

Notice of meeting and agenda

Edinburgh and South East Scotland City Region Deal Elected Member Oversight Committee

10.00 am Friday, 16th August, 2024

Virtual Meeting - via Microsoft Teams

The papers for this are available for the public to view and can be found on the City of Edinburgh Council's website – <https://democracy.edinburgh.gov.uk>

Contacts

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1. Order of Business

- 1.1 Including any notices of motion and any other items of business submitted as urgent for consideration at the meeting.

2. Declaration of Interests

- 2.1 Members should declare any financial and non-financial interests they have in the items of business for consideration, identifying the relevant agenda item and the nature of their interest.

3. Minutes

- 3.1 Minutes of the Edinburgh and South East Scotland City Region Elected Member Oversight Committee of 17 May 2024 – submitted for approval as a correct record 5 - 8

4. Items for Consideration

- 4.1 Regional Housing Programme Annual Update – Draft (Marjory Mackie) 9 - 22
- 4.2 Regional Energy Masterplan – Overview (Morag Millar) To Follow
- 4.3 Strategic Site Investment Prospectus – Update (Andy Stewart) To Follow
- 4.4 Regional Letter to Secretary of State for Scotland and Ministerial Engagement (Andy Nichol) Verbal Report

5. AOB

Gavin King

Clerk

Membership

Scottish Borders Council

Councillor Euan Robson

Councillor Elaine Thornton-Nicol

Midlothian Council

Councillor Russell Imrie

Councillor Kelly Parry

The City of Edinburgh Council

Councillor Cammy Day

Councillor Simita Kumar

West Lothian Council

Councillor Tom Conn

Councillor Kirsteen Sullivan

East Lothian Council

Councillor Norman Hampshire

Councillor John McMillan

Higher/Further Education Consortium

Kim Graham

Simon Earp

Pete Smith

Fife Council

Councillor Altany Craik

Councillor David Alexander

Regional Enterprise Council

Robert Carr

Garry Clark

Nile Istephan

Further information

If you have any questions about the agenda or meeting arrangements, please contact Jamie Macrae, City of Edinburgh Council, Business Centre 2.1, Waverley Court, 4 East Market Street, Edinburgh EH8 8BG, email jamie.macrae@edinburgh.gov.uk.

Minutes

Edinburgh and South East Scotland City Region Deal Elected Member Oversight Committee

Microsoft Teams

10.00am, Friday 17 May 2024

Present:

West Lothian Council – Councillor Kirsteen Sullivan (Convener) and Councillor Tom Conn

East Lothian Council – Councillors Norman Hampshire and John McMillan

Midlothian Council – Councillors Russell Imrie and Kelly Parry

Fife Council – Councillors David Alexander and Ian Cameron (substituting for Altany Craik)

Scottish Borders Council – Councillors Elaine Thornton-Nicol and Euan Robson

Higher/Further Education Consortium – David Brown and Anne-Marie Sturrock (substituting for Pete Smith)

Regional Enterprise Council – Robert Carr and Garry Clark

In attendance:

Dr Grace Vickers, Chief Executive, Midlothian Council

Andrew Kerr, Chief Executive, City of Edinburgh Council

Paul Lawrence, Executive Director of Place, City of Edinburgh Council

Andy Nichol, City Region Deal Programme Manager, City of Edinburgh Council

David Hanna, City Region Deal PMO, City of Edinburgh Council

Graeme Rigg, City Region Deal PMO, City of Edinburgh Council

Lisa Howden, Accountant, City of Edinburgh Council

Andrew Stewart, Project Manager, East Lothian Council

Ken Gourlay, Executive Director of Enterprise and Environment, Fife Council

Gordon Mole, Head of Business and Employability, Fife Council

Jenni Craig, Service Director Customer & Communities, Scottish Borders Council

Alice Mitchell, Economic Development and Regeneration Manager, West Lothian Council

Jamie Macrae, Committee Services, City of Edinburgh Council

Ben Connor, Head of Climate Ready Placemaking, Sniffer

Catherine Payne, Senior Climate Resilience Manager, Sniffer

1. Rotation of Convener

The Committee noted its thanks to the outgoing Convener, Councillor Robson, and noted Councillor Sullivan's appointment by the Joint Committee as the new Convener of the Elected Member Oversight Committee.

