

DEVELOPMENT STRATEGY 2021 – 2024



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1 Introduction

The Cairn Housing Group (the Group) works together to deliver great homes and services to our customers and communities across Scotland. This strategy applies to:

- Cairn Housing Association (Cairn)
- Ancho
- Cairn Homes and Services (trading as Cairn Living)



This document updates the Cairn Housing Group Development Strategy running from 2018-2023.

1.1 Purpose of the Strategy

The purpose of this Strategy is to enable the Group to deliver good quality, affordable homes through setting clear objectives and providing a framework for decision-making.

The Strategy also takes account of Regulatory Standard and Guidance, in particular **Regulatory Standard 1**: The governing body sets the Association's strategic direction. It agrees and oversees the strategic and financial plans to achieve its purpose and intended outcomes for its tenants and service users.

1.2 Scope of the Strategy

The Development Strategy sets out the approach to delivering new homes and related development in the period from 2021 – 2024, aligning with the Group's Business Planning period. The following aspects are addressed by separate strategies, aligning with the principles set out here:

- Asset Management & Energy
- Growth & Partnerships
- Commercial Services
- Corporate Social Responsibility (currently in draft)

1.3 Background

The Cairn Housing Group was formed in 2018, following a partnership agreement between Cairn and Ancho. Prior to this, Cairn has for over 30 years served a wide variety of communities throughout Scotland offering a range of affordable housing and related services. Ancho has served communities in North Ayrshire for over 20 years.

With nearly 4,000 homes under management and offices in Edinburgh, Inverness, Bellshill, and Irvine, we address housing needs of people in both urban and rural areas, including dedicated housing for older people, mid-market, and market rent as well as larger properties used as hostel and supported accommodation.

Our aim, in partnership with the Scottish Government, local authorities and others, is to create strong sustainable communities by improving access to and choice in affordable housing and services.

Cairn Housing Group is a non-profit distributing organisation, controlled by a voluntary Board. We are a recognised Scottish charity and registered with the Scottish Housing Regulator as a Registered Social Landlord (RSL).

1.4 Progress Under the Previous Strategy

Our decision to develop 400 new properties, between 2018-2023 was determined by the Cairn Board in October 2016. Our development activity and risks are regularly monitored and reported to the Cairn Board, along with updates presented to our Executive Team and Asset Management and Development Committee.

The previous Group Development Strategy ran from 2018 to 2023 and identified several key actions focused around setting up the administrative and communication framework for resuming a development programme which have been completed. In addition, the team commenced delivery of the programme, with the first new units being delivered in 2018/19. The table below sets out a summary of new units provided to date and planned for delivery in 2021/22 and 2022/23 which is on track to exceed the initial target of 400 new homes.

	2018/19	2019/20	2020/21	2021/22 (projected)	2022/23 (projected)
New Units Delivered	62	16	17	76	
New Units to be Delivered				85	173
Total to be delivered 2018-2023					429

2 Development Objectives

2.1 Our Mission

Our mission is *to provide quality, safe, affordable homes and services, in our communities and with our partners, throughout Scotland*. This underpins the Business Plans and provides the foundation for this Development Strategy, which sets out how we will ensure our new homes contribute to this mission and uphold of our values of delivering great homes and a great service.

2.2 Links to the Group's Business Plans

This document provides a framework to deliver against the strategic objectives identified in the Business Plans for Cairn, Ancho, and Cairn Living, covering the period 2021-2024. These are aligned with the following strategic objectives:

Cairn:

- Outcome 1 – We have high quality homes: We will continue to work with our local authority partners to develop new build properties to meet housing need across Scotland.

Ancho:

- Outcome 1 – We have high quality homes: We will continue to work with our local authority partners to develop new build properties to meet housing need.

Cairn & Ancho:

- Outcome 2 – We have thriving neighbourhoods: We will work with our partners to make sure that our communities are safe and thriving places to live.

Cairn Living:

- Key outcomes are currently as per the Cairn Business Plan.

