



# **Perth and Kinross Council**

## **Strategic Housing Investment Plan**

**2023/24 – 2027/28**

***‘Everyone in Perth and Kinross has access to the right home, in the right place and at the right cost’***

**November 2022**

## **1. Introduction**

- 1.1 Good quality homes in well-designed places make a significant contribution to Perth and Kinross Council's (PKCs) wider aims of creating safe and sustainable communities where people aspire to live.
- 1.2 The Strategic Housing Investment Plan (SHIP) 2023/24 – 2027/28 outlines investment priorities for affordable housing which will support delivery of the outcomes that are set out through our Local Housing Strategy (LHS).
- 1.3 Good quality affordable homes can have a positive impact on quality of life. With demand for housing in Perth and Kinross continuing, and the housing needs of our communities becoming increasingly complex, our commitment to providing a range of affordable housing options remains a key strategic priority. We remain committed to building more homes and overseeing a long-term programme of new affordable housing development to meet local needs and to support the Scottish Government's Housing to 2040 strategy.
- 1.4 The SHIP 2023/24 – 2027/28 proposes to deliver 1435 affordable homes over the next 5-year period. This confirms our commitment to continue with the scale, pace of delivery, and exceed the forthcoming LHS 2022 - 2027 target of 210 affordable homes per year.
- 1.5 The SHIP has been developed in partnership with Community members, Registered Social Landlords (RSLs), the Health and Social Care Partnership, the Planning Service, and the Housing Service.
- 1.6 The SHIP is designed to be a working tool which:
  - improves longer-term strategic planning
  - provides a practical plan detailing how investment in affordable housing will be directed
  - provides an opportunity for the Council to set out key investment priorities for affordable housing and demonstrates how these will be delivered and the resources which will help deliver these priorities
  - forms the basis for more detailed programme planning
  - provides a focus for partnership working
  - informs, and is informed by, the preparation of Registered Social Landlord (RSL) development funding plans
  - informs the allocation of resources from a national to a local authority level.

- 1.7 Confirmation of our Resource Planning Assumption (RPA) was announced during July 2021 by the Scottish Government which covered the period 2021/22 – 2025/26. For the Financial Years 2026/27 – 2027/28, the 2025/26 RPA has been used in line with Scottish Government Guidance until further announcements are made.

Table 1

Financial Year	2023/24	2024/25	2025/26	2026/27*	2027/28*	TOTAL
RPA (£Millions)	£16.587	£16.645	£16.921	£16.921	£16.921	£83.995

\*More Homes Division Guidance Note 2020/02 only covers a 3-year period.

- 1.8 The Council will continue to increase the scale and pace of delivery of affordable housing over the next five years through an estimated RPA of circa £84m as highlighted in Table 1.
- 1.9 All projects identified as priorities for funding and delivery over the 5-year period are identified in Appendix 1. All projects are recorded through the Scottish Government's Housing and Regeneration Programme (HARP) system.
- 1.10 Projects included within the SHIP as affordable housing will be delivered through new build, buybacks, regeneration, renovation, and re-modelling. The Scottish Government will use this information to draft a Strategic Local Programme (SLP) Agreement. Once agreed, the SLP will form the basis of the Council's and our partner RSL Programme Agreements.
- 1.11 It should be noted that this SHIP is subject to developments coming forward timeously, including obtaining the necessary approvals and consents where appropriate. The varying levels of restrictions on building site activity during the pandemic has had a significant effect on housebuilding over the past two years, and will continue to have an impact going forward. In Scotland as a whole, there were 33% fewer new homes completed in 2020-21 compared to 2019/20 which the Scottish Government has attributed to the COVID-19 restrictions on housebuilding.

- 1.12 There are significant challenges with the development of affordable housing projects. These challenges relate to:
- market volatility being experienced in the construction sector
  - increasing energy prices
  - significant material prices increase
  - labour and material shortages
  - construction boom
  - the war in Ukraine
  - economic uncertainty
  - inflation
  - risk allocation
  - an element of opportunism
  - legislative change in fuel duty.
- 1.13 Some of the above factors have resulted in substantial tender prices increases and contractor claims, along with contractors unwilling to tender or hold prices for any length of time. During 2022/22, there has been an increase in construction materials with some components e.g., steel rising 25% in a month. Tender returns have increased in the region of 40% over the past year with some projects in excess of that figure.
- 1.14 This is particularly significant in relation to contributions from the private development industry to affordable housing through the Local Development Plan's Affordable Housing Policy where 25% of new housing developments must include affordable housing. A high proportion of current and future affordable housing provision is, or will be, as a consequence of this policy. As such, the pace of this provision will be dictated by the development industries build-out rate, intrinsically linked to the performance of the economy and local housing markets.
- 1.15 Due to unprecedented conditions within the construction market, there is extreme volatility both with the pricing and availability of materials & labour. Combined with capacity pressures, due to delays caused by the consequences of Covid, this makes public sector tendering for such projects a relatively unattractive prospect for bidders. In many cases, the only way to secure appetite for a project is to negotiate a direct award through a framework as suppliers do not have the resources to participate in competitive tenders where there are no guarantees of a successful outcome.
- 1.16 It should be noted that some sites which are included in the SHIP are identified for forward planning purposes only and their inclusion does not represent a contract or award of funding for projects.

