

## **EAST AYRSHIRE COUNCIL**

### **CABINET – 29 NOVEMBER 2017**

#### **EAST AYRSHIRE STRATEGIC HOUSING INVESTMENT PLAN 2018-2023**

##### **Report by the Depute Chief Executive (Safer Communities)**

#### **PURPOSE OF REPORT**

1. To update Cabinet on the progress of the sites contained in the East Ayrshire Affordable Housing Supply Programmes to cover the period (AHSP) 2015-2017 and 2017-18, to approve the content of the draft Strategic Housing Investment Plan (SHIP) 2018-2023 that was submitted to the Scottish Government by the due deadline of 27 October 2017 subject to Cabinet approval, and to seek approval to submit the approved Plan to the Scottish Government.

#### **BACKGROUND**

2. Since 2007, Local Authorities have been invited to prepare an annual Strategic Housing Investment Plan (SHIP) detailing key housing development priorities in their area.
3. In July 2014, the Affordable Housing Supply Programme - Process and Procedures guidance was issued by the Scottish Government. Based on local Resource Planning Assumptions (RPAs) for their area, each Local Authority is to prepare, and submit, a Strategic Housing Investment Plan (SHIP) to the Scottish Government, setting out its five-year local priorities. In September 2017, the Affordable Housing Supply programme – Process and Procedures guidance was issued by the Scottish Government to update on the July 2014 guidance, and other areas of previously issued guidance.

#### **HOUSING ASSET MANAGEMENT FRAMEWORK**

4. The purpose of the Housing Asset Management Framework (HAMF), approved by Cabinet on 24 February 2016, is to provide a framework for managing the Council's property assets to ensure they contribute efficiently and effectively to the achievement of the Council's aims and objectives, both now and in the future, while ensuring that we retain vibrant communities with good quality homes.
5. A number of priority areas were initially identified and set out in the report to Cabinet dated 30 November 2016 for site clearance and proposed new build work, to be facilitated via the SHIP process. An annual update of the HAMF was undertaken in June 2017 to inform the proposals as set out in the SHIP 2018-2023.
6. The development of the Housing Asset Management Framework will contribute to achieving the vision of East Ayrshire's Local Housing Strategy:

*“Everyone in East Ayrshire can afford to access a quality home that meets their needs and aspirations, and is located within a safe and attractive neighbourhood in which they are proud to live.”*

## **EAST AYRSHIRE LOCAL HOUSING STRATEGY 2013-2018**

7. The East Ayrshire Local Housing Strategy (LHS) 2013-2018 was approved for submission to the Scottish Government by Cabinet on 19 December 2012. The SHIP forms part of the LHS process, and sets out how resources will be used to deliver the Council's affordable housing supply priorities.
8. Work has commenced on a new LHS that will cover the period 2019-2023. An updated Housing Need and Demand Assessment (HNDA) is nearing completion, and will inform the new LHS. The HNDA is due to be presented to the Scottish Government's Centre for Housing Market Analysis (CHMA) in the first instance so as to secure a 'robust and credible' accreditation of the assessment, and thereafter to Cabinet.

## **AFFORDABLE HOUSING INVESTMENT PRIORITIES**

9. Based on the current LHS outcomes, a number of areas have been identified as a priority for investment. The projects included in the SHIP programme make a clear contribution to delivering these priorities, as follows:
  - Delivering more new-build affordable homes;
  - Targeting investment in social housing to support regeneration of local neighbourhoods and to increase the number of people living in our town centres;
  - Returning empty homes to the pool of effective housing stock;
  - Increasing the supply of suitably designed properties to meet the needs of older people and those with a physical disability;
  - Delivering appropriate accommodation solutions for young people with support needs and care experienced young people;
  - Delivering appropriate accommodation solutions for people with learning disabilities.

## **AFFORDABLE HOUSING SUPPLY PROGRAMME UPDATE 2015-18**

10. The Affordable Housing Supply Programme (AHSP) for the period 2015-17, and 2017-18, was approved by Cabinet on 26 November 2014. An update was provided to Cabinet on 24 February 2016 and 30 November 2016. The 2017-18 programme has been extended to include Buy-backs. The programme has been developed to deliver a programme of affordable housing as detailed below. Unit numbers are indicative until all approvals are received:

11. **Table 1: AHSP 2015-2018**

<b>Site Address</b>	<b>No. Units</b>	<b>Developer</b>	<b>Status</b>
Ayr Road, Cumnock	2	Council	Completed June 2016.
Montgomery Street/ Hill Street, Kilmarnock	45	Cunninghame HA	Due to complete December 2017 and January 2018.
Old Irvine Road, Kilmarnock	7	Council	Completed December 2016.
Dalsalloch, Auchinleck	23	Cunninghame HA	On site October 2017. Due to complete October 2018.
Barbieston Road, Dalrymple	11	Council	Increase from 8 units indicated last year. Due on site November 2017.
Brown Street/ Nelson Street, Newmilns	16	Council	Decrease from 23 units indicated last year to 16 in response to SEPA requirements. Due on site May 2018.
Blacksyke Avenue, Shortlees	43	Atrium Homes	Due to complete March 2018.
Wellington Street, Kilmarnock - <b>delete</b>	-13	Council	Delete from SHIP as approved by Cabinet 25/10/17
Mason Avenue, New Cumnock - <b>delete</b>	-7	Council	Due to ongoing flood prevention works, site moved to 2018/19. Site to be deleted. See table 4.
Atrium Homes' site, Crosshouse	1	Atrium Homes	RSL exploring opportunity to reconfigure common room into wheelchair accessible bungalow. Proposals moved to Year One, 2018/19, of SHIP 2018-23.
Hearth Place, Cumnock	7	Council	Completed August 2017.
Russell Court, New Farm Loch	6	Atrium Homes	RSL reconfiguring 3x3 bed maisonettes above shops into 6x1 bed flats. Completed July 2017.
Girvan Crescent, Newmilns	3	Council	Reconfiguration of 6x1 bed flats into 3x3 bed homes. Site start due end 2017.
Cessnock Road, Hurlford	14	Council	To be developed for assisted living model in conjunction with Health and Social Care Partnership (HSCP). Site start due Feb. 2018.

<b>Site Address</b>	<b>No. Units</b>	<b>Developer</b>	<b>Status</b>
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Longpark Phase 7, Kilmarnock	48	Cunninghame HA	To be developed across general and community care needs in Quarter 4 2017/18.
Coal Road, Auchinleck	50	Cunninghame HA	To be developed across general and community care needs in Quarter 4 2017/18.
Buy-backs	10	Council	Buy-backs are proposed to augment the supply of affordable housing in high demand areas and to consolidate the Council's stock.
Buy-backs	5	Atrium Homes	Buy-backs are proposed to augment the supply of affordable housing in high demand areas and to consolidate the Association's stock.
Buy-backs	2	Ayrshire Housing	Buy-backs are proposed as part of a portfolio of disposals by Hansell.
<b>TOTAL</b>	<b>293</b>		

### SCOTTISH PROCUREMENT ALLIANCE

12. As a member of the Scottish Procurement Alliance (SPA), the Council is procuring the Council's SHIP programme with a partner Developer; CCG. CCG utilises an off-site manufacturing approach to construction which is cost effective, as well as being energy and resource efficient.
13. CCG has been invited to join the Future Homes Board as Developer to deliver the SHIP sites as set out in the programme, and has informed the updated SHIP programme.
14. The Council is an associate member of the Scottish Procurement Alliance (SPA); an organisation that implements frameworks for all public bodies throughout Scotland for the construction, refurbishment and maintenance of social housing and public buildings. These frameworks are fully compliant with all procurement legislation and are priced in competition in order to derive best value. Under the terms of the SPA 'Off-Site Construction of New Homes Framework (NH1)', the Council is engaging directly with CCG (Scotland) Ltd, the only appointed contractor to manufacture in Scotland, to deliver its affordable housing programme.

15. The SPA is a not-for-profit body that is funded via a levy that is paid by its contractors relating to contracts delivered under the Framework. The Council will utilise any rebate to identify and support a range of community projects in conjunction with the Community Benefits that will be realised throughout the term of the contracts.
16. This approach will enable the Council to utilise the house building programme to benefit the wider regeneration of our communities. This will truly put people at the heart of what we do and provides an opportunity for community led placemaking working with Council services to develop further the Clean Green and Vibrant approach to develop further the ongoing delivery of the community led action plans. Links will also be made with Housing Asset Services. Outdoor Amenities, Economic Development and Ayrshire College to facilitate their Apprenticeships Programmes.

## RESOURCE PLANNING ASSUMPTIONS

17. The Scottish Government subsidy benchmarks applicable for housing grant to Councils and RSLs is as follows:
18. **Table 2**

Type	Developer	Subsidy (£)
Social rent -greener	RSL	72,000
Social rent	RSL	70,000
Social rent - greener	Council	59,000
Social rent	Council	57,000

19. The Scottish Government's letters of 13 March and 13 June 2017 set out the Resource Planning Assumptions (RPAs) for 2017/2018 and for the period 2018/19-2020/2021 respectively. The Scottish Government has separately noted in an e-mail dated 29 August 2017 that there are no RPAs confirmed for the period 2021/2022 and 2022/23, as they are unable to provide any funding commitment for this timeframe. Instead, funding information is to be completed on the basis of the Council's best knowledge. Scottish Government Guidance Note MHD2017/03, dated July 2017, advises that a minimum slippage factor of 25% should be applied on an annual basis to the AHSP element of the SHIP, as follows:
20. **Table 3: Resource Planning Assumptions (RPAs) 2018-2023**

Year	RPA (£M)	AHSP plus 25% slippage
2018/19	10.446	13.058
2019/20	11.818	14.773
2020/21	12.609	15.761
2021/22	No RPA confirmed	No RPA confirmed
2022/23	No RPA confirmed	No RPA confirmed

## STRATEGIC HOUSING INVESTMENT PLAN 2018-2023 PROPOSALS

21. Scottish Government Guidance Note MHD2017/03 Guidance on the Preparation of Strategic Housing Investment Plans requests that delegated authority is sought by Local Authorities to ensure that, where projects fall out of the Strategic Local Programme Agreement, they can assign other agreed SHIP projects in their place. In this way, the Council may align the new build affordable housing programme with the requirements identified by the Health and Social Care Partnership (HSCP). Is it therefore proposed that Cabinet authorises the Head of Housing and Communities to assign other agreed SHIP projects as required.
22. The SHIP 2018-23 is as detailed below. Unit numbers are indicative until all approvals are received:
23. **Table 4: Year One: 2018-2019**