2.3 Development Objectives

In support of the Strategic Outcomes identified in the respective Group Business Plans, the objectives of this Development Strategy are set out below:

- Objective 1: We will deliver a minimum of 500 new homes during 2021-2024 and manage the programme to support a sustainable business plan and balanced stock portfolio.
- Objective 2: We will ensure that there is effective governance of the programme to support its evolution and delivery in line with the Group's priorities.
- Objective 3: We will deliver homes that support our energy efficiency targets, national ambitions and help to reduce fuel poverty for our tenants.
- Objective 4: We will deliver homes that support sustainable communities.

3 Partners and Stakeholders

3.1 Policy Context

The Scottish Government is keen to maximise new build housing across a variety of tenures, to meet housing needs and provide affordable housing options for all households in Scotland.

Following the initial commitment to deliver 50,000 new homes between 2016-2021, the Scottish Government has placed the continued delivery of affordable housing at the heart of their economic recovery plan from 2021 onward. The Scottish Government Housing to 2040 Vision has set out their goal for housing to play a key role in economic recovery and supporting communities, with an explicit commitment to continue supporting the delivery of affordable housing.

3.2 Strategic Partners

We have relationships with the Scottish Government and Local Authorities across the country – these relationships are a key factor in determining which sites are supported for funding and also informing the tenure and mix of property sizes and types of what is developed.

In addition, we have good working relationships with a number of developers, contractors and house builders across the country who present projects to us for consideration.

We will continue to make use of and develop these strategic partnerships to support the Group's development ambitions.

3.2.1 Scottish Government

We will continue to actively engage with the Scottish Government More Homes Division across the country to identify funding opportunities and key priorities. The Scottish Government are responsible for determining the grant regime in support of the Affordable Housing Programme. These are closely bound with the Local Authority discussions as outlined below.

3.2.2 Key Local Authority Relationships

We are actively engaged with several Local Authorities through both formal and informal arrangements and will continue to develop and strengthen these relationships, particularly in areas that are a key focus for our service delivery. The table below provides an overview of the current relationships at the beginning of this Strategy.

KEY LOCAL AUTHORITY RELATIONSHIPS	
Type of Arrangement	Region
Formal Development Partners	Highland Housing Hub
	West Lothian Housing Partnership
Informal Arrangements	Falkirk Council
	Moray Council
Site Specific Engagement	North Ayrshire Council
	Glasgow City Council
	City of Edinburgh Council
Key stock areas with little recent development engagement	North Lanarkshire
	South Lanarkshire

3.2.3 Delivery Partners

In the North, we work closely with the Highland Housing Alliance (HHA) as our development agents to deliver projects in Highland and Moray Council areas. In addition, we work with other developing Housing Associations and third sector organisations to deliver shared projects.

We have relationships with a number of developers, contractors, and house builders that have grown over time and continue to be a source of new development opportunities – these are typically but not limited to the delivery of affordable units (through Section 75) as part of a wider site. These range from small-scale developers and contractors to national house builders, some of whom include:

- Barratt Homes
- Dundas Estates
- Tulloch Homes
- O'Brien Properties
- Robertson Group
- Compass Building and Construction
- Scotia Ltd
- WGC (Scotland) Ltd

We will continue to identify opportunities that arise through existing and new developer and contractor relationships, and we will continue to seek opportunities that fit with the Group's objectives through a range of delivery partners.

