

The background of the slide features a large, light blue watermark of the City of Vancouver's coat of arms. The crest includes a crown with four maple leaves, a shield divided into four quadrants (top-left: a building, top-right: a stag's head, bottom-left: a sailing ship, bottom-right: an eagle), and a banner at the bottom with the motto 'CITY OF VANCOUVER' in French. The text 'Agenda Item 8' is centered over the top half of the coat of arms.

Agenda Item 8

Strategic Housing Investment Plan 2022/23 to 2026/27

Falkirk Council

Title: Strategic Housing Investment Plan 2022/23 to 2026/27

Meeting: Executive

Date: 19 October 2021

Submitted by: Director of Corporate and Housing Services

1. Purpose of Report

- 1.1 The purpose of this report is to consider the Strategic Housing Investment Plan (SHIP) 2022/23 to 2026/27 and agree the contents for submission to the Scottish Government. This includes alternative approaches to affordable housing supply and an update on the Buy Back Scheme.

2. Recommendations

2.1 The Executive is asked to: -

- 1. Approve the Strategic Housing Investment Plan 2022/23 to 2026/27 (Appendix 1) to be submitted to Scottish Government.**
- 2. Agree to the use of an alternative Royal Institute of Chartered Surveyor for Buybacks in extenuating circumstances.**
- 3. Note that officers will adapt the SHIP in line with available resources in order to maximise the supply of affordable housing locally and provide updates to Members of any changes.**

3. Progress to date

- 3.1 During 2020/21 Falkirk Council, as the strategic housing lead, has worked together in partnership with other social landlords, developers and colleagues across a range of services to ensure that we continue to provide additional affordable homes for those in need. This has been achieved through; new build social rent, purchase of former social rented properties sold under the right to buy (Buy Back scheme) and Scottish Government initiatives to assist local people into low-cost home ownership.

- 3.2 Table 1 below shows how this has been achieved and the grant spend in 2020/21. Council new build completions include Blinkbonny Road 43 units and Brodie Street 1. Registered Social landlord (RSL) new build completions include Etna Road 25 units and Castings House 3 units.

Table 1 Affordable housing delivered 2020/21

Type of affordable housing	Number
Council new build	44
RSL new build	28
Council buy backs	90
RSL buy backs	6
Affordable Housing Supply Programme Grant spent	£11.142m
Scottish Government First Home Fund	280
Scottish Government Open Market Shared Equity	n/a SG advise the figure will be available late Autumn
Scottish Government New Supply Shared Equity	0

- 3.3 During 2020/21 the construction industry has faced challenges locally and nationally, these include delay in the supply of building materials, restrictions relating to health and safety regulations due to the covid pandemic and overall rising build costs as raw materials, skilled labour and house prices have all increased nationally and locally.
- 3.4 It is estimated that the covid pandemic delayed projects by at least 6 months. We operate a partnership approach to delivering affordable housing working with the Council new build team and 6 developing Registered Social Landlords namely Link Group, Wheatley Group, Places for People (Castle Rock Edinvar), Cairn, Kingdom and Hanover Housing Associations. We have good working relationships with our existing partners and they have agreements in place with Falkirk Council around nominations to their stock (including new build), allocations to homeless households and have understanding of local planning policies.

4. Strategic Housing Investment Plan 2022/23 to 2026/27

- 4.1 The purpose of the SHIP is to set out strategic investment priorities for affordable housing over a 5-year period to achieve the targets specified in the Local Housing Strategy (LHS). The affordable housing supply target set out in the LHS is 123 with 5% of properties being wheelchair accessible where viable. Since the publication of the Falkirk LHS, Scottish Government have advised that wheelchair housing should be the Scottish Government Housing for Varying Needs Standard wheelchair basic requirement and an all-tenure target should be set for wheelchair housing.

- 4.2 Scottish Government requires the SHIP to be submitted 29 October 2021 and projects to be prioritised using a scoring methodology. This methodology takes account of the following:
- Strategic direction from the Falkirk Council LHS and assessment of housing need;
 - Project deliverability and funding required;
 - Size, tenure and house type;
 - Number of accessible units;
 - Sustainability relating to energy efficiency.
- 4.3 The following table sets out Falkirk Council's Resource Planning Assumptions (RPAs) for Scottish Government Affordable Housing Supply Programme grant. The Affordable Housing Supply Programme Investment Benchmark Working Group has reported to Scottish Government however as of today's date there has been no official confirmation on revisions to benchmarks levels per Council and RSL new build property. This SHIP therefore is calculated on £59k for Council new build and £72k 3 person equivalent for RSL new build per property.

