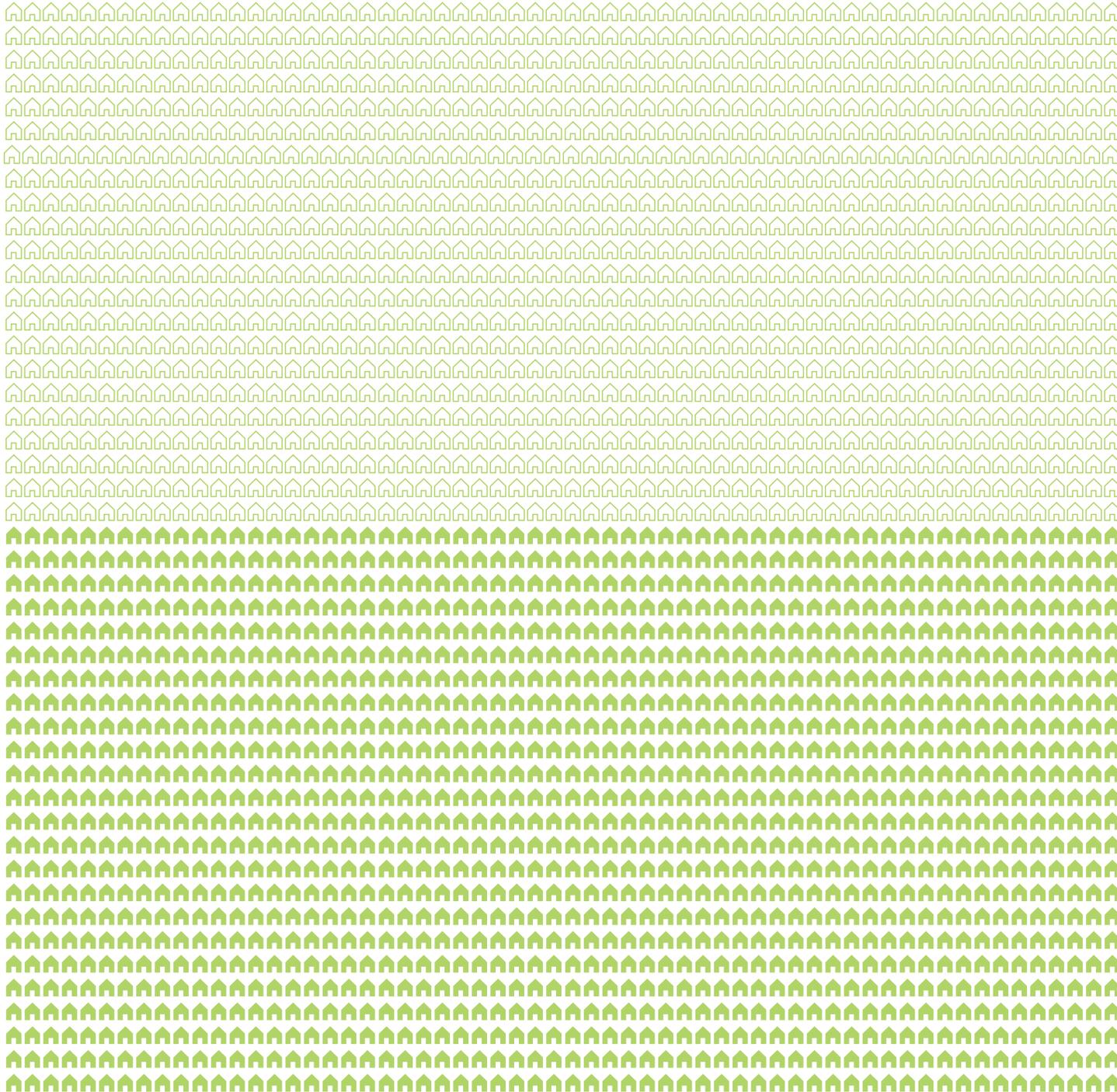




Fife's Affordable Housing Programme
Annual Report 2014/15



2700

by 2017



Homes to be built



Homes completed or under construction

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Welcome

Fife Council has set an ambitious target to deliver 2,700 affordable homes over a five-year period to May 2017.

