

# Report

Report to:	<b>Housing and Technical Resources Committee</b>
Date of Meeting:	<b>29 September 2021</b>
Report by:	<b>Executive Director (Housing and Technical Resources)</b>

Subject:	<b>South Lanarkshire Council's Strategic Housing Investment Plan 2022 to 2027</b>
----------	---

## 1. Purpose of Report

1.1 The purpose of the report is to:-

- ♦ provide Housing and Technical Resources Committee with an update on progress delivering affordable housing through the Strategic Local Programme Agreement (SLPA) during 2020/2021;
- ♦ seek approval for the Strategic Housing Investment Plan (SHIP) for the five year period from 2022 to 2027

## 2. Recommendation(s)

2.1 The Committee is asked to approve the following recommendation(s):-

- (1) that the progress made in increasing the supply of affordable housing through the SHIP and SLPA, be noted, and
- (2) that the content of the SHIP 2022 to 2027, as set out in Appendix 3 to this report, be approved.

## 3. Background

- 3.1 The SHIP is a five year rolling plan which links the strategic priorities identified in South Lanarkshire's Local Housing Strategy (LHS) to a strategic plan for the delivery of additional affordable housing. The purpose of the SHIP is to guide the allocation of available Scottish Government investment funding to meet the affordable Housing Supply Target as set out in the LHS and the associated priorities and outcomes.
- 3.2 The Local Housing Strategy, 'Affordable Homes; Sustainable Places', covering the period from 2017 to 2022, was approved by the Executive Committee in August 2017. It includes a Housing Supply Target for 1,500 additional affordable homes over this five year period which was based on the robust and credible Glasgow city-region Housing Needs and Demand Assessment (HNDA).
- 3.3 Aligned to Scottish Government statutory guidance, the affordable Housing Supply Target took into consideration availability of funding as indicated by the Scottish Government's Resource Planning Assumptions (RPA). The strategic outcomes identified in the LHS which guide investment priorities within this SHIP include:-

- ◆ increasing the supply of affordable housing in pressured areas
- ◆ increasing the supply of housing suitable for older people and those with disabilities and particular needs
- ◆ preventing homelessness through effective partnership working and support people who experience homelessness and are provided with temporary accommodation to move to settled accommodation that meets their needs as quickly as possible
- ◆ improving the quality and range of housing as part of regeneration strategies and arresting decline in rural settlements
- ◆ improving housing quality and energy efficiency with more of the energy used from low carbon and renewable sources.

- 3.4 The SHIP was confirmed by the Scottish Government as being the key document for identifying strategic housing projects to assist the achievement of the Scottish Government's target of delivering 50,000 affordable homes, of which 35,000 were to be for social rent, by March 2021. The impact of the global pandemic, however, interrupted the construction and housing sectors' ability to reach this target within this timescale.

The Scottish Government's 'Housing to 2040' strategy noted that work would continue to deliver the remaining homes, as quickly as it is safe to do so, completing the 50,000 affordable homes target in 2022.

- 3.5 The Scottish Government uses SHIPs to inform the allocation of the affordable housing investment grant funding through a Strategic Local Programme Agreement (SLPA) for each local authority area. Thereafter the SLPA informs the development of separate local programme agreements between the local authority and the Scottish Government and Registered Social Landlords (RSLs) and the Scottish Government.
- 3.6 The Council's previous SHIP was approved by the Housing and Technical Resources Committee in November 2020 and covered the five year period from April 2021 to March 2026. The SHIP and SLPA are reviewed and updated annually to reflect changes to the five year rolling SHIP and this review takes account of progress made in delivering affordable housing during 2020/2021 and planned progress in the current year 2021/2022, aligned to the RPAs issued by the Scottish Government.

#### **4. Impact of COVID-19 on the Construction Programme**

- 4.1 Since the easing of restrictions for construction sites during 2020/2021, the Council and RSL partners have continued to work with contractors and the Scottish Government to ensure that the affordable housing programme is delivered as quickly and safely as possible. Some projects which were originally expected to complete in 2020/2021 were able to achieve this delivery timescale, however, the timeframe for other sites were extended. Details of the Council's sites and expected completion dates are noted in Appendix 2, Table 2.
- 4.2 Delivery of the sites is being closely monitored and all steps taken to ensure early completion whilst achieving compliance with relevant guidance and restrictions in place at a national level.