## 2. The Strategic Context

- 2.1 The planning and delivery of affordable housing is focused on meeting local needs by supporting the *‘right homes in the right place’*. The Council, as both the statutory housing and planning authority, is responsible for assessing housing requirements and for ensuring appropriate land in the right places to enable the delivery of housing.
- 2.2 The LHS sets out our strategic vision for housing, considering both national policy objectives and local priorities, based on housing need and demand evidence. As well as our strategic response to national outcomes and national housing priorities, the LHS sets out the approach to meeting other statutory housing responsibilities, including fuel poverty, house condition and homelessness. It also provides people with a vital opportunity to have their say and influence the future delivery of housing and housing related services in their communities.
- 2.3 The forthcoming LHS 2022 – 2027, due to be presented for Committee approval in early 2023, sets out how PKC and its partner RSLs will continue to deliver our vision *that ‘Everyone in Perth and Kinross has access to the right home, in the right place and at the right cost.’*
- 2.4 The LHS has been informed by the themes and aims set out in Housing to 2040 for Perth and Kinross to have a well-functioning housing system – where people can find and afford a home in the place they want to live, including in rural communities. This is supported by the principles of [OBJ] supplying high quality homes that are affordable to live in, within sustainable communities where people want to live, supported by a good mix of housing options. It means that places are well designed and connected, supporting people’s wellbeing, and that homes are [OBJ] connect to services, facilities, and transport links. This is guided by the [OBJ] principle that housing is provided in the right places to create and sustain [OBJ] thriving local [OBJ][OBJ][OBJ]in prioritises [OBJ][OBJ] connectivity.
- 2.5 If approved, the new LHS will incorporate the following to meet the aims set out in Housing to 2040:
1. providing more homes at the heart of great places
  2. providing a range of housing options that people can easily access, afford and keep
  3. delivering housing for people with varying needs
  4. delivering quality homes with affordable warmth, zero emission and SMART technology.
- 2.6 This will be achieved through a set of outcomes which reflect local priorities, national policy objectives and provide a clear strategic direction for the SHIP 2023/24 – 2027/28.

- 2.7 Housing to 2040 is Scotland's first ever long-term national housing strategy providing a vision for what housing should look like and how it will be provided. The strategy has four key themes:
- More homes at the heart of great places
  - Affordability and choice
  - Affordable warmth and zero emissions
  - Improving the quality of all homes
- 2.8 PKC through the Housing to 2040 commitment will increase housing supply by assisting to deliver the Scottish Government's ambition to deliver 110,000 affordable homes over the next ten years up to 2031/32 where at least 70% of these homes will be for social rent.
- 2.9 The Housing to 2040 strategy sets out a specific vision for ensuring:
- A well-functioning housing system
  - High Quality, Sustainable Homes
  - Sustainable Communities
  - Homes that Meet People's Needs
- 2.10 We have reviewed our strategic priorities considering the ongoing impact of COVID and new/emerging challenges, particularly the cost-of-living crisis and its impact on our communities and the growing climate emergency.
- 2.11 Through the draft Perth and Kinross Corporate Plan 2022 – 2027, we have set a vision where everyone can live life well, free from poverty and inequality. The Corporate Plan will guide PKC to help make decisions about where to prioritise activity and resources in the future. This is as the Council transforms as an organization, to deliver on our commitments, to listen to communities and work in partnership to tackle poverty, reduce inequalities, improve wellbeing, and support sustainable communities.
- 2.12 The Perth and Kinross Offer sets out how we, together with local communities, will deliver on our ambition to recognise that everyone in Perth and Kinross has something to offer. Our ambition is to make sure that we acknowledge this across the area, drawing on the strengths and assets of individuals and communities, working together so everyone in Perth and Kinross can live life well.

2.13 The PKC Offer will be delivered through the SHIP by ensuring that:

- people will be at the heart of everything that we do
- people will be happier, healthier, and more resilient - with communities empowered to make decisions
- Perth and Kinross will be a better, greener, and fairer place for people to live, learn, work, play and visit
- resources will be directed to where communities need them most
- people's needs will be met in a better way, and we will make working with us easier
- we will improve our digital services to make contacting and accessing services simpler
- staff are empowered to do what needs to be done to improve people's lives - being solution-focused and thinking "yes".

2.14 *The Community Planning Partnership* has revised its ambition for ***our area to be the best place in Scotland for everyone to live life well, free from poverty and inequality***. We will do this through:

- Reducing Poverty
- Physical and Mental Wellbeing
- Digital Participation
- Skills, Learning and Development
- Employability

2.15 The Scottish Government are currently preparing a new spatial plan for Scotland that will look ahead to 2050. The fourth National Planning Framework (NPF4) will set out a vision for what Scotland, as a place, could and should look like in 2050. This will include national planning policies and provide a plan for future development in Scotland. Driven by the overarching goal of addressing climate change, this long-term strategy is expected to focus on achieving four key outcomes which the Council will incorporate into its future delivery of affordable housing through the SHIP 2023/24 – 2027/28:

- Net Zero Emissions
- A Wellbeing Economy
- Resilient Communities
- Better Greener Places