4 Housing Need and Demand

4.1 Geography and Priority Areas

4.1.1 Existing Housing Stock

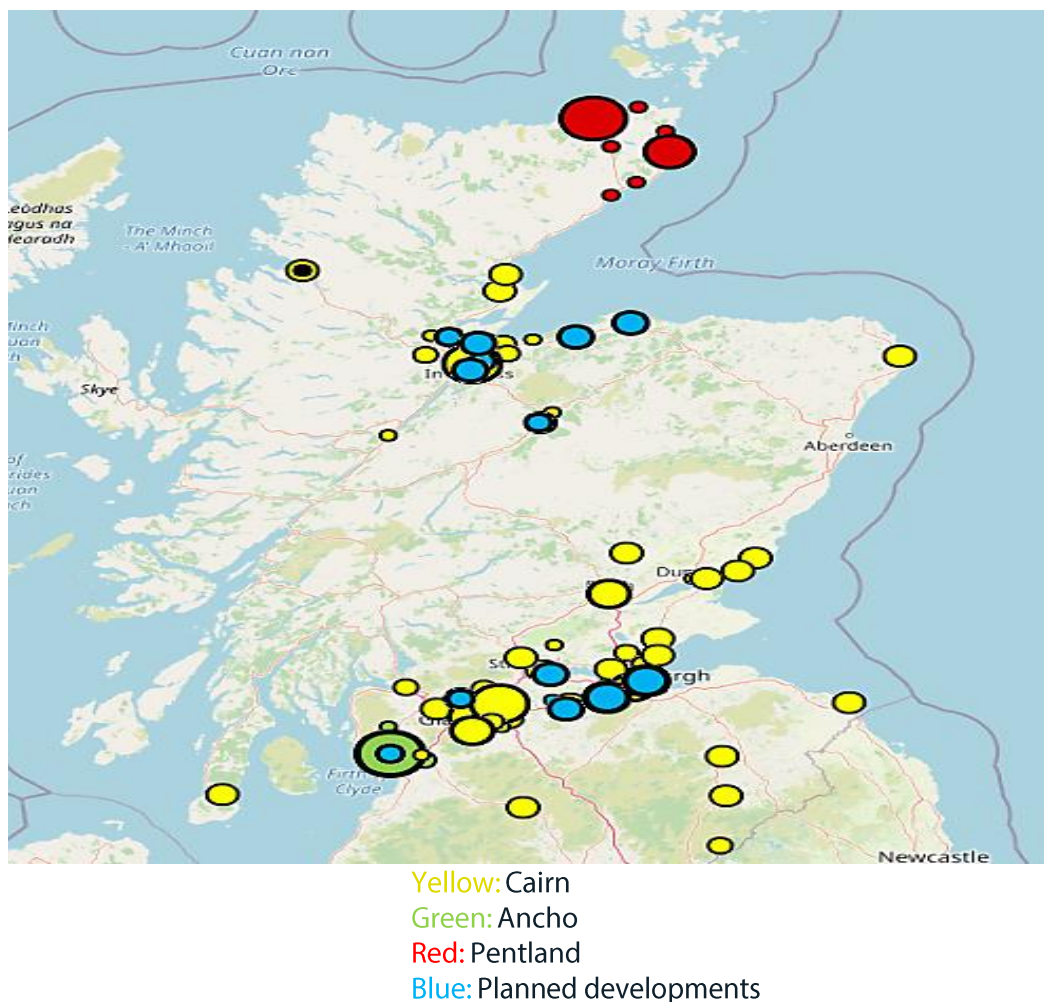
Group housing stock is distributed throughout Scotland, with concentrations in the central belt, Irvine, and Inverness area.

Cairn have properties and partnerships in different locations throughout the whole of Scotland. In total there are currently 3312 properties as of 01/04/2021. The retirement and sheltered courts are the most geographically diverse and often not near any other Group housing stock. A full breakdown of properties by Area is shown on **Appendix 1**.

Ancho have a total of 672 properties, of which 657 are in North Ayrshire and the other 15 units are scattered across 7 different local authority areas which are on the West Coast. A full breakdown is shown on **Appendix 2**.

In addition to Group stock, Pentland Housing Association – currently the subject of a proposed stock transfer to Cairn, have a total of 495 properties, of which 392 are in Thurso, 92 Wick, and the other 9 in villages in Caithness. A full breakdown is shown on **Appendix 3**.

The map below sets out the location of our existing properties and planned developments over the 2021/22 – 2023/24.



4.1.2 Focus for Future Development

Future developments will focus principally on consolidating our existing locations and helping to strengthen service efficiencies by increasing density of our stock holdings. This primarily means a focus in the following key areas:

- Central Belt (Glasgow – Falkirk – West Lothian – Edinburgh)
- Irvine
- Inverness & surrounding area
- Caithness – Thurso & Wick (pending Pentland partnership)
- Moray

Within urban areas, we will give particular priority to potential opportunities within areas subject to City Deal and other major infrastructure investment, as well as sites that link into existing infrastructure and local services. We recognise that there is also a need to support smaller communities, and we will continue to consider sites in rural and semi-rural

areas where we have existing stock and where there is known demand. In keeping with sustainable development principles, we will consider projects that make use of infill, brownfield sites and adaptive reuse of buildings.

