STRATEGIC HOUSING INVESTMENT PLAN (SHIP)

2027-2032



Scottish Borders COUNCIL

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Foreword



I am pleased to present this 18th 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 June 2026, this SHIP 2027-2032 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.

While we face a number of 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 in May 2024, 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 2027 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 a very ambitious potential pipeline of up to 1,184 new affordable Borders homes with an estimated investment value of £331m during 2027-2032. Together with the envisaged completion of around 98 homes in 2026/27, around 1,281 homes could potentially be delivered to Borders communities over the next 6 years. A further assessment based on current Resource Planning Assumptions and funding expectations has been undertaken to identify the level of delivery that may be achievable, 705 affordable homes could be delivered under current funding expectations. This figure should therefore be viewed as a planning assumption based on currently anticipated funding levels and 1,184 homes viewed an ambitious opportunity of potential new affordable homes. Maintaining a larger pipeline of projects remains important to ensure that the Council and its partners are well positioned to respond to future investment opportunities and/ or additional funding allocations.

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 2027-2032.

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 2027-2032 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. 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 18th SHIP submission and has been prepared in accordance with the current SHIP Guidance issued by Scottish Government in June 2026. Since SHIPs were introduced and first submitted back in 2007, the Council and its partners have delivered 2,057 new affordable homes via all available delivery mechanisms. Scottish Borders Registered Social Landlords (RSLs) collectively now have an estimated 12,788 affordable homes for social and mid-market rent as of 31 March 2026. Because 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.

The SHIP identifies the potential to deliver up to 1,184 affordable homes over the 2027-2032 period. This reflects the full range of projects currently being promoted, developed or explored by the Council and its partners and demonstrates the significant opportunity that exists to increase affordable housing provision across the Scottish Borders. In preparing the SHIP, an assessment has also been undertaken of the level of delivery that may be achievable based on current Resource Planning Assumptions and funding expectations. The estimated delivery figure of 705 homes should therefore be viewed as a planning assumption based on currently anticipated funding levels rather than a cap on delivery.

The level of housing delivery ultimately achieved over the period will be influenced by a range of factors, including the availability of AHSP funding, RSL borrowing capacity, construction sector capacity, inflationary and market pressures, land ownership and availability, infrastructure requirements, site-specific constraints, weather-related impacts and the timely progression of statutory approvals. As such, the SHIP should be viewed as both a delivery programme and a strategic pipeline of opportunities which can be refined, brought forward or accelerated as circumstances evolve.

By maintaining a strong and diverse portfolio of projects, the Council and its partners are seeking to maximise affordable housing delivery over the lifetime of the SHIP while retaining the flexibility to respond to changing funding, policy and market conditions. This approach provides a realistic assessment of deliverability while continuing to demonstrate the scale of opportunity and commitment to increasing affordable housing provision across the Scottish Borders.

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. Housing to 2040 committed Scotland to moving towards a human right to adequate housing. 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 2027-2032 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, supported 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 2027-2032 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. Since publication of the Planning and the Housing Emergency Delivery Plan, the Scottish Government have worked collaboratively and at pace to make significant progress towards delivery of the 23 actions within it. Building on that momentum, the Scottish Government are now progressing more planning actions which we committed to in the Housing Emergency Action Plan (HEAP). For Scottish Borders this means:

- Demonstrating that allocated sites are buildable.
- Supporting SME and rural housing delivery.
- Accelerating affordable housing projects.
- Using the National Planning Hub and emerging national initiatives to unblock stalled developments.
- Strengthening the evidence base for the new Local Development Plan.
- Positioning Scottish Borders schemes as contributors to Scotland's housing emergency response.

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 Housing Investment Taskforce signals a shift from relying predominantly on government grant funding towards a blended investment model involving councils, housing associations, institutional investors and government working together to deliver more homes. For the Scottish Borders, there is opportunity to position housing projects as investable infrastructure that supports economic growth, workforce retention and sustainable communities.

