



STRATEGIC HOUSING INVESTMENT PLAN (SHIP)

2026-2031



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Foreword

I am pleased to present this 17th Strategic Housing Investment Plan (SHIP) which sets out the strategic approach by Scottish Borders Council and its partners to delivering affordable housing in accordance with the Local Housing Strategy.

In line with Scottish Government guidance issued in May 2025, this SHIP 2026 - 2031 sets out the strategic investment priorities for affordable housing over the 5-year period to achieve the outcomes as set out in the Local Housing Strategy. It also informs Scottish Government housing investment decisions including the Strategic Local Programme Agreement and Affordable Housing Supply Programme.



The legacy of the Covid pandemic and economic uncertainty plays a significant role in the delivery of the programme for 2026-2031. While there are challenges, we continue to be ambitious in increasing the supply of affordable housing in the Scottish Borders. I welcome the restoring of the Affordable Housing Supply Programme budget to previous levels following a cut to the programme last year and the Cabinet Secretary's commitment to multiyear funding from 2026 onwards. This will help us in our efforts to respond to the national and local housing emergency, declared last May, by increasing the supply of affordable homes across the Scottish Borders.

This plan has been produced through collaboration with Registered Social Landlords and demonstrates projects which are on track for completion by 31 March 2026 and across the plan period. These partnerships will help us address local housing pressures and contribute to economic growth by delivering a range of affordable, safe, energy efficient and attractive homes and places. This will be achieved through an increase in housing supply, local area regeneration, more rural housing, more housing for people with particular needs including wheelchair users, as well as providing general needs housing at affordable rent.

This SHIP sets out potential opportunities for up to 1,061 new affordable Borders homes with an estimated investment value of £258m during 2026-2031. Together with the envisaged completion of around 120 homes in 2025/26, around 1,181 homes could potentially be delivered to Borders communities over the next 6 years.

I am certain that the proposed affordable housing developments identified in this SHIP will have a major positive contribution to improving quality of life in the Borders and, on behalf of Scottish Borders Council and our partners, it gives me great pleasure to present this SHIP 2026-2031.

Councillor Carol Hamilton
Executive Member for Housing and Culture

1. Introduction

The Strategic Housing Investment Plan (SHIP) has a core purpose to set out the key strategic housing investment priorities for both affordable housing and other tenures over a five-year period. Scottish Councils are required to submit a SHIP to the Scottish Government on an annual basis. As well as being a five-year operational plan, the SHIP reinforces the Council's role as the Strategic Housing Authority and sets out the Council's strategic policy approach to enable the delivery of high-quality housing and housing related services across tenures to meet a range of identified needs and to address locality housing stock mismatches in the Scottish Borders.

The affordable housing investment priorities detailed in this plan cover the period 2026-2031 and align with the Council's Local Housing Strategy (LHS) 2023-2028 identified priorities and outcomes. The LHS is consistent with this action plan, including key outcomes such as increasing the supply of affordable housing, more homes being well designed, promoting independent living, improving the quality of homes, reducing homelessness, improving the energy efficiency of homes and reducing fuel poverty. The outcomes of this work, and the LHS outcomes, have informed this Strategic Housing Investment Plan. This SHIP will assist Scottish Government to meet its current and future affordable housing targets and helps inform the Scottish Government's investment decisions and the preparation of future Strategic Local Programme Agreements (SLPA).

This is the Council's 17th SHIP submission. Since SHIPs were introduced and first submitted back in 2007, the Council and its partners have delivered 1,996 new affordable homes via all available delivery mechanisms. Scottish Borders Registered Social Landlords (RSLs) collectively now have an estimated 12,842 affordable homes for social and mid-market rent as of 31 March 2025. As a consequence of the Council's large scale voluntary stock transfer to Scottish Borders Housing Association in March 2003, RSLs are the only providers of social rented housing in the Borders.

This SHIP submission has been prepared in accordance with the current SHIP Guidance issued by Scottish Government in May 2025. It rolls forward the projects and planning horizons set out in the previous SHIP 2025-2030. It is updated by current information, where applicable, and sets out how the Council and its partners have identified and prioritised projects that are capable of being delivered within the period 2026-2031 and identifies where there are development constraints in relation to particular projects. It sets out estimated timescales for project delivery and identifies a range of funding sources and resource mechanisms including Scottish Government grants, Registered Social Landlord owned resources and borrowing, other funding initiatives and the Council's own resources.

2. Strategic Context

2.1 National Context

United Nations Sustainable Development Goals (SDGs)

The objectives of the LHS and SHIP are consistent with the United Nations Sustainable Development (SDG) Goals 11 - Sustainable Cities and Communities, and 13 - Climate Action. Specifically, the SHIP responds to the ambition of SDG 11 by providing access for all to adequate, safe and affordable housing by ensuring integrated, inclusive and sustainable settlements, and by strengthening regional development planning. With respect to SDG 13, development will be at least consistent with Scottish Building Standards and national objectives of net zero greenhouse gases by 2045.

Housing to 2040

The Scottish Government wants everyone to have a safe, high-quality home that is affordable and meets their needs in the place they want to be. In March 2021, the Scottish Government published its first long term housing strategy, “Housing to 2040” route map, which sets out what it wants housing and communities to look and feel like for the people of Scotland, together with actions on how to get there. This route map is set out in four parts:

- Part 1 – More homes at the heart of great places.
- Part 2 - Affordability and choice.
- Part 3 - Affordable warmth and zero emissions homes.
- Part 4 – Improving the quality of all homes.

It is recognised that the ambitions and actions set out in the route map will not only make an important contribution to the Housing to 2040 vision but will also bring benefits across the wider National Performance Framework. Under the “More Homes Scotland” approach, the Scottish Government is increasing the supply of homes across all tenures through a range of measures. Housing to 2040 puts ambitions for Place at its core, creating not only good quality homes, but quality places too.

National Outcomes

The SHIP 2026-2031 addresses the following National Outcomes:

- Poverty - We tackle poverty by sharing opportunities, wealth and power more equally
- Economy - We have a globally competitive, entrepreneurial, inclusive and sustainable economy
- Environment - We value, enjoy, protect and enhance our environment
- Human Rights - We respect, protect and fulfil human rights and live free from discrimination
- Communities - We live in communities that are inclusive, empowered, resilient and safe
- Health - We are healthy and active
- Children and Young People - We grow up loved, safe and respected so that we realise our full potential
- Education - We are well educated, skilled and able to contribute to society

The SHIP 2026-2031 will also bring benefits across the National Performance Framework as recognised in “Housing to 2040” that:

- Affordable Housing helps to tackle poverty and inequality.
- How we live in, heat and build our homes impacts on the environment.
- Safe and warm homes and good neighbourhoods improve physical and mental health and well-being and build strong communities.
- High quality homes and neighbourhoods improve children’s well-being and development.
- Housing creates and supports jobs and social benefits.

Planning and the Housing Emergency – Delivery Plan

The Planning and the Housing Emergency Delivery Plan was published in November 2024 by the Scottish Government setting out the actions to tackle the housing emergency. Over the six months following publication, Scottish Government plan to focus on the following key objectives:

- Policy: a strong and consistent planning and policy framework for investment.
- Delivery: actively enabling and facilitating development.
- Efficiency: an end-to-end approach to improving the efficiency of the system.
- Capacity: investing in capacity with access to excellent professional skills and expertise.

Housing Investment Taskforce Report

The [Housing Investment Taskforce Report](#) was published in June 2025 and sets out actions to unlock existing and new commitments to investment in housing across all tenures. The purpose of the Taskforce is to:

- To identify barriers to housing investment.
- To unlock opportunities for increased public and private sector collaboration.
- To support delivery of affordable, sustainable homes aligned with Scotland's housing and climate goals.

There are 28 actions in total, all with long term ambitions. The Council are already working with partners on a range of housing development opportunities as outlined throughout this SHIP and will continue to do so while implementing the actions identified in the plan.

2.2 Council and Community Plan

The [Scottish Borders Council Plan 2025-2026](#) is split into three parts, with the first section outlining the Council's vision for 2033 (presented in Figure 1). This sets out the strategic ambitions for each of the Plan's six priority themes in addition to the following Council values; Agile, Sustainable, People Focused, Inclusive and Fair

Five of these six priority themes focus on improving the wellbeing of citizens within the Scottish Borders and making our region a more sustainable and better place to live, work in and to visit. The sixth theme is about developing a Council that is as organised and effective, capable of addressing long-term challenges and capitalising on opportunities to deliver on the other five outcomes.

Figure 1: Council Plan Priority Themes



The second section focuses on activity across the Scottish Borders which will help to deliver the following priorities during 2025/26:

- Clean Green Future: Accelerate action to adapt to and mitigate the effects of climate change and extreme weather.
- Fulfilling Our Potential: Empower schools and their communities to deliver a high-quality education focused on excellence, equity, wellbeing and improved outcomes for children, young people, and families.
- Strong inclusive economy, transport and infrastructure: Deliver the key economic development programmes for our region, making our economy stronger, greener and more sustainable.
- Empowered, vibrant communities: Support communities and empower people to achieve strong, active, resilient and sustainable communities and realise opportunities for improving people's lives.
- Good health and wellbeing: Ensure the people of the Scottish Borders have the opportunities and are supported to take control of their health and wellbeing, enjoying a high quality of life.
- Working together, improving lives: Ensure that Scottish Borders Council is effective, sustainable, responsive, and aligned to the needs and priorities of our communities.

The third and final section outlines the priority work comprises a 'Locality Actions' section featuring key actions and priorities in each of the Borders' five Area Partnership localities: Berwickshire, Cheviot, Eildon, Teviot and Liddesdale, and Tweeddale.

Community Plan

Under the Community Empowerment (Scotland) Act 2015, the Scottish Government has made it a requirement for Community Planning Partnerships to put in place a Local Outcomes Improvement Plan (LOIP) with a particular focus on reducing inequalities. In the Scottish Borders this is known as the Community Plan and delivery of the SHIP contributes to achieving the Community Plan's ambition to improve the quality of life for all who live in the Scottish Borders through targeted actions working together with our communities and through partnership action. Figure 2 illustrates the outcomes of the Community Plan. It is considered that the affordable housing programme envisaged in this SHIP will make a significant positive contribution to the delivery of the Plan by achieving many of its outcomes and reducing inequalities for many people living in the Scottish Borders.

Figure 2: Community Plan 2023/2033

OUR OUTCOMES
THEME 1 - Poverty
Help mitigate against the financial challenges of day to day living for those who are most affected
THEME 2 - Learning, Skills & Economy
Children and young people from low-income households are supported to develop life skills to help them to succeed in life
More people have a clear route to progress into a greater variety of jobs, learning and training opportunities available within the Scottish Borders
More people, especially our older community, have the skills to benefit from digital and mobile connectivity. (Outcome shared with Theme 4)
Parents are supported to enter, remain, and progress in work
THEME 3 - Good Health & Wellbeing
Improved access to effective services, particularly for those who face greater challenges accessing services
Reduced health inequalities for those experiencing the greatest negative impact
Fewer people experiencing domestic abuse
THEME 4 - Place, Community & Connectivity
More people, especially our older community, have the skills to benefit from digital and mobile connectivity. (Outcome shared with Theme 2)
More people have access to a home that meets their needs and is part of a sustainable community
Our communities are supported and empowered to be strong, active, resilient and sustainable
People have access to better travel options across the Scottish Borders

2.3 Local Housing Strategy 2023-2028

The Council's five-year Local Housing Strategy (LHS) 2023-2028 provides the strategic direction to tackle housing need and demand and to inform the future investment in housing and related services across the

Scottish Borders area. The LHS identifies an annual Affordable Housing Target of 141 between 2023 and 2028 as well as identifying housing for the growing ageing population as a priority to be addressed.

Figure 3: Local Housing Strategy Vision

“Everyone in the Scottish Borders has access to a home that meets their needs and is part of a sustainable community”



The LHS sets out the vision and priorities for the future of housing and all housing related services across the Scottish Borders. It considers all tenures and types of accommodation and reflects both national priorities and local needs. In terms of the national priorities, the LHS is expected to show how its actions will support and contribute to the Scottish Government’s vision for housing which seeks to ensure that “all people in Scotland live in high quality sustainable homes that they can afford and that meet their needs”.

The LHS is built on solid evidence and is underpinned by a detailed ‘Housing Need and Demand Assessment 3’ (HNDA3) and Housing Supply Target which estimated that 370 new houses would be required each year in the Scottish Borders, of which 141 should be affordable. The agreed vision is that “every person in the Scottish Borders has access to a home that meets their needs and is part of a sustainable community”. This means the home is well designed, of sufficient quality, promotes independence, is energy efficient, is affordable, in the right location, and contributes to the wider regeneration and helps the economy to thrive. See Figure 3 above.

Housing plays a vital role in meeting the needs of local people, communities and the economy and plays an important role in place making. The Local Housing Strategy sets out a framework of action, investment and partnership working to deliver local priorities and was developed in a very different strategic and financial context from the previous LHS. It was co-produced in accordance with the Scottish Government’s published LHS Guidance (2019) and was informed by a number of current and existing plans and strategies. It is underpinned by the South East of Scotland Strategic Development Plan Housing Needs and Demand Assessment (SESPlan HNDA3 - 2022) and reflects the Scottish Borders Local Development Plan 2.

Figure 4 sets out the Local Housing Strategy’s five Strategic Outcomes. The affordable housing project priorities identified in this SHIP are consistent with these strategic outcomes which are aligned to the Scottish Government’s National Health and Wellbeing Outcomes.

Figure 4: LHS Strategic Outcomes

Strategic Outcome 1:	More homes in well designed, sustainable communities that increase opportunity for all and support our economy to thrive
Strategic Outcome 2:	People have access to homes which promote independence, health and wellbeing
Strategic Outcome 3:	Improved energy efficiency of homes and a reduction in fuel poverty while supporting a Just Transition to Net Zero through decarbonising domestic heating and energy
Strategic Outcome 4:	Communities are regenerated through improving the quality and condition of housing and the built heritage
Strategic Outcome 5:	Homelessness is prevented wherever possible, and a range of housing options are provided so people can secure a suitable and sustainable housing outcome as quickly as possible

2.4 Housing Emergency

On the 14th of May 2024 Scottish Borders Council's Executive Committee considered a report which outlined the significant challenges that the Council and partners are experiencing in ensuring residents in the Scottish Borders have access to a home which meets their needs. The Executive Committee agreed that Scottish Borders Council should consider declaring a local 'Housing Emergency' and a report was brought back to Council on the 30th May where the Council agreed to [declare a Housing Emergency](#).

Since declaring a Housing Emergency, a Housing Emergency Action Plan has been developed, and the Strategic Housing Forum has been established.

Strategic Housing Forum

The new Strategic Housing Forum will effectively act as a Housing Emergency Programme Board, discussing key strategic housing issues, monitoring delivery against the actions set out in the Housing Emergency Action Plan and agreeing key priorities and actions in response to the Housing Emergency. So far there have been two meetings of the forum, in February and June 2025.

The new Borders Strategic Housing Forum will play a vital leadership role in the delivery of the LHS Strategic Outcomes 1,2 and 5 by providing an opportunity for a range of stakeholders to participate in the policy development, review and implementation process with a specific focus on increasing housing supply to meet the wide ranging, and often competing, needs of our local communities. The Forum's key focus will be to:

- Ensure delivery of the Housing Emergency Action Plan
- To consider new policy drivers of relevance and explore funding opportunities.
- Review and consider how, as a partnership, we prioritise and accelerate the delivery of specific actions which will increase housing supply and strengthen our response to the Housing emergency

The Strategic Housing Forum will discuss key strategic housing issues, monitor delivery against the actions set out in the Housing Emergency Action Plan and agree key priorities and actions in response to the Housing Emergency.

Housing Emergency Action Plan

The Housing Emergency Action Plan has been developed in partnership with key stakeholders. In total there are 51 actions which are split into two themes:

- Theme 1 – Housing Supply
- Theme 2 – Housing Access and Homeless Prevention

Each action is split into lead/ owner and highlights relevant partners involved. This ensures the action has an owner who will be responsible and provide progress on that action. Due to the number of actions, each action includes a priority weighting, as determined by Forum members. An Impact column identifies the overall anticipated impact each action may have when it is delivered. This level of detail in the action plan will ensure the Strategic Housing Forum and partners are well positioned to monitor delivery, and resources are diverted to those actions likely to achieve the most significant impact.

2.5 Housing Need and Demand Assessment 3

It is a statutory requirement through the Housing (Scotland) Act 2001 for local authorities to provide an assessment of housing need and demand and the provision of related services. The production of Housing Need and Demand Assessments (HNDAs) are overseen by the Scottish Government's Centre for Housing Market Analysis (CHMA) which considers whether the HNDA is 'robust and credible'. The third [Housing Need and Demand Assessment](#) (HNDA3) for the South East Scotland area achieved robust and credible

status from CHMA on Thursday 28th July 2022. HNDA3 provides the evidence base for policy decisions in Local Housing Strategies and land allocation decisions in Local Development Plans for the local authorities in South East Scotland (City of Edinburgh Council, East Lothian Council, Midlothian Council, West Lothian Council, Fife Council and Scottish Borders Council), subject to subsequent agreement of housing supply targets.

2.6 Local Development Plan

The Scottish Borders [Local Development Plan \(LDP2\)](#), which was adopted on 22 August 2024, sets out land use proposals and planning policies to guide development and inform planning decisions within the Scottish Borders.

The LDP includes housing policies, allocates land for housing and sets out the Local Housing Land Requirement (LHLR) which, is the amount of allocated land required to meet projected housing need in the Scottish Borders. The LHLR for the Scottish Borders 2023/24 – 2023-33 is 4,800 (LDP Volume 1 Appendix 2). The Housing Land Audit 2022/23 identifies an established housing land figure of 8,224, which is in excess of the LHLR.

The [Delivery Programme 2024](#) sets out how Scottish Borders Council proposes to implement the adopted LDP. It supports the delivery of the LDP and achievement of its intended outcomes. The Development Programme is updated biennially. The Delivery Programme informs the SHIP by outlining the spatial and infrastructure framework for housing delivery. It identifies allocated housing sites, expected delivery timelines, infrastructure requirements, and any development constraints.