Our development programme will align with national priorities and reflect local planning and housing strategy requirements. Programmes will be demand-led where there is a demonstrable need and demand for new housing and alternative tenure developments will be supported by further market analysis. This will include working with smaller communities where there is an understanding of localised demand.

This principle may differ from the approach taken with future regeneration projects and modernisation programmes that could be designed to meet the demands of existing and future customers whilst seeking to stimulate new external demand.

Consideration will also be given in reference to any potential growth and partnership opportunities through acquisition and the impact this may have on the development strategy and future planning.

4.2 Property Size & Type

We will seek to align the property size and type with current and projected need and demand whilst also ensuring our homes can respond to changing needs over time. We will work closely with the Local Authority and other stakeholders to ensure that this reflects the best understanding of local and regional development plans and any additional local context outside of the formal community planning structure.

Thoughtful design can help in "future proofing" any of our new accommodation so that it is accessible and adaptable as tenants' needs change.

4.3 Tenure Models

The majority of our housing stock is built and let for Social Rent, and this will continue to underpin our development programme. We will consider the best fit for each site in association with our partners and stakeholders, with current tenure models including:

- Social Rent (SST)
- Mid-Market Rent (MMR)
- Full Market Rent (MR)
- Low Cost Home Ownership models (LCHO)
- Market Sale
- Specialist Leased properties

We will continue to evaluate opportunities for developing alternative tenure units with the tenure mix suited to each site to meet demonstrated need and deliver financially viable developments. Non-SST units included in any site would be developed by Cairn on behalf of Cairn Living.

4.4 Non-residential

In addition to residential development, we are open to the delivery of non-residential properties if they fit with the Group's objectives of supporting sustainable communities and are financially viable. This could include working with partners or direct provision of community-based facilities that meet local needs and reflect community priorities where there is a viable business case and local support for delivery.

Separate garage units built as part of any new development would be developed by Cairn on behalf of Cairn Living.

5 Development Viability & Capacity

5.1 Project Viability

Cairn is committed to making a positive contribution to the Scottish Government's target to deliver 100,000 new affordable homes by 2032. The Scottish Government are responsible for determining the grant regime in support of the Affordable Housing Programme. This is under review at the time of writing (11/10/2021), although anticipated to be confirmed in 2021. The level of grant is assessed for each project and plays a key part in determining financial viability. A summary of the current and proposed new grant benchmark levels are set out in **Appendix 5**.

Our goal is to deliver projects that are viable and return a positive Net Present Value (NPV) over the 30-year life of the business plan model. Project viability is evaluated based on two key criteria:

- Does the project return a positive NPV over the 30-year Business Planning period?
- Does the Internal Rate of Return (IRR) compare favourably to borrowing interest rates?

Our ambition is to continue to grow through development of new homes in a sustainable way and maintain affordable rents whilst ensuring that our capital grant receipts, and future income can support the initial delivery and future management and maintenance costs.

This will continue to be assessed as part of the Project Risk Appraisal setting out the fit with the Development Strategy as part of the approval process.

5.2 Financial Capacity

The Group Business Plans (2021-24) are based on the delivery of 502 units during the planning period, to be funded through a combination of Social Housing Grant and borrowing secured against existing assets.

We also have additional secured borrowing facilities available that would provide the capacity to develop a further 300-400 units above the 502 we have earmarked for 2021/22, 2022/23 and 2023/24 should we wish to take these forward.

The focus of the strategy is to deliver a minimum of 502 units in the strategy period, and opportunities for additional units will be evaluated to identify whether they support our Development Strategy as outlined in this document and make a positive contribution to sustaining the business into the future.

