



**Falkirk Council**

## **Corporate & Housing Services**



### **Strategic Housing Investment Plan 2019/2020 to 2023/24**



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## 1. The Role of The Strategic Housing Investment Plan

The Strategic Housing Investment Plan (SHIP) is prepared in line with Scottish Government (SG) guidance and influenced by housing supply targets set out in the Local Housing Strategy and Local Development Plan (LDP).

The SHIP sets out key strategic housing investment priorities to support the delivery of this target. It also sets out plans for the supply of housing across other tenures, where appropriate, over a 5 year period.

The Council's new build programme is moving towards targeting larger strategic sites. However, it will continue to develop some smaller infill development sites to meet specific housing needs. Targeting significantly larger sites will increase the overall supply of new council homes. It will also provide increased security in the delivery of council's house building programme. This will also facilitate the release of smaller Housing Revenue Account sites with the potential to deliver small scale private housing developments. These sites will generally have a capacity below 15 units and will be reported to Executive to allow consideration of them being declared surplus to operational requirements.

## 2. Content of the Strategic Housing Investment Plan

### 2.1 Links to the Local Housing Strategy 2017-2022

The LHS sets out the strategic policy approach to delivering housing and related services to meet housing need. The LHS was approved by Executive on 15 August 2017 with final sign off by Scottish Government in March 2018.

The 6 priorities of the LHS are:

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

### 2.2 Housing Supply Target

The LHS sets the Housing Supply Target (HST). It takes the Housing Need and Demand Assessment (HNDA) estimate as a starting point and looks at a range of factors such as resources and land availability. The HST only considers new build units which will be delivered within the LHS period.

The all tenure HST was set at 491. This is broken down into 368 private units and 123 affordable units each year. This equates to 615 affordable new build units over the LHS period.

Affordable housing options available are:

- New build provided by Council and RSLs
- Buying Back former Council (90 annually) and Paragon properties (5-10 annually)
- Scottish Government Open Market Shared Equity Scheme (OMSE) which is property for sale on the open market available to first time buyers and priority groups<sup>1</sup>
- Scottish Government Help to Buy<sup>2</sup> scheme to help first time buyers/existing homeowners to buy an affordable new build home from a participating home builder
- Discounted Sale without subsidy which has successfully delivered 15 units in a local site which was subject to the Affordable Housing Policy
- Mortgage to rent to help people whose homes are at risk of being repossessed, to stay in their homes by Council or RSL buying and renting back to them.
- Empty property sold on the open market without subsidy but within the local maximum price ceiling<sup>3</sup> set by Scottish Government for OMSE

### 2.3 Project Scoring Methodology

A project submission form and scoring methodology was developed and agreed by Falkirk Council's Strategy and Development Team, Council New Build Team and RSLs. This demonstrates the commitment by all parties to partnership working. The methodology is attached (appendix 1) and takes account of:

- The LHS 2017-2022 outcomes
- Areas of high demand as identified by the HNDA
- Deliverability
- Bedroom sizes
- Tenure and house type
- Number of accessible units
- Grant funding requirement
- Sustainability relating to energy efficiency

The Council is keen to focus on a pragmatic programme to deliver projects in the SHIP. Measures have therefore been taken to mitigate development constraints which have been identified at an early stage in the process. Potential projects are discussed with colleagues in Planning to ensure that potential delivery constraints are identified early in the process. In addition, consultation has also taken place with Scottish Water, to identify potential barriers to project developments.

### 2.4 Strategic Housing Investment Plan Projects

The use of the methodology described in 2.3 allowed projects to be scored and included in the SHIP. These are shown below detailing the number of projects and planned units each year.