2. Declarations of Interest

Robert Carr declared non-financial interests in the items as a consultant in the Anderson Strathern LLP which acted for, or had in the recent past acted for, each of the local authorities involved in the City Deal as well as many of the higher and further education bodies; as Chair of the Edinburgh Airport Consultative Committee, as Chair of East Lothian Advice Consortium Ltd, the entity with which East Lothian Council contracts for the provision of advice services delivered by Haddington and Musselburgh Citizens Advice Bureaux; as a member of the East Lothian Partnership Connected Economy Group and as a member of the Fair Work Convention.

3. Minutes

Decision

To approve the minute of the Edinburgh and South East Scotland City Region Deal Elected Member Oversight Committee of 16 February 2024 as a correct record, subject to the following correction: Pete Smith was in attendance.

4. Climate Ready South East Scotland - Overview and Update

Ben Connor, Head of Climate Ready Placemaking, and Catherine Payne, Senior Climate Resilience Manager, at Sniffer, provided a presentation on Climate Ready South East Scotland, including details of the primary projects in South East Scotland. Sniffer was a sustainability charity based in Edinburgh, who worked with people, places, organisations and communities to help them flourish in a changing climate. Climate Ready South East Scotland was a new project, led by Sniffer, with the aim of working with the six local authorities to gain a better understanding of how climate change would affect the region. The project was being delivered as part of the regional prosperity framework, and funded by the UK Shared Prosperity Fund. Details were provided of the aims of the project, the approach being taken, and an update on recent activities and what was coming next.

Decision

- 1) To note the update.

- 2) To request that the slides be circulated to the Committee.
- 3) To request that a progress report be submitted to Committee at a later date.

5. Regional Prosperity Framework Update (including annual report)

An update was provided on key progress made on the delivery of the programmes and projects identified within the Regional Prosperity Framework Delivery Plan. In contrast to much of the rest of Scotland, the Edinburgh and South East Scotland City Region continued to experience rapid population and economic growth. Accommodating this growth was becoming an increasing challenge for many of the Local Authorities and an approach to both reflect this challenge and deliver sustainable growth in the region was proposed.

Decision

- 1) To note the contents of the report and progress made on the Regional Prosperity Framework Delivery Plan.
- 2) To approve the proposed approach to continue to deliver sustainable growth in the ESES City Region.
- 3) To agree that the letter from Minister Young would be shared with the Committee.
- 4) To ask officers to consider how the Regional Prosperity Framework can help to invest in the wider visitor offering, in preparation for the visitor levy, to ensure that people come, and come back to visit the region.

6. Strategic Site Investment Prospectus - Update

An update was provided on the Strategic Site Investment Prospectus, following the previous update to committee on 16 February 2024. Details were provided of key actions since the last update and intended next steps. A workshop was held with Chief Finance Officers, Scottish Futures Trust and Scottish Government to explore the potential for innovative funding models. It was agreed there was a need for further joint working to look at the scope, scale and duration of support, potentially as an extension of that set out in the Deal. A follow-up meeting with Scottish Government and Scottish Futures Trust was held and it was agreed an early draft of the Strategic Sites Prospectus should be concluded by June 2024. The University of Edinburgh was working with the Deal PMO to prepare economic impact modelling work.

Decision

To note the update and that a draft of the Strategic Site Investment Prospectus would be made available to the Committee.

7. Date of next meeting

Decision

To note the next meeting was scheduled for 16 August 2024.

Edinburgh and South East Scotland City Region Deal Joint Committee

10am, Friday 6 September 2024

Regional Housing Programme - Annual Update

Item number **To be added**

Executive Summary

The Edinburgh and South East Scotland City Region Housing Partners continue to collaborate on five key housing priorities:

- Affordable Housing Delivery;
- Retrofit;
- Strategic Sites;
- Regional Delivery Alliance; and
- Future Town Centres and New Delivery Models.

This report provides an update on each of the five regional priorities and highlights early collaboration efforts on homelessness and local housing emergencies.

