

Edinburgh and South East Scotland City Region Deal Joint Committee

Friday 1 March 2019

City Region Deal Regional Housing Board

Item number 5.10

Executive Summary

Housing is one of the five key themes in the City Region Deal Document. The regional housing programme will work to accelerate the delivery of affordable housing and housing of all tenures, enable the development of the seven major strategic sites referenced in the Deal document and drive efficiencies across the public sector estate.

The report notes the agreed governance arrangements, with a specific recommendation in respect to establish the Regional Housing Board.

Andrew Kerr

Chief Executive, The City of Edinburgh Council

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City Region Deal Checklist

Criteria	Details/Link to Document
Contribution to City Region Deal commitments and Inclusive Growth Framework	<p>Removing Physical Barriers to Growth is one of five themes in the City Region Deal Inclusive Growth Framework. A significant programme of house building will be targeted at increasing the supply of housing across all tenures to improve affordability, and will integrate the latest technologies to reduce fuel poverty</p> <p>The HCI Skills Gateway Programme will ensure that people across the region have skills to access construction jobs generated through the housing programme, and will address the gender imbalance in the industry in particular. Current advanced and more senior roles in the HCI industry sector are 89% male¹. A review of progression of females to higher qualifications (advanced levels) within south east Scotland identified this to be key barrier to progression of women in more senior industry roles². Increasing female role models at senior levels has been cited as a key factor that could improve gender imbalance and attract more women into construction³. In order to deliver the forthcoming infrastructure and housing requirements further specialisations and upskilling for the existing workforce is needed. To address this imbalance an advanced skills programme would be developed to provide support and education/training for MSc/CPD specialisations and with a stronger focus on women (60%) into advanced levels. Such courses will comply with this level of gender specific participation as a minimum with places strictly ring-fenced for women/people with disabilities as appropriate.</p> <p>An agreed approach to City Region Deal Procurement will ensure that community benefit clauses will be used to target inclusive employment practices and other opportunities.</p>
Alignment, integration with, or dependence on, other City Region Deal activities	<p>The work of the Regional Housing Board will relate closely to the nature and location of major City Region Deal investment arising through the work of the Boards responsible for Transport, Data Driven Innovation and the Integrated Regional Employability and Skills programme (in particular the Housing and Construction Innovation Skills Gateway).</p>
Scale and regional distribution of expected outcomes, benefits, and leverage, from activity	<p>Delivering this programme will contribute significantly towards the Scottish Government's target of building 50,000 new, affordable homes by 2021 and the future supply of new homes over the next 15 years of the City Region Deal.</p> <p>The City Region Deal document specifically identifies seven strategic sites for new housing: Blindwells (East Lothian); Calderwood (West Lothian); Dunfermline (Fife); Edinburgh's Waterfront (City of Edinburgh), Shawfair (Midlothian); Tweedbank (Scottish Borders); and Winchburgh (West Lothian). Taken together these sites are expected to deliver over</p>

¹ Addressing the skills shortage through diversity and inclusion. Construction Matters, UK Construction Week. April, 2017.

² SEBE, Edinburgh Napier University. External feedback review. Athena Swan, 2016.

³ Women in Construction: The Race to Gender Equality. Ransstad, 2018

	<p>41,000 new homes, create 7,800 jobs and contribute over £10 billion to the wider economy.</p> <p>Other elements of the housing programme include: a commitment to maximise the longer term certainty of funding levels for affordable housing across the region from Government; developing risk-sharing guarantees on a site-by-site basis with Government; increasing the supply of good quality low cost market rent housing from local authorities; and maximising the potential contribution of public sector land and property.</p>
Compliance with financial requirements and agreed expenditure profile	The Regional Housing Board will operate within the financial requirements and profile of the City Region Deal.
Equalities Impact	<p>Removing physical barriers to growth has been identified one of five key interventions in the Deal Document's Inclusive Growth Framework. The Regional Housing Programme will achieve the following positive impact on equalities:</p> <ul style="list-style-type: none"> • A significant programme of house building will be targeted at increasing the supply of housing across all tenures to improve affordability. • New homes will integrate the latest technologies to reduce fuel poverty • The Housing and Construction Innovation Skills Gateway Programme will ensure that people, including those with protected characteristics, across the region have the skills to access construction jobs generated through the housing programme. • An agreed approach to City Region Deal Procurement will ensure that community benefit clauses will be used to target inclusive employment practices and other opportunities.
Anticipated significant risks and mitigation measures	One of the first tasks of the newly established Regional Housing Board will be to prepare and maintain a register of risks
Alignment and fit with City Region Deal governance arrangement	This report recommends the establishment of the Regional Housing Board in accordance with the provisions of the City Region Deal as agreed by all partners
PMO check	All information provided.
Government approval	The Regional Housing Board is part of the City Region Deal governance arrangements already agreed by the Governments and City Region Deal partners.
Advisory Board sign off	Not applicable
Executive Board sign off	Agreed at meeting of 14 February 2019.
PMO Recommendation	That the Joint Committee approves the recommendations in the report.