Site Address	No. Units	Developer	Status
Mason Avenue, New Cumnock <b>delete</b>	-7	Council	Site was to be developed for older and ambulant disabled residents and to provide a wheelchair accessible bungalow. Now proposed to be deleted following consideration of HAMF due to low levels of demand.
Bellfield Primary School, Tinto Avenue, Kilmarnock	67	Council	To be developed for general and community care needs housing to build 2, 3 and 4 bed-sized homes in response to need in very high demand area. Unit numbers proposed increased by CCG's Architect from 52 to 67.
David Dale Avenue, Stewarton	34	Council	Phases One and Two: Existing flats to be demolished to build 2, 3 and 4 bed-sized homes in response to need in very high demand area. Works originally programmed across two phases. Unit numbers increased by CCG's Architect from 32 to 34.
Former Day Centre, Carnshalloch Avenue, Patna	19	Council	A mix of 1, 2 and 3 bed-sized homes to be built for general needs, older and ambulant disabled residents and wheelchair accessible bungalows in response to identified need. Unit numbers

			increased by CCG's Architect from 16 to 19.
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Site Address	No. Units	Developer	Status
Fraser Walk, Kilmarnock	54	Council	Existing flats to be demolished to build new 2, 3 and 4 bed-sized homes in response to need in high demand area. Unit numbers proposed increased by CCG's Architect from 42 to 54. Site brought forward into Year One following accelerated clearance of blocks.
Witch Road, Witchill Road, Hill Street, Kilmarnock-Phase 1	23	Council	Existing blocks to be demolished. New homes for older and ambulant disabled residents to be built across one and two bed-sized houses with private and community garden areas. Works programmed across two phases. Unit numbers proposed increased by CCG's Architect from 19 to 23. Site proposed to be into Year One following accelerated clearance of blocks.
Buy-backs	10	Council	Buy-backs are proposed to augment the supply of affordable housing in high demand areas and to consolidate the Council's stock.
Off-the-Shelf Acquisitions	10	Council	Council to acquire 10 completed homes in Stewarton in response to high levels of housing need.
Sunnyside Square, Shortlees, Kilmarnock	29	RSL	Atrium Homes'-owned site. Development to include homes for older and ambulant disabled residents to address over-supply of 3 bed-sized homes and in support of Shortlees Community led Action Plan.
Site in Crosshouse	1	RSL	RSL exploring opportunity to reconfigure common room into wheelchair accessible bungalow moved into Year One.
Barskimming Road, Mauchline	72	RSL	RSL to acquire site to build general and community care

			needs housing in response to demand. CCG to develop additional 20 houses for sale on adjacent site.
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Site Address	No. Units	Developer	Status
Buy-backs	5	RSL	Buy-backs are proposed to augment the supply of affordable housing in high demand areas and to consolidate Atrium Homes' stock.
Grange Street, Kilmarnock	12	RSL	RSL to acquire site and consolidate with Council site to develop 12 flats.
Treeswoodhead Road, Kilmarnock	22	RSL	RSL to acquire site to build general and community care needs housing in response to demand.
Glasgow Road, Kilmarnock	50	RSL	RSL to acquire site to build general and community care needs housing in response to demand.
<b>TOTAL</b>	<b>408</b>		

24. **Table 5: Year Two: 2019-2020**

Site Address	No. Units	Developer	Status
Former Crown Hotel, New Cumnock	14	Council	Site to be developed for assisted living model working in conjunction with HSCP. Site moved into Year Two to accommodate anticipated completion of flood prevention works.
Witch Road, Witchhill Road, Hill Street, Kilmarnock-Phase 2	20	Council	Existing blocks to be demolished. New homes for older and ambulant disabled residents to be built across one and two bed-sized homes with private and community garden areas. Works programmed across two phases. Unit numbers proposed increased by CCG's Architect from 15 to 20. Site brought forward into Year Two, following accelerated clearance of blocks.
Buy-backs	10	Council	Buy-backs are proposed to augment the supply of affordable housing in high demand areas and to consolidate the Council's stock.

Site Address	No. Units	Developer	Status
George McTurk Court, Cumnock	50	RSL	Majority of existing blocks to be demolished. One block to remain with higher levels of owners. Approval given Nov. 16 to dispose site to RSL to build housing across a range of sizes and need. Costs associated with buy-backs, home-loss etc will be covered through HAMF costs.
Balmoral Road, Kilmarnock	50	RSL	RSL to develop site adjacent to Ayrshire College to provide a mix of house sizes across general and community care needs.
Irvine Road, Kilmarnock	50	RSL	RSL to acquire site to build general and community care needs housing in response to demand.
Riccarton West, Kilmarnock	30	RSL	Planning consent granted for 224 affordable houses to Springfield. Cabinet approval SHIP Report 2017-22 dated 30 November 2016 to delete site from SHIP. Site proposed to be disposed to, and developed by, specialist RSL to provide assisted living model for older people in conjunction with HSCP. Springfield to develop houses on own site for sale.
Affordable Housing Policy Site: Holehouse Road, Kilmarnock	20	Council	Two and three bed-sized houses to be built by Developer for general needs.
Buy-backs	5	RSL	Buy-backs are proposed to augment the supply of affordable housing in high demand areas and to consolidate Atrium Homes' stock.
<b>TOTAL</b>	<b>249</b>		

25. **Table 6: Year Three: 2020-2021**

Site Address	No. Units	Developer	Status
Games Hall and Community Centre, Kilmarnock Road, Mauchline	14	Council	To be developed for assisted living model in conjunction with HSCP.
Barshare and Hillside Primary Schools site, Cumnock	30	Council	Decrease from 69 units to to 30 to allow protected open space to be retained on site and to provide site for Early Years facility.
Former Games Hall and Car Park, Mill O' Shield Road, Drongan	12	Council	Site to be developed to provide a mix of general and community care needs housing in response to need.
Former Silverwood Primary School, Kennedy Drive, Kilmarnock	41	Council	Part of site to be developed to build general and community care needs housing in response to demand. Balance of site to be developed for Early Years provision.
Buy-backs	10	Council	Buy-backs are proposed to augment the supply of affordable housing in high demand areas and to consolidate the Council's stock.
Westgate House, Newmilns	19	RSL	Existing building owned by Shire HA. Low demand for 1 bed-sized flatted properties. Water ingress due to bell tower condition. Options to be developed for building in consultation with Listed Building consultant and Newmilns regeneration group to reconfigure the building internally.
Buy-backs	5	RSL	Buy-backs are proposed to augment the supply of affordable housing in high demand areas and to consolidate Atrium Homes' stock.
<b>TOTAL</b>	<b>131</b>		

26. **Table 7: Year Four: 2021-2022**

Site Address	No. Units	Developer	Status
Site in Stewarton	14	Council	Site to be developed to provide a mix of general and community

			care needs housing in response to very high demand.
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Site Address	No. Units	Developer	Status
Site in Kilmaurs	10	Council	Site to be developed to provide a mix of general and community care needs housing in response to need.
Bellevue Gardens, Kilmarnock	10	Council	Existing housing to be demolished and tenants to be rehoused. Site to be developed to provide a mix of general and community care needs housing in response to need.
Buy-backs	10	Council	Buy-backs are proposed to augment the supply of affordable housing in high demand areas and to consolidate the Council's stock.
Buy-backs	5	RSL	Buy-backs are proposed to augment the supply of affordable housing in high demand areas and to consolidate Atrium Homes' stock.
<b>TOTAL</b>	<b>49</b>		

27. **Table 8: Year Five: 2022-2023**

Site Address	No. Units	Developer	Status
Buy-backs	10	Council	Buy-backs are proposed to augment the supply of affordable housing in high demand areas and to consolidate the Council's stock.
Site in Stewarton	16	RSL	RSL exploring opportunities to develop in very high demand area across identified housing needs.
Site in Dunlop	20	RSL	RSL exploring opportunities to develop in very high demand area across identified housing needs.
Site in Darvel <b>delete</b>	-20	Council	Site proposed to be deleted from SHIP 2018-2023 following consideration of the updated HAMF.
Buy-backs	5	RSL	Buy-backs are proposed to augment the supply of affordable housing in high demand areas and to consolidate Atrium Homes' stock.
<b>TOTAL</b>	<b>51</b>		



## LOCAL DEVELOPMENT PLAN AFFORDABLE HOUSING POLICY

28. The adopted East Ayrshire Local Development Plan (LDP) dated February 2017 introduces an Affordable Housing Policy, Policy RES 3: Affordable Housing which requires the provision of affordable housing on those sites specifically identified and reserved for such purposes on the LDP maps on all sites of 30 or more houses proposed in the Kilmarnock and Loudoun sub housing market area. Within such developments, 25% of houses will require to be affordable in nature. In addition, on all sites of 30 or more houses proposed in the Doon Valley sub housing market area, within such developments, 15% of houses will require to be affordable in nature.
29. The Housing Service will liaise with the Planning Service to determine the number and type of homes to be delivered, where applicable, and the anticipated timescales for development on all applicable affordable housing sites. Decisions around on-site, off-site contributions and the provision of commuted sums is determined by the Future Homes Board, relative to the ongoing HAMF and the outcomes of the Housing Need and Demand Assessment, in the Kilmarnock and Loudoun and Doon Valley Housing Market Areas (HMAs) where the Affordable Housing Policy is applicable.
30. Whilst a number of developments are anticipated to be submitted for planning consent during the lifetime of the SHIP 2018-2023, development proposals confirmed are as follows, and those sites that will feature in the SHIP 2018-23 will attract grant funding:
31. **Table 9: Affordable Housing Policy Sites**

Site Address	No. Units	Sub housing market area	Landlord	Status
Former Kilmarnock College, Holehouse Road, Kilmarnock	20	Kilmarnock and Loudoun	Council	Completion anticipated: Year Two: 2019/20. Two and three bed-sized houses to be built by Developer for general needs.
Treesbank, Kilmarnock	-	Kilmarnock and Loudoun	-	Committed sum to be paid to Council in lieu of on-site provision.
Grougar Road, Crookedholm	-	Kilmarnock and Loudoun	-	Committed sum to be paid to Council in lieu of on-site provision.
Northcraig Farm, Glasgow Road, Kilmarnock,	-	Kilmarnock and Loudoun	-	Committed sum to be paid to Council in lieu of on-site provision.
	<b>20</b>			

32. Unit numbers and site completion timescales are indicative as they are subject to approval by Planning and the Developers' preferred site phasing respectively. Commuted sums are subject to valuation by the District Valuer.

### **LETTING PLAN**

33. On 8 October 2014 Members agreed a Letting Plan for the Council's new build properties for those included within the East Ayrshire Strategic Local Programme (SLP) 2012-2015 and the approved East Ayrshire Strategic Housing Investment Plan (SHIP) 2013/2014-2017/2018. In order to continue to make best use of our housing stock we propose to continue with the previously agreed Letting Plan for the duration of the approved SHIP 2018-23. This is in line with the Allocation Policy approved at Cabinet on 25 October 2017.

### **ENERGY EFFICIENCY MEASURES IN NEW AFFORDABLE HOUSING**

34. With the exception of proposed reconfiguration works and off-plan acquisitions, each of the new build development proposals contained in the SHIP 2018-23 is proposed to meet Section 7, Silver Standard of the Building Regulations 2011.

### **COMMUNITY PLANNING/ POLICY IMPLICATIONS**

35. The proposed SHIP 2018-23 continues to contribute to, and reinforce, the Council's strategic priorities of promoting town centre living and supporting older people to live in the community.
36. The proposed SHIP 2018-23 reflects the outcome of the ongoing Housing Asset Management Framework assessment to determine suitable sites for the development of new affordable homes across East Ayrshire.
37. The adopted East Ayrshire Local Development Plan (LDP) February 2017 introduces an Affordable Housing Policy, Policy RES 3: Affordable Housing which requires the provision of affordable housing on those sites specifically identified and reserved for such purposes on the LDP maps on all sites of 30 or more houses proposed in the Kilmarnock and Loudoun sub housing market area. Within such developments, 25% of houses will require to be affordable in nature. In addition, on all sites of 30 or more houses proposed in the Doon Valley sub-housing market area, within such developments, 15% of houses will require to be affordable in nature.
38. It is normal Council policy to advertise property for sale on the open market unless there are special reasons to do otherwise. It is considered that this Policy does not apply in the instance of the proposed disposal of the sites at Riccarton West, Kilmarnock, and Grange Street, Kilmarnock as they will promote and sustain regeneration of the area, whilst working with the HSCP at Riccarton West, partner Registered Social Landlords and the Scottish Government.
39. The provision of a range of affordable housing solutions, as detailed in the SHIP 2018-2023, supports the East Ayrshire Community Planning themes of Well-



being and Safer Communities and Economy and Skills Delivery, and also supports Local Outcome Six: Sustainable and affordable housing solutions are delivered.

## **LEGAL IMPLICATIONS**

40. Local Authorities were required to submit the formally approved SHIP 2018-23 to the Scottish Government by 27 October 2017, as set out in the Scottish Government's Guidance Note MHDGN2017/03 dated July 2017. The Scottish Government has confirmed its approval of the draft SHIP 2018-23 being submitted by the due deadline, but subject to Cabinet approval. Guidance Note MHDGN 2017/03 allows for SHIPS to be submitted in this way. Once approved, the SHIP 2018-23 is to be re-submitted to the Scottish Government.
41. Sites identified within the Programme as being held on the General Services Account will require to be transferred to the Housing Revenue Account for the development of new build housing.
42. In respect of any property disposals, following the publication of Guidance on Scottish Ministers' Consent to Disposal of assets from Housing Revenue Accounts, general consent is deemed to be granted.