Table 2 Falkirk Resource Planning Assumptions (RPA)

Year	RPA £m
2022-23	12.586
2023-24	12.550
2024-25	12.594
2025-26	12.802

- 4.4 Scottish Government SHIP guidance states that we are expected to produce a balanced and realistic development programme, on the basis of RPA +25%, to help ensure that the targets for spend and unit numbers are delivered. It is not possible to carry grant forward from one financial year to the next therefore it is important that projects will be delivered as programmed in the SHIP.
- 4.5 The SHIP is delivered through Affordable Housing Supply Programme grant from Scottish Government, HRA, RSL private finance and second homes council tax. As at 31/7/20 the balance in this fund was £796,578.
- 4.6 Competing for housing land is particularly difficult in a buoyant market and we have a number of development opportunities coming to us as a result of the Falkirk Local Development Plan Supplementary Guidance Affordable Housing Policy (adopted May 2021). We have been working with colleagues in Planning to develop procedures which will help to deliver affordable units on the ground. The AHP highlights our clear priority is for units to be delivered on site, but in some cases in the past we have accepted a

commuted sum, in line with the approved Affordable Housing Supplementary Guidance. At 1 April 2021, there was £1.579m available for Affordable Housing from Commuted Sums. The Scottish Government's planning guidance Circular 3/2012 (updated in November 2020) sets out the rules for spending this money i.e. in the local area of the relevant development and on affordable housing in accordance with the provisions of the Supplementary Guidance. The use of AHP commuted sums and second homes council tax Council Tax for affordable housing is for approved SHIP projects.

- 4.7 The SHIP proposals are outlined in Appendix 1 and summarised below.

Table 3 Potential projects in the SHIP 2022/23 to 2026/27

Type	Number of units
Council New Build	568
RSL New build	641
Buybacks council	400
Buybacks RSL Paragon	25
Total	1634

- 4.8 Nomination agreements with our existing RSL partners mean that Falkirk Council have between 50 to 100% of RSL new build allocations.
- 4.9 There are specific projects that are in the early stages of development that will progress over the course of this SHIP (2022/23 to 2026/7). These include the Grangemouth Housing Masterplan and improvements to the Travelling Persons site in Redding.
- 4.10 The cost of Council new build per property has significantly increased from an average of £144,823 in 2014 to current projected costs at Torwood and Main Street Bonnybridge of £209,404. The projected average cost per property for future projects in the SHIP is £236,086.
- 4.11 To meet housing need we need to build a range of property types. The type of both Council and RSL new build proposals are detailed below.

Table 4 – Proposed new build property types Council and RSL

PROPERTY TYPE	COUNCIL		RSL	
	NUMBER	%	NUMBER	%
General needs	416	73%	565	89%
Older/ ambulant	143	25%	48	7%
Wheelchair	9	2%	28	4%
Total	568	100%	641	100%

- 4.12 Funding to deliver the SHIP actions is a combination Council's HRA, Scottish Government for Affordable Housing Supply Programme grant, RSL private finance, second homes Council Tax and Affordable Housing Policy commuted sums. This is in line with SG SHIP guidance.

Buy Back Scheme

- 4.13 The Buy Back Scheme is in place to help meet housing demand. Members will be aware from the Executive report on 22 January 2020 on the Housing Investment Programme 2020/21-2024/25 that a total of £30m is provided to maintain this programme over the next 5 years. This is around 80 properties annually. Scottish Government funding over the next 5 years is also anticipated through AHSP grant. From 2013/2014 to 2020/21 the Buy Back Scheme has purchased 654 former Council properties. This scheme provides additional affordable housing and can also assist with Scottish Housing Quality Standard and Energy Efficiency Standard in Scottish Social Housing.
- 4.14 Since the introduction of the Buy Back scheme in 2013/14 property prices have increased significantly. When the scheme was introduced the average cost was £56,935. In 2021/ 2022 this increased to £87,141 and this year so far the average cost is £94,141. The grant allowance is currently £35,000 per property.
- 4.15 Members will be aware that the Buy Back scheme purchases former Council flats of one and two bedrooms and houses of all sizes. We have identified in the Housing Need and Demand Assessment and Rapid Rehousing Transition Plan that most housing need is for more smaller properties. However there is an acute need for more larger properties. There is also a need for adapted properties for people with disabilities. There are consistently fewer larger properties marketed and they are of higher value.
- 4.16 Paragon Housing Association have a Buy Back scheme purchasing around 5 properties annually.
- 4.17 The District Valuer experienced high demand for service and staffing issues which impacted on their ability to deliver the pre pandemic level of service

within the agreed timescales. Whilst alternative arrangements were established to ensure the scheme could continue there is a risk to a delay in the Buy Back process. Therefore, it is proposed that Members agree to the use of an alternative Royal Institute of Chartered Surveyor (RICS) to provide flexibility in extenuating circumstances until Officers undertake a full Options Appraisal and report back to members.

5. Housing Infrastructure Fund

- 5.1 The Scottish Government Housing Infrastructure Fund (HIF) is available to deliver housing sites where the scale and nature of infrastructure costs would prevent the site from being supported through affordable housing grant.
- 5.2 Falkirk Council submitted a funding application for 3 sites in Banknock and Dennyloanhead. The number of units delivered at these sites was constrained due to development works being required at Junction 7 of the M80. The Scottish Government offered grant of up to £1.543m in May 2018 to facilitate the junction improvements.
- 5.3 The cost of the infrastructure works increased, and after consideration by technical officers at Scottish Government the grant was increased to £2.544m. The contract is now out to tender.

