



Strategic Housing Investment Plan 2022/23 – 2026/27



October 2021

CONTENTS

	Page
FOREWORD	2
SECTION 1: INTRODUCTION, PURPOSE AND SUMMARY	3
SECTION 2: STRATEGY AND CONSULTATION	4
SECTION 3: IDENTIFYING AND MEETING HOUSING NEEDS	7
SECTION 4: PRIORITISING PROJECTS	15
SECTION 5: AVAILABLE RESOURCES	16
SECTION 6: DELIVERY OUTCOMES & REQUIRED RESOURCES	22
SECTION 7: DEVELOPMENT CONSTRAINTS & LAND AVAILABILITY	24
SECTION 8: DELIVERY VEHICLES	26
SECTION 9: CONCLUSIONS	28
SECTION 10: CONTACT	29
APPENDIX 1: SCORING METHODOLOGY	30

FOREWORD

I am pleased to present Fife's Strategic Housing Investment Plan (SHIP) 2022/23–2026/27 on behalf of the Fife Housing Partnership, setting out how the Local Housing Strategy's priorities for affordable housing investment will be delivered across Fife.

This Strategic Housing Investment Plan is brought forward at a time of significant change. Our leading strategic 'Plan4Fife' has been revised in 2021 providing key renewal priorities, along with actions needed to kick start Fife's recovery from the Covid-19 pandemic. A new five-year Local Housing Strategy will be brought forward in 2022, supporting our community planning ambitions and priorities. This will be informed by updated housing need and demand assessments for Fife, estimating the annual requirement for new housing to 2040.

The Strategic Housing Investment Plan reflects that we are in a period of transition, with partners in Fife continuing to be committed to the delivery of new housing to meet a range of community needs. Our plan focuses on the delivery of programmes for affordable and some mixed tenure housing by Fife Council the Fife Housing Association Alliance, the Scottish Government and private developers.

Our existing priorities for affordable housing will continue until our investment strategies are reconsidered through the updated Local Housing Strategy in 2022. Our strength and history of partnership working will support us through this transitional period and ensure we can be responsive to any change in Fife's housing requirements.

I remain absolutely committed to providing high quality, affordable housing for people in Fife. The Strategic Housing Investment Plan details a mix of potential development projects, providing Fife with a realistic and practical plan to deliver against our aim for improving housing choices.

I thank all our partners for their continued commitment to this programme.



Cllr Judy Hamilton
Chair of the Fife Housing Partnership

SECTION ONE: INTRODUCTION, PURPOSE AND SUMMARY

Introduction

- 1.1 Fife Housing Partnership (FHP) has developed the Strategic Housing Investment Plan (SHIP) for 2022/23 - 2026/27 to set out how investment in affordable housing should be directed to achieve the outcomes set out in the two-year Local Housing Strategy (LHS) 2020-2022. A revised LHS is expected to be put in place from 2022 which will inform future revisions of the SHIP.
- 1.2 The partnership has established a robust strategic planning framework through the LHS, 'Fifeplan' Local Development Plan and the SHIP, which directly support delivery of housing outcomes within the 'Plan for Fife' local outcome improvement plan.

Purpose

- 1.3 The SHIP is a working tool produced each year to support longer-term strategic planning. It provides a practical plan detailing how LHS investment priorities can be delivered, forms the basis for more detailed programme planning and provides a focus for partnership working. The SHIP is used by the Scottish Government to inform the allocation of resources from a national to a local level.

Summary

- 1.4 The combined TAYplan and SESplan Housing Needs and Demand Assessment (HNDA) concludes that there is a requirement for an additional affordable supply of 594 affordable homes per annum over 12 years – a total of 2,970 over the five-year period of the SHIP.
- 1.5 The 2022/23 – 2026/27 SHIP shows the potential to deliver 4,011 affordable homes equating to around 802 units per annum. A further 200 units are estimated through other Scottish Government affordable housing options, taking the total to 4,211 units, an average of around 842 units per annum.

SECTION TWO: STRATEGY AND CONSULTATION

Local Housing Strategy (LHS)

- 2.1 Fife’s Local Housing Strategy 2020-22 was approved by the Fife Housing Partnership on the 27th August 2020. A revised five-year Local Housing Strategy is expected to be in place by April 2022, informed by updated housing need and demand assessments for the Edinburgh and Dundee city regions. A key role of the LHS will be to support recovery from the Covid-19 emergency, particularly to mitigate any increase in homelessness in Fife.
- 2.2 The high-level aim of the current LHS is ‘to provide housing choices for people in Fife’. Table 1 shows the eight leading housing priorities that have been agreed for the current LHS.

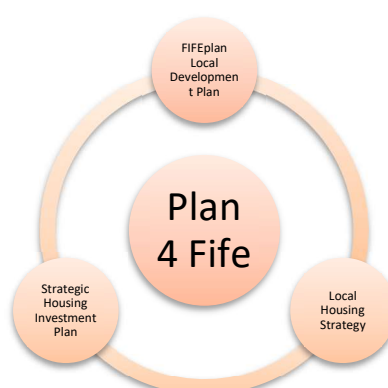
Table 1 – LHS Priorities

1. Prevention of homelessness	5. New housing supply
2. Access to housing	6. Private sector housing condition
3. Healthy heating and poverty	7. Place making and communities
4. Housing, health and social care	8. Home energy

- 2.3 The Fife Housing Partnership has carefully considered the priorities for affordable housing delivery by type and tenure. Prioritising investment is dependent upon on a range of factors including relative need, land availability and development constraints. The approach has evolved through close working between regional and local partners, particularly through strong relationships with the development sector. The priorities of the LHS are translated into the SHIP scoring methodology (see Appendix 1) which considers these factors.

Strategic Links

- 2.4 The figure below indicates the relationship between the SHIP and key strategic planning frameworks such as the LHS, ‘FIFEplan’ Local Development Plan and the ten-year ‘Plan4Fife’ Local Outcome Improvement Plan agreed in 2017.



Plan4Fife

- 2.5 The Plan 4 Fife 2017-2027 through the 'Thriving Places' theme identifies the challenge of a rapidly changing population with around 20,000 new homes needed over ten years. A Recovery and Renewal Plan for Fife has been agreed for 2021-24 to provide a short-term focus to recover from the pandemic and to contribute to longer ambitions, with priorities for leading economic recovery, tackling poverty and preventing crisis, reducing the impact of the climate emergency and building community wealth and well-being.