Report

City Region Deal Regional Housing Board

1. Recommendations

- 1.1 To approve the establishment of the Regional Housing Board on the terms set out in this report.
- 1.2 To appoint Andrew Kerr (Chief Executive, The City of Edinburgh Council) to act as Chair of the Regional Housing Board with delegated responsibility for its operation.
- 1.3 To note that there will be updates provided across the regional housing programme to each Joint Committee meeting.

2. Background

- 2.1 Housing is one of the five key elements of the City Region Deal and is integral to securing the overarching aim of achieving sustainable inclusive growth across the region. The regional housing programme has the potential to transform regional housing supply and drive economic and inclusive growth across South East Scotland, through accelerating the delivery of affordable housing, and housing across all tenures. To be fully effective, the housing element is identified as being significant in supporting the programmes of investment in innovation, employability/skills and transport. The City Region Deal agreement also specifies as part of the governance structure the requirement for a Regional Housing Board to focus on these matters.

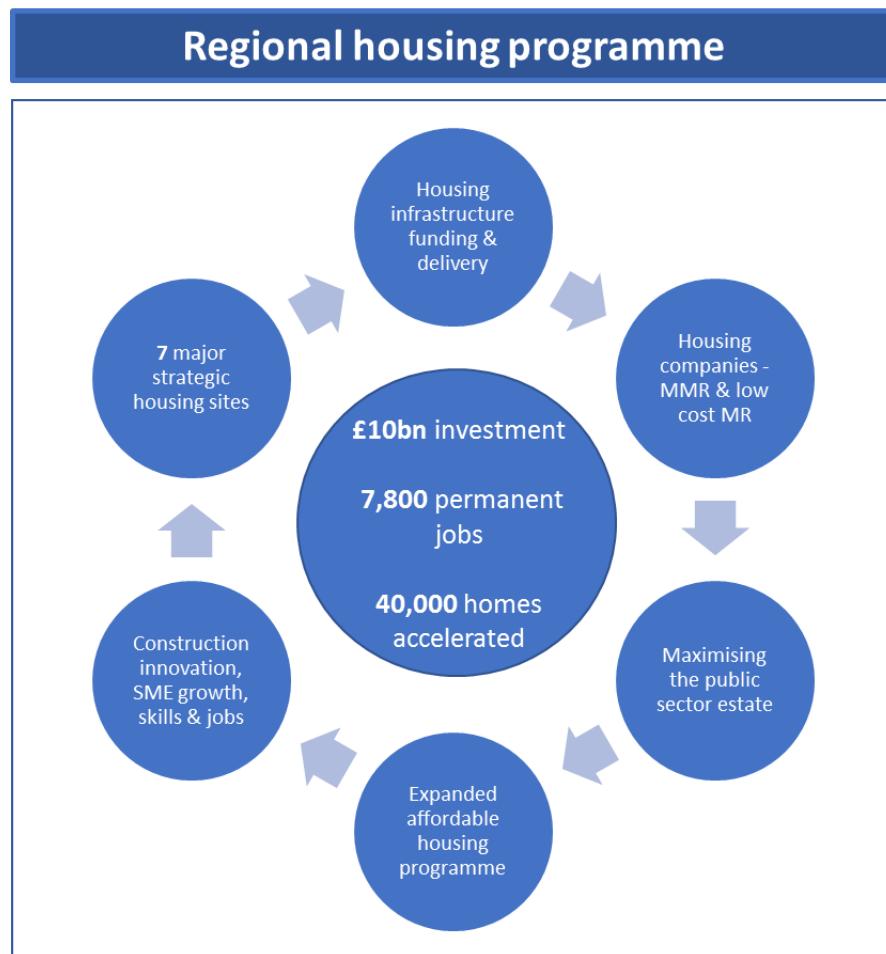
3. Main report

- 3.1 In August 2018, all six local authority partners and both UK and Scottish Governments signed off on the [City Region Deal](#). This included housing as one of five major thematic elements and included draft Terms of Reference for the establishment of a Regional Housing Board. In summary, regional partners and Scottish Government have committed to work collaboratively on:
 - An expanded **affordable housing programme** working on a commitment to maximise certainty over future funding levels for the regional housing programme.
 - Developing **risk-sharing guarantees** to share the financing risk of infrastructure delivery, starting with Winchburgh, where West Lothian Council has agreed guarantees for up to £150m of infrastructure investment with the Scottish Government.