6. Consultation

- 6.1 On an ongoing basis we liaise with Council tenants through two tenant working groups (How Your Rent Money is Spent and Housing Asset Management Plan groups). Council tenants are also kept informed of the SHIP through regular articles in Tenant Talk. We plan over the coming year to provide articles on progress with council and RSL new build, including detail on availability of nominations to applicants on the Council housing register.
- 6.2 We work closely with our affordable housing providers, with planning colleagues, and all SHIP projects are sent to Scottish Water for consideration.
- 6.3 Consultation is undertaken on individual sites as part of the Planning process.

7. Implications

Financial

- 7.1 Funding to deliver the SHIP actions is a combination Council's HRA, Scottish Government for Affordable Housing Supply Programme grant, RSL private finance, second homes Council Tax and Affordable Housing Policy commuted sums.

Resources

- 7.2 Resources available to deliver the SHIP come from Scottish Government affordable housing supply programme grant, the HRA, RSL private finance, second homes council tax and affordable housing policy commuted sum.

Legal

- 7.3 There are no legal implications anticipated.

Risk

- 7.4 Scottish Ministers are currently considering the report from the Affordable Housing Investment Benchmark working group which recommended increasing grant per property. One risk to delivering the SHIP would be an increase in benchmark levels per property without a corresponding increase in the total grant allocation for Falkirk. Another risk to delivery could be increasing costs to deliver the development works being required at Junction 7 of the M80. This would impact on delivery of sites identified at section 5 of this report. A further risk would be available grant to deliver projects set out in the SHIP. This has meant we have realigned dates where grant could be available to deliver a mix of both Council and RSL projects. Unforeseen development and potential funding constraints may restrict the numbers of affordable housing units delivered, consequently having an impact on meeting housing need.

Equalities

- 7.5 A full Equalities & Poverty Impact Assessment (EPIA) was carried out for the LHS 2017-2022 which covers the SHIP. No significant issues were identified from this.

Sustainability/Environmental Impact

- 7.6 A Strategic Environmental Assessment screening report was submitted to the Scottish Government Strategic Environmental Assessment Gateway. Feedback indicated that the LHS is not likely to have significant environmental effects. This will be re-assessed for the next full LHS 2023-2028 taking account of the relevant priorities in the Scottish Government Housing to 2040 report relating to net zero, climate change and energy efficiency.

8. Conclusion

- 8.1 In conclusion this report sets out projects in the Strategic Housing Investment Plan to deliver affordable housing using resources including Scottish Government Affordable Housing Supply Programme grant.

Director of Corporate and Housing Services

Author – Karen Strang, Strategy & Development Co-ordinator
Date: 8 October 2021

APPENDICES

Appendix 1 - SHIP projects

Appendix 2 – SHIP document

List of Background Papers:

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act 1973:

- None

Appendix 1 SHIP projects

Provider	Project Name	No. Units	Total Grant Requested	Grant Drawn Down pre-2022/23	Projected Grant Draw Down 2022/23	Projected Grant Draw Down 2023/24	Projected Grant Draw Down 2024/25	Projected Grant Draw Down 2025/26	Projected Grant Draw Down 2026/27
Falkirk Council	Seabegs Road	32	£1,888,000	£660,000		£793,377	£434,623		
Falkirk Council	Banknock South	106	£6,254,000					£2,108,175	£4,145,825
Falkirk Council	Denny Phase 1	139	£8,201,000	£2,000,000	£3,000,000	£3,201,000			
Falkirk Council	Denny Phase 2	77	£4,543,000					£2,485,315	£2,057,685
Falkirk Council	Gerald Terrace	14	£826,000				£50,000	£623,113	£152,887
Falkirk Council	King Street	21	£1,239,000	£215,000		£457,341	£566,659		
Falkirk Council	Oakbank	28	£1,652,000	£1,039,651	£612,349				
Falkirk Council	Woodend Farm	111	£6,549,000		£3,000,000	£3,549,000			
Falkirk Council	Haugh Gardens	40	£2,360,000	£175,000		£872,567	£1,312,433		
Cairn HA	Adam Grossert Ct	23	£575,000				£575,000		
Cairn HA	Carradale Avenue	29	£2,290,536				£2,290,536		
Cairn HA	The Castings	8	£576,000		£576,000				
Kingdom	Kilsyth Rd, Banknock	30	£2,459,550			£250,000	£2,209,550		
Kingdom	Stirling Road	12	£982,572		£982,572				
Kingdom	Canalside Drive	10	£808,560		£808,560				
Kingdom	Westquarter	14	£1,134,322				£500,000	£634,322	
Link	Brown Street	21	£1,644,521			£1,000,000	£644,521		
Link	Rosemead Terrace	39	£3,197,220	£1,136,500		£1,000,000	£1,060,720		
Link	Commissioner St.	30	£2,665,970	£1,500,000	£1,165,970				
Link	Dennyloanhead 1	38	£3,031,200			£1,000,000	£2,031,200		
Link	Dennyloanhead 2	42	£3,350,274				£600,000	£2,000,000	£750,274
Link	Kilsyth Road, Haggs	50	£3,988,421				£988,421	£2,000,000	£1,000,000
Link	MyDub Farm Ph 2	37	£3,011,616		£2,000,000	£1,011,616			
Places for People	Crawfield Ph 1	35	£2,719,500				£1,087,800	£1,631,700	
Places for People	Crawfield Ph 2	34	£2,672,740					£2,405,466	£267,274
Places for People	North Bank Farm	27	£2,097,000		£1,900,000	£197,000			
Places for People	Reddingmuirhead	23	£1,808,030			£1,808,030			