Marjory Mackie

Housing Strategy and Development Manager, West Lothian Council and Chair of Edinburgh and South East Scotland Regional Housing Partners Group

Contact: David Baxter, Senior Programme Officer, Edinburgh and South East Scotland City Region Deal PMO

E-mail: David.Baxter@edinburgh.gov.uk

Regional Housing Programme - Annual Update

1. Recommendations

- 1.1 To note the contents of the report and progress made on the Regional Housing Programme priorities.
- 1.2 To note that eight Local Authorities in Scotland have declared local housing emergencies. Half of these are in our region, (The City of Edinburgh Council, Fife Council, Scottish Borders Council and West Lothian Council), demonstrating the unprecedented and unsustainable pressure on local housing and homelessness services. This region is also the fastest growing in Scotland and one of the fastest growing in the UK.

Partners need greater funding and certainty to deliver more affordable homes and address homelessness. City Region Partners want to work with Scottish Government, national agencies and bodies to explore innovative funding and risk sharing approaches to enable greater delivery of affordable homes.

2. Background

- 2.1 In 2019, the Joint Committee approved the [Regional Housing Programme: Forward Work Programme](#) and recognised the key role it plays in shaping the emerging work on a Regional Growth Framework now Regional Prosperity Framework.
- 2.2 Two strategic aims were identified for the Regional Housing Programme:
 - To deliver a step change in innovation and inclusive growth in the housing and construction sectors; and
 - To deliver a step change in the supply of new homes across the South East of Scotland.
- 2.3 In December 2022, the [Joint Committee approved](#) a refreshed set of five housing priorities - Affordable Housing Delivery (current and future); Retrofit (ESSH2); Home Demonstrator Project; Strategic Sites; and Future Town Centres and New Delivery Models.
- 2.4 In March 2023 the [Regional Prosperity Framework Delivery Plan](#) was approved by Joint Committee, with the Strategic Sites, Regional Home Demonstrator and delivering a fair transition to Net Zero included as key priorities.

- 2.5 In September 2023, the Joint Committee approved an [update report](#) on progress made by City Region Deal partners on the five key regional housing priorities and also provided an update on regional housing pressures, highlighting that Local Authority housing and homelessness services are, experiencing unsustainable pressure reflecting the critical lack of capacity in local housing systems in Scotland.
- 2.6 In October 2023, Regional Housing Partners met with the Minister for Housing, Paul MacLennan in October 2023 to discuss the Regional Prosperity Framework, housing and strategic sites.

3. Main report

Housing Emergency and Declining Rates of Housebuilding

- 3.1 On the 15th of May 2024, the Scottish Parliament declared that Scotland is experiencing a housing emergency, recognising the significance of the challenge that exists.
- 3.2 This region has four Local Authorities (The City of Edinburgh Council, Fife Council, Scottish Borders Council and West Lothian Council), that have declared housing emergencies due to the unprecedented pressure on housing and homelessness services in their local areas.
- 3.3 In Edinburgh there are around 5,000 households per night who must resort to living in temporary accommodation despite a huge amount of preventative work by the third sector, Council and partners.
- 3.4 On 20 June 2024, a coalition of housing and poverty focused organisations published [A National Housing Emergency Action Plan for Scotland](#), and highlighted the need for innovation and asked that Scottish Ministers bring forward new approaches to meeting housing need under four priority areas:
1. Urgently increase the supply of new social homes
 2. Make maximal use of existing homes for people in need
 3. Fully fund local homelessness services
 4. Maximise affordability across all tenures
- 3.5 Regional partners are broadly supportive of the Action Plan and asks of Government.
- 3.6 Scottish Government [housebuilding statistics](#) published at the end of June 2024 reveal a picture of housebuilding decline across Scotland. In 2023-24 private sector completions were down by 13% and site starts were down 16% on the previous year. New build completions are the second lowest since 2017-18, with the lowest being in 2020-21 when Covid restrictions impacted housebuilding. Starts were also at the lowest point since 2014-15.
- 3.7 Statistics for the social housing sector in 2023-24 reveal that building completions were down 27% and starts down by 14% than the previous financial year. Completions were the lowest since 2020-21 and starts the lowest since 2012-13.
- 3.8 Independent [research](#) commissioned by Homes For Scotland and published at the end of June 2024 revealed that SME home builders now account for less than 20%

of new home sales per annum. Previously, SMEs typically accounted for 40% of sales.

- 3.9 The number of homes being constructed in Scotland across all tenures is in decline and is combined with reduced industry capacity to deliver new homes in the future.