- Delivering **seven strategic sites** - Blindwells, Calderwood, Dunfermline, Edinburgh's Waterfront, Shawfair, Tweedbank and Winchburgh over lifetime of the Deal. Working together to deliver these sites, recognising the long-term nature of these proposals with most new homes being delivered over a 15-year period. The Scottish Government will commit at least £50 million of predominantly private sector loans, to be spent on projects that will unlock housing in strategic development sites across the region.
- A funding package comprised of a one-off £16m capital grant and consent for CEC to on-lend up to £248m to establish a **new housing company**, Edinburgh Living, with Scottish Futures Trust to deliver a minimum of 1,500 homes at mid-market rent and competitive market rent levels.
- Maximising the potential contribution of **public sector land and property**.
- More **jobs, training and apprenticeships as well as opportunities for regional SMEs** e.g. maximising community benefits and alignment with the Integrated Regional Employability and Skills (IRES) programme and particularly the Housing Construction & Infrastructure (HCI) Skills Gateway.
- Establish **regional governance** - The Regional Housing Board will make recommendations to the Joint Committee to ensure the effective delivery of the city region deal housing projects.

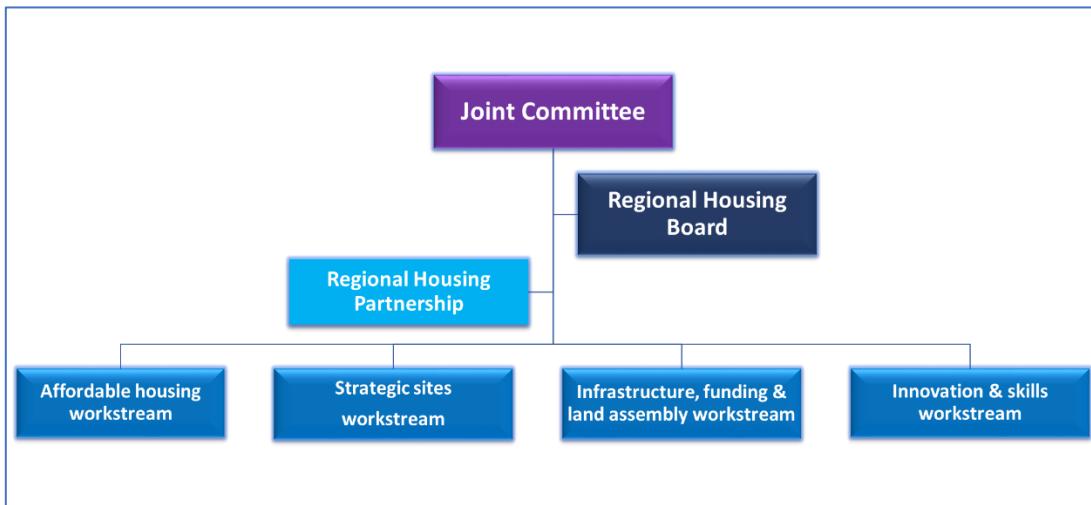
3.2 The Regional Housing Programme comprises a number of elements, as shown in Figure 1:

Figure 1: Overview of ESESCR housing programme and projects



- 3.3 A copy of the remit and terms of the Regional Housing Board as set out in the City Region Deal agreement forms Appendix A to this report. It specifies that membership of the Board shall comprise representatives from: the six constituent local authorities; Edinburgh Napier University; The University of Edinburgh; Scottish Enterprise; Construction Scotland Innovation Centre; and the Scottish Government. The Board will provide robust governance and strategic oversight over the regional housing programme, progress the statements outlined in the Heads of Terms agreement and final deal documentation and ensure the effective delivery of the City Region Deal projects.
- 3.4 The remit and terms of reference from the city region deal agreement will be developed further by the Board to ensure that all elements of the Housing programme can be managed effectively. The structure shown in Figure 2 will be recommended to the Board once formed:

Figure 2: Proposed Regional Housing Governance



- 3.4 The Joint Committee will be the decision-making body for strategic decisions that impact across the Regional Housing Programme. The Joint Committee will receive updates from the Regional Housing Board at each meeting.
- 3.5 The governance arrangements will be focused on delivering enhanced outcomes for partners and local communities and will not duplicate or replace any existing local governance arrangements. Through strategic collaboration on key housing issues impacting the region, partners aim to add value to existing local delivery arrangements and maximise benefits from city region deal projects to communities.
- 3.6 It is intended to convene the first meeting of the Board in late March/April at which the schedule for further meetings can be agreed. The draft Terms of Reference for the Board within the Deal Document will also be developed. It is anticipated that a full report and presentation on the Regional Housing Programme can be provided to the Joint Committee for its June or September meeting.

4. Financial impact

- 4.1 Scottish Government has committed a total of at least £65 million for Regional Housing: £15 million of capital grant for the City of Edinburgh Council to establish a new housing company with the Scottish Futures Trust (already delivered); and at least £50 million of predominantly private sector loans, to be spent on projects that will unlock housing in strategic development sites across the region.
- 4.2 An additional £125 million affordable housing grant from Government for the region was committed prior to the signing of the City Region Deal Document for 2018/19 to 2020/21. The Regional Housing Board will work to maximise certainty over future public funding levels for the regional housing programme.

5. Equalities impact

- 5.1 As noted above, the housing theme of the City Region Deal is an integral part of accelerating inclusive growth across the region. Removing physical barriers to growth has been identified one of five key interventions in the Deal Document's Inclusive Growth Framework. The Regional Housing Programme will achieve the following positive impact on equalities:

- A significant programme of house building will be targeted at increasing the supply of housing across all tenures to improve affordability.
- New homes will integrate the latest technologies to reduce fuel poverty
- The Housing and Construction Innovation Skills Gateway Programme will ensure that people, including those with protected characteristics, across the region have the skills to access construction jobs generated through the housing programme.
- An agreed approach to City Region Deal Procurement will ensure that community benefit clauses will be used to target inclusive employment practices and other opportunities.

- 5.2 The Regional Housing Board will be expected to prepare performance indicators to monitor the impact of interventions.

6. Background reading/external references

- 6.1 [Edinburgh and South East Scotland City Region Deal Document, August 2018](#)

7. Appendices

- 7.1 Appendix A: Extract from the Edinburgh and South East Scotland City Region Deal Document, August 2018: Regional Housing Board Membership and Remit.

Edinburgh and South-East Scotland City Region Housing Board

Membership

Representatives from the following organisations will be represented:

- The City of Edinburgh Council
- East Lothian Council
- Fife Council
- Midlothian Council
- Scottish Borders Council
- West Lothian Council
- Edinburgh Napier University
- University of Edinburgh
- Scottish Enterprise
- Construction Scotland Innovation Centre
- Scottish Government Housing (observer)
- City Region Deal PMO (observer)

Purpose

The city regional Housing Board will provide robust governance and strategic oversight over the city regional housing programme, progress the statements outlined in the Heads of Terms Agreement and ensure the effective delivery of the City Region Deal projects.

At project level, the city regional Housing Partnership, made up of senior regional housing partners, will report to the Board manage and deliver the programme.

The city regional Housing Partnership aims to deliver the city regional housing programme and accelerate the delivery of affordable and low-cost market homes, enable the development of the seven major strategic housing sites, drive efficiencies across the public sector estate and increase housing land supply.

The Board will oversee and provide recommendations to the Joint Committee in relation to the delivery of the following key outcomes:

- Accelerated delivery of seven strategic housing sites with capacity for over 40,000 homes
- Housing infrastructure delivery and funding solutions
- Land to develop a robust affordable housing pipeline
- An affordable housing programme (with a commitment to maximise certainty over future public funding levels for the regional housing programme)
- A pipeline of mid-market rent and low cost market rent homes
- Accelerated delivery through innovation and supporting regional SME growth
- Jobs, learning and progression opportunities, meeting current and future industry skills requirements
- Support the development of a consistent all partner approach to community benefits

- Strengthened relationship between public, private, and third sector stakeholders

Meeting schedule

This group will meet bi-monthly.

Current status and implementation

The Board will be formed following Joint Committee ratification of Governance Framework and the signing of the City Region Deal.