Development Plan

- 2.6 The FIFEplan was adopted in September 2017 to replace Fife's three Local Plans. It complements and supports the Plan for Fife in supporting the Council's aims of providing more high-quality affordable homes to build on the success of the programme to deliver 2,700 affordable homes from 2012 to 2017. The FIFEplan's 'Policy 2: Homes' shows how housing development, including affordable housing, will be supported into the future to meet strategic housing land requirements and to provide a continuous five-year housing land supply. The FIFEplan will be revised following publication of the new National Planning Framework (NPF4) for Scotland.

Consultation

- 2.7 The Fife Housing Partnership has delegated responsibility on behalf of Fife Council for progressing work to address housing need, demand and conditions across all tenures. The partnership has been operational since 2002, successfully delivering three Fife LHSs and now implementing the fourth two-year strategy for recovery from the Covid-19 emergency.
- 2.8 The range of interests represented within the partnership are Fife Council, NHS Fife, the Scottish Government, the Fife Housing Association Alliance, Scottish Association of Landlords, Fife Tenants' Forum and Scottish Land and Estates. The delivery groups supporting the partnership include representatives from statutory and third sector organisations.
- 2.9 Fife Council's Housing Services, the Scottish Government and the Fife Housing Association Alliance have coordinated affordable housing consultations on behalf of the Fife Housing Partnership and led in the development of the annual SHIP updates.

Equalities

- 2.10 An equalities impact assessment has been conducted to inform proposals in the SHIP and no negative impacts have been identified. The delivery of new housing is expected to deliver positive impacts for people with protected characteristics under the Equalities Act 2010, for example in providing specialist housing for older people or people with a physical disability.
- 2.11 Another positive impact will be that the affordability of the new housing provided will benefit people on low / limited incomes. This ties in with the Child Poverty (Scotland) Act 2017- Local Child Poverty Action Report which aims to reduce housing costs for families in Scotland. New housing will be targeted to reduce the number of children in situations of homelessness, offering stability and contributing to improved health, educational and social outcomes.

SECTION THREE: IDENTIFYING AND MEETING HOUSING NEED

Housing Need

- 3.1 Two separate housing need and demand assessments (HNDAs) were carried out to inform the current LHS and SHIP, both following the methodology set within Scottish Government guidance:
- TAYplan HNDA – assesses housing need and demand for North East Fife, Angus, Dundee and Perth and Kinross, this being concluded in February 2014 when the Scottish Government confirmed it a ‘robust and credible’ assessment. Work is underway to update the HNDA for the Dundee city region authorities by the end of 2021.
 - SESplan HNDA – assesses housing need and demand for Central and West Fife, Edinburgh, the Lothians and Scottish Borders, this being concluded in March 2015 when the Scottish Government confirmed it a ‘robust and credible’ assessment. Work is underway to update the HNDA for the Edinburgh city region authorities by the end of 2021.
- 3.2 The current HNDAs estimate total housing need through a count of the number of homeless households, concealed households, overcrowded households, households requiring adaptations, households requiring specialist forms of housing and households living in poor quality housing.
- 3.3 The methodology assumes that a proportion of those households will be able to afford to resolve their housing needs based on a comparison of local household incomes against housing costs. After netting off these households, a combined total of **19,361 households** in Fife were assessed as being in housing need through the HNDAs. These households will require some form of housing assistance, although not necessarily through the provision of a new home.
- 3.4 The TAYplan and SESplan authorities also calculated the amount of new housing required annually over 20 years based on scenarios for Fife’s households, economy and housing affordability. Figures are produced by category of affordable housing (social rented and below market rented housing) and market housing (private rented and market purchase). The combined HNDAs show a requirement for 1,146 homes in Fife per annum based on an assumption of steady economic improvement, a breakdown is shown in table 2 overleaf.

Table 2: Annual Housing Need and Demand 2018-2030**Affordable Housing**

Area	Social Rented	Below Market Rent	Total
TAYplan	92	35	127
SESplan	376	91	467
Fife	468	126	594

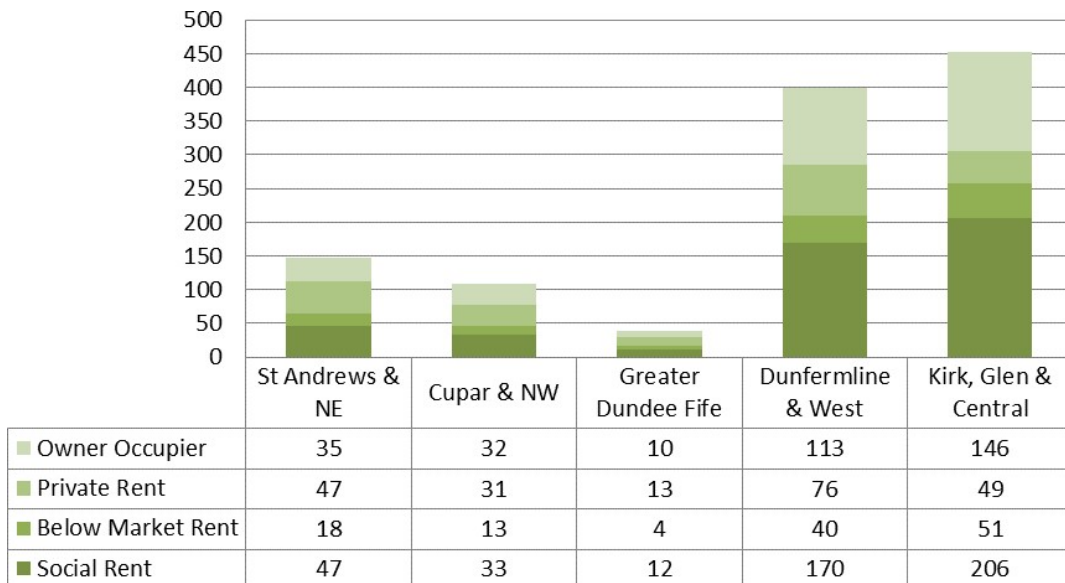
Market Housing

Area	Private Rented	Owner Occupied	Total
TAYplan	91	77	168
SESplan	125	259	384
Fife	216	336	552