More Homes Scotland Housing Agency

As a direct response to the Taskforce's recommendations, the Scottish Government announced the creation of More Homes Scotland, a new national housing agency designed to accelerate housing delivery through greater simplicity, scale and speed. Expected to begin operating from 2027-28 and become fully functional by 2028-29, the agency will focus on delivering simplicity, scale and speed to accelerate housing delivery across the country. The agency will prioritise:

- Boosting the supply of social and affordable homes through existing funding programs.
- Addressing specific housing shortages in rural and island communities.
- Acquiring, preparing, and releasing land for development.
- Funding essential infrastructure work to make stalled sites viable.
- Partnering with the Scottish National Investment Bank to bring in private investment.

The Council and its partners will continue to engage proactively with the Scottish Government as proposals for the More Homes Scotland Agency are developed. Whilst the precise remit, powers and delivery mechanisms of the Agency are still emerging, it has the potential to influence future approaches to housing investment, delivery and collaboration across Scotland. Through engagement to date, the Council has highlighted the importance of recognising rural housing challenges, supporting locally identified priorities, expanding flexibility in funding arrangements and enabling effective partnership working with local authorities, Registered Social Landlords and other stakeholders. The Council will continue to monitor developments closely, contribute to future consultation and engagement opportunities, and consider how any new national delivery arrangements may support the delivery of affordable housing priorities within the Scottish Borders.

The Housing (Scotland) Act 2025

The Housing (Scotland) Act 2025 represents the most significant reform of Scotland's housing system in a generation, introducing a new framework for rent controls, stronger tenant protections and enhanced duties aimed at preventing homelessness. The legislation forms a key part of the Scottish Government's response to the national housing emergency and seeks to improve affordability, housing security and the quality of homes across all tenures. Key provisions include powers for local authorities to assess local rental market conditions, the potential designation of Rent Control Areas, expanded tenant rights, strengthened regulation of the private rented sector and earlier intervention to prevent homelessness.

For Scottish Borders Council, the Act will have important implications for housing strategy, service planning and market monitoring. The Council will be required to undertake periodic assessments of local rent conditions and provide evidence-based reports to Scottish Ministers, helping to shape future decisions on rent controls and housing affordability. The legislation also reinforces the need to increase housing supply, prevent homelessness at an earlier stage and ensure that local housing services are equipped to meet growing statutory responsibilities.

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; Sustainable, Agile, 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 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 comprising 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

Locality Plans

Burnfoot in Hawick and Bannerfield in Selkirk have been identified as a priority areas for targeted intervention through two Locality Plans 2026-2031. Both locality plans aim to work with local communities to meet their needs and help reduce inequality, identifying a number of key priorities in each area; reducing poverty, community safety, community activities, improved maintenance of public spaces and improved health outcomes.

As identified in tables 10-10D there are currently three projects in the SHIP that will deliver more affordable homes in Bannerfield; SBHA's projects at Heather Mill and Linglie Road and Eildon Housing Association's project at Angles Field.

While there are currently no projects in the SHIP for Burnfoot, SBHA recently completed the development of 16 new affordable homes at Leishman Place and Fairhurst Drive (completed in 2024/25).

Working in partnership with Registered Social Landlords, Community Planning Partners and local community organisations, the Council will seek to align housing investment with wider regeneration and community development initiatives to improve outcomes for residents and support the long-term sustainability of Burnfoot and Bannerfield as a thriving and inclusive community.

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 as well as playing 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 Strategic Housing Forum plays a vital leadership role in the delivery of the LHS Strategic Outcomes 1, 2 and 5 and acts as the Housing Emergency Programme Board. The forum provides 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 is 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.