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<sup>1</sup> People over 60, social renters, disabled people, members of the armed forces, veterans who have left the forces within the past 2 years, partner of service personnel up to 2 years after partner died whilst serving

<sup>2</sup> Further details on Scottish Government web site

<sup>3</sup> <https://beta.gov.scot/publications/open-market-shared-equity-omse-administrative-procedures-9781788513555/pages/17/>

<b>Table 1 – Proposed SHIP projects</b>				
<b>Developer</b>	<b>Project</b>	<b>Units</b>	<b>SG Grant</b>	<b>Score</b>
<b>2019/20 - Year 1</b>				
Link	Castings	3	£58,950	720
Kingdom	Allandale	40	£2,880,000	700
Falkirk Council	Buy Backs	90	£2,250,000	730
Falkirk Council	Abbots Road	14	£826,000	680
Falkirk Council	Blinkbonny Road	43	£2,573,000	710
Link Group Ltd	Williamson Street	37	£3,320,593	740
Link Group Ltd	Former Whyteside Hotel	32	£2,873,837	560
Paragon	Buy Backs	5	£125,000	620
<b>Annual Total</b>		<b>264</b>	<b>£14,907,380</b>	
<b>2020/21 - Year 2</b>				
Falkirk Council	Buy Backs	90	£2,250,000	730
Falkirk Council	Former Torwood School	23	£1,357,000	660
Falkirk Council	Woodend Farm	35	£6,549,000	630
Falkirk Council	Former Denny High School	50	£11,800,000	510
Falkirk Council	Bainsford Adult Day Centre	17	£1,003,000	590
Link Group	North of Glasgow Rd, Dennyloanhead (H08)	30	£2,670,000	470
Link Group	North of Kilsyth Rd Banknock (M03)	30	£2,670,000	470
Link Group	Vellore Road, Maddiston	34	£2,994,795	510
Weslo	King Street	23	£1,694,939	600
Weslo	Carradale Avenue	29	£2,290,536	600
Paragon	Buy Backs	5	£125,000	620
Cairn	Etna Road	40	£2,942,000	560
<b>Annual Total</b>		<b>406</b>	<b>£38,346,270</b>	
<b>2021/22 - Year 3</b>				
Falkirk Council	Buy Backs	90	£2,250,000	730
Falkirk Council	Woodend Farm	51		630
Falkirk Council	Former Denny High School	50		510
Falkirk Council	Banknock South	50	£6,077,000	590
Falkirk Council	Former Oakbank Home	27	£1,593,000	600
Falkirk Council	Main Street, Bonnybridge	25	£1,475,000	540
Paragon	Buy Backs	5	£125,000	480
<b>Annual Total</b>		<b>298</b>	<b>£11,520,000</b>	
<b>2022/23 - Year 4</b>				
Falkirk Council	Buy Backs	90	£2,250,000	730
Falkirk Council	Woodend Farm	25		630
Falkirk Council	Former Denny High School	50		510
Falkirk Council	Banknock South	53		590
Falkirk Council	Seabegs Road, Bonnybridge	35	£2,065,000	560
Paragon	Buy Backs	5	£125,000	620
<b>Annual Total</b>		<b>258</b>	<b>£4,440,000</b>	
<b>2023/24 - Year 5</b>				
Falkirk Council	Buy Backs	90	£2,250,000	730
Falkirk Council	Former Denny High School	50		510
Paragon	Buy Backs	5	£125,000	620
<b>Annual Total</b>		<b>145</b>	<b>£2,375,000</b>	
<b>SHIP Total</b>		<b>1371</b>	<b>£71,588,650</b>	

## 2.5 Energy Efficiency

The SHIP scoring methodology explores energy efficiency issues. This is based on the SG Resource Technical Handbook 2011 Domestic Sustainability which notes the specified level of sustainability for a dwelling. The three main standards are:

- Bronze or Bronze Active
- Silver or Silver Active
- Gold

Only one project in this SHIP will not be delivered to Silver or above standard. The ability to deliver Gold Standard is restricted due to the additional costs of building to a higher standard specification and associated funding constraints. However, we continue to monitor delivery of such properties nationally to identify good practice for consideration in future plans. The delivery of Silver standard links directly to LHS priorities 5 and 6.