Source: TAYplan HNDA (2014) and SESplan HNDA (2015) / Averaged across years

- 3.5 The scenarios for steady economic improvement are being retested through the updated HNDAs, particularly to reflect the economic impacts of Covid-19 and increasing levels of homelessness. However, the current HNDAs assess a need for 594 affordable homes per annum from 2018-30 (468 social rented plus 126 Below Market Rented homes). The demand for market housing is assessed at 552 homes per annum from 2018-30. The combined total housing demand is assessed as 1,146 per annum.
- 3.6 The combined HNDAs thus indicate a requirement for 52% affordable / 48% market housing. This compares to a requirement of 32% affordable / 68% market housing shown in previous assessments, indicating an increasing need for affordable housing as a proportion of global housing need and demand.
- 3.7 The combined HNDAs show how the annual housing requirement is distributed by tenure across the four housing market areas (5 including greater Dundee) see table 3 overleaf.

Table 3: Annual Housing Requirement by HMA - Estimates from Combined HNDAs (2018-2030)

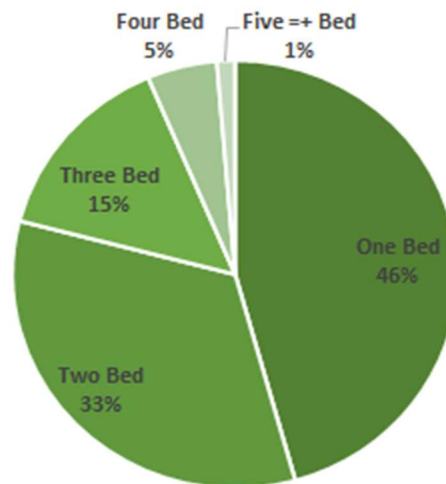


Source: TAYplan Housing Need and Demand Assessment (2014) and SESplan Housing Need and Demand Assessment (2015) / Based on assumptions of steady economic growth and including analysis for Fife's proportion of the Greater Dundee HMA

- The Kirkcaldy, Glenrothes & Central Fife HMA requires the highest number of new homes each year, this being 452 homes per annum or 39% of the overall requirement for Fife.
- The combined TAYplan HMAs (Cupar & North-West Fife, St Andrews & North-East Fife and Greater Dundee Fife) require 26% of Fife's overall annual housing requirement which is greater than the 20% of households located within the area suggesting a higher-level of housing pressure within these areas.
- The Kirkcaldy, Glenrothes & Central Fife HMA requires the highest number of social rented homes at 206 (44%) social rented homes each year and the Dunfermline & West Fife HMA 170 (36%) social rented homes each year.
- Demand for additional private rented homes is highest in the Dunfermline & West Fife HMA (76 per annum), although pressure of demand is most acute in the St Andrews & North-East Fife HMA which requires 22% of all new private rented homes each year.
- While the Kirkcaldy, Glenrothes & Central Fife HMA and the Dunfermline & West Fife HMA demonstrate need for the highest number of below market rented homes each year, proportionally the combined TAYplan HMAs (Cupar & North-West Fife, St Andrews & North-East Fife and Greater Dundee Fife) require 27% of provision, compared to the 20% of households in the area.

3.8 Household projections show that Fife's average household size is reducing; the proportion of single adult and single parent households is increasing against a reducing proportion of family households containing three or more adults, or two or more adults with children. This has been resulting in a general requirement for smaller-sized homes, a trend identified within previous LHSs. This can be evidenced through the bedroom entitlement for applicants on the Fife Housing Register with 79% of 16,083 households requiring one- or two-bedroom homes, table 4 below shows a breakdown of applicants.

Table 4 Fife Housing Register Applicants by Bedroom Entitlement



Source: Fife Housing Register 2021 / Applicants by bedroom entitlement

3.9 The continuing need for accessible housing shown through the HNDAs led to a revised target of 30% specific needs homes to be included in the LHS, for delivery through the SHIP and affordable housing programmes after 2017. This target is continuing to be delivered through the Local Housing Strategy 2020-22. Research has also been commissioned to review the requirement for specialist and wheelchair housing for the revised LHS 2022-27.

Housing Supply Targets

3.10 The outputs of the HNDAs do not automatically translate into housing supply targets as a broader range of factors are considered in determining the level of new housing required. The respective TAYplan and SESplan authorities in 2015 provided housing supply targets for 2018-30:

- The TAYplan authorities agreed a housing supply target of 295 homes per annum in the Cupar and NW and St Andrews and NE Housing Market Areas to fully meet the global HNDA outputs, 74 homes per annum (25%) being provided as affordable housing.
- The SESplan authorities agreed a housing supply target of 868 homes per annum in the Glenrothes, Kirkcaldy and Central and Dunfermline and West Housing Market Areas, 262 homes per annum (30%) being provided as affordable housing.

- 3.11 A summary of the proposed affordable housing supply targets for Fife is shown in table 5 below. These targets will be reviewed following the update of the respective HNDAs for the Dundee and Edinburgh city regions.

Table 5: Affordable Housing Supply Targets / Per Annum 2018-30

	Proposed Affordable Housing Supply Targets / Per Annum
TAYplan	74
SESplan	262
Fife Total	336

Source: TAYplan and SESplan

Future Delivery

- 3.12 The LHS 2020-22 has outlined priorities for affordable housing tenure by Housing Market Area through the TAYplan and SESplan HNDAs, as detailed in section 3.7 above (approximately 87% social rent and 13% below market rent).
- 3.13 The high proportion of social rented properties currently reflected within the SHIP (see table 6 below) is indicative as every site will be subject to further design work and refinement. It may not always be possible to deliver the exact housing mix and tenure currently specified, until full consideration of project viability, land availability, funding, etc. has been given.

