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## SCOTTISH BORDERS LOCAL HOUSING STRATEGY 2023-2028

Report by Director - Infrastructure and Environment

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### EXECUTIVE COMMITTEE

14 November 2023

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#### 1 PURPOSE AND SUMMARY

- 1.1 The purpose of this report is to seek Committee approval of the Local Housing Strategy (LHS) 2023-2028 due to be submitted to the Scottish Government in November 2023.
- 1.2 The Housing (Scotland) Act 2001 places a statutory requirement on local authorities to develop a Local Housing Strategy (LHS), supported by an assessment of housing need and demand. The LHS provides direction for tackling housing issues and informs future investment in housing and related services.
- 1.3 The new Local Housing Strategy sets strategic outcomes and a delivery plan framework for the period 2023-2028. The strategy brings together the local authority's responses to the whole housing system including; requirements for market and affordable housing; preventing and tackling of homelessness; delivering specialist housing; meeting housing support needs; addressing housing conditions across tenures and improving the energy efficiency of all homes to support a transition to Net Zero.

#### 2 RECOMMENDATIONS

- 2.1 **The Executive Committee is asked to:**
  - (a) **Agrees to the submission of the LHS and the action plan to the Scottish Government in November 2023;**
  - (b) **Agrees to implementation of the LHS where there are no additional financial resource implications and;**
  - (c) **Note that officers will bring back proposals relating to those actions identified as potentially having resource implications.**

### **3 BACKGROUND TO THE LOCAL HOUSING STRATEGY**

- 3.1 The Local Housing Strategy (LHS) is a local authority's sole strategic document for housing in its area. The Housing (Scotland) Act 2001 places a statutory requirement on local authorities to develop a Local Housing Strategy, supported by an assessment of housing need and demand for a five-year period. The LHS should set out the joint and strategic approach of the local authority and its partners to delivering high quality housing and housing related services across all tenures, to meet identified need in its area.
- 3.2 There are a number of statutory requirements that have to be addressed in the LHS which should set out a local authority's approach to meeting its statutory housing responsibilities, including fuel poverty, climate change, house condition, and homelessness; as well as its strategic response to national outcomes and Housing to 2040.
- 3.3 Scottish Borders Council submitted its first Local Housing Strategy in 2004 and a refreshed strategy in 2007. In 2012, the Council produced the Local Housing Strategy covering the period 2012-2017 which was then followed by the current LHS 2017-2022. This LHS (2023- 2028) continues with the strategic directions initiated by these predecessor strategies after being identified through consultation as continuing priorities and updates these with regard to a changing political, economic and financial context.
- 3.4 In developing the LHS Scottish Borders Council has been working with a wide range of partners to assess local needs, agree priorities and define ideas and solutions to deliver our shared vision for housing in the Scottish Borders. The LHS aims to consolidate and build on successes, complete current projects and take forward new projects and partnerships. The LHS also addresses newly arising housing matters particularly in response to the publication of new LHS Guidance (2019), Housing to 2040, Covid-19 pandemic, the Ukrainian War and the cost of living crisis.
- 3.5 The LHS supports and helps deliver national outcomes and targets whilst also reflecting the needs and priorities of local people through the Community Planning process, as well as being set within the context of the updated Council Plan 2023-24. The LHS is closely linked to other strategies, both national and local. These include; the South of Scotland Regional Economic Strategy, ESESCR Regional Prosperity Framework, South of Scotland Indicative Regional Spatial Strategy, Borderlands Inclusive Growth Deal, Our Past, Our Future: The Strategy for Scotland's Historic Environment, the proposed Local Development Plan 2, Scottish Borders Health and Social Care Strategic Framework, the Anti-Poverty Strategy, Climate Change Route map and the Rapid Re-Housing Transition Plan (as examples).
- 3.6 A complex mix of factors and issues influence the operation of the local housing system in the Scottish Borders. Through detailed analysis of the local housing system and the impact of key economic and demographic factors, the LHS develops a framework for addressing housing system imbalances that require to be tackled if the housing system is to work more effectively for everyone in the Borders.