5.3 Organisational Capacity

5.3.1 Delivery

The Development Team leads on the delivery of Cairn's Development programme. Our existing delivery model is based on the in-house team leading on the delivery of the programme in the South and working with Highland Housing Alliance acting as external Development Agents for projects in Highlands and Moray, as well as others on project-specific developments, e.g., Arbroath (Angus Housing Association) and Granton (Port of Leith Housing Association).

The programme has been slowly building up over the past five years since Cairn's development activities resumed. We have completed a total of 169 units, and we are due to complete a further 115 units in 2021/22. The initial goal was to deliver 400 homes in the 5-years to 2022/23, and we are on track to deliver 429 in this time. Our future programme indicates the potential for a further 450 units over the next 5 years.

5.3.2 Management

The Development Strategy focuses on development opportunities that help to increase the concentration and density of our stock and support effective service delivery. In addition to this, we will continue to assess the management needs of new housing stock and ensure that adequate resources are included in our resource planning.

5.3.3 Maintenance & Investment

In addition to the management needs highlighted above, the organisation will ensure that both maintenance staffing resources and future repairs, planning and investment needs are accounted for in full as part of the project viability assessment.

5.4 Risk Management

Whilst this is a time of great opportunity for RSL's to build new homes, there are also a number of significant challenges and potential risks that must be navigated (access to funding, competition from LA's and other RSL's, land availability and post-Covid challenges that include reducing household incomes, increased rent arrears etc. This in turn could affect our capacity to service debt for new housing and will continue to be closely monitored in discussion with the Scottish Government, Local Authorities, and delivery partners. Based on our assessment of the situation at the time of writing, we believe that the numbers set out in the Strategy are achievable, but this will be subject to continual review, particularly in light of the changing economic picture in Scotland.

Risk number six within the Cairn Risk Register covers our growth through new development, these risks were developed as part of our current business plans and link back to the SWOT analysis contained in this. The Development and Growth risk captures not only the financial viability of each site and its delivery, but also the longer-term implications for the business of an expansion to our stock base. This is reviewed regularly

as part of our approach to risk management. As stated earlier in this Strategy, our development activity and related risks are regularly monitored and reported to the Cairn Board, along with updates presented to our Executive Team and Asset Management and Development Committee. Project risk registers are linked back to the strategic risk so that impacts and mitigation actions can be tracked and used to inform decisions and future planning.

6 What is the Product?

6.1 Sustainability & Climate Change

The climate emergency is one of the most important issues of our times and housing has been identified as a key contributor to CO2 emissions. The introduction of the new Energy Efficiency Standard for Social Housing will become the key driver to reduce CO2 emissions in the social housing sector. We recognise that as an Employer, a developer of new houses and landlord to nearly 4,000 properties that we have an impact on the environment and a major part to play in reducing our environmental impact.

Our aim is to develop sustainable, fit for purpose homes which are compliant with EESSH and EESSH2 and will ensure that our environmental impact during and after construction is minimised.

Although there are many definitions of the term sustainability, for our purposes, this is aligned with the definition set out by the Scottish Government in their route map to 2040:

Sustainable communities – where people can stay in their communities, supported by a good mix of housing options. Places are well designed and connected, supporting people's wellbeing, and homes are well connected to services, facilities and transport links. This is supported by the principles that housing is provided in the right places to create and sustain thriving local communities, which guarantee that communities have a say in how housing is delivered in their areas and that prioritise community connectivity.

(Scottish Government, Housing to 2040 Route Map)

We have a responsibility to ensure that our tenants live in warm homes that are cost-effective to heat which in turn reduces levels of fuel poverty and enhances their quality of life.

We will commit to innovation and environmentally friendly features in design and will investigate the latest building techniques to reduce our environmental impact, including the use of smart technology to help reduce energy costs.

We will seek to develop sites in a way that support active travel and sustainable neighbourhoods, linking to transport networks and economic and social infrastructure, making use of existing infrastructure, previously developed sites and existing buildings where opportunities support our wider objectives.

