

# Report

Report to:	<b>Housing and Technical Resources Committee</b>
Date of Meeting:	<b>8 November 2023</b>
Report by:	<b>Executive Director (Housing and Technical Resources)</b>

Subject:	<b>South Lanarkshire Council's Strategic Housing Investment Plan 2024 to 2029</b>
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## **1. Purpose of Report**

1.1. The purpose of the report is to:-

- ◆ seek approval for South Lanarkshire Council's Strategic Housing Investment Plan 2024 to 2029; and
- ◆ provide an update on additional considerations given as part of the development of South Lanarkshire Council's Strategic Housing Investment Plan 2024 to 2029

## **2. Recommendation(s)**

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

- (1) that South Lanarkshire Council's Strategic Housing Investment Plan 2024 to 2029, as detailed in Appendix 1, be approved for publication and submission to the Scottish Government; and
- (2) that the key considerations made as part of the development of South Lanarkshire Council's Strategic Housing Investment Plan 2024 to 2029, be noted

## **3. Background**

- 3.1. The Strategic Housing Investment Plan (SHIP) is a rolling 5-year plan. Its purpose is to set out affordable housing development priorities within a local authority area, to guide the way in which Scottish Government funding and other resources are allocated to achieve current South Lanarkshire Local Housing Strategy 2022 to 2027 (LHS) outcomes.
- 3.2. Local authorities are required to update the SHIP on an annual basis with sites added, removed or revised as appropriate. The most recent SHIP, which covers the period from 2023 to 2028, was approved by the Housing and Technical Resources Committee on 5 October 2022.
- 3.3. The LHS 2022 to 2027 was approved at Executive Committee on 30 November 2022 and highlights a commitment by the Council and its partners to actively seek opportunities to develop housing across South Lanarkshire to both meet housing need and support their social and economic regeneration.
- 3.4. On 30 November 2022, Executive Committee also approved a new affordable housing supply target for the Council, aiming to deliver an additional 1,300 additional homes by 31 March 2027. This will be delivered through a combination of new council homes and the acquisition of existing homes from the market, with the new sites set out within the SHIP.

#### **4. Development of the SHIP 2024 to 2029**

4.1. The SHIP 2024 to 2029, has been developed in the context of:-

- ◆ maximising opportunities to bring forward town centre and existing Council or community planning partner owned sites to assist in achieving the Council's new 1,300 additional home target
- ◆ maximising opportunities to bring forward private sites through utilising new procurement routes for developers to build relationships with the Council to assist with longer term development planning
- ◆ continued alignment with the South Lanarkshire Health and Social Care Partnership to ensure appropriate current and future housing provision for those with particular needs
- ◆ alignment with relevant aspects of the new National Planning Framework 4 (NPF4) to ensure new housing developments contribute to and enhance existing neighbourhoods

4.2. Continuing engagement has also taken place with developing Registered Social Landlord (RSL) partners to reflect their intentions to progress with the development of new affordable housing over the period of the plan.

4.3. Along with consultation with internal partners including Planning and Regulatory Resources, Finance Services and Property Services, consultation this year was extended to elected members with a special session held on 31 August 2023 at which the draft SHIP was presented allowing discussion to take place. Positive feedback was received on the proposed plan and discussions took place to inform elected members of the processes behind development of sites and their alignment with other Council priorities such as sustainable public transport services, effective asset management and Community Wealth Building.

4.4. Engagement has also taken place with the Tenant Participation Co-ordination Group (TPCG), with a presentation delivered on 28 September 2023 to provide the Group with an overview of the SHIP and distribution of sites across the housing divisions, ensuring tenant priorities continue to be considered in the delivery of new homes.

4.5. The Council submitted the draft version of the SHIP to the Scottish Government on 28 October 2023. The submission highlighted that the document was in draft form and subject to Housing and Technical Resources Committee approval. Also, subject to approval by Committee, the document will be published on the Council's website.

#### **5. Draft SHIP 2024 to 2029**

5.1. The draft SHIP and associated table of priority sites is provided in Appendix 1. The document has been updated in line with national guidance and provides a detailed context and rationale for the priorities which could be delivered over the 5-year period to March 2029.