2.7 Rapid Rehousing Transition Plan

Development and implementation of the Scottish Borders RRTP has been led by the Borders Homelessness & Health Strategic Partnership (BHHSP), which includes senior officers from RSL's, NHS Borders, Drug and Alcohol partnership, as well as Scottish Borders Council homelessness and housing strategy services. All the partners believe that Rapid Rehousing offers opportunities to improve joint working and the quality of service for people who are threatened with homelessness or who become homeless, however, all acknowledge that achieving progress with rapid rehousing has been significantly impacted by a wide range of additional ongoing challenges across the housing sector, which have significantly influenced delivery of RRTP. The housing system has become increasingly complex, both being shaped by and exerting a profound influence on society and the communities where we reside and work.

Despite the significant challenges laid out above, progress has been made in key areas including an increase in the proportion of lets to homeless households and tenancy sustainment support to applicants facing rent arrears.

2.8 Local Child Poverty Action Report

[Scottish Borders Local Child Poverty Action Report](#) covers progress made in tackling child poverty in the Scottish Borders in 2024/25 and sets out planned actions for 2025/26.

Tackling child poverty in the Scottish Borders is governed through the Community Planning Partnership (CPP). The CPP has oversight and approval duties associated with the Local Child Poverty Report and Action Plan but delegates its delivery to the Child Poverty Action Group. The Child Poverty Action Group is a multi-agency partnership made up of Scottish Borders Council, NHS Borders, and other key partners. The group meets to discuss and support the local approach and respond where appropriate to national developments.

Throughout 2024/25 Scottish Borders Council, NHS Borders, Community Planning Partners, and the Child Poverty Group have progressed a significant range of activity geared towards tackling child poverty in the Scottish Borders. The priorities for 2025/26 continue under the four themes set in 2024/25, these are:

- Understanding local need
- Use of policy levers and resources
- Understanding our progress
- Ways of working

The Child Poverty Action Group has delegates from Housing Strategy and Development, Homelessness Service and RSLs to ensure there is representation from housing across a range of services and organisations. Housing representatives work closely with the group and contribute to the Child Poverty Action Report to ensure this aligns with the vision and strategic outcomes of the LHS 2023-2028 and priorities in the SHIP.

2.9 South East Scotland City Region Deal

The South East Scotland City Region Deal has continued to work towards developing a regional housing vision statement and delivering the Regional Housing Programme against the five key priorities for the region:

- Affordable Housing Delivery (current and future)
- Retrofit (ESSH2)
- Regional Delivery Alliance
- Strategic Sites
- Innovative Funding Models and Infrastructure Delivery

2.10 South of Scotland Regional Economic Partnership

The South of Scotland Regional Economic Partnership (REP) is the forum that brings together a wide range of expertise and sets the direction of the regional economy. Partners include representatives from the region's two Councils (Dumfries and Galloway and Scottish Borders Council), South of Scotland Enterprise, education, private businesses, social enterprises, the Third Sector, Communities, Young People, South of Scotland Destination Alliance, Registered Social Landlords, NHS and relevant national agencies. The REP oversaw the development of the South of Scotland Regional Economic Strategy and its associated Delivery Plan. As part of the South of Scotland REP Housing Sub-Group, two subgroups were established; Housing Types and Tenures; and Land and Planning.

The Strategic Housing Action Group was established in Spring 2023 and has been responsible for developing the Regional Housing Action Plan, which outlines actions and opportunities to deliver more homes across the region was launched in 2024 to help target urgent need for more homes and a greater choice of homes in the area. It is intended to complement the important work already being led by the council, RSLs, businesses and communities. Ten initial actions have been developed where the Regional Economic Partnership can add impact to the important work already happening to support housing in the South of Scotland. Areas of work accelerated in 2024/25 include:

- The South of Scotland Prospectus has been co-produced by the South of Scotland Regional Economic Partnership with independent property specialists Rettie and Co. This prospectus is a key part of the South of Scotland Housing Action Plan and outlines the unique development opportunities in the region and, some of the key sites and the partners who stand ready to help bring forward developments. With a housing market that is outpacing national activity and an expectation that 9,000-plus new homes may be needed over the next ten years, the prospectus aims to encourage housebuilders and developers – large and small – to gain a foothold in the region. The prospectus was launched in June 2025.

- Regional research on Key Workers was commissioned in collaboration with South of Scotland Enterprise, Scottish Futures Trust, South of Scotland Community Housing and Dumfries and Galloway Council and was completed in May 2025. This is being undertaken by South of Scotland Community Housing and examines demand for key worker housing in the South of Scotland. Two workshops were held in the Scottish Borders and Dumfries and Galloway in February 2025.

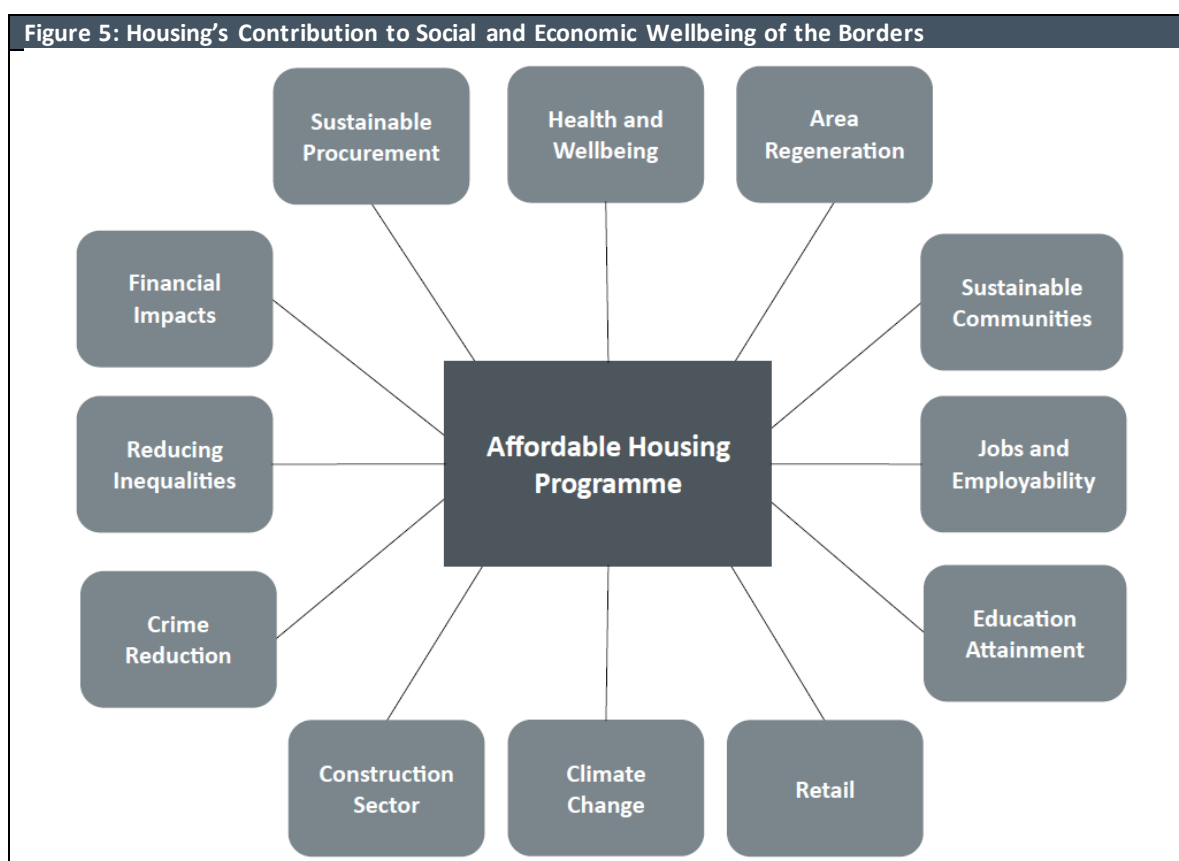
Through the Regional Economic Partnership, the Convention of the South of Scotland is a forum composed of all public sector partners and Scottish Government. This seeks to ensure effective public sector partnership working and delivery, assessing and planning for existing and future challenges, and driving inclusive growth and regional priorities. The remit of the Convention of the South of Scotland is to:

- Strengthen alignment between the Scottish Government, Dumfries and Galloway Council, the Scottish Borders Council and public agencies delivering in the South of Scotland to drive inclusive growth and agree action to address the priorities of the area
- Ensure effective partnership working and delivery across the public sector
- Consider current and future challenges impacting on inclusive and sustainable economic growth; and agree actions to deliver that growth
- Address any blockages and oversee progress

3. Housing Need and Priority Areas

It is important to ensure the affordable homes being built in the Scottish Borders meet the needs of the community, and that new homes are of good quality, the right size, in the right location and meet the needs of those living and working in the area.

Figure 5 below seeks to demonstrate the pivotal role and the positive impacts that developing new affordable housing has on the wider social, economic, and physical environment. The programme not only increases the supply of housing in the Scottish Borders but contributes to a wide range of social and economic factors.



3.1 Housing Type and General Needs Housing

The latest figures for 2024/25 indicate that there were 12,842 properties available to rent amongst the nine RSLs operating within the Scottish Borders – an increase of 175 on the total for 2023/24, making up 21.6% of all housing in the Scottish Borders.

The TD9 and TD1 postcodes have the highest numbers of RSL properties, with TD9 containing the largest settlement in the Borders, Hawick, and TD1 containing the second largest in Galashiels. These postcode areas, combined with the TD5 area which contains Kelso are the only such areas that contain more than 1,000 RSL properties.

The most common type of RSL property in the Scottish Borders are flats, accounting for 37.7% of the total stock. These are followed by terraced properties (25.8%), semi-detached (20.3%) and 4-in-block (11.4%). All other types such as maisonettes, bungalows and detached make up less than 5% of total RSL stock.

RSL properties range in size from 1-bed shared/bedsits to 6-bedroom properties. The most common property size are 2-beds, followed by 1-bed and then 3-bed properties. The least common size of property

are 6-beds, with there being only two in the region. Table 1 shows that General Needs properties make up the vast majority of RSL stock at 86%. Housing for older people combined is 6.7% and Amenity (medium dependency) properties at 5.5%.

Table 1: Total RSL Properties by Needs Type 2024/25		
Needs Type	Properties	% Total
General Needs	10,980	86%
Disabled / Wheelchair*	199	1.5%
Amenity / Medium Dependency	697	5.5%
Extra Care Housing / Retirement Housing / Sheltered / Supported / Very Sheltered Housing	861	6.7%
Other	81	0.6%
*Extra Care Housing are wheelchair accessible homes and have not been included in this figure		

While the RSL housing stock continues to increase each year, it remains challenging to deliver new build social rented stock at the necessary volume. The number of private completions is still well below the peak prior to the recession in 2007/08 where a low rate of completions has been persistent. The LHS 2023-2028 identifies how many private sector homes are required (229 per annum), and the LDP identifies suitable land on which this housing can be provided. Beyond this, there is a reliance on the private sector to develop and provide more homes. As mentioned above the supply of new homes cannot keep pace with a sustained increase in demand meaning there is a need for a wide range of housing type and sizes across the Scottish Borders:

- There is a need for larger (affordable) family homes, starter homes for sale, and low-cost home ownership options such as shared equity or mortgage to rent.
- While there remains a strong need to provide additional family housing there is also an increasing need for smaller homes and for older people in Tweeddale, Central and Eastern Borders, especially in the Galashiels, Kelso, Peebles, Eyemouth and Duns areas, to meet demand.
- There is also a need for housing that meets the needs of an aging population and those with particular needs, this will be discussed in the next section 3.3.

3.2 Climate Change and Sustainable Housing

Improving energy efficiency and reducing fuel poverty are key housing priorities for Scottish Government and for the Council. Scottish Government's ambitious "Housing to 2040" policy vision aims to link the affordable warmth and zero emission homes agendas and to end Scotland's contribution to climate change by 2045 in a just and fair way. "Housing to 2040" complements the "Heat in Buildings Strategy", with both working together to deliver the Scottish Government's targets for climate change and fuel poverty in a fair and just way. This envisages zero emission new homes and zero emission existing homes, with the Housing Sector contributing to green recovery. This further develops the policy thinking previously published in the Scottish Government's "Climate Change Plan"¹.

The Council declared a climate emergency in 2020, agreed a "Scottish Borders Climate Change Route Map" in 2021, and approved a "Climate Change Route Map Priority Action Plan" in 2022, strengthening its commitment to achieving net zero emission status by 2045 for the Council and partners in line with the Scottish Government target of net zero by 2045 set out in the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019. The Council's Planning and Building Standards will reflect the developing public policy positions nationally and locally.

Scottish Borders Local Heat and Energy Efficiency Strategy

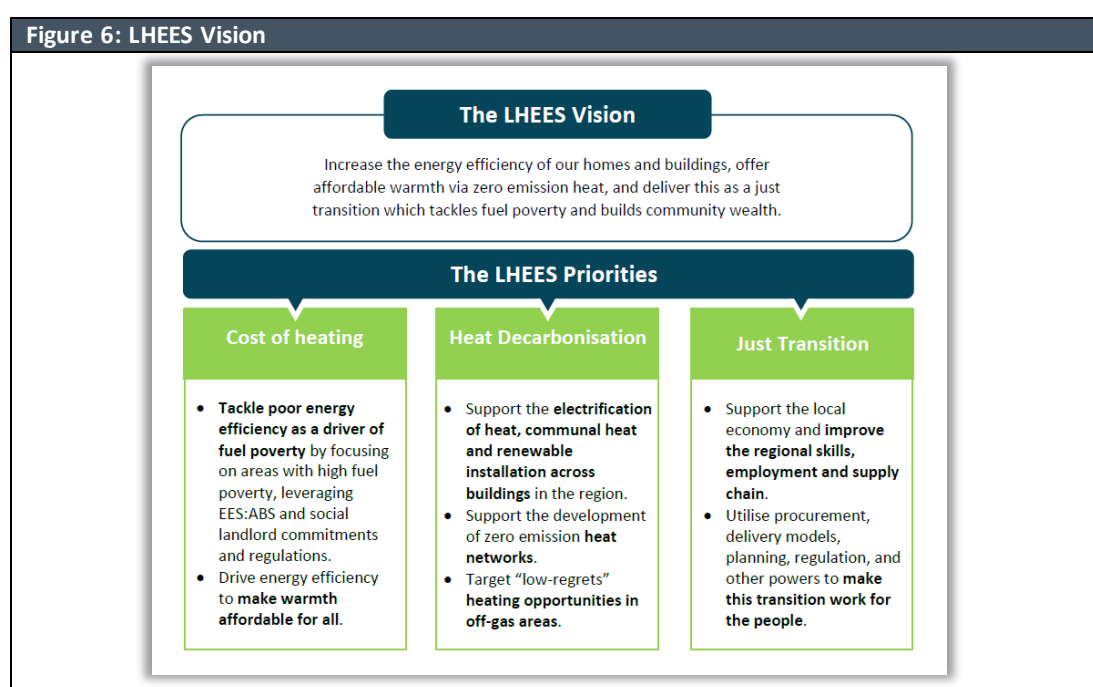
The Scottish Borders Local Heat and Energy Efficiency Strategy (LHEES) is a place-based and locally led strategy covering the following aims:

¹ (Scottish Government's Climate Change Plan – The Third Report on Proposals and Policies 2018-2032, pp. 87-88)

- Improving the energy efficiency and decarbonising the heat supply of all buildings in the Scottish Borders. Whilst eliminating poor energy efficiency as a driver for fuel poverty.

The LHEES plays a crucial role in helping the Council meet its 2045 net zero target and 2040 fuel poverty target. It defines the changes required to the Scottish Borders' buildings and infrastructure, including all domestic and non-domestic buildings, to achieve these targets. This strategy is area-wide, relevant to all property owners and occupiers in the Scottish Borders. The LHEES 2024-2028 was approved by Executive Committee on 30th May 2024.

The overall 'LHEES Vision' is to improve energy efficiency of buildings and decarbonise their heat supply, whilst addressing address fuel poverty, as part of a just transition which delivers on community wealth building. This means that the outcomes of the LHEES will be delivered in a way which ties together multiple priorities, as visualised in the following figure.



In June 2025, the Council endorsed the 1st Annual Progress Report of the LHEES, here is a summary of some of the progress being made:

- Early focus has been on ensuring the LHEES Delivery Plan is supported through existing projects such as the Area Based Scheme. LHEES looked at consolidating areas where this could be best achieved.
- SBC have co-funded and supported development of a regional Heat Network prospectus, in partnership with South of Scotland Enterprise and Dumfries and Galloway Council. This offers a south of Scotland, rural based approach, highlighting flexibility in scope and size of opportunity. The prospectus presents several potential sites and differing technologies that could be used to provide a Heat Network. This work formed part of a successful feasibility funding application to the Scottish Government's Heat Network Support Unit during 2025/26.
- Collaboration and effective stakeholder engagement is critical. SBC recognise that LHEES cannot be delivered in isolation and that key delivery partners are vital. SBC have invested considerable time and effort in building effective working relationships with regional stakeholders. These include South of Scotland Enterprise, RSLs, the local supply chain and Borders College. Other examples of this ongoing collaboration are the Construction Forum, the Borders Home Energy Forum and the successful Brokerage Event.

The LHEES is a long-term strategy, however progress in year 1 is starting to provide a solid foundation in enabling our longer-term vision and objectives. As LHEES further develops and establishes, it is increasingly able to consolidate and coordinate energy efficiency and decarbonisation and associated activity in our region. LHEES needs to be flexible, adaptive and responsive to region's needs. An ongoing focus within LHEES is that it needs to accommodate long term projects and change, and as such must be flexible and adaptive to the changing needs around energy and decarbonisation for homes and buildings.

3.3 Specialist Provision

It is acknowledged that there may be a lack of particular housing types such as retirement housing options, homes for people with high levels of support needs, adapted homes and wheelchair accessible homes.

In the context of current budget pressures, there is a need to prioritise housing projects to address pressures in the region, and there is a requirement to fully understand supported and specialist accommodation needs. In 2024, Housing Strategy and Development started a programme of work in partnership with Health and Social Care alongside other partners to gather information on current need for supported and specialist provision (accommodation and care/ support services) that will help to support people to live independently and identify the likely requirement for this provision over the next 5-10 years.