6.2 Quality & Space Standards

Cairn are committed to delivering high quality housing which is safe and secure, energy efficient and built to be flexible to the changing needs of our customers and supporting sustainable communities. As a minimum for each project, we will achieve:

- Secured By Design
- Housing For Varying Needs
- Planning Requirements
- Building Standards (Greener standards)
- All regulatory requirements such as Fire Safety
- Scottish Government – Designing Places & Designing Streets

We are also committed to achieving enhanced space, layout, and quality standards across all our projects. This can vary dependent on geography and requirements of the local authority, but below are some of the design standards we currently implement:

- Glasgow Standard – Glasgow Projects
- Firm Foundations Housing Standard (developed in partnership with The Highland Council and updated in 2021) – All other Projects

Moving forward, the aim is to assemble a new set of design standards and governing principles which will be closely aligned with the Scottish Government 2040 plans. This exercise is being carried out in collaboration with colleagues across departments and we will aim for this standard to become best practice and guidance across all of our property works, informing new build through to refurbishment, planned maintenance and repairs.

In addition to the quality of our buildings, we will pay close attention to the quality of the environments that we create, following the Scottish Government’s guidance on Designing Places and Designing Streets to ensure that new development will not be considered in isolation. A comprehensive assessment of the site itself and the surrounding areas is fundamental to fully understand how the development will relate to and positively respond to its surroundings and support the development of sustainable neighbourhoods and communities.

We aim to create communities that have a positive impact on health and wellbeing and make spaces people care about and are proud to call home. As part of the development process, we will ensure measures are put in place to maintain and look after them into the future.

6.3 Innovation

Cairn is committed to identifying opportunities for innovation across our development programme. This may take the form of house-types, construction materials or delivery methods. We envisage that this will be achieved through partnership working and deploying a range of Modern Methods of Construction and sustainable material choices. We understand that there are risks with innovation, which will be part of the individual project assessments, ensuring that we consider and plan for the initial installation as well as future repairs and maintenance. Some of these methods are listed below:

- Enhanced specification through a fabric-first approach
- Renewable Heating & Energy Systems
- Off Site & Modular Manufacturing
- Use of Digital Infrastructure and technology

We will look to innovate across our development programme in a way which brings benefit to wider social, economic, and environmental goals and agenda ensuring good quality, affordable homes for our tenants. We will tie in with our Asset Management and Energy Strategy, and aim to contribute towards the following:

- Increased energy efficiency & the reduction of fuel poverty
- Net Zero and the reduction of carbon footprint
- Increased fire and safety standards
- Digital asset management and Internet of Things
- COVID-19 Recovery & changing working patterns

7 Procurement & Delivery Methods

7.1 Site Acquisitions

Cairn does not actively build up a land bank but works with partners and stakeholders to identify suitable sites and opportunities that fit with the approach set out in Section 4.

In addition to sites that are offered to us from partners, we will also seek to explore sites and partnership opportunities, including site assembly that fit with our wider strategy.

7.2 Procuring Works and Services

We will procure contracts in line with all Scottish, British and any legacy EU legislation as required. The main contract types we will enter are as follows:

- Negotiated Design and Build;
- Traditional; and
- Section 75 agreements brought forward through Affordable Housing Provision Policy from Local Authorities.

We engage and appoint a variety of consultants & contractors through a combination of competitive tendering and existing competitive frameworks such as SPA, Scotland Excel, and Procurement for Housing to ensure value for money.

7.3 Community Benefits

The Group will adopt procurement methods that seek to deliver value for money and facilitate the delivery of community benefits and will require community benefits from our development contracts proportionate to the contract value.

We actively engage with business partners and local communities to ensure our activities foster goodwill and maximise benefits to local stakeholders.

Through the use of local suppliers, creation of employment and training opportunities and support for local community groups and projects, Cairn is committed to being a good neighbour and helping its local communities flourish, while supporting environmental initiatives and the use of sustainable materials for the benefit of future generations.

This commitment will be addressed in more detail in Cairn's corporate social responsibility policy which is being updated at the time of writing. This will also outline the commitment Cairn expects of its partners, contractors, and suppliers to bring real benefits to the communities we serve.