Table 6: Tenure Mix of Proposed SHIP Projects

Housing Market Area	Social Rented Units		MMR Units		Total in HMA
	FC	HA	FC	HA	
Fife Wide	250	0	0	0	250
Kirkcaldy, Glenrothes & Central	565	508	0	70	1,143
Dunfermline and West	821	770	0	25	1,616
St Andrews & North East	194	278	0	34	506
Cupar & North West	167	170	0	31	368
Greater Dundee	48	80	0	0	128
Totals	2,045	1,806	0	160	4,011

Source: SHIP Projects Table

- 3.14 The projects selected for inclusion in the SHIP Projects Table show what could be delivered in Fife over the next 5 years. Their inclusion is a result of the assessment of housing need within the area and consideration of the deliverability of the projects. There is an over provision of around 27.5% included to prepare for any slippage in the programme and to take advantage of any additional funding that may be available. The ability to take advantage of any investment opportunities arising from slippage elsewhere is part of managing the programme. This has been successful in the past and provides some flexibility.
- 3.15 The LHS has identified a need for 87% social rented housing and 13% below market rent. The projects within the SHIP propose 96% for social rent and 4% for MMR reflecting both the Scottish Government's and Fife Council's priority for social rented housing.
- 3.16 Whilst the projects within the SHIP provide a target for meeting housing need, further analysis is required to agree the exact housing mix for size and tenure. This will be based on information from the combined HNDAs, analysis of Fife Housing Register housing applications, and consultation with the Housing Associations, the Health & Social Care Partnership, the Specific Needs Team and other groups as appropriate, ensuring the best strategic and local solutions to meet Fife's housing needs.

Specific Needs and Wheelchair Accessible Targets

- 3.17 The FHP has set a target to achieve 30% specific needs housing through the SHIP, normally provided through amenity and wheelchair units, although this can also include larger family houses with a specific need catered for on the ground floor. In addition, Fife Council has set an aspiration to build 5% of their new council homes as wheelchair properties. It is estimated that the projects within the SHIP will provide 33% of the properties to meet specific needs and 5% of the properties to wheelchair standard. Research has been commissioned to review the requirement for specialist and wheelchair housing for the revised LHS 2022-27.

Rapid Rehousing Transition Plan

- 3.18 Fife's first Rapid Rehousing Transition Plan (RRTP) was submitted in December 2018 in collaboration with a range of local partners across the Council, Health, RSLs and voluntary sector through Fife's Housing Support and Homelessness Public Social Partnership (PSP). The Plan is housing led and embedded within Fife's Health and Social Care strategic planning framework. Further work is planned to integrate service commissioning arrangements to promote seamless services for those with housing and wider support needs.
- 3.19 The RRTP was positively evaluated by Scottish Government as the basis for positive transformational change affecting one of the largest homelessness populations and services in the country. The RRTP is subject to an annual funding and monitoring framework and sets out a

range of actions to improve outcomes for households that are homeless or potentially homeless to establish default rapid rehousing by:

- Increasing focus on prevention and early intervention.
- Establishing Housing First in accordance with the national model and enabling Rapid Rehousing approaches for households in temporary accommodation.
- Remodeling and reconfiguring temporary accommodation to provide more supportive accommodation options, repurposing existing buildings and a redistribution of resources.
- Enabling access to a wider range of housing and accommodation options based around more person-centered customer journeys.
- Improving access to services as part of a 'no wrong door' approach.
- Improving housing support and outreach services for the most vulnerable customers to promote tenancy sustainment across the sectors.

3.20 The Plan is based on promoting a rapid rehousing approach as a default position, however, improvements in services will rely on cross-government and sector commitment to:

- Provide long term investment in new affordable housing supply beyond 2021 linked to the Housing to 2040 Vision.
- Improve standards, security and affordability within the private rented sector where this is an appropriate housing option.
- Improve outcomes for households facing all forms of poverty, exclusion and disadvantage.
- Respond to the needs of those households adversely affected by welfare reform, economic austerity and other forms of financial hardship.
- Close the gap for households with complex and challenging support and care needs that fall between housing support and wider statutory service provision.

3.21 The RRTP Programme Board have committed to rewriting the Plan by the end of 2021 in recognition of the impact of Covid-19 on the factors driving homelessness and the impact on homelessness services.

Empty Homes Services

3.22 Fife Council's Empty Homes service has been in place since 2014. Primarily the service offers advice and assistance to owners in bringing their long-term empty properties back into use, but also attempts to apply pressure to those owners who may be reluctant to do this. It offers advice on renting, selling and the refurbishment of properties. Since 2014 the service has helped owners to bring back 430 properties into residential use.

3.23 An Empty Homes Matchmaker scheme is in operation which puts owners in touch with potential buyers. There is also an Empty Homes Loan scheme (funded by the Scottish Government), offering the funding for

the purchase or sale of an empty property. Collaboration with the Property Acquisitions team has resulted in identification of potential empty properties for purchase by the Council. There has also been success working with the YMCA Glenrothes on a project which assists them in identifying long term empty properties for purchase.

3.24 In addition, a pilot scheme has recently been undertaken to take an in-depth look at private sector residential properties in one town with the aim of assessing the value in focusing efforts by area. Findings will be analysed and used to develop the service. A project is also being piloted working with a genealogist company to track down missing owners.

3.25 Additional future initiatives could include: -

- Using Compulsory Sale orders where necessary and as a last resort (when / if passed by parliament).
- Working with temporary accommodation schemes, such as Leasing schemes to assist owners in bringing properties back into use.
- Tying in with Town Centre Redevelopment and regeneration projects.

Gypsy / Traveller Sites

3.26 Fife Council is committed to raising standards across all 3 of its Gypsy Traveller sites. Funding is in place for the next 2 years to create new pitches and establish chalet style accommodation at 2 sites - Tarvit Mill and Heatherwood. We plan to work with the tenants at our other site Thorntonwood to understand what their needs and aspirations are.

3.27 The Council has allocated £2.4 million of HRA capital to undertake this work. An application has been made to the Scottish Government capital funding programme for Gypsy / Traveller accommodation to supplement the Council funding to provide communal meeting spaces, digital infrastructure and environmental improvements. It is hoped that work on Tarvit Mill and Heatherwood will be completed by spring 2023.

SECTION FOUR: PRIORITISING PROJECTS

- 4.1 It is important that the SHIP provides a robust framework for prioritising projects so that the funding is utilised efficiently and in the areas of need.
- 4.2 Representatives from Housing Services and the Fife Housing Association Alliance reviewed and updated the scoring methodology used for the previous SHIP to ensure the priorities of the LHS 2020 – 2022 are reflected in the scoring. The Scottish Government has previously recognised that the on-going use of the scoring methodology has enhanced the SHIP process.
- 4.3 A summary of the scoring methodology is provided in table 7 below. More detail on the scoring process is included in Appendix 1.