- 2.16 In addition to the 'Housing to 2040 Strategy', the SHIP takes cognisance of the Scottish Government's Housing and Planning Delivery Framework (HPDF) which promotes more efficient collaboration between Housing and Planning Services in relation to the Local Housing Strategy, Housing Need and Demand Assessment and Scottish Planning Policy. Perth and Kinross Council's Strategic Housing Investment Plan, the Local Housing Strategy, and the Local Development Plan all aim to support the implementation of the Housing and Planning Delivery Framework which aims to:
1. increase the supply of housing
  2. make the housing system more responsive to demand
  3. improve long term housing affordability
  4. reduce volatility in the housing market
- 2.17 A range of key strategic and planning documents including the Strategic Development Plan (SDP), the Local Development Plan (LDP), the Housing Land Audit and the Perth and Kinross Health and Social Care Partnership Strategic Investment Plan and the Rapid Rehousing Transition Plan have also informed the SHIP.
- 2.18 The Council's Child Poverty Action Report plays a pivotal role in investment priorities for affordable housing to put poverty at the heart of housing to reduce the cost of living and invest in areas where child poverty is highest within Perth and Kinross. We do this by:
- increasing the supply of affordable homes within Perth and Kinross by achieving as a minimum the Building Technical Silver Standard (Aspects 1 & 2) to address fuel poverty
  - continuing to build on the success of the 'Home First' initiative to reduce the potential impact of homelessness on families
- 2.19 The SHIP also recognises the fundamental role housing has in tackling poverty. This SHIP aims to support the delivery of a range of property types and sizes that meet the needs of households of all sizes through the creation of high-quality energy efficient homes in sustainable communities that support health, wellbeing, and educational attainment.
- 2.20 As such, our investment priorities are reflected by significant regeneration investment in areas where levels of poverty are highest.
- 2.21 The Council has allocated resources to identify opportunities for new affordable housing in all rural areas across Perth and Kinross, current activity is focused throughout Highland Perthshire where a lack of affordable housing is particularly acute.



- 2.22 The Rural Housing Fund (RHF) is available specifically for Affordable Housing projects in rural areas. In the current period to 2026, £25 million is available to fund rural projects, which is open to community-led projects, landowners and private/charitable sector organisations. This fund is not open to Councils. However, to progress this opportunity the Council is working closely with the rural specialist agency Community Housing Trust (CHT) who have a proven track record of working with rural communities to deliver community-driven affordable housing projects. To support this, the Council have also increased resources in this area and are focused on maximising RHF investment in rural communities in the current period to 2026.

### **3. Housing Need and Demand**

- 3.1 The Perth and Kinross Housing need and Demand Assessment (HNDA) was conducted across the Tayplan area which includes Angus, Dundee, Perth and Kinross and Northern Fife during 2021.
- 3.2 For development planning purposes, the Perth and Kinross housing market is considered in terms of five Housing Market Areas (HMAs) (Appendix 2 provides a list of the HMAs) and the need for additional housing is reported at this level. The report on our most recent HNDA is due to be complete by the end of October 2022. The information from this will be used to inform Housing Supply Targets to be adopted in our revised LHS.
- 3.3 The LHS sets an annual Housing Supply Target which determines the type of market and affordable housing required to meet housing need and demand throughout the LHS period. This includes the level of affordable housing required to meet housing needs and a target for the delivery of affordable homes for households with particular needs.
- 3.4 In order to increase housing supply and contribute towards the Housing Supply Target, the Council, and its partners, will aim to deliver a minimum of 210 affordable homes per year. During the period 2016/17 – 2020/21 PKC delivered 963 affordable homes, delivering on average 193 affordable homes per year. During the 2021/22 Financial Year, the Council and its partners delivered 308 affordable homes.
- 3.5 Our Vacant Property Development and Private Sector Housing Teams provide advice and assistance to owners of long-term empty properties. Having empty homes as an integral part of affordable housing provision ensures a coordinated approach within Perth and Kinross. Through Vacant Property Feasibility Grants, funding of professional fees for owners enables them to undertake feasibility studies to enable repairing or re-purposing of their empty properties. Initiative grants also enable owners to upgrade or repair their properties in return for the properties being let through the Rent Bond Guarantee Scheme for a period of 5 years, not exceeding current Local Housing Allowance rent levels. The Council's aim is to bring back 130 privately owned empty properties back into use as housing each year.

- 3.6 The housing needs and accommodation activity of Gypsy/Traveller communities continues to be closely monitored by the Council. Although there are no plans in the current SHIP for affordable homes for Gypsy/Travellers, work is progressing to establish the unmet needs of transient Gypsy/Travellers. Consultation is also continuing with the local Gypsy/Traveller community through the findings of the Local House Condition Survey and following the transfer of two sites to the Housing Revenue Account (HRA). The information obtained will be used to plan future investment and maintenance of existing sites. Recognising that needs may change, the Council will continue to monitor the position and be ready to embrace this through new LHS guidance.
- 3.7 The Council will support applications to develop land into permanent or transit sites for Gypsy/Travelers. The land does not need to be identified in the Local Development Plan and no evidence of need is required. Consultation is currently ongoing regarding Gypsy / Traveler site standards.

#### **4. Wheelchair & Particular Needs Housing**

- 4.1 We are committed to increasing the supply of wheelchair accessible homes in accordance with requirements set out in the Scottish Government Guidance Note MHDGN 2019/02.
- 4.2 Work is currently underway with our RSL partners to deliver wheelchair accessible homes across urban and rural Perth and Kinross. Through our Strategic Local Plans, the aim is to ensure that where possible, 10% of all homes built are suitable for people with particular needs, such as wheelchair users, where this can be met within affordable housing development sites.
- 4.3 Improvements in information on the requirement for wheelchair accessible homes alongside demographic information has developed a clearer picture of the future requirement for wheelchair accessible housing. This is incorporated into the 2022-27 LHS to support developers to include specialist housing provision in private sector developments.

#### **5. Rapid Rehousing Transition Plan (RRTP) Priorities**

- 5.1 Addressing the key Homelessness and Rough Sleeping Action Group (HARSAG) recommendation, the Council aligns strategic housing priorities consistent with the RRTP and ensures that the new supply of affordable housing is fully integrated within the Council's 'Home First' model.
- 5.2 The Council's 'Home First' model was introduced in 2017 and its aim is to assist homeless households move straight into settled accommodation and avoiding the use of temporary accommodation. Minimising the duration, impact, stigma, and cost of homelessness is the key objective as well as ensuring the best outcome for homeless households.