## **HUMAN RESOURCES IMPLICATIONS**

43. There will be no requirement for additional resources to manage the new Council houses proposed within the SHIP 2018-2023 as the homes will be incorporated into the stock currently managed by the existing staff located within Neighbourhood Teams.

## **EQUALITIES IMPACT ASSESSMENT**

44. The development of the SHIP 2018-2023 programme has taken into account the outcomes of the equalities impact assessment which was undertaken for the Housing Asset Management Framework, Strategic Housing Investment Plan and Housing Investment Programme. These concluded positive impacts would be delivered in terms of meeting the housing and support requirements of: older people; those with disabilities; and people with other particular needs. The SHIP 2018-23 will deliver properties designed to meet a range of requirements.

## **FINANCIAL/ RISK IMPLICATIONS**

45. The Scottish Government's letters dated 13 March and 13 June 2017 and Guidance Note MHDGN 2017/03 dated July 2017 set out the RPAs for 2017-21. The Scottish Government has separately noted that there are no RPAs confirmed for the period 2021/2022 and 2022/23 as they are unable to provide any funding commitment for this timeframe. Instead, funding information is to be completed on the basis of the Council's best knowledge.
46. The Council-led projects included in the SHIP 2018-2022 will utilise a range of funding options to include the current prudential borrowing framework and

balances. In the event of a delayed site start to any proposed development which impacts on the draw-down of grant, there is the risk that the Scottish Government may require funding to be returned for re-allocation. However, the Council liaises closely with the Scottish Government, and would seek to accelerate other projects within the scope of the SHIP programme to take up any slippage.

47. The total project costs are estimated at this stage and reflect construction, demolition, land purchase, development and buy back costs, and home loss and disturbance payments. These indicative costs will be reviewed and updated during the procurement stage of each project.
48. Total borrowing required to fund this programme is shown at Appendix 3, based on the best available estimates. This equates to £46.628m. Appropriate accounting arrangements will be made to ensure debt charges are spread across relevant financial years.
49. In November 2016 it was approved to fund some costs associated with demolitions, buy-backs, legal costs and home loss and disturbance payments from HRA balances (£1.169m). The remainder is included in the required borrowing figure of £46.628m outlined above. The 2018-23 SHIP includes buyback of suitable local housing stock from the market. These purchases attract reduced grant income but it is proposed the difference is funded from committed HRA Buy/Sell Workstream balances, estimated to be £1.0m over the 5 years.

## **CONCLUSIONS**

50. The SHIP 2018-2023 sets out how resources will be used to deliver the Council's affordable housing supply priorities, as articulated in the approved East Ayrshire Local Housing Strategy (LHS) 2013-2018 and the East Ayrshire Housing Asset Management Framework.
51. The programme detailed in the SHIP 2018-23 anticipates an Affordable Housing Supply Programme (AHSP) allocation of £56.727M, based on allocated RPAs of £34.873M, or £43.591M with a minimum 25% slippage factor, for the first three years of the SHIP 2018-23. It seeks to deliver 888 new build and rehabilitated affordable homes. With the exception of the development at Westgate House, Newmilns, all new houses are proposed to be built to meet Section 7, Silver Standard of the Building Regulations 2011, in respect of both Carbon Dioxide Emissions and Energy for Space Heating.

## **RECOMMENDATIONS**

52. Cabinet is recommended to:

- (i) note the update on the existing and additional sites contained in the Affordable Housing Supply Programmes (AHSP) 2015-2017 and 2017-2018, as set out in table 1;
- (ii) note the proposed affordable housing to be provided following the introduction of the East Ayrshire Local Development Plan Affordable Housing Policy as set out in table 9;
- (iii) authorise the Chief Governance Officer to acquire 10 off shelf new houses in Stewarton as set out in the SHIP 2018-2023;
- (iv) approve the Strategic Housing Investment Plan proposals for years 2018-23, as set out in the textual document and tables appended to the Report, Appendices 1 and 2 and its submission to Scottish Government;
- (v) to declare surplus and authorise the Chief Governance Officer to dispose of the sites at Grange Street, Kilmarnock, and Riccarton West, Kilmarnock, to Registered Social Landlords;
- (vi) authorise the Head of Housing and Communities to assign other agreed SHIP projects, as set out paragraph 21;
- (vii) otherwise note the content of the report.

**Chris McAleavey**  
**Depute Chief Executive (Safer Communities)**

**16 November 2017**

## **LIST OF BACKGROUND PAPERS**

Scottish Government Guidance Note MHDGN 2017/04, September 2017.  
Scottish Government Guidance Note MHDGN 2017/03, July 2017.  
Scottish Government Guidance Note HSGN 2014/07, July 2014.

**IMPLEMENTATION OFFICER:** Katie Kelly, Head of Housing and Communities.

Anyone wishing further information please contact: Deborah Brady, Development and Regeneration Officer, Housing and Communities, telephone 01563 576792 or e-mail: [deborah.brady@east-ayrshire.gov.uk](mailto:deborah.brady@east-ayrshire.gov.uk).

**East Ayrshire Council**  
**Strategic Housing Investment Plan**  
**2018 - 2023**

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## **INTRODUCTION**

### **More Homes Scotland**

1. In March 2016, Ministers announced the introduction of More Homes Scotland (MHS) to support the increased supply of homes across tenures and initiatives. MHS is committed to a five-year fund to deliver 50,000 affordable homes by 2021, with the accompanying Resource Planning Assumptions (RPAs), increased subsidies and a Rural Housing Fund.

### **Strategic Local Programme Agreements**

2. Local Authorities and the Scottish Government will liaise with regard to, and agree, annual spend profiles. The Scottish Government's letters dated 13 March 2017 and 13 June 2017 confirm the East Ayrshire RPAs applicable for the period 2017-2018 and 2018/19-2020/21 respectively.
3. More Homes Division Guidance on the Preparation of Strategic Housing Investment Plans (SHIP) MHD2017/03 was issued in July 2017 and notes that Strategic Local Programme Agreements (SLPAs) are reviewed annually and will be re-issued to maintain a three-year programme timeframe, based on the most up-to-date SHIP.

## **BACKGROUND**

4. Since 2007, Local Authorities have been invited to prepare an annual Strategic Housing Investment Plan (SHIP) detailing key housing development priorities in their area. In 2012, authorities were also asked to prepare a Strategic Local Programme (SLP) which matched the social affordable housing projects/priorities to available levels of funding.
5. In September 2017, More Homes Division Guidance on Affordable Housing Supply Programme: Process and Procedures MHDGN 2017/04 was issued by the Scottish Government. It provides details for planning and delivering grant-funded homes through the Affordable Housing Supply Programme that aims to increase and accelerate the supply of affordable homes.
6. Based on local Resource Planning Assumptions (RPAs) for their area, each Local Authority is to prepare, and submit, a Strategic Housing Investment Plan (SHIP) every two years to the Scottish Government, setting out its five-year local priorities. The SHIP is used to inform the three-year Strategic Local Programme Agreements (SLPAs) issued by the Scottish Government for agreement with each Local Authority. In 2016, the Scottish Government revised the submission timescale for SHIPs back to annual by Local Authorities.

## **PURPOSE OF THE STRATEGIC HOUSING INVESTMENT PLAN**

7. The core purpose of the SHIP is to set out the Local Authority's strategic investment priorities for the delivery of affordable homes over a five year period so as to achieve the outcomes set out in the Local Housing Strategy (LHS).
8. All Local Authorities are required to prepare and submit a SHIP. The focus of the SHIP is on prioritisation and delivery. The SHIP should:
  - Set out investment priorities for affordable housing
  - Demonstrate how these will be delivered
  - Identify the resources required to deliver these priorities
  - Enable the involvement of key partners

## **STRATEGIC AND LOCAL CONTEXT**

### **Homes Fit for the 21<sup>st</sup> Century**



9. Homes Fit for the 21<sup>st</sup> Century is the Scottish Government's Strategy and Action Plan for Housing for the period 2011-2020. This document sets out the four principle housing priorities which Local Authorities should seek to support through the preparation of their Local Housing Strategies:

1. Investigating new ways of generating investment in affordable housing
2. Making better use of existing housing stock
3. How people are supported in the housing market
4. Reducing carbon emissions

10. **Affordable Housing Supply Programme**

The Scottish Government has set a target to deliver 50,000 affordable homes by 2021, with £3 billion in funding to support its delivery. This target represents a 67% increase in the supply of affordable housing, with an associated promotion of apprenticeships and sustained construction work across the sector.

**East Ayrshire Transformation Strategy 2012-2017**

11. The Transformation Strategy sets out the Council's strategic priorities and key actions to be pursued to deliver these priorities. Within the strategic priorities, there are specific commitments to increase new Council housing supply in, and around, town centres and to assist older people to live independently in their own homes:

Strategic Priority	Key Actions
Support older people to live independently in the community	<ul style="list-style-type: none"><li>• Encourage older people to participate in community life.</li><li>• Promote intergenerational work.</li><li>• Support more older people live independently in their own homes and ensure that they are well cared for within the community.</li></ul>
Promote town centre living	<ul style="list-style-type: none"><li>• Build new Council houses in and around our town centres and encourage external investment in town centres.</li><li>• Work with retailers and local businesses to improve our town centres and villages.</li><li>• Build on our investment on town centre regeneration.</li></ul>

**East Ayrshire Transformation Strategy 2018-2023**

12. The Council is developing a Transformation Strategy to cover the period 2018-2023 that not only builds on the significant work carried out to deliver the Council's stated objectives, but will go beyond these, through strategic renewal, to realise the Council's ongoing commitment to improvement in service delivery.
13. The sites identified within the SHIP 2018-23 seek to support the delivery of these strategic priorities.

### **East Ayrshire Community Plan 2015-2030**

14. The East Ayrshire Community Plan 2015-2030 sets out its Vision:  
  
East Ayrshire is a place with strong, safe and vibrant communities, where everyone has a good quality of life and access to opportunities, choices and high quality services which are sustainable, accessible and meet people's needs.
15. The three key priority areas for consultation are:
  - Economy and Skills
  - Safer Communities and
  - Wellbeing
16. In support of the priority of Safer Communities, the Council seeks to deliver appropriate affordable housing solutions throughout town centres across East Ayrshire where need is identified.

### **Single Outcome Agreement 2015-2018**

17. National Outcome 10 of the Single Outcome Agreement, which is also a Community Planning Partnership Strategic Priority, sets out how East Ayrshire Council contributes to the Scottish Government's National Outcome through the local outcome, 'We live in well-designed, sustainable places where we are able to access the amenities and services we need' through the delivery of sustainable and affordable housing solutions in town centre locations across East Ayrshire.
18. The Local Housing Strategy (LHS) provides the framework that guides progress towards the achievement of the housing-related outcomes set out in the Single Outcome Agreement, specifically Local Outcome Six: Sustainable and affordable housing solutions are delivered.

### **Housing Need and Demand Assessment**

19. A new LHS is being prepared to cover the period 2019-2023. It will be informed by the production of the new Housing Need and Demand Assessment (HNDA) that is being undertaken by Anna Evans Consultants, now Indigo House, on behalf of the Council and its stakeholders. The HNDA is due to be submitted to

the Scottish Government's Centre for Housing Market Analysis (CHMA) in the first instance, and thereafter to Cabinet, so as to secure a 'robust and credible' accreditation of the assessment.