## 4 VISION AND OUTCOMES

4.1 The LHS is central to corporate planning activities and allows a local authority to set out its agreed strategic vision and outcomes for the future of housing and all housing related services. The LHS also shows how the housing objectives integrate with the local authority's strategic plans across the range of its functions and responsibilities. The LHS has been developed under the principles of co-production and complies with the LHS Guidance (2019). The LHS comes at an important time for housing in the Borders and addresses a number of the most significant and important challenges facing the Council, its partners and communities. It aims to:

- Provide a background to the local housing system.
- Explain how recent national and local developments impact on the Local Housing Strategy.
- Set out the strategic framework for the future development of the local housing system, through which housing providers and partner organisations can operate, so that needs and demands can be met more effectively with available resources.
- Sets out the 5 strategic outcomes for housing for the next five years.
- Provides proposed new objectives through an outcomes based approach

4.2 Scottish Borders Council and its partners believe that the proposed LHS will deliver positive housing outcomes by ensuring that the delivery of housing and related services meets the needs of local communities. To achieve this, our outcomes focus on the key issues facing local households including improved affordable housing supply and place making, improved housing quality and energy efficiency, homelessness prevention and support to enable independent living.

4.3 The LHS vision has been developed jointly with stakeholders and is **"Everyone in the Scottish Borders has access to a home that meets their needs and is part of a sustainable community"**. In order to deliver this vision successfully and contribute to the Scottish Borders five outcomes in the Council Plan, as well as the Scottish Government's National Outcomes, National Health and Wellbeing Outcomes and Housing to 2040; the following five strategic outcomes have been defined:

- Strategic Outcome 1: More homes in well designed, sustainable communities that increase opportunity for all and support our economy to thrive.
- Strategic Outcome 2: People have access to homes which promote independence, health and wellbeing.
- Strategic Outcome 3: Improved energy efficiency of homes and a reduction in fuel poverty while supporting a Just Transition to Net Zero through decarbonising domestic heating and energy.
- Strategic Outcome 4: Communities are regenerated through improving the quality and condition of housing and the built heritage.
- Strategic Outcome 5: Homelessness is prevented wherever possible, and a range of housing options are provided so people can secure a suitable and sustainable housing outcome as quickly as possible.

4.4 The strategic outcomes have been identified and agreed in order to address a number of key issues and challenges which are summarised at the end of

each outcome section in the LHS. Some of the main issues are identified below:

- (a) The Scottish Borders has an ageing population and reducing household sizes; meaning a greater need for the right type and size of homes in the right places;
- (b) Challenges in accessing affordable housing due to constrained supply, including difficulties for young people and first time buyers;
- (c) A potentially decreasing Private Rented Sector;
- (d) Delivering housing in a challenging financial landscape where there are considerable inflationary pressures, increasing tender costs, increasing cost of finance and mortgages;
- (e) Affordability issues in the Scottish Borders; house prices and private rents vary in different parts of the Borders and a low wage economy means housing options can be limited for many residents;
- (f) The number of empty homes;
- (g) Delivering specialist housing and homes for people with specific, or more complex, needs;
- (h) Lack of suitable housing options contributing to recruitment challenges in key sectors;
- (i) Older housing stock with poorer energy efficiency (with subsequent health and net zero implications) and challenges in terms of maintenance and repair;
- (j) The impact of the cost of living crisis on housing costs and fuel poverty;
- (k) Impact of Covid and the lasting implications in relation to implementing the RRTP;
- (l) The complex support needs, beyond housing support, of people presenting as homeless; and
- (m) Increased demand on services due to support for the Ukrainian Crisis, the Resettlement Programme and a range of other pressures currently being experienced across the Council and its partners.

4.5 Based on the outcome of the [Housing Need and Demand Assessment 3](#) (HNDA3) and aligning with National Planning Framework 4 (NPF4) the proposed housing supply target (HST) for the period of the LHS has been set at 370 new homes per year, of which 141 should be affordable housing. In setting the HST Scottish Borders Council also considered the following factors:

- economic factors which may impact on demand and supply
- capacity within the construction sector
- delivery of market and affordable housing at the local level
- availability of resources
- recent development levels
- planned new and replacement housing or housing which could be brought back into effective use.

4.6 While the Housing Supply Target reflects the HNDA3 and NPF4 it should be acknowledged that this is an ambitious target which will require strong and effective partnership working to deliver in a very challenging financial and construction sector climate.

