scottish Government expects to see an overall reduction in emissions from residential buildings of 23% to meet existing targets. Emission reduction targets are expected to be delivered “through continued deployment of low carbon heat in off-gas properties”. Objectives have been set out to help achieve the Scottish Government’s 2032 targets:

- “By 2032, 35% of domestic buildings’ heat will be supplied using low carbon technologies, where technically feasible, and the buildings insulated to the maximum appropriate level.”
- “By 2032, improvements to the building fabric of domestic buildings will result in a 15% reduction in domestic heat demand.”¹¹

Eildon Housing Association are currently exploring Passivhaus¹² design as a direct response to the increasing risk of Scottish households falling into fuel poverty due to rising fuel costs and the poor energy efficiency of many rural homes. New build Passivhaus homes will simultaneously

¹⁰ The increase from 36 to 46 extra care homes outlined in this SHIP has yet to be approved from the Extra Care Programme Board

¹¹ (Climate Change Plan – The Third Report on Proposals and Policies 2018-2032, pp. 87-88)

¹² <http://www.passivhaustrust.org.uk/>

reduce fuel bills for occupants and reduce carbon emissions to contribute to Scottish Government emission reduction targets. The Association aims to deliver 13 Passivhaus standard units across two sites in the Borders.¹³ The two developments will serve to highlight the benefits of low-carbon and sustainable design within the context of the Scottish Borders.

EHA are also looking to explore alternative low-carbon heating solutions at various small sites across the Scottish Borders as part of an ongoing new build piloting programme. This programme will see different low-carbon heating technologies (excluding Passivhaus) installed in new build homes with monitoring processes designed to measure energy efficiency and return on investment throughout the life of the programme. This will provide key data for the future development of low carbon, sustainable homes and will help to drive forward the sustainability agenda across the Scottish Borders.

5.2 Investment Priorities for Affordable Housing 2019-2024

The Development projects outlined in tables 7 to 7D on pages 36-38 have been prioritised for investment by the SHIP Project Group using the AHPPWM and have been scheduled for completion over the next five years.

Table 7: Proposed Development Projects 2019-2020

RSL	Project Name	Tenure	Units General Need	Units Part. Need	Units Total
SBHA	Tweed Court, Kelso	HA Rent	13	-	13
SBHA	Glensax Road Peebles	HA Rent	6	-	6
EHA	Howdenburn Dr, Jedburgh	HA Rent	30	2	32
BHA	Todlaw ph4 Duns	HA Rent	26	1	27
BHA	Springfield Ph1, Duns	HA Rent	10	-	10
EHA	Springfield Terrace, St. Boswells	HA Rent	3	-	3
EHA	Woodside, Galashiels	HA Rent	3	-	3
EHA	Tweedbridge Court, Peebles	HA Rent	40	-	40
EHA	Edgar Road, Westruther	HA Rent	10	-	10
SBHA	Heriot Field, Oxton	HA Rent	4	-	4
RHR	Glen Estate, Innerleithen	MMR	2	-	2
Total			147	3	150

¹³ A 10-unit development in Westruther, comprising 3-person 5-bed homes, A 3-unit development at Springfield Terrace, St. Boswells comprising a terraced block of 3-person 5 bed homes will also be built to Passivhaus standard

Table 7A: Proposed Development Projects 2020-2021

RSL	Project Name	Tenure	Units General Need	Units Part. Need	Units Total
THA	Todlaw Duns (ECH)	HA Rent	-	49	49
EHA	Earlston ex HS	HA Rent	64	2	66
EHA	Langhaugh Gala (ECH)	HA Rent	-	39	39
EHA	Sergeants Pk ph2 Newtown	HA Rent	62	2	64
EHA	Jedward Tce ph2 Denholm	HA Rent	12	-	12
EHA	Springwell Brae Broughton	HA Rent	12	-	12
EHA	Station Yard, Cardrona,	HA Rent	17	-	17
EHA	Huddersfield Street, Galashiels	HA Rent	34	-	34
BHA	Springfield ph 2 Duns	HA Rent	20	-	20
EHA	Elm Court, Hawick	HA Rent	9		9
EHA	St Aidans Church, Galashiels	HA Rent	21	-	21
BHA	Beanburn ph 1, Ayton	HA Rent	27	2	29
BHA	Priory Bk/Hillview, ph1, Coldstream	HA Rent	16	-	16
Total			294	94	388