### **Local Housing Strategy 2013-2018**

20. The East Ayrshire Local Housing Strategy (LHS) 2013-2018 was approved by Cabinet in January 2013. It is under-pinned by the East Ayrshire Housing Need and Demand Assessment (HNDA) that was assessed as being 'robust and credible' by the Centre for Housing Market Analysis in September 2012.
21. The LHS vision, in support of Local Outcome Six, states that:  
  
"Everyone in East Ayrshire can afford to access a quality home that meets their needs and aspirations."
22. The Council and its partners had developed six strategic housing outcomes to be achieved over the five-year lifespan of the LHS 2013-2018 to deliver this vision:
  1. People in East Ayrshire can find a home that they can afford to live in.
  2. People in East Ayrshire live in warm, energy efficient and well maintained homes.
  3. People in East Ayrshire are able to live independently in suitable accommodation or with appropriate support, where this is required.
  4. People in East Ayrshire are able to access quality housing information and advice, and the ways in which housing is accessed are simplified.
  5. Homelessness is prevented as far as possible and accommodation, advice and support is available where it cannot be avoided.
  6. People in East Ayrshire live in sustainable communities within safe, clean and attractive neighbourhoods.
23. Work is currently under way to update the LHS. The new strategy will cover the period 2019-2023.
24. The SHIP 2018-2023 seeks to respond to the housing objectives set out at both national and local levels through the efficient delivery of new and rehabilitated, high quality, affordable housing across East Ayrshire.

### **Housing Asset Management Framework**

25. The development of the Housing Asset Management Framework (HAMF) contributes to achieving the vision of East Ayrshire's Local Housing Strategy:  
  
*"Everyone in East Ayrshire can afford to access a quality home that meets their needs and aspirations, and is located within a safe and attractive neighbourhood in which they are proud to live."*

26. The purpose of the HAMF is to provide a framework for managing property assets to ensure they contribute efficiently and effectively to the achievement of the Council's aims and objectives, both now and in the future, in support of sustaining vibrant communities with high quality homes.
27. The HAMF has been developed to ensure: East Ayrshire Council's housing stock meets the present and future needs of tenants; the long-term sustainability of tenancies is improved, and best use is made of resources. The key objectives of the framework are:
  - Ensuring that the Council has a sustainable, quality housing stock within strong and vibrant communities.
  - Using resources as efficiently and effectively as possible.
  - Maximising resources for further investment in existing and new stock.
28. The Council's approach to ensuring there are balanced, sustainable communities is concerned not just with environmentally friendly new homes, but with the physical and social condition, as well as the stability of neighbourhoods.
29. The Council's approach to Neighbourhood Regeneration utilises the outcome of the HAMF review to inform the strategic approach to both the Housing Investment Programme (HIP) and Strategic Housing Investment Plan (SHIP).
30. Through the implementation of the HAMF, those areas that have elicited a concentration of properties that have been identified as having sustainability issues, for a variety of reasons, have informed the adoption of a place-based approach to the range of solutions proposed in terms of stock viability.
31. Having categorised the housing stock against an approved viability matrix to consider overall performance, a number of priority areas were identified in 2016 for site clearance and proposed new build work, to be facilitated via the SHIP 2017-22 process. The HAMF has been updated through an annual re-run and has further informed the SHIP 2018-2023 proposals.

### **Affordable Housing Policy**

32. The East Ayrshire Local Development Plan (LDP) was adopted in April 2017. The LDP contains an Affordable Housing Policy (RES3) which recognises affordable housing need that has been identified by the Housing Need and Demand Assessment. The LDP provides the Council's planning framework for all matters with the exception of opencast coal and minerals extraction which will be the subject of a future separate Minerals LDP. Planning applications will

be determined according to the LDP's spatial strategy, proposals and policies and associated supplementary guidance.

33. It should be noted that much of the housing land supply in East Ayrshire already has planning consent. As such, a new Affordable Housing Policy cannot be applied to these sites unless their consents have lapsed, resulting in new planning applications being submitted. Only those sites without planning consent could be subject to the Affordable Housing Policy. The Policy therefore applies to any unconsented Greenfield releases identified through the LDP process and any newly arising windfall sites.

### **Equality Impact Assessment**

34. The development of the SHIP 2018-2023 programme has taken into account the outcomes of the equalities impact assessment that was undertaken for the Housing Asset Management Framework, Strategic Housing Investment Plan and Housing Investment Programme. These concluded positive impacts would be delivered in terms of meeting the housing and support requirements of: older people; those with disabilities; and people with other particular needs. The SHIP will deliver properties designed to meet a range of housing requirements.

### **Strategic Environmental Assessment**

35. As “responsible authority”, the Council has decided that a Strategic Environmental Assessment of the SHIP is not necessary. The LHS, which was completed in 2013, was subject to pre-screening, and the necessary scoping report was published after it which concluded that a full assessment was not required. Further, the East Ayrshire Local Development Plan 2017, which identifies land supply for housing, was subject to a full Strategic Environmental Assessment. The environmental impacts associated with the delivery of the SHIP will be captured through the monitoring of the new Local Development Plan.

## **PARTNERSHIP WORKING AND CONSULTATION**

36. The Council's Housing and Communities Service is responsible for leading the development of the SHIP. Preparation of the 2018-2023 SHIP is overseen by the Council's Future Homes Board and has incorporated information provided by other Services to include Finance, Property and Facilities Management, Housing Asset Services, Health and Social Care Partnership, Planning, Ayrshire Roads Alliance, Estates, Vibrant Communities, Outdoor Amenities and Legal Services. The Council's appointed Developer, CCG, has also joined the Board so as to fully participate in the delivery of the Council's SHIP programme.
37. The Council is an associate member of the Scottish Procurement Alliance (SPA); an organisation that implements frameworks for all public bodies throughout Scotland for the construction, refurbishment and maintenance of social housing and public buildings. These frameworks are fully compliant with all procurement legislation and are priced in competition in order to derive best value. Under the terms of the SPA 'Off-Site Construction of New Homes Framework (NH1)', the Council has been able to engage directly with CCG (Scotland) Ltd, the only appointed contractor to manufacture in Scotland, to deliver its affordable housing programme.
38. The Council is procuring the approved SHIP 2017-2022 projects with CCG, utilising the off-site manufacturing approach to developing the sites to realise resource and energy efficiencies. To this end, CCG has been invited to join the Future Homes Board to facilitate the delivery of the SHIP programme. As the Council's preferred Developer partner, CCG has also informed the costings associated with the development of the sites proposed to be developed by the Council that form the SHIP 2018-2023, using house types that have been agreed for the SHIP 2017-2022.
39. The SPA is a not-for-profit body that is funded via a levy that is paid by its contractors relating to contracts delivered under the Framework. The levy is 3% for the Council's spend via the Off-Site Construction of New Homes (NH1) Framework. The SPA retains 1%, and the Council receives the remaining 2% via a rebate. The Council will utilise this rebate to identify and support a range of community projects, in conjunction with the Community Benefits that will be realised throughout the term of the contracts working in partnership with its Developer, CCG.
40. The approved East Ayrshire HAMF provides a framework for managing the Council's property assets. The delivery of identified affordable housing in town centres across East Ayrshire is being complemented by the provision of Community Benefits that will respond to existing Community led Action Plans that are already in place across East Ayrshire, and their stated priorities, in partnership with the communities where the new homes are to be provided.

41. The delivery of this range of Community Benefits will allow for the provision of Apprenticeships and other skills-based knowledge sharing across Council Services to include Housing Asset Services and Outdoor Amenities, the Council's Developer partner, CCG, and Ayrshire College during the lifetime of the programme, thereby adopting a place-based, sustained approach to town centre regeneration and skills development.
42. To this end, East Ayrshire is experiencing a transformation in how its communities are developing, building capacity and engaging with each other, and with partners in the public, private and voluntary sector, to bring real improvements to their own areas. The Communities Team within Vibrant Communities is at the forefront of this work, empowering communities to plan, prioritise and progress community-led regeneration in their area, thereby transforming the Council's relationship with the communities it serves. So far, 18 Community led Action Plans have been launched. The development of Community led Action Plans is the cornerstone of the Council's work, and is integral to Community Planning in East Ayrshire. This work also embeds the Council's place-making approach with communities. Place-making is a multi-faceted approach to the planning, design and management of public spaces. Place-making capitalises on a local community's assets, inspiration, and potential, with the intention of creating public spaces that promote people's health, happiness, and wellbeing.
43. Vibrant Communities is represented on the Future Homes Project Board to ensure that the connection back to East Ayrshire's communities is clear and transparent, whilst ensuring linkages are made to the Place-making element of the East Ayrshire Local Development Plan. Through the involvement of Vibrant Communities in the HAMF, the recommendations have been aligned to the Community led Action Plan priorities around housing and regeneration that are already in place
44. In line with East Ayrshire's Community Engagement Framework, Vibrant Communities' aim is to:
  - Work with, rather than impose upon, people to harness the knowledge, skills and experience of East Ayrshire's communities.
  - Embed an asset-based, solution-focused approach to all the Council's work.
  - Promote community engagement activity that is inclusive and improves the lives of the youngest children, young people, adults and communities in East Ayrshire.
  - Improve the quality of services and make better use of our resources.
45. To extend the Council's reach beyond existing organisations and networks to engage with community members in more flexible, responsive and immediate ways, ongoing discussions around housing are taking place within communities as this work progresses, through Conversation Cafes. Events have taken place

in: Stewarton, New Cumnock, Muirkirk, Darvel and Catrine. Separate engagement is also taking place individually with tenants, private landlords and their tenants and with owners who are directly impacted by the proposals.

46. Complementing this work, the Affordable Housing Supply Programme (AHSP) in East Ayrshire is delivered via robust working relationships among the Council, locally operating RSLs, and the Scottish Government's More Homes Division. At a strategic level, the Housing Service meets regularly with Scottish Government officials to review Strategic Local Programme Agreement priorities in terms of committed, proposed and pipeline developments.
47. The contribution of RSL partners is secured on an ongoing basis through the work around development programming activities. Dedicated joint meetings took place during July and October 2017 with the Scottish Government and the Housing Service to secure RSL involvement in the development and delivery of the SHIP over the lifetime of the Plan.
48. A SHIP meeting is due to be held with the East Ayrshire Tenants' and Residents' Federation in November 2017 to discuss the Plan proposals, and to receive their feedback on the proposed programme priorities and projects so as to inform the SHIP's content. In this regard, 9 Federation members, representing 6 Tenants' Groups, 1 tenant, as well as officers from TIS and the Council, visited the Council's Developer partner's factory in Cambuslang; CCG OSM, on 9 August 2017 to see the Off-Site Manufacture process in action.

## **AFFORDABLE HOUSING INVESTMENT PRIORITIES**

49. A number of areas have been identified as a priority for investment, based on the Strategic Housing Outcomes developed for the LHS 2013-2018. Projects included in the SHIP programme make a clear contribution to delivering these priorities, as follows:



- Delivering more new-build affordable homes
- Targeting investment in social housing to support the regeneration of local neighbourhoods and increasing the number of people living in our town centres
- Returning empty homes to the pool of effective housing stock
- Increasing the supply of suitably designed properties to meet the needs of older people and those with a physical disability
- Delivering appropriate accommodation solutions for young people with support needs and care experienced young people
- Delivering appropriate accommodation solutions for people with learning disabilities

### **Delivering More New-Build Affordable Homes**

50. The HNDA 2012 demonstrated there is annual shortfall of affordable housing in the region of 234 units, as detailed within each Housing Market Area (HMA); namely Kilmarnock and Loudoun, Cumnock and the Doon Valley. Whilst this data requires to be updated, the HNDA remains in force. A Housing Supply Target (HST) was developed from these estimates, whilst taking into consideration: identified RPAs; the relative slow-down in house building activity nationwide over recent years; and the capacity of RSLs to deliver new housing projects, set against the Scottish Government's target of 50,000 affordable homes being delivered by 2021. The current HST represents an annual number of homes to be delivered in each of the five years of the LHS 2013-2018, and has been set at 100.
51. A new Housing Supply Target will be developed in partnership with the Planning Service to reflect the outcomes reported, following approval of the updated HNDA.

### **Strategic Housing Investment Plan 2018-2023 Delivery**

52. The SHIP 2018-23 seeks to deliver 888 new and rehabilitated homes during the lifetime of the Plan, with 788 being built within the first three years of the SHIP, thereby representing the Council's SLPA proposal for 2018-21.