## 5 DEVELOPMENT OF THE LOCAL HOUSING STRATEGY

- 5.1 As reported at paragraph 4.1 the LHS has been developed in strict accordance with the published LHS guidance. Additionally, a diverse range of partners, stakeholders, housing experts and residents have participated in developing of the LHS 2023-2028. A wide programme of engagement activity has been undertaken over the last two years to collect a range of views and enable these to systematically inform the development of the LHS. This includes:
- 5.2 An early engagement survey ran from 1<sup>st</sup> October 2021 to 30<sup>th</sup> November 2021. The main aim of the survey was to find out what Scottish Borders households and organisations thought were the main housing issues and priorities for the region. In total there were 330 responses (301 from individuals and 29 from organisations).
- 5.3 SBC appointed Altair Consultancy and Advisory Services Ltd (Altair) to carry out resident and stakeholder engagement workshops in relation to the development of this LHS. As part of the development [four housing issues papers](#) were prepared by SBC to help engage residents and stakeholders on key housing issues, these papers covered:
- Housing Supply and Place Making
  - Condition, Climate Change and Energy Efficiency
  - Particular Needs and Specialist Provision
  - Homelessness
- (a) Four resident workshops and three stakeholder workshops were held in August 2022 hosted on Microsoft Teams. The outputs from these sessions provided valuable input into the LHS, including the outcomes and proposed actions. The issues papers and workshop details were widely circulated: they were published on the Council's and partner websites; publicised through social media campaigns as well as direct invitation to stakeholders through e-mail.
- (b) A further resident's survey was hosted on SBC's website between the 17<sup>th</sup> July 2022 and the 9<sup>th</sup> Sept 2022 to which almost 200 responses were received. A survey for stakeholders was also hosted on SBC's website at the same time.
- 5.4 Altair were also commissioned to help identify the housing needs and requirements of the Gypsy and Traveller (GT) community across the region. The purpose of this engagement and needs analysis was to provide an evidence base to inform SBCs approach to meeting current accommodation needs for the GT population and projected needs from 2023-2028.
- 5.5 At the beginning of September 2022, SBC sent out a survey to a wide range of partners to find out about housing issues in relation to key workers and to help identify if there are any accommodation issues when recruiting key workers, in particular from other areas or overseas. In total there were 7 responses to the key worker questions. These responses were from various SBC departments, NHS Borders and RSLs.

- 5.6 In October and November 2022 SBC engaged with private landlords in the Scottish Borders through an online survey. The aim of the survey was to gain a better understanding of private landlords operating in the Scottish Borders, including information on their portfolios, how they source tenants, letting practice, supporting tenants, rents, repairs and improvements. The survey sought to find how we can improve our services and ensure the support and information provided is better suited to landlord needs now and in the future and to inform future service delivery and priorities, as well as this LHS. There were 221 responses to the survey.
- 5.7 The formal consultation process on the draft LHS began on 2nd May 2023 and lasted for a period of 12 weeks, closing on 21st July 2023. The draft LHS set out the proposed vision, strategic outcomes and delivery plan framework for the new Housing Strategy for the period 2023-2028. This document clearly outlined the issues affecting housing, summarised housing need and proposed a housing supply target, as well as providing other background and contextual information to ensure the purpose of the LHS was clear.
- 5.8 A full communications plan was developed which identified a range of engagement approaches to ensure everyone had the opportunity to engage in the consultation. The Housing Strategy Team worked to ensure the consultation draft was widely circulated to all relevant stakeholders and households in the Scottish Borders, including “hard to reach” groups. This comprised:
- An online survey on Citizen Space with consultation questions to capture the views of all residents and organisations in the Scottish Borders
  - A number of regular posts on social media during the 12 week consultation period
  - A dedicated LHS consultation webpage
  - A video showcasing the LHS to raise awareness – posted on the webpage and circulated on social media
  - Engagement with SBC staff through internal updates (Yammer)
  - Approximately 450 stakeholders were emailed
  - A template was circulated to key stakeholders gathering their suggestions to include in the LHS action plan
  - Presentations were given at 15 partnership meetings (3 face to face and 12 on Microsoft Teams) and feedback was collected from: Community Planning Programme Board, Scottish Borders Health and Social Care Partnership Executive, Integrated Joint Board, Borders Homeless and Health Strategic Partnership, Home Energy Forum, Area Partnerships (Berwickshire, Cheviot, Eildon and Teviot and Liddesdale), RSL tenant groups, Borders Older Peoples Planning Partnership, See Hear Group and Physical Disability Group
- 5.9 As part of the formal consultation process the draft LHS was sent to Scottish Government officials in the More Homes Division and relevant Policy Teams, as well as colleagues at West Dunbartonshire Council. The review process helps to ensure alignment of the LHS with Scottish Government guidance. The Peer review identified a number of areas of strength (Requirements, Essential Links and Outcomes, Equalities & Engagement and Consultation (which was highly commended), Housing