Regional Growth

- 3.10 The ESES region faces a unique set of housing pressures when compared with the rest of Scotland. The region is the fastest-growing in Scotland and one of the fastest-growing in the UK, continuing to attract talent to work and live in the most economically successful part of Scotland. This rapid growth in population contrasts with slow or declining population in much of the rest of Scotland.
- 3.11 This growth, combined with low private sector margins/risk and tight public spending is placing unprecedented pressure on infrastructure, and services. There are significant consequences of accommodating this growth for local authorities in both capital terms (for example delivering affordable housing and new school buildings), and in recurring revenue terms (for example in delivering personal care and servicing new schools).
- 3.12 The consequences of growth, combined with high inflation, labour shortages, supply chain disruption and a cost of living crisis is causing unprecedented pressure on the existing housing stock and potential for future affordable housing delivery.
- 3.13 The housing need and demand in the city region is the greatest in Scotland. The Scottish Federation of Housing Associations, The Chartered Institute of Housing and Shelter Scotland commissioned [research](#) in June 2020 to look at Scotland's affordable housing need over the next five years. The overwhelming majority (nearly 60%) of the total annual affordable homes requirement for Scotland is needed in our city region.
- 3.14 The [Housing Need and Demand \(HNDA\) 3 assessment](#) received Robust and Credible status on 28 July 2022 from the Centre for Housing Market Analysis (CHMA) at Scottish Government. The Scottish Ministers' settled position on NPF4 recognises the Robust and Credible status of HNDA 3 and incorporates the figures from HNDA 3 into the Minimum All Tenure Housing Land Requirement for the City Region Deal local authorities. Different scenarios project need for between 78,000 and 105,000 new homes over the next 20 years. With the range depending on the changing economic context over that time. The majority of which will be for affordable housing.

Regional Housing Priorities

- 3.15 To deliver on the region's housing ambitions and to react to existing and future changes in the political, economic, and environmental challenges, the City Region Deal housing partners developed a refreshed set of housing priorities, captured in the image below:

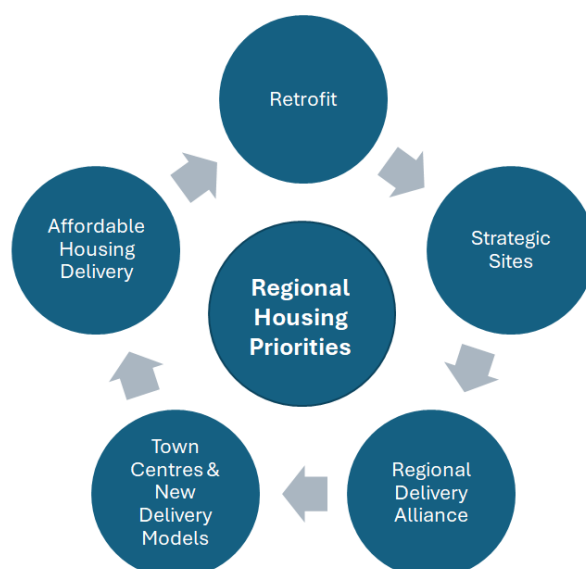


Figure 1 – Regional Housing Priorities

3.16 Progress against these five priorities is summarised in this report.

Priority 1 - Regional Affordable Housing Delivery

3.17 Our Region is viewed by the Scottish Government as a key deliverer of affordable housing in Scotland and has historically utilised underspend from elsewhere in Scotland to exceed targets and deliver additional affordable homes. Both City of Edinburgh Council and Fife Council have had some of the largest social house-building programmes in Scotland and the UK.

3.18 In 2023/24 the region collectively delivered over 1,500 new affordable homes, over 1,700 site starts and nearly 2,300 completions, with a spend of £186m of which nearly £48m was made up of charitable bonds. This exceeded targets for spend, approvals and completions.

3.19 At the beginning of the year the Scottish Government announced a budget cut of around £200m from the national affordable housing programme budget. There is also limited availability of charitable bonds for the year ahead. The regions six Local Authorities have experienced around a 24% cut to their individuals affordable housing programme budgets/Resource Planning Assumptions (RPAs) which is a total reduction of nearly £34m.

3.20 At the end of April 2024, the Scottish Government announced a £80m over two years to enable Councils to acquire properties and bring them into use for affordable housing and help reduce homelessness.