### **Targeting Investment in Social Housing to Support Regeneration of Town Centres**

53. Regeneration of East Ayrshire's town centres is a key strategic priority of the Council's Transformation Strategy. Growing populations contribute to the vitality of town centres by increasing demand for services and improving perceptions of community safety.

54. The SHIP 2018-23 incorporates 11 town centre sites for affordable housing development across East Ayrshire, to be provided through activity on brown field sites where demolition has previously taken place, to be carried out as part of the HAMF assessment on land held by the Council which has been identified for the provision of new homes in-house or via RSL partners, or on land already owned, or to be acquired, by partner RSLs. Two developments also allow for the re-provisioning of existing buildings.

### **Housing Asset Management Framework**

55. In support of the strategic priority of Town Centre Regeneration, the East Ayrshire Housing Asset Management Framework (HAMF) provides a framework for managing the Council's property assets. The HAMF has adopted a place-based approach to the delivery of affordable housing across East Ayrshire. The outcome of this assessment has therefore determined where: new affordable homes will be delivered in response to identified need utilising the Scottish Government's Affordable Housing Supply Programme (AHSP) targets and grant subsidies as initially set out in the Strategic Housing Investment Plan (SHIP) 2017-2022, and as updated in the SHIP 2018-2023; existing homes in high demand areas require to be modernised to help sustain communities across East Ayrshire, as set out in the Housing Investment Programme (HIP) 2017/18-2021/22, and as updated in the HIP 2018/19-2022/23; and community facilities and spaces are to be created in support of the East Ayrshire Transformation Strategy, thereby making a more efficient use of public resources.
56. The delivery of identified affordable housing in town centres across East Ayrshire will be complemented by the provision of Community Benefits that will respond to existing Community led Action Plans that are already in place across East Ayrshire, with 18 being place-based, and a further 2 being thematically based to consider Homelessness and Gypsy/ Travellers. These Plans set out the agreed priorities and aspirations of communities and will form an integral part in implementing Community Benefits that are fit for purpose. The implementation of Community Benefits will also allow for the provision of apprenticeships and other skills-based knowledge sharing across Council Services, the Council's Developer partner, CCG, and Ayrshire College, thereby adopting a place-based, sustained approach to town centre regeneration and skills development.
57. To this end, Conversation Cafes are being held across East Ayrshire communities to listen to residents so as to better understand their concerns, aspirations and preferences. This feedback will help shape the Council's

approach both to bricks and mortar as well as wider role activities within its communities.

58. The HAMF therefore supports the delivery of the primary aim of the Local Housing Strategy; to ensure good quality affordable housing is made available in the right places for East Ayrshire residents.

### **Returning Empty Homes to the Pool of Effective Housing Stock**

59. Existing empty buildings are being promoted for comprehensive reconfiguration within Kilmarnock and Newmilns to utilise well-located existing assets by the Council and Registered Social Landlord partners.
60. Atrium Homes has converted difficult-to-let maisonette type properties above shops into one-bed sized flats in New Farm Loch area of Kilmarnock. Further reconfiguration works are planned for Crosshouse.
61. The Newmilns proposal allows for the conversion of low demand one-bed sized properties by the Council to create three family-sized homes in direct response to the Community led Action Plan outcome that more family homes should be provided in the community. The works will also complement the proposed new build works on the cleared site at Brown Street/ Nelson Street in Newmilns.
62. Shire Housing Association is also exploring options to reconfigure unpopular smaller-sized flats within the iconic Westgate House building in Newmilns in conjunction with the Newmilns Regeneration Group and a Listed Building Consultant.

### **Increasing the Supply of Suitably Designed Properties to Meet the Needs of Older People and Those with a Physical Disability**

63. Nationally and locally, it is a policy objective to assist older people to live in their own homes for as long as it is safe and practicable to do so. As well as providing bespoke supported accommodation, it is recognised that the needs of older people may best be met by creating suitable properties within town centres that allow them to move to smaller, more accessible and manageable accommodation.

### **New Supply**

64. The SHIP 2018-23 details a pattern of investment that allows for the delivery of new homes specifically designed to meet the needs of older and ambulant disabled people in response to identified need, thereby replicating established communities of interest that evolve over time. Residents who move into these

modern, affordable homes often free up family-sized accommodation for those applicants in need of larger town-centre homes.

65. Specifically, the high density area at Witch Road, Witchill Place and Hill Street, Kilmarnock, which is home to a significant number of flatted blocks, is to undergo significant demolition works to open up the area to facilitate the provision of new homes that are designed for older and ambulant disabled residents, with private courtyards and adjacent open space areas, as set out in the approved SHIP 2017-2022. The area is located close to the Council's award-winning development at Lilyhill Gardens, Kilmarnock, which provides site-based additional support to residents with a range of disabilities living in their own homes. It also sits close to the Cunninghame Housing Association new build development at Hill Street that is due to complete in December 2017 and January 2018. The Hill Street development will provide 45 new homes across a mix of general and community care needs, and is book-ended by the iconic crescent-shaped Council housing development at Hillhead Crescent and the new build at Old Kirk Place which is overlooked by the Viaduct. Anchoring all of this regeneration work is the new Ayrshire College located opposite the proposed site at Witch Road and Witchill Place, which itself is adjacent to the Halo site and Cunninghame Housing Association's proposed new build site at Balmoral Road.
66. In addition, the SHIP 2018-2023 allows for the development of a 30-unit bespoke facility to support older people with complex needs to live in their own properties on the cleared Council-owned site at Riccarton West in Kilmarnock, working in conjunction with Springfield, as owner of the adjacent site. The development will be constructed by Springfield and will be owned and run by a specialist Registered Social Landlord (RSL) partner. Further, Springfield will explore the opportunity to develop housing for first time buyers or for older residents to right-size their properties on the adjacent site they own to complement the proposed housing for older people, subject to the outcomes of the new Housing Need and Demand Assessment. A conditioned Consent for a large-scale new build development by Springfield has already been granted across the two sites. However, revised proposals are to be re-submitted to Planning in light of the housing need identified working collaboratively with colleagues in the Health and Social Care Partnership.
67. The provision of properties that are wheelchair accessible are included in new build site proposals, where possible, and in response to identified need so as to realise a range of house types and sizes and to better integrate the sites into the existing communities. The Housing Service continues to liaise with colleagues in the Health and Social Care Partnership to identify households that require wheelchair accessible properties, to inform both the location and design of these homes.

## **Existing Stock**

68. Given that new build housing represents a small proportion of the total social rented housing stock in East Ayrshire, improving the condition of the existing stock asset remains a priority.
69. As part of the Housing Asset Management Framework assessment that was approved by Cabinet in February 2016, a number of priority areas have been identified for: improvement works to be carried out to existing stock through the Housing Improvement Programme; demolition of unsustainable stock due to type and location to provide open space areas, and site clearance and proposed new build development to take place, to be facilitated via the SHIP process.

## **Housing Adaptations**

70. In response to the integration of Health and Social Care Services, the East Ayrshire Strategic Planning Group was established in 2015 to develop the East Ayrshire Health and Social Care Partnership Strategic Plan 2015-2018 on behalf of the East Ayrshire Integration Joint Board. The Group includes representation from clinical health professionals, social work services, housing services, care home and home care providers, voluntary and community services and people who use health and social care services.
71. The Plan aims to support people to maximise their independence and quality of life and impacts on services delivered by:
  - NHS Ayrshire and Arran
  - East Ayrshire Council
  - Third Sector providers
  - Independent Sector providers
  - Community-led initiatives
72. Representatives from East Ayrshire Council and Registered Social Landlords sit on the Group and the Partnership has a number of housing-led strategic groups.
73. The four key outcomes identified by the Partnership that are contained in the Plan are:
  - Children and Young People, including those in early years, and their parents/ carers, are supported to be active, healthy and to reach their potential at all life stages

- All residents are given the opportunity to improve their wellbeing to lead an active healthy life and to make positive lifestyle choices
  - Older people and adults who require support and their families are included and empowered to live the healthiest lives possible
  - Communities are supported to address the impact inequalities has on the health and wellbeing of residents
74. These outcomes align with the outcomes of the East Ayrshire Community Planning Partnership Wellbeing and Delivery Plan 2015-2018.
75. Household projections (2014-2039) show a considerable increase in the number of older households in East Ayrshire. It predicts an increase of 21% for pensionable age and over, and 77% in the 75 and above age group. The key impacts of this ageing population will be:
- changing demands for housing supply and housing stock
  - higher levels of health, care and support needs
  - more support required to enable people to remain at home
  - a greater need for adaptations to existing housing stock
76. The current HNDA also records there are around 4,000 homes that require some form of adaptation across East Ayrshire. Nationally, the central objective of Health and Community Care Policy is to assist older people to live in their own homes, or community settings, for as long as it is both safe and practicable to do so. The continued local commitment to this objective is reflected in the Plan which has, as one of its four core strategic priorities, a focus on supporting older people to live independently in the community. The role of preventative work and low-level support services, such as Care and Repair, therefore have in assisting older people to stay in their own homes will become increasingly important.
77. Housing options that support older people to remain living at home, where practicable, include both the delivery of new build programmes as well as adaptation works to existing homes. Poor condition and energy efficiency can contribute to an increase in accidents and can impact on general health as well as physical and mental health and well-being. In this regard, the new build homes contained in the SHIP 2018-2023 will benefit from attaining the Silver Standard under the Building Regulations 2011 in terms of Carbon Dioxide Emissions, and existing homes will achieve the Energy for Space Heating and the Energy Efficiency Standard for Social Housing (ESSH) by 2020. These measures seek to reduce the risk of residents falling into fuel poverty through the delivery of energy efficient homes that are fit for purpose.

78. The East Ayrshire Housing Contribution Statement forms part of the East Ayrshire Health and Social Care Partnership Strategic Plan. It reinforces the links across housing, health and social care.
79. Annually, over 1,000 adaptations are made to Council stock. In 2016/17, 1,408 were carried out, with external handrails accounting for 39% of the total. Over the same timeframe, 236 private sector adaptations were carried out supported by the Scheme of Assistance. The East Ayrshire Care and Repair service installed 546 handrails and carried out 862 other repairs and works in the same time period.
80. In 2016/17, 144 adaptations were carried out in Registered Social Landlord (RSL) stock in East Ayrshire, supported by Scottish Government funding. A further 18 adaptations were completed in Quarter 1 of 2017/18 by RSL partners with financial support from the Scottish Government.
81. It is anticipated that the need for adaptation works to be carried out within the home will continue at, or increase above, current levels given the prevailing demographic trend. Data to inform future adaptation works and the delivery of more homes designed for older and ambulant disabled residents will be informed by the updated HNDA; the delivery of which is nearing completion.

### **Delivering Appropriate Accommodation Solutions for Care Experienced Young People**

82. The Council has identified the need for a bespoke housing solution for care experienced young people so as to support and promote their successful transition from care to independent living, and to give them the opportunity to realise their full potential. A small-scale pilot service has been established by the Council in Kilmarnock where care services are being provided by Blue Triangle Housing Association. These proposals have been developed in conjunction with colleagues from the Health and Social Care Partnership and Vibrant Communities. The Council will continue to explore opportunities to augment this service delivery on a sustained basis.

### **Delivering Appropriate Accommodation Solutions for People with Disabilities**

83. Innovative supported accommodation solutions require to be identified in response to increasing pressures on public services and resources so as to assist the growing numbers of people with additional support needs to remain living within their own communities for as long as is practicable.
84. Working cooperatively with colleagues in the Health and Social Care Partnership, the Strategic Local Programme (SLP) 2012-2015 delivered an

award-winning housing model at Lilyhill Gardens in Kilmarnock. The development offers support to adults with a range of disabilities so as to promote successful moves from a range of care settings to each resident's own home. The development benefits from on-site support and provides a mix of wheelchair accessible and general needs homes, housed in one building, all with wet floors, rise and fall kitchen units, assistive technologies, a glass elevation to bring the outdoors indoors and a safe enclosed garden area for the residents' private use.