As part of this work, SBC and RSLs have been working with Socialudo Ltd to deliver a cross-sector partnership programme for the Scottish Borders. The programme supports the health and social care integration journey and the Scottish Government's Housing to 2040 strategy looking to build integrated, community-led services. The programme objectives are:

- Stronger relationships across housing, health and social care
- Greater confidence and capacity to work collaboratively
- Insight into shared challenges and opportunities for innovation
- Practical tools and strategies for delivering better outcomes for communities
- A more reflective, connected, and resilient system of care and support

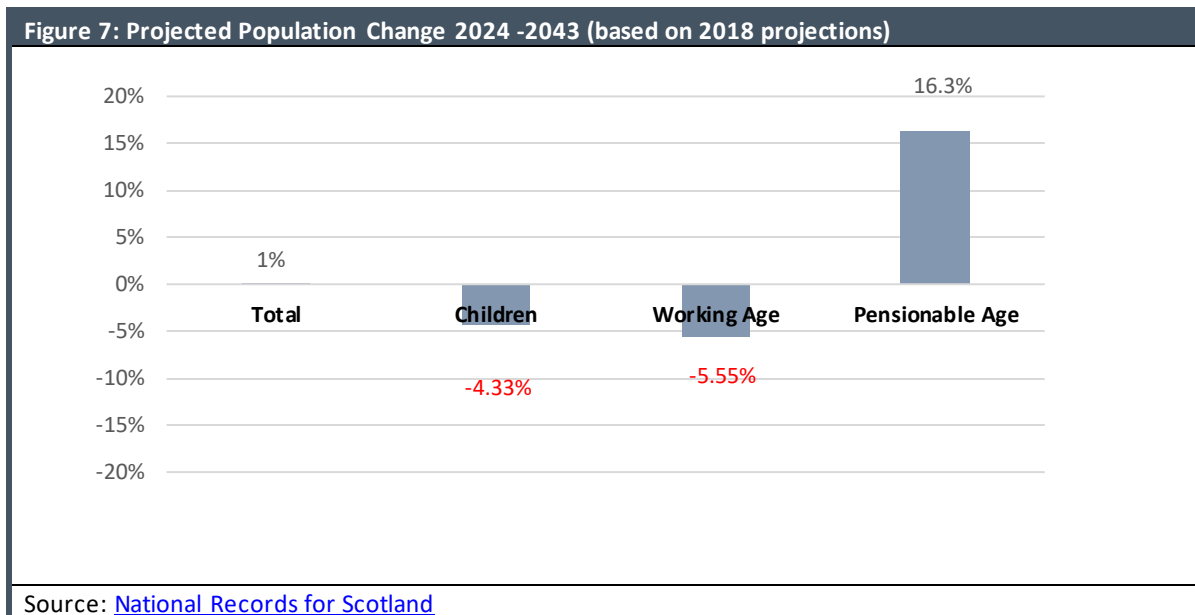
Socialudo will support two events working with all partners. These two events will include the serious games, Hopetown and Pathways Paradox:

1. Strategic Workshop: Full gameplay of Hopetown: 30-35 people spread across the key stakeholders connected to the Scottish Borders, with representatives from all RSLs (end of September).
2. Scottish Borders Partnership Summit: Event for 120 people, utilising the Pathways Paradox, exploring the housing, health and social care system, partnership working with government, community services, homelessness, health and social care. (November)

The serious game events bring together strategic staff at all levels to connect, collaborate, negotiate and create shared priorities, followed by a wider coproduction event that can include more staff from key partners. Following both events an impact report will be produced which will include key findings, key recommendations and priorities.

Extra Care Housing

Housing is at the heart of independent living, and having appropriate housing in place to keep people living independently for as long as possible has been identified as a strategic outcome in the LHS. The population in the Borders is estimated to be 116,113 in 2024, and projections indicate no significant future change in overall population numbers, with an estimated population of 116,138 in 2042/43 (National Records for Scotland, 2018). The main changes in the Scottish Borders will be the distribution of the population, with Figure 7 showing a projected increase of 16.3% in the population of pensionable age in the Scottish Borders between 2024 and 2043, while the numbers of children and working age population will reduce by 4.33% and 5.55% respectively.



Recognising the size and scale of housing and service challenges arising from the projected demographic changes and increasing numbers of older people saw the development and launch of the “Integrated Strategic Plan for Older People’s Housing, Care and Support 2018-2028”. This ambitious plan set out a vision where older people will have greater choice in terms of where they live and the services they can access. The plan identified the need for several extra care housing developments across the main towns in the Scottish Borders and also contributes towards the desired delivery of 300 new homes for older people across all tenures. In 2016, the Executive Committee approved the proposal for the delivery of six extra care housing developments across the Scottish Borders.

Since 2012/13, there have been four Extra Care Housing developments delivered in the Scottish Borders. Dovecot Court in Peebles, Longfield Crescent in Duns, Wilkie Gardens in Galashiels and Poynder Apartments in Kelso were delivered as part of the six extra care housing developments approved in 2016.

There are sites that have yet to be developed, these are Stirches in Hawick, the former high school in Eyemouth and a potential development in Peebles. There have been two separate needs assessments recently undertaken by Indigo House and Buchan Associates to review, update and better understand the needs and to ‘future proof’ the service:

- Indigo House undertook a needs assessment reviewing the need for Extra Care Housing (ECH) in the Scottish Borders, as well as detailing the impacts that this would have on residential care demand in the Teviot and Liddesdale area, in line with population forecasts for the area up to 2040
- Buchan and Associates considered the interdependencies and productive opportunities across a range of services including Extra Care Housing, residential care services and other Social Care and Health services, in line with population forecasts up to 2043. This used data from 2023/24 as the basis for modelling.

A report on the [Care Village Developments in Hawick and Tweedbank](#) went to Full Council in August 25. The report highlights the findings from both independent needs assessments being complimentary to each other on the needs and demands in Hawick. The findings concluded the need to increase the number of Extra care Housing to 55 (previously proposed 40 units), and 11 supported accommodation units for adults with learning disabilities. A Full Business Case for Hawick will be presented to Council in February 2026 and the Integration Joint Board in March 2026. The outcome of the business case will influence the recommendations for Extra Care Housing in Hawick and will impact the SHIP 2027-2032.

The Tweedbank Care Village project has been progressing through the design stages following planning consent in July 2025. The Tweedbank Care Village is not a project within the SHIP but noted for the impact it will have in the area.

There are current ongoing discussions on Eyemouth following the launch of Eyemouth Harbour Masterplan and the Town's Place Plan, which include priorities for housing in the area.

Wheelchair Housing

Scottish Borders Council commissioned consultants to develop a wheelchair housing study in 2019. In January 2020 the finalised report was published "A space to live – Wheelchair accessible housing in the Scottish Borders". The final report identified a wide range of issues and challenges which need to be addressed at a national as well as local level by Scottish Borders Council and partner agencies.

The Council has agreed an annual Wheelchair Accessible Housing Target of 20 units, of which it is anticipated 15 will be delivered by RSLs. It is intended that this new supply wheelchair accessible Housing will be built to comply with current Housing for Varying Needs Standards for Wheelchair Housing.

Since setting this annual target in November 2020, RSLs delivered 2 wheelchair homes in 2020/21 (Trust Housing Association), 48 in 2021/22 (2 by Berwickshire and 46 by Eildon housing association), 6 in 2022/23 as part of the McQueen Gardens site in Galashiels by Eildon Housing Association and 38 in 2023/24 at the Poynder Apartments and Gardens by Eildon Housing Association and 1 in 2024/25 in Burnfoot in Hawick by SBHA. Current programme information indicates that RSLs could deliver an estimated 57 wheelchair accessible homes over the period 2026-2031. To set this in context the target over a 5-year period would be 75 units. Based on these figures, the wheelchair housing target will not be met but it is important to note that this figure is very much a draft figure and is subject to change each year. SBC and RSLs are committed to delivering wheelchair accessible homes with continued discussions on the delivery of wheelchair housing on all developments where possible.

Coming Home Programme

The Scottish Borders continues to advance the Coming Home Programme in line with national policy to reduce inappropriate out-of-area placements for individuals with complex needs. The Learning Disability Service (LDS) is progressing several initiatives to support this strategic aim.

A new Coming Home Programme Finance Oversight Group has been established to support financial governance, although a formal decision on funding models from the Health and Social Care Partnership (HSCP) is still awaited.

As of July 2025, the Dynamic Support Register (DSR) includes adult data and identifies one young person currently in an out-of-area hospital in Scotland, with additional young people flagged for enhanced planning. The adult DSR continues to identify and address risks of admission to hospital or out-of-area placement and support the development of local community placements.

There are several key developments in the Coming Home Programme which include:

- Kelso Supported Housing: 2 bungalows provided by Eildon Housing Association
- Lives Through Friends: Ongoing challenges persist in sourcing appropriate housing, securing housing management, funding support packages, and recruiting staff.
- Community Living Change Fund: A carry-forward allocation is being used to support transition costs and the LDS Needs Assessment.
- LDS Needs Assessment: A preferred bidder has been selected, with work commencing in September 2025 for a six-month period.

- St Ronan's Project: A feasibility study is underway to explore the potential for Eildon Housing Association to purchase a property from Scottish Borders Council in Innerleithen. This project is included in table 9, with a completion date for 2026/27.
- Vardy project: 2 new-build bungalows proposed for development.
- Future housing projects: A range of other housing options are being considered.

Strategic planning continues through the Coming Home Programme Board, which meets every eight weeks with representation from Children's Social Work, LDS, Housing Strategy and Development, and the Care Inspectorate. The Planning and Development Officer contributes to a national short-life working group focused on the housing workstream for the next iteration of the Coming Home Implementation Plan.

The Scottish Borders remains committed to ensuring individuals with complex needs are supported to live locally in appropriate, high-quality housing with the care they require.

Housing Needs for Adults with Learning Disabilities

The Learning Disability Service has processes in place to review accommodation needs of adults with learning disabilities which reports into the LDS Commissioning Group meeting and will be considering proposals for the opportunities for new supported accommodation on Eildon Housing Association's Stirches site, addressing long-standing concerns about the lack of suitable housing in the area. The new provision would offer accessible, enabling environments that allow individuals to remain within their community while receiving the care they need. While the Stirches project is not in the SHIP this year, following a Business Case going to committee in February, it is likely this project will come back into the SHIP next year.

Adaptations

Borders Care and Repair is a commissioned service provided by Eildon Housing in partnership with Scottish Borders Council. The Service has been developed to provide a one stop shop approach for all adaptations and this has ensured that there is an equitable and consistent approach to adaptations in the Borders regardless of ownership or tenure.

The Borders Care and Repair Service provides a Home Handy Person service and delivers major adaptations to enable people to live at home. This is delivered via a contract with the Council and annual cash planning targets to manage workload, whilst financial responsibility for delivery of allocated budget spend, grant administration and grant offers for means tested major adaptations remains with the Council's Housing Strategy and Development Team. Spend is monitored by the Council's Director - Finance & Corporate Governance and reported to both Council and Integrated Joint Board via routine reporting processes. Spend and numbers of adaptations delivered is also monitored and reported in the Council's Local Housing Strategy Annual Report, and Care and Repair contract processes.

The "Integrated Strategic Plan for Older People's Housing, Care and Support 2018-2028" identifies a need to increase the resources to deliver a greater number of means tested major adaptations in private sector housing. To respond to this, the Council allocated £0.500m in its Capital Budget to resource delivery of these in 2024/25. An allocation of £500k has been agreed for 2025/26. At the end of 2024/25 there were 69 private major adaptations completed, and a budget spend of £451k (see Table 2).

Table 2: Adaptations Summary		
Adaptations Key Performance Indicators	2023/24	2024/25
No. of adaptations funded to existing homes (total)	705	573
No. of private major adaptations	63	69
No. of social rented major adaptations	167	87
No. of private minor adaptations + repairs	384	299
No. of social minor adaptations + repairs	100	121
Private Sector Major Adaptations Budget	£525k	£500k
Private Sector Major Adaptations Spend	£423,417	£451k

3.4 Key Workers

Homes for Key workers continues to be a key focus across the country and in rural areas in particular. As part of the development of the LHS 2023-2028, SBC engaged with partners on key workers to identify any accommodation issues when recruiting key workers from other areas or overseas. Housing was reported as being a key issue by other sectors, in particular Health and Social Care, but also raised by wider communities and businesses. Key issues reported include a shortage of suitable stock in the right locations and challenges with affordability. Therefore, it has been important to explore collaborative actions to help ensure that people, particularly key workers, can find the homes they need to take up those opportunities. Work on developing policies and initiatives to ensure that housing isn't a barrier for key workers has resulted in the following:

- Eildon Housing Association providing 10 properties at McQueen Gardens for key workers – 5 for NHS Borders and 5 for SBC Adult Social Care.
- SBHA – have given priority to key workers on their Mid-Market Rent properties. Out of the 14 OMP's purchased last year, 3 were let to key workers.
- Waverley Housing – have housed five key workers since July 2023.

As part of Regional Economic Partnership South of Scotland Housing Action Plan, regional research on Key Workers was commissioned in collaboration with South of Scotland Enterprise, Scottish Futures Trust, South of Scotland Community Housing and Dumfries and Galloway Council. The final report was published in May 2025: [Key Worker Homes in the South of Scotland](#).

The report focuses on the priorities for key worker homes, barriers to delivering more key worker homes and outline several recommendations to take forward. Working is currently underway to develop an action plan to deliver on these recommendations.

3.5 Place Plans

Local Place Plans

Local Place Plans were introduced in January 2022 under [The Town and Country Planning \(Local Place Plans\) \(Scotland\) Regulations 2021](#). Led by communities, Local Place Plans focus on the development and use of land. However, communities are encouraged to take a holistic approach when preparing their Local Place Plans, and in addition to land use proposals, are encouraged to incorporate wider priorities that may not directly relate to land use. Their principal aim is to strengthen the role of communities in influencing and shaping their local environment. Local Place Plans offer a structured way for communities to contribute to the SHIP process.

Local Place Plans can be used as valuable tools to inform SHIP priorities by identifying community-supported housing needs, preferred development sites, and specific types of housing required. This could include recognising opportunities that may be included as SHIP project proposals, such as town centre living and the potential to deliver housing projects within town centres. Some of the Local Place Plans that have already been registered have identified opportunities for Town Centre Living, more detail of which is given in section 6.7.

One of the key stakeholders likely to be engaged in the Local Place Plan process is South of Scotland Community Housing, who can provide support for communities who have identified housing in their plans, including helping with local Housing Need and Demand Assessments.

Local Place Plans will likely provide a platform for discussion regarding future use of the Council's estate, and which might provide a steer for potential rationalisation of Council owned properties, including potential future Community Asset Transfer Opportunities.

As of September 2025 there are [9 place plans registered with Scottish Borders Council](#): Coldstream, Duns, Galashiels, Hawick, Leitholm, Eccles and Birgham, Peebles, Selkirk and the Valleys, Smailholm and West Linton. Many communities across the area are in the process of developing their plans.

Borderlands Place Programme

The Borderlands Place Programme, part of the Borderlands Inclusive Growth Deal, is supporting the growth and renewal of towns across the Borderlands region through investment in regeneration and development. The aim of this programme is to ensure all towns and their centres are economically vibrant and resilient to change.

Four communities within the Scottish Borders were identified as priority towns, with £7.2 million of funding available through the Place Programme (£1.8 million per town). The four towns are Eyemouth, Galashiels, Hawick and Jedburgh, all of which have now developed place plans that have been endorsed by the Borderlands Place Programme Partnership. All four towns are now progressing to the next stage which is to develop a Town Investment Plan.

Galashiels and Hawick have formally registered their plans with SBC, and Eyemouth and Jedburgh are in the process of registration.

3.6 Empty Homes

It is recognised that long term empty homes and other buildings may provide another source of housing development opportunities as RSLs and others bring these into use through conversion or revert them back into housing use.

Scottish Borders Council (SBC) continues to address the issue of long-term empty homes across the region. The Empty Homes Officer currently manages a caseload of 284 empty homes and has successfully assisted in bringing over 100 homes back into use since joining SBC in August 2021. During the 2023/24 period, 38 homes were supported back into use, and for 2024/25, 18 homes have been brought back into use.

SBC has been proactive in tackling this issue through various initiatives, including the Empty Homes Grant Scheme. Following the success of the pilot scheme, an additional £700k (£1.2M total) has been allocated from Second Homes Council Tax for the duration of the current Local Housing Strategy (LHS), ending March 2028. The Empty Homes Grant Scheme has made a meaningful contribution to addressing the issue of empty homes in the Scottish Borders. Its success underscores the importance of continued investment and strategic support to ensure that more vacant properties can be transformed into valuable housing assets for our communities.

More information on the Grant Scheme and progress can be found in section 8.5 on page 52.

In May 2025, the council agreed to fund an additional Empty Homes Officer in partnership with the Scottish Empty Homes Partnership for two years. Recruitment for this post is ongoing and will provide more opportunities to bring empty homes back into use and for affordable use through the Empty Homes Grant Scheme.

3.7 Second Homes and Short Term Lets

Second Homes

Over the past few years, the number of second homes in the Scottish Borders has approximately been around 1,000. As of September 2025, there were a total of 866 second homes in the Scottish Borders which is lower than previous trends. There are several reasons why the number of second homes has decreased for example, a change to short term lets and/ or the introduction of 200% Council Tax on second homes. A

new policy to introduce 200% Council Tax charges on second homes was approved at [Council](#) in January 2024, which is intended to boost the supply of available homes and benefit communities. This has been in place from 1st April 2024.

Analysis of these homes indicated that Coldingham, Newcastleton and Melrose are the three settlements with the highest proportion of second homes compared to dwellings, and the datazones with the highest proportion of second homes include St Abbs and Eyemouth Landward, Morebattle Hownam and Area, and Coldingham. This may again be a result of these areas being generally attractive for second home-owners, specifically Coldingham and Melrose areas, while the locations of Newcastleton and Morebattle Hownam and Area just north of the border may be attractive for people with their primary residence in England.

Short Term Lets

Short term lets now require a license (as of October 2023) which will ensure short term lets are safe and monitored. This provides the opportunity to balance economic and tourism benefits with the concerns of local residents.

As of March 2025, there were a total of 1,170 short term let licenses in the Scottish Borders. Initial analysis of these short term let (STL) licenses has revealed that Coldingham, Melrose and Walkerburn are the top three settlements with the highest proportion of STL's compared to dwellings, and the datazones with the highest proportion of STL's include St Abbs and Eyemouth Landward, Earlston and Melrose Landward and Eyemouth – Seafront Harbour. This is likely a result of these areas being attractive to tourists, areas close to the coast and local tourist attractions.

