

South Ayrshire Council

**Report by Director of Housing, Operations and Development
to Cabinet
of 18 June 2024**

Subject: Strategic Housing Investment Plan: Interim Update

1. Purpose

- 1.1 The purpose of this report is to provide Cabinet with an update on progress against the Strategic Housing Investment Plan (SHIP) 2024/25 – 2028/29 and to provide information relating to Resource Planning Assumption changes to the Affordable Housing Supply Programme.

2. Recommendation

2.1 It is recommended that the Cabinet:

- 2.1.1 acknowledges the reduction in Scottish Government grant funding in relation to the Affordable Housing Supply Programme;**
- 2.1.2 notes progress against targets set within the SHIP and approves the revised programme for 2024/25 in section 4; and**
- 2.1.3 Notes that a full refresh of the SHIP will be submitted to Cabinet in the Autumn.**

3. Background

- 3.1 The most recent Strategic Housing Investment Plan was approved at Cabinet in October 2023. The plan set out the following 5-year proposals for delivery against the Affordable Housing Supply Programme and was developed in partnership with Local RSL partners and other internal and external stakeholders. At the time of Cabinet approving the plan the Resource Planning Assumption allocated to South Ayrshire was quoted as £12.760 million.
- 3.2 Delivery against the Affordable Housing Supply Programme is one of the Councils key strategic housing objectives to ensure more social homes are made available and in the previous year 120 affordable homes were delivered between Council, RSL partners as well second-hand purchases through the buyback scheme.
- 3.3 The plan at time of approval contained the following proposed developments for 24/25 with assumed subsidy if they were to progress. As part of any planning, an allowance of overcommitting by 25% is acceptable to allow for slippage in delivery:

Development	Subsidy 24/25
Former St Ninians Primary School	£1,755,264
Riverside Place	£2,089,600
Second Hand Market Purchase (SAC)	£1,350,000
Manse Road, Coylton (RSL)	£1,185,366
Croft Road, Tarbolton (RSL)	£1,139,775
Green Street (RSL)	£2,917,824
Afton Avenue, Prestwick	£1,044,800
Waggon Road, Ayr	£820,638
Buchan Road, Troon	£1,253,760
Total	£13,557,027

- 3.4 The Scottish Government as part of the most recent budget setting process has reduced the overall capital commitments to the Affordable Housing Supply programme by 24%. South Ayrshire Council received their Resource Planning Assumption notification for 2024/25 on 21 May 2024 confirming that the assumed grant available for the next financial year and future years is now set at £9.654 million:

Resource Planning Assumption	Value
Pre Budget RPA 24/25	£12,760,000
Post Budget RPA 24/25	£9,654,000
Difference	-£3,196,000

- 3.5 Due to this reduction, we now require to re-profile the programme for year 24/25 and a wider reprofiling of the 5-year plan which will be brought before Cabinet later in the year.

4. Proposals

- 4.1 Officers have been engaging with our RSL partners and Professional Design Services to understand what stage developments are at and to ensure support is provided to projects that are already underway. These discussions have resulted in the following developments being prioritised to receive grant funding this year as they are currently on-site as part of the construction phase and these make up the recommended revised programme for 2024/2025, with Members being asked to approve this revision:

Development	Revised subsidy award
Former St Ninians Primary School	£3,650,652
Riverside Place	£3,180,713
Croft Street, Tarbolton (RSL)	£1,983,890
Second Hand Purchase	£838,745
Total	£9,654,000

- 4.2 Officers will continue to work with partners to consider the on-going viability of the other proposed projects previously mentioned in section 3.3 with options ranging from postponing the delivery of developments, which has occurred on at least 2 projects previously mentioned or considering replacement developments that are more fully formed. This element will be brought back to members as part of the wider refresh in the Autumn.
- 4.3 Despite the reduction in subsidy and changes to programme, this financial year is likely to yield 215 new affordable homes being delivered through phased handovers for some of the projects mentioned in section 4.1 including the completion of the remaining 139 homes on the Mainholm development where all subsidy has already been drawn down in year 2023/24. This is set against an original target of 139 homes completing in 2024/25 and is in part due to more completions for Mainholm in 2024/25 than anticipated.
- 4.4 It should also be noted that annually the Council has a target to purchase up to 30 properties as part of the second-hand purchase (buyback) programme. This is normally aided by subsidy on average of £40,000 per property. Due to the reduction of grant available, the Council will only be able to draw subsidy on 20 purchases and officers are considering other financing options to bridge the gap and to achieve the target of 30 properties being brought back into social ownership and an update will be provided in the report to Cabinet in the Autumn.

5. Legal and Procurement Implications

- 5.1 There are no legal implications arising from this report.
- 5.2 There are no procurement implications arising from this report.

6. Financial Implications

- 6.1 The current approved SHIP which forms part of the approved HRA 40 Year Business Plan assumes a cost per unit for each new build at £230,000 and a Scottish Government subsidy per unit of £84,000. This results in a net cost per new build at £146,000 which is funded by borrowings.
- 6.2 The current approved SHIP which forms part of the approved HRA 40 Year Business Plan assumes a cost per unit for each buyback at £80,000 and a Scottish Government subsidy per unit of £40,000. This results in a net cost per buyback at £40,000 which is funded by borrowings.
- 6.3 As noted at para 3.3, the reduction in Scottish Government subsidy of £3,196,000 would equate to a reduction of subsidy contribution towards 38 new build units per the HRA Business Plan costs noted at para 6.1. This in turn would result in reduced new build costs of £8,740,000 for those 38 units. The net cost reduction of £5,544,000 could be utilised to fund the purchase of an additional 69 buybacks which would be approx. £80,000 cost per unit as no further Scottish Government subsidy would be available.