## 3. **Resource Planning Assumptions**

The Scottish Government advised of Resource Planning Assumptions for grant until 2020/21 and advised in guidance to use the year 2 figure for the remaining three years of the SHIP.

The table below considers all resources to deliver affordable housing including grant, 2<sup>nd</sup> homes Council tax and developer contributions.

	<b>RPA</b>	<b>SG grant (£m)</b>	<b>2<sup>ND</sup> homes council tax (£m)</b>	<b>Developer Contributions (m)</b>	<b>Total</b>
Year 1	2019-20	£11.307	£0.262	£0.204	£11.773
Year 2	2020-21	£12.064	£0.262	£0.204	£12.530
Year 3	2021-22	£12.064	£0.262	£0.204	£12.530
Year 4	2022-23	£12.064	£0.262	£0.204	£12.530
Year 5	2023-24	£12.064	£0.262	£0.204	£12.530
	<b>Total</b>	<b>£59.563</b>	<b>£1,310</b>	<b>£1.020</b>	<b>£61.893</b>

Source: Scottish Government & Falkirk Council

## 4. **Housing Infrastructure Fund**

The Scottish Government Housing Infrastructure Fund is available for the delivery of housing sites where the scale and nature of infrastructure costs would prevent the site from being supported through the Affordable Housing Supply Programme (AHSP).

Falkirk Council submitted an application to the HIF for sites in Banknock, Dennyloanhead where unit numbers were constrained because development works were required at Junction 7 of the M80. A firm offer of grant of up to £1.543m from Scottish Government was made in May 2018 to facilitate the junction improvements.

<b>Site Location</b>	<b>Owner</b>	<b>Number of Units to be delivered by 2021</b>
Site to the north of Kilsyth Road, Banknock (LDP site reference M03) - Cannerton	I&H Brown Ltd	30
Site to the north of Glasgow Road, Dennyloanhead (LDP site reference H08)- Broomridge Farm	Mactaggart & Mickel/ Bellway	30
Site to the South of Kilsyth Road, Banknock (LDP site reference H07)	Falkirk Council/ JB Bennett	103

Falkirk Council, Registered Social Landlords, Scottish Government and developers for these sites will meet on September 2018 to discuss progress of affordable housing.

## **5. Other Affordable Housing Provided with Affordable Housing Supply Programme Assistance**

### **5.1 Buy Back Scheme**

The Council introduced a buy back scheme in 2013 buying back 1 and 2 bedroom ex-council properties sold under Right to Buy. This was to increase the amount of social rented housing in the area. Executive agreed on 20 October 2015 to widen this commitment to include the purchase of houses with 3 or more bedrooms.

On 22 February 2017 the Council approved a further 3 year commitment to this scheme by allocating £6m per annum in the Housing Investment Programme for the period 2017-2018 to 2019-2020.

Table 4 sets out properties purchased to date.

<b>Years</b>	<b>Number of properties bought</b>
2013-14	69
2014-15	77
2015-16	97
2016-17	80
2017-18	95
<b>Total</b>	<b>418</b>

Source : Falkirk Council

The SG provides a grant of £25,000 per property to purchase former Council properties. In 2017-2018 the average cost of a buy back was £69,597.

The Buy Back scheme links to the empty homes project. On occasion former long term empty Council properties have been purchased as buy backs. This assists to return empty properties into use. It also creates sustainable communities.

The buy back project was extended to houses with more than 2 bedrooms as there has been a need for larger properties.

The LHS notes both Falkirk Council and Paragon Housing Association have blocks of flats in



mixed ownership where there can be challenges carrying out communal work required for Energy Efficiency Standard in Scottish Social Housing (EESSSH) and to bring properties up to the Scottish Housing Quality Standard.

Finally, there are no proposed new built sites in the Larbert/ Stenhousemuir/ Rural North sub-area. There are fewer sites available for new housing. However over 50 buy backs have been purchased providing additional social rented housing in that sub area.