Based on the initial analysis, the areas of Coldingham, St Abbs and Eyemouth, as well as Melrose and the surrounding areas to the north and west (including Earlston and Walkerburn), may require STL monitoring. Coldingham in particular stands out with the highest proportion of STL's of any settlement and the highest proportion of second homes. Newcastleton is another area with a high proportion of STL's and high numbers of second homes.

Analysis of short term let licenses, and second homes is being undertaken with a view to identify any areas suffering from housing pressure. This work was undertaken in early 2025 which included internal consultation. Following on from this consultation and discussions at the Strategic Housing Forum in June, it was decided to monitor STLs going forward to gauge need for control areas but that control areas would not currently be implemented.

3.8 Gypsy/ Travellers

As part of our Local Housing Strategy 2023-2028, SBC are exploring options to help meet the identified needs of the Gypsy and Gypsy Traveller community in the area, with the aim of reducing incidences of unauthorised encampments.

SBC undertook a Call for Sites in 2023 inviting landowners, developers, agents or any other interested parties to submit information on sites in the Scottish Borders area that they think might be suitable for consideration.

A thorough assessment and review of the submissions received is still underway and at this stage no decisions have been made including commitment to purchase any potential site. Should Scottish Borders Council decide to purchase and develop a particular site to help meet the accommodation needs of the Gypsy Traveller Community, local communities would receive an opportunity to comment and provide feedback on any plans. Any further plans or development will be including in any future SHIP's once the AHSP arrangements have been confirmed in relation to grant funding support for new sites.

4. Affordable Housing Progress and Delivery

Following the Financial Crash in 2008/09, the Scottish Borders general house building position mirrored the national picture to a degree reflecting a significant and concerning reduction in the number of new homes being built and brought to the market. However, in recent years whilst there has been market recovery elsewhere in Scotland and the UK, the Scottish Borders housing market remains worryingly sluggish with annual house sales and completions remaining considerably less than those prior to the financial crash when 717 new homes were completed in 2006/07 at the peak of the market, with only 60 of these being built for RSL Social Rent. Affordable housing construction in Scottish Borders currently represents a large proportion of all annual house completions. This is evidenced by the average number of new homes built each year.

Table 3 sets out recent available house completion information and sets out the increased proportion of these by the RSL sector.

Table 3: New House Completions 2016-2025			
Year	RSL	Market	Total
2016/17	75	175	250
2017/18	112	110	222
2018/19	130	215	345
2019/20	114	210	324
2020/21	94	204	298
2021/22	297	222	459
2022/23	126	102	228
2023/24	177	110	287
2024/25	72	*	*

*New house completion figures for 2024/25 are not available at the time of writing.

4.1 Affordable Housing Delivered 2024/25

Table 6 of the previous SHIP 2025-2030 envisaged that there would be 98 affordable housing completions for the period 2024/25. Table 4 on the next page sets out the final figures for affordable housing delivery for the period 2024/25, which shows that a total of 88 affordable homes were delivered which is much lower than the annual target of 141 homes. Of the 88 homes delivered, Registered Social Landlords (RSLs) delivered 72 through new build and remodelling and an additional 14 through individual house purchases (with additional funding from Scottish Government) and 2 Open Market Shared Equity (OMSE) purchases. This is much lower than previous years as funding for OMSE was cut in 2024/25 and the scheme closed in the summer due to all the funding being allocated/spent.

While the level of completions in 2024/25 was lower than expected there have been a couple of projects that were initially expected to complete this year, but these will now be completed in early 2025/26. The number of site approvals and site starts have been lower in recent years, meaning the lower number of completions was anticipated.

Table 4: Project Completions for 2024/25						
Provider ²	Project Name		Tenure	General Needs	Part. Needs	Total Homes
EHA	Comrades Park East	Chirnside	SR	15		15
EHA	Horsemarket (Ex High School)	Earlston	SR	37		37
SBHA	Whitefield Crescent	Newtown St Boswells	SR	4		4
SBHA	Burnfoot	Hawick	SR	12	4	16
SBHA	Open Market Purchase	Various	SR/ MMR	14		14
OMSE	Open Market Shared Equity	Various	Shared Equity	2		2
Total				84	4	88

Open Market Shared Equity (OMSE) is a Scottish Government funded scheme that financially assists eligible applicants to purchase their own home on the open market through a shared equity arrangement.

From a position of no Open Market Shared Equity sales concluded in the first year (2014-2015), there are now only small numbers of individual house purchases concluded annually within Scottish Borders through this assisted purchase opportunity. Table 5 shows the number and location of OMSE assisted purchases since 2015/16. In an effort to promote and increase take up of this low-cost home ownership scheme, Council Officers continue to work with Link Housing Association to maximise publicity through the use of libraries, contact centres and the Council website.

Table 5: Scottish Borders OMSE by HMA 2015/16-2023/24										
HMA	2015/ 16	2016/ 17	2017/ 18	2018/ 19	2019/ 20	2020/ 21	2021/ 22	2022/ 23	2023/ 24 ³	Total
Berwickshire	5	9	13	8	6	2	4	2	3	52
Central	5	14	18	12	5	4	12	5	16	91
Northern	1	2	3	2	3	3		1	1	16
Southern									1	1
Scottish Borders	11	25	34	22	14	9	16	8	21	160

Figure 8 shows images of some of the affordable housing projects which completed in Scottish Borders during 2024/25. These are (top left to right) Dominies Way in Chirnside by Eildon Housing Association, Fairhurst Drive in Hawick by SBHA, Horsemarket in Earlston by Eildon Housing Association and Whitefield crescent in Newtown St Boswells by SBHA.

Empty homes have not been included in table four but in 2024/25 the Empty Homes Grant scheme has supported 19 projects to date in the private sector, with 13 of those homes now being made available for affordable, mid market, rent. From next year, these will be included in the overall affordable housing figures that are reported to Council and in the SHIP.

² BHA – Berwickshire Housing Association, EHA – Eildon Housing Association, SBHA – Scottish Borders Housing Association, WH – Waverley Housing

³ 2024/25 not published yet

Figure 8: Affordable Housing Developments Completed 2024/25

	
Dominies Way, Chirnside	Fairhurst Drive, Hawick
	
Horsemarket, Earlstoun	Whitefield Crescent, St Boswells

4.2 Development Project Update 2025/26

As outlined in section 2.4 (on page 10), Scottish Borders Council declared a local Housing Emergency on 30th May 2024. The issues outlined in the paper have a direct impact on property prices, rental levels, and general housing availability which contributes to wider economic and social challenges. The continued impact of the Cost-of-Living Crisis has worsened these issues and collectively, these critical stresses on the housing system have led to challenges in timescales for delivery.

In 2024/25, the affordable housing budget was cut by £200m in Scotland, meaning a cut of 24% in the Scottish Borders from £16m to £12.258m. This had huge implications for the delivery affordable housing in the Scottish Borders and across Scotland. The grant in the Scottish Borders was fully spent in 2024/25. The RPA for the Scottish Borders has been reinstated for 2025/26 to £16.192m. this includes a core RPA of £15.954m and additional £0.238m of £40m which is to focus on acquisitions to help address temporary accommodation pressures (first tranche of £0.111m and a second tranche of £0.127m).

Since 2022/23, approvals have been lower than the original target due to a number of reasons including; cost inflation, recent tender returns being unviable and several stalled projects (due to a range of challenges and complexities as well as knock on effects of economic change). The low levels of approvals in 2022/23 meant the Borders programme started 2023/24 and with low levels of financial carry forward. This meant to spend the RPA in 2023/24, there was a need to try and get multiple new approvals in 2023/24. The RPA for SBC in 2023/24 was £15.954m and the RSLs, at the time, were only able to bring £12.4m of activity forward. For 2024/25 the funding was cut, and Scottish Government made a funding allocation of £12.113M from its Affordable Housing Supply Programme budget to the Scottish Border, this was increased to £12.259M (an increase of £0.146m) in September 2024. The allocation has been fully spent for 2024/25.

Despite this context, the Council and its RSLs partners continue to work to ensure projects are progressed. Current programming information suggests that 119 new affordable homes could be approved for site start in the Borders this financial year (2025/26) with 140 currently under construction. Based on current delivery programmes, an additional 120 affordable homes could potentially be completed (see table 6 below).

Table 6: Estimated Affordable Housing Completions 2025/26

Provider	Project Name		General Needs	Part. Needs	Total Homes	Status
BHA	Open Market Purchases	Various	2		2	Currently under offer
EHA	Edgar Court	Westruther	10		10	Completed in September
SBHA	Howdenburn Primary Site	Jedburgh	45	5	50	1 st handover is expected end of Dec
SBHA	Lothian Road (HUSK)	Jedburgh		7	7	Handover started. Complete in Sept
SBHA	Ramsay Road (HUSK)	Hawick		6	6	Completions due end of Sept
SBHA	High Street	Galashiels	2		2	Due to complete and handover 2025/26
SBHA	Veitch's Close, Exchange Street	Jedburgh	5		5	Due to complete and handover 2025/26
SBHA	Open Market Purchases	Various	13		13	3 bought & processing 4-5
WH	Beech Avenue Phase 1	Galashiels	24	1	25	Phased completion in 2025/26
Total			101	19	120	

It should be noted that this estimate does not include affordable housing delivered through other private sector-led mechanisms. With continued effort to promote the Open Market Shared Equity Scheme and SBC's Empty Homes Grant it is hoped that there will be additional affordable homes purchased, or brought into the affordable pool, via these mechanisms.

The Council and its partners continue to seek to develop in areas of high demand and identified need across towns and more rural communities. Table 7 below provides a position statement on the progress of all potential projects in the SHIP 2026-2031, and Strategic Local programme Agreement (SLPA) at 31 March 2025.

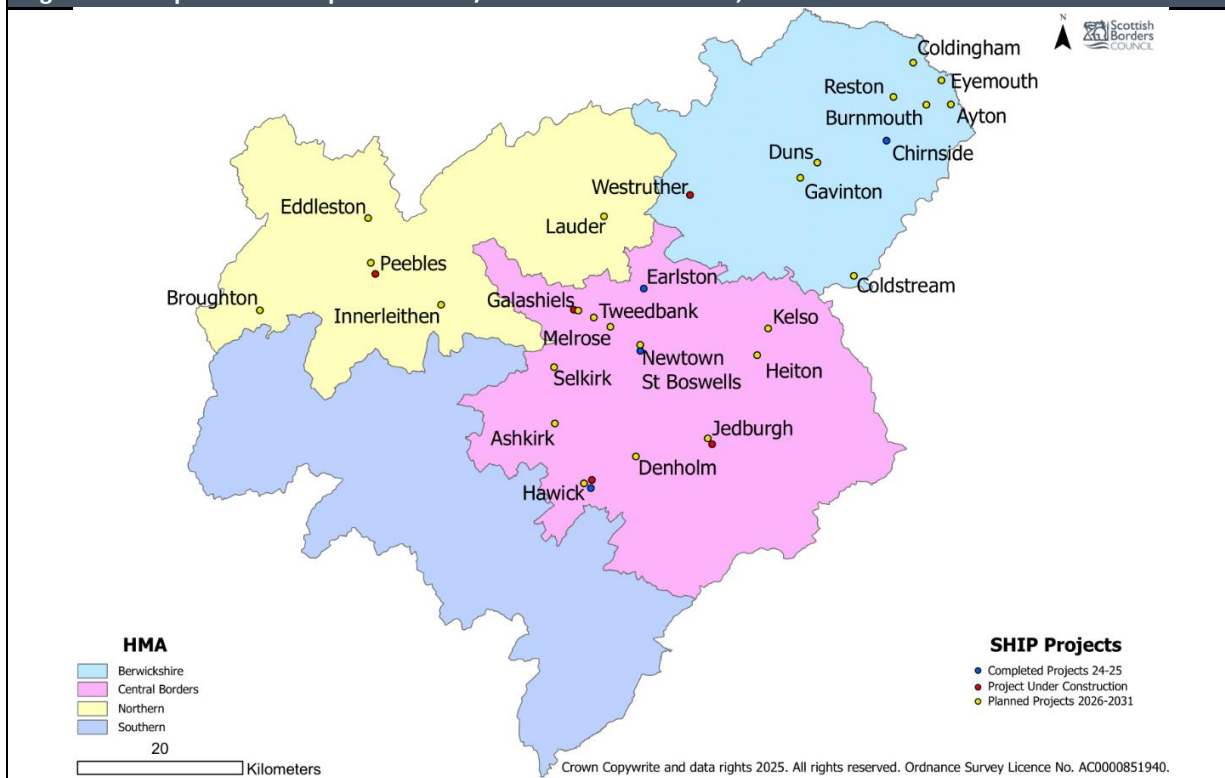
Table 7: Project Position Status (as of July 2025)

RSL	Project Name		General Need	Part. Need	Status
BHA	Acredale Phase 4	Eyemouth	29	3	Owned by BHA, Design Stage
BHA	Beanburn Phase 2	Ayton	18	2	Owned by BHA, Design Stage
BHA	Husk Phase 1	Various		12	Owned by BHA, Design Stage
BHA	Former Primary School	Duns	31	4	Owned by BHA, Design Stage
BHA	West Gavinton Expansion	Gavinton	27	3	Open market, BHA speaking with potential developer partner
BHA	Priory Hill	Coldstream	3	3	Owned by BHA, Design Stage
BHA	Rear of Primary School	Reston	18	2	On open market, BHA speaking with potential developer partner
BHA	The Avenue	Eyemouth	4	4	Owned by BHA, Design Stage
BHA	Newtown Street	Duns	13	5	Owned by BHA, Design Stage
BHA	Acredale Phase 5	Eyemouth	20	2	Owned by BHA, Design Stage
EHA	Angles Field	Selkirk	44	5	Planning app to be submitted. Site start 27/28
EHA	Buckholm Phase 2B	Galashiels	29	-	Negotiating with Cruden's to deliver out remaining homes, with completion in 2026/27
EHA	Coopersknowe Phase 2	Galashiels	24	6	Targeted start on site in 2028/29
EHA	Duns Road	Coldstream	49	4	Revised Planning app submitted, site start 27/28
EHA	Edgar Court	Westruther	10	-	Works on site - completion in 2025/26
EHA	High Street/ Market Place	Jedburgh	3	-	On hold until SBC advise otherwise
EHA	Ex Borders College	Galashiels	46	-	Demolition complete, tech design to commence, procure of contractor underway, work scheduled to start 26/27
EHA	Stirches	Hawick	30	60	Site is land banked. Awaiting green light to progress viability work. Project Group established.
EHA	Tweed Bridge Court	Peebles	22	-	On site, works progressing completion in 2026/27
EHA	Lowood Ph1	Tweedbank	27	3	Will work with SBC to deliver this site
EHA	St Ronan's Cottage	Innerleithen	0	3	New LDS project, being worked up with NHS & SBC
EHA	Springwell Brae	Broughton	10	1	Targeted start on site in 2028/29
EHA	Jedward Terrace II	Denholm	12		Targeted start on site in 2028/29

Table 7: Project Position Status (as of July 2025)					
RSL	Project Name		General Need	Part. Need	Status
EHA	St Aidan's	Galashiels	19		Targeted start on site in 2026/27
EHA	Peebles Road	Innerleithen	9		Targeted start on site in 2026/28
EHA	Angraflat II	Kelso	27	3	Looking to acquire and progress initial designs
EHA	Bogangreen	Coldingham	20		Looking to commence enabling works in 2025/26. Full works to commence in 26/27
EHA	Main Street 2	Chirnside	46	5	Pre-app lodged, awaiting feedback and proposals from the Developer - JR Group
EHA	Eccles Farm	Eccles	12		Looking to dispose of the site
EHA	High Buckholm Phase 2	Galashiels	29		Site is land banked
EHA	Woodside Place	Galashiels	2		Site is land banked
EHA	The Valley	Selkirk	4		Looking to dispose of the site
EHA	Maxmill Park	Kelso	10		Currently on the open market
EHA	Lyll Terrace	Burnmouth	24	4	Looking to acquire and progress initial designs
PfP	Kirkfield, The Orchard	Reston	31	2	PfP progressing offer for site based on a mixed tenure proposal (23 SR and 10 MMR)
SBHA	Howdenburn Primary Site	Jedburgh	63	7	On site, under construction
SBHA	Allanbank	Lauder	23	3	Awaiting S75 Agreement and developer site start
SBHA	The Croft, Dingleton Road	Melrose		7	Developer led project, turnkey completion 2026
SBHA	Eildon Brae	Newtown St Boswells	36	4	Developer led project, 24 SR & 16 MMR. Planning committee Jan 2026
SBHA	Linglie Road	Selkirk	25	2	Site start programmed Jan 2026
SBHA	Husk Phase 2	Various		16	Planning Applications planned 2026
SBHA	March St Mill	Peebles	11	1	Developer led project, 12no. S75 Homes
SBHA	Heather Mill	Selkirk	54	6	SBHA Owned, PCSA contractor procured
SBHA	Headshaw Farm	Ashkirk	12	0	Land Owned by SBHA
SBHA	Allars Crescent	Hawick	12	2	Buildings owned by SBHA, feasibility study underway
SBHA	Canongate	Denholm	22	3	Land Owned by SBHA
SBHA	Channel Street	Galashiels	15	2	SBHA trying to acquire site
SBHA	Main Street	Heiton	11	1	Developer led project (s75)
SBHA	Hendersyde Phase 1	Kelso	27	3	LDP zoned site, SBHA speaking to developer about it, heavily constrained
SBHA	Auction Mart	Newtown St Boswells	27	3	Developer led project, planning permission in place
SBHA	Station Lye	Eddleston	8	1	Developer led project, early negotiation stage
SBHA	Gray's Close	Kelso	7	1	early negotiation stage
SBHA	Innerleithen West	Innerleithen	22	3	Developer led project
SBHA	Guthrie Drive	Hawick	26	3	Possible acquisition, LDP zoned land, early negotiation
WH	Beech Avenue Phase 1	Galashiels	25		Contractor on site, due for completion Feb 2026
WH	Beech Avenue Phase 2	Galashiels	26	-	Phase now for 22 general needs properties, forecast to be on site quarter 4 of 2025/26
WH	Beech Avenue Phase 3	Galashiels	16		Changed from 38 to 16 GN units
TBC	Former Jedburgh Grammar	Jedburgh	TBC	TBC	Currently on the open market – will deliver approx. 25-30 homes
TBC	Burgh Yard	Galashiels	TBC		SBC site that has recently been sold. Potential to provide 70 homes

Figure 9 on the next page shows the locations where developments were completed during 2024/25 and to date, and where there are developments under construction, as well as projects planned or proposed for delivery during the period 2026-2031.