Table 7: Scoring Summary

Item	Score Range
Housing Need	10 - 100
Development Deliverability	0 - 160
Strategic Fit	10 - 50
Minimum to maximum points range	20 - 310

- 4.4 All the projects in the SHIP Projects Table have been scored under this system and were given a high, medium or low (H/M/L) priority, depending on their score.
- 4.5 It is important to note that the prioritisation reflects the current position of the status of projects for the SHIP. Projects will continue to be progressed and their priority will be reviewed on an ongoing basis.

SECTION FIVE: AVAILABLE RESOURCES

5.1 The optimal management of available resources is essential for maximising the delivery of affordable housing. The main funding resources and delivery mechanisms now available in Fife are as follows:

- Affordable Housing Supply Programme (AHSP)
- Second Homes Council Tax (2HCT)
- Private Developer Contributions through affordable housing policy
- Private finance through Fife Housing Association Alliance (FHAA)
- Prudential borrowing through Fife Council
- Fife Council and Housing Association Land
- Vacant and Derelict land Fund
- Housing Infrastructure Fund.

Affordable Housing Supply Programme

5.2 The Scottish Government has confirmed the Resource Planning Assumptions (RPAs) on grant availability for the first 4 years of the SHIP with the final year to be assumed as the same as year 4. The RPAs are detailed in table 8 below.

Table 8: Resource Planning Assumptions

Year	RPA (£m)
2022/23	£34.655
2023/24	£34.556
2024/25	£34.677
2025/26	£35.252
2026/27	£35.252
Total	£174.392

5.3 The Scottish Government has recommended that the SHIP should include a substantial over provision (at least 25%) to allow for slippage and or additional capacity. This will ensure the Council and partners can spend the base allocation and allow advantage to be taken of any additional funding should it become available. This SHIP provides an average over provision of 27.5% across the 5-year period.

5.4 Currently, grant funding is available to Councils at a flat rate benchmark of £59,000 per unit, to qualify for this the homes must meet Section 7, Silver Level, of the 2019 Building Regulations in respect of Energy for Space Heating i.e. Full Bronze Level plus Aspect 2 of Silver Level. The Council will also be looking to maximise grant subsidies and where applicable will seek to request above benchmark grant, this will usually be on non-standard or specific needs projects. Full details on increased grant subsidy levels and project cost information will be included at

tender approval stage of each individual project, however, we will be looking to request approximately £20,000 above the benchmark.

- 5.5 A review of Affordable Housing Investment Benchmarks is currently being undertaken and although revised benchmarks assumptions are currently being considered they have not been finalised and agreed by Scottish Ministers. It is anticipated that an updated 'Affordable Housing Supply Programme: Process and Procedures' Guidance Note will be available during Autumn 2021. For the purposes of this SHIP the benchmark assumptions detailed in the 2020 Guidance Note have been used.
- 5.6 In addition, it is estimated that around 200 passports for Open Market Shared Equity (OMSE) will be delivered in Fife over the next 5 years. The funding to support these purchases is in addition to Fife's RPA allocation.

Second Homes Council Tax (2HCT)

- 5.7 Funding received from 2HCT has been committed to affordable housing projects to further enhance Scottish Government funding programmes. Since this was introduced in 2005/06, £22.1m has been collected, with a further estimated £1.1m expected to be generated each year from 2021/22 – 2026/27. Much of this has been and will continue to be allocated to support affordable housing projects.
- 5.8 Table 9 below details the amount of 2HCT that has been collected and how it has contributed to the provision of affordable housing in Fife.

Table 9 – Second Homes Council Tax

Year	Tax Raised	Tax Spent	Units Assisted
Pre 2019/20	£18.841m	£14.077	1,145
2019/20	£1.289m	£0.900m	146
2020/21	£1.935m	£1.100m	178

- 5.9 There is around £6m unspent 2HCT monies which will be carried on into future years, much of this has already been allocated to specific projects but cannot be drawn down fully until all Scottish Government grant has been claimed on the project. The SHIP assumes a 2HCT contribution of £1.1m over the five-year timeframe totaling £5.5m. Use of 2HCT monies will assist the affordable housing programme in allowing more projects to be delivered than would otherwise be possible. In 2018, the Council decided to allocate future 2HCT to council social rented projects only.
- 5.10 The estimated number of units that could be delivered based on the funding available from the combined AHSP and 2HCT funding is shown in table 10 overleaf.

Table 10: No. of Units Deliverable through Funding Available

Tenure	Funding Available RPAs & 2HCT	Benchmark Grant Per Unit	Units Deliverable	% of total units
FC SR	£71.980	£59,000	1,220	43%
HA SR	£91.800	£72,000	1,275	45%
HA MMR	£16.100	£46,000	350	12%
Totals	£179.880	-	2,845	100%

Assumptions:-

1. Proportionate split of the funding (60% – HAs; 40% – FC)
2. Benchmark grant at 3-person equivalent for RSL's as detailed in the MHDGN 2020/02
3. Target of 13% MMR as per LHS identified need (section 3.15)

Private Developer Contributions (Affordable Housing Policy)

- 5.11 Developer Contributions are negotiated on Affordable Housing Policy sites where an on-site provision is not required or practical to deliver. Once agreed through the planning application process, the requirement for a commuted sum is detailed within the associated Section 75 Agreement. Fife Council can allocate funds once Developer Contributions are received. These accumulated funds should be spent in the same Local Housing Strategy Area or Housing Market Area in which they are collected.
- 5.12 Table 11 below details the amount of Commuted Sums that have been collected and how they have contributed to the provision of affordable housing in Fife.

Table 11 – Commuted Sums

	Sums Raised	Sums Spent	Units Assisted
Pre 2019/20	£2.017m	£0.708m	510
2019/20	£0.029m	£0.190m	109
2020/21	£0.082m	£0.106m	38

- 5.13 There is £1.148m in Commuted Sums unspent and this will be carried on into future years, most of this has been allocated to specific projects. Monies received through Developer Contributions will continue to be allocated to projects and approved by Fife Council and the Scottish Government. Commuted sums are not included in funding assumptions due to not being able to predict how much may be available in future years.