The Affordable Housing Programme is a collaborative approach between affordable housing providers in Fife including Fife Council, Housing Associations, private developers and the Scottish Government.

These organisations have made significant commitments in terms of staff time, land and finance towards our ambitious target. Partnership working has been, and will continue to be, integral to the delivery of the Programme.

This report provides the context for the Programme, outlines progress so far on the delivery of affordable housing as well as setting out the emerging wider community benefits that the Programme provides for the people in Fife.

You can also watch our video to see how the Programme is changing the lives of many. Either view on Fife Direct at: www.fifedirect.org.uk/newbuild or press Ctrl and click on the image on the right.

I extend my thanks to the organisations and individuals supporting the Programme and look forward to continued progress in achieving the 2,700 affordable homes target.



Cllr Judy Hamilton

Fife Council's Executive Spokesperson for Housing and Building Services



Key Terms

The Scottish Planning Policy defines affordable housing broadly as ‘housing of a reasonable quality that is affordable to people on modest incomes’.

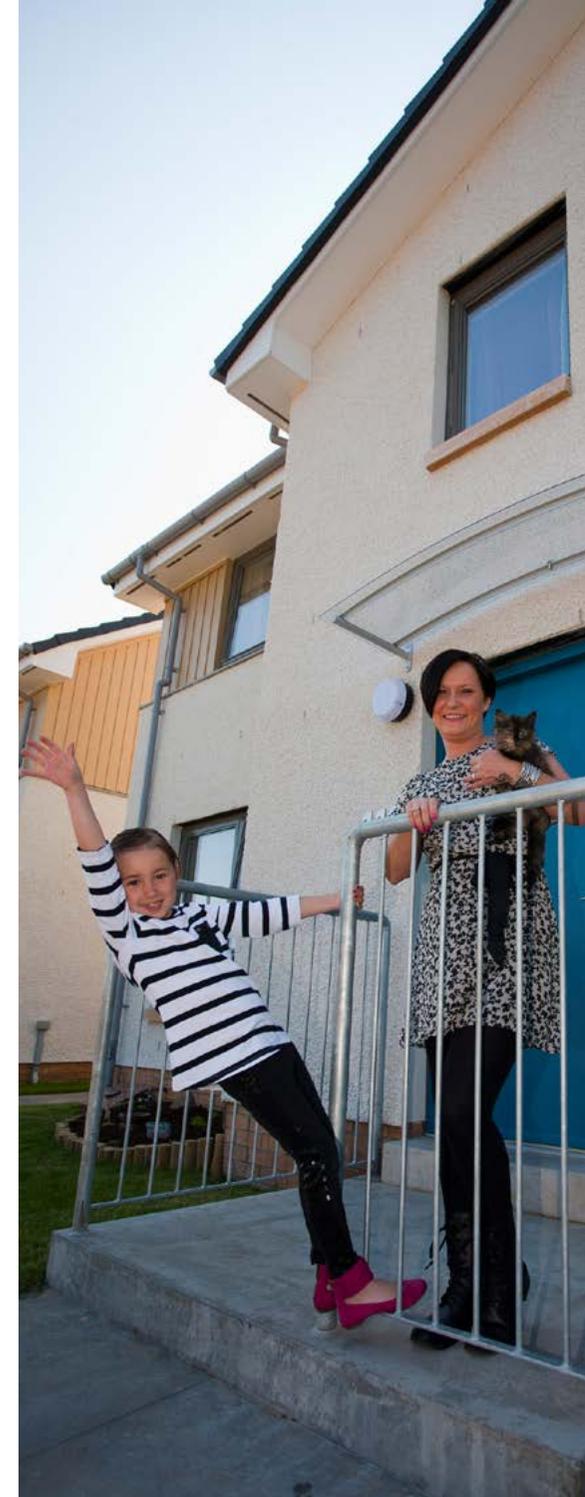
Affordable housing delivered within this Programme includes:

Renting Models

- **Social Rent** - Housing provided at an affordable rent and usually managed by the Council or a Housing Association
- **Mid-Market Rent (MMR) including National Housing Trust** - Housing provided with rents below market rent levels in the area and which may be provided over the medium or long term. The MMR units delivered by the Council within this Programme are owned by the Council but leased to a Housing Association to manage as MMR
- **Mortgage to Rent (Home Owners Support Fund)** - Helps owners in mortgage difficulties who are in danger of having their home repossessed. The Scottish Government arrange for a social landlord such as a Housing Association or Council to buy the home and the householder continues to live there as a social tenant
- **Rural Homes for Rent** - Rural landowners can apply to the Scottish Government for housing grants to help them build new affordable homes for rent on their land (scheme no longer available)

Ownership Models

- **Open Market and New Supply Shared Equity (Scottish Government funded)** - The new owner pays for the majority share in the property with the Housing Association, Council or Scottish Government holding the remaining share under a shared equity agreement
- **Empty Homes Loan Fund** - The Scottish Government fund aims to support a range of projects to encourage owners of empty homes to bring these back into use as affordable housing



The Strategy

The Scottish Government has made clear its commitment to deliver 30,000 affordable homes over 5 years by 2016, of which at least 66% will be for social rent. Fife is set to deliver around 70% of its 2,700 affordable homes target as social rent.

The supply of new affordable housing is a high priority for Fife Council and its partners. The Fife Housing Partnership's Local Housing Strategy (LHS) has a key priority for new housing which aims to provide people with:

- New housing appropriate to their need and demand
- Construction training and employment opportunities
- Well-designed, high quality homes.

The LHS is informed by the Housing Need and Demand Assessments (HNDA) which sets out the levels of need and demand for housing across Fife's sub-areas. The Fife HNDA prepared in 2010 calculated that:

- Just under half of all households in Fife could not afford to purchase market entry housing
- 9,935 households (6.3%) were in housing need
- There was an affordable new build requirement of 5,610 homes over 10 years

The Fife Housing Register has around 11,000 applicants and when used in combination with needs data, it provides a means for confirming the requirement for particular house sizes and types within an area. The Affordable Housing Programme's target has been set within the context of the HNDA 2010.

One of the Council Plan aims is to 'Improve the Quality of Life in Local Communities'. To achieve this aim the Council has set outcomes and challenges including the provision of 'More, better quality and affordable housing'.

The Scottish Government's priorities, Local Housing Strategy, and Council Plan are all key strategic drivers for the Affordable Housing Programme.

**Scottish Government:
Deliver 30,000 affordable homes over 5 years up to 2016**

**Fife Council:
Deliver 2,700 affordable homes over 5 years up to 2017**

**Local Housing Strategy:
Increase the Supply of Housing**

Delivery Workstreams

The Council oversees delivery through a Programme Board, chaired by Keith Winter, Executive Director, Enterprise and Environment. The Programme is structured through four delivery workstreams highlighted opposite.

Fife Council is delivering around 1,250 affordable homes through two workstreams; through in-house design and build and by purchasing directly from private developers.

Around 1,100 affordable homes will be delivered through the Fife Housing Association Alliance.

A further 350 affordable homes will be delivered through a variety of Scottish Government initiatives such as:

- National Housing Trust
- Open Market Shared Equity
- Rural Homes for Rent
- New Supply Shared Equity
- Mortgage to Rent
- Empty Homes Loan Fund

**Fife Council
In House
Design +
Build**

**Fife Council
purchase
from private
developers**

**Fife Housing
Association
Alliance**

**Scottish
Government
Initiatives**



Easier Access to Affordable Homes

To 31st March 2015 900 affordable homes had been delivered with a further 544 under construction; equating to 53% of the whole Programme. These homes are spread across 24 settlements and 9 out of the 10 Local Housing Strategy areas, all of which have varying levels of housing need.