So far there have been three meetings of the forum, in February and June 2025 and May 2026. The next meeting is planned for November. Progress since February 2025 includes; aligning and working closely with the Borders Homelessness and Health Strategic Partnership, linking and aligning work through Health and Social (including the Integrated Joint Board and Strategic Planning Group), carrying out a review on Short Term Lets, sharing the findings and report from the Socialudo workshops, providing progress for the first year of the Housing Emergency Action Plan (HEAP) which was approved at committee in August and reviewing updating the HEAP.

Housing Emergency Action Plan

The Housing Emergency Action Plan has been developed in partnership with key stakeholders**.** The action plan is split into two themes:

- Theme 1 – Increase Housing Supply.
- Theme 2 – Enhance Housing Access and Homelessness Prevention.

The action plan is monitored and reviewed on a regular basis and actions are discussed at the Strategic Housing Forum. A progress report on the Housing Emergency Action Plan has been developed to identify achievements but also to highlight areas that require ongoing work. The action plan was presented at Executive Committee in August 2026. A review and update of the action is underway and will contain a high level of detail to 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 (HNDA)

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.

A refreshed HNDA 4 guidance has been published by the CHMA on 3rd July 2026 to support local authorities in developing a robust and credible Housing Need and Demand Assessment 4 (HNDA) which, provides the evidence base to inform strategic housing policy, investment decisions and resource allocation, supporting the delivery of Local Housing Strategies and Local Development Plans, identifying housing requirements across all tenures and geographies, and ensuring the appropriate provision of affordable, specialist and housing-related services to meet current and future needs. The South-East Scotland HNDA 4 covers local authorities in City of Edinburgh, East Lothian, Midlothian, West Lothian, Fife and the Scottish Borders. Discussions are underway on the best approach for HNDA 4.

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 polices, 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 2023/24 identifies an established housing land figure of 7,918, 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 Delivery Programme is updated biennially and 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.

Work has commenced on preparing the next new Scottish Borders Local Development Plan (LDP). The new LDP will shape how land and buildings are used over the next 10-20 years which impacts on people's lives including work, travel, access to open space, play and health. More detailed timescales are set out within the Development Plan Scheme 2026.

2.7 Rapid Rehousing Transition Plan

The Scottish Borders Rapid Rehousing Transition Plan (RRTP) remains the main strategic plan for homeless service delivery. The RRTP is delivered through the Borders Homelessness and Health Strategic Partnership (BHHSP), comprising Registered Social Landlords, NHS Borders, the Alcohol and Drug Partnership, and Scottish Borders Council. Partners remain committed to the principles of rapid rehousing, recognising the

importance of collaborative working, early intervention, and homelessness prevention in improving outcomes for households at risk of, or experiencing, homelessness.

While progress towards RRTP objectives has been impacted by ongoing pressures across the housing sector, including constrained affordable housing supply, increasing demand, and growing complexity of housing need, partners have continued to strengthen prevention and tenancy sustainment approaches to reduce homelessness and support households to remain in suitable accommodation.

Despite these challenges, positive progress has been achieved through continued commitment to increasing the proportion of social housing lets allocated to homeless households, continuing to utilise, tenancy sustainment support for those experiencing rent arrears and housing instability, and maintaining a strong focus on early intervention and homelessness prevention. Partners acknowledge the continuing challenges in meeting homeless letting targets within a constrained housing market but remain committed to maximising housing opportunities and delivering the long-term ambitions of rapid rehousing across the Scottish Borders.

2.8 Local Child Poverty Action Report

The report, 'Scottish Borders Child Poverty Update 2025/26', shows that child poverty in the Scottish Borders currently stands at 15.0%. While this represents important progress, the rate remains slightly higher than the Scottish average and seven wards continue to have a higher percentage of children under 16 living in relative low-income families, after housing costs, than Scotland overall. The figures show that progress is being made, but that continued targeted, partnership-led action with NHS Borders, Community Planning Partners and the partnership Child Poverty Group is needed to reduce poverty and inequality further across the region.

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.

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 continue to 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 while contributing to and monitoring progress against actions aimed at reducing child poverty across the Scottish Borders.