8 Strategy implementation, monitoring and review

8.1 Strategy action plan

This Strategy lays the foundation for Cairn's continued development activities, and the key actions to deliver the plan are set out below:

- Deliver planned Development programme
- Identify future development opportunities
- Develop design standards
- Innovation – link in with Asset Management & Energy Strategy

8.2 Community engagement and involvement

Community engagement at the early stages of each development will involve working with established groups (e.g., Community Councils, Development Trusts) but also with local groups set up as part of the local Community Planning Partnership arrangements. Engagement methods will follow those outlined in the Customer Engagement Strategy, and we will seek to strengthen our engagement activities, particularly when we are working in new communities. This will include other interested parties such as resident associations, local businesses and landowners.

Work will be done in collaboration with the Local Authority Planning Department who will have established engagement models used as part of the Structure Plan and local planning processes.

New tenant surveys will be used to seek feedback from tenants as part of the engagement around the development project. In addition, we will seek feedback from the wider set of stakeholders involved in the project.

8.3 Role of the Board

The Group Board has delegated responsibility to the Asset Management and Development Committee (ToR agreed March 2021), with those relevant to the Development Strategy extracted below:

- To oversee the development and three-yearly review of the Group's Development Strategy and monitor the delivery of the related action plan.
- To consider officer advice, and make recommendations to the Board, relating to land and property acquisitions, conversions, and disposals.
- To receive and scrutinise assessments relating to new build and regeneration / modernisation project proposals consistent with relevant appraisal indicators.

The Group Board retains responsibility for signing off individual development projects, site acquisitions and development contracts in line with the agreed Schedule of Delegated

Authority. These approval requests will continue to be submitted as a formal Project Approval Request setting out the proposal in the context of appraisal against the Development Strategy, including an NPV analysis showing its positive financial contribution to the business.

9 Action plan

Action	Target date	Lead officer	Outputs
Deliver planned Development programme	ongoing	Development Manager	Deliver 161 new homes in 2021-22 and deliver the evolving future programme.
Identify future development opportunities	ongoing	Development Manager	Identify sites to support the objectives of the Development Strategy.
Develop design standards for new build housing	March 2023	Development Manager	Develop a set of design standards to be applied to new build properties that aligns with good practice and ties into the wider property standards and AMS.
Innovation – link in with Asset Management & Energy Strategy	March 2022	Director of Property Services	Further develop the Group's position on innovative methods of supply, construction, and energy, taking into account emerging technological advances.

Appendix 1 – Cairn Housing Association (as of 31/07/2021)

Overview of Cairn's Stock by Area / Region	
Region	Total No of Properties
AREA - NORTH	
Aberdeenshire	37
Highland	1576
Moray	13
Western Isles	1
Total	1627
AREA - SOUTH	
Angus	97
Argyll & Bute	35
City of Edinburgh	155
Clackmannanshire	5
Dumfries and Galloway	30
Dundee City	45
East Ayrshire	1
East Dunbartonshire	17
East Lothian	1
Falkirk	55
Fife	177
Glasgow City	61
North Lanarkshire	328
Perth & Kinross	125
Renfrewshire	38
Scottish Borders	111
South Lanarkshire	292
Stirling	45
West Dunbartonshire	17
West Lothian	60
Total	1696
Total Cairn Properties	3322

Appendix 2 – Ancho (as of 30/09/2021)

Overview of Ancho's Stock by Area / Region	
Region	Total No of Properties
North Ayrshire	657
South Ayrshire	6
East Ayrshire	3
East Dunbartonshire	1
East Renfrewshire	1
Glasgow City	2
North Lanarkshire	1
Renfrewshire	1
Total Ancho Properties	672

Appendix 3 – Pentland Housing Association (as of 30/09/2021)

Overview of Pentland HA's Stock by Area / Region	
Region	Total No of Properties
Thurso	394
Wick	92
Castletown	3
Dunbeath	1
Halkirk	1
Keiss	1
Lybster	1
Scarfskerry	1
Spital	1
Total Pentland Properties	495

Appendix 4 – Current Development Programme (and Shadow Programme)