3.21 At the time of writing there has been no detail from Scottish Government on how this funding can utilised by Local Authorities.

3.22 Compared to last year, the region estimates that this year's affordable housing approvals will be down by X homes and site starts will be down by Y homes. This will have serious implications for future completions across affordable housing and housing of all tenures. (figures tbc).

3.23 This will also have significant consequences for those in need of a housing, homelessness services and the economy. Affordable housing is often the catalyst for establishing new communities and infrastructure paving the way for private

investment and development. This will also have significant consequences for future jobs, supply chains, SMEs and the industry's ability to accelerate housing development.

Priority 2 - Retrofit

- 3.24 In March of this year the consultation closed on a new Social Housing Net Zero Standard (SHNZS) in Scotland. This new standard will replace the second Energy Efficiency Standard for Social Housing (EESH2).
- 3.25 Regional Partners await the outcome of the consultation.
- 3.26 There are nearly 100,000 social homes across the city region, of varying age, typology, and requirements for retrofit measures.
- 3.27 Significant financial support is required from Scottish Government to support delivery of future retrofit programmes. The cost of these programmes cannot be met from borrowing on rental income streams, if rents are to remain affordable.
- 3.28 Regional partners have agreed to collaborate on the retrofit agenda and outcome of the SHNZS consultation. Key areas for potential collaboration include:
- Explore opportunities for collaborative procurement; and continue to share learning, experience, approaches and pilots.
 - Share information on estimated average retrofit costs per property
 - Work with skills and Further and Higher Education partners to understand retrofit and skills/capacity to deliver future retrofit programmes
- 3.29 There are synergies with priority 4 - the Regional Delivery Alliance, outlined in more detail in section 3.40 below. There are also, several projects being delivered as part of the Regional Prosperity Framework. These projects have been funded by local authorities pooling UK Shared Prosperity Fund (UKSPF) monies and which contribute towards this priority, these include:
- **Regional Energy Masterplan Project** – this project takes a whole energy system approach and will produce a single analysis of regional energy requirements and provide opportunities to work collaboratively to scale up projects and leverage investment.

Component D of this project focuses on building archetypes. This project will build on work by the University of Edinburgh to pilot the application of energy efficiency retrofit and low-carbon technology archetype approach to buildings. Looking to develop an archetype approach that can support the roll-out of energy efficiency and heat decarbonisation measures across Scotland and the UK.

Regional Housing Partners are keen to understand the social housing archetypes that exist across the region with a view to focus on five to six that are similar across the region and considered hard to treat

- **Regional Net Zero Skills Accelerator Feasibility Study** – this project outlines how the establishment of a Net Zero Skills Accelerator Hub can address the critically important demand and supply side barriers that currently exist, to help key sectors,

including house building and construction, begin or accelerate the transition to net zero.

- 3.30 A major R&D programme (£4.5M) to support net zero transition for high density buildings and streetscapes, as found across the regional cities and towns, was submitted to the UK Research & Innovation funding call for the Green Economy Centres. The proposed Centre for Net Zero High Density Buildings involves five Universities (Edinburgh [lead], Napier, Glasgow, Strathclyde and University of the West of Scotland) in partnership with BE-ST. Over 55 civic, industry, housing and community partners have supported the bid including city councils and chambers of commerce in the Edinburgh and Glasgow city regions. It is expected that UK Government will shortly announce the outcome of this bid proposal.

Priority 3 - Strategic Sites

- 3.31 Work continues to deliver 41,000 homes across the seven strategic sites at Blindwells, Calderwood, Dunfermline, Edinburgh’s Waterfront, Shawfair, Tweedbank and Winchburgh. Vacant and derelict land is being transformed to delivery: net zero carbon homes; green energy solutions; regeneration; and a just transition to a zero-carbon future.
- 3.32 Business case development progressing with Blindwells, Granton Waterfront and Tweedbank as outlined in the table below:

Strategic Site	Business Case/Status
Granton Waterfront	<ul style="list-style-type: none"> Full Business Case – Phase 1 and Heat Network – Spring 2025
Tweedbank	<ul style="list-style-type: none"> Final Business Case - Summer 2025
Blindwells	<ul style="list-style-type: none"> Strategic Outline Business Case - Autumn/Winter 2024 Outline Business Case - Summer 2025