Provider	Project Name	No. Units	Total Grant Requested	Grant Drawn Down pre-2022/23	Projected Grant Draw Down 2022/23	Projected Grant Draw Down 2023/24	Projected Grant Draw Down 2024/25	Projected Grant Draw Down 2025/26	Projected Grant Draw Down 2026/27
Wheatley-Loretto	Maddiston Fire St.	24	£1,928,000		£1,228,000	£700,000			
Wheatley-Loretto	Vellore Road	8	£647,000		£647,000				
Wheatley-Loretto	Carron Road	87	£6,872,000				£2,062,000	£2,748,000	£2,062,000
RSL tbc	Linlithgow Road	20	£1,595,368				£1,595,368		
Falkirk Council	Buy Backs	80	£2,800,000		£2,800,000				
Falkirk Council	Buy Backs	80	£2,800,000			£2,800,000			
Falkirk Council	Buy Backs	80	£2,800,000				£2,800,000		
Falkirk Council	Buy Backs	80	£2,800,000					£2,800,000	
Falkirk Council	Buy Backs	80	£2,800,000						£2,800,000
Paragon HA	Buy Backs	5	£175,000		£175,000				
Paragon HA	Buy Backs	5	£175,000			£175,000			
Paragon HA	Buy Backs	5	£175,000				£175,000		
Paragon HA	Buy Backs	5	£175,000					£175,000	
Paragon HA	Buy Backs	5	£175,000						£175,000
Totals		1634	£98,442,400	£6,726,151	£18,895,451	£18,814,931	£20,983,831	£19,611,091	£13,410,945

Appendix 2

2022-2027 SHIP

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1. Introduction

The Strategic Housing Investment Plan (SHIP) sets out a local authority's housing strategic investment priorities over the next 5 financial years to achieve the priorities and outcomes set out in the Local Housing Strategy.

2. The Role of the Strategic Housing Investment Plan

Resources for SHIP projects come from Scottish Government Affordable Housing Supply Programme (AHSP) grant, developer contributions, second homes council tax and contributions from Falkirk Council and Registered Social Landlords (RSLs).

The SHIP reflects housing policies and outcomes set out in the Local Housing Strategy (LHS). It also reinforces the role of the Council as the strategic housing authority.

2.1 Alignment with the Local Housing Strategy 2017-2022

The LHS was approved by Executive on 15 August 2017 with final agreement by Scottish Government in March 2018. The priorities are set out below:

1. Increasing Housing Supply
2. Creating Sustainable Communities
3. Improving Access to Housing
4. Providing Housing and Support to Vulnerable Groups
5. Tackling Fuel Poverty, Energy Efficiency and Climate Change
6. Improving Housing Conditions

As required, the LHS is kept under regular review. This means the LHS is updated and revised annually to take account of national and local legislative and policy changes. The LHS Update 2021 considers both town centre and housing regeneration. The Council was awarded £1.97m from the Scottish Government Town Centre Capital Fund to support our work around town centres. Agreed projects are now underway and aim to stimulate and support place-based investment mainly within Falkirk, Grangemouth and Bo'ness.

2.2 Summary of Methodology to Prioritise Projects

A project submission form and scoring methodology was developed and agreed by Falkirk Council's Strategy and Development Team, Council New Build Team and RSLs. Following discussion at the Strategic Housing Group on 11 June 2019 amendments to the methodology were agreed. The SHG is the Housing Market Partnership for Falkirk. These amendments reflected recent guidance from the Scottish Government setting out their commitment to more homes for wheelchair users and their renewed commitment to tackling homelessness.

Further amendments were made to the proforma following discussions with planning colleagues in 2021 to ensure that projects submitted were realistic.

The SHIP scoring methodology is set out below.

Key Factors	Description
Strategic Priorities	Does the project deliver the LHS outcomes
Site Location	Does the project deliver in high demand areas
Specialist Provision/Tenure Mix	Wheelchair/amenity provision and also size of property
Deliverability	Planning permission, Local Development Plan housing site, section 75 site etc
Site Ownership	Full ownership, discussions with landowner etc
Best Value	Funding requirement – within benchmark
Delivering Priority Tenure	Percentage of social rent
Sustainability	Gold, silver or bronze standard

The Scottish Government have raised concerns at the tripartite meeting on grant spend and numbers of properties delivered.

2.3 Steps Taken to Resolve Development Constraints

The methodology agreed for project submissions takes account of development constraints. Projects with full planning permission and full land ownership are scored highest.

As with previous years proposed projects were sent to Scottish Water and Planning colleagues for comment. Comments were shared with developing landlords to enable them to consider the issues highlighted.

Affordable housing is discussed at the Strategic Housing Group (SHG). As we start on the new HNDA and LHS this group is now meeting quarterly. The SHG comprises Council officers from across services and external partners including Scottish Government, RSLs and Homes for Scotland.