Table 7B: Proposed Development Projects 2021-2022

RSL	Project Name	Tenure	Units General Need	Units Part. Need	Units Total
EHA	Stirches Hawick [ECH]	HA Rent	-	40	40
EHA	Borders College Site, Galashiels	HA Rent	33	-	33
EHA	Nethershot/Angraflat Rd, Kelso	HA Rent	40	-	40
EHA	Coopersknowe, Gala	HA Rent	63	6	69
SBHA	Queensway, Earlston	HA Rent	6	-	6
SBHA	St. Dunstons, Melrose	HA Rent	8	-	8
SBHA	Mossilee, Galashiels	HA Rent	5	-	5
BHA	Eyemouth ex HS*	HA Rent	24	-	24
THA	Eyemouth ex-HS (ECH)]*	HA Rent	-	46	46
SBHA	Tarth Cr Blyth Bridge	HA Rent	6	-	6
EHA	Ex HS Kelso (ECH)*	HA Rent	-	37	37
Total			185	129	314

* Unit numbers to be confirmed following feasibility study or more detailed masterplanning

Consistent with last year's SHIP, the Council and its RSL delivery partners continue to be ambitious, resolute and optimistic in seeking to progress, bring forward project delivery where

appropriate and possible in order to maximise the current grant opportunity to deliver more affordable homes in the Borders to meet housing need.

Table 7C: Proposed Development Projects 2022-2023

RSL	Project Name	Tenure	Units General Need	Units Part. Need	Units Total
WH	Beech Ave, Ph1 Galashiels	HA Rent	30	8	38
EHA	Thirlstane Dr, Lauder	HA Rent	9	-	9
EHA	South Park, Peebles	HA Rent	18	-	18
SBHA	Caerlee Mill, Innerleithen	HA Rent	21	-	21
SBHA	Hartrigge Rod/Cr Jedburgh	HA Rent	12	-	12
BHA	The Avenue, Eyemouth	HA Rent	12	-	12
Total			102	8	110

Table 7D below sets out proposed development project opportunities which could deliver up to 123 units with some of the projects being illustrated potentially delivery beyond 2023-2024. Further work and/or negotiation will required in order to realise these potential development opportunities. 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.

Table 7D: Proposed Development Projects 2023-2024

RSL	Project Name	Tenure	Units General Need	Units Part. Need	Units Total
WH	Beech Avenue, Ph2 Galashiels*	HA Rent	38	-	38
WH	Beech Avenue, Ph2 Galashiels*	HA Rent	39	-	39
EHA	Main Street, Heiton	HA Rent	8	-	8
Total			85	-	85

* WH to clarify phasing and numbers to be clarified in due course

There are a number of additional potential affordable housing projects that have been identified either through direct contact from Developers and the Registered Social Landlords which 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 below sets out potential sites and currently being investigated as future possible affordable housing development opportunities and indicates that as much as an additional 229 affordable homes could be delivered if the market was to change and Developers were willing.

Table 8: Potential Pipeline Development Projects

RSL	Project Name	Tenure	Units Nos	Units Description
TBA	Comrades Park East Chirnside	HA Rent	14	Planning App lodged by SH
EHA	Lowood, Tweedbank	HA Rent	35	Pending SBC Purchase
EHA	Wallaceneuk, Kelso	HA Rent	30	Consent yet to be approved
EHA	Hendersyde Kelso	HA Rent	30	S75 Agreement Concluded
BHA	Beanburn Ph2 Ayton	HA Rent	20	Est Completion 2024/25
TBA	March St Mills Peebles	HA Rent	17	Planning App being considered
BHA	Acredale 4 Eyemouth	HA Rent	25	Hart/ Cruden Lead
BHA	W. Reston Mains, Reston	HA Rent	20	New Contact, BHA to pursue
Total			229	

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.

Notwithstanding the ambition and drive to deliver as many new homes as possible it is inevitable that challenges and issues means that sometimes projects stall or have to be removed from the programme. Table 9 on page 40 illustrates the 6 projects (83 homes) that have been removed from SHIP 2018-2023 and provides a short description as to the reasons.

Table 10 also on page 40 shows 8 of the pipeline projects which could have delivered a possible 237 new homes have now been removed from the SHIP for various reasons. Should these projects re-emerge as potential opportunities they will need to be re-prioritised for inclusion in future SHIPs.