## **5. Housing to 2040**

- 5.1 The Scottish Government's long term housing strategy 'Housing to 2040', published in March 2021, sets out a vision and principles which focus upon the vital role which good housing and homes play in supporting health, wellbeing, life chances and employment opportunities.
- 5.2 The strategy also includes a route-map setting out high level actions to achieve the stated visions and includes a number of actions relevant to the supply of new housing. These actions, as they are developed, will be considered further in relation to any new proposals for the development of affordable housing in relation to location, construction, quality of new housing, options for financing and involving the community in the development process.
- 5.3 A long term ambition has been set out in the Scottish Government's Programme for Government to deliver an additional 110,000 affordable homes by 2032, with at least 70% of these to be for social rent.
- 5.4 55,000 of these affordable homes are to be delivered by 2027 and the SHIP sets out the intention for 2,606 units to be delivered across South Lanarkshire during that time. The further 55,000 homes to be delivered by 2032, will include accelerating funding towards bringing existing homes into the programme, as well as building new homes. Further reports to the Housing and Technical Resources Committee will identify how this will be achieved in South Lanarkshire once more details are provided by the Scottish Government.

## **6. Investment Grant Levels**

- 6.1 The Scottish Government has, in recent months, been working with the housing sector and CoSLA to undertake a review of affordable housing investment grant levels (previously known as 'grant subsidy benchmarks'). For local authorities, the current levels are set at £59,000 flat rate per unit, for units built to greener standards. CoSLA leaders have been involved in discussions and it is anticipated that a final report will be published by the Scottish Government in the coming months.

## **7. SLPA Progress 2020/2021**

- 7.1 Closely working with RSL partners and the Scottish Government, and to reflect safe systems of work in place following the easing of Covid-19 restrictions for construction sites during 2020/2021, a total of 339 additional affordable homes for social rent were delivered across South Lanarkshire. This included 142 new homes built by three developing RSLs and 197 additional homes delivered by the Council, including those purchased through the Council's Open Market Purchase Scheme (OMPS).
- 7.2 The additional affordable supply (339 units) delivered in 2020/2021 includes a mix of 227 units (67%) for general needs and 112 (33%) for particular needs/amenity standard housing. In compliance with Scottish Government grant requirements, all homes constructed on behalf of the Council or RSLs meet Housing for Varying Needs Standard. Appendix 1 provides a summary of the Council and RSL completions during 2020/2021.

## **8. Home+ Programme Update**

- 8.1 Work continues on the Council's programme to deliver 1,000 additional homes, as detailed in Appendix 2. A total of 462 additional homes have been delivered and construction work is ongoing at a further 15 sites across South Lanarkshire to deliver an additional 487 units.

- 8.2 The Council continues to use the affordable housing programme to increase the supply of specialist housing to meet particular needs. Of the 949 additional homes built or under construction to date, 368 homes (38%) are designed for particular needs, including 126 (13%) barrier free lift access amenity flats and 59 (6%) bungalows designed to meet the needs of older people and wheelchair users. This exceeds the 8% wheelchair housing target set within the LHS for the proportion of new build social homes built to wheelchair accessible standards.
- 8.3 The Council's OMPS is closely aligned to the LHS priorities and targets the purchase of property to increase the Council's supply of priority house types and sizes depleted through Right to Buy. The key aims are to meet specific and urgent housing needs and wider housing quality improvement and regeneration priorities. In 2020/2021, 53 homes were purchased through the scheme and a further 72 have been budgeted for acquisition during 2021/2022.
- 8.4 The OMPS has represented a cost effective and efficient method of delivering much needed additional homes in priority areas, particularly in cases where an urgent housing need can be met. While the new SHIP proposes to continue open market purchases at varied targets throughout the five year period, the actual outturn will be driven by the availability of investment grant and the supply and value of properties being brought to the market.
- 8.5 Work on procurement across other sites in the programme is well underway to ensure the target of 1,000 additional Council homes is achieved. A summary of the 949 additional homes either under construction or completed through the Council's Home+ Programme and those which have been acquired through the OMPS is contained in Appendix 2.
- 8.6 The updated SHIP tables include sites with an estimated capacity of up to 2,606 additional homes for potential inclusion in the Council and RSL housing programmes. Work continues to develop the detailed programme going forward and progress will be reported to Housing and Technical Resources Committee through the annual SHIP review.
- 8.7 The delivery of affordable housing continues to be both a national and local priority and as such opportunities to increase and enhance the range of housing options available beyond the current target will continue to be identified. Any future proposals to deliver beyond the existing target will be presented to the Housing and Technical Resources Committee for approval on an individual basis.
- 9. Resource Planning Assumptions (RPAs) 2022/23 to 2026/27**
- 9.1. The SHIP has been prepared taking account of the long term RPAs of £121.094 million made available to South Lanarkshire Council for planning purposes, for the future period from April 2022 to March 2026. In accordance with the guidance, for planning purposes, councils are asked to over-programme by a factor of 25% per year to allow for slippage in the programme. The RPA for 2026/2027 has been forecast using the confirmed RPA for 2025/2026.