## 5.2 Affordable Housing Policy (AHP)

The Council’s policy for affordable housing ensures new housing developments of 20 or more units make a contribution towards affordable housing. This assists the Council to achieve diversity of house types and tenures to create integrated communities. The types of affordable housing covered are:

- Social rented housing
- Mid-market or intermediate rented accommodation
- Shared equity
- Subsidised low cost sale
- Entry level housing for sale (unsubsidised)

Table 5 shows the percentage requirement for affordable housing in the Council area.

<b>Table 5: Percentage Affordable Housing Requirement</b>		
<b>% Requirements</b>	<b>25%</b>	<b>15%</b>
Housing settlement areas	Larbert/Stenhousemuir/Rural North  Polmont/Rural South	Bo’ness Denny /Bonnybridge Falkirk Grangemouth

Source: Falkirk Council Revised Supplementary Planning Guidance Note

While the Council maintains a first preference for the provision of affordable housing in the form of socially rented housing by the Council or RSLs, it will consider any of the aforementioned options as contributing towards meeting affordable need, depending on local market circumstance.

Early discussions will take place between the Council and private developers to determine the specific requirements, likely funding availability and appropriate delivery mechanism.

The sequential approach below is applied to the delivery of affordable housing:

- On-site provision
- Off-site provision
- Commuted sum payment

Table 6 shows sites which are subject to the AHP which may be considered during the period of this SHIP.

<b>Table 6: Sites Subject to AHP programmed to come forward in 2018-2023</b>		
<b>Sub-Area</b>	<b>Number of Sites</b>	<b>Potential Unit Numbers</b>
Bonnybridge/ Denny	5	90
Falkirk	4	51
Larbert/Stenhousemuir /Rural North	2	12
Polmont/Rural South	4	66
<b>Total</b>	<b>15</b>	<b>219</b>

Source: Falkirk Council Development Services

Although there is a preference to provide social rented housing on site, it should be noted this will be dependent upon the availability of grant and local market circumstance. To deliver all of the above as social rent it would take up to an additional £15.768m of grant funding. Options for delivering the required homes through the affordable housing policy will therefore be explored on a site by site basis taking account of available grant, housing need, demand and local supply for each site.

### 5.3 Additional Contributions

On January 15<sup>th</sup> 2018 Executive approved housing investment requirements for the years 2018/19 to 2020/21. This included £10.4 million for Council new build and £6 million for Council buy backs.

## 6. **Council Tax on Empty and 2<sup>nd</sup> Homes**

Table 2 demonstrates a total of £1.313m in second homes council tax. This is currently used to support affordable housing and fund an Empty Homes Officer. Future options for this funding are currently being explored.

## 7. **Developer Contributions**

As demonstrated in table 2 commuted sum funding expected during the period of this SHIP is £1.020m. Options for this funding are currently being explored. The use of all developer contributions are monitored and agreed by the Planning Obligations Group.

## 8. **Wheelchair Accessible Target**

### 8.1 Background to Wheelchair Accessible Target

Guidance highlighted Ministers wish to see an increase in the number of wheelchair accessible homes being delivered. The Fairer Scotland for Disabled People Action Plan recommends Councils set a realistic target within their LHS for the delivery of wheelchair accessible housing across all tenures. As a first step in this process Councils are asked to include a position statement in the SHIP noting the requirement for:

- Wheelchair accessible housing in the area
- Any information gaps
- How to address need across all tenures

## 8.2 Evidence from Housing Need Demand Assessment

The current evidence base is the Falkirk HNDA. This was agreed as robust and credible by the Scottish Government Centre for Housing Market Analysis in August 2016. It identified an all tenure need for between 300- 510 wheelchair accessible properties. Full details on how this has been identified can be found on page 100 of the HNDA using the link below.

### [Housing Need and Demand Assessment](#)

We carry out analysis at a local level annually considering data from rents, house prices, waiting lists etc. and consultation with operational staff through this we will continue to explore need and demand for wheelchair accessible housing.

