

Dumfries



& Galloway

COMMUNITIES

**Strategic Housing Investment Plan
Annual Review**

October 2018

1. **STRATEGIC CONTEXT**

1.1 The Scottish Government has an aspiration for everyone in Scotland to live in good quality affordable homes that meet their needs. It has made a commitment of around £3 billion over a 5 year period to fund the delivery of 50,000 new affordable homes. In the national context, this will support approximately 14,000 full-time equivalent jobs a year in construction and related industries as well as generating around £1.8 billion of economic activity a year. A significant amount of these benefits can be realised in Dumfries and Galloway.

1.2 Delivering high quality new affordable housing to address unmet need is a key policy aspiration for the Council and its partner organisations. This Strategic Housing Investment Plan (SHIP) sets out the key priorities for affordable housing development within the local authority area over a 5 year period. It is a working tool that sets out how the Council's strategic investment decisions will be delivered and identifies the resources required through the Scottish Government's Affordable Housing Investment Programme.

1.3 It is intended to improve long term strategic planning and the SHIP templates set out the details of the Council's long term goals. The preparation of the SHIP is a continuous activity that requires regular updates throughout the plan period. For example, a report was presented to the 6 September 2018 meeting of the Communities Committee that recommended the removal of a number of sites from the SHIP because they had been assessed as not deliverable within the plan period. A number of new sites were also recommended for inclusion as they presented opportunities to maximise the use of the funding available in the region. This refreshed SHIP submission has been prepared in accordance with the revised guidance issued by the Scottish Government and has been updated with current information where possible.

2. **LOCAL HOUSING STRATEGY**

2.1 The Housing (Scotland) Act 2001 (the Act) places a statutory requirement on local authorities to produce a Local Housing Strategy (LHS) which sets out the key priorities for the delivery of housing and related services. The Act also states the LHS must be supported by an assessment of housing and related services in their area by undertaking a Housing Need and Demand Assessment (HNDA). Dumfries and Galloway's LHS (2011 – 2016) aimed to deliver "*more new affordable housing to meet the needs of our communities*". The Council's SHIP provides further detail on how this will be achieved.

2.2 To take forward the development of the Council's next LHS, the Housing Sub Committee agreed to establish a Strategic Housing Forum. This was the key consultative group throughout the development of the LHS which has now been submitted to the Scottish Government for final appraisal. It includes key stakeholders from the Council and a wide range of partner organisations. For example, Children and Adult Social Work Services, Development Planning, Homelessness and Housing Options, Registered Social Landlords, NHS Dumfries and Galloway, the Third Sector, Private Rented Sector and Private Housing Developers. Three meetings of the

Strategic Housing Forum have now taken place to develop the key requirements to put in place the Council's LHS. The most recent event received presentations in relation to the actions within the LHS and also had facilitated workshops to discuss in further detail. Future meetings of the Forum will consider the delivery of the objectives set out within the LHS.

2.3 The Housing Sub Committee also agreed a sub group of the Strategic Housing Forum would be put in place to develop the Council's Homelessness Strategy. This Strategy has been submitted alongside the LHS and was developed in tandem. It is a supplementary document that reflects the renewed priority given to tackling a range of homelessness priorities by the Scottish Government. The target date for submission of the LHS to the Scottish Government was set to allow alignment with the production of the Council's Proposed Local Development Plan (LDP). This is because it set the housing supply targets for both market and affordable housing which are also included in the LHS. Setting these targets was a collaborative exercise taken forward by the Council's Strategic Housing and Strategic Planning Services. The LHS is one of eight "foundation" strategies identified by the regions Community Planning Strategic Partnership to deliver the Local Outcome Improvement Plan. As a result, regular progress update reports are presented to each meeting of the Strategic Partnership as well as an annual report.

2.4 The discharge of the Council's role as Strategic Housing Authority contributes to the delivery of the Scottish Government's national priority to ensure *"we will live in well designed sustainable places where we are able to access the amenities and services we need"*. It also contributes to the implementation of the Council priorities to *"Build the local economy"* and *"Protect our most vulnerable people"*.