Table 9: Projects Removed from the SHIP 2018-2023

RSL	Project Name	Tenure	Units General Need	Reason
EHA	Crawwood, Tweedbank	HA Rent	16	Existing provision leased to SBC as Discharge to Assess
EHA	Burgh Yard, Galashiels	HA Rent	20	SBC re-marketing Site
EHA	Renwick Gardens, Morebattle	HA Rent	8	Consider future Development purposes
SBHA	Blk 5/6 Stonefield, Hawick	HA Rent	6	Consider for future Development
BHA	Burnwood, Co'path	HA Rent	8	Stalled
BHA	Ladiesfield, Coldstream	HA Rent	30	Not being progressed
Total			83	

Table 10: Pipeline Projects Removed from the SHIP 2018-2023

RSL	Project Name	Tenure	Units General Need	Reason
SBHA	Auction Mart, Newtown	HA Rent	25	No Progress
EHA	Dicks Field, Ancrum	HA Rent	12	No Progress
EHA	Angles Field, Selkirk	HA Rent	8	Pending SEPA Clarification
EHA	Melrose Road, Newtown	HA Rent	108	No Progress
EHA	Kingsmeadow, Peebles	HA Rent	40	No Progress
EHA	Royal Hotel, Stow	HA Rent	13	No Progress
BHA	Swinton Site	HA Rent	6	No Progress
BHA	Auction Mart Reston	HA Rent	25	No Progress
Total			237	

Notwithstanding the 145 house completions outlined in table 1 on page 17 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 11 below illustrates the total number of estimated affordable homes completions over the life of this SHIP and through positive collaborative working between all relevant parties as much as 1047 affordable homes could be delivered over the next five years. Including estimated 213 completions for this financial year brings the total to 1260 new homes over this and the next five years.

Table 11: Estimated Affordable Homes Completions 2019-2024

	Year 1 2019/20	Year 2 2020/21	Year 3 2021/22	Year 4 2022/23	Year 5 2023/24	Total
AHSP	150	379	314	110	85	1034
NHT LA Variant Programme	-	-	-	-	-	-
Discounted sale	-	-	-	-	-	-
Re-modelling	-	9	-	-	-	9
Totals	150	388	314	110	85	1047

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 explore development opportunities at a local level.

Although there remains a strong need to provide additional family housing there is also an increasing need for smaller homes 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 even with increased levels of Affordable Housing Supply Programme funding being allocated to Scottish Borders, land supply remains restricted to a degree as some developers wait for full market recovery. The Council continues to receive pre-planning enquiries and planning applications, albeit at a much lower numbers than pre-crash levels. 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 in due course.

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 its Capital Budget to resource delivery of means tested major adaptations in private sector housing.

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 and IJB via routine reporting processes. Spend and numbers of adaptations delivered is also monitored and reported in the Council's Housing Annual Report and LHS annual reviews.

As a post stock transfer authority, the Council has allocated £375k for 2018-2019 to grant support an estimated 80 major adaptations annually in private sector housing stock.

The Integrated Strategic Plan for Older People's Housing, Care and Support identifies a need to increase the resources in order to deliver a greater number of means tested major adaptations in private sector housing. It is envisaged that this will be considered in due course as part of the implementation of the new 10-year strategy.

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. Notwithstanding that the lending market has improved somewhat since the financial crash, RSL financial capacity remains an issue that will be monitored regularly in the event that project delivery remain at anticipated current levels beyond the life of the current Scottish Parliament.. 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.¹⁴ The Council and its

¹⁴ 2nd Homes/Council Tax Budget (2nd HCT)

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 former 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 basis of 100% affordable housing. The Council has recently carried out a Call for Sites exercise which has identified a number of additional site opportunities which will be considered as part of the Local Development Plan process.

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. To illustrate the point the Council is releasing sites in Duns, Eyemouth and Hawick in order to provide sites for Extra Care Housing delivery.

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 in the SHIP 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 the difficulties in financial viability in the delivery of NHT projects. 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 39 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.

During 2017-18 EHA entered into a Development Partnership with Harts Builders (Edinburgh Ltd) to drive through a substantial element of EHA's current development programme. The initial partnership looked at delivering 250 new homes across 6 schemes with an estimated total project cost of just under £35m which has increased to 332 at a cost of just under £49m.