Figure 9: Completed Developments 2024/25 Under Construction, Planned for 2026-2031



4.3 Garages to Homes (HUSK)

Scottish Borders Housing Association (SBHA) officially opened Scotland’s first HUSK Garages to Homes (G2H) development in Jedburgh in August 2025, transforming disused garage blocks into high-quality, spacious and energy-efficient homes designed to meet local housing needs using modern methods of construction. Four accessible bungalows have been developed with another three homes across two other sites on Lothian Road in Jedburgh, and a further six homes will follow in Hawick in September. In total there will be 10 two bed and 3 one bed homes.

The homes come with a range of key features, including air source heat pumps, PV solar panels, a fire suppression system, and A-rated EPCs. The homes are designed with fully level access, including adapted shower rooms to ensure accessibility for all residents.

Figure 10: Garage to Homes Project in Jedburgh



4.4 Upper Langlee Regeneration

As first reported in SHIP 2019-2024, the Council have been working closely with Waverley Housing to progress the regeneration of former public sector housing in and around the Beech Avenue area in Upper Langlee, Galashiels.

There are three phases of new building, these projects are being led by Waverley Housing and will be funded from a mix of anticipated Scottish Government grant funding, contribution from SBC's second homes council tax affordable housing investment budget and Waverley Housing's own funds and private finance borrowing. There has been a desire to regenerate and transform this part of Upper Langlee for some years, and this is considered to be a strategic housing priority for Waverley Housing and the Council.

The first phase on the project is currently under construction and due for completion in 2026. It is anticipated that 25 homes will be handed over in phase starting from late 2025.

4.5 Westruther

The ten-unit development at Edgar Road (now known as Edgar Court), Westruther started construction in April 2021 with Stewart & Shields Ltd as the Principal Contractor. Stewart & Shields entered into administration in April 2023 with the project remaining unfinished. Eildon have been working with Cruden Homes to progress the project to completion. The official opening for the ten new affordable homes was 12th September 2025.

Figure 11: Westruther Homes



5. Project Prioritisation Methodological Process

Projects contained within the SHIP programme are prioritised on a site-by-site basis within the context of available Affordable Housing Supply Programme [AHSP] Allocations; the balance of the programme across sub areas including tenure and type; and a number of other factors. These factors include deliverability (including land ownership, financial capacity to deliver the projects and if required to front fund individual total project costs), strategic fit (i.e. aligning with the Integration's Strategic Plan, specialist provision including extra care housing), housing need, homelessness pressure spots, rurality, social, economic, and environmental impact. The "Space to Live" report, Integrated Strategic Plan for Older People's Housing, Care and Support 2018-2028, Locality Plans, Rapid Rehousing Transitional Plan and Local Child Poverty Action Plan have all been referred to in the project prioritisation process.

The SHIP 2025-2030 introduced a change to the prioritisation methodology, changing the scoring methodology to a simpler method while keeping all the key criteria. The documentation has also been updated to take account of changing demographics, RSL stock numbers, RSL housing demand information and updated Scottish Government Urban/Rural land classification. This methodology will be used again this year for this SHIP.

5.1 Project Priority Assessment Tool

The Project Priority Assessment Tool is a project priority scoring matrix that has been developed to provide a bottom-up assessment of relative priorities of housing projects delivered by RSLs (and other potential Developers) in the Scottish Borders over the five-year life of SHIP.

Land supply and development projects are initially identified by RSLs or others and SBC by an external environmental assessment of current and proposed local strategies, analysis of SBC's Land Audit, Local Plan, and local knowledge. From this, a list of potential projects is developed by each RSL in conjunction with SBC. A standard project descriptor template is used, and individual projects are then assessed by using the Project Priority Assessment Tool. The project priority scoring matrix set out in table 8 below was developed as a mechanism to assess the priority of projects and RSL financial capacity, and not for assessing project or revenue viability.

An initial assessment is carried out by the four locally based RSLs. The scoring is then reviewed and updated by the Lead Officer and the Principal Officers for Housing Strategy and Development from the Council. The process is facilitated by the Council and a note of the proceedings is produced for the record. Assessors are each issued with:

1. Scoring Guide for Assessors – this provides information and guidance on the key criteria and how each member of the panel should make their individual assessment.
2. Guideline Data for Assessors – this provides information on settlements and gives a broad overview of relative need by Housing Market Area and by settlement and datazones areas (for rural areas) discussed and agreed by all parties. Need scores are determined by SBC.
3. Assessors Scoring Sheets – this provides a list of all projects to be assessed by RSL on which Assessors mark their scores. These papers are retained by SBC at the end of the process to provide a clear audit trail.
4. RSL project Descriptions – these are the individual project descriptions produced by each RSL containing the information required to allow assessment to be made.

Table 8: Project Priority Scoring Matrix		
Criteria	Explanation	Score
Area Housing Need	Housing need rankings are based on demand study. 1 would indicate no housing need in an area, whilst 5 indicates the highest level of need. This is based on information in Appendix 1 - Guideline Data for Assessors.	1-5
Land Availability	Sites ranked most highly are those owned by the Council or RSL. Also ranked highly are sites with Planning Permission in place. For example: The site is in RSL ownership = 5 The site will be available within 1 year = 4 The site will be available within 2 years = 3 The site will be available within 3 years = 2 The site will be available within 4 years = 1 The site will be available within 5 years = 0	1-5
Deliverability	A site with a high score indicates that the work could start on site once funding was approved. For example, if project can be implemented at short notice e.g. 12 months.	1-5
Constraints	Are there any known constraints that would delay delivery of project? Issues such as Section 75 requirements that have yet to be resolved would be given a lower score.	1-5
Strategic Fit	Is this a regeneration project? Is this a small rural community project? Is this project identified in / links with the Local Housing Strategy? Is this project part of an existing agreed (or likely to be agreed) strategy? Does this project link with other non-housing strategies or projects? <ul style="list-style-type: none"> High strategic fit (must be in LHS) = 4/5 Medium strategic fit (may not be in LHS but fits in with one or more of other criteria and likely to be included in future LHS) = 3 Low strategic fit (not in LHS and unlikely to be included in future LHS or does not meet any of the criteria) 1/2 	1-5
Social & Economic Impact	Consideration of the sustainability of the project in relation to the community and those who live in it.	1-5
Equalities Needs	All sites will score at least a good rating (3) due to Housing for Varying Needs. Additional points would be awarded for specialist provision housing or housing for varying needs wheelchair accessible housing standards.	1-5
Environmental Impact	All sites which have been allocated through the Scottish Borders Local Development Plan would not be considered as having a negative environmental impact. Use of renewable technology and building on Brownfield sites would score more points.	1-5

Once the assessments have been carried out the scores are transferred to the Project Priority Assessment Tool model, ranking each project by priority. The rankings from the Project Priority Assessment Tool in turn help to inform the top-down strategic investment planning process used in the Resource Planning Tool. Project prioritisation through applying this Tool assisted the Council and its partners to identify and bring projects forward at very short notice should any slippage occur in other areas within the planned programme or if additional resources were available, for example, an increase in grant funding allocation. However, it should be noted that programme management issues may mitigate against projects being rigidly brought forward in the sequence of prioritisation ranking, e.g., through the application of resource planning assumptions.

This is a dynamic model that reflects the reality of the ever changing political and economic climate and is used by the SBC SHIP Group to review, track, and monitor the relative priority and deliverability of existing and new projects that arise. In this way projects can be either accelerated or de-prioritised and deferred depending on the circumstances that arise.

Using this tool, individual projects are considered by members of Housing Strategy and Development team and RSLs to determine their priority ranking with existing projects being reviewed, and new projects brought forward that have been assessed for prioritisation. For analysis of the outcomes of the scoring assessment exercise and project descriptions, see Appendix 1.

All projects identified in the SHIP have detailed project descriptors which are outlined in Part 4 of the Affordable Housing Project Priority Assessment exercise illustrated in Appendix 1. These provide individual site-specific comments including; constraints, ownership, infrastructure, contamination, planning, land banking opportunities, site access and an equalities impact, social and economic impact and environmental impact. Individual developing or receiving RSLs are required to demonstrate how they mitigate these constraints and provide timescales which will be considered on a regular basis through the application of the Affordable Housing Project Priority Scoring Matrix.

5.2 Resource Planning Tool

The Resource Planning Tool is a strategic investment planning model that provides a top-down strategic assessment of the funding required to deliver the affordable housing objectives of the LHS. In this context, the Resource Planning Tool provides an overview of the funding allocations by tenure based on number of units, average development costs and a preliminary assessment of the funding source proportions. This SHIP has been prepared based on a five-year planning horizon and is underpinned by known available funding Allocations provided by Scottish Government More Homes Scotland as set out in Section 8 Resourcing the Programme (page 48).

The process was revised last year as a result of the cut in the Affordable Housing Supply Programme Budget and has been again this year. The process provides a clear and consistent means of considering and prioritising projects within the limits of the available grant funding.

The Council and its partners will continue to seek to provide additional affordable housing to reflect the proportions of need identified through the “Housing Need and Demand Assessment 3” and Housing Supply Target. The Council and its partners have historically been well placed to bring forward project opportunities at short notice as evidenced in previous SHIPs via Strategic Local Programme Agreements and shadow programme arrangements. If slippage occurs within Scottish Borders or elsewhere in the region, or additional resources are made available, we will continue to seek to identify projects which can be accelerated at every opportunity.

This SHIP 2026-2031 introduces new potential RSL projects; Lyall Terrace, Burnmouth; Main Street, Chirnside; Kelso; Allars Crescent, Hawick; Canongate, Denholm; Grays Close, Kelso; Guthrie Drive, Hawick; Headshaw, Ashkirk and March Street Mill, Peebles. These projects are set out in more detail in Appendix 1 / Part 3. Appendix 1 / Part 4 contains individual Project Descriptors which provide details of each project. Although proposed projects are identified in SHIP this does not guarantee they will all be delivered as they remain subject to normal design, financial viability considerations, plus Planning Application and other Statutory Consent processes.

6. Investment Priorities for Affordable Housing 2026-3031

As with the previous SHIPs, there is an even greater impetus to progress delivery and, where possible, seek to minimise project slippage against original programmed completions. Scottish Borders Council and its partners are being extremely ambitious in an effort to maximise delivery of affordable homes for the benefit of Borders communities, and to fully spend all the Affordable Housing Supply Programme annual allocations at a particular challenging economic time.

6.1 Investment Priorities for Affordable Housing 2026-2031

The Development projects outlined in Tables 9 to 9D on pages 34-35 have been prioritised for investment by SBC and RSLs in accordance with the minimum slippage factor of +25% over programme to accommodate unforeseen slippage as per the Scottish Government's 2025 SHIP Guidance. This reflects the approach previously adopted by the Council and its RSL partners. On this basis, estimated annual completions over the period 2026-2031 are as follows (see Tables below). These tables include an annual target by SBHA for Open Market Purchases.

RSL	Project Name		Tenure	General Need	Part. Need	Total Homes
EHA	Tweedbridge Court	Peebles	SR	22		22
EHA	High Buckholm Phase 2	Galashiels	SR	29		29
EHA	St Ronan's Cottage	Innerleithen	SR		3	3
SBHA	Howdenburn Primary Site	Jedburgh	SR	18	2	20
SBHA	Allanbank	Lauder	SR	23	3	26
SBHA	The Croft, Dingleton Road	Melrose	SR		7	7
SBHA	Linglie Road	Selkirk	SR	25	2	27
SBHA	Husk Phase 2	Various	SR		16	16
SBHA	Open Market Purchases	Various	SR / MMR	10		10
WH	Beech Avenue Phase 2	Galashiels	SR	22		22
Total				149	33	182

RSL	Project Name		Tenure	General Need	Part. Need	Total Homes
BHA	Beanburn Phase 2	Ayton	SR	20		20
BHA	Acredale Phase 4	Eyemouth	SR	18	2	20
EHA	Bogangreen	Coldingham	SR	20		20
EHA	Ex Borders College Site	Galashiels	SR	46		46
EHA	St Aidan's	Galashiels	SR	19		19
EHA	Peebles Road	Innerleithen	SR	9		9
EHA	Duns Road, Coldstream	Coldstream	SR	20		20
EHA	Angles Field, Selkirk	Selkirk	SR	15		15
PfP	Kirkfield, The Orchard	Reston	23 SR 10 MMR	31	2	33
SBHA	Eildon Brae	Newtown St Boswells	24 SR 16 MMR	36	4	40
SBHA	March Street Mill	Peebles	SR	11	1	12
SBHA	Heather Mill	Selkirk	SR	27	3	30
SBHA	Open Market Purchases	Various	SR / MMR	10		10
WH	Beech Avenue Phase 3	Galashiels	SR	16		16
Total				298	12	310

Consistent with last year's SHIP, the Council and its RSL delivery partners continue to be ambitious and optimistic in seeking to progress and accelerate project delivery where appropriate and possible, and to

maximise the current grant opportunity to deliver more affordable homes in the Borders to meet housing need.

Table 9b: Estimated Project Completions 2028/29 [Year 3]						
RSL	Project Name		Tenure	General Need	Part. Need	Total Homes
BHA	Acredale Phase 4	Eyemouth	SR	11	1	12
BHA	Husk Phase 1	Various	SR		12	12
BHA	Priory Hill	Coldstream	SR	3	3	6
BHA	West Gavinton Expansion	Gavinton	SR	13	2	15
BHA	Former Primary School	Duns	SR	18	2	20
EHA	Duns Road, Coldstream	Coldstream	SR	29	4	33
EHA	Angles Field, Selkirk	Selkirk	SR	30	4	34
EHA	Springwell Brae	Broughton	SR	11		11
EHA	Angraflat 2	Kelso	SR	15		15
SBHA	Heather Mill	Selkirk	SR	27	3	30
SBHA	Headshaw Farm	Ashkirk	SR	12		12
SBHA	Allars Crescent	Hawick	SR	12	2	14
SBHA	Canongate	Denholm	SR	22	3	25
SBHA	Channel Street	Galashiels	SR	15	2	17
SBHA	Open Market Purchases	Various	SR / MMR	10		10
Total				228	38	266

Table 9c: Estimated Project Completions 2029/30 [Year 4]						
RSL	Project Name		Tenure	General Need	Part. Need	Total Homes
BHA	West Gavinton Expansion	Gavinton	SR	14	1	15
BHA	Former Primary School	Duns	SR	13	2	15
EHA	Angraflat 2	Kelso	SR	12	3	15
EHA	Jedward Terrace 2	Denholm	SR	12		12
EHA	Coopersknowe II	Galashiels	SR	15		15
SBHA	Main Street	Heiton	SR	11	1	12
SBHA	Open Market Purchases	Various	SR / MMR	10		10
Total				87	7	94

Table 9D below sets out several new proposed development project opportunities which could deliver up to 209 homes with some of the projects being illustrated potentially delivering beyond 2030/31.

Table 9d: Estimated Project Completions 2030/31 [Year 5]						
RSL	Project Name		Tenure	General Need	Part. Need	Total Homes
BHA	Rear of Primary School	Reston	SR	18	2	20
BHA	The Avenue	Eyemouth	SR	4	4	8
BHA	Newtown Street	Duns	SR	13	5	18
EHA	Coopersknowe II	Galashiels	SR	12	3	15
EHA	High Street, Jedburgh	Jedburgh	SR	3		3
EHA	Lowood, Tweedbank	Tweedbank	SR	27	3	30
EHA	Lyall Terrace	Burnmouth	SR	24	4	28
SBHA	Hendersyde Phase 1	Kelso	SR	27	3	30
SBHA	Auction Mart	Newtown St Boswells	SR	27	3	30
SBHA	Station Lye, Eddleston	Eddleston	SR	8	1	9
SBHA	Gray's Close, Kelso	Kelso	SR	7	1	8
SBHA	Open Market Purchases	Various	SR / MMR	10		10
Total				180	29	209

Further work and/or negotiation will be required to realise these potential development opportunities.

It is also important to note that at this stage the number of Particular Needs housing has been provided where possible at the time of writing. This is subject to revision and updating as project proposals are developed through the design and Planning Application process, meaning additional Particular Needs housing proposals may be identified in future SHIPs in due course. In addition, project delivery timescales could also change as project timescales/ new projects progress and future Resource Planning Assumptions for each year are announced and Allocations confirmed.

There are a number of additional potential affordable housing projects that have been identified either through direct contact from Developers and the Registered Social Landlords which are being explored through Section 75, or anticipated Section 75 requirements. However, development of these sites is largely dependent on market-led activity and commercial decisions by the Developer and site owners.

Table 10 below sets out several sites currently being investigated as future potential pipeline development opportunities and projects that will complete beyond the life of this SHIP. Based on the projects with estimated units, it indicates that an estimated additional 138 affordable homes could be delivered. This is not an exhaustive list.

RSL	Project Name	Settlement	Tenure	Units No.	Units Description
BHA	Acredale Phase 5	Eyemouth	SR	22	Will complete after 2031
EHA	Main Street	Chirnside	SR	51	Will complete after 2031
EHA	Maxmill Park	Kelso	SR	10	Currently on the open market
SBHA	Innerleithen West	Innerleithen	SR	25	Will complete after 2031
SBHA	Guthrie Drive	Hawick	SR	30	Will complete after 2031
TBC	Former Jedburgh Grammar	Jedburgh	SR	20-30	Currently on the open market
TBC	Burgh Yard	Galashiels	SR	70	SBC site, currently under offer to deliver affordable housing

Notwithstanding the ambition and drive to deliver as many new homes as possible it is inevitable that challenges and issues mean that sometimes projects stall or must be removed from the programme. Table 11 below illustrates 15 projects (273 homes) from SHIP 2026-2031 which have not been progressed as anticipated. Should a deleted project re-emerge as deliverable or a potential opportunity, it will be re-considered and prioritised for inclusion in a future SHIP in due course.