3 Housing Need and Demand Assessment

3.1 The core purpose of a HNDA is to estimate the future number of additional homes to meet existing, and future, housing need. It also captures information on the operation of the housing system to allow the Council to develop policies on new housing supply, management of existing stock and the provision of housing related services. The Council's HNDA achieved "robust and credible" status from the Scottish Government's Centre for Housing Market Analysis in August 2016. This means the housing supply estimates will not normally be considered further through the Scottish Government's examination process of the Proposed LDP. The housing supply targets were the subject of consultation through the publication of the Main Issues Report. A key element of the HNDA was to define functioning Housing Market Areas based on analysis of sales activities, alongside the origins of purchasers. This resulted in 6 housing market areas being defined. These are Annan, Dumfries, Eskdale, Mid-Galloway, Stewartry and Stranraer.

3.2 The HNDA development process utilised a Scottish Government tool that brought together a number of national data sources to help ensure consistency of approach across the country. This was supported by the input of local data from a number of sources meaning the final document truly reflects the operation of the housing system in our region. Scottish Government guidance indicates that the housing supply targets set in the LHS should align with the Local Development Plan.

3.3 The housing supply target for Dumfries and Galloway is 6,735 units for 2016-2029. This is a policy view of the number of homes the Council has agreed should be delivered. A degree of generosity has been built in to these figures to provide a high degree of choice, and flexibility, in the allocated land supply to ensure that more than enough sites are available to support the delivery of new housing development. This will also allow additional development to take place should more delivery be possible within the plan period that was originally envisaged. The housing land requirement by Housing Market Area is set out in the table below:

Housing Market Area	Market Housing	Affordable Housing	Total
Annan	487	235	722
Dumfries	2,671	857	3,528
Eskdale	50	50	100
Mid Galloway	470	218	688
Stewartry	706	302	1,008
Stranraer	454	235	689
Dumfries and Galloway	4,838	1,897	6,735

4 Partnership Working and Delivery of the SHIP

4.1 The Council transferred its housing stock to DGHP in 2003 and, as a result, requires strong working relationships with key strategic partners to deliver the SHIP. To support this work the Council established a Development Forum. The Membership includes:

- Strategic Housing
- The Investment Division of the Scottish Government
- The Homelessness and Housing Options Service
- Education Services
- Developing Registered Social Landlords
- Planning and Regulatory Services
- Health and Adult Social Care Partnership

This is the core membership and ad hoc sub groups are also put in place to resolve particular challenges.

4.2 One of the objectives of the Development Forum is to adopt a proactive approach to the delivery of affordable housing projects which will result in the early identification, and resolution, of delivery issues. Risks that could inhibit the delivery of the SHIP include:

- Development constraints
- Final costs vary from original financial assumptions
- Infrastructure constraints
- Ensuring compliance with policies contained in the Local Development Plan
- Legal issues relating to site purchase or site access
- Capacity of development partners to deliver programmes at the same level as our allocated Resource Planning Assumptions
- Local resident objections.

This Forum also provides an opportunity for our delivery partners to test any new development proposals for inclusion in the SHIP.

5 Resource Planning Assumptions

5.1 The Scottish Government has now allocated the Council Resource Planning Assumptions (RPA's) up until 2020/21. RPA's indicate the amount of grant that will be made available to support the delivery of new affordable housing. Registered Social Landlords increase the overall investment by raising their own private finance, and applying their own resources, to meet the total cost of new housing development. The RPA's for Dumfries and Galloway are set out in the table below:

Year	Resource Planning Assumption
2018/19	£19,279,000
2019/20	£20,420,000
2020/21	£21,786,000
Total	£61,485,000

5.2 This long term funding certainty provides greater confidence regarding the resources available to deliver the SHIP. This will result in a significant amount of housing need being met in our region and allows our strategic delivery partners to put in place the organisational arrangements to maximise investment. The Council has faced significant challenges in the past year to put in place a programme that fully utilises the use of our allocated RPA's. This is because new development opportunities are required to be taken forward on a significantly larger scale than was required in the past. To ensure there is additional capacity, a new partnership has been established with Cunninghame Housing Association who are now delivering a number of new projects in our region.