Harts have been selected due to their track record working with EHA, most recently the current scheme at Sergeants Park 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 is 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 12: Projects Delivered via a new Development Partnership Arrangement

Project	Nos of Units	Total Project Cost	Grant
Craigpark Court, Galashiels	10	£1,900,000	£851,040
Earlston High School, Earlston	66	£8,000,000	£4,795,200
Huddersfield Street, Galashiels	34	£4,900,000	£2,756,128
Sergeants Park 2, Newton St Boswells	64	£10,000,000	£5,174,784
Tweedbridge Court, Peebles	40	£5,400,000	£3,035,520
Coopersknowe, Galashiels	69	£9,300,000	£5,449,896
Langhaugh Elderly Extra Care, Galashiels	39	£7,500,000	£4,000,000
Rose Court, Galashiels (for SBHA)	10	£1,800,000	£831,600
Totals:	332	£48,800,000	£26,894,168

The Development Partnership between EHA and Harts is a real opportunity to bring in substantial investment and new homes into the Borders and has forged ahead, growing to a live programme of 332 new homes across 8 sites as detailed in Table 12 above.

As at August 2018 the Partnership has 20 units on site, 246 units in for planning, with the final 66 planned for submission within 2018. The partnership is exploring the potential to secure and deliver additional schemes. 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.

EHA and Hart Builders have jointly funded a Community Benefits Officer to work with the local communities, educational settings, contractors and suppliers to ensure the Partnership can maximise the positive impact of the circa £50m inward investment into the Scottish Borders. The aim is to provide training, employment and support to leave a community legacy over and above the 332 new homes the programme will provide.

Land Supply

Land supply and control is quite fragmented in the Scottish Borders and is largely controlled by owners, 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 sector interests.

- Scottish Borders Council has very little land available for housing developments but has collaborated with Persimmon Homes and Eildon Housing Association to secure the site for what is referred to in SHIP as Easter Langlee Phase 3 which is now nearing completion to deliver 63 homes in autumn 2018.
- Berwickshire Housing Association has a small 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, Springwell Brae, High Street Selkirk, Station Yard Cardrona, Tweedbridge Court Peebles, Stirches Hawick, and Howdenburn Jedburgh.
- Scottish Borders Housing Association has a small land bank arising from site clearance of existing stock and garages. The largest of these sites are in Hawick with others elsewhere 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 private owners, 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, and using the certainty of collaborating with an RSL to help de-risk starting development of a site as a precursor to market housing construction when market conditions improve..
- 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 with the remaining houses in Phase 3 nearing completion. It is envisaged that this will be the final phase of affordable housing delivery in this location.
- 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. The Council are currently considering a Planning Application for proposed second phase of 64 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.

Working in partnership with Waverley Housing, through a procurement approach the Council appointed consultants to carry out a master planning exercise for a housing led regeneration of part of Upper Langlee where Waverley Housing is the majority owner. Following consideration of

the options identified in the Final Report, Waverley Housing has agreed in principle to progress “Option 3”, and is following up with more detailed community consultation and internal due diligence work. The regeneration study focusses on Beech Avenue and associated streets. It is anticipated that this will provide additional brown field site opportunities through demolition of unpopular house types and the opportunity to redesign the public open areas to reflect Placemaking and Secured by Design principles. This SHIP includes project proposals for this regeneration activity.

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 developers and contractors will help provide certainty of workload and 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. Such tender price inflation is clearly a matter of concern for programme delivery. An exercise was done to review recent local RSL tender returns and as a result of this, for the purposes of this SHIP 2019/24, £147K has been used as a total cost per unit for indicative budget planning purposes.

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) all impact on project design and the design and development process. This in turn impacts on the ability of RSLs to accelerate projects 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 improving 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 has been progressing with a National Housing Trust Local Authority Variant which relied 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 the use of Charitable Bond funding for the first time in 2017-18 in lieu of Scottish Government Grant.

In 2017-18 the Council used £36,355 from its Affordable Housing Budget also referred to as the Second Homes/Council Tax Budget to grant assist Scottish Borders Housing Association to purchase a former "Right to Buy" flat in Stonefield Hawick in order to help progress the area regeneration of the Stonefield Estate. The Council also made a £0.140m contribution to the Council's revenue budget. However this was partially offset by income to the budget which showed an over net spend of £0.026m for the year. This explains the figures provided reflected in Scottish Government SHIP Table 5.1 within the Appendix 5.