2.9 South East Scotland City Region Deal

The City Region Deal reflects the joint commitment of city region partners and the Scottish Government to deliver the regional housing programme, transforming regional housing supply and driving economic and inclusive growth across Scotland. The regional housing programme aims to accelerate the delivery of affordable housing and housing across all tenures to reverse the housing emergency, increase the supply of quality homes, reduce homelessness and enable inclusive growth to meet the greatest housing need in Scotland. The key priorities are highlighted in table 1.

Table 1: Regional Housing Priorities	
Priorities	**Progress**
Affordable Housing Delivery	• The region continues to deliver a significant proportion of Scotland's new affordable homes. In 2025/26 the region collectively delivered 2,058 affordable home approvals, 2,218 site starts and nearly 1,928 completions, with a spend of nearly £182m. • The Regional affordable housing pipeline is made up of the six Local Authority SHIPs and identities 19,266 affordable homes over the next five years (2026-31).
Strategic Sites Programme	• Work continues to try to accelerate delivery of the seven strategic sites at Blindwells, Calderwood, Dunfermline, Edinburgh's Waterfront, Shawfair, Tweedbank and Winchburgh. • The Strategic Sites Programme Annual Update approved by the Joint Committee in March 2026, provides a programme level overview of key progress across all seven of the Strategic Sites. The update in this report will focus on housing delivery over the last year. • It is anticipated that an outline Business Case for Phase 1 at Tweedbank will be prepared by early 2027.
Regional Delivery Alliance	• A Regional Pipeline was created to provide a clearer view of housing projects, including those that are funded and deliverable. • Two sites within Bundle 1 have started construction. • Bundles 2 and 3 were formed and progressed through a collaborative feasibility study, resulting in 409 viable homes across 12 sites for six unique Registered Social Landlords and Local Authority stakeholders across the south-east region. • Development of the City of Edinburgh Council's Collaborative Lot 2 framework, which is currently out to tender. • A successful business case to extend the SE-RDA programme to March 2029 and to scale the outputs.
Innovative Finance & Infrastructure Delivery Models	• Partners have agreed to explore the potential for regional collaboration including areas such as scaling of investment, private sector leverage, risk sharing models and outcome-based approaches. • Partners will continue to build on successful regional examples of unlocking infrastructure including lessons learned at Dunfermline, Granton Waterfront and Winchburgh. • A workshop with Scottish Futures Trust took place in September 2026 to consider MMR delivery models.
Housing Emergency Action Plan: Regional Actions	• Reviewed all local HEAPs and identified a number of actions that partners can collectively progress or would benefit from regional collaboration.

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 Action Group Housing 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, this 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 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 since the action plan was launched include:

- Launch of South of Scotland Housing Prospectus: The South of Scotland Housing Prospectus was launched in June 2025 and outlines unique development opportunities in the region and some of the key sites and partners ready to bring forward development. The prospectus aims to encourage

housebuilders and developers to gain a foothold in the region. The prospectus has been co-produced by the South of Scotland Regional Economic Partnership with independent property specialists Rettie and Co.

- Launch of Key Worker Homes in the South of Scotland: The research on Key Worker Homes was launched in May 2025, the research was carried out by South of Scotland Community Housing in partnership with Dumfries & Galloway Council, Scottish Borders Council, South of Scotland Enterprise and Scottish Futures Trust. The research has demonstrated that a shortage of the right homes in the right places is having a significant impact upon key worker recruitment and retention in D&G and the Scottish Borders, affecting thousands of staff and posts in health, social care, education, policing and the land-based industries. Based on the evidence, key priorities for action have been identified to deliver more key worker homes where they are most needed, and the report makes a series of recommendations for how these actions can be implemented.