Delivery and Fuel Poverty, Energy Efficiency and Climate Change) and some areas to consider (Preventing and Addressing Homelessness, House Condition and Housing, Health and Social Care Integration) all of the feedback has been considered and helped inform the LHS.

- 5.10 A full report on the consultation and engagement on the LHS can be found as LHS Appendix 3. A report on the formal consultation and peer review can be found as LHS Appendix 4.

## **6 IMPLICATIONS**

### **6.1 Financial**

- (a) There are no direct financial implications from this report but delivery of the LHS is dependent on SBC's continuous provision of core services, financial resource allocations from Scottish Government, the continuing support for the affordable housing budget (2nd homes council tax) and resources arising from the affordable housing policy, partner agencies and private individuals.
- (b) However, where there are specific actions considered as having a resource implication for the Council, Officers will bring back proposals to Council as they arise over the period of the strategy. There are no costs attached to any of the recommendations contained in this report.

### **6.2 Risk and Mitigations**

- (a) The LHS 2023-2028 strategic outcomes and actions have been developed in cooperation with a range of partners to ensure it is based on evidence and shared priorities. As noted in the report the principles of co-production and the LHS Guidance (2019) have been followed in the development of the LHS. Effective engagement with partners and stakeholders not only helps to ensure that the Council is meeting its obligations in this regard but can help to ensure that the achievement of Strategic Outcomes is more likely.
- (b) Delivery is largely dependent upon a number of variables not least of which relate to resource and other political and organisational decision making processes beyond the control of the Local Authority. However, it is important that the Council adopts a watching brief in relation to these elements and develops mitigations, where possible and practicable and in collaboration with partners, to limit the impact of threats to the delivery of the LHS Strategic Outcomes.
- (c) A Strategic Environmental Impact Assessment Screening Report has been undertaken which determined a full SEA would not be required for the LHS as the strategy itself is unlikely to have significant environmental effects.
- (d) Any potential environmental effects from any specific proposals or plans which may relate to the LHS would be individually considered and addressed through the planning process and full SEAs.

- (e) In publishing its final report on the 17<sup>th</sup> January 2023 Internal Audit found examples of good practice and provided substantial assurance on the governance and controls in place to ensure efficient and effective use of funding and other resources for the provision of affordable housing to ensure achievement of the local housing strategy with partners.
- (f) Furthermore, the audit report also identified scope for improvement to formalise risk management arrangements, for the Strategic Housing Service, to ensure compliance with the Council's Risk Management Framework. One low-rated recommendation was made, in this regard, by Internal Audit and was agreed by the Lead Officer - Housing Strategy and Development. Follow-up meetings and work have since been undertaken to meet this recommendation, supported by the Corporate Risk Officer, with the intention of developing a Strategic Housing Risk Register that is reflective of the objectives of the service. Once developed the risk register will support the achievement of objectives and will be managed and reviewed following a proportionate and value based approach. It should be noted that as the management of risk (incl. the identification of risk) is not a one-off exercise the Strategic Housing Risk Register will evolve over time to capture new threats as they arise and are identified along with opportunities that should be capitalised on in order to further the achievement of objectives.