## 8.3 Links to Local Housing Strategy 2017-2022

The LHS includes the following actions to address identified need across all tenures:

- Provide specialist advice for older people and those with disabilities
- Build more homes which meet people's changing needs
- Agree with partners specifications standard for new build housing
- Work in partnership to explore standard specifications for specialist housing built through the SHIP
- Increase the supply of specialised housing funded through the SHIP

The LHS has set a target that 5% to 10% of new build properties will be built to wheelchair standard where viable.

## 8.5 Actions to Address Future Provision of Wheelchair Accessible Housing

Current building standards provide details on enhanced accessibility and adaptability standards for new build housing.

We acknowledge that a planning review is ongoing and anticipate this will provide comment on the future role of the LDP in relation to wheelchair accessible housing across all tenures.

In the meantime the Council will continue to work with planning colleagues and developers to explore the possibility for the provision of wheelchair accessible housing across tenures.

## 8.5 Provision of Affordable Wheelchair Accessible Homes Provided in this Strategic Housing Investment Plan

A total of 893 new build affordable properties are planned to be delivered within this SHIP period and will be built to housing for varying needs standard. This includes 504 (56%) older/ambulant and 132 (15%) accessible properties.

## 9. **Rapid Rehousing Transition Plan**

Falkirk Council is undertaking work to develop a Rapid Rehousing Transition Plan by December

2018. This plan will cover a 5 year period or longer to allow development of this new approach to end homelessness in Scotland. The content of this plan will be included in future SHIPs.

## **10. Consultation and Collaboration**

The Affordable Housing Supply Programme (AHSP) is delivered via partnership working between the Council, RSLs and the SG Housing Supply Division. At a strategic level Housing Services meets on a 3 monthly basis with SG officials and RSL partners. These meetings demonstrate commitment from all partners to successful project completions to ensure potential issues are addressed timeously.

The Housing Planning Liaison Group also takes place quarterly and consists of Falkirk Council Housing and Planning Officers. It reviews progress with meeting the HNDA, LDP, SHIP projects and new builds private developments subject to the affordable housing policy. It seeks to ensure that all affordable opportunities are explored for local residents. This group discusses SHIP projects and sites which are likely to have an Affordable Housing Contribution.

The Planning Obligations Group considers how affordable housing contributions are used to increase affordable housing units.

A Corporate Group has been set up to explore best use of council assets to maximise the number of affordable housing being delivered.

The Strategic Housing Group meets on an annual basis. It is the Housing Market Partnership for overseeing the development and implementation of the HNDA and LHS. Members of this group include housing, planning, social work, representatives from the voluntary sector, SG, Homes For Scotland and local RSLs.

The LHS Working Group meets quarterly to discuss progress of actions noted in 8.4.

The SHIP was also considered by the Tenant and Resident Forum in August 2018.

The SHIP was discussed at the Adapting for Change Steering Group. This group is responsible for streamlining the procedure for disabled adaptations. The provision of new wheelchair and older/ambulant properties are of interest to this group as an alternative option when disabled adaptations are not viable in existing accommodation.

The SHIP will be discussed at the next Housing Contribution Statement Group. This group progresses housing's role in health and social care integration. It includes representation from Falkirk Health and Social Care Partnership, RSLs and housing services.

This SHIP has been developed in consultation with Scottish Water who has advised on all proposed projects in relation to potential issues relating to water and sewerage issues which could impact on unit delivery.

## **11. Procurement**

In the context of public services reform the Council aims to develop collaborative approaches to procurement and shared services with RSLs and other providers.

The Council achieves best value in terms of delivering their new build housing programme by implementing the most cost effective design solutions for each development site. This is achieved after completing a thorough design evaluation of the site to maximise the development potential. It incorporates in the detailed design the most effective and efficient construction methods including prefabrication, combined with material specifications, plus mechanical and electrical system meeting current technical standards.