85. This type of provision is being replicated in response to need identified by colleagues in the Health and Social Care Partnership, given the benefits that may be derived from this type of housing model both for the residents and in terms of the efficient delivery of high quality care. The potential to roll-out the core and cluster model has been explored where care may be delivered within the community with the Care Provider being located in the new build development.
86. The SHIP 2017-2022 therefore allowed for the development of this model on three more sites identified in Hurlford, New Cumnock and Mauchline, thereby enhancing the opportunity for people to live as independently as is possible within their own communities with access to appropriate support across East Ayrshire. The SHIP 2018-2023 continues to support this provision, with consent having been secured, further to a planning application, for the first of the three proposals to be located in Hurlford, following consultation having taken place with both the local Community Association and the Community Council.

### **Energy Efficiency**

87. With the exception of the identified reconfiguration works that are ongoing and completed in Newmilns and Kilmarnock respectively, and those works proposed in Crosshouse, the proposals contained in the SHIP 2018-2023 are being developed to meet Section 7, Silver Standard of the Building Regulations 2011 in terms of Carbon Dioxide Emissions and Energy for Space Heating. The new homes are designed to be energy efficient in terms of heating and running costs, so as to minimise the risk of residents falling into fuel poverty.



## RESOURCING THE STRATEGIC HOUSING INVESTMENT PROGRAMME

### Affordable Housing Supply Programme

88. In September 2017, More Homes Division Guidance on Affordable Housing Supply Programme: Process and Procedures MHDGN 2017/04 was issued by the Scottish Government. It provides details for planning and delivering grant-funded homes through the Affordable Housing Supply Programme that aims to increase and accelerate the supply of affordable homes. It notes that Local Authorities should use the latest known Resource Planning Assumptions (RPAs) as the basis for their SHIPs.
89. Based on allocated RPAs, each Local Authority sets out its SHIP programme to cover a five year period. RPAs are the likely amounts of Scottish Government funding to be awarded against which local programmes are to be planned. The Affordable Housing Supply Programme (AHSP) remains one of the main sources of funding for the delivery of affordable housing.
90. More Homes Division Guidance on the Preparation of Strategic Housing Investment Plans (SHIP) MHD2017/03 was issued in July 2017 and notes that the Scottish Government has allocated RPAs to Local Authorities for 2017/18 (out-with the SHIP 2018-23 timeframe) and the three years to the end of March 2021. It suggests that a minimum slippage factor of 25% is applied on an annual basis to the Affordable Housing Supply Programme element of the SHIP 2018-23. The Scottish Government's letters dated 13 March 2017 and 13 June 2017 set out the RPAs for the periods 2017-18 and 2018-21. No RPAs have been confirmed for Years 4 and 5 of the SHIP, namely 2021-22 and 2022-23. The Scottish Government separately e-mailed the Council on 29 August 2017 to note funding information is to be completed on the basis of the Council's best knowledge.
91. The SHIP guidance advises that a slippage factor of 25% is to be applied to the Programme for the Strategic Local Programme period. RPAs for East Ayrshire for the lifetime of the SHIP are therefore as follows:

Year	RPA (£)	Revised RPA + 25% slippage (£)
2018/2019	10.446	13.058
2019/2020	11.818	14.773
2020/2021	12.609	15.761
2021/2022	No figure confirmed	No figure confirmed

2022/2023	No figure confirmed	No figure confirmed
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92. The Council has assumed RPAs consistent with its proposed programme for 2021-2023 in the absence of confirmed RPA levels.
93. More Homes Division SHIP guidance issued in July 2017 notes Strategic Local Programme Agreements (SLPAs) are reviewed annually and will be reissued to maintain a three-year programme timeframe, based on the most up-to-date SHIP.
94. The proposed programme projects are set out in Table 1 of the SHIP 2018-23 for Years 1-5. In Years 1-3, the proposed SLPA seeks to deliver 788 properties, and Years 4 and 5 will realise an additional 100 social rented houses across East Ayrshire to total 888.

### **Prudential Borrowing**

95. The Council's contribution to the delivery of the SHIP will be realised via a range of funding options. Of the 39 projects contained in the SHIP 2018-23, approximately half are proposed to be delivered by the Council, with the balance of the funding being provided through the current prudential borrowing framework, capital receipts and balances.

### **Alternative Funding Models**

96. The Council recognises the need to identify alternative models of funding and is keen to explore opportunities in which the Council and RSLs might usefully work together to bridge the gap created by the reduction in the availability of bank finance and the number of banks that are able to lend to property-related sectors. Local Government Finance Circular No.5/2014, issued by the Scottish Government in May 2014, 'Council Borrowing to On-Lend to Registered Social Landlords' sets out the circumstances under which a Local Authority may borrow and on-lend to RSLs, and their subsidiaries. To date, no RSL partners have approached the Council with a request to on-lend on this basis.
97. To this end, the Council has entered into discussions with a Developer, Persimmon Homes, to acquire 10 completed 'off-the-shelf' properties within its ongoing new build development in Stewarton. In this way, the Council will realise the delivery of new homes, in a very high demand area, that will complement ongoing buy-backs whilst continuing to explore opportunities to build new affordable housing in Stewarton.

98. Moreover, to further support the delivery of affordable housing in pressured areas in East Ayrshire and to consolidate the Council's stock base, the Council has commenced a programme of Buy-Backs to enhance the number of properties that are Council-owned in areas of high demand and to consolidate its stock holding. 10 properties have, or are being, acquired in 2017/18 to enhance the Council's pool of available social rented housing. A further 10 properties are proposed to be acquired by the Council each year during the lifetime of the SHIP 2018-23, to realise a further 50 Council-owned properties across East Ayrshire.
99. Atrium Homes, a locally-based partner Registered Social Landlord, is also proposing to undertake a programme of strategic Buy-Backs, with 5 properties that have, or are being, acquired in 2017-18, and a further 5 per annum, to total 25 across the lifetime of the SHIP 2018-23.
100. More Homes Scotland guidance MHD2017/ 03 dated July 2017 advises that a commitment is being made to award over £3 billion over the next five years to fund the delivery of 50,000 affordable homes, alongside five year RPAs, increased grant subsidy levels, a new Rural Housing Fund and support for City Deals. The £25M Rural Housing Fund and the new £5M Islands Housing Fund will run from 2016 to 2019. Both funds aim to increase the supply of affordable housing and contribute to the Scottish Government's 50,000 affordable homes target. The first application to be received in Ayrshire for this Fund was for a potential development in the Newmilns area. It has now received an offer of grant in the sum of £10,000 to assist in bringing vacant properties back into use, further to the Council confirming its in principle support for the application. A second application has recently been received for this Fund to assist in bringing vacant properties back into use in the Fenwick area. Again, the Council has confirmed its support of the first stage application.
101. The setting up of the five-year Housing Infrastructure Fund by the Scottish Government in 2016/17 in the form of loans and grants also seeks to facilitate the delivery of housing sites and the 50,000 affordable homes target. It operates at a national level and is administered by the Scottish Government. Funds from this source are to be prioritised through the SHIP where identified sites are categorised as being strategically important by the Local Authority as Strategic Housing Authority. The Council will explore the use of this Fund in the event it would enable development on a strategically important site.

## **Council Tax on Second and Empty Homes**

102. Additional revenue raised by this means may be used to support affordable housing development. Table 5 of the SHIP records the amounts raised in 2015/16 and 2016/17, namely £273,871 and £292,525 respectively.
103. The Council continues to consider opportunities to use funds from this source to assist in the delivery of the SHIP programme, where eligibility is established. £373,000 was drawn down in 2016/17 to assist in delivering two additional bungalows for older and ambulant disabled residents on the windfall site of the former Cumnock Chronicle that adjoined the then recently completed 9 bungalows in the town centre at Ayr Road, Cumnock, under the same contract.

### **Affordable Housing Policy Contributions**

104. The East Ayrshire Local Development Plan (LDP) was adopted in April 2017. The LDP contains an Affordable Housing Policy (RES 3) which recognises affordable housing need that has been identified by the Housing Need and Demand Assessment. The LDP provides the Council's planning framework for all matters with the exception of opencast coal and minerals extraction which will be the subject of a future separate Minerals LDP. Planning applications will be determined according to the LDP's spatial strategy, proposals and policies and associated supplementary guidance.
105. Supplementary Guidance on affordable housing was approved by Scottish Ministers and published in February 2017. The supplementary guidance provides detail on how the Council will implement its LDP Affordable Housing Policy. In line with the Scottish Government's Planning Advice Note 2/2010 Affordable Housing and Housing Land Audits, the Council intends that the Affordable Housing Policy will be implemented in a flexible manner taking full account of wider financial and market conditions.
106. The Council's preference is that affordable housing will be delivered on site. However, where it can be conclusively demonstrated that this is not possible or feasible, off site provision may be considered acceptable. A commuted sum payment will be accepted only where all appropriate on and off site possibilities have been explored and full justification for them being discounted is provided.
107. The SHIP 2018-2023 allows for the delivery of affordable housing, further to the introduction of the Affordable Housing Policy, Policy RES 3: Affordable Housing that requires the provision of affordable housing on those sites specifically identified and reserved for such purposes on the Local Development Plan maps on all sites of 30 or more houses proposed in the Kilmarnock and Loudoun sub housing market area. Within such developments, 25% of houses will require to be affordable in nature. In addition, on all sites of 30 or more houses proposed in the Doon Valley sub housing market area, 15% of houses will require to be affordable in nature.

108. Four sites have been identified where the Affordable Housing Policy, Policy RES 3: Affordable Housing will apply. One of the four sites has been included in the SHIP 2018-2023 proposals for new build development, with a commuted sum being taken on the other three sites relative to the outcomes of the ongoing HAMF. Timescales for development works commencing are subject to the individual developers advancing their sites. In addition, anticipated unit out-turn figures remain indicative until full Planning consent has been granted for each proposal.

## **MECHANISMS FOR THE DELIVERY OF AFFORDABLE HOUSING**

### **Disposal of Council-Owned Buildings**

109. As set out in the East Ayrshire Transformation Strategy, all Council-owned land and assets have been audited to identify any that are surplus to requirement. This process facilitates the identification of suitable Council sites which may be incorporated into the SHIP programme for the development of future affordable housing.
110. The Council's Housing and Communities Service is responsible for leading the development of the Strategic Housing Investment Plan. Preparation of the SHIP 2018-2023 has been overseen by the Council's Future Homes Board. Having identified town centres as the Council's priority for new affordable housing development, sites are brought forward to the Board for consideration. The Board is represented by a range of other Services to include Finance, Property and Facilities Management, Housing Asset Services, Health and Social Care Partnership, Planning, Ayrshire Roads Alliance, Estates, Vibrant Communities, Outdoor Amenities and Legal Services. The Board has also been joined by its appointed Developer, CCG, to facilitate the delivery of the SHIP programme.
111. Council land assets identified do not all sit in the Housing Revenue Account, and may result from other initiatives that elicit appropriate sites for housing activity, such as the Community Asset Transfer community consultation processes and the Housing Asset Management Framework implementation. In terms of asset transfer, 8 Council-owned sites have been incorporated into the SHIP 2018-2023 that do or did not sit, in whole or in part, within the Housing Revenue Account. A further 3 Council-owned sites are contained in the SHIP 2018-23 that either have been, or are proposed to be disposed to RSL partners for development.
112. Sites are checked for their suitability in terms of their Local Development Plan zoning and general access issues, along with any known development constraints that may preclude them from being developed economically. Where ground conditions are not known, investigative works are undertaken to inform a given site's viability. Desk top investigations have also been undertaken for the Council-owned sites introduced in the SHIP 2018-2022 to inform this process on behalf of the Council's Developer partner, CCG. Costings are then attached to proposed layouts, reflecting identified need, and lifetime costings are apportioned, working with the Council's preferred Developer.