Within the last year, the Dunfermline and Largo & East Neuk LHS areas delivered the highest number of affordable homes, both of which have significant shortfalls in affordable housing. This map presents the homes currently complete in each settlement (excluding the various Scottish Government initiatives where the locations are unknown).



Each household moving into a new affordable home benefits from this direct supply. In addition to this, where possible, Council new build properties are allocated to existing tenants whose current home is not suitable. Their existing home is then freed up to allocate to others on the housing list which means it is not just the tenant housed in the Council new build that benefits from a move. We refer to this as a 'chain of lets'.

53%

of the Programme is either under construction or complete

900

homes delivered across the programme including 174 Council, 546 Housing Association & 180 through other Initiatives

2.4

household's housing needs were met for every Council house let



AFFORDABLE
HOUSING IN FIFE

Through this process, from the 149 homes delivered that have been let by the Council, 358 households are expected to be re-housed. Current results show that for every 10 properties the Council let, around 24 associated 'moves' happen, benefitting a range of households. New tenancies have also been created through the provision of 25 homes delivered by the Council through mid-market rent and 546 Housing Association homes. In addition to this 180 households have moved into their affordable homes, which have been delivered through the various Scottish Government initiatives. All provision contributes to a reduction in housing lists and homelessness. As the Programme continues to deliver, the impact will continue to grow.

Although the Programme aims to address the identified housing need for the 5 years up to 2017, there remains an identified housing need for the 5 years that follows this period.



More than homes

The scale of the Programme is extremely ambitious. Although the main aim is to deliver affordable homes to meet the evidenced need for housing, there are considerable spin-off benefits that are emerging.

'Opportunities Fife', is responsible for driving forward Fife's employability and skills agenda, and has been brought on board to maximise wider community benefits and make a significant contribution to the construction sector and skills shortages. They are working closely in assisting employers to create and support opportunities. Through this agenda the Programme itself has supported 20 apprentices across 4 trades out a total of 68 construction related apprentices. Already £123,000 of specialist training funding has been accessed.

Up to 31st March 2015, the Programme's construction spend directly benefiting the Fife economy totalled at least £17,941,152 and 76 individuals have benefited from employment directly through the Programme out a total of 168 through the 'Opportunities Fife' agenda. These benefits will continue to deliver due to the scale of the Programme.



Fife Council's Building Services apprentices on site at North Fod in Dunfermline

Job	No of qualified positions created	No of apprenticeships created
Joiner	15	11
Plumber		2
Bricklayer	4	
Roofer	2	
Plant Operator	1	
Ground Worker	5	
General Building Operative	16	6
Night Watchman	1	
Drainage Engineer		1
Unknown	12	
Total	56	20
Total Jobs created	76	

Practical examples of how the Programme is positively impacting on individuals and the local economy continue to grow:

- A 20-year-old was made redundant from his second year joinery apprenticeship. Kingdom Housing Association negotiated with Champion Homes to allow him to complete his apprenticeship on the current Affordable Housing projects. Opportunities Fife accessed 'Fife Youth Job Contract' and Skills Development Scotland's 'Adopt an Apprentice' funding to help safeguard his employment.
- The liquidation of a Fife company left six apprentices without jobs. Through Fife Council's contractor network and its own Building Services, four have been 'adopted' by new employers and the remaining two are currently engaged in the recruitment process with Fife Council's Building Services and will be working within Programme's sites.
- Two local Cupar residents have benefitted from Fife's Affordable Housing Programme by being employed by a contractor, Logie Building Services, appointed to work on the Cupar County Buildings site. They were both part of a Construction Academy run in partnership with Opportunities Fife and DWP which saw them undertaking a 4-week construction course at Fife College and Fife Council's Skills Development Centre, and a further week of practical work experience. The employer was impressed by their attitude and the practical certified training they had obtained and offered them both apprentice joiner positions.

The Programme has not only provided a range of affordable housing, it has also helped to unlock activity more broadly throughout the housing system by working in partnership with private sector developers in areas across Fife.

