
STRATEGIC HOUSING INVESTMENT PLAN PROGRESS FOR 2021-2022

Report by Director – Infrastructure and Environment

EXECUTIVE COMMITTEE

14 June 2022

1 PURPOSE AND SUMMARY

- 1.1 The purpose of this report is to advise Members of the affordable housing annual completions and progress made in the delivery of the Strategic Housing Investment Plan (SHIP) projects for the period 2021-2022.**
- 1.2 The Strategic Housing Investment Plan (SHIP) is the sole document for targeting affordable housing investment in Scottish Borders. This provides a rolling 5 year planning horizon of identified and prioritised affordable housing development intentions. Current Scottish Government Guidance requires that each Council submit a SHIP on an annual basis. In common with previous submissions, Scottish Borders Council's SHIP 2022-27 has also received very positive feedback from Scottish Government Officials.
- 1.3 This report advises Members that for the financial period 2021-2022, 314 affordable homes were delivered against envisaged projects set out in the current SHIP 2022-2027. This exceeds the Council's Local Housing Strategy 2017-2022 (LHS) annual target of 128 new affordable homes. Of the 314 homes delivered, Registered Social Landlords delivered 237 additional homes through new building and conversion, plus 60 via purchases of existing homes. In addition, 16 individual house purchases were assisted by Scottish Government's Open Market Shared Ownership scheme. Finally, Scottish Government's Rural Housing Fund assisted a long term empty home to be brought back into use. This represents a 5 year average annual delivery of 180 affordable homes. On another positive note, as at 31 March 2021, 329 affordable homes were under construction, an additional 246 have secured Planning Consent, and Planning Applications were being considered for a further 46 homes.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Executive endorse the progress made in the delivery of affordable housing in 2021-2022.**

3 STRATEGIC HOUSING INVESTMENT PLAN PROGRESS UPDATE

- 3.1 The SHIP 2022-27 sets out how affordable housing projects are prioritised to meet affordable housing needs identified in the Local Housing Strategy 2017-2022 and how new planned projects will be delivered in practice. The SHIP 2022-27 complies with the most recently published Scottish Government Guidance issued in June 2021. The current SHIP was formally agreed by the Executive Committee on 14 September 2020 and subsequently submitted to Scottish Ministers prior to the required 31 October 2021 deadline. Scottish Government Officials have confirmed that due to the current size of SHIP programmes and the national focus on increasing the supply of affordable housing, SHIP submissions will continue to be required on an annual basis. Work has already started on the next SHIP 2023-2028 submission which has an anticipated deadline of 31 October 2022. A report will be brought to Committee in due course prior to submission to Scottish Government.
- 3.2 The SHIP 2022-2027 [Table 4] estimated 312 affordable housing completions for the period April 2021 – March 2022. Set against this estimate, a total of 314 homes were delivered during 2021-22 as set out in Table 1 below. Of the 314 homes delivered, Registered Social Landlords have delivered 237 through new build and remodelling, plus 60 individual house purchases, which includes the disposal of all 54 homes previously owned by Bridge Homes Limited Liability Partnership. A further 16 individual home purchases have been assisted via the Scottish Government's Open Market Shared Ownership mechanism. Finally, 1 long term empty home was brought back into use via grant assistance from Scottish Government's Rural Housing Fund. Of the 237 additional homes provided by RSLs, 48 were built to Wheelchair Housing Standard.

This represents a Local Housing Strategy 2017-2022 (5 year) average annual affordable housing delivery of 180 homes which significantly exceeds the the annual target of 128 homes. The high number of completions in 2021-22 has been partly due to the adverse impact of the Covid pandemic with some projects completing in 2021/22 rather than 2020/21 as originally programmed.

However, not all projects completed in 2021/22 as originally programmed. These were the Eildon HA projects at Elm Court Hawick [21 homes], High Buckholm Ph1 Galashiels [11 homes] and SBHA projects at Glensax Road Peebles [6 homes] and Tweed Court Kelso [12 homes]. Finally, the Ettrick and Yarrow Community Development Company's Kirkhope Steading project at Ettrick Bridge (5 homes) did not complete as per original programme. The housing providers and their agents are managing the slippage within the terms and conditions of the individual building contracts in order to achieve completions and handovers as soon as possible in 2022/23. Council Officers are monitoring the situation. In addition, SBHA opted not to progress the proposed integration of 2 bedsit flats at Croft Street Galashiels.