- 5.3 Increasing the supply of affordable housing will assist in meeting the RRTP strategic aims of prevention of homelessness. In addition, it will also support the commitment to ensuring that those in housing need to find the fastest route to safe and secure accommodation to help them resettlement in their new homes quickly and successfully with support.
- 5.4 With a strong focus on the prevention of homelessness, the Council identifies and supports those at highest risk of homelessness. This is whilst also assisting those who find themselves homeless to be rehoused as quickly as possible, promoting choice, and ensuring positive outcomes to reduce the stress and trauma that homelessness brings to individuals and families.

## **6. Partnership Working, Consultation and Collaboration**

- 6.1 The SHIP has been developed and implemented through close partnership working with the Scottish Government, RSLs, Perth and Kinross Health and Social Care Partnership, Housing, Planning Division and Community members. A number of mechanisms are in place to ensure that a range of partners participate in the ongoing delivery of the SHIP.
- 6.2 There is a strong history of partnership working in Perth and Kinross with RSLs and internal and external partners to deliver the ambitious housing programme. There are five RSLs with active projects within the SHIP. They also have a keen interest in continuing the partnership working to develop affordable housing within Perth and Kinross.
- 6.3 A number of other RSLs have expressed an interest in delivering affordable housing within Perth and Kinross within the period of the SHIP.
- 6.4 The Council will continue to explore options for joint working around innovative delivery mechanisms that support the provision of affordable housing throughout Perth and Kinross. Both the Council and RSL Partners will continue to look for efficiencies in construction methods and will work with the construction industry and design teams to determine the suitability of non-traditional construction methods for projects included with the SHIP.
- 6.5 Monthly updates with the RSL partners continue to take place. The RSL partners continue to engage with the PKC Affordable Housing Enablers about potential future development opportunities. The monthly meetings bring an opportunity for partners to discuss the wider programme and strategic issues including updates from the Scottish Government, Scottish Water, the SHIP, and site prioritisation. Every two months, updates are provided to the Scottish Government to discuss the programme and key requirements throughout the programme year (focus is specific project issues relating to planning, public utilities and slippage impacting current/future year funding).

- 6.6 This structure provides the Council with a proactive approach to monitoring project progress which complements discussions on strategic issues affecting the delivery of affordable housing in Perth and Kinross.
- 6.7 In developing the SHIP 2023/24 – 2027/28, all RSLs provided project proposals. All proposals were assessed alongside Council projects by the New Build Project Board (NBPB) see Appendix 3. The NBPB were provided with projects that were assessed against the SHIP prioritisation Framework (See Appendix 4) and approved which projects to include within the SHIP.
- 6.8 The Perth and Kinross multi-agency Independent Living Panel provides key information to the SHIP. They meet monthly and are made up of Housing and Health and Social Care Partnership representatives, including RSL and Care Providers. The Panel provides an integrated approach to meeting housing, health and social care needs of people who have been assessed with the eligibility criteria as requiring support to enable them to live as independently as possible in their own home or within specialist provision.
- 6.9 The Panel reviews and analyses and authorises the allocation of appropriate housing provision for individuals as requiring specialist housing, care, and support to live independently in Perth and Kinross.
- 6.10 The Independent Living Panel:
- makes recommendations for the allocation of accommodation for the provision for independent living need
  - ensures that an overview of demand and supply for independent living needs in Perth & Kinross is maintained and regularly reviewed
  - provides a link between NHS, PKC, HSCP and third sector partners to ensure a joined-up approach and co-design of housing solutions for those with specialist housing, care, and support needs
  - links with the New Build Programme to ensure gaps in service provision are met effectively and to inform the future planning and development of services
  - seeks reviews on placements in specialist accommodation to ensure the provision is being used appropriately for those in most need
  - conducts quality assurance checks on cases referred to the Panel to ensure consistency across and within the allocation process and the provision of specialist accommodation
  - ensures the efficient and effective use of resources
- 6.11 The Council has frequent meetings with developers to discuss development sites and how housing developments can contribute to LHS priorities through inclusion of their proposed developments in the SHIP. The Council have procured housing through the Scottish Procurement Framework as well as through Section 75 agreements being made with Developers in fulfilling the requirements of the Affordable Housing Policy.

- 6.12 In taking forward the LHS and the SHIP, workshop events are organised to consult on the objectives of both and thoughts on how objectives can best be met are invited from a wide audience of partners and community representatives.
- 6.13 The SHIP document is widely circulated, and comments are invited ahead of finalisation.

## **7. Review Mechanism - Response & Resolution of Constraints**

- 7.1 The Council regularly reviews affordable housing projects, both internally and with RSL Partners, to ascertain progress through monthly meetings. Tripartite meetings with officers from the Council, RSLs and the Scottish Government will take place every 2 months.
- 7.2 Frequent, formal review process assists with the identification of constraints and potential slippage in the programme at an early stage. Early contact and liaison with internal stakeholders, such as Planning, or external stakeholders, such as Scottish Water, has assisted the Council in resolving constraints and achieving effective programme management outcomes.