**Over
£17.9m**
construction spend
with local supply
chain

76
individuals benefited
from construction
employment and
training

"Being an apprentice for Fife Council has basically changed my life. It's given me a great career and prospects for the future."

Alastair McLean, Building Services apprentice, Fife Council



For Tenants

Quality in Design

The Programme, including purchases from private developers, has adopted 'Housing for Varying Needs' and 'Secured by Design' as minimum design standards. 'Housing for Varying Needs' follows the principle that individuals with specific needs should have a similar degree of choice, flexibility and control in their housing environment as any other individuals. 'Secured by Design' supports the principles of 'designing out crime' through physical security and site layout.

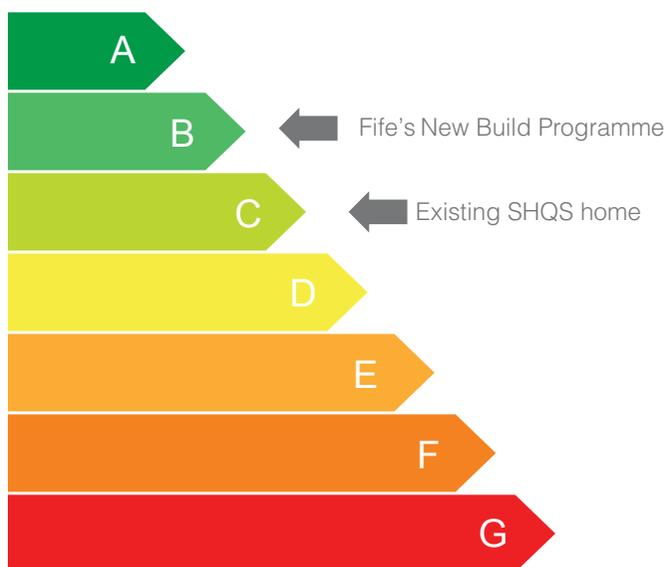
New builds delivered through the Council and Housing Association workstreams are largely passive, adopting a fabric first approach. This means that the homes have been designed to minimise the heating demand through excellent thermal performance, airtightness with mechanical ventilation. There is also less reliance on tenants to operate renewable technologies so the home will run to its energy efficient capacity without much input from the tenant.

Cost Benefits

98% of Council and Housing Association homes achieved an energy efficiency rating of B or above (energy ratings range from A - most efficient, to G - least efficient). In turn this will mean significantly lower fuel bills for the tenants

as they will need to use less energy to heat their home.

New builds equate to around 91% of the Programme. For a typical new build two bedroom semi-detached property, tenants will save around £290 per year in heating costs compared with existing stock upgraded to the Scottish Housing Quality Standard.



Fuel poverty has three main contributing factors which are low income, high electricity/ fuel costs and poor energy efficiency ratings in houses. The design approaches and associated cost benefits for these homes will help tackle fuel poverty which is a crippling issue for many households in Fife. Building houses of energy efficiency rating B and above will help tackle one

of the main contributing factors, make it easier for households to afford to heat their homes adequately and stay out of fuel poverty.

The Scottish Government is keen to see higher levels of energy efficiency in new homes and will pay higher subsidy levels for homes meeting a greener standard delivered by Councils and Housing Associations. The Programme is set to receive approximately £6.3m by meeting this standard. The standards will be achieved through insulation, high quality construction to reduce heat loss through the building fabric and whole house ventilation systems which recover and re-use heat.



Tenant Satisfaction

Six months after tenants move into their new home they are issued with a satisfaction survey to complete. This allows the Council and Housing Associations to assess if they are happy with their new home.

Of the 28 sites where data is available so far, satisfaction levels have ranged from 74% to 100%. The questionnaire captures a range of responses on the design, energy costs, heating, repairs, as well as aspects relating to the outside of their home including the surrounding area.

Key 'unsatisfactory' issues are reviewed and analysed by the Programme Team so lessons are learned as part of the commitment to continual improvement.