### 6.3 Integrated Impact Assessment

- (a) Equalities forms an integral part of the LHS process and is part of the LHS guidance. A full Integrated Impact Assessment has been undertaken and was embedded in the development process of the new LHS 2023-28.
- (b) The integrated impact assessment (IIA) template has been completed and will be published on the Council's website, alongside all the associated documentation in relation to this LHS, subject to approval. The IIA can be viewed at LHS Appendix 6a and 6b. In addition to the full Integrated Impact Assessment additional screening on the LHS was undertaken, including:
- A Child Rights' and Wellbeing Impact Assessment (LHS Appendix 7)
  - Consideration of the Fairer Scotland Duty
  - Consideration of Human Rights
  - Strategic Environmental Assessment (LHS Appendix 10)
  - Rural Proofing Exercise (LHS Appendix 11); and
  - Health Inequalities Impact Assessment (LHS Appendix 8)
- (c) A full Equalities Statement, outlining all of the above activity and how it has subsequently influenced the LHS, has been prepared and can be viewed at LHS Appendix 9. Housing has a vital role to play in tackling child and fuel poverty; preventing homelessness; strengthening communities; helping stem rural depopulation; improving health and wellbeing; addressing the climate emergency; and promoting inclusive growth. Tackling inequality is at the heart of each of the strategic aims. Delivery of the LHS will improve outcomes for those with protected characteristics and in doing so will contribute fully to the Scottish



#### 6.4 **Sustainable Development Goals**

It is considered that the Local Housing Strategy will contribute positively to goals 1, 3, 5, 7, 8, 10, 11, 13, 16 and 17.

#### 6.5 **Climate Change**

It is considered that there are no direct effects on the Councils carbon emissions arising from this report. More generally there are likely to be positive effects delivered through the LHS. Strategic Outcome 3 is: Improved energy efficiency of homes and a reduction in fuel poverty while supporting a Just Transition to Net Zero through decarbonising domestic heating and energy. The LHS promotes sustainability through better use of existing stock and bringing empty homes back in to use; improvements to energy efficiency of the housing stock and the installation of renewable technologies; Improvements in the quality and condition of homes through RSL investment, private investment and information and advice through the Scheme of Assistance; Improved energy standards in the new build programmes; the promotion of sustainable communities and recognising housing role in that, as well as many other areas identified in the LHS outcomes.

#### 6.6 **Rural Proofing**

(a) As part of the LHS development a Rural Proofing exercise was undertaken. The full checklist can be viewed at Appendix 11. This helps us consider any challenges presented by rural circumstances and recognise the distinct needs of rural communities. There is clear recognition in the LHS of the role that housing plays in reversing depopulation and in creating more sustainable communities, and in the need to take a holistic approach including improving accessibility, broadband, infrastructure, renewable energy technology, transport and investment. Some challenges the LHS considers in relation to rurality include:

- Short-term lets, second homes and empty homes contributing to a constrained supply of housing;
- High development costs and lack of skilled labour and local supply chains, and the need to be more energy efficient and sustainable in the way we build;
- Community sustainability; and
- Fuel poverty, poor energy efficiency and housing stock in poorer condition

(b) Responding to these concerns and issues has been central to the development of the LHS vision and strategic outcomes, ensuring that the LHS and associated action plan takes the needs of rural communities fully into account.

## 6.7 Data Protection Impact Statement

There are no personal data implications arising from the proposals contained in this report.

## 6.8 Changes to Scheme of Administration or Scheme of Delegation

There are no changes which are required to either the Scheme of Administration or the Scheme of Delegation as a result of the proposals in this report.

## 7 CONSULTATION

- 7.1 The Director of Finance and Procurement, the Director of Corporate Governance (and Monitoring Officer), the Chief Officer Audit and Risk, the Director (People Performance & Change), the Clerk to the Council and Corporate Communications have been consulted and any comments received have been incorporated into the final report.

### Approved by

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### Author(s)

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### Background Papers:

Local Housing Strategy 2023-2028  
LHS Appendix 1: LHS Outcome and Action Plan  
LHS Appendix 2: Evidence Paper  
LHS Appendix 3: Consultation and Engagement Report  
LHS Appendix 4: Formal Consultation Report  
LHS Appendix 5: Housing Supply Target Paper 2023-2028  
LHS Appendix 6a: Integrated Impact Assessment Stage 1  
LHS Appendix 6b: Integrated Impact Assessment Stage 2 and 3  
LHS Appendix 7: Child Rights and Wellbeing Impact Assessment (CRWIA)  
LHS Appendix 8: Health Inequality Impact Assessment (HIIA)  
LHS Appendix 9: Equalities Statement  
LHS Appendix 10: Strategic Environmental Assessment  
LHS Appendix 11: Rural Proofing

**Previous Minute Reference:** 18<sup>th</sup> April 2023 [Item 8: Scottish Borders Council Consultative Draft Local Housing Strategy 2023-2028](#)

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

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