**Table A: RPA Levels**

Financial Year	Scottish Government RPA (£0.0M)	SHIP Assumptions RPA + future year capacity* (£0.0M)
2022/2023	£30.160	£37.700
2023/2024	£30.074	£37.592
2024/2025	£30.180	£37.725
2025/2026	£30.680	£38.350
2026/2027	£30.680**	£38.350
<b>Total</b>	<b>£151.774</b>	<b>£189.717</b>

\* RPA + 25% slippage factor applied

\*\* Subject to future years funding commitment

- 9.2 The development priorities and potential grant funding requirements reflect the development capacity of potential sites that could be brought forward to increase the supply of affordable housing in South Lanarkshire.

## **10. South Lanarkshire SHIP 2022 to 2027**

- 10.1 A copy of the SHIP and associated table of priority sites is appended to this report (Appendix 3). The document has been updated in line with Scottish Government guidance for the preparation of SHIPs available at the time of preparation. It provides a detailed context and rationale for the priorities which could be delivered over the five year period to March 2027.
- 10.2 Table 1 annexed to the SHIP, sets out priorities for grant funding to be delivered over the rolling five year period of the SHIP (April 2022 to March 2027).
- 10.3 The SHIP 2022 to 2027, includes projects with a total potential capacity for delivering up to 2,606 affordable homes in South Lanarkshire over the five year period to March 2027, including 2,266 new build homes and 340 to be purchased through the OMPS. The actual new build output will be subject to a detailed development assessment of the viability of each site as well as the level of grant funding which will be available over the period to 2027.
- 10.4 Table B below shows the proposed distribution of anticipated new build completions across the four housing market areas in South Lanarkshire over the five year period and the 340 units to be purchased in priority areas across South Lanarkshire.

**Table B: SHIP Priorities by Housing Market Area**

Clydesdale	Hamilton	East Kilbride	Rutherglen/Cambuslang	OMP (various areas)	South Lanarkshire
241	861	728	436	340	2606
9%	33%	28%	17%	13%	100%

- 10.5 The SHIP tables reflect development progress and comprise a combination of projects rolled forward from the previous SHIP and new sites consistent with the LHS strategic outcomes. The information provided includes estimates of site capacity, the mix of general or special needs housing to be provided, indicative site start and completion dates, along with associated grant funding requirements, based on the current Housing Subsidy Target levels.

10.6 The assumptions and forecasts set out in the tables are based on the best information available at the time of preparation and will be subject to refinement as part of the annual review of the SHIP and preparation of SLPAs as individual projects are developed.

10.7 In accordance with the guidance, the SLPA will continue to be managed, reviewed and refreshed annually in consultation and agreement with the Scottish Government and RSL partners.

## **11 Next Steps**

11.1 To achieve specified timescales, the SHIP 2022 to 2027, as detailed in Appendix 3, will be submitted to the Scottish Government by 29 October 2021 subject to approval by Committee. The Scottish Government's Housing Supply Team (More Homes Division) will collate the South Lanarkshire SHIP into a national programme for Ministerial approval and thereafter, the SLPA will be prepared for sign off by each local authority.

11.2 Once the SLPA is finalised, the Scottish Government will issue individual programme agreements for RSL and council projects covering the units, tenure mix, grant levels, site start and completion dates, as these come forward. Monitoring and review of the delivery programme by the Council, its RSL partners and the Scottish Government will take place on an ongoing basis throughout the year.