Here are some customer feedback examples collected during the past year:

"I love everything about my new home, it has given me so much independence to move on in life and look after my kids. Thank you so much."

"I think quality of the houses layout of the development, playground for kids – it's all fantastic. Keep doing great job you do."

"Having own space."

"Clean and nice condition of the property."

"Slopy garden – Its quite difficult to cut the grass in the corners."

"No drying areas."

"Street signs (nobody can find us)."

"We're delighted with the extra space that it gives our children. Our new house is already turning into a proper family home."

"Warmth of house."

"Living room shape - no full wall for furniture."

"The size of the House, Garden & parking."

"Good quiet area next to park for my kids."

"Living room could have been more square if hall cupboard wasn't so big."

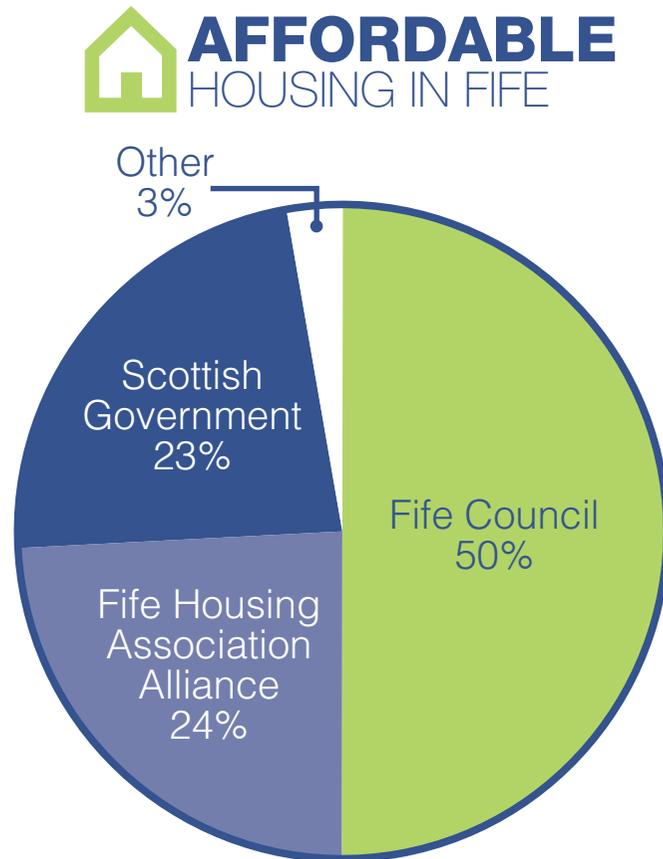
Funding

The total cost to deliver the 2,700 Programme is around £300m.

The Council's budget for the Programme is approximately £150m. The Housing Associations' budget is approximately £70m. Both are supplemented by approximately £55m from the Scottish Government through the Affordable Housing Supply Programme and other previous funding. The Scottish Government also provides approximately £12m through their various funding initiatives as part of the Programme.

The Programme aims to increase external funding and although still emerging, so far £929k has been secured in this way.

Here's a summary of how the Programme is being funded:



£300m
total cost
across the
Programme

£929k
from increased
external
funding

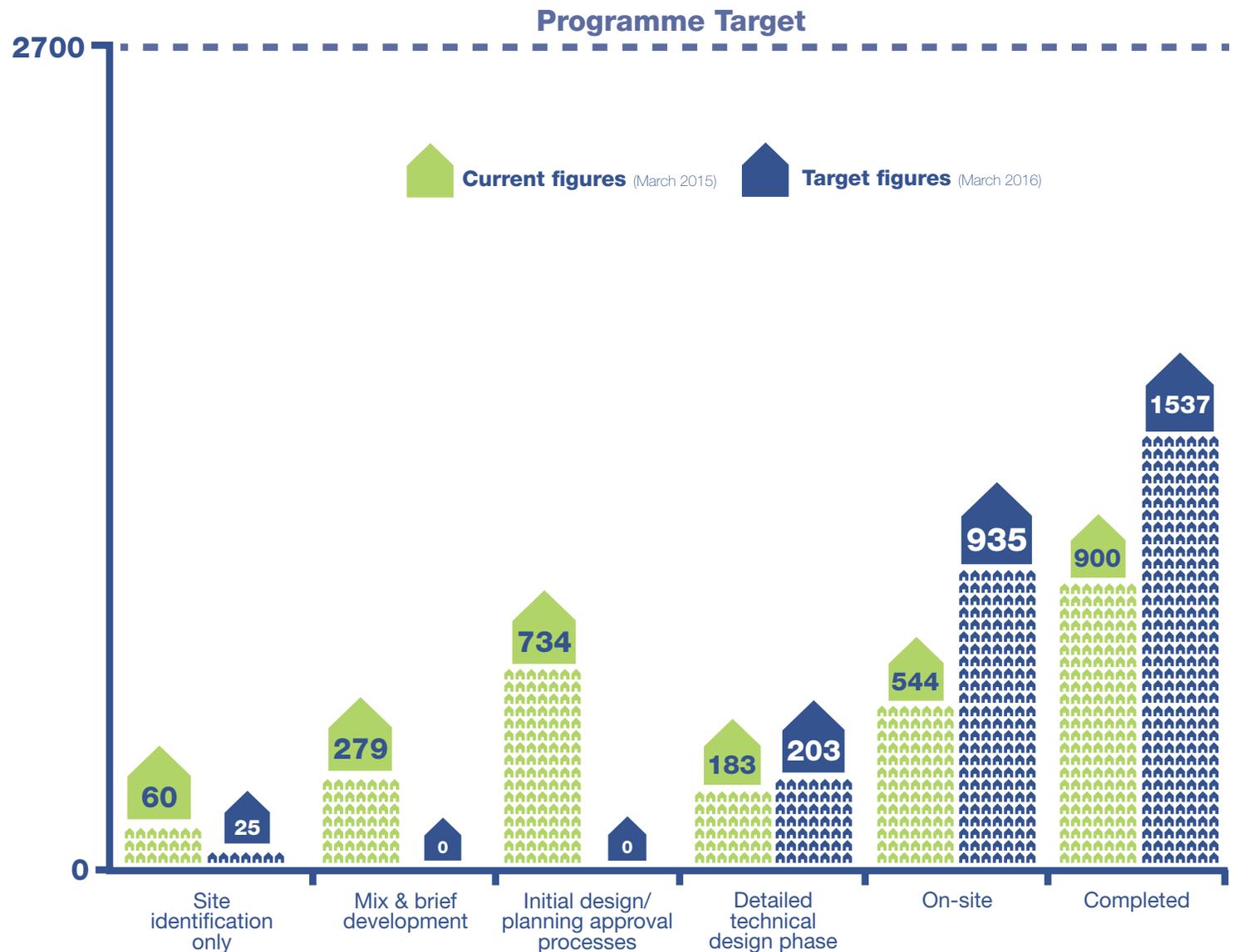


What Next?

This graph represents the current flow of units through the key stages of development, from site identification to completion. The green icons represent the position at 31st March 2015 and the blue icons represent the expected position at 31st March 2016.

Completions are primarily the way to measure progress against meeting the target of 2,700 affordable homes by May 2017. However, good progress is being made to get each site within the Programme through the identified key stages;