### **Land-Banked Sites**

113. The Council liaises with RSL partners with regard to the disposal of approved, surplus Council-owned ground for the development of new affordable homes as set out in the SHIP framework. Such disposals not only facilitate the delivery

of social rented housing in response to Waiting List demand, but also enhance the RSL's own stock portfolio. The Council and the Scottish Government meet with RSL partners to consider development opportunities across East Ayrshire and to consider partners' capacity to develop. The proposed three-year SLPA, which forms part of the approved SHIP 2018-2023, allows for the development of 3 sites that are currently owned by Atrium Homes and Shire Housing Association, prior to further site acquisitions that are subject to approval of the SHIP 2018-23. Across the five-year lifespan of the SHIP 2018-23, 18 sites have been identified for development by a range of RSL partners.

#### **Housing Asset Management Framework (HAMF): Planned Demolition Linked to New Build Redevelopment**

114. Through the implementation of the Housing Asset Management Framework that was approved by Cabinet in February 2016, a place-based approach has been adopted to the range of solutions proposed to be implemented through the Strategic Housing Investment Plan and Housing Improvement Programme.
115. A number of priority areas were identified in 2016 for site clearance through demolition and proposed new build work, to be facilitated via the approved SHIP 2017-2022. Having refreshed the HAMF in June 2017, the SHIP 2018-2023 proposals have been updated and extended and allow for the development of 5 sites as a result of this assessment.

#### **Buy-Backs**

116. The Council and Atrium Homes are identifying strategically important properties that are available on the open market for acquisition, with a view to buying properties to complement the ongoing affordable housing new build programme. In this way, affordable homes may be provided in high demand areas that would otherwise remain unavailable in response to Waiting List demand. In addition, through strategic acquisitions in the market, the Council and its RSL partners may consolidate their stock portfolios not only in response to demand, but also to facilitate a sustained approach to maintaining stock assets in the longer term.

#### **Windfall Sites**

117. Private developers and RSLs approach the Council periodically to discuss windfall sites in their ownership, or where an option to acquire is available. Where such sites are highlighted, consideration will be given to including them in the SHIP programme, subject to: their strategic fit; any consequential impact on programming; resource allocations, capacity issues and available budgets.

One site has been acquired by the Council on this basis that was previously included in the SHIP 2017-2022, and partner RSLs are to acquire 6 sites from private owners for development across the SHIP 2018-2023 timeframe.

### **Off-the-Shelf**

118. In this regard, the Council proposes to acquire 10 new properties that having Planning consent, and are being built by a national house builder in Stewarton which is a high demand area, so as to augment the delivery of affordable housing through the more traditional route of developing on brownfield sites, given these types of sites seldom arise. In this way, the pool of affordable stock may be expanded whilst delivering new homes in high demand areas in a short timescale.

### **Low cost Initiative for First Time buyers**

#### **Open Market Shared Equity**

119. In January 2016, the Scottish Government announced £80 million for Open Market Shared Equity to allow people on low to moderate incomes to buy homes that are for sale on the open market that are assessed as being affordable. The scheme is currently open to help all first-time buyers, and priority access is being given to those applicants who: rent a property from either a Local Authority or a Registered Social Landlord; have a disability; are members of the armed forces; are recent veterans, as well as widows, widowers and other partners of service personnel who meet the qualifying criteria.

#### **The Help to Buy (Scotland) Scheme**

120. The Scottish Government also launched the Help to Buy (Scotland) Scheme in January 2016. It comprises two elements to assist buyers who would not otherwise be able to buy an affordable new build home from a participating home builder.
121. The main Scheme is available to larger home builders. A Smaller Developers Scheme is also available. The schemes are available for participating new build homes up to a maximum value of £230,000 for purchases completed on or before 31 March 2017, £200,000 for purchases completed on or before 31 March 2018, and £175,000 for purchases completed on or before 31 March 2019.
122. As only one property has been offered as part of the New Supply Shared Equity (NSSE) scheme in East Ayrshire dating back to 2012/13, the SHIP programme comprises all social rented housing proposals in response to expressed Waiting



List need. Demand for low cost home ownership options will be reviewed on receipt of the outcomes of the completed HNDA to establish if there is an identified need for these types of initiatives. The HNDA is due to be submitted to the Scottish Government's Centre for Housing Market Analysis (CHMA) in the first instance, and thereafter to Cabinet, so as to secure a 'robust and credible' accreditation of the assessment.

#### The Infrastructure Fund

123. The Scottish Government introduced a five-year Housing Infrastructure Fund in 2016/17. The Fund takes the form of loans and grants provided by the Scottish Government to facilitate the delivery of housing sites that are prioritised by the Local Authority as being strategically important as Strategic Housing Authority. The sites set out in the SHIP 2018-2023 represent the Local Authority's strategically important sites for delivery. The Council will explore opportunities to enable site development, utilising this Fund.

#### Scottish Procurement Alliance

124. The Council is an associate member of the Scottish Procurement Alliance (SPA), an organisation that implements frameworks for all public bodies throughout Scotland for the construction, refurbishment and maintenance of social housing and public buildings. These frameworks are fully compliant with all procurement legislation and are priced in competition in order to derive best value. Under the terms of the SPA 'Off-Site Construction of New Homes Framework (NH1)', the Council has been able to engage directly with CCG (Scotland) Ltd, the only appointed contractor to manufacture in Scotland, to deliver its affordable housing programme.
125. The Council is procuring its approved SHIP 2017-2022 projects with a partner Developer, CCG, utilising the off-site manufacturing approach to developing the sites to realise resource and energy efficiencies. To this end, CCG has joined the Future Homes Board to facilitate the delivery of the SHIP programme. As the Council's preferred Developer partner, CCG has also informed the costings associated with the development of the sites proposed to be developed by the Council that form the SHIP 2018-2023, using house types that have been agreed for the SHIP 2017-2022.
126. The SPA is a not-for-profit body that is funded via a levy that is paid by its contractors relating to contracts delivered under the Framework. The levy is 3% for the Council's spend via the Off-Site Construction of New Homes (NH1) Framework. The SPA retains 1%, and the Council receives the remaining 2% via a rebate. The Council will utilise this rebate to identify and support a range of community projects, in conjunction with the Community Benefits that will be

realised throughout the term of the contracts working in partnership with its Developer, CCG.

## **DELIVERY CONSTRAINTS**

### **Economic Climate**

127. Low cost Initiatives for First Time buyers, such as Open Market Shared Equity and the Help to Buy (Scotland) Scheme seek to support the supply of home

ownership options. Data on new housing supply 'Housing Statistics for Scotland 2016: Key Trends Summary', as set out in a Scottish Government National Statistics publication for Scotland, records 16,995 new houses were built, refurbished or converted in 2015/16. This figure has decreased by 82 houses from that reported in 2014/15, and remains well below pre-recession levels, being 38% below the 2007/08 figure of 27,593.

128. The SHIP 2018-2023 seeks to enhance the delivery of affordable homes across East Ayrshire, through the provision of high quality social rented housing being delivered utilising the off-site manufacture process. In addition, a modest programme of buy-backs and off-the-shelf acquisitions will increase the available affordable housing stock offering in areas that would otherwise prove to be difficult to develop due to a lack of available sites. In this way, the available portfolio of affordable housing may be strengthened in response to identified need across East Ayrshire at a time of ongoing economic uncertainty that continues to impact on employment opportunities within communities, in the construction industries and across sectors, along with the implications of the vote to exit from the European Union.
129. To this end, the Council has established a partnering arrangement with one Developer, CCG, through its membership of the Scottish Procurement Alliance (SPA). The Council's SHIP programme is therefore to be delivered by CCG, utilising the off-site manufacturing process, as set out in the approved SHIP 2017-2022. This partnering arrangement will also facilitate the realisation of Community Benefits being delivered in communities across East Ayrshire through the SPA's Framework, and, separately, through the joint working commitments that have been agreed with CCG so as to respond to the established East Ayrshire Community led Action Plan priorities, as well as supporting ongoing work being co-ordinated by other Council Services and Ayrshire College.

### **Availability of Funding**

130. The Scottish Government's letter of January 2016 notes social grant benchmarks, as follows:

<b>Type</b>	<b>Developer</b>	<b>Subsidy (£)</b>	<b>Status</b>
Social rent - greener	RSL	72,000	City and Urban
Social rent - other	RSL	70,000	City and Urban
Social rent - greener	Council	59,000	City and Urban
Social rent - other	Council	57,000	City and Urban

131. The Council welcomes confirmed three-year SLP awards, albeit with slippage increments and annual reviews, set against a five-year SHIP timeframe, so as to allow for more robust planning, given house building activity does not sit within defined financial years. However, the lack of confirmation of the anticipated RPAs for Years Four and Five, that form an integral part of the five-year SHIP 2018-2023, detracts from this certainty in sustaining high levels of delivery across the lifetime of the SHIP.

### **Affordability**

132. The affordability of the rentals and borrowing required to meet the cost to build each new home must also be considered in determining the affordability of the Programme in the delivery of high quality homes. These costs must also be set against ongoing costs and commitments to deliver improvements to existing stock to meet the Energy Efficiency Standard for Social Housing (EESH) for social landlords.
133. In 2017/18, the Council has been successful in attracting over £1.27m of Home Energy Efficiency Programme: Area Based Schemes funding to assist private owners. This funding facilitates the participation of adjoining owners within area-based improvement programmes in East Ayrshire where energy efficiency projects are being delivered to Council-owned stock.
134. Further energy efficiency projects to externally insulate and render non-traditionally constructed properties have been identified within the External Envelope Enhancement programme for 2018/19. These projects have proven to be highly successful in the past four years, and have had a significant effect in assisting non-traditionally constructed properties to meet the requirements of Energy Efficiency Standard for Social Housing (EESH).
135. In addition, the external insulation and render work to non-traditionally constructed properties has a significant positive impact on residents' lives in terms of making their homes warmer, often resulting in lower fuel bills. Through this type of ongoing investment, older residents, who are more likely to spend most time in-doors, are supported to remain living in their own homes in later life.
136. The Council's financial contribution to the delivery of the SHIP makes use of the prudential borrowing framework, capital receipts and balances. The Standard Delivery Plan (SDP) financial model is updated as part of the SHIP review process so as to ensure that the new house building programme and the achievement of EESH remain financially viable and are achievable by 2020. Development activity will continue to be monitored in this way so as to

ensure the development of new housing does not impact on existing stock in terms of maintaining high quality Council stock.

### **Skills Shortage**

137. There is an ongoing concern within the construction industry that fewer apprenticeships have been made available in recent years leading to fewer skilled trades being available currently to respond to the need for a significant number of new homes to be delivered in response to the Scottish Government's stated aim to deliver 50,000 new affordable homes by 2021. Initiatives to encourage apprenticeships and to raise awareness about employment opportunities in the construction industry from an early age must continue to be supported and encouraged across the sector to respond to the reported skills shortage. To this end, the Council has established a partnering arrangement with one Developer, CCG, through its membership of the SPA. The Council's SHIP programme is therefore being delivered by CCG, utilising the off-site manufacturing process. This partnering arrangement will also facilitate the realisation not only of Community Benefits being delivered in communities across East Ayrshire, but will also elicit ongoing apprenticeships in communities throughout the lifetime of the SHIP to support the sustained delivery of skills training for the future, working in partnership with CCG, other Council Services and Ayrshire College.

### **Suitable Sites**

138. Whilst there is an ongoing concern at a national level that the availability of suitable sites for development is impacting on the More Homes proposal to deliver 50,000 new homes by 2021, the Housing Asset Management Framework (HAMF) assessment identified a number of priority areas for site clearance and proposed new build work in 2016, to be facilitated via the SHIP 2017-2022 process. This ongoing assessment has informed both the sites that continue to feature, and new sites identified, in the SHIP 2018-2023 for development.
139. The Local Development Plan sets out sites that are zoned as suitable for housing development. It is essential that infrastructure authorities such as Scottish Water and SEPA assist in facilitating the timeous delivery of sites set out in the SHIP so that unforeseen delays may be minimised. The Council has been contacted by Scottish Water, following the delivery of the 2012-15 Strategic Local Programme (SLP), to provide a direct point of contact in response to ongoing feedback across the industry relating to barriers to the delivery of new homes. Having utilised this point of contact to facilitate the delivery of one particular site that featured in Year One of in the SHIP 2017-2022, the response has proved to be positive, making this a valuable contact.