5.2. Table 1, annexed to the SHIP, sets out priorities for grant funding to be delivered over the rolling 5-year period and includes projects with a total potential capacity for delivering up to 2,442 affordable homes in South Lanarkshire over the 5-year period to March 2029. This includes 1,842 new build homes to be delivered by the Council and RSLs, alongside 600 existing homes to be purchased by the Council through its Market Purchase Scheme.

- 5.3. 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 for each project over the period to March 2029.
- 5.4. Table A below illustrates the anticipated distribution of new build completions across the 4 housing market areas in South Lanarkshire over the 5-year period, alongside the percentage increase of each compared within existing housing for social rent in that area.

	Clydesdale	East Kilbride	Hamilton	Rutherglen/ Cambuslang	Market Purchases	South Lanarkshire
<b>Proposed new build units within SHIP</b>	276	568	696	284	600	2,442
<b>% of total SHIP</b>	11%	24%	28%	12%	25%	100%
<b>Total units of existing social housing in HMA</b>	6,184	6,778	11,329	7,204	-	31,495
<b>% increase against existing social housing stock in HMA (March 2023)</b>	4.4%	8.4%	6.2%	3.9%	-	7.7%

- 5.5. The SHIP tables reflect development progress and comprise a combination of projects rolled forward from the previous SHIP and new sites consistent with LHS strategic priorities. For those sites carried forward, each have been re-evaluated against these priorities and to ensure that development remains viable. This process has resulted in some long standing sites being temporarily removed to enable the SHIP to align closer with actual delivery.

## **6. Key Considerations within the SHIP 2024 to 2029**

- 6.1. As detailed at 4.1, a range of other considerations were made as part of the development of this year's SHIP to ensure alignment with a range of Council priorities including town centre regeneration and appropriate provision of housing for those with particular needs.
- 6.2. Through discussions with Community and Enterprise Resources, the capacity of potential affordable housing provision across South Lanarkshire's town centres has been significantly increased from the previous SHIP, with new sites identified across East Kilbride, Hamilton and Rutherglen. These aim to contribute to wider town centre regeneration proposals and align with the policy direction on town centre living in NPF4. Review of smaller scale town centre development will be considered for other areas such as Strathaven, Larkhall and Lanark as development progresses.
- 6.3. In recognition of the changing needs of tenants and other customers, alongside the transition of existing care and support models, South Lanarkshire Council has established a new South Lanarkshire Progressive Housing approach. The objective is to maximise the opportunities available to meet particular needs through the Affordable Housing Supply Programme on a site-by-site basis. Introducing a fresh approach to commissioning, with renewed emphasis on contributing to both the wider strategic ambitions of the Health and Social Care Partnership and continuing to increase levels of affordable housing, the aim is to provide the appropriate services and house types in the right areas that focus on independence.

In addition, in alignment with the LHS and Strategic Commissioning Plan, appropriate opportunities in increase settled accommodation for care experienced young people will be explored.

- 6.4. Careful consideration will be given to the layout and design of new sites, aligning with key principles of NPF4 and ensuring new homes complement existing neighbourhoods, with local services from across each of South Lanarkshire's 4 localities involved in key decisions surrounding the sites being developed. This approach is consistent with feedback from the consultation process in developing the Strategic Commissioning Plan, whereby respondents expressed a preference to be supported to remain in their own home and community.
- 6.5. Following feedback from elected members, a new section on considerations for veterans and the armed forces community has been included within the SHIP, giving a commitment to progressing discussions with specialist veteran organisations to understand the needs of the community and how new council or RSL homes can be utilised to address these. This aligns with commitments already made within the LHS.
- 6.6. Elected members and the TPCG were also keen to understand how rural communities will be supported through new housing provision as well as seeking to ensure that all new developments are supported by appropriate transport links and amenities. Work will continue with colleagues in Planning and Regulatory Services to ensure development sites are identified in the correct areas and are being developed in the context of the NPF4 and other appropriate strategies to ensure sustainable communities are being created.
- 6.7. The sites identified in the SHIP 2024 to 2029 have been through a thorough assessment process to ensure that delivery is achievable. Discussions are ongoing with services from across the Council to develop a strategic framework of alternative development models including working with external partners and options for acquiring land, all of which will assist the Council to achieve the 1,300 additional homes target. It is anticipated that the framework may also lead to further opportunities which allow the Council to step in and deliver sites of strategic and operational importance if developing RSL partners are no longer able to take sites forward.
- 6.8. This approach is being developed to support a 10-year programme of development to ensure that a continuing pipeline of sites are available to deliver affordable housing across South Lanarkshire in the longer term.