- Campaign Launched to Encourage South of Scotland Housebuilders to Grow: A new campaign is underway to highlight the support available to ambitious South of Scotland housebuilders looking to start-up, grow, and innovate. The campaign led by SoSE on behalf of, and with input from, the REP will encourage businesses in the construction and housebuilding sector to get in touch to discuss their future plans. Support available includes expert advice, training, mentoring and potentially funding available to assist.

Through the Regional Economic Partnership, the Convention of the South of Scotland (CoSS) 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.

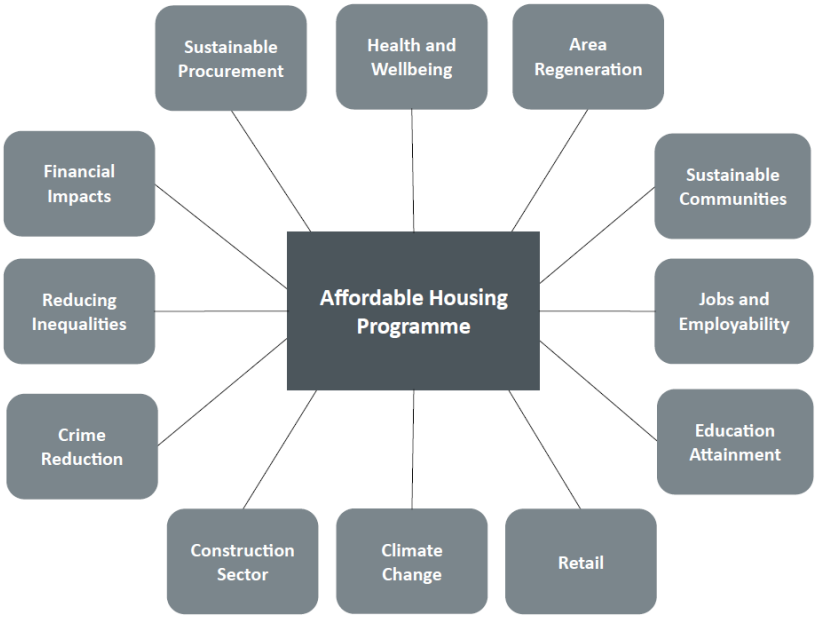
CoSS meets twice a year, and the meeting location alternates between Dumfries and Galloway Council and Scottish Borders Council. The most recent meeting was held in January 2026.

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.

Figure 5: Housing's Contribution to Social and Economic Wellbeing of the Borders



3.1 Housing Type and General Needs Housing

The latest figures for 2025/26 indicate that there were 12,788 properties available to rent amongst the nine RSLs operating within the Scottish Borders, making up 21.5% 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 39% of the total stock. These are followed by terraced properties (25%), semi-detached (19%) and 4-in-block (10%). 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 2 shows that general needs properties make up the vast majority of RSL stock at 88%. Elderly Amenity properties make up 4.3% of stock, and extra care/sheltered/supported housing makes up 7.2%.

Table 2: Total RSL Properties by Needs Type 2025/26

Needs Type	Properties	% Total
General Needs	11,263	88%
Disabled / Wheelchair*	123	1%
Amenity / Medium Dependency	446	4.3%
Extra Care Housing / Retirement Housing / Sheltered / Supported / Very Sheltered Housing	920	7.2%
Other	36	0.3%

*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 Borders and Berwickshire, especially in the Galashiels, Kelso, Peebles, Eyemouth and Duns areas, to meet demand.
- There is 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.

The need for a range of housing options are further reinforced by challenges around the rehousing outcomes for homelessness households with the following groups:

- One-bedroom households: supply is significantly outstripping demand for this group.
- Four and above bedroom households: the lack of housing for larger households and the supply of these is minimal.
- Complex cases: predominantly 1 bedroom accommodation. Where complex support needs are evident, it is challenging to source permanent housing that is sustainable.

3.2 Climate Change and Sustainable Housing

Improving energy efficiency and reducing fuel poverty are key housing priorities for the 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. 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.