Table 1: Project Completions 2021-22

RSL	Project Name	Supplier	Units GN	Units PN	Units Total	Status Update as at 31/03/22
BHA	Beanburn Ph1 Ayton	HA Rent	21	10	31	Complete
Cairn	Abbotsford Crt Galashiels	HA Rent	0	2	2	Complete
EHA	Angraflat Kelso	HA Rent	49	0	49	Complete
EHA	Bridge Homes Various	MMR	54	0	54	Complete
EHA	Huddersfield St Galashiels	HA Rent	28	7	35	Complete

EHA	South Park Peebles	HA Rent	18	0	18	Complete
EHA	Sergeant's Park Ph2 Newtown	HA Rent	63	0	63	Complete
EHA	Wilkie Gardens Galashiels	HA Rent	0	39	39	Complete
SBHA	6&24 Allars Cres Hawick	HA Rent	2	0	2	Complete
SBHA	Individual House purchases	HA Rent	3	0	3	Complete
WH	Individual House Purchase	HA Rent	1	0	1	Complete
RHF	Plenderleith Farm Oxnam	MMR	1	0	1	Complete
OMSE	Open Market Shared Equity purchase	HA Rent	16	0	16	Complete
Total			256	58	314	

3.3 Figure 1 below illustrates the developments which completed during 2021-2022.

Figure 1: Completed Developments in 2021-2022



3.4 The SHIP does not address unsubsidised private sector market housing, or include opportunistic unplanned provision of affordable housing by other means. However, it is recognised that new private house building makes a significant contribution to the sustainability of communities and provides opportunities to deliver affordable housing by delivering sites through the operation of the Planning system and the Council's Affordable Housing Policy, and collaboration with Registered Social Landlords [RSLs].

3.5 At 31 March 2022, 329 affordable homes were under construction (13 projects), 246 homes have secured Planning Consent (14 projects) and 46 homes [3 projects] were at Planning Application stage. Current programming information estimates that around 185 affordable homes

could potentially be delivered by RSLs and other providers during 2022/23. This figure does not take account of any Open Market Shared Equity assisted purchases, or other additional opportunistic acquisitions which could potentially complete during 2022/23.

- 3.6 Council Officers continue to engage with RSL housing partners to bring forward projects that have been identified through the routine SHIP project prioritisation assessment and review process. This enables projects to be accelerated in the event of any additional funding and resources being made available. Quarterly Programme meetings with Berwickshire Housing Association, Eildon Housing Association, Scottish Borders Housing Association, Trust Housing Association, Waverley Housing, Scottish Government (More Homes Division) and the Council are central to this project prioritisation and review process. Officers and partners also continue to proactively seek out and explore potential additional site and project opportunities that can be secured for affordable housing.

4 IMPLICATIONS

4.1. Financial

- (a) Ensuring the effective development and delivery of SHIP projects continues to be dependent on SBC's provision of core services, financial resource allocations from the Scottish Government, partner agencies and private developers and individuals.
- (b) There are a number of funding resources that the Council and its development partners have drawn upon including Affordable Housing Supply Programme Funding, Second Homes Council Tax, Developer Contributions Registered Social Landlord Private Finance Borrowing, Charitable Bond funding, Scottish Water Grant Funding and Rural Housing Fund.
- (c) During 2021-2022, the Council used no Affordable Housing Policy Developer Contributions to assist delivery of additional affordable homes.
- (d) During 2021-2022, the Council used £0.262m Second Homes / Council Tax funding to assist Eildon Housing Association to provide Extra Care Housing through conversion of the former Kelso High School, £0.345m for the purchase of the former industrial site on Melrose Road Galashiels, £0.120m grant contribution to assist Ettrick and Yarrow Community Development Company deliver its Kirkhope Steading project and £0.013m towards costs of employing an Empty Homes Officer. In addition a contribution of £0.140m was made to the Council's Revenue Budget. This budget makes provision for the following spend commitments in 2022/23, £0.280m for demolition and site clearance works at Melrose Road affordable housing site Galashiels, the balance of £0.487m grant towards costs of Kelso Extra Care Housing, £0.300m for Empty Homes Grants, £0.140 transfer to revenue budget and £20,125 towards staffing costs for employing an Empty Homes Officer. This leaves an uncommitted balance of £2.452m.
- (e) Scottish Government made a record funding allocation of £18.562m from its Affordable Housing Supply Programme budget to the Scottish Borders area for 2021-2022. This has been fully spent in progressing delivery of affordable housing projects within Scottish Borders. In addition, Scottish Borders has benefitted from the re-allocation of slippage funding of an additional £0.276m from other Council areas, giving an estimated outturn grant spend of £18.838m.

In addition, Scottish Government has also contributed an estimated additional £0.626m which has facilitated the individual home purchase of 16 homes through use of its Open Market Shared Equity scheme in 2021/22.

Scottish Government More Homes Division Officials have indicated that the Council and Registered Social Landlord partners should plan on the basis of an Affordable Housing Supply Programme allocation of £16.0m to Scottish Borders for 2022-2023.

- (f) The delivery of new supply affordable houses in 2021/22 will generate an estimated £0.270m additional Council Tax income for the Council in 2022/23, based on average of Band "C". This income has been reflected in the Councils revenue budget. In addition the positive economic impact of the delivery of the affordable housing programme has an important role in reducing income inequality for people in the Borders, and has led to the creation of numerous direct construction jobs, apprenticeships, and indirect jobs within the construction supply chain.