11.3 The Council will continue to review its Affordable Housing Supply Programme, based on known demand for additional affordable housing and annual RPA adjustments determined via the SHIP development process, to consider, wherever possible, the opportunities to extend the current programme to meet identified local housing need and demand.

11.4 A report monitoring delivery of the Council programme will be presented to Housing and Technical Resources Committee as part of the annual SHIP report.

## **12. Employee Implications**

12.1 There are no employee implications arising from the information presented in this report.

## **13. Financial Implications**

13.1 The SHIP contains sites with sufficient capacity to ensure the Council's commitment to deliver 1,000 additional Council homes is achieved. The cost of delivering these new homes will be met through additional borrowing supplemented by Scottish Government investment grant funding over the development programme.

13.2 The impact of the additional borrowing and all additional costs have been reviewed in line with the long term business plan and will be submitted for approval as part of the annual Housing Revenue and Capital Account Budget.

## **14 Climate Change, Sustainability and Environmental Implications**

14.. The new build specification for future projects will achieve higher energy standards reflecting enhanced building regulations and will, therefore, make a positive contribution to both the Council's sustainability, climate change and fuel poverty reduction targets.

## **15 Other Implications**

- 15.1 Provision of new affordable housing is one of the Council's top risks and is included on the Resource Risk Register.
- 15.3 The content of this report will contribute to the evidence to support the requirements of the Annual Assurance Statement.

## **16 Equality Impact Assessment and Consultation Arrangements**

- 16.1 The SHIP is a delivery plan for the Council's LHS which has been subject to an equalities impact assessment.
- 16.2 Consultation on the preparation of the SHIP has taken place with RSL partners, other Council Resources and the Scottish Government.

**Daniel Lowe**

**Executive Director (Housing and Technical Resources)**

15 September 2021

### **Link(s) to Council Values/Objectives/Ambitions**

- ◆ Improve the availability, quality, and access of housing
- ◆ Improve later life
- ◆ Support our communities by tackling disadvantage and deprivation and supporting aspiration
- ◆ Support the local economy by providing the right conditions for inclusive growth,
- ◆ Work with communities and partners to promote high quality, thriving and sustainable communities.

### **Previous References**

- ◆ South Lanarkshire Local Housing Strategy 2017-2022
- ◆ South Lanarkshire Rapid Rehousing Transition Plan 2019-24
- ◆ Strategic Housing Investment Plan 2021-2026 Housing and Technical Resources Committee Report, November 2020

### **List of Background Papers**

- ◆ Scottish Government Guidance: Strategic Housing Investment Plan: Guidance Note MHDGN 2021/01
- ◆ Scottish Government Guidance Affordable Housing Supply Programme: Process and procedures MHDGN 2020/02
- ◆ Scottish Government Guidance - Preparation of Strategic Housing Investment Plans (MHDGN 2019/04) [www.gov.scot](http://www.gov.scot)
- ◆ Scottish Government – Affordable Housing Supply Programme (AHSP) Process and Procedures Guidance (MHDGN 2019/03) [www.gov.scot](http://www.gov.scot)
- ◆ Scottish Government SHIP Guidance Note (HSGN 2013/02) [www.gov.scot](http://www.gov.scot)
- ◆ Scottish Government SHIP Guidance Note (HSGN 2012/06) [www.gov.scot](http://www.gov.scot)

### **Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

Rosie Hart, Development and Private Sector Co-ordinator

Ext:4588 (Phone: 01698 454588)

E-mail: [rosie.hart@southlanarkshire.gov.uk](mailto:rosie.hart@southlanarkshire.gov.uk)

## Appendix 1: Summary of SLPA completions by SLC and RSLs within South Lanarkshire 2020/21

Site	Provider	General	Particular Needs/Amenity	Total
St Leonards, East Kilbride	SLC	36	24	60
East Whitlawburn Ph1	SLC	56	28	84
Open Market Purchase	SLC	53	0	53
<b>Council Programme Sub Total</b>		<b>145</b>	<b>52</b>	<b>197</b>
Percentage		74%	26%	100%
Dundas Place, East Kilbride	East Kilbride Housing Association	18	0	18
Law Place, East Kilbride	Link Housing Association	64	42	106
Hamilton Road, Cambuslang	Rutherglen & Cambuslang Housing Association	0	18	18
RSL Programme Sub Total		<b>82</b>	<b>60</b>	<b>142</b>
Percentage		58%	42%	100%
<b>Council and RSL Combined Total</b>		<b>227</b>	<b>112</b>	<b>339</b>
Percentage		67%	33%	100%