The Council has been consciously building up a balance being held in this budget in anticipation of it being used to assist delivery of extra care housing developments to augment Affordable Housing Supply Programme grant funding from Scottish Government's More Homes Division and Private Finance contributions from both Eildon Housing Association and Trust Housing Association. The Council has recently agreed to contribute £1.7m to assist Trust Housing

Association to deliver 36 extra care flats and 19 Amenity Houses at Todlaw Duns. Construction work is due to start in autumn 2018. As these are high cost projects and in order to ensure best value is achieved lessons learned from Dovecot has helped informed the designs going forward for Langhaugh and Todlaw, which will in turn help inform the design of future extra care developments. The Council's affordable housing budget has limited resources which will be a key determinant of the level of financial support available and the impact this could have on when these projects will be developed.

The Council has made no contributions from its Affordable Housing Developer Contributions balances to assist project delivery in 2017-18. See figures provided in Scottish Government SHIP Table 5.2 within the Appendix 5.

Table 13 below illustrates the estimated level of total investment in affordable housing of up to £162.3m for the next five years programme of the SHIP.

Table 13: Estimated levels of Investment in affordable housing 2019 – 2024^{*15}

	Year 1 2019/20	Year 2 2020/21	Year 3 2021/22	Year 4 2022/23	Year 5 2023/24	Total
AHSP (SLP)	£10.8m	£27.9m	£22.6m	£7.9m	£6.1m	£75.3m
Charitable Bond	-	-	-	-	-	-
RSL Private Borrowing	£11.4m	£29.1m	£23.6m	£8.3m	£6.4m	£78.8m
Extra Care 2 nd C/Tax	-	£3.3m	£4.5m	-	-	£7.8
NHT LA Variant Programme	-	-	-	-	-	-
2 nd Homes C/Tax	£0.3m	-	-	-	-	£0.3m
Remodelling (AHSP)	-	£0.1m	-	-	-	£0.1m
Other (infrastructure)	-	-	-	-	-	-
Totals	£22.5m	£60.4m	£50.7m	£16.2m	£12.5m	£162.3m

* Figures are rounded up

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 2 on page 13 sets out our Local Housing Strategy 2017-2022 Priority Outcomes.

¹⁵ Calculations were done on the basis of 3p 3 apartment benchmark grant of £72k per unit and assumed private borrowing of £75k per unit and 2nd Homes Ct tax for NHT LA Variant at £15k per unit and an assumed £1.5m, 2nd Homes Ct tax per Extra Care Development, £15k per unit for remodelling and figures were rounded up for modelling purposes.

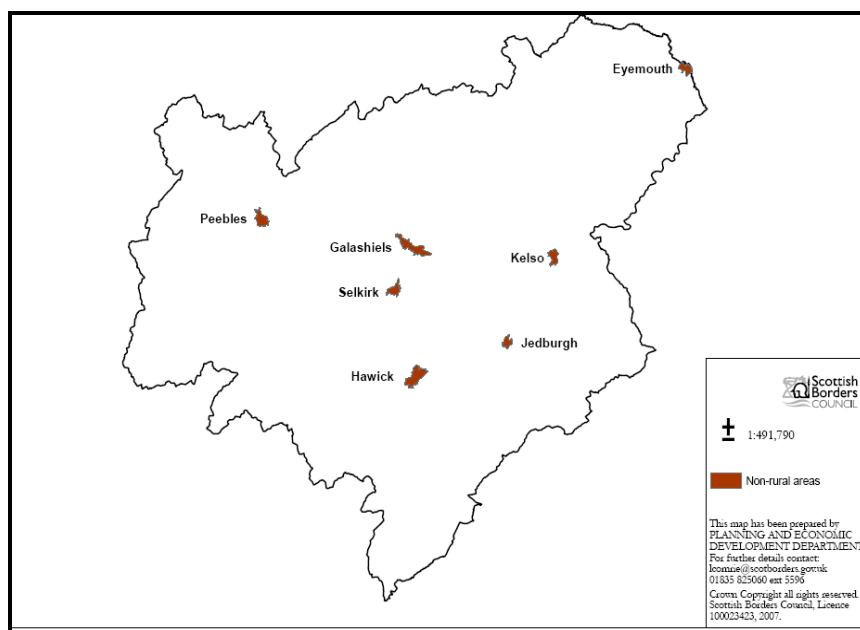
8.1 Impact Assessments

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 2019-2024 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 2019-2024 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 2019-2024 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; resource planning assumptions (RPAs) for 2018-2021 and a subsequent three-year resource planning assumption covering the period up to 2021-2024, 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 August 2018. 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 145 new affordable houses over the period 2017-2018, an anticipated delivery of 213 over 2018-2019 and a very ambitious and aspirational 1047 new affordable homes over the life of the SHIP 2019-2024. 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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