4.2 **Risk and Mitigations**

No specific concerns have been identified which require to be addressed. Delivery of the SHIP is largely dependent upon a number of variables, not least of which relate to resource and other political and organisation decision making processes beyond the control of the Council. However, governance and control measures are in place to ensure delivery of the SHIP including monitoring contractor performance and quarterly programme meetings involving Council Officers, RSL partners and Scottish Government Officials.

4.3 **Integrated Impact Assessments.**

- (a) In line with both Council policy and legislative requirement, the SHIP 2022- 2027 was subject to an Integrated Impact Assessment. This identified no concerns about the way the delivery of the SHIP may adversely impact on any of the equalities groups. To date none of the SHIP submissions have identified any concerns regarding adverse impact on equalities groups through delivery of the SHIP.
- (b) These plans are predicated on the endorsement of the principle of equalities as articulated in the SHIP Guidance. In addition, to an Integrated Impact Assessment, SHIPs are also subject to Strategic Environmental Assessment screening and a Rural Proofing Assessment.
- (c) Houses produced by Registered Social Landlords will be allocated according to their individual allocations policy and procedures. As a consequence, the RSLs are subject to the weight of Statutory Scrutiny via the Scottish Housing Regulator's Regulation and Inspection processes.

4.4 **Sustainable Development Goals.**

- (a) In accordance with Section 7 of the Environmental Assessment (Scotland) Act 2005, a pre-screening assessment was carried out using the criteria specified in Schedule 2 of the Act. The pre-screening assessments identified no, or minimal, negative effects in relation to the environment, hence SHIPs have been exempt from Strategic Environmental Assessment (SEA) requirements under Section 7(1) of the Act.

- (b) By seeking to deliver more new affordable houses, the SHIP 2022-27 promotes sustainable communities and helps to overcome many of the housing supply challenges faced locally.
- (c) There are no adverse economic or social effects resulting from the recommendations of this report. In addition, delivery of SHIP 2022-27 and potential environmental effects from new build housing will be addressed through the Development Management and Planning processes and application of national policies and standards.
- (d) The objectives of SHIP are consistent with the United Nations Sustainable Development Goals [SDG], 11 Sustainable Cities and 13 Climate Action. Specifically, the SHIP responds to the ambition of SDG 11 by promoting access to adequate, safe, and affordable housing, by ensuring integrated, inclusive and sustainable settlement, and by strengthening regional development planning. With respect to SDG 13, development will be at least consistent with Scottish Building Standards and the national objective of net zero greenhouse gases by 2045.

4.5 **Climate Change**

- (a) It is considered that there are no direct effects on the Council's carbon emissions arising from the report recommendations.
- (b) New additional affordable housing will have a general effect on the region's carbon footprint, however, these are addressed within the Council's Planning and Building Standards processes, and will be consistent with meeting the housing requirements and standards as set out by the Scottish Government. RSLs aim that their new housing will be built to "Silver Standard" which exceeds current Scottish Building Standards.
- (c) It should be noted that at its meeting of 25 September 2020, the Council committed to setting a target "as soon as possible" for achieving a reduction in the Council's carbon emissions, which is at least consistent with the Scottish Government's target of net zero by 2045 and the intermediate targets set out in the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019. The Council's Planning and Building Standards will reflect and implement the developing national public policy position and requirements.

In addition, Full Council considered and agreed the recommendations set out in a Climate change Route Map at its meeting on 17 June 2021.

4.6 **Rural Proofing**

- (a) Rural proofing applies to all areas of Scottish Borders classified by Scottish Government as 'remote rural' or 'accessible rural'. This applies to all areas of Scottish Borders outwith the towns of Galashiels/Tweedbank, Hawick, Peebles, Kelso, Selkirk, Jedburgh, Eyemouth, and Innerleithen.
- (b) The SHIP Project Working Group carried out a Rural Proofing exercise as part of the preparation of the SHIP 2022-2027. It is considered that the delivery of the SHIP will have no unforeseen adverse impacts on the rural areas, and that the needs of rural areas have been properly taken into account. It is considered that the SHIP will have a positive effect by increasing the supply of affordable homes throughout the Scottish Borders.

4.7 **Data Protection Impact Statement**

There are no personal data implications arising from the recommendation set out in this report.

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

There are no changes to be made.

5 CONSULTATION

- 5.1 The SHIP Working Group has been consulted and contributed to this report.
- 5.2 The Director (Finance and Corporate Governance), the Monitoring Officer/Chief Legal Officer, the Chief Officer Audit and Risk, the Director (People, Performance and Change), the Clerk to the Council and Corporate Communications are being consulted and any comments received will be incorporated in the final report.

Approved by

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**Background Papers: Strategic Housing Investment Plan 2022-27.
Previous Minute Reference: Report by Director Infrastructure and
Environment to Executive Committee 14 September 2021.**

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