140. In terms of ongoing dialogue with SEPA, the Council is experiencing significant difficulty in securing development approvals across a range of sites. The Council would welcome the opportunity to work more collaboratively with SEPA to secure consents that will both promote the new build development proposals set out in the SHIP 2018-2023, and the wider East Ayrshire Community Plan priorities.

## **METHODOLOGY FOR PRIORITISING PROJECTS**

141. All projects identified in the SHIP 2018-2023 will deliver affordable homes for social rent, across a range of needs, will facilitate regeneration within town centres and will promote town centre living. The proposed projects will therefore

meet the Council's strategic housing priorities, as Strategic Housing Authority, and will assist in the delivery of wider corporate objectives as set out in the Community Plan, working collaboratively with RSL partners and the Council's partner Developer, CCG.

142. More specifically, for the purpose of prioritising projects, consideration has been given to:

- **Good Place-Making**

The Scottish Government's Architecture and Place Policy Statement 'Creating Places,' launched in June 2013, states that good place-making can influence the economy of an area by making it an appealing place to live, work, and visit. Through good design, safe, welcoming places can be created to which people would wish to return, and which would have a greater chance of longevity. The sites identified in the SHIP 2018-2023 seek to promote Good Place-Making for the communities in which they are located. Further, 'The Place Standard' devised by Architecture & Design Scotland, NHS Scotland and the Scottish Government, 2015, provides a tool to evaluate the quality of place, and is particularly helpful in the development of proposals with an identified community care need.

- **Housing Market Area**

The 2012 HNDA identified the affordable housing shortfall in each Housing Market Area (HMA). Whilst the Kilmarnock & Loudoun HMA demonstrated the highest overall shortfall, the level of shortfall in the Doon Valley HMA represents a significant proportion of available affordable housing, with the area having pockets of high demand and low turnover. The SHIP 2018-2023 projects are therefore spread across the authority area, in response to identified need.

The HNDA is due to be submitted to the Scottish Government's Centre for Housing Market Analysis (CHMA) in the first instance, and thereafter to Cabinet, so as to secure a 'robust and credible' accreditation of the assessment. The HNDA will inform the development of the new Local Strategy (LHS) to include future new build housing development proposals, to be set out in the SHIP.

- **LHS Strategic Housing Outcomes**

The new build and reconfiguration proposals contained in the SHIP 2018-2023 support the delivery of the Strategic Housing Outcomes, as set out at the Affordable Housing Investment Priorities section of the report developed for the LHS 2013-2018. A new LHS is due to be developed to cover the timeframe 2019-2023, and will be informed by the new HNDA, once approved.

- **Town Centre Regeneration**

Through the Transformation Strategy, all Council-owned land and assets have been audited to identify any that are surplus to requirement. This process also facilitates the identification of suitable Council assets that may be recycled and incorporated into the SHIP Programme for the development of affordable housing.

- The Council's Housing and Communities Service is responsible for leading the development of the SHIP. Preparation of the 2018-2023 SHIP has been overseen by the Council's Future Homes Board. Having identified town centres as the Council's strategic priority for the delivery of new affordable housing development, sites are brought forward to the Board for consideration relative to national and local priorities and the Housing Asset Management Framework (HAMF) assessment.

- Council land assets identified do not always sit in the Housing Revenue Account, and may result from other initiatives being undertaken that elicit appropriate sites for housing activity, such as Community Asset Transfer community consultation processes and the HAMF implementation. The SHIP 2018-2023 continues to support the development of sites that have been identified as a result of these initiatives.

- **Housing Asset Management Framework**

Through the implementation of the Housing Asset Management Framework that was approved by Cabinet in February 2016, a place-based approach has been adopted to the assessment. A number of priority areas were identified in 2016 for site clearance and proposed new build work to be facilitated via the approved SHIP 2017-2022. Having updated the HAMF assessment in June 2017, the SHIP 2018-2023 proposals seek to build on this established process and allow for the development of 5 sites in the SHIP 2018-2023 proposals. Further, those sites that have been added to the SHIP through the ongoing HAMF evaluation have been subject to a desk-top analysis in terms of their viability by the Council's Developer, CCG.

- **Level of Demand**

Waiting list information is available for the locality areas within which each project is located. It provides a strong indicator of need and assists in developing detailed project proposals utilising data held by property size and age group of applicants. The new HNDA, once approved, will draw on this data to inform current and future patterns of need. The HNDA is due to be submitted to the Scottish Government's Centre for Housing Market Analysis



(CHMA) in the first instance, and thereafter to Cabinet, so as to secure a 'robust and credible' accreditation of the assessment.

## CONTACT US

143. East Ayrshire Council is keen to hear your views on the Strategic Housing Investment Plan 2018-2023 proposals.
144. Should you wish to discuss the contents of the Plan in further detail, please contact: Deborah Brady, tel. 01563 576792, Development and Regeneration Officer or e-mail: [deborah.brady@east-ayrshire.gov.uk](mailto:deborah.brady@east-ayrshire.gov.uk)

**MORE HOMES DIVISION**

## STRATEGIC HOUSING INVESTMENT PLAN 2018/19-2022/23

Table 1 - AFFORDABLE HOUSING SUPPLY PROGRAMME - Years 1-5 2018/19-2022/23

**LOCAL AUTHORITY: East Ayrshire Council**

[illegible]

Drop Down Table Value	Numerical Value	Geographic Code
		West Highland Islands Authorities Remote/Rural Angl - SR -
1		Greener - RSL - SR - Greener
2		Greener - RSL - SR - Greener
3		Other Rural - RSL - SR - Greener
4		Other Rural - RSL - SR - Other
5		City and Urban - RSL - SR - Greener
6		City and Urban - RSL - SR - Other
7		City and Urban - RSL - Mid-Market Rent - Greener
8		City and Urban - RSL - Mid-Market Rent - Other
9		Council - SR - Greener
10		Council - SR - Other



MORE HOMES DIVISION

STRATEGIC HOUSING INVESTMENT PLAN 2018/19-2022/23

Table 3 - POTENTIAL HIF AFFORDABLE HOUSING PROJECTS WHICH MAY BE DEVELOPED FOLLOWING HIF INVESTMENT

LOCAL AUTHORITY:East Ayrshire Council

PROJECT	SUB-AREA	PRIORITY Low / Medium / High	GEOGRAPHIC COORDINATES (Easting Northing Y-NORTHING)	GEOGRAPHIC CODE (Numeric Value - from Drop Down List (see Below))	DEVELOPER	UNITS - BUILT FORM										UNITS - TENURE			UNITS - TYPE			GREENER STANDARDS		APPROVAL DATE	UNIT SITE STARTS			UNITS - COMPLETIONS				TOTAL TUNNELS OVER PERIOD 0	SG AHSP FUNDING REQUIREMENT (£0,000)			TOTAL AHSP REQUIRED OVER SHIP PERIOD 0.000																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
						Social Rent	Mid Market Rent	LCHO - Shared Equity	LCHO - Shared Ownership	LCHO - Improvement for Sale	PSR	Total Units	Off the Shelf	Rehab	MB	Total Units	GN	Specialist Provision	Type of Specialist Particular Need (if Known)	Total Units By Type	Ecoflex Y or N	Financial Year (Estimated or Actual)	2018/19		2019/20	2020/21	POST 2020/21	2018/19	2019/20	2020/21	POST 2020/21		2018/19	2019/20	2020/21		POST 2020/21																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	

**MORE HOMES DIVISION**

## STRATEGIC HOUSING INVESTMENT PLAN 2018/19-2022/23

**LOCAL AUTHORITY:East Ayrshire Council**

**TABLE 4 - AFFORDABLE HOUSING PROJECTS FUNDED OR SUPPORTED BY SOURCES OTHER THAN THE RPA/TMDF BUDGET**

[illegible]

<b>MORE HOMES DIVISION</b>	
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<b>STRATEGIC HOUSING INVESTMENT PLAN 2018/19-2022/23</b>
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**LOCAL AUTHORITY:**East Ayrshire Council

**TABLE 5.1: COUNCIL TAX ON SECOND AND EMPTY HOMES(£0.000M)**

	TAX RAISED OR IN HAND	TAX USED TO SUPPORT AFFORDABLE HOUSING	TAX CARRIED FORWARD TO SUBSEQUENT YEARS
<b>PRE - 2015/16</b>	644473.220		
<b>2015/16</b>	273871.430		918344.650
<b>2016/17</b>	292524.790	373000.000	837869.440

**TABLE 5.2: DEVELOPER CONTRIBUTIONS (£0.000M)**

	SUMS			UNITS		
	RAISED OR IN HAND	USED TO ASSIST HOUSING	SUM CARRIED FORWARD TO SUBSEQUENT YEARS	AFFORDABLE UNITS FULLY FUNDED FROM CONTRIBUTIONS	UNITS PARTIALLY ASSISTED FROM CONTRIBUTIONS	UNITS TOTAL
<b>PRE - 2015/16</b>						
<b>2015/16</b>			0.000			0
<b>2016/17</b>			0.000			0

**Note:** These tables are used to capture financial information. Details of how this has been used to fund/assist housing should be contained in the text of the SHIP as described in the guidance.

Site	No. Units	Total	Balances	Grant (EAC) /	future Years Borrowing
<b>YEAR 1 18/19</b>					
Former Bellfield Primary School, Kilmarnock	67	£ 11,758,800		£ 3,953,000	£ 7,805,800
David Dale Avenue, Stewarton	34	£ 5,904,000	£ 51,500	£ 2,006,000	£ 3,846,500
Former Day Centre, Carnshalloch Avenue, Patna	19	£ 3,328,800		£ 1,121,000	£ 2,207,800
Fraser Walk, Kilmarnock	54	£ 9,321,600	£ 123,800	£ 3,186,000	£ 6,011,800
Witch Road/ Witchhill Place Kilmarnock (phase 1)	23	£ 4,555,200	£ 555,400	£ 1,357,000	£ 2,642,800
Buy Backs	10	£ 500,000	£ 200,000	£ 300,000	£ -
Off the shelf/new build	10	£ 1,375,000		£ 570,000	£ 805,000
<b>YEAR 2 19/20</b>					
Former Crown Hotel, New Cumnock (H&SCP)	14	£ 3,182,600		£ 826,000	£ 2,356,600
Witch Road/ Witchhill Place Kilmarnock Phase 2	20	£ 4,085,900	£ 370,300	£ 1,180,000	£ 2,535,600
AHP - Holehouse Road, Kilmarnock	20	£ 2,750,000		£ 1,140,000	£ 1,610,000
Buy Backs	10	£ 500,000	£ 200,000	£ 300,000	£ -
<b>YEAR 3 20/21</b>					
Games Hall and Community Centre, Mauchline (H&SCP)	14	£ 3,271,700	£ 68,000	£ 826,000	£ 2,377,700
Former Barshare and Hillside Primary Schools	30	£ 5,362,800		£ 1,770,000	£ 3,592,800
Former Games Hall, Drongan	12	£ 2,163,100		£ 708,000	£ 1,455,100
Former Silver wood Primary School, Kilmarnock	41	£ 7,474,800		£ 2,419,000	£ 5,055,800
Buy Backs	10	£ 500,000	£ 200,000	£ 300,000	£ -
<b>YEAR 4 21/22</b>					
Site at Stewarton	14	£ 2,528,400		£ 826,000	£ 1,702,400
Site in Kilmaurs	10	£ 1,923,300		£ 590,000	£ 1,333,300
Bellevue Gardens, Kilmarnock	10	£ 1,879,600		£ 590,000	£ 1,289,600
Buy Backs	10	£ 500,000	£ 200,000	£ 300,000	£ -
<b>YEAR 5 22/23</b>					
Buy Backs	10	£ 500,000	£ 200,000	£ 300,000	£ -
<b>Total</b>	<b>442</b>	<b>£ 73,365,600</b>	<b>£ 2,169,000</b>	<b>£ 24,568,000</b>	<b>£ 46,628,600</b>