Tripartite meetings between the Scottish Government, Council and RSLs are held on a 3-monthly basis to explore issues impacting on delivery. Partners at the Tripartite meeting identified issues relating to parking requirements in new build developments as well as developer contributions for affordable housing. This was

discussed further at the Tripartite meeting.

The Housing Strategy and Development Team meet quarterly with planning colleagues in Falkirk Council Place Services to discuss SHIP projects and sites which come under the Affordable Housing Policy. The team also contacts developing landlords regularly to discuss progress with projects.

We have convened a small working group between Falkirk Council planning officers, housing strategy & development team and RSL partners (Link and Wheatley Group). Both partners explored unsuccessful developer viability assessments. This group has drafted a template in relation to site viability considering costs including developer contributions in this. RSL partners have a financial model which sets out the maximum cost for them to progress projects.

The Council does not charge for pre planning application discussions and we encourage developing landlords to consult with planning colleagues as early as possible, even in the case where affordable housing is expected of a Developer through a Section 75 agreement.

2.4 Revisions/changes to existing SHIP priorities due to the impact of COVID-19.

On Tuesday 24 March 2020, the First Minister announced that the Scottish Government would expect construction sites in Scotland to close, unless the building being worked on was essential.

The impact of the lock down caused a necessary pause in the construction industry, which as a consequence has caused delays to projects with a corresponding underspend of available Scottish Government grant to deliver affordable housing development.

The Council will continue to work with the Scottish Government and developing RSLs to ensure that projects move forward in a safe manner.

The longer-term implications arising from the Coronavirus pandemic remain uncertain at this time. However, the priorities previously identified within the Strategic Housing Investment Plan remain unchanged in terms of the future development programme.

2.5 Scottish Government Requirements

The SHIP guidance sets out Scottish Government requirements for the SHIP, these are two-fold and are highlighted below.

A A succinct narrative in PDF form, submitted as a supporting document to the SHIP tables in the HARP system, which explains the context to the SHIP including:

- a statement on alignment with the LHS demonstrating that investment priorities identified in the SHIP are consistent with what the local authority outlined in its LHS

(and updates) and how the SHIP priorities will contribute to delivery of LHS Outcomes

- a summary of the methodology used to prioritise projects
- details of how the local authority has responded to and resolved development constraints on projects prior to the site start date
- details on how the local authority's own resources and other funding are supporting the delivery of affordable housing in its area
- details of progress towards the delivery of its AHSP across all tenures by completions
- details of targets and delivery of these targets for wheelchair accessible housing within its area
- statement that strategic housing priorities are aligned and are consistent with Rapid Rehousing Transition Plan priorities
- details of affordable housing projects that are aligned with the Local Child Poverty Action Report for the local authority area
- details of any empty homes services and actions to bring homes back into use
- details of how Council Tax on Second and Empty Homes has been used to assist affordable housing
- details of how Developer Contributions have been used to assist affordable housing
- the type and level of consultation undertaken with RSLs, communities, developers and other stakeholders in developing the SHIP and how this has helped with the development of strategic investment priorities
- outline of capital works planned on Gypsy/Traveller sites and whether funding has been sought through the new Scottish Government capital funding programme for Gypsy/Traveller accommodation

B All affordable housing projects submitted electronically on HARP across all tenures identified as priorities and expected to require Scottish Government funding and/or complete over the five year period including

- rolling forward existing projects from the previous SHIP where appropriate;
- set out the funding and delivery mechanism including where funds are being sought or provided through other SG programmes;
- demonstrate that the projects and resources will be realistically delivered over the plan period, highlighting any potential risks.

3. Funding

3.1 Scottish Government Affordable Housing Supply programme grant, second homes council tax, Housing Investment Plan, Affordable Housing Policy developer contributions (commuted sums), RSL private finance

SHIP funding comes from the above funding sources. The following table sets out SG grant.

Table 1 Resource Planning Assumptions - Affordable Housing Supply Programme grant

Year	RPA
2022-23	12.586
2023-24	12.550
2024-25	12.594
2025-26	12.802

Scottish Government grant covers approximately one third of the cost of a Council new build property. The balance is met from the Council's Housing Revenue Account as set out in the Housing Investment Programme.

Falkirk Council's Housing Investment Programme is funded mainly from rents and borrowing. This is repaid over a number of years by the Housing Revenue Account as loans charges. A report to Policy and Resources Committee on New Affordable Housing in 2012 set out that £250k annually would be transferred to the Housing Revenue Account from the Second Homes Council Tax budget, as funding towards the borrowing costs for the Council's new build programme. As at 31/7/20 the balance in this fund was £796,578.

RSLs fund their projects through grant and private finance.

In relation to RSLs, £140,000 from Second Homes Council Tax was used to support a Link Housing Association project at Lewis Road, Polmont. This project will provide 32 social rented housing units, 2 of which are wheelchair properties and 2 are older/ ambulant disabled properties. Second Homes Council Tax has also contributed toward a Link development in Williamson Street, Falkirk. In previous years, funding was made available to a Kingdom Housing Association project at Overton.