- 5.14 The Affordable Housing Supplementary Guidance requires that housing sites should contribute the relevant number of affordable units based on the local percentage and site threshold. In Fife, the preference and first priority is to provide social rented units in conjunction with the Council or a Housing Association. It continues to be recognised that engagement with the private sector to deliver affordable housing is necessary. Fife Council and the FHAA have successfully delivered projects with private developer partners and discussions will continue with developers who hold sites in areas of housing need.

Private Finance through the Housing Associations

- 5.15 Kingdom Housing Association, the lead developer within the Fife Housing Association Alliance (FHAA), continues to access a private placement fund of £85m in addition to a growing range of complementary and flexible finance options. The other RSL partners within FHAA, Fife Housing Group, Ore Valley HA and Glen HA, have all secured financing commitments to continue to invest in the delivery of new affordable housing that meets the needs of their local communities. The FHAA, Fife Council and the Scottish Government working together will leverage well in excess of £250 million for the local economy during the period of this Plan.

Prudential Borrowing through Fife Council's Housing Revenue Account (HRA)

- 5.16 Since December 2015 Fife Council has committed a total of £120.435m capital borrowing to complete phase 3 of the Affordable Housing Programme. Up to the end of 2020/21 £30.760m has been spent on delivering phase 3 and the remaining £89.675m is available from 2021/22 onwards for the completion of phase 3.
- 5.17 There is an additional £10m budget included within the HRA Investment Plan to support the acquisition of privately owned properties on the open market over the next 2 years. This will fund the acquisition of an estimated 100 units and will contribute towards the 250 Fife wide units included in the SHIP Projects Table. The current Investment Plan covers the period 2021/22 to 2023/24. A review of the HRA Investment Plan is in progress to inform HRA Capital Budget discussions for the future.
- 5.18 The proposals for the delivery of a Transitional Affordable Housing Programme TAHP 2022-2024 were agreed in principle at the Policy and Coordination Committee on 24th June. Additional borrowing to support the delivery of affordable houses beyond phase 3 is yet to be agreed and a report on the additional investment capacity to fund a Transitional Programme is due to be made at Policy and Coordination Committee on 4th November 2021.

Fife Council and Housing Association Land

- 5.19 Fife Council land has contributed greatly towards the delivery of new affordable housing in previous years, largely from the Housing Revenue Account and at Residual Land Value (RLV). This has helped substantially in the delivery of affordable housing. Fife Council continues to support the investment programme through the supply of sites both on the Housing Revenue Account and the Council's General Account. Housing Associations also maximise use of land in their ownership to deliver affordable housing. Many of the more deliverable sites have now been utilised for affordable housing but efforts continue to look for solutions to overcome any constraints.

Vacant and Derelict Land Investment Programme Funding

- 5.20 Currently Fife Council do not intend to seek any Scottish Government Vacant and Derelict Land Investment Programme (VDLIP) funding in relation to any potential affordable housing projects.
- 5.21 Fife Council has secured funding from the Vacant and Derelict Land Fund (VDLF) and approvals are in place to support the delivery of 3 affordable housing projects included in the SHIP. These are High Street, Cowdenbeath, Inner Court, Cupar and Hall Street (Fab-tek phase 1), Lochgelly.

Housing Infrastructure Funding

- 5.22 A Business Case to part fund the Dunfermline Strategic Growth Transportation Infrastructure Programme, as part of the Edinburgh and South East Scotland (ESES) Region City Deal was approved by Fife Council's Policy & Co-ordination Committee in May 2021 and the ESES City Region Deal Joint Committee in June 2021. This proposal, through the Housing Infrastructure Fund (HIF), will provide a means to unlock and accelerate investment in essential new strategic transportation infrastructure in the Dunfermline Strategic Growth Area. This will facilitate large-scale mixed-use development and investment in the Dunfermline and wider Edinburgh City Region economy including unlocking up to 2,000 affordable and 6,000 private homes.
- 5.23 The delivery of the entire Dunfermline Strategic Development Area goes beyond the plan period of this SHIP. The strategic transportation infrastructure will be delivered over a 15-year period while the build out of the proposed 8,000 units will be delivered over an approximate 40-year period. Whilst the business case has been approved, Fife Council is awaiting the launch of the new HIF Programme to apply for the first phase of grant funding outlined in the business case. In summary, the business case seeks to secure £16.5m of HIF towards strategic transportation infrastructure. The grant would cover 25% of construction costs to align with the 25% affordable housing provision.

5.24 The Scottish Government has advised that the City Region Deal HIF funding shall not affect the amount of potential HIF funding Fife Council could access through its affordable housing programme. Funding will be applied for, and phased, over three, five-year grant periods to align with the Scottish Parliament parliamentary periods (a requirement of HIF funding). An initial phase 1 grant application of £4.85m, covering 2021/22 - 2025/26 will be submitted in autumn 2021 when the new HIF Programme is launched. The table below outlines the proposed grant over the 15-year infrastructure delivery period.

Table 12 – Housing Infrastructure Fund Phasing

Grant Period	Phase 1 2021/22 - 2025/26	Phase 2 2026/27 - 2030/31	Phase 3 2031/32 - 2035/36	Total
Grant	£4.85m	£6.1m	£5.58m	£16.538m

SECTION SIX: DELIVERY OUTCOMES & REQUIRED RESOURCES

- 6.1 Fife’s SHIP has the potential to deliver 4,011 affordable units over the 5-year SHIP period. The individual projects are detailed within the SHIP Projects Table. The breakdown of the number of units that can potentially be provided by both Fife Council and the FHAA and the grant required to deliver the units is shown in table 13 & 14 below.