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

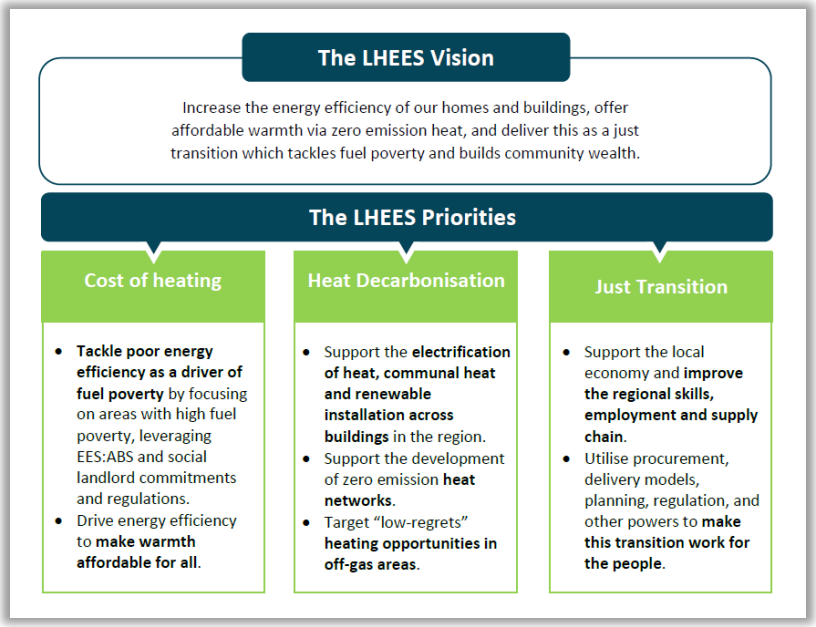
- Improving the energy efficiency and decarbonising the heat supply of all buildings in the Scottish Borders. Whilst eliminating poor energy efficiency as a driver for fuel poverty.

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. It has now completed the first 2 years of the initial 5-year cycle.

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

The overall 'LHEES Vision' is to improve energy efficiency of buildings and decarbonise their heat supply, whilst addressing 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.

Figure 6: LHEES Vision



In June 2026, the Council endorsed the 2nd Annual Progress Report of the LHEES, here is a summary of some of the progress being made:

- Ongoing focus 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, which has led onto a south of Scotland focused project developing the feasibility of rural Heat Networks.
- Progression of the Heat Network plans for the Lowood Tweedbank extension site. Engagement with developers to identify the best fit for the site that will serve the proposed development timeline.
- 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.
- Recognises the importance of supporting local Place Plans and community initiatives and projects where there is an energy project element.

The LHEES is a long-term strategy, progress across these early years will 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 the region's needs.

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 worked 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:

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

Socialudo supported two events working with all partners including the serious games, Hopetown and Pathways Paradox:

a. Strategic Workshop: Full gameplay of Hopetown: a strategic serious game focused on long-term planning for housing, health, and ageing. This session brought together senior stakeholders to build relationships, develop shared understanding, and explore how decisions about housing supply, service provision, funding, and data interact over time. This was held in September 2025.
b. Scottish Borders Partnership Summit: utilising the Pathways Paradox: a serious game designed to simulate journeys through the housing and homelessness system. This session extended the strategic insights from Hopetown by focusing on how system design and partnership working are experienced on the ground. This was held in November 2025.

The serious game events brought together strategic staff at all levels to connect, collaborate, negotiate and create shared priorities, followed by a wider coproduction event that included more staff from key partners. As a result, Housing Strategy and Development, working with Health & Social Care, RSLs, and third sector partners, is progressing a coordinated programme of work to strengthen specialist and supported housing pathways, improve prevention, and reduce reliance on crisis services.

<u>Specialist and Supported Housing</u>
One of the key outcomes of Socialudo is the ongoing work on Specialist and Supported Housing. People with complex needs require access to safe, high-quality, person-centred specialist and supported housing that promotes independence, improves wellbeing, and reduces reliance on crisis services. However, the pressures of being a rural local authority with an increasingly ageing population creates additional demand for adaptable and accessible homes that support independent living and changing demographic needs.