Falkirk Council's affordable housing policy is set out under Policy HC03 in the Local Development Plan 2 and in Supplementary Guidance 06. Commuted payments are occasionally accepted in lieu of delivery of homes on site and the use of all Developer Contributions is monitored and agreed by the Planning Obligations Group, led by Falkirk Council's Place Services.

On 1 April 2021, there was £1.579m available for Affordable Housing in the Commuted Sum budget. The Scottish Government's planning guidance Circular 3/2012 (updated in November 2020) sets out the tight rules for spending this money which are in the local area of the relevant development and on affordable housing in accordance with the provisions of the Supplementary Guidance. As such, the commuted sums received to date require to be spent on affordable housing within the areas of Bo'ness, Denny and Bonnybridge. This budget has not been called upon yet, but there are several developments proposed in this SHIP period which would meet the criteria and it will be used to support the Programme when the annual AHSP/RPA is fully committed.

3.2 Buy-Backs

The Council introduced a buy back scheme in 2013 buying back one- and two-bedroom ex-council properties sold under Right to Buy. This was to increase the amount of social rented housing locally. Executive agreed on 20 October 2015 to widen this commitment to include the purchase of houses with 3 or more bedrooms.

On the 22nd January 2020, the Council approved a further 5-year commitment to this scheme by allocating £6m per annum in the Housing Investment Programme for the period 2021/22 to 2024/25.

The Scottish Government has agreed to increase the grant for buy-backs from £25,000 to £35,000, due to the increase in the average price of buy-backs over the last couple of years and the increase in fees. The average price of a buy-back at the start of the Buy Back scheme in 2013/14 was £56, 935 but by 2020/21 it had increased to £94,141.

Information from the Rapid Rehousing Transition Plan has highlighted that most housing need is for smaller properties but there is an acute demand for larger properties and an ongoing need for properties for disabled people. Very few larger properties are available locally to purchase as buy-backs. A comparison was carried out between the prices larger former Council properties are advertised for and what they sell for. This identified that such properties generally sell for more than 10% above the Home Report value and that these properties sell very quickly.

Approval was given at Executive on 17th November 2020 to pay no more than 10% above the Home Report and/or DV (District Valuer) report for houses of four or more bedrooms and property types which had been adapted, or had the potential to be adapted, for a disabled person.

In 2021/2022 we purchased 3 larger properties and 4 bungalows to assist with need for larger and adapted properties. We continue to consider whether buy back properties could be reconfigured to provide larger or adapted properties.

The following table highlights the number of properties bought back each year of which there have been 651 in total.

Table 2: Number of buy-backs by year

Year	No.
2013-2014	69
2014-2015	76
2015-2016	76
2016-2017	78
2017-2018	95
2018-2019	87
2019-2020	80
2020-2021	90
Total	651

Source: FC Information Systems

3.3 Empty Homes

Falkirk Council has operated an Empty Homes project since April 2013. This was initially a shared service project between Falkirk, Stirling, Clackmannanshire Councils and the Scottish Empty Homes Partnership. Since July 2016, there has been an officer in post covering the Falkirk Council area only. Currently the Council has two officers who work on empty homes and the buy-back scheme. This equates to one full –time equivalent on empty homes.

There have been 526 empty properties brought back into use across the Falkirk Council area since the project started in 2013 and £253,951 in debt recovered.

Table 3: Number of empty properties brought back by year and debt recovered

Year	No. brought back	Debt recovered
2013-2014	45	£20,600
2014-2015	105	£63,169
2015-2016	90	£50,200
2016-2017	62	£1,808
2017-2018	50	£34,338
2018-2019	57	£37,925
2019-2020	65	£10,752
2020-2021	52	£35,159
Total	526	£253,951

Source: Empty Homes Database

There is a three steps process that the Empty Homes Officer undertake when working on empty homes:

1. Identify Empty properties
2. Work with Owners to provide advice and information
3. Undertake Enforcement Action where necessary but only as a last resort

3.4 Local Development Plan supplementary guidance affordable housing and developer contributions

Supplementary Guidance to the Local Development Plan was agreed by Executive in March 2021, submitted to Scottish Government, and adopted in May 2021.

The Affordable Housing Policy (Supplementary Guidance to the Local Development Plan SG06) provides guidance on affordable housing requirements within private housing sites. The updated Affordable Housing Policy guidance now considers the all-tenure wheelchair accessible housing target contained within the Local Housing Strategy. **This means that** the target for new-build wheelchair accessible housing now applies to all tenures, **which assists the attainment of this target.** The percentage achievable on any site will be assessed on a case-by-case basis.

Supplementary Guidance on Developer Contributions 13 consolidates and updates the previous guidance regarding developer contributions into one document. This includes the following:

(i) **Education and New Housing Development, Healthcare and New Housing Development, and how the amounts payable will be calculated.**

(ii) **Acknowledges for that social housing** “it is fair, reasonable and legitimate to seek contributions from social housing in order to fund supporting infrastructure which is needed to make development acceptable in planning terms”. **It is accepted that for social rented housing, developers’ profit is not relevant, and that viability is dependent on budget and external grant funding. A Viability Statement can therefore be submitted to request a reduction in developer contributions if the site is at risk of not being financially viable, or if the site is of a type that can reasonably expect that there will be no demand for specific types of provision.**

Table 4: Sites Subject to AHP (Affordable Housing Policy) programmed to come forward in 2022-2027

Locality	Number of Sites	Potential Unit Numbers
Central	13	50
East	22	140
West	17	114
Total	52	304

Source: Falkirk Council Development Services

4. Housing Infrastructure Fund Projects

The Scottish Government Housing Infrastructure Fund (HIF) is available to deliver housing sites where the scale and nature of infrastructure costs would prevent the site from being supported through affordable housing supply programme grant.