Table 13 – Breakdown of Potential Affordable Units by Provider

Completion Year	FC Units	FHAA Units	Total Units
2022/23	398	705	1,103
2023/24	370	267	637
2024/25	497	305	802
2025/26	431	399	830
2026/27	349	290	639
Totals	2,045	1,966	4,011

Table 14 – Breakdown of Potential Grant Required by Provider

Year	FC Grant Required	FHAA Grant Required	Total Grant Required
2022/23	21.837	20.720	42.557
2023/24	22.093	21.314	43.407
2024/25	25.394	20.250	45.644
2025/26	22.225	25.650	47.875
2026/27	22.494	20.435	42.929
Totals	114.043	108.369	222.412

- 6.2 A further 200 units are estimated to be delivered through OMSE, taking the potential total to 4,211 units between 2022/23 – 2026/27. It should also be noted that the SHIP contains an average 27.5% over-provision which prepares for any slippage that may occur. The final output is therefore likely to be less than the number of units proposed. The over-provision also allows any further investment to be utilised.
- 6.3 The potential for the SHIP to deliver 4,011 affordable units exceeds the affordable need identified through the combined TAYplan and SESplan HNDAs (2,970 units over 5 years) by 1,041 units and it exceeds the proposed Affordable Housing Supply Target (1,680 units over 5 years) by 2,331 units.

- 6.4 Based on the number of potential affordable units that can be delivered through the SHIP, Table 15 below shows the potential to meet the affordable housing need identified in the combined HNDAs within the HMAs in Fife.

Table 15: Potential to Meet Housing Need through SHIP Projects

HMA	5 Year Need - Combined HNDAs	Potential SHIP units	Shortfall against HNDA	% need met
Kirkcaldy, Glenrothes & Central	1,285	1,143	-142	89%
Dunfermline & West	1,050	1,616	+566	154%
St Andrews and North East	325	506	+181	156%
Cupar & North West	230	368	+138	160%
Greater Dundee	80	128	+48	160%
Fife Wide	n/a	250	n/a	n/a
Total	2,970	4,011	n/a	n/a

- 6.5 If we assume that only the grant detailed in the RPAs will be available, it is estimated that Fife Council will require around £141.52m to provide the 1,220 Fife Council units as detailed in table 10 above (based on an average new build cost of £175k per unit).
- 6.6 Assuming grant is available and awarded to all Fife Council projects detailed in the SHIP Projects Table and should all 2,045 Fife Council units be developed (see table 13), this would mean a cost of around £237.220m to Fife Council. Both are in excess of the current funding commitments to support the delivery of the affordable housing programme in the HRA Investment Plan up to 2023/24. The Private Finance capacity of the FHAA, is enough to deliver on all the FHAA projects in the SHIP.

SECTION SEVEN: DEVELOPMENT CONSTRAINTS & LAND AVAILABILITY

Development Constraints

- 7.1 There are various development constraints that could affect new build delivery. These include:
- Planning issues
 - Availability of land
 - Education capacity issues
 - Drainage capacity issues and embargos
 - Unknown ground conditions
 - Title complications
 - Little control over private developer timescales on mixed tenure developments.
- 7.2 The following are consulted to identify and eliminate development constraints:
- Economy, Planning & Employability Services
 - Assets, Transportation & Environment Services
 - Housing Services
 - Legal & Democratic Services
 - Education Services
 - Parks, Streets and Open Spaces Services
 - Scottish Water
 - Fife Housing Association Alliance.
- 7.3 Sites listed in the SHIP Projects Table have been assessed for priority. As part of this exercise development deliverability is assessed and this is reflected in the relative scoring and subsequent prioritisation.

Education Contributions

- 7.4 There is no commuted sum requirement from Education Services on affordable housing developments provided by Housing Associations and Fife Council. As these payments are not eligible for grant funding there is no facility to provide any commuted sums toward education provision. However, where a proposed development would create a critical infrastructure capacity issue, particularly in terms of the primary school estate, contributions may still be required.
- 7.5 The Affordable Housing Board, charged with delivering the Council's Affordable Housing target, is aware of the shortfall in capacity for school places and GP practices. The board is tied into work to develop capacity through the Health & Social Care Partnership and City Deal.

Other Public Sector Land

7.6 The Fife Housing Partnership continues to be interested in opportunities to deliver housing on surplus land owned by other public sector agencies such as:

- National Health Service
- Ministry of Defence
- Scottish Enterprise Fife
- Forestry Commission.

Open Market Land Sales

7.7 In keeping with the Fairer Fife Plan, the Council is continuing to undertake a systematic examination of the 7 administrative areas, looking for potential land. Fife Council has appointed a dedicated member of staff to identify Council owned land and investigate the potential for this to be developed as affordable housing. The process undertaken and described in 7.2 above is applied to this wider examination of the Council's land holdings. A site register has been developed of potential sites, which can be incorporated into the wider Programme to meet demand where land supply is an issue. Since beginning this process, over 5 ha of Council land has been identified and included in the Programme. This approach has therefore proven to be beneficial and will continue moving forward.

7.8 Fife Council and the Housing Associations are continually seeking discussions with private developers and landowners regarding the development of their sites for affordable housing.

SECTION EIGHT: DELIVERY VEHICLES

Developer Arrangements

- 8.1 The Council will continue to work with the members of the Fife Housing Association Alliance (FHAA), comprising of Kingdom, Glen, Ore Valley Housing Associations, and the Fife Housing Group (FHG) to deliver the housing association component of the SHIP. As part of the development of the Fife Transitional Affordable Housing Programme (TAHP) during 2022-2024, and following a review of their business plans, to determine their capacity to respond in both financial and development capacity, the Council recently signed a revised preferred developer agreement with FHAA for the delivery of 700 units within the Council's 1,200 affordable homes target for the TAHP.
- 8.2 The main revision to the long-standing Partnership Agreement is the new commitment to ensure that on affordable housing sites or private developer sites with an affordable housing contribution of 50+ properties, there will be a joint tenure approach adopted to provide new council housing and housing association housing on the same site. This policy change promotes tenant choice in housing options for these larger sites. This provision will be reviewed by June 2024.
- 8.3 Flexibility remains with this arrangement, if issues arise in delivery by the FHAA this will be kept under review through regular programme meetings.
- 8.4 As such, all the Housing Association projects within this SHIP are promoted by FHAA partners which brings the following benefits:
- Access to a demonstrated track record in affordable housing development experience, ensuring projects are delivered on time and within budget.
 - Knowledge transfer and sharing between the participating organisations.
 - Access to a streamlined developed process, procedures and standards, optimising delivery.
 - The potential to further develop the partnership arrangements through joint working and joint projects.
 - Achieving wider benefits through training and apprenticeships.