Table 1 – Strategic Site Business Case Development

- 3.33 Across the seven strategic sites (Blindwells, Calderwood, Dunfermline, Edinburgh’s Waterfront, Shawfair, Tweedbank and Winchburgh) a total of **X** social and **Y** mid-market rent and **Z** market homes have been completed over the last year. A breakdown is provided below:

Delivery (approvals)	Tenure Mix			
	Social Rent	MMR	BTR	Market
Blindwells	480			1,120
Calderwood				
Dunfermline	1,067			3,202
Granton Waterfront	92	51		
Shawfair	30			30
Tweedbank	0	0	0	0
Winchburgh				
Total				

Table 2 – Strategic Site Delivery – Approvals

Delivery (starts)	Tenure Mix			
Site	Social Rent	MMR	BTR	Market
Blindwells	23			52
Calderwood				
Dunfermline	0	0	0	0
Granton Waterfront	243	220		
Shawfair	120	0	0	120
Tweedbank	0	0	0	0
Winchburgh				
Total				

Table 3 – Strategic Site Delivery – Site Starts

Delivery (completions)	Tenure Mix			
Site	Social Rent	MMR	BTR	Market
Blindwells	60			174
Calderwood				
Dunfermline	0	0	0	258
Granton Waterfront	0	0	0	0
Shawfair	60	0	0	240
Tweedbank	0	0	0	0
Winchburgh				
Total				

Table 4 – Strategic Site Delivery – Completions

Strategic Site Investment Prospectus

- 3.34 Building on constructive engagement with the Minister for Housing in October 2023, Regional Housing Partners and Strategic Site Lead Officers agreed to develop a Strategic Site Investment Prospectus. This includes demonstration of the infrastructure challenges associated with unlocking the sites; capital and revenue requirements; potential delivery mechanisms; and the transformational opportunities, benefits and outcomes associated with delivering these sites.
- 3.35 The University of Edinburgh and the City Region Deal PMO have been working closely with Strategic Site Lead Officers on an economic impact model which will demonstrate the economic and societal benefits of delivering the sites. Scottish Government economists have been consulted on the assumptions and methodology being used for this model, and UK Government economists have also been requested to do the same. This modelling work needs to be finalised; however, initial outputs reveal that the seven strategic sites can collectively deliver over 41,000 homes, over £30bn Gross Value Added, and support over 8,000 jobs. Together they can deliver transformational change in terms of housing supply and economic growth. For every £1 of public cost, £2.4 of GVA will be generated both in the region and elsewhere. The Strategic Site Investment Prospectus and programme is active, dynamic programme and will continue to work with City Region partners to identify future strategic sites.
- 3.36 A workshop was held on 1 March 2024 with Regional Chief Finance Officers, Scottish Futures Trust, and Scottish Government to explore innovative funding models that can help accelerate the delivery of the strategic sites and future growth.

- 3.37 A further meeting took place on 30 April with Scottish Government and Scottish Futures Trust to continue this engagement and to agree a collaborative approach to conclude this work by June 2024
- 3.38 Engagement is ongoing with Scottish Government and Scottish Futures Trust to develop this work and conclude before the end of 2024.
- 3.39 Taking an infrastructure first approach often requires upfront public sector investment. Some of this investment will be paid through developer contributions as the development progresses. This presents risk, cashflow and potential funding gaps between revenue and capital funding requirements. A variety of funding and delivery models need to be considered and supported by Government and national agencies if an infrastructure first approach can be progressed.