## **8. Affordable Housing Supply Programme (AHSP)**

- 8.1 The Affordable Housing Supply Programme forms part of the Scottish Government's More Homes Scotland approach, which aims to increase and accelerate the supply of homes across all tenures. The Programme supports the Council in delivering our affordable housing priorities, by providing quality homes in mixed communities that fit local need.
- 8.2 The grant subsidy which is available through the Affordable Housing Supply Programme supports the delivery of social rented housing, homes for mid-market rent, and the provision of housing for low-cost home ownership (most notably the new supply shared equity scheme).
- 8.3 Resource Planning Assumptions (RPA) support the delivery of new affordable homes across Perth and Kinross by providing grant support at flexible benchmark rates for each affordable home developed.
- 8.4 The Council RPA for the 2023/24 Financial Year is £16.587m. Future years 2024/25 – 2025/26 RPA funding was agreed during July 2021 as highlighted within Table 1, (paragraph 1.8). Through Scottish Government Guidance MHDGN 2022/02, it advises to use the 2025/26 RPA as the basis for future years until announced. As such, it is prudent to take a conservative approach for future years within the SHIP until further information on RPA levels post 2026 is known, to avoid abortive work or other cost risks.
- 8.5 The Affordable Housing Enablers continue to identify additional projects and liaise with RSL partners to bring further opportunities for affordable housing into the programme.

- 8.6 The SHIP projects that 1435 affordable homes could be delivered in the period to 2027/28.
- 8.7 The Funding from the Scottish Government, required to deliver the proposed affordable Housing projects as outlined within the SHIP 2023/24 – 2027/28, as per Table 1.
- 8.8 Over and above the increased flexible grant benchmark rates, additional grant funding is available from existing Resource Planning Assumptions to affordable housing developers who meet Scottish Government criteria in relation to specific quality and design features. This includes:
- the delivery of homes to Silver Level of the 2019 Building Regulations in respect of Energy for Space Heating
  - the provision of balconies within flatted developments where the provision of private or communal outdoor space is not possible
  - the provision of space for home working or study where it is not possible to incorporate such space within the design of the homes under current space standards
  - by ensuring that all new social rented homes are digitally enabled with tenants able to arrange for an internet connection without the internet service provider having to provide additional cabling to the premises
  - the installation of ducting infrastructure for electric vehicle charge point connectors
  - the installation of automatic fire suppression systems; and
  - installation of heating systems which produce zero direct emissions at the point of use
- 8.9 The increased flexible benchmark rates of grant and additional grant being made available to affordable housing developers who incorporate enhanced design elements is being met from current known RPA. This may have an impact on the number of new affordable homes being delivered as the level of grant for each property increases.
- 8.10 The Council, alongside its RSL partners, has sought to be as realistic as possible in detailing the programme. Projects that have been assessed as having completions by March 2023 have been programmed within the first year of this SHIP. Years 2 and 3 of the SHIP see the conclusion of large projects with a fewer number of projects detailed in later years. It should be noted that the SHIP is reviewed every year.
- 8.11 The Council, in consultation with the Scottish Government, will continue to manage the AHSP in conjunction with its Housing Capital Plan, Housing Revenue Account investment, Council Tax 2<sup>nd</sup> Homes Funds, Commuted Sums to support and maximise delivery of affordable housing in priority areas during the SHIP period.

## 9. Funding Resources, Housing Revenue Account, Developer Contributions and Council Tax (Second Homes)

Funding Resources to support delivery of SHIP priorities are summarised:

- **Housing Revenue Account (HRA)**

- 9.1 Prudential borrowing via the HRA is the key funding component used in addition to Scottish Government Housing Subsidy to support the delivery of new affordable homes for PKC affordable housing. The financial viability of all potential Council new build projects is assessed in terms of the Housing Revenue Account 30-year business plan, to ensure that the capital costs generate a reasonable return on investment over the long term. The new build programme is monitored as part of the HRA capital monitoring process between finance, housing, and property.

- **Developer Contributions**

- 9.2 Applications that meet the criteria can be made to PKC to support the delivery of affordable homes from Developer Contributions (DCs). Information on applications received during 2021/22 in respect of supporting the delivery of affordable homes are detailed below:

DEVELOPER	PROJECT	AFFORDABLE HOMES	HMA	DCs Used £
KHA	Earlsgate, Scone	51	Perth HMA	£765,000.00
KHA	Bertha Park (Phase 2A),	28	Perth	£196,000.00
KHA	Rattray	6	Strathmore	£78,000.00
PKC	Milne Street, Perth	8	Perth	£188,000.00
Rannoch CDT	Feasibility	N/A	Highland	£5,300.00

- 9.3 As of 1 September 2022, there was £1,700,000.00 available within Developer Contributions to assist in bringing forward affordable housing developments throughout Perth and Kinross. Policy requires these funds to be invested in the same HMA they were collected.

- **Council Tax Reserve Income from the Reduction of Discount for Empty and Second Homes**

- 9.4 The Council has funding available through income raised each financial year from Council Tax (Empty Homes and 2<sup>nd</sup> Homes). This funding assists in supporting the delivery of all affordable homes delivered by the Council (new build and Empty Homes) and new builds for RSLs.
- 9.5 These funds are used to support the Vacant Property Development and Private Sector Teams bring empty homes back into use for housing. The following empty properties have been brought back into use as housing through assistance of these funds:

Financial Year	Empty Homes Brought Back into Use
2015/16	149
2016/17	138
2017/18	146
2018/19	145
2019/20	139
2020/21	93
2021/22	130
<b>TOTAL</b>	<b>940</b>

- 9.6 As of 1 April 2022, the balance of funds remaining from Council Tax for the delivery of affordable housing was £4,281,000.00. Since 2015/16 through the delivery of New Build affordable housing and Empty homes, the Council has used funding of over £11m from this to assist with the delivery of affordable homes.

## **10. Affordable Housing Policy**

- 10.1 The Developer Contributions and Affordable Housing Supplementary Guidance (2020) sets out the contribution that developers must make towards the delivery of affordable housing as a condition of securing planning approval for a new build development. The Supplementary Guidance requires new housing developments within Perth and Kinross to provide a 25% Affordable Housing Contribution.
- 10.2 Affordable Housing can include a variety of forms, such as social rent, Low-Cost Home Ownership options such as Shared Equity, Mid-market / intermediate rent, and self-build plots. Sites delivered through the Supplementary Guidance make a significant contribution to the SHIP.