These projects have been removed from the SHIP as a result of the increasing financial pressures faced by RSLs in the current economic climate and the need to prioritise the programme effectively and ensure deliverability as far as possible.

RSL	Project Name	Settlement	Tenure	Units No.
BHA	Husk Phase 2	Various	Social Rent	12
BHA	Applin Cross	Coldingham	Social Rent	4
BHA	Edgar Road	Westruther	Social Rent	6
BHA	Ex High School (x2)	Eyemouth	Social Rent	40
BHA	Edinburgh Road	Greenlaw	Social Rent	15
EHA	Main Street	Reston	Social Rent	28
SBHA	Tweedbank Expansion Aberlour Project	Tweedbank	Social Rent	8
SBHA	Balgownie	Newtown St Boswells	Social Rent	22
SBHA	Crotchetknowe	Galashiels	Social Rent	20
SBHA	Husk Phase 3	various	Social Rent	20
SBHA	Kirklands	Innerleithen	Social Rent	25
SBHA	Milestone Site	Newtown St Boswells	Social Rent	25
SBHA	Liberal Club	Hawick	Social Rent	10
SBHA	Burns Mill	Galashiels	Social Rent	18
WH	Beech Avenue Phase 4	Galashiels	Social Rent	20

Table 12 and 13 below illustrate the estimated affordable homes completions which could potentially be delivered over the life of this SHIP 2026-2031 through positive collaborative working between all relevant parties. Table 12 focusses on an ambitious programme and table 13 focusses what can be delivered based on available funding.

Table 12 estimates that 1,061 affordable homes could be delivered over 2026-2031. This is a very ambitious programme and would require investment of £258m (see table 16 on page 48).

Table 12: Estimated Affordable Homes Completions 2026-2031						
	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	2026/27	2027/28	2028/29	2029/30	2030/31	
AHSP new build	172	300	256	84	199	1,031
AHSP purchases	10	10	10	10	10	50
Totals	182	310	266	94	209	1,061

Table 13 below provides a more realistic figure for delivery of affordable homes based on the assumption of £16.192m AHSP allocation being available each year over the five period of the SHIP. Based on average cost of £270k per unit, £137k grant funding, £131k of RSL private funding, £3k of other public funding and 10 Open Market Purchases the number of affordable homes that could be delivered in the next five years would be 620. This does not account for further inflationary pressures or more costly developments.

Table 13: Estimated Affordable Homes Completions 2026-2031						
	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	2026/27	2027/28	2028/29	2029/30	2030/31	
AHSP new build	114	114	114	114	114	570
AHSP purchases	10	10	10	10	10	50
Totals	124	124	124	124	124	620

The Council and its partners will continue to pursue the above potential pipeline projects and other opportunities as well as seeking to explore new funding mechanisms for the development of affordable housing, including supporting communities to explore development opportunities at a local level.

6.2 Empty Homes Activity

The council officially launched the Empty Homes Grant Scheme in September 2022. The grant is available to owners of empty homes which have been registered empty, which have not been used as residential accommodation for at least one year and require a package of works to be brought back into use. More information on the grant scheme can be found in Section 8.5 (Page 52). Following the success of the pilot scheme, further funding has been allocated for the duration of the current Local Housing Strategy (LHS), ending March 2028.

The scheme has supported 19 projects to date, with 13 of these homes being made available for affordable rent. A total grant allocation of £467,244 has unlocked additional refurbishment investment of over £1.4 million.

There are increasing challenges in terms of housing supply which this activity is helping to address. Housing Strategy and Development are proactively working with prospective landlords and other services to explore how initiatives such as the empty homes grant scheme can be deployed in a way which supports the creation of private sector tenancy opportunities which meet a range of housing needs, including those engaging with the Homelessness service, housing for key workers and Ukrainian Displaced Persons. Additionally, the team intend to expand the area of activity and focus by taking a more active role in commercial properties which are vacant and have potential to be brought back into use as housing, as well

as considering vacant and derelict land opportunities and continuing to work proactively with the South of Scotland Community Housing and Communities to support community led housing opportunities across the area.

6.3 South East Regional Delivery Alliance (Regional Home Demonstrator Project)

The South East Regional Delivery Alliance (SE-RDA) is a partnership between The City of Edinburgh, East Lothian, Fife, Midlothian, Scottish Borders and West Lothian Councils, as a priority of the Edinburgh & South East Scotland City Region Deal (ESESCRD) with support provided by Scottish Futures Trust. It was established following the success of the Edinburgh Home Demonstrator (EHD) programme that was used to develop, test and implement a new delivery model for new affordable housing projects through three pilot projects across various sites in the South East of Scotland.

Based on pipeline coordination, regional typologies and design & performance standards, as well as collaborative procurement, the delivery model aims to facilitate the development of affordable housing projects with Local Authorities and Registered Social Landlords (RSLs) for greater use of modern methods of construction (MMC) to transform the performance of housing across the region and enable the move towards affordable homes built to net zero carbon standards.

The South East Regional Delivery Alliance's [Knowledge Hub](#) was launched in May 2025. This online resource holds key documents that are intended to streamline the delivery of affordable housing projects, including:

- A 5-year pipeline of affordable housing projects, created using SHIP data
- 18 flat and house typologies and their associated Housing for Varying Need checklists
- A Design and Performance Standard, which is a written specification utilising Modern Methods of Construction (MMC) and is net-zero ready.

Procurement is ongoing for the feasibility of Bundle 2, comprising of 5 sites with 4 Clients and an estimated 218 units. Progression of Bundle 2 into preconstruction is anticipated in early 2026 with the collation, procurement and feasibility of Bundle 3, underway in September 2025. There are 2 sites in the Scottish Borders that have been put forward for initial feasibility related to the Bundle 3 by Eildon Housing Association and SBHA.

The project team is developing a business case seeking extension of the programme beyond its current end date of March 2026.

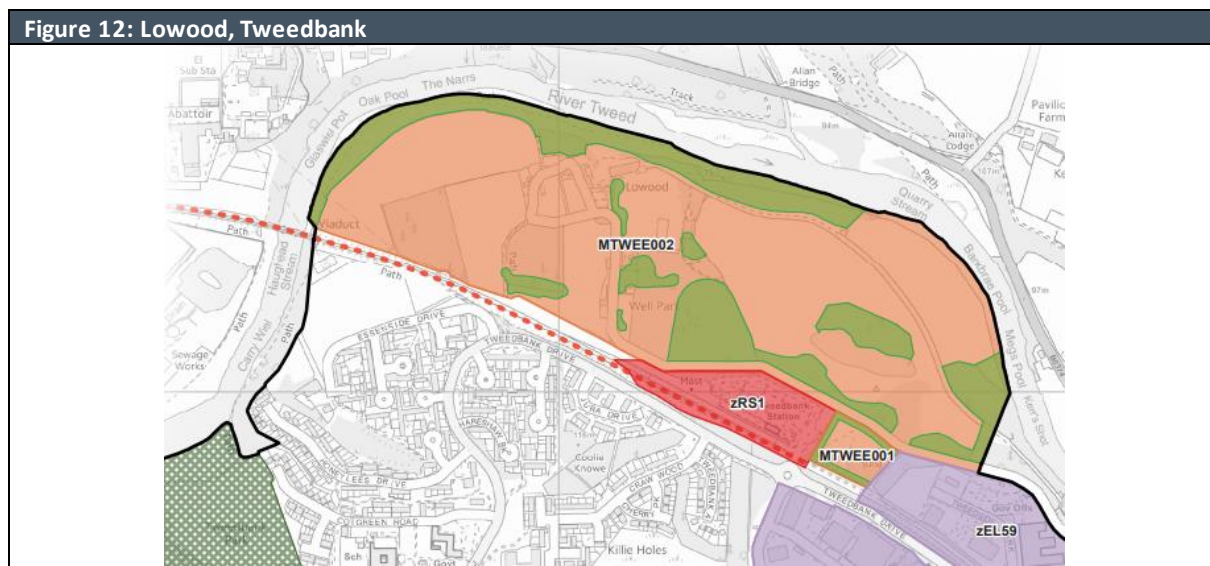
6.4 Lowood, Tweedbank

In December 2018, the Council purchased the Lowood Estate, Tweedbank. This is the only Scottish Borders strategic housing site identified in the Borders Railway Corridor and in the Edinburgh and South East Scotland City Region Deal.

The strategic site at Tweedbank is anticipated to deliver over 300 homes, (including affordable homes) as well as community and business space as part of a place-based masterplan. Work is currently taking place on configuring the Tweedbank mixed use development plan through Hub South-East. As well as new homes the site will also deliver up to 2,500m² of commercial space, 1,500m² of retail space, and associated core infrastructure including roads and a bridge.

A Full Business Case for the strategic site is expected to go to Joint Committee in December 2025, which will include extensive market reporting and model analysis to quantify potential costs, returns and profit/deficit. A financial and economic assessment for the programme is to be updated, and a governance and delivery strategy set out.

Core Infrastructure for the Lowood at Tweedbank Masterplan is programmed as part of the development for Phase 2, which will follow or run in alongside the development on the existing enabled sites, however the phasing is yet to be determined. The estimated costs for this phase highlight a requirement for funding support through the Housing Infrastructure Fund. While the Masterplan programme was initially expected to be carried out over a 15 year period, there is potential to accelerate timing significantly. SBC could expect to draw down in any available HIF in 2027/28 and 2028/29.



6.5 Community Led Housing

The work of South of Scotland Communities Housing is vital in rural areas and community-led housing regeneration is important in the South of Scotland. South of Scotland Community Housing (SOSCH) provides long-term support to community organisations relative to the planning and delivery of community-led housing. SOSCH work with a community at the very start of a housing conversation, providing support all the way through to delivery and beyond. This work is inclusive of Housing Needs and Demand Assessments, project development (including business planning and funding packages), and delivery and housing management. The Council works in collaboration with South of Scotland Community Housing to assist on any projects.

South of Scotland Community Housing are working with Community groups across the Borders to support them to potentially deliver their own housing developments. Current active projects are:

- Stow Community Trust
- Newcastleton Community District Trust

Early-stage projects include:

- West Linton and Carlops Community Development Trust
- Upper Teviotdale & Borthwick Water Community Development Trust
- Preston & Abbey Community Trust

More information on these projects can be found in table 15 on the next page.

6.6 Rural Housing

The Rural and Islands Housing Fund aims to increase the supply of affordable housing of all tenures in rural Scotland. The grant fund has two parts:

1. a main fund that offers capital support for direct provision of new affordable housing, and refurbishment of existing empty properties
2. a small fund that contributes to feasibility studies

Over the years there have been a total 7 funded projects in rural parts of the Scottish Borders as shown in table 14 below. 19 affordable homes have been delivered with grant of over one million pounds used from the Rural and Islands Housing Fund.

Financial Year	Project location		Grant Approved	No. of Units	Date of Offer of Grant
2018/19	Floors Farming	Cessford	£207,704	6	Oct 2017
2019/20	Glen Estate	Innerleithen	£78,600	2	Oct 2018
2021/22	Plenderleith Farm	Jedburgh	£27,500	1	Sept 2020
2021/22	Old Kirkhope Steading	Ettrickbridge	£661,000	5	Nov 2022
2021/22	Shepherds Cottage, Roxburgh Mains	Roxburgh	£48,300	1	Jun 21
2025/26	Cessford Farm Cottage	Cessford	£24,612	1	May 24
2025/26	Caverton Mill Farm Cottages	Morebattle	£60,000	3	Oct 24
Total			£1,107,716	19	

There are several projects in the Borders at different stages of development some being progressed with South of Scotland Community Housing. All these projects are at different stages of development with some further on and some in the early stages. Table 15 outlines these projects along with projects looking for Rural Housing Funding and a project by Yuill Community Trust.

The Yuill Community Trust is a Community Interest Company and Community Development Enabler established in 2013. Its purpose is to promote, research, design, manage and assist in the delivery of high-quality affordable housing and community buildings within the Scottish Borders, and beyond. The Yuill Community has a project in Yetholm deliver nine new homes in a rural area, with four of the nine homes being for shared equity.

South of Scotland Enterprise have also provided funding support in 2024/25:

- Newcastleton and District Community Trust - £29,987. This funding supported the trust with feasibility work to accelerate and enhance their housing development approach and to explore innovative technology that can be replicated across the South of Scotland
- Stow Community Trust - £15,000. For feasibility works to support the conclusion of RIBA stage 2 for an ambitious community housing and enterprise project in Stow

Table 15: Development Projects for Rural Areas

Organisation	Project Name	Settlement	Tenure	Units No.	Status of Project	Type of Project
Newcastleton & District Community Trust	North Hermitage Street	Newcastleton	Social Rent	5	Design feasibility complete	New Build
Stow Community Trust	Royal Hotel Site Townfoot	Stow	Social Rent	Approx. 5-10	Design feasibility & business planning underway. RHF Expression of Interest submitted.	New build. Mix of housing & commercial
West Linton & Carlops Community Development Trust	No specific site identified yet		n/a	n/a	HNDA underway.	n/a
Mellerstain Estate	Yarlside Farm	Earlston		3	RHF Expression of Interest submitted.	Refurbishment
Mellerstain Estate	Grieves Cottage, Darlingfield Farm	Gordon	MMR	1		Refurbishment
Yuill Community Trust	Land by Woodbank Road	Yetholm	Shared Equity	4	Design feasibility complete and business planning underway. RHF Expression of Interest submitted.	New Build
Yuill Community Trust	Land by Renwick Gardens	Morebattle	Shared Equity	5	Design feasibility complete and business planning underway.	New Build
Yuill Community Trust	Land by School Road	Bogangreen, Coldingham	Shared Equity	10	Statutory Approvals complete	New Build
Yuill Community Trust	Clintmains	Clintmains	Shared Equity	8	Design feasibility ongoing	Refurbishment and New Build
Yuill Community Trust	Land by and East Maxton	Maxton	Shared Equity	15	Design feasibility ongoing	New Build
Yuill Community Trust	Land by Main Street	Gavinton	Shared Equity	10	Design feasibility complete and business planning underway.	New Build
Yuill Community Trust	Land by New Smailholm Farm	Smailholm	Shared Equity	5	Design feasibility complete and business planning underway.	Refurbishment and New Build
Yuill Community Trust	Land by Braehead Cottage	Reston	Shared Equity	12	Design feasibility complete	New Build

6.7 Town Centre Living

Town Centre Living (TCL) is a key policy ambition for Scottish Government across place, housing, regeneration, planning and a wide range of other policy areas. TCL is acknowledged as an important tool in delivering improved outcomes for communities: for the people who benefit from living in the houses, for the businesses who benefit from the residents' spending power, and for the wider community, visitors and workers who enjoy a more active, vibrant and resilient town centre.

As mentioned in section 3.5 on Place Plans on page 21, there are a number of Place Plans which have identified opportunities for town centre living and the potential to deliver housing projects within town centres:

- Galashiels Local Place Plan
Two Key objectives are: Regenerate the Town Centre while protecting its built heritage and Increase Town Centre Living. There are two projects identified in the Plan are specific to town centre living:
 - Project 1 – Town Centre Living Strategy
 - Project 2 – Channel Street empty buildings (identified in the SHIP table 9b on page 35)

South of Scotland Enterprise committed to providing £20,000 to Energise Galashiels in 2023-24 for feasibility works related to Channel Street development. The housing element would be indirect though as a part of the overall development plans.

- Selkirk and The Valley Place Plan
Key objective to support the delivery of housing and infrastructure, this includes a project around town centre living, although no specific sites have been identified yet:
 - Project 5 – Town Centre Vacant Buildings (and the possibility for housing)
- Hawick Place Plan
Provide more variety of housing opportunities to people wanting to live in the town centre. The Liberal Club was original in the Plan, but this is no longer a possible housing project and has been removed from the SHIP (see table 11 page 36)
 - Project 5 – Town Centre Living
 - Project 17 – Town Centre Revitalisation

6.8 Community Regeneration Partnership Funding

The Community Regeneration Partnership formerly known as the Levelling Up Partnership, focuses on addressing regional inequalities by investing in infrastructure, economic development, and community projects across Scotland. The program of works aims to boost local economies, create jobs, and enhance connectivity, with funding allocated to projects such as regenerating high streets, improving transport links, and supporting innovation hubs.

As part of a successful Scottish Borders £20m Community Regeneration Fund application announced this year (2025/26), a number of projects with a housing focus are underway in the region:

- £3m has been secured for future investment in delivering phase 1 of the Croft Street Area Masterplan in Galashiels. This area contains 152 homes and is a mixed tenure 1960s development. This successful bid will enable the Croft Street area to undertake roof replacement and public realm works.
- There has been additional funding of £0.550m in Burnfoot in Hawick to undertake safety and remedial work and to explore energy efficiency interventions to both upgrade existing stock and to meet the Tolerable Standard in an area of high deprivation.
- £2m of funding secured for the purchase of 3-5 Exchange Street in Jedburgh where the buildings are deteriorating.
- Project to identify, develop, and upgrade suitable brownfield sites, for example the demolition of Buccleuch Mill

7. Development Constraints

There are a number of barriers and constraints that could hamper the development of new affordable housing in the Scottish Borders. The SHIP Guidance requires Authorities to demonstrate how projects contained in the SHIP will be resourced and delivered.

The programme set out in the SHIP is contingent on the sites being within RSL control/ being brought forward in a timely manner, the necessary funding being in place (both grant funding and private finance) and construction sector capacity to deliver at scale. To ensure that any development constraints are resolved by the estimated site start date, deliverability (including financial capacity) is recognised as a key factor in the development of the project priority scoring matrix. As part of the project prioritisation process, constraints are discussed on a site-by-site basis and scoring is influenced by the identification of what actions and timescales are in place to resolve them. The main constraints include:

- Land supplies
- Construction industry capacity
- Tender prices and current economic climate
- Public utilities (physical/infrastructure capacity, approval processes)
- Water and sewage infrastructure
- Flood Risk Assessment

Most of these constraints are out with the control of the Council and its RSL development partners but often adversely impact the delivery of additional affordable housing in Scottish Borders. The Council and its partners work closely with Scottish Government More Homes Division officials to make best use of and maximise spending on the reduced AHSP annual allocation.