Contracting with Private Developers

- 8.5 Due mainly to scarce land resources, it continues to be recognised that engagement with the private sector to deliver affordable housing is necessary. Fife Council and the FHAA have successfully delivered projects with private developer partners and discussions are continuing with developers who hold sites in areas of housing need for both 100% Affordable Housing & Affordable Housing Policy (Section 75) sites.

Open Market Transactions

- 8.6 Fife Council successfully acquired 83 properties from the open market in 2020/2021. Fife Council intends to enhance its current investment in the acquisition of privately-owned properties to bring them into social rented use, the target for the 5-year period of this SHIP is 250 (50 per year).
- 8.7 This intention is closely linked to the Fife Rapid Rehousing Transition Plan to increase the flow of statutory homeless households from temporary to permanent accommodation. Fife Council have also expanded this project to benefit tenants who are overcrowded or are under-occupying properties.

SECTION NINE: CONCLUSIONS

Conclusions

- 9.1 The SHIP sets out the investment priorities for affordable housing over the next 5 years (2022/23 – 2026/27) and how it will achieve the outcomes set out in the LHS and meet the affordable housing need as identified in the HNDA. The SHIP Projects Table details projects which have the potential to deliver 4,011 units throughout the 5-year period which would meet a range of identified housing needs. In addition to this, there are a further 200 Open Market Shared Equity (OMSE) units out with the AHSP expected to be delivered within this timescale.
- 9.2 Prioritisation of projects has been carried out to ensure the resources are carefully allocated and details of the scoring methodology are provided along with details of current project priorities. This provides a snapshot in time which will be subject to change as projects are developed. The over provision detailed within the programme has been provided to take account of potential slippage from the proposed programme. It also prepares us to take advantage of any additional funding opportunities that may arise from elsewhere across the AHSP nationally.
- 9.3 The Council and the FHAA, alongside private developers will continue to work within the current funding environment and deliver units in more innovative ways while still seeking to meet the spectrum of housing needs. This will be based on what is deliverable for organisations.

SECTION TEN: CONTACTS

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Appendix 1 - SHIP Scoring Methodology

OVERVIEW

The scoring and prioritisation will be completed by Fife Council Housing Services for all projects in the SHIP Table. This will be done in consultation with the Fife Housing Association Alliance. The scoring methodology can be summarised as follows: -

Scoring Summary

Item	Points Range
Housing Need	10 - 100
Development Deliverability	0 - 160
Strategic Fit	10 - 50
Minimum to maximum points range	20 - 310

All the projects in the SHIP have been scored under this system and were given a High, Medium or Low priority, depending on their score.

The priorities in the SHIP are expected to change to reflect updated scores when project's circumstances change. For example, the development status may increase from 10 to 70 points once a planning application has received approval. The scores and priority of projects will be reviewed on an ongoing basis.

HOUSING NEED

The Housing Need points are separated into 2 categories.

Firstly, points are awarded based on the annual affordable housing requirement across the 5 Housing Market Areas, as identified through the combined Housing Need and Demand Assessments 2018 -2030 (HNDAs).

Housing Market Area Need

HMA	Annual Affordable Housing Need	Points
Kirkcaldy, Glenrothes & Central	257	50
Dunfermline & West	210	40
St Andrews & North East	65	30
Cupar & North West	46	20
Greater Dundee	16	10
Fife Total	594	

Secondly, points are awarded based on the 10-year need disaggregated across the 10 Local Housing Strategy Areas (LHSAs) and the percentage of this need met through the delivery of the Affordable Housing Programme phase 2 and 3 to date.

Local Housing Strategy Area 10 Year Need (2017-2027)

LHSA	% of need met	Points
1. St Andrews	10%	50
2. Dunfermline & Coast	18%	45
3. Kirkcaldy	19%	40
4. Levenmouth	25%	35
5. Cupar & Howe of Fife	27%	30
6. Tay Coast	29%	25
7. Largo & East Neuk	32%	20
8. Cowdenbeath	37%	15
9. Glenrothes	38%	10
10. West Fife Villages	113%	0

DEVELOPMENT DELIVERABILITY

The emphasis on deliverability needs to be strong and the Programme must contain sites that can be delivered within required timescales. The Development Deliverability points are separated into 2 categories.

Firstly, points are awarded based on the current development status of a project in terms of land ownership and progress through the planning system to reflect the deliverability of a project. Points under this category are awarded when each stage has been met.

Land Ownership and Planning Progress

Development Status	Points
Land Acquired	50
Planning Permission Granted (Full)	30
Delivery Timescale to be agreed through Section 75 Agreements	10
Minimum to maximum points range	0 to 90

Secondly, each project is allocated a Red Amber Green (RAG) status in terms of development deliverability. Further details on each category are detailed in the following table.

RAG Categories

Category	Reason	Points
Green	Confidence the project can proceed within required timescale as indicated in the SHIP Table (planning permission granted & no significant issues)	70
Amber	Confidence the project will start, but there is some risk it may develop later than the planned timescale as indicated in the SHIP Table, or that unknown costs may jeopardise its development (no planning permission & no significant issues)	30
Red	A number of factors cause more than 50% uncertainty over the project being delivered within the required timescale as indicated in the SHIP (no planning permission and significant issues)	10

STRATEGIC FIT

Projects that are of strategic importance and meet wider council objectives will be awarded additional points.

Firstly, points are awarded to projects that have been prioritised as having a strategic importance by the Council. Examples include: - projects that contribute to town centre regeneration, projects where the site includes a prominent landmark; projects that are part of a Strategic Development Area; projects within development areas associated with Housing Infrastructure Fund applications; projects located within a Housing Regeneration or Estate Management Area.

Wider Objectives

Strategic Importance	Points
Projects with wider council objectives	20

Secondly, points are awarded where a project meets additional Local Housing Strategy priorities as well as meeting identified housing need. Examples include: - specialist projects that meet strategic needs and address specialist equality issues such as extra care housing for specific client groups, hospital re-provisioning, new homeless centres and refuge accommodation. These points are awarded by the SHIP working group based on a low, medium or high priority.

Equalities Priorities

Development Status	Reason	Points
High	There is an urgent need for this project to meet identified high priority specialist needs because a high demand for clients has been identified.	30
Medium	The project would be of benefit in meeting specialist needs and is a medium priority because some client need has been identified.	20
Low	The project would be of benefit in meeting specialist needs, but this is a low priority because no client need has been identified.	10