- 10.3 Commuted Sums make a great contribution towards the delivery of affordable housing in Perth and Kinross. The Council continues to utilise contributions resulting from the Supplementary Guidance to support the delivery of affordable homes within its own programme and with RSL partners where appropriate.

## **11. SHIP Prioritisation Framework**

- 11.1 All affordable housing proposals that are to be included within the SHIP are prioritised by the SHIP Prioritisation Framework (PF) (APPENDIX 4). This framework prioritises investment whilst assessing the proposals against the Council's strategic aims and priorities, along with deliverability, and the community benefits it will provide
- 11.2 In assessing projects for inclusion in the SHIP, the Council considers the following:
- Whether the development assists with the delivery of LHS outcomes
  - The extent to which the development addresses housing needs
  - Site attributes
  - Whether planning approval is in place
  - Funding requirements
  - Strategic priority
  - Deliverability
- 11.3 The PF is not intended to provide the only assessment of priority; however, the Council will continue to balance its investment decisions through a mixture of Council, RSL and developer delivery and by considering a range of affordable housing tenures to meet housing need across all the HMAs.
- 11.4 In recognising the need for housing to address particular support needs, including wheelchair accessible homes, projects which provide this type of housing will attract extra points under the scoring criteria.

## **12. Energy Efficiency**

- 12.1 The Council seeks to maximise the opportunities for energy efficiency and reduction of fuel poverty through achieving the 'Greener' energy efficiency standard in new builds where practical. To meet this standard, homes must meet Section 7 (Aspect 1 & 2) of the 2011 Building Regulations in relation to Carbon Dioxide emissions and energy for space heating.
- 12.2 The standard may not be attainable in all projects, particularly where an existing building is to be redeveloped or where homes form part of a larger development for market provision or through the PKC Buyback scheme.

- 12.3 The Council supports RSL partners to develop to Silver Standards as a minimum and to provide enhanced levels as set out within the Scottish governments Housing to 2040 vision.
- 12.4 The Council are currently in the process of developing its new net zero Design Guide. It is anticipated by 2023/24 that all PKC new build affordable homes will meet the 'Gold Standard' as a minimum and meet some of the key objectives within the Council's climate change strategy and action plan.

### **13. Equalities**

- 13.1 The Council are fully committed to equalities and diversity. The General Equality Duty has three main aspects:
- Eliminate Discrimination
  - Advance equality of opportunity
  - Foster good relations between communities.
- 13.2 The Council will respond to the different needs and service requirements of people regardless of sex, race, colour, disability, age, nationality, marital status, ethnic origin, religion or belief, sexual orientation, or gender re-assignment. The planning and delivery of good quality housing and appropriate information, advice and support services embrace the principle of equal opportunities and equality in outcomes.
- 13.3 The SHIP plays a vital role in promoting this agenda. People with specialist needs should have the opportunity to live independently in their own homes and community. To address specialist needs, at least 10% of new affordable homes will be delivered to meet particular support needs (this also includes wheelchair accessible).

### **14. Strategic Environmental Assessment**

- 14.1 The Strategic Environmental Assessment (Scotland) Act 2005 requires that all qualifying plans, programmes, and strategies, including policies are screened to assess the potential environmental impact of the plan. A Strategic Environmental Assessment (SEA) ensures that environmental issues are considered by decision makers alongside social and economic issues.
- 14.2 The SHIP, as part of the LHS, was considered under the Environmental Assessment (Scotland) Act 2005 and pre-screening identified that the SHIP would have no, or minimal, environmental effects. It is therefore exempt, and the SEA Gateway has been notified.

## **15. Monitoring**

- 15.1 The SHIP is closely monitored, and funding is claimed promptly to promote and maximise the funding invested within Perth and Kinross. Annual reviews of progress in increasing the supply of housing are reported to the Council's Housing and Social Wellbeing Committee, as part of the review of progress in implementing the LHS.
- 15.2 A range of project management activities are used to ensure resources are managed effectively with projects progressing as planned. These include:
- ongoing liaison between services within the Council and between the Council and Registered Social Landlord partners on specific projects
  - multi-agency project group meetings
  - quarterly tripartite meetings involving the Council, individual developing Registered Social Landlord partners and the Scottish Government
  - six weekly internal Board meetings to review progress. Throughout the duration of this SHIP progress will continue to be monitored to support project delivery

## APPENDIX 1 - Strategic Housing Investment Plan (2023/24 – 2027/28)

### Affordable Housing Site Starts (2023/24 – 2027/28)

Developer	23/24	24/25	25/26	26/27	27/28	Total AH
PKC	110	91	180	50	52	483
KHA	93	115	74	60	0	342
HH	77	35	60	0	140	312
CHA	0	85	0	21	0	106
PfP	218	0	0	37	0	255
Ark	26	0	0	0	0	26
<b>Total Site Starts</b>	<b>524</b>	<b>326</b>	<b>314</b>	<b>168</b>	<b>192</b>	<b>1524</b>

### Affordable Housing Completions (2023/24 – 2027/28)

Developer	23/24	24/25	25/26	26/27	27/28	Total AH
PKC	54	70	153	88	120	485
KHA	21	59	154	72	68	374
HH	17	45	67	0	60	189
CHA	0	0	30	55	21	106
PfP	0	75	143	0	37	255
Ark	0	18	8	0	0	26
<b>Total Completions</b>	<b>92</b>	<b>267</b>	<b>555</b>	<b>215</b>	<b>306</b>	<b>1435</b>