## **7. Resource Planning Assumptions**

- 7.1. The assumptions and forecasts set out in the SHIP 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 the Strategic Local Programme Agreement as individual projects are developed. In accordance with the guidance, this annual agreement will continue to be reviewed and refreshed annually in consultation with the Scottish Government and RSL partners.
- 7.2. The SHIP is used by the Scottish Government to direct the allocation of resources from a national to a local level through 'local programme agreements' which detail the sites to be progressed and the indicative funding required. To support delivery of the affordable housing supply programme, the Scottish Government identifies the total annual funding (the Resource Planning Assumptions) that will be available to councils and RSLs within each local authority area.

- 7.3. In 2021, the Scottish Government provided a 5-year Resource Planning Assumption to assist local authorities and developing RSLs in longer term planning for additional housing. The final 2 years of this for the South Lanarkshire area are detailed in the table below:-

Financial Year	Scottish Government RPA (£0.0m)
2024/2025	£30.180
2025/2026	£30.680

- 7.4. Although the Council awaits confirmation from the Scottish Government of the Resource Planning Assumption for 2026/2027, 2027/2028 and 2028/2029, as per Scottish Government guidance, the SHIP, as set out in Appendix 1, has provided an estimate of these based on the funding available in previous years.

## **8. Next Steps**

- 8.1. To ensure compliance with specified timescales, a draft copy of the SHIP 2024 to 2029 was submitted to the Scottish Government on 28 October 2023. Subject to approval from Housing and Technical Resources Committee, a final approved version will be submitted.
- 8.2. The Scottish Government's More Homes Division will collate the South Lanarkshire SHIP into a national programme for ministerial approval and thereafter, the Strategic Local Programme Agreement (SLPA) will be prepared for sign off by each local authority.
- 8.3. Once the SLPA is finalised, the Scottish Government will issue individual programme agreements for RSL and council projects covering the units, tenure mix, subsidy 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.

## **9. Employee Implications**

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

## **10. Financial Implications**

- 10.1. Financial impact relating to the costs of delivering additional council housing sites will be detailed in reports presented to Housing and Technical Resources Committee or Executive Committee for consideration and approval.
- 10.2. Financial implications relating to the delivery of additional affordable housing supply will also be detailed within the annual Housing Revenue and Capital Account Budget update reported to Housing and Technical Resources Committee.

## **11. Climate Change, Sustainability and Environmental Implications**

- 11.1. This report does not introduce a new policy, function or strategy which impacts on the natural environment, climate change or sustainability.

## **12. Other Implications**

- 12.1. Provision of new affordable housing is one of the Council's top risks and is included on the Resource Risk Register.

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

12.3. The content of this report will contribute to the evidence to support the requirements of the Annual Assurance Statement.

### **13. Equality Impact Assessment and Consultation Arrangements**

13.1. The SHIP is a delivery plan for the Council's LHS which has been subject to an equalities impact assessment.

13.2. Consultation on the preparation of the SHIP has taken place with RSL partners, other Council Resources and the Scottish Government.

**Stephen Gibson**

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

23 October 2023

### **Link(s) to Council Values/Priorities/Outcomes**

- ◆ Focused on people and their needs
- ◆ Accountable, effective, efficient and transparent
- ◆ Ambitious, self-aware and improving
- ◆ Fair, open and sustainable
- ◆ We will work to put people first and reduce inequality
- ◆ We will work towards a sustainable future in sustainable places
- ◆ We will work to recover, progress and improve
- ◆ Good quality, suitable and sustainable places to live
- ◆ Thriving business, fair jobs and vibrant town centres
- ◆ Caring, connected, sustainable communities

### **Previous References**

- ◆ South Lanarkshire Local Housing Strategy 2022 to 2027
- ◆ South Lanarkshire Rapid Rehousing Transition Plan 2019 to 2024
- ◆ Strategic Housing Investment Plan 2023 to 2028
- ◆ Housing and Technical Resources Committee, 5 October 2022
- ◆ Executive Committee, 30 November 2022

### **List of Background Papers**

- ◆ Scottish Government Guidance: Strategic Housing Investment Plan: Guidance Note MHDGN 2023/02

### **Contact for Further Information**

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

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