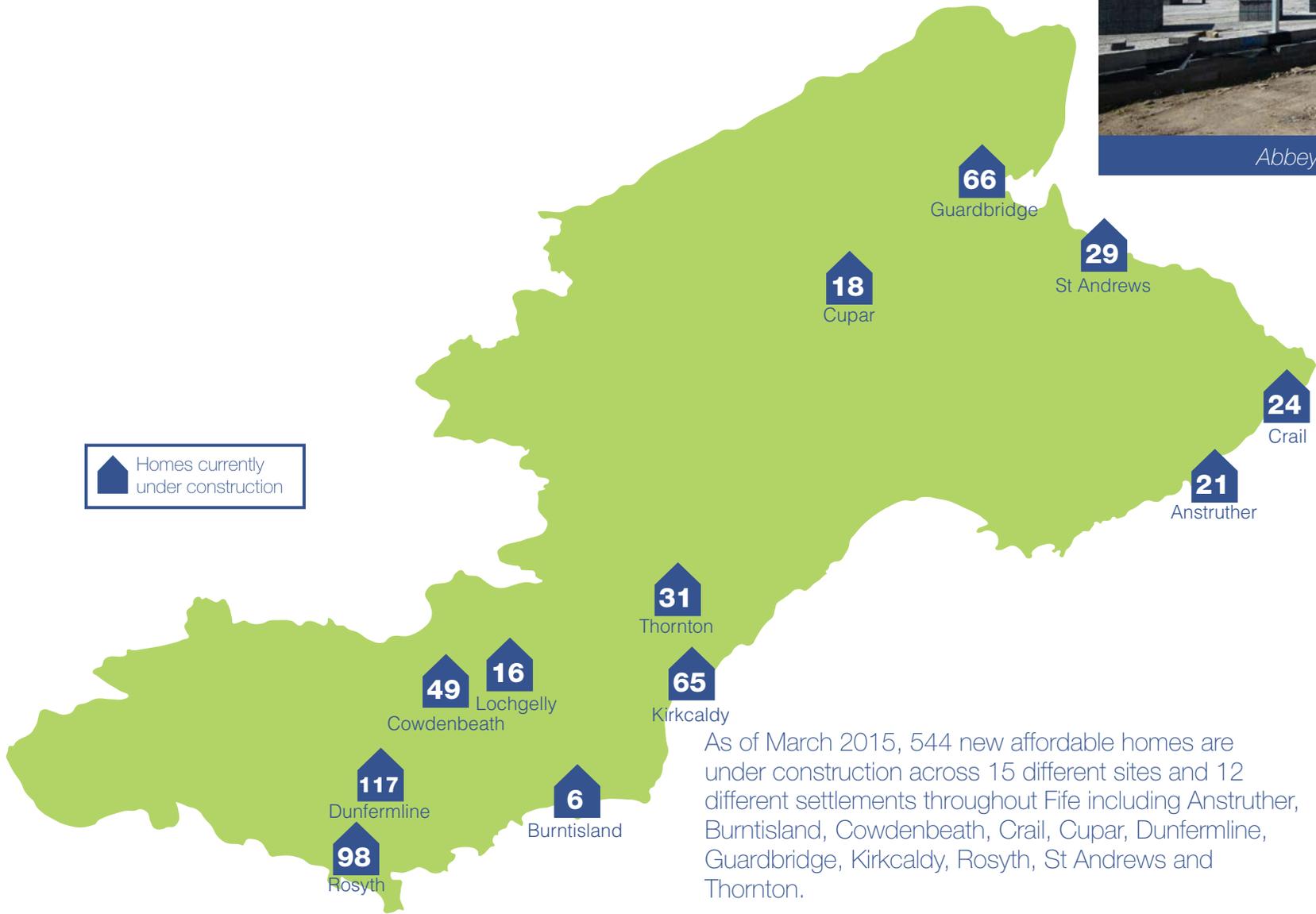
- Site identification
- Mix and brief development
- Initial design and planning
- Detailed technical design
- Under construction
- Completion



A substantial amount of work is undertaken at the identified key stages before a development can actually go 'on-site'. This map presents the homes currently under construction in each settlement (excluding the various Scottish Government initiatives where the locations are unknown).



Abbey Walk in St Andrews



As of March 2015, 544 new affordable homes are under construction across 15 different sites and 12 different settlements throughout Fife including Anstruther, Burntisland, Cowdenbeath, Crail, Cupar, Dunfermline, Guardbridge, Kirkcaldy, Rosyth, St Andrews and Thornton.

544
 new affordable
 homes under
 construction
 across 15 sites

Key Contacts

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www.fifedirect.org.uk/newbuild

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