Project	2021/22 Number	2022/23 Number	2023/24 Number	Total
Mannsfield Place, Avoch	34			34
Glascairn, Culbokie	8	6		14
Ness Castle (Social Rent), Inverness	30			30
Ness Castle (NSSE), Inverness	3			3
Culloden West	16			16
Speyhouse, Aviemore		10		10
Greenside Farm, Rosemarkie		9		9
Aviemore Regeneration Project (TBC Pending Final Decision)			20	20
Slackbuie G, Inverness			22	22
Wyndhill, Muir of Ord			15	15
Findrassie, Elgin		28		28
Alba Place, Elgin	16			16
Knockomie, Forres		28		28
Pedigreed Cars, Forres			38	38
Lambhill, Glasgow	14			14
Etna Road, Falkirk	40			40
The Castings, Falkirk		8		8
Carradale Ave Falkirk			29	29
Craiginn Terrace, Blackridge		27		27
Longridge, West Lothian		25	27	52
POLHA Plot S Granton, Edinburgh		32	48	80
ANCHO Sites, North Ayrshire			20	20
Stroud Road, East Kilbride			32	32
Findochty Street, Glasgow			30	30
Uphall Station, Pumpherston			20	20
Total Number	161	173	301	635

Appendix 5 – Scottish Government Affordable Housing Supply Programme Grant Regime

Below is an extract from a letter from the Scottish Government Cabinet Secretary for Social Justice, Housing and Local Government, Shona Robinson MSP, dated 29 October 2021 and provides confirmation of the new grant benchmarks.

Scottish Government Affordable Housing Supply Programme (AHSP) Grant Regime

The Grant subsidy which is available through the Affordable Housing Supply Programme primarily supports the delivery of social rented and mid-market rented housing and the provision of housing for low cost home ownership. Grant subsidy benchmarks are in place and are designed to reflect differentials between geographic location, tenures and energy standards. It is expected that the majority of projects will fall within the appropriate benchmark subsidy level.

The current benchmarks (October 2021) are listed below and are based on an average benchmark over the whole scheme (a 3 Person equivalent).

	West Highland, Island Authorities and remote/rural Argyll	Other rural	City and Urban
RSL social rent	£95,500 (3 person equivalent)	£83,000 (3 person equivalent)	£78,000 (3 person equivalent)
Council social rent	£83,000 (3 person equivalent)	£75,500 (3 person equivalent)	£71,500 (3 person equivalent)
RSL mid-market rent	£58,500 (3 person equivalent)	£56,500 (3 person equivalent)	£53,500 (3 person equivalent)
Council mid-market rent	£53,000 (3 person equivalent)	£51,500 (3 person equivalent)	£49,000 (3 person equivalent)

The following are the proposed quality measures to be added to the base benchmarks where justified.

Delivering homes to 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). (Note: This will remain a feature of the current system, but will be reconsidered following the review of energy standards set through building regulations.)	£2,000 (3 person equivalent, benchmark)
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Provision of balconies within flatted developments where the provision of private or communal outdoor space cannot otherwise be accommodated.	£4,000 (3 person equivalent, benchmark per unit)
Provision of space for home working or study – grant applicants would be expected to demonstrate that additional space is necessary to deliver this measure in order for this benchmark to apply i.e. it is not possible to incorporate within the design of the homes under current space standards.	£3,500 (3 person equivalent, benchmark per unit)
Ensuring that all new social and mid-market rented housing delivered through the Programme is digitally-enabled – when a tenant gets the keys to their home this would mean that they are able to arrange for an internet connection to ‘go live’ without the internet service provider having to provide additional cabling to the premises. From the outset these connections should utilise the best available technology and, where it is not possible for a gigabit capable technology to be provided immediately, the physical infrastructure should be installed to support retrospective deployment.	£300 (3 person equivalent, benchmark per unit)
Installation of ducting infrastructure for electric vehicle charge point connectors.	£500 (3 person equivalent, benchmark per unit)
Installation of automatic fire suppression systems.	£3,000 (3 person equivalent, benchmark)
Installation of heating systems which produce zero direct emissions at the point of use.	£4,000 (3 person equivalent, benchmark per unit)

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