Priority 4 - Regional Delivery Alliance

- 3.40 This priority builds on the Edinburgh Home Demonstrator programme which aimed to deliver a new model for delivering affordable Net Zero homes. The model is centred around a regional development pipeline, collaborative procurement, offsite construction, increased standardisation of specification and housing types, and whole life costing.
- 3.41 The Regional Housing Partners have committed to fund the Regional Delivery Alliance (RDA) to March 2026 to scale up this approach and deliver the following:
- Higher performing affordable housing that will address fuel poverty;
 - Collaborative approach to achieving Net Zero Carbon;
 - Collaborative approach to developing key skills supply chains;
 - Efficiency of capital and whole life cycle costings;
 - Sustain/maintain regional pipeline including strategic sites;
 - Engage with industry on pipeline delivery through aggregated demand;
 - Support initial feasibility studies;
 - Facilitate the bundling of sites across the region through collaborative procurement
 - Sustain/maintain regional typologies and design and performance standard; and
 - Develop a regional knowledge hub.
- 3.42 Over the last year, the RDA has confirmed commitment from City Region Deal Partners to fund the initiative and commitment to progress with Pilot 3 - Collaborative Procurement. This will see partners collaborate on procurement and a new business model; deployment of a Regional Delivery Partner to support feasibility, procurement and delivery; and see delivery of multiple sites across multiple clients and authority areas.
- 3.43 A Project Manager was successfully recruited in July 2024 to deliver Regional Delivery Alliance objectives.
- 3.44 A regional knowledge hub to support the initiative, deploy the RDA resources and share skills and learning is being developed and will be launched in winter 2024.

Priority 5 - Town Centres and New Delivery Models

- 3.45 Regional partners recognise there are opportunities to re-purpose surplus office accommodation, empty retail units, and spaces above shops into affordable homes to help to arrest the decline in town centres, deliver high quality placemaking principles and increase town centre living.
- 3.46 Collaboration across housing, regeneration and planning is needed to utilise a blend of funding to transform empty units into homes, create new footfall and revitalise the region's town centres. Regional partners held a collaborative workshop with Scottish Futures Trust in March 2024 to consider town centre challenges and opportunities across Local Authority areas and discuss the future of town centres and new delivery models.
- 3.47 Partners have agreed to reconvene later this year to consider priority actions and align with work being progressed by Scotland's Towns Partnership.
- 3.48 There is a need for innovation and new delivery models to find new ways to deliver homes across all tenures.
- 3.49 As part of the work on the Strategic Site Investment Prospectus, partners are keen to explore innovative delivery models and also mechanism that have worked in the past to deliver new homes. These include (but not limited to) the following delivery models:
- **Risk Sharing Mechanisms and Guarantees** – partners would like to revisit the Winchburgh delivery model which has benefitted from a risk-sharing guarantee approach to support local authority borrowing and share the financing risk of infrastructure delivery. It is hoped that this approach can be replicated across some of the other strategic sites in the region.
 - **Institutional Investment** – long term revenue streams secured through future housing rents can be attractive to many institutional investors. There remains an opportunity to explore this interest in relation to delivering new rental homes in the region.
 - **Outcomes Based Funding** - payment by results mechanisms such as Tax Incremental Financing (TIF) and Growth Accelerator Models
 - **Place Based Funding Settlement** - As part of the Regional Prosperity Framework – Regional partners have asked the Scottish and UK Governments to continue to commit to work in tripartite partnership to deliver our regional ambitions through a long term, integrated, place-based funding allocation to deliver shared outcomes.
 - **New Partnership Approaches** – looking at Joint Ventures, Scottish National Investment Bank, British Business Bank, UK Infrastructure Bank and other organisations that could be potential partners.
- 3.50 Edinburgh Living has drawn down all of the one off grant of £16.1m approved as part of City Region Deal. In 2022/23, an additional £6m in grant funding was secured from Scottish Government to support acquisition of homes for mid rent.
- 3.51 Throughout 2023 Edinburgh Living continued to purchase homes for mid-market rent from the City of Edinburgh Council's housebuilding programme with a total of 72 homes added to the portfolio. In September, approval in principle was provided to

purchase a further 220 homes from the City of Edinburgh Councils House Building programme.

Regional Prosperity Framework Delivery Plan

- 3.52 An [update](#) on the progress made on the delivery of the programmes and projects identified within the Regional Prosperity Framework (RPF) Delivery Plan was reported to the Joint Committee meeting in June 2024
- 3.53 There is close alignment between the RPF priorities and the Regional Housing Programme. For example, the Strategic Sites and Regional Delivery Alliance are priorities in both programmes of work and there are linkages, as referenced earlier in this report, between other RPF projects including the Regional Energy Masterplan and Net Zero Skills Accelerator Hub.