7. Human Resources Implications

- 7.1 Not applicable.

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8. Risk

8.1 *Risk Implications of Adopting the Recommendations*

8.1.1 There are no risks associated with adopting the recommendations.

8.2 *Risk Implications of Rejecting the Recommendations*

8.2.1 Rejecting the recommendations may increase the financial burden on the Council if all previous commitments are met without government subsidy being provided.

9. Equalities

9.1 The proposals in this report have been assessed through the Equality Impact Assessment Scoping process. There are no significant potential positive or negative equality impacts of agreeing the recommendations and therefore an Equalities Impact Assessment is not required. A copy of the Equalities Scoping Assessment is attached as [Appendix 1](#).

10. Sustainable Development Implications

10.1 ***Considering Strategic Environmental Assessment (SEA)*** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

11. Options Appraisal

11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

12. Link to Council Plan

12.1 The matters referred to in this report contribute to Priority 2 of the Council Plan: Live, Work, Learn

13. Results of Consultation

13.1 There has been no public consultation on the contents of this report.

13.2 Consultation has taken place with Councillor Martin Kilbride, Portfolio Holder for Buildings, Housing and Environment, and the contents of this report reflect any feedback provided.

14. Next Steps for Decision Tracking Purposes

14.1 If the recommendations above are approved by Members, the Director of Housing, Operations and Development will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to the Cabinet in the 'Council and Cabinet Decision Log' at each of its meetings until such time as the decision is fully implemented:

<i>Implementation</i>	<i>Due date</i>	<i>Managed</i>
Refresh of the SHIP 5-year plan to Cabinet for approval	November 2024	Coordinator – Housing Policy and Strategy

Background Papers Report to Cabinet of 31 October 2023 - [Strategic Housing Investment Plan \(SHIP\) - 2024/25 to 2028/29](#)

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Date: 10 June 2024

**South Ayrshire Council
Equality Impact Assessment
Scoping Template**

Equality Impact Assessment is a legal requirement under the Public Sector Duty to promote equality of the Equality Act 2010. Separate guidance has been developed on Equality Impact Assessment's which will guide you through the process and is available to view here: <https://www.south-ayrshire.gov.uk/equalities/impact-assessment.aspx>

Further guidance is available here: <https://www.equalityhumanrights.com/en/publication-download/assessing-impact-and-public-sector-equality-duty-guide-public-authorities/>

The Fairer Scotland Duty ('the Duty'), Part 1 of the Equality Act 2010, came into force in Scotland from 1 April 2018. It places a legal responsibility on Councils to actively consider ('pay due regard to') how we can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions. [FSD Guidance for Public Bodies](#) in respect of the Duty, was published by the Scottish Government in March 2018 and revised in October 2021. See information here: <https://www.gov.scot/publications/fairer-scotland-duty-guidance-public-bodies/>

1. Policy details

Policy Title	Strategic Housing Investment Plan, Interim Update 24/25
Lead Officer (Name/Position/Email)	Chris Carroll Chris.carroll@south-ayrshire.gov.uk

2. Which communities, groups of people, employees or thematic groups do you think will be, or potentially could be, impacted upon by the implementation of this policy? Please indicate whether these would be positive or negative impacts

Community or Groups of People	Negative Impacts	Positive impacts
Age – men and women, girls & boys	-	-
Disability	-	-
Gender Reassignment (Trans/Transgender Identity)	-	-
Marriage or Civil Partnership	-	-
Pregnancy and Maternity	-	-
Race – people from different racial groups, (BME) ethnic minorities and Gypsy/Travellers	-	-
Religion or Belief (including lack of belief)	-	-
Sex – (issues specific to women & men or girls & boys)	-	-
Sexual Orientation – person's sexual orientation i.e. LGBT+, lesbian, gay, bi-sexual, heterosexual/straight	-	-
Thematic Groups: Health, Human Rights & Children's Rights	-	-

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3. What likely impact will this policy have on people experiencing different kinds of social disadvantage i.e. The Fairer Scotland Duty (This section to be completed for any Strategic Decisions). Consideration must be given particularly to children and families.

Socio-Economic Disadvantage	Negative Impacts	Positive impacts
Low Income/Income Poverty – cannot afford to maintain regular payments such as bills, food, clothing	-	-
Low and/or no wealth – enough money to meet Basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future	-	-
Material Deprivation – being unable to access basic goods and services i.e. financial products like life insurance, repair/replace broken electrical goods, warm home, leisure/hobbies	-	-
Area Deprivation – where you live (rural areas), where you work (accessibility of transport)	-	-
Socio-economic Background – social class i.e. parent’s education, employment and income	-	-

4. Do you have evidence or reason to believe that the policy will support the Council to:

General Duty and other Equality Themes Consider the ‘Three Key Needs’ of the Equality Duty	Level of Negative and/or Positive Impact (High, Medium or Low)
Eliminate unlawful discrimination, harassment and victimisation	Low
Advance equality of opportunity between people who share a protected characteristic and those who do not	Low
Foster good relations between people who share a protected characteristic and those who do not. (Does it tackle prejudice and promote a better understanding of equality issues?)	Low
Increase participation of particular communities or groups in public life	Low
Improve the health and wellbeing of particular communities or groups	Low
Promote the human rights of particular communities or groups	Low
Tackle deprivation faced by particular communities or groups	Low

5. Summary Assessment

<p>Is a full Equality Impact Assessment required? (A full Equality Impact Assessment must be carried out if impacts identified as Medium and/or High)</p>	<p>YES <input type="checkbox"/></p> <p>NO <input type="checkbox"/></p>
<p>Rationale for decision: no requirement for full assessment.</p>	
<p>Signed: ...Chris Carroll.....Coordinator</p> <p>Date:29/5.24.....</p>	