Falkirk Council submitted a funding application for 3 sites in Banknock and Dennyloanhead. The number of units delivered at these sites was constrained due to development works being required at Junction 7 of the M80. The Scottish Government offered grant of up to £1.543m in May 2018 to facilitate the junction improvements.

The cost of the infrastructure works increased, and after consideration by technical officers at Scottish Government the grant was increased to £2.544m. The tender has been issued to potential contractors.

5 Progress to deliver affordable housing

The following table sets out delivery of affordable housing.

Table 5 Affordable housing delivered 2020/21

Type of affordable housing	Number and or %
Council new build	44
RSL new build	28
Council buy-backs	90
RSL buy backs	6
Affordable Housing Supply Programme Grant spent	£11.142m 86% of the £12.882m available
Scottish Government First Home Fund	280
Scottish Government Open Market Shared Equity	n/a SG advise the figure will be available late Autumn
Scottish Government New Supply Shared Equity	0

6 Wheelchair Accessible Housing

In line with SHIP guidance, we have an all-tenure wheelchair target as per paragraph 3.4 of this report.

“The Council will seek the delivery of wheelchair accessible housing on sites which are subject to the affordable housing policy (i.e., 20 or more units). The target will be 5-10% of the total units on the site, and these can be part of the market or affordable provision.” SG06 paragraph 2.3 page 3.

Please see the following link.

[LDP Supplementary Guidance 06 Affordable Housing](#)

In relation to social rented new-build, this SHIP includes proposals for the following properties.

Table 6 SHIP projects by type

Property type	Council new build		RSL	
	Number	%	Number	%
General needs	416	73%	565	88%
Older/ ambulant	143	25%	48	7%
Wheelchair	9	2%	28	4%
Total	568	100%	641	100%

The SHIP consists of the following mix of Council and RSL new build and buyback proposals.

Table 7 Breakdown of SHIP projects

Type	Number of units
Council New Build	568
RSL New build	641
Buybacks council	400
Buybacks RSL Paragon	25
Total	1634

7 Rapid Rehousing Transition Plan

Falkirk Council submitted their Rapid Rehousing Transition Plan (RRTP) to the Scottish Government in December 2018. This received feedback and confirmation of the first tranche of funding. Funding of £211,000 in both years one and two of the programme has been allocated by the Scottish Government to support the Council's transition to 'Rapid Rehousing'.

A further review of the RRTP was completed in June 2021. The focus will be prevention interventions, identifying and designing preventative pathways for each high-risk group. A 'no wrong door approach' will be taken through cultural and systematic changes to service delivery across the area from all services and partners. In the first two years of Rapid Rehousing, good relationships have been established with key partners to prevent homelessness and promote better outcomes for all services and customers.

Increasing the supply of affordable housing will assist in meeting the Rapid Rehousing Transition Plan's strategic aims of Prevention of homelessness and the commitment to

ensuring that those in housing need find the fastest route to safe and secure accommodation to help them resettlement in their new homes quickly and successfully with the support they need to do so.

The Rapid Rehousing Transition Plan takes a strong focus on the prevention of homelessness with the launch of a prevention fund and development of a prevention team to allow the council to identify and support those at highest risk of homelessness. This is whilst assisting those who find themselves homeless to be rehoused as quickly as possible, promoting choice and positive outcomes to reduce the stress and trauma that homelessness brings to individuals and families. The third RRTP update was submitted to Scottish Government in June 2021. A Housing First model to work with our most complex clients was set up in February 2021 and has shown positive results by supporting around 20 individuals who have complex support needs that require a multi-agency response.

8 Gypsy Travellers

The current HNDA did not identify the need for more gypsy traveller pitches within the Falkirk area.

In line with consultation for the Local Development Plan, there is a specific application process for private sites.

Gypsy / Traveller Families are often bigger, meaning families who find themselves homeless can stay in temporary accommodation for longer as they wait for a suitable larger property to become available.

The RRTP highlighted that Gypsy/Travellers are also more likely to have pre-existing health conditions and be at increased risk of poverty, fuel poverty, and food insecurity. Domestic abuse rates in traveling communities are higher than in other communities. There is also a pattern of repeated homelessness in Gypsy/ Traveller communities therefore it is important that they are linked to wider local support and services.