7.1 Land Supply

Land supply and control is quite fragmented in the Scottish Borders and is largely controlled by owners, developers, and housebuilders. The detail can be summarised as follows:

- Scottish Borders Council has very little land available for housing developments but is developing its Estate Rationalisation, Optimisation and Decarbonisation Strategy seeking to ensure that the Council is financially and environmentally sustainable whilst supporting the delivery of key Council services. This includes reducing its Estate footprint, which may in due course mean land and or buildings is released which could potentially provide future affordable housing opportunities.
- Berwickshire Housing Association has a small land bank and has carried out a review of potential development sites and open spaces owned by it which could be made available for redevelopment. All of these sites appear in the SHIP over 2026-2031. The Association is also currently collaborating with Scottish Borders Housing Association to explore the potential use of the HUSK off-site construction system to redevelop a number of garage sites owned by the Association.
- Eildon Housing Association has a small landbank with sites in Stirches in Hawick which has been identified as a site for Extra Care Housing, High Buckholm in Galashiels and Eccles Farm.
- Through an asset management strategy approach, Scottish Borders Housing Association has a small landbank arising from site clearance of existing stock, garages and new land purchases. This includes Allars Crescent in Hawick and recently purchased sites at Headshaw Farm in Askirk and Canongate in Denholm. The Association is also currently leading on a collaboration with Berwickshire Housing Association examining the potential redevelopment of several garage sites using the HUSK Off-Site Construction system. The Association is also partnering with developers to provide affordable housing via Section 75 Agreements at Allanbank Lauder, March Street Mill in Peebles and the Auction Mart Newtown St. Boswells.

- Land supply identified in the Local Plan tends to be in relatively small parcels and is distributed across most of the settlements. These may provide affordable housing opportunities most likely via Section 75 Agreements.
- The majority of sites identified in the Local Plan are in the control of private owners, house builders/ developers, with affordable housing most likely to be provided via Section 75 Planning Agreements.
- Private ownership site opportunities do arise. However, these tend to be windfall or infill sites and are usually relatively small.
- There are a number of developer-led sites in the Scottish Borders. These are:
 - Newtown St. Boswells expansion presents a number of development opportunities, Eildon HA has collaborated with a developer to complete 53 homes for Eildon HA at Sergeants Park Phase 1 in 2018/19, and a second phase of 63 homes which completed in 2021/22. These are considered as being the first phases of development in the village's "Western Expansion Area". The proposed redevelopment of the nearby Auction Mart secured Planning Permission in Principle in 2020/21 for a mixed-use development including up to 150 homes. It is envisaged that Scottish Borders Housing Association will be the RSL delivery agent for on-site affordable housing requirement [30 homes] via a Section 75 Agreement. Elsewhere in the village there is Eildon Brae which will include a mix of social rented and Mid-Market rented homes (24 for social rent and 16 MMR).
 - Allanbank is a smaller developer led (Whiteburn) site in Lauder. Allanbank will provide 110 new build homes in Lauder, 83 will be private for sale and 26 will be affordable to rent, delivered with Scottish Borders Housing Association.
 - Another smaller developer-led site by Whiteburn is March Street Mill in Peebles. Whiteburn is proposing to deliver a range of new homes for sale, plans are for a total of 71 new homes with 12 affordable homes being delivered with Scottish Borders Housing Association
 - Bogangreen in Coldingham is a developer led project with Eildon Housing Association. The plans are for 20 new affordable homes on the site.

There are a few other sites that will be developer led, including Eildon Brae, for example. Sites are systematically reviewed as potential projects and thereafter prioritised and included in SHIP. This is an ongoing process to allow newly identified sites to be assessed and introduced and the status of previously identified prospective sites reviewed.

Estate Rationalisation, Optimisation and Decarbonisation Strategy

The Council developed the Estate Rationalisation, Optimisation and Decarbonisation Strategy which sets out the broad strategy for the management of the Council's property assets in order to maximise their contribution to the Council's corporate and service goals and objectives as economically, efficiently and effectively as possible; providing the right space, at the right time, in the right location at the right cost. It sets out five key objectives intended to achieve the overall vision: To operate an efficient, fit-for-purpose, sustainable estate, that is appropriately sized and located to meet the needs of our communities and their strong identities, with digitally enabled working environments that can be effectively managed, and which supports the Council Plan through the delivery of truly joined up services.

It is therefore important that a strategic approach to the development of affordable housing across the Borders makes the most effective use of available land and/or property wherever possible; takes advantage of the Council's property and asset rationalisation process; and ensures that, through collaborative working with our local developing Housing Associations, opportunities will be created where practical for affordable housing development. Over and above the projects in the SHIP and in the pipeline projects table 10 on page 37, there are couple of other potential housing opportunities in Duns (Todlaw) and Eyemouth (Gunsgreenhill).

Various techniques are now available for land assembly and land banking, and these are used through planned release by the Council, opportunistic site acquisitions, and negotiated design and build contracts. From time to time the Council may declare land and/or buildings as surplus to requirements and these are

routinely considered for their appropriateness to provide affordable housing. To illustrate, the Council has previously strategically released sites in Duns and Hawick to provide sites for Extra Care Housing delivery. The Council is currently marketing the Former Grammar School in Jedburgh and Maxmill Park in Kelso and recently sold Burgh Yard in Galashiels.

Housing Land Audit

As a strategic Housing Authority, the Council's Planning Department carries out an annual Housing Land Audit to ensure that there is a five-year supply of sites for housing development. As an integral part of this process, consideration is given to identifying potential constraints on development such as the availability of funding and infrastructure capacity (where drainage and sewerage are particular issues in many small rural settlements). Where development constraints are identified, these are explored to determine whether potential development is realistic and whether or not some form of intervention may be appropriate.

Land Supply Strategy

Control of land supply is the key to successful programme delivery. The strategy proposed to secure short, medium and long term land supply to link in with SBC's SHIP and beyond is:

- Enter into agreements with landowners and developers
- Purchase land using SBC revolving fund
- Option available for RSLs to front fund land acquisitions
- Improve effectiveness of Section 75 Agreements including early intervention with developers
- Partnership acquisitions with SBC to assist in strategic land assembly
- Work in partnership with SBC to acquire land through its strategic land disposal strategy

Locality-based Approach

Scottish Borders Council will continue to explore the need for developing locality-based strategies to assist in clearly identifying short, medium, and long-term affordable housing priorities and thus provide focus on land acquisitions required.

The Council has built up a large bank of knowledge regarding potential and allocated housing development sites throughout its area. This provides an effective resource, one use of which is that this "knowledge" can be tapped by RSLs for site feasibility exercises. Such knowledge covers several issues including flood risk assessments and contaminated land, thereby alerting them to early identification of constraints and allows them to focus their attention on less challenging and more easily developable sites which can be considered for inclusion in future SHIPs.

Site Development Briefs

Scottish Borders Council will, in consultation with its RSL partners, identify the size and type of housing required within Housing Market Areas, settlements and individual sites to meet housing need and to link in with other Council strategies. This will also extend to recipients of Section 75 Planning Agreements where it is envisaged that size, type, housing mix, space standards, tenure(s), method of land valuation etc will be set. Early intervention with developers on Section 75 discussions include agreeing target development costs for the whole affordable housing package to achieve realistic benchmarks, master planning, design solutions, and legal agreements to tie in land and development deals to stabilise costs, which will help bring greater certainty in deliverability on an ongoing long-term basis. Early discussion with Developers and contractors will help provide certainty of workload and will have a greater impact on their competitiveness rather than the size of the individual project or overall programme.

As in previous SHIPs, securing sites which are financially viable for development by RSLs remains an ongoing challenging issue and determining factor, particularly as the Council has relatively little development land in its ownership, as it has disposed of some non-HRA (Housing Revenue Account) and most of its former HRA land to RSLs over previous years. Continued weak housing market conditions have prompted some

Developers to re-assess trading conditions in recent years. As a result, the RSL land supply issue has eased to a degree with some Developers being more willing to partner with an RSL as a means of opening up sites for future market housing, and potentially receptive to the idea of developing sites on the basis of 100% affordable housing delivery.

7.2 Construction industry capacity

Current inflationary pressures and interest rate rises have had a major impact on the delivery of current projects and delays in projects being brought forward for approval. Construction industry capacity, construction materials availability and costs, availability of grant funding, and borrowing capacity of RSLs is all impacting on the delivery of the programme.

The Bank of England base rate fell in August 2024 for the first time in four years, the rate has continued to fall and as of August 2025 the base rate is 4%. While this is good news, inflation is 3.6% which is at its highest level since January 2024 and it is not yet clear what the short and long term implications will be.

Construction input costs in Scotland increased by an average of 3.1% in the year to quarter three in 2025 (last year it was 4.5%), according to a contractors' panel newly established by the [Building Cost Information Service \(BCIS\)](#). While inflationary pressure on materials prices has stabilised, there is still a risk to the supply chain. There continues to be ongoing concerns about the impact of skills shortages in the industry.

7.3 Tender prices and Current economic climate

RSLs are also under increased financial pressure which may impact on new development. The Cost-of-Living Crisis and inflationary rises have meant the day-to-day delivery of RSL services costs more. Wider statutory investment commitments also mean that landlords are having to prioritise investment in their existing stock, in addition to this, keeping rents low and affordable means that borrowing levels can be affected, which impacts on RSLs ability to finance new build programmes and puts increasing pressure on available grant funding.

The SHIP 2017-22 first noted local concerns regarding increasing tender prices from the then available information from the Building Cost Index Services (BCIS) produced by the Royal Institute of Chartered Surveyors. This has been borne out by the Borders RSLs experience and such tender price inflation is clearly a matter of concern for programme delivery. An exercise was done to review recent local RSL tender returns, and recent experience during 2019-2023 indicates that Berwickshire, Waverley, Eildon and Scottish Borders Housing Associations have all had to undertake challenging "value-engineering" exercises after normal consideration and checking of tender returns to undertake savings exercises to keep projects financially viable and deliverable, this continues in 2025. This has also delayed planned project site starts and required re-programming spend of the budgeted Affordable Housing Supply Programme funding allocation. All other things being equal, notwithstanding increases in benchmark grant rates, big increases in tender costs, well in excess of probable costs will require to be met by RSL private finance arrangements. Such cost increases will continue to put pressure on individual RSL private funding capacity. Recent analysis of total project cost information indicates that it currently costs around £270k to provide an affordable home, with this being funded £137k by grant, £131k by RSL Private Funding and £3k by other public funding.

Despite the increases in benchmark grant in 2023 per unit of around 16% and new grant criteria, the sector continues to wrestle with a very challenging financial context in being able to continue to deliver affordable housing. Almost all projects in the orders are coming in above benchmark (110%) and there have been several projects that have been well above benchmark (125%) where a technical appraisal has been undertaken by the Scottish Government.

RSLs are trying to make progress to continue to deliver the programme, but clearly projects not yet subject to contract face significant issues in being agreed as viable and deliverable contract costs. Therefore, project estimated completion years within this SHIP 2026-2031 must be considered as being aspirational targets, based on the assumption that acceptable contract costs can be agreed between the respective RSL and contractor/developer.

The cost of providing affordable housing is likely to continue increase during 2026-2031 due to a number of factors, inflation, cost of labour and materials; recommendations to continually improve the quality of new housing to mitigate climate change; and potentially new grant conditions are push factors for an increase in the level of grant funding. This funding would ensure that the number of new homes being sought by Scottish Government via “Housing to 2040” can be met in the context of other competing funding pressures such as EEESH2 (new Social Housing Net Zero Standard (SHNZS)), Net Zero and domestic de-carbonisation ambitions.

7.4 Public utilities, Water and sewage infrastructure and Flood Risk Assessment

It is difficult to bring projects from inception through to tender approval quickly due to ever increasing external factors and compliance requirements. Consultation with public utilities and Scottish Environmental Protection Agency (SEPA) impact on the project design and development process. This in turn impacts on the ability of RSLs to accelerate projects or to bring forward a shadow programme unless the land is already owned and the project already substantially worked up. SEPA continues to be regularly represented at joint meetings between the Council, RSLs and Scottish Water with the aim of meeting programming needs and thus improving deliverability. Availability of most recent Flood Risk Assessment information has proven to be key in early screening of potential affordable housing sites.

The Council is dealing with the above constraints in a variety of ways such as regular liaison with SEPA, Scottish Water and other public utilities to reach a greater understanding of each organisation’s respective processes, with the aim of meeting programming needs. This in turn informs the programming of development and design work to improve deliverability and realistic project delivery timescales.

7.5 Private Developers

The structural weakness in the Borders construction sector has meant that Housing Associations have had to adopt a broad spectrum of procurement options to continue to successfully deliver the affordable housing programme.

Options such as land and work deals including S.75 Affordable Housing agreements have successfully delivered projects across the region and continue to feature in the forward programme.

Eildon Housing Association has delivered over 270 homes through their partnership with Cruden. The partnership is currently actively exploring future projects. This negotiated procurement is allowed (known as direct drawdown) through the Scottish Procurement Alliance (SPA) framework thereby ensuring full compliance with European Union procurement rules. The partnership drives projects through planning and Building Warrant stage. Each individual project is let via a Joint Contracts Tribunal (JCT) Design and Build contract.

Eildon have a historic relationship with the Kelso based M & J Ballantynes which show the very successful redevelopment of the Listed Former Kelso High School into 36 Extra Care homes for the elderly and are looking to develop the Angles Field site in Selkirk. Eildon are also engaging with the market with competitive procurement, and via this are working with the JR Group at Caledonian Court in Peebles.

SBHA recently completed 20 new affordable homes, 16 at Burnfoot in Hawick the JR Group (4 of which were specialist provision) and 4 at Whitefield Crescent in Newtown St Boswells with M & J Ballantynes. SBHA are working with Cruden Partnerships at the former Howdenburn Primary School site to deliver 70

affordable homes (7 of which will be specialist provision) and working with Whiteburn on delivering 27 affordable homes at Allanbank in Lauder and 12 affordable homes at March Street Mill in Peebles. 7 affordable homes will be delivered in Melrose working with Rural Renaissance and 40 affordable homes in Newtown St Boswells (24 social rent and 16 Mid-Market Rent) with the Mayfair Group. 27 affordable homes will be delivered in Selkirk at Linglie Road with a new partnership with McTaggart Construction. There are several other projects that are currently been identified in Innerleithen, Kelso, Heiton, Eddleston and Newtown St Boswells.

Arguably the market is still failing to deliver enough new homes to meet demand, and this is an issue which affects not only the Scottish Borders, but also neighbouring Councils, as rising inequality and cost of living impacts on households in Borders and other parts of the South East Scotland City Region. A regional response to these issues, presenting innovative solutions and key policy interventions, has been negotiated with both the Scottish and UK Governments through the Edinburgh and South East Scotland City Region Deal and this is currently being progressed with more focus, with the establishment of a Regional Housing Board in spring 2019 to raise the profile of the contribution of housing delivery to the regional and national economy, and drive affordable housing delivery.

The publication of the REP South of Scotland Housing Action Plan has a vision for housing in the South of Scotland of more homes of all types and tenure, a reputation as a good place to build homes and a thriving development and construction sector. This includes ambition to support an enabling planning environment, with communities empowered to create the homes they need and funding and legislation that supports our opportunity and ambition.

On the 2nd June 2025, the REP launched the [Let's Build Our Future Together: A Housing Prospectus for the South of Scotland](#). The prospectus has been developed by the South of Scotland Regional Economic Partnership to attract developers and highlight housing development opportunities in the region, showcasing key sites and partners. It was created in collaboration with property specialists Rettie and Co. to identify unique opportunities and support housebuilding across the South of Scotland.

SBC are liaising regularly with Homes for Scotland on site capacity, constraints and any barriers to developing projects to identify any solutions to these sites/ projects. The Council have also been engaging with developers and construction companies such as McTaggart's, Cruden, JR Group, Ballantynes, Rural Renaissance and Whiteburn to identify any barriers and solutions to local sites and projects.

Summary

Brief details on all the above constraints and any actions being taken to remove or reduce these constraints are provided on a site-by-site basis. Notwithstanding these constraints and threats, the five-year planning horizon set out in this SHIP remains positive by being able to clearly demonstrate a pipeline of deliverable projects, and additional longer term site opportunities which could potentially be accelerated in due course.

8. Resourcing the Programme

To assist budget estimating, the Council and its partners have developed this SHIP 2026-2031 based on an indicative grant of £137/unit, RSL Private Finance contribution of £131k/unit and other public grant of £3k, which illustrates the increasing pressure on individual RSL finite financial capacity. However, through the SHIP and Quarterly Programming Meeting arrangements, projects have been identified that could potentially deliver 1,061 new affordable homes over 2026-2031 (see Tables 9 and 9A-9D pages 34-35). In addition, Table 10 on page 36 identifies Potential Pipeline Development Projects which require further work before they could potentially be accelerated into the 5-year programme or included in future SHIPs in due course. Many of these are developer-led or privately owned sites, which draws attention to the importance of the housing market in the delivery of affordable housing.

Assuming all development constraints are overcome, sufficient grant is available to assist project delivery and developers are willing to collaborate in order to open up identified sites, lenders continue to lend at rates and terms and conditions that are acceptable to RSLs, and individual RSLs have sufficient financial capacity to enable them to borrow private funding, then there is potential for these projects to be brought forward. The identified projects provide some reassurance that there are potential development sites that could ensure that future funding Allocations can be fully spent in the Scottish Borders, and in turn subject to success in progressing these, could potentially be used to support the case for Scottish Borders to potentially secure additional slippage funding from elsewhere across the national programme. It should be noted that there may be other yet unidentified and un-programmed Private Developer-led projects, OMSE and Discounted Sales that could potentially deliver additional affordable homes during the SHIP 2026-2031 period.

Table 16 below illustrates the estimated £258m of total investment required to deliver the affordable housing projects identified in this SHIP 2026-2031. This has been developed on the basis of financial analysis and the most recent experience of Borders RSL projects. The information in table 16, can be found in appendix 6, table 1 which provides information on costs for each project.

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	2026/27	2027/28	2028/29	2029/30	2030/31	
AHSP new build	26.1	34.2	19.0	15.3	29.2	123.8
AHSP Purchases	0.6	0.6	0.6	0.6	0.6	3.0
RSL Private Borrowing	17.8	51.8	23.1	6.1	28.8	127.6
2 nd Homes C/Tax	0.2	1.0	1.9	0.2	0.2	3.5
Rural Housing Fund*	0	0	0	0	0	0
Other Private borrowing*	0	0	0	0	0	0
Total	44.7	87.6	44.6	22.2	58.8	258

*While there are Rural Housing Fund projects in the SHIP Pipeline, at this stage along with other borrowing it is difficult to calculate what funding will be required.