PKC – Perth & Kinross Council, KHA – Kingdom Housing Association, HH – Hillcrest Homes, CHA – Caledonia Housing Association,  
PfP – Places for People, ARK – Ark Housing Association

**Pre 2023/24 Site starts with Completions in 2023/24+**

Project Address	HMA	HARP	Developer	Total Units	Site Start Pre 23/24	Completions 23/24	Completions 24/25	Completions 25/26
Lynedoch Road, Methven	Perth	P44746	PKC	24	24	24	0	0
Broich Road, Crieff (Ph2)	Strathearn	P42217	KHA	14	14	14	0	0
Bertha Park, Perth (Ph2B)	Perth	P44623	KHA	7	7	7	0	0
Bertha Park, Perth (Ph3)	Perth	P42218	KHA	41	41	0	41	0
Old Causeway, Kinross	Kinross	P44839	HH	8	8	8	0	0
Abbeyfield, Crieff	Strathearn	P44843	HH	9	9	9	0	0
Westpark, Blairgowrie (Ph1)	Strathmore	P44842	PfP	73	73	0	30	43
				<b>176</b>	<b>176</b>	<b>62</b>	<b>71</b>	<b>43</b>

**2023/24 Site Starts with Completions 23/24+**

Project Address	HMA	HARP	Developer	Total Units	Site Start 23/24	Completions 23/24	Completions 24/25	Completions 25/26
Buybacks	Various	(INPUT)	PKC	30	30	30	0	0
Rossie Place, Auchterarder (Ph1 & 2)	Strathearn	P42212	PKC	40	40	0	20	20
Coupar Angus, Grewar Farm	Strathmore	TBC	PKC	40	40	0	20	20
Broich Road, Crieff (Ph3)	Strathearn	P44834	KHA	18	18	0	18	0
Milnathort, Kinross	Kinross	P43762	KHA	16	16	0	0	16
Lathro Farm, Kinross	Kinross	P45490	KHA	35	35	0	0	35
Meigle	Strathmore	TBC	KHA	24	24	0	0	24
Aberfeldy (TBC)	Highland	TBC	HH	25	25	0	25	0
Oudenarde	Perth	TBC	HH	40	40	0	20	20
Moncur Farm, Inchtute	Perth	TBC	HH	12	12	0	0	12
Scone North	Perth	TBC	PfP	60	60	0	15	45
Almond Valley	Perth	TBC	PfP	0	85	0	30	55
Westpark, Blairgowrie (Ph1)	Strathmore	TBC	PfP	73	73	0	30	43

Former Crieff PS, Crieff	Strathearn	TBC	Ark HA	0	8	0	0	8
Hawarden Tce, Perth	Perth	P42222	Ark HA	18	18	0	18	0
				431	524	30	196	298

**2024/25 Site Starts with Completions 2024/25+**

Project Address	HMA	HARP	Developer	Total Units	Site Start 24/25	Completions 24/25	Completions 25/26	Completions 26/27
Buybacks	Various	TBC	PKC	30	30	30	0	0
Rossie Place, Auchterder (Ph3)	Strathearn	P42226	PKC	20	20	0	20	0
Balhousie PS, Perth	Perth	P42225	PKC	25	25	0	25	0
St Catherines Square, Perth	Perth	TBC	PKC	30	30	0	30	0
Pitlochry	Highland	TBC	PKC	8	8	0	8	0
Bertha Park, Perth, (Ph4)	Perth	P44820	KHA	54	54	0	40	14
Broich Road, Crieff (Ph4)	Strathearn	P44836	KHA	12	12	0	12	0
Bridge of Earn	Perth	P45521	KHA	27	27	0	27	0
Alyth	Strathmore	P44828	CHA/PKC	43	43	0	20	23
Luncarty	Perth	P42216	CHA/PKC	20	20	0	10	10
Milnab St, Crieff	Strathearn	TBC	HH	10	10	0	10	0
Western Tomanock, Crieff	Strathearn	TBC	HH	25	25	0	25	0
Stanley H31	Perth	TBC	CHA	22	22	0	0	22
				<b>326</b>	<b>326</b>	<b>30</b>	<b>227</b>	<b>69</b>



**2025/26 Site Starts with Completions 2025/26+**

Project Address	HMA	HARP	Developer	Total Units	Site Start 25/26	Completions 25/26	Completions 26/27	Completions 27/28
Buybacks	Various	TBC	PKC	30	30	30	0	0
Rossie Place, Auchterarder (Ph4)	Strathearn	P42231	PKC	20	20	0	20	0
Borlick (Ph1), Aberfeldy	Highland	P42208 P42221 P42227	PKC	65	65	0	30	35
Perth West	Perth	P44832	PKC	65	65	0	30	35
Bertha Park, Perth (Ph5)	Perth	P42228	KHA	58	58	0	20	38
Stanley H30	Perth	P42215	KHA	16	16	0	16	0
Thimblerow	Perth	TBC	HH/PKC	60	60	0	0	60
				<b>314</b>	<b>314</b>	<b>30</b>	<b>116</b>	<b>168</b>

**2026/27 Site Starts with Completions 2026/27+**

Project Address	HMA	HARP	Developer	Total Units	Site Start 26/27	Completions 26/27	Completions 27/28	Completions 28/29
Buybacks	Various	TBC	PKC	30	30	30	0	0
Beechgrove, Perth	Perth	TBC	PKC	20	20	0	20	0
Bertha Park, Perth (Ph6)	Perth	P43764	KHA	60	60	0	30	30
Pitlochry	Highland	P44832	CHA	21	21	0	21	0
Westpark, Blairgowrie (Ph2)	Strathmore	TBC	PfP	37	37	0	37	0
				<b>168</b>	<b>168</b>	<b>30</b>	<b>108</b>	<b>30</b>