## **12. Equalities**

The Equality Act 2010 provides a range of protection for nine protected characteristics which include age, religion and belief, race, disability, sex, sexual orientation, pregnancy and maternity, marriage and civil partnership, and gender reassignment.

The Council strives to ensure equality of opportunity and the LHS and SHIP plays a significant role in promoting the equalities agenda. A comprehensive Equality and Poverty Impact Assessment was undertaken for the LHS 2017-2022 and is available on the Council website. This identified age, disability, sex and ethnicity as the main protected characteristics which have an impact on housing need and demand.

Priorities, actions and indicators detailed in the LHS, along with consultation on the needs of these specific groups, has been designed to ensure adequate housing is in place to meet the continuous demand for affordable housing in the area.

## **13. Strategic Environmental Assessment**

A pre-screening Strategic Environmental Assessment for the LHS 2017-2022 was sent to SEA Gateway in September 2015. Confirmation being received in October 2015 that a full SEA would not be necessary for the LHS 2017-2022.

## **14. Monitoring**

The implementation of the SG Housing and Regeneration Programmes system went live in September 2017. This system will be used by Councils to submit their SHIP and will enable project monitoring for all projects SHIP.

Tripartite meetings between Falkirk Council, SG and RSLs also ensure the SHIP is regularly monitored.

The SG expects the SHIP to be monitored against the LHS and Local Outcome Improvement Plans (LOIP).

The purpose of this is to identify how LHS policies are being translated into operational delivery of affordable housing.

The key LHS priorities linked to this SHIP are:

- Increasing housing supply
- Providing housing and support to vulnerable groups

Locally, the LOIP is known as the Single Outcome Local Delivery Plan (SOLD). Table 7 demonstrates the links between the LHS and SOLD. It also provides information on SOLD outcomes.

<b>Table 7: Links between the LHS and SOLD</b>		
<b>LHS Priority</b>	<b>SOLD Priority</b>	<b>SOLD Outcome</b>
Increasing housing supply	Maximising job creation and employability	Our area will be a fairer and more equal place to live
	Addressing the impact of poverty on children	We will grow our economy to secure successful businesses, investment and employment
Providing housing support to vulnerable groups	Improving mental health and wellbeing	People will live independent and positive lives within supportive communities

Locality planning is communities working together with public and third sector organisations to improve residents' lives and areas where they live. Locality planning by the Council will encourage public and community participation in services and decisions which affect local communities. Improvements could be for:

- Local services
- Public buildings and facilities

The three localities in the Falkirk Council area are:

- East Locality (Bo'ness and Blackness, Grangemouth and Upper Braes)
- Central Locality (Falkirk North, Falkirk South and Lower Braes)
- West Locality (Denny and Banknock, Bonnybridge and Carse, Kinnaird and Tryst)

Each locality has around 50,000 residents. Locality planning is underway in the east of the District. Senior officers from a range of community planning partners oversee the process. An East Locality sub group has been set up which will consider housing issues.

The West Locality sub group will be set up over the autumn period. It is anticipated that future SHIP's will be influenced by Locality Planning Partnerships.

The LHS annual update will monitor the delivery of affordable housing and will be published on the Council's website.

## 15. Summary

The SHIP is influenced by the housing supply targets set in the LHS and LDP. It considers constraints in public expenditure and takes account of the SG policy set out in Homes Fit for the 21st Century, UK government Welfare Reforms and recognises the Scottish Government More Homes Scotland approach. The SHIP demonstrates the potential to deliver 1371 affordable housing units.

The SG Guidance expects Councils to over-programme for the first 2 years of the SHIP period to 31 March 2021. It also recommends a 25% slippage for year 1 and 2 of the SHIP. After applying this there remains sufficient projects to fulfil the RPA allocated.

Although there is insufficient grant to meet the full commitment in the SHIP, there is sufficient funding to deliver the annual target of 123 new build properties required in the Housing Supply Target set out in the Council's LHS 2017-2022. We will continue to explore grant funding opportunities with the Scottish Government.