As part of the Council's review of the RRTP, the following actions were identified in relation to the gypsy/traveller community:

- We will develop an engagement plan for our Gypsy/Traveller communities so that we better understand their accommodation needs and preferences to inform future provision.
- We will work with the community to raise awareness of housing options and support as well as inform them on their rights and entitlements.
- We will recognise and value Gypsy/Traveller history and culture alongside strengthening community development and engagement with support.
- We will continue to work with our colleagues in police, NHS, and wider Community Planning Partners to deliver joined-up services guided by Scottish Government Travellers Strategy.
- We will deliver specialist training to all front-line staff to ensure they are aware of issues faced by Gypsy travellers.
- We will challenge perceptions of Gypsy Travellers to improve relationships within local communities, ensuring that gypsy travellers can contribute positively to communities

without prejudice.

- We will ensure that services and resources are delivered in flexible and innovative ways to ensure that all gypsy travellers have the ability to understand what services there are available to them.
- We will continue to ensure that gypsy travellers are registered with GP's dentist and other health professionals.
- We will continue to ensure that travelling communities are digitally connected and supported to be digitally confident.
- We will take on board new ways of interacting with the community that we have undertaken during the pandemic to increase engagement and promote support for those suffering from domestic abuse.

Consultation is currently underway on the Council's Travelling Persons site in Redding around future provision.

9 Child Poverty

The Child Poverty (Scotland) Act 2017 requires local authority and NHS health boards to produce a report specifying what action is taking place, and is planned to take place, to tackle child poverty in their area. The Fairer Falkirk 2019-2024 strategy sets out the ambition for Falkirk Council and the Community Planning partnership to understand and address the impact of poverty on individuals, families, and communities in the area.

The council undertook an allocations review and the findings from this review were put into place on the 1st October 2020. This includes increasing the percentage lets to homeless applicants from 33% to 45% which will mean homeless applicants are housed more quickly. One of the aims being to assist families in poverty.

10 Regeneration

A report on Grangemouth was carried out by Community Links with local people and stakeholders for Falkirk Council. This covered a wide range of topics including housing. The findings from this report recommended a Grangemouth Housing Masterplan.

Social landlords have highlighted the financial challenges of meeting the Scottish Housing Quality Standard and Energy Efficiency Standards 1 and 2 for stock which they have concerns may not have long term demand.

A Masterplan Working Group was set up by social landlords in the area, namely Falkirk Council, Paragon and Link. The first stage of the masterplan group being for landlords to consider the long term demand for their stock and financial viability of stock. The next stage will involve consulting with tenants on future options.

The group aims to create a shared vision for the future of housing in Grangemouth. The vision is defined as:

Right Homes, Right Place - supporting the people of Grangemouth to thrive, connect and grow.

A PESTLE (political, economic, social, technological, legal, and environmental factors)

analysis undertaken with the partner agencies. This exercise highlighted the complexities of the Grangemouth area that need to be considered when reviewing housing supply.

11. Consultation

Scottish Water, Planning and developing landlords

We have provided details of proposed projects to partners at Scottish Water and planning colleagues who responded with comments and queries for each site. This information has been passed to developing landlords for comment and discussion. This consultation will improve future planning for project delivery and take cognisance of site constraints.

Strategic Housing Group

The SHG is the housing market partnership for Falkirk Council area. We are currently developing our new Housing Need and Demand Assessment and this group is now meeting more often. Representation on this group includes RSL, Homes for Scotland and CVS (Community Voluntary Service). Moving forward the SHIP will be a standing item on this group.

Housing Contribution Steering Group

The SHIP is a recurring item on the agenda for the Housing Contribution Statement Group. The Steering Group progresses housing's role in health and social care integration and includes representation from Falkirk Health and Social Care Partnership, RSLs and housing services. There have been discussions at the Housing Contribution Steering Group around Council new build project at the former Stenhousemuir Police Station. Also reconfiguring of Link's former warden accommodation at Castings House. This SHIP includes proposals by Cairn to also reconfigure sheltered accommodation.

We also consult with the FC housing occupational therapist on proposals for the SHIP.

Consultation with Council tenants.

On an ongoing basis we liaise with Council tenants through two tenant working groups (How Your Rent Money is Spent and Housing Asset Management Plan groups). Council tenants are also kept informed of the SHIP through regular articles in Tenant Talk. We plan over the coming year to provide articles on progress with council and RSL new build, including detail on availability of nominations to applicants on the Council housing register.

Neighbour consultation

The council new build team and RSLs carry out consultation with neighbours around

specific new build sites.

12 Monitoring

Meetings with developing landlords and Scottish Government

The formal monitoring of the SHIP is through the tripartite meeting with Scottish Government, Falkirk Council and RSL partners.

For the last year instead of having individual meetings between developing landlords, Scottish Government and Strategy & Development team, a joint meeting has taken place every quarter. This has been beneficial as developing landlords face similar issues delivering affordable housing. Where it has been appropriate, colleagues from planning have also attended the meeting to discuss roads and planning issues.

We also monitor projects in the SHIP through ongoing meetings every 4 to 6 weeks with Council new build team and RSL partners.

Finally in between more formal meetings we have regular telephone or discussions over teams.

13 Summary

This SHIP sets out proposals to deliver a mix of Council and RSL new build and buybacks proposals for 1634 potential properties using Affordable Housing Supply Programme grant, Council and RSL resources, second homes council tax and potentially Affordable Housing Policy commuted sums.

14 Map of SHIP projects