The Council and its partners will continue to review and bring forward projects that have been identified through the routine project prioritisation assessment and review process that could be delivered within the timeframes to provide more new homes in the Borders and contribute to the Scottish Government's current and future affordable housing targets. Quarterly programme meetings with the Registered Social Landlords, the Scottish Government and the Council are key to this process. Through working in partnership, the Council has identified a pipeline of potential projects than can be resourced through the above Allocations. The challenge for RSLs remains to acquire sites and quickly accelerate these projects to delivery, otherwise there remains the risk of potential future underspend of annual AHSP Allocations. Therefore, the Council and its partners are keen to discuss any opportunities to maximise the use of

⁴ Calculations were based on data from Appendix 6 table 1 for AHSP new build and purchases (columns AZ-BF) and assumed RSL private borrowing based (column BH) in table 1 and completions. Figures were rounded up for modelling purposes.

allocated resources within Scottish Borders. It is recognised that some projects which cannot be delivered by estimated years as set out in Table 11 will need to be managed and delivered within the constraints of subsequent future annual resource Allocations.

8.1 Affordable Housing Supply Programme Budget

Scottish Government made a funding allocation of £12.113M from its Affordable Housing Supply Programme budget to the Scottish Borders area for 2024/25, this was increased to £12.259M (an increase of £0.146m) in September 2024. The allocation has been fully spent by three developing RSLs in the Scottish Borders in 2024/25.

The total RPA for 2025/26 for the Scottish Borders is £16.192m, this is a core funding RPA of £15.954m with an uplift of £0.238m as part of the £40m which is focused on acquisitions to help address temporary accommodation pressures (first tranche of £0.111m and a second tranche of £0.127m). The funding allocation for 2025/26 is currently 80% committed. This means SBC, all the RSLs in partnership with Scottish Government are accelerating any projects into the programme that can be funded.

Scottish Borders grant offer from Scottish Government sets out that “Maximum carry forward into 2025/26 should be no more than 80% of the 2025/26 Resource Planning Assumption”. The remaining 20% is to be used to help fund new projects coming forward in any financial year, thus helping to create a continuous pipeline of new homes.

The published 2025/26 RPA is currently £16.192m however Scottish Government have given no indication of whether this will be the RPA for 2026/27. For the context of the SHIP 2026-2031, is it based on the assumption that the allocation will be £16.192m going forward.

8.2 Second Homes Council Tax

The Council has agreed frameworks in place to consider and prioritise funding from Affordable Housing Policy Developer Contributions and from the Second Homes Council Tax Affordable Housing Budget. These are used for a variety of purposes to assist provision of affordable housing, including the Extra Care Housing programme, with assistance towards land purchase, “buy backs” of former public sector flats, research, site clearance and demolition, and project “gap funding” grant contributions being recent examples how this funding has been used.

Second homes council tax has been used recently to help fund the delivery of affordable homes in the current economic climate. Tender prices (as mentioned in 7.3) have increased, meaning viability gaps are more common. Second homes council tax has helped to address this shortfall on several developments these include; Westruther, Upper Langlee Galashiels, Howdenburn Jedburgh, Burnfoot Hawick, Heather Mill Selkirk, Tweedbridge Court, Peebles and High Street Jedburgh.

The Second Homes Council Tax Affordable Housing Investment budget makes provision for the following spend commitments in 2025/26; £1,825,000 to support work at High Street, Market Place in Jedburgh, £0.800m to support EHA’s project at Westruther, £0.600 to support EHA’s project at Tweedbridge Court in Peebles, £0.502m for Empty Homes Grants; £18k towards additional empty homes officer and £0.250m transfer to revenue budget for staffing resources related to affordable and empty homes activity. This is a total investment from SBC in 2025/26 of £3.995m and leaves an uncommitted balance of £1.254m in 2025/26, at the time of writing. Table 17 below provides the financial table for second homes tax up until 2029/30.

Table 17: Second Homes Council Tax Financial Table Summary (£'000)					
	2025/26	2026/27	2027/28	2028/29	2029/30
Funding brought forward	3,785	1,254	2,316	2,724	2,492
Anticipated 2nd Homes Council Tax	1,464	1,537	1,614	1,695	1,780
Total Funding Available	5,249	2,791	3,930	4,419	4,272
Current Investment Commitments	3,995	475	1,206	1,927	250
Available Funding	1,254	2,316	2,724	2,492	4,022

Current spend commitments for 2026/27 include empty homes activity including the Empty Homes Grant.

The Council's Second Homes Council Tax budget has finite annual income which will be a key determinant of both the level of financial support available to assist construction of individual developments, and the potential programming of these grant contributions to dovetail with construction activity and provision of complementary Scottish Government Affordable Housing Supply Programme grant and RSL private funding.

Further information is available in Scottish Government SHIP Table 5 within the Appendix 6.

8.3 Developer Contributions

The Supplementary Guidance on Affordable Housing seeks provision for 25% of affordable housing on each site of two or more residential units across all Housing Market Areas in the Scottish Borders. The guidance requires that all sites of 17 units and above be considered for on-site provision of affordable housing. In specific circumstances the Council may consider the contribution of appropriate offsite delivery, or, where on site provision is considered inappropriate, the Council may consider the provision of a commuted payment. In considering housing proposals for sites of 2 to 16 residential units the Council will consider the provision a commuted payment as being appropriate.

As reported earlier in the text of this SHIP, development opportunities provided by the Section 75 Planning Agreements remain relatively few due to a level of failure in the local housing market. The general trend remains whereby developers are reluctant to sell land without a building contract as part of the deal. This means that even with increased levels of Affordable Housing Supply Programme funding being allocated to Scottish Borders, land supply remains limited to a degree as some developers and owners appear to be willing to wait for full market recovery and a return to pre-financial crash land prices.

That aside, the Council has experienced an increased appetite by some developers to develop sites via Section 75 Agreements, or for 100% affordable housing as outlined in section 7.5 on page 46. The Council continues to receive Pre-Planning Application enquiries and Planning Applications, albeit at lower numbers than pre-financial crash levels. Several of which relate to larger sites which are anticipated to provide additional on-site delivery of affordable housing opportunities through the Section 75 Planning Agreement process in due course.

During 2024/25, the Council used Affordable Housing Policy Developer Contributions to fund SBC's contribution to regional research on housing demand for key workers in the South of Scotland (£5,000) and £15k to support a feasibility appraisal of a mixed-use residential development at the former Royal Hotel site being progressed by Stow Community Trust. Currently in 2025/26, just over £2,000 has been used to fund unforeseen works at Westruther (Eildon Housing Association) and £12.3K to support Scottish Borders Council, the Health and Social Care Partnership and Registered Social Landlords drive positive change and to help increase capacity to deliver the specialist housing priorities identified in the Local Housing Strategy 2023-2028 and Health and Social Care Strategic Framework (mentioned in section 3.3 page 17).

See section 7.5 on page 46 with more information on current work with private developers through local engagement and the Regional Economic Partnership (REP).

8.4 RSLs

RSLs are under increased financial pressure which is impacting on new development. The Cost-of-Living Crisis and inflationary rises have meant the day-to-day delivery of RSL services are costing more. Wider statutory investment commitments also mean that landlords are having to prioritise investment to bring existing homes up to meet standard. In addition to this, keeping rents low and affordable means that borrowing levels can be affected, which impacts on RSLs ability to finance new build programmes and puts increasing pressure on available grant funding.

In July 2019, Eildon Housing Association secured a £40m investment from the Pension Insurance Corporation, which is this Lender's first such private placement with a Scottish RSL. Eildon Housing Association has indicated that it may consider "front –funding" projects to ensure project delivery. During 2021/22, Scottish Borders Housing Association secured a £58m loan facility from the Royal Bank of Scotland, which is intended to support a development programme of up to 300 new homes over 7 years. Waverley Housing has secured private funding of £10million. This is a general-purpose loan which will support Waverley's business plan including the regeneration of Upper Langlee. BHA have recently re-financed to support delivery of at least 180 new homes over the next 8 years.

8.5 Other Funding Opportunities

While the Council supports affordable housing delivery through use of available Second Homes/ Council Tax and Affordable Housing Policy Developer Contributions. There are several other funding resources that the Council and its development partners can draw upon including Affordable Housing Supply Programme Funding, Open Market Shared Equity Scheme, Rural Housing Fund, Rural Housing for Key workers fund RSLs Private Finance Borrowing and Scottish Water Grant Funding. The Council's Director of Assets and Infrastructure is also actively exploring opportunities through the National Wealth Fund and Scottish National Investment Bank to support housing delivery.

Housing Infrastructure Fund

The Scottish Government has set out round two of the Housing Infrastructure Fund (HIF), which will run to at least the end of the parliamentary period to March 2026. The fund helps support the delivery of housing through loans and grants. Priority is given to those projects delivering affordable housing which cannot proceed or have stalled due to exceptional infrastructure works to unlock these sites for delivery.

As mentioned in section 6.4 (also appendix 6 table 2), Lowood in Tweedbank has been identified as a project for the Housing Infrastructure Fund, requiring funding of approximately £20m as part of the masterplan programme.

Rural Housing Fund

Since 2019/20, the fund has been used to help fund 19 affordable homes in rural parts of the Borders. Further information on how the fund has been used in the Scottish Borders, please see section 6.6 – tables 14 and 15.

Regeneration Capital Grant Fund

The Regeneration Capital Grant Fund (RCGF) is a Scottish Government fund which supports locally developed regeneration projects. It combines the funding previously delivered through the Vacant and Derelict Investment Programme (VDLIP) and the Regeneration Capital Grant Fund (RCGF) into a single fund which supports the provision of new infrastructure, enhancements to existing infrastructure, as well as helping to tackle persistent vacant and derelict land to deliver large-scale transformational change with strong regeneration outcomes.

A stage 1 application has been submitted to the grant for 2025/26 on behalf of SBC for Stow Community Trust to develop a mixed-use facility on the former site of the Royal Hotel in Townfoot into affordable housing, visitor accommodation and workspace units for creative artists.

Rural Key Workers Housing Fund

Out with the National Acquisition Programme, up to £25 million has been made available from within the Affordable Housing Supply Programme budget over 2023 to 2028 for the Rural Key Workers Housing Fund. The funding enables local authorities and Registered Social Landlords to purchase existing suitable properties in rural areas which can be rented directly or leased to employers to provide affordable homes for key workers. This can include bringing empty properties back into use or acquiring properties on the open market to increase the available supply of affordable homes for key workers.

At present, this fund had not been used in the Scottish Borders but SBC and RSL partners continue to look for opportunities to utilise this fund.

Gypsy/ Traveller Accommodation Fund

The Gypsy/ Traveller Accommodation Fund (GTAF) is currently delivered via a standalone capital fund with nearly £15 million has been committed or spent between 2021/22 and 2024/25 to allow six local authorities to progress projects. 2025/26 is the final year of the fund.

The new joint Scottish Government/ COSLA Gypsy/ Traveller Action Plan was published in September 2024. It includes a commitment by the Scottish Government to take the necessary steps so that funding for Gypsy/ Traveller accommodation can be accessed alongside housing under the Affordable Housing Supply Programme (AHSP) (or a successor housing programme) in the next Parliament.

The Scottish Government has stated that they are now looking to confirm the funding approach and develop the guidance needed for councils to deliver Gypsy/Traveller sites through the AHSP for 2026/27. In order to access funding in the first year, any prospective projects must be in this SHIP 2026-2031. As mentioned in section 3.8 SBC are undertaking a thorough assessment on all the sites submitted from the Call for Sites in 2023 and at this point SBC are not in a position to provide details on any prospective projects in this SHIP.

SBC's Empty Home Grant

The Empty Homes Grant Scheme was created to address the issue of vacant residential properties in the Scottish Borders. It aims to alleviate housing pressures and revitalize neighbourhoods by providing financial support for renovations and repairs. An initial £500k was allocated to provide grants to owners of empty homes for significant refurbishments. Homes must be empty for at least one year, with grants capped at £25,000 per home. Owners must rent the property at Local Housing Allowance (LHA) rates for five years or occupy it themselves.

Following the success of the grant scheme, further funding was agreed in October 2024. An additional £700k has been allocated to support more owners for the duration of the Local Housing Strategy, ending in March 2028.

9. Equalities

A good supply of high-quality affordable housing is a basic requirement and fundamental in ensuring the effective delivery of a number of the National Outcomes, particularly Outcome 7 “We are tackling the significant inequalities in Scottish Society”. Figure 3 on page 9 sets out our Local Housing Strategy 2023-2028 Strategic Outcomes, the first of which is “More homes in well designed, sustainable communities that increase opportunity for all and support our economy to thrive”.

Rural Proofing

Rural Proofing is designed to help ensure that the needs of rural areas are fully taken into account in the development of all new Scottish Borders Council policies and strategies. Rural Proofing aims to check that rural areas are not overlooked, or adversely affected, by Council policy and strategy decisions. Some years ago, the Council developed a 10 question checklist, and this is applied to ensure that the needs of people who live in, work in, or visit rural areas within Scottish Borders are considered.

The SHIP Rural Proofing exercise was carried out in June 2025 as part of the development of the SHIP. It was determined that the delivery of this SHIP will not have an unforeseen impact on the rural area and that the needs of rural areas have been properly taken into account. Rural proofing applies to all areas of Scottish Borders classified by Scottish Government as ‘Remote Rural’ or ‘Accessible Rural’. In effect these definitions apply to all areas of Scottish Borders out with the towns of Galashiels/Tweedbank, Hawick, Peebles, Kelso, Selkirk, Jedburgh, Eyemouth, and Innerleithen.

Equalities

In line with both Council policy and legislative requirement, the SHIP 2026-2031 update was subjected to an Integrated Impact Assessment (IIA). The IIA considers the Council’s Public Sector Equality Duty (previously covered by Equality Impact Assessment) and, where appropriate, the Fairer Scotland Duty. The outcome of the Impact Assessment has identified no concerns about likely impact of the SHIP on any of the equalities groupings.

Strategic Environmental Assessment

In accordance with Section 7 of the Environmental Assessment (Scotland) Act 2005 a pre-screening assessment of the SHIP 2026-2031 has been undertaken using the criteria specified in Schedule 2 of the Act. The pre-screening assessment identified no or minimal effects in relation to the environment hence the SHIP is exempt from SEA requirements under Section 7 (1) of the Act.

Health and Inequality Impact Assessment

The Scottish Health and Inequality Impact Assessment Network (SHIAN) report published in June 2017 confirms the positive impacts that new affordable housing has on health and wellbeing for particular groups and communities. These findings align with previous research evidence that also showed better housing can lead to some improvements in self-reported physical and mental health, and reductions in some symptoms. Heating and energy efficiency measures can improve the indoor environment and also alleviate fuel poverty which can improve occupant’s health and wellbeing against current Public Health Reform priorities and actions.

The Public Health Scotland Health Impact Assessment Support Unit (HIASU) was formed in 2022. The purpose of the HIASU is to:

- support local partners in the use of health impact assessment to integrate health and health inequalities into all policies and services
- collaborate nationally to advocate for health impact assessment as part of a Health in all Policies (HiAP) approach

The affordable housing projects set out in this SHIP will seek to maximise the opportunities for energy efficiency and reduction of fuel poverty, and to achieve the Silver Standard as a minimum thus meeting the Scottish Housing Condition Standards (SHQS), the Energy Efficiency Standard for Social Housing (EESH), and the (currently proposed) Social Housing Net Zero Standard).

10. Monitoring and Evaluation

Housing Strategy and Development meet regularly with each individual RSLs every six weeks to monitor the delivery of the SHIP, these development updates align with the existing Quarterly Programme planning review meetings between the Council, Scottish Government's More Homes Division (East) and RSL representatives. New potential project opportunities are routinely assessed by the group using the Affordable Housing Project Priority Scoring Matrix and prioritised within the context of already prioritised affordable housing projects. Similarly, any changes in circumstances in those projects already assessed are reviewed within the same framework. This has allowed the Council and its partners to respond to dynamic circumstances and realise opportunities when they present. A further two meetings help to monitor the delivery of the SHIP, these are:

- Affordable Housing Project Meeting - includes Housing Strategy, Planning and Building Standards, Estates and RSLs
- Quarterly meetings with planning, RSLs, Scottish Water and SEPA

The overall monitoring of the delivery of SHIP is reported to Council and the Borders Housing Alliance on an annual review basis.

11. Summary

This SHIP submission has been prepared using a variety of funding arrangements including; Scottish Government Affordable Housing Supply Programme funding Allocation for 2025/26; Rural Housing Fund; RSL resources and borrowing; and Local Authority assistance through the use of Second Homes Council Tax, Affordable Housing Policy Developer Contributions, and strategic disposal of the Council's land. A creative and practical approach has been adopted in the preparation of this SHIP which has been developed from a continued confirmation of RSL financial capacity and assurance on the deliverability of projects. The Council and its RSL partners are confident that processes are in place which will enable the management of the delivery of the affordable housing programme to continue.

This SHIP submission outlines the completion of 88 new affordable houses over the period 2024/25, anticipated delivery of 120 during 2025/26 and an aspirational 1,061 new affordable homes over the life of the SHIP 2026-2031. This SHIP will use £126.8m of the Scottish Government's Affordable Housing Program to deliver 1,061 units with RSL funding of £127.6m.

The delivery of more affordable homes will not only help Borders communities access affordable housing but will also contribute towards assisting economic prosperity and contribute to the actions outlined in the Housing Emergency Action Plan.

The development of this SHIP 2026-2031 is in accordance with the current [Guidance issued by the Scottish Government](#) in May 2025. Methods of project prioritisation have been illustrated and constraints have been addressed through the SHIP development process and project prioritisation scoring matrix to ensure that proposed projects are deliverable. The SHIP addresses the contribution that individual proposed projects will make to greener standards, energy efficiency, environmental standards and equality issues. The SHIP reflects Scottish Borders Council's Council Plan and the vision and strategic outcomes of the Local Housing Strategy 2023-2028

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HOUSING STRATEGY, POLICY & DEVELOPMENT

Council Headquarters | Newtown St Boswells | MELROSE | TD6 0SA

tel: 01896 661392 | email: housingenquiries@scotborders.gov.uk | www.scotborders.gov.uk