6 Council support to deliver the Strategic Housing Investment Plan

6.1 Local Authorities have the discretion to reduce Council Tax discount on second homes within their area. On 1 February 2005 the Council's Corporate Policy Committee agreed to reduce the discount for second homes to 10%. This income is ring fenced to be spent supporting the delivery of the Council's affordable housing priorities. The Scottish Government issued guidance in 2003 that indicated local authorities have the flexibility to disburse these funds to other organisations including RSL's. This income can be used to support revenue and capital expenditure related to a range of affordable housing activity including (but not limited to):

- Providing new build affordable housing through RSL's
- Funding water and sewerage infrastructure for new homes
- Bringing Empty properties back into affordable housing use
- Land acquisition for affordable housing development
- Purchasing off the shelf houses from private developers for affordable housing

6.2 This funding has been applied by the Council in a number of ways. For example, the Housing Sub Committee agreed at its meeting on 25 September 2012 to establish a £500k fund to provide additional financial support to RSL's to incorporate enhanced

energy efficiency measures in properties delivered through the SHIP. This will reduce fuel poverty, improve health and wellbeing and make a contribution to carbon reduction targets. The Housing Sub Committee also agreed at its meeting on 19 November 2015 to establish a £500k lifetime homes fund. This provides additional funding to RSL's to design housing units with full adaptations at the development stage for people with particular housing needs. This is intended to avoid the need for retro fit solutions after the homes have been let. As well as this, income generated from this source has been used to support the delivery of a number of new developments delivered through the SHIP where prohibitive costs would have made projects un-deliverable. This income will continue to support specific aspects of the SHIP delivery process going forward. For example, the 19 October 2017 meeting of the Communities Committee agreed to allocate £100k to enable a new affordable housing development to take place by clearing a derelict industrial site in Lockerbie.

7 Engagement with the Dumfries and Galloway Health and Social Care Partnership

Good housing is an essential pre-requisite for wellbeing and is central to addressing some of the most pressing health challenges in Scotland. We have an ageing population with increasingly complex health, and care, needs. There is a national aspiration to support people to live at home, or in a homely setting, for as long as possible. Housing is therefore central to addressing this challenge. The disciplines of housing, health and social work have been brought together in our region through a Locality Housing Leads Group. The Public Bodies (Joint Working) (Scotland) Act 2014 describes the need for coordination between health, social care and housing services to "jointly drive forward the housing contribution to better health and wellbeing among the population". The Locality Housing Leads Group:

- Provides a platform for discussion and decision making to meet the housing needs of vulnerable people who require care or support to promote independent living
- Makes recommendations to the Integrated Joint Board for Health and Social Care to seek their support to take forward new projects for people with particular needs in partnership with RSLs
- Identifies unmet need for housing with care, or support, at a locality level and develops proposals to address this
- Enhances the knowledge, skills and experience of partners in relation to housing issues

The Health and Social Care Partnership has appointed a Housing Lead Officer to ensure the opportunities to develop housing for people with particular needs through the delivery of the SHIP are maximised. This work is supported by the Health and Adult Social Care Management Team.

8. Monitoring and Evaluation

The overall responsibility for agreeing and monitoring the delivery of the SHIP is delegated to the Council's Communities Committee which receives reports on a regular basis. The Development Forum acts as a steering group to monitor the operational delivery of the SHIP and is responsible for resolving practical difficulties. It

meets on a regular basis and this scrutiny is supplemented with regular engagement with the Scottish Government's Housing Supply Division (West). The Scottish Health and Inequality Impact Assessment Network carried out a Health Impact Assessment on the Scottish Government's target to deliver 50,000 new affordable homes by 2021. Overall, the assessment identified many potential benefits, particularly to those people who are able to access new homes as a result of the delivery of the national target. The Council's LDP and LHS will be the subject of Impact Assessments. The SHIP is a delivery document that takes forward the affordable housing policies set out in these over-arching documents. It is therefore not necessary to complete an Impact Assessment on the SHIP.

9. Conclusion

The SHIP is a living document that will be subject to regular review so that it accurately reflects the Council's affordable housing investment priorities. Our ongoing engagement with current, and new, strategic partners will help ensure Dumfries and Galloway is in the best possible position to maximise the use of funding made available to our region. The development of new affordable housing remains a key priority for the Council and the pro-active approach to developing, and delivering, the SHIP will help support the implementation of positive outcomes.