Homelessness

- 3.54 Homelessness is not currently one of the regional housing priorities.
- 3.55 Housing and Homelessness officers held a workshop in May 2024, hosted by Shelter Scotland. The workshop aimed to better understand the levels of homelessness across the region and pressures being faced by housing and homelessness teams across the region. The workshop also considered the implications of declaring a local housing emergency and sharing key information on published/emerging local housing emergency action plans.
- 3.56 The Association of Local Authority Chief Housing Officers (ALACHO) carries out a survey of senior officers working in housing and homelessness services every six months to understand progress and challenges in the delivery of homelessness services. The survey asks each Council in Scotland their position in relation to three key elements of service. These are:
- The supply of temporary accommodation;
 - The ability to meet the requirements of the unsuitable accommodation order; and
 - The supply of permanent accommodation available to meet the needs of homeless households.
- 3.57 Five out of the regions six Local Authorities are reporting that they are struggling to cope with frequent statutory breaches against the three key elements above. It is proposed that regional partners collaborate to share data and work together to identify potential areas of collaboration.
- 3.58 Partners will be able to provide an update to committee later in 2024.

Next Steps

- 3.59 Regional Housing Partners will undertake the following:
- Deliver against the five priorities identified within the report
 - Continue to deliver co-priorities identified within the RPF Delivery Plan and work collaboratively to secure funding for relevant projects which remain unfunded.
 - Progress the Strategic Site Investment Prospectus in collaboration with Scottish Government and Scottish Futures Trust

- Provide a regional homelessness update later this year including analysis of data from councils' annual (ARC) returns to understand the homelessness picture across the region and identify possible areas of collaboration.

4. Financial impact

- 4.1 As highlighted earlier in the report the impact of the Scottish Government budget cut to the affordable housing budget will have a significant impact on the regions ability to deliver new affordable homes this year and in future years. It will also have significant implications for housing and homelessness services due to limited new supply of homes and the economic benefits associated with development of new affordable homes.
- 4.2 Delivering both retrofit programmes and sustaining local authority partners new build affordable housing programmes will require significantly more financial support than current funding levels.
- 4.3 The strategic sites can deliver transformational regeneration delivering thousands of homes, jobs, and economic benefits. But the scale of the opportunity carries significant infrastructure and capital and revenue funding challenges. New funding, financial, financial innovation and delivery tools are required to help both public and private sector partners to successfully deliver infrastructure first approach.
- 4.4 As a key part of the Deal, The Scottish Government and city region committed to work together on each of the seven strategic housing sites recognising the long-term nature of these proposals with most new homes being delivered over a 15-year period. To support this, the Scottish Government committed at least £50 million.
- 4.5 Regional Partners will continue to develop business cases and collaborate with Government to identify the interventions required to accelerate delivery.
- 4.6 A long term, integrated, place-based capital and revenue funding programme agreement is sought to support the delivery of the Regional Prosperity Framework Delivery Plan and future regional economic ambitions.
- 4.7 On 16 July 2024, a letter was sent from the Convener of the ESES City Region Joint Committee to the new Secretary of State for Scotland, outlining the region's economic plans, programmes and projects to accelerate housing delivery and economic growth. It also outlined that regional partners want to find a new way to work with the Scottish and UK Governments to deliver these economic ambitions through a long term, integrated, place-based funding allocation.

5. Alignment with Sustainable, Inclusive Growth Ambitions

- 5.1 Several of the Regions Housing Priorities and many of the projects identified in the RPF Delivery Plan can accelerate the regions transition to Net Zero including but not limited to:
 - Climate Ready South East Scotland
 - Net Zero Skills Accelerator Hub
 - Regional Energy Master Plan
 - Regional Delivery Alliance

- Regional Transport Delivery Plan
- Strategic Sites
- Forth Collaboration Network and Economic Corridor
- Green Freeport

5.2 The RPF Delivery Plan has an ambition and vision to protect the environment and make best use of our extraordinary built and natural assets. This will ensure that our Region delivers a just transition to a net zero economy. There are three main goals of the RPF Delivery Plan: to reduce economic exclusion; sustained and increased competitiveness; and accelerate a fair transition to Net Zero.

6. Background reading/external references

- 6.1 [Regional Prosperity Framework – Annual Update \(June 2024\)](#)
- 6.2 [Regional Housing Programme – Annual Update \(September 2023\)](#)
- 6.3 [Regional Prosperity Framework Delivery Plan \(March 2023\)](#)
- 6.4 [Regional Housing Programme Update \(December 2022\)](#)

7. Appendices

- 7.1 None.

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