## Appendix 2: Council New Build and Acquisition Programme Summary

**Table 1: Council new build to March 2021**

Site	Area	General Needs	Particular Needs/ Amenity	Total Units	Year completion
Baird Hill	East Kilbride	14	14	28	2015/16
Belmont Drive	East Kilbride	6	14	20	2016/17
Fernhill Road	Rutherglen	36	34	70	2016/17
Old Mill Rd	Uddingston	0	12	12	2017/18
Maxwellton Avenue	East Kilbride	4	12	16	2017/18
Belstane Gate	Carluke	22	0	22	2017/18
Almada Street	Hamilton	10	0	10	2018/19
South Vennel	Lanark	0	18	18	2018/19
Morven Avenue	Blantyre	14	0	14	2018/19
Highstonehall Road	Hamilton	20	4	24	2018/19
Heathery Knowe	East Kilbride	4	12	16	2018/19
St Blanes PS	Blantyre	10	10	20	2018/19
East Milton	East Kilbride	0	30	30	2018/19
Kirkton Street	Carluke	0	18	18	2019/20
St Leonards	East Kilbride	36	24	60	2020/21
East Whitlawburn Ph1	Cambuslang	56	28	84	2020/21
<b>New build completions</b>	<b>Total</b>	<b>232</b>	<b>230</b>	<b>462</b>	
<b>%</b>		<b>51%</b>	<b>49%</b>	<b>100%</b>	

**Table 2: 2021/22 current sites under construction**

	Site	Area	General Needs	Particular Needs/ Amenity	Total Units	Est completion
1.	East Whitlawburn Ph2	Cambuslang	34	0	34	2021/22
2.	Auldkirk Road	Cambuslang	42	6	48	2021/22
3.	East Whitlawburn Ph3	Cambuslang	52	0	52	2022/23
4.	Gilbertfield Road	Cambuslang	45	12	57	2021/22
5.	Edinburgh Road, Biggar	Clydesdale	14	10	24	2021/22
6.	Law Primary School	Clydesdale	8	12	20	2021/22
7.	Highstonehall Road	Hamilton	36	12	48	2021/22
8.	Carlisle Road	Hamilton	12	0	12	2021/22
9.	St Joseph's PS	Blantyre	19	26	45	2021/22
10.	Glengonnar PS, Larkhall	Hamilton	16	4	20	2021/22
11.	Benthall Farm, Shields Road	East Kilbride	51	16	67	2022/23
12.	EK, CGA	East Kilbride	0	24	24	2021/22
13.	Former Roadmeetings Hospital	Clydesdale	10	4	14	
14.	Gas Works, Uddingston	Hamilton	10	10	20	2021/22
15.	Carstairs Junction	Clydesdale	1	1	2	2021/22
	<b>Total on site</b>		<b>349</b>	<b>138</b>	<b>487</b>	
	<b>%</b>		<b>72%</b>	<b>28%</b>	<b>100%</b>	

**Table 3: Overall New Build Supply**

	<b>General Needs</b>	<b>Particular Needs/Amenity</b>	<b>Total</b>
<b>Overall New Build Supply</b>	581	368	949
<b>%</b>	61%	39%	100%

**Table 4: Open Market Purchase to March 2021**

<b>Site</b>	<b>Area</b>	<b>General Needs</b>	<b>Particular Needs/Amenity</b>	<b>Total Units</b>	<b>Year completion</b>
Open Market Purchase	All areas	12	1	13	2015/16
		19	0	19	2016/17
		31	1	32	2017/18
		59	2	61	2018/19
		60	0	60	2019/20
		53	0	53	2020/21
<b>Open market Purchase</b>	<b>Total</b>	<b>234</b>	<b>4</b>	<b>238</b>	
<b>%</b>		<b>98%</b>	<b>2%</b>	<b>100%</b>	