**2027/28 Site Starts with Completions 2027/28+**

Project Address	HMA	HARP	Developer	Total Units	Site Start 27/28	Completions 27/28	Completions 28/29	Completions 29/30
Buybacks	Various	TBC	PKC	30	20	30	0	0
Stanley H30 (Ph2)	Perth	P42214	PKC	22	22	0	22	0
Oudenarde	Perth	TBC	HH	140	140	0	40	100
				<b>192</b>	<b>182</b>	<b>30</b>	<b>62</b>	<b>100</b>

## Appendix 2 - HMAs

### Perth and Kinross Settlements by HMA

HMA	
Greater Perth	Abernethy. Abernyte. Almond bank. Balbeggie. Bankfoot. Bridge of Earn. Dunning. Errol. Forgandenny. Glencarse. Glenfarg. Guildtown. Inchtute, Invergowrie, Longforan. Luncarty. Methven, Murthly, Perth. Scone. Stanley. St Madoes. Wolfhill
Highland	Aberfeldy. Ballinluig, Blair Atholl. Dunkeld. Fearnan. Kenmore. Kinloch Rannoch. Pitlochry
Kinross	Blairingone. Crook of Devon, Glendevon. Keltybridge. Kinnesswood, Kinross, Milnathort, Powmill, Scotlandwell
Strathearn	Aberuthven, Auchterarder, Blackford. Braco, Comrie, Crieff. Gilmerton. Gleneagles, Greenloaning. Muthill, St Fillans
Strathmore and Glens (formerly Eastern Perthshire)	Alyth. Ardler. Blairgowrie. Bridge of Cally. Burrelton. Caputh. Coupar Angus. Kettins, Kirkmichael, Meigle. Meikleour, New Alyth. Spittalfield. Woodside

### Appendix 3

#### New Build Project Board Members –

Name	Position within PKC
Elaine Ritchie	Senior Service Manager (Housing)
Ben Wilson	Service Manager – Planning and Housing Strategy
Nicola Lennon	Service Manager - Housing
Andy Saum	Team Leader – Housing Strategy
Steven Coyle	Finance and Governance Team Leader
Norman Ballantine	Capital Programme Manager

## **Appendix 4 – SHIP Prioritisation**

### **Methodology Prioritisation Framework Scoring**

#### **Introduction**

The Prioritisation Framework provides a tool to prioritise investment which balances the Council's strategic objectives, deliverability, and community benefits. It is used to assess projects for inclusion in the SHIP, which will assist in deciding whether we bring projects forward to SHIP inclusion.

The framework does not provide the only assessment of priority and Perth and Kinross Council will continue to balance its investment decisions through a mixture of Council, Registered Social Landlord and Developer delivery by considering a range of affordable housing tenures to meet housing needs across its Housing Market Area.

As projects develop there may be a need to adjust to the scoring output as, for example, planning permission is granted, or wider community benefits are realised. This may cause the priority of a project to be revised during the life of the SHIP.

#### **Scoring Criteria**

##### **1. Contribution to general unmet Housing Need:**

What level of demand can we evidence for a project? How much need is there in the area for affordable housing? What are the waiting lists like? What are we predicting for future trends? The scoring structure for demand:

- High - between 7 and 10
- Medium - between 4 and 6
- Low - between 0 and 3

##### **2. Inclusion, Equality and Meeting Particular Needs**

If a project is planned to make additional provision for particular needs (such as wheelchair accessible housing) and/or meets a particular needs demand in an area it should score more highly.

- High - between 7 and 10
- Medium - between 4 and 6
- Low - between 0 and 3

### **3. Wider Community benefit and Regeneration:**

If a project delivers wider community amenities or benefits that make a significant contribution to the regeneration of an area it should score more highly. Points should also be awarded if the project secures the future of a historic or listed building or reuses a brownfield site.

- High - between 7 and 10
- Medium - between 4 and 6
- Low - between 0 and 3

### **4. Meets agreed strategic priority (Contribution to SOA and LHS Objectives)**

Project is assessed in terms of the overall contribution it would make to achieve the strategic objectives of the Single Outcome Agreement and the Local Housing Strategy. The project is assessed depending upon how many objectives the project was assessed as contributing towards. The scoring structure:

- High - between 7 and 10
- Medium - between 4 and 6
- Low - between 0 and 3

### **5. Project Deliverability**

This assesses whether a project is likely to be deliverable within the SHIP timescale. Factors that are considered are whether the site is in the ownership of Perth and Kinross or the RSL, and the progress anticipated to be achievable. The scoring structure:

- High - between 7 and 10
- Medium - between 4 and 6
- Low - between 0 and 3
- 

### **Weighting of scores**

Whilst all these measures are important considerations when deciding whether a project goes on to the SHIP, it is felt that the importance of criteria one should give it extra weighting relative to the other criteria.

Thus, the scoring will be out of a possible sixty, with each of the five criteria scored out of ten but with the score for criteria one doubled to reflect its importance.

The RAG rating for projects:

<b>Low priority</b>	<b>Medium priority</b>	<b>High priority</b>
<b>1 – 20</b>	<b>20 - 40</b>	<b>40 +</b>

Reds should be presented to the project board with a recommendation not to add to the SHIP, Ambers would be considered for inclusion after reviewing any other pertinent factors, Greens would be strong recommendation for inclusion and progression as a priority.