Therefore, a deeper and cross-sectoral understanding of specialist and supported housing needs is essential. This will allow the Council and its partners to identify priorities, address gaps, and support a more strategic, collaborative approach to housing delivery. A Specialist and Supported Housing paper has been produced to help:

- Develop a clear understanding of specialist and supported housing needs and challenges across the Scottish Borders, including current and future unmet demand, to inform strategic housing delivery and partnership planning.
- Develop an understanding of resources needed, including human, capital, systems, and relational capacity.
- Establish a platform through which partners and stakeholders can build relationships, plan and work together.

Notably, the objectives of the Specialist and Supported Housing work align with those set out in the Socialudo report which, are to prioritise relationship-building across sectors; embed partnership working in strategic planning; shift investment towards prevention and long-term planning; improve communication, transparency, and data sharing; strengthen person- and place-centred approaches and value lived experience in system design. Overall, this will ensure people with complex needs can access safe, high-quality, person-centred specialist and supported housing that promotes independence, improves wellbeing, and reduces pressure on homelessness, health, and social care systems.

This work includes an action plan with three actions:

1. Develop a clear understanding of specialist & supported housing needs and challenges (current + future unmet demand).
2. Develop an understanding of resources needed (human, capital, systems, relational).
3. Establish a platform for partners & stakeholders to build relationships, plan, and work together.

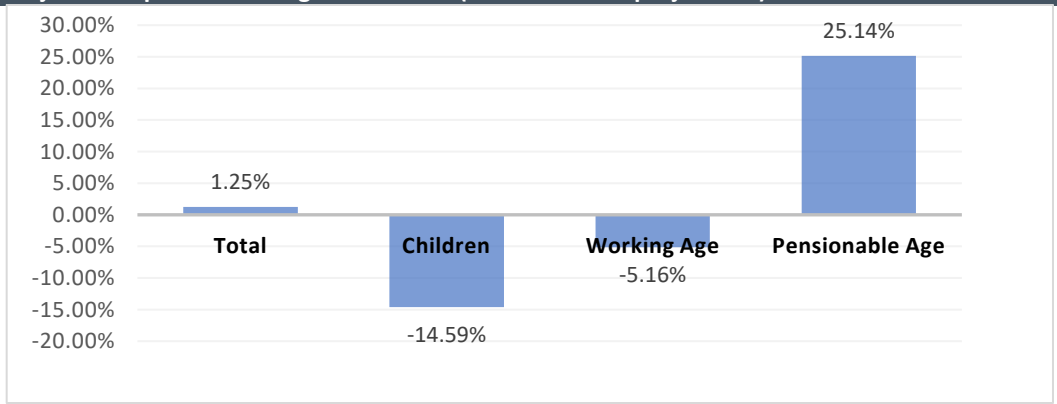
The paper and action plan has been shared with the IJB to explore and facilitate the alignment of aims and objectives, and joint working, several workstreams are ongoing:

- Develop an adapted housing register, to improve visibility of accessible stock, support timely matching of households to suitable homes, and build a robust evidence base for future investment.
- Work with partners on data gathering. Discussions with Health and Social Care are ongoing to improve how housing need for Health and Social Care clients is captured and converted into housing delivery.
- Working with partners to develop actions from the recommendations from the Socialudo report.
- Alongside these data-focused workstreams, several interconnected activities are being progressed that include supply and demand modelling, needs mapping, pathway reviews, and alignment with the LHS and IJB priorities.
- Exploring a number of models and good practice to identify opportunities to deliver more specialist housing and pathways.

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 was estimated to be 117,566 in 2024, and projections indicate a slight future increase in overall population numbers, with an estimated population of 119,037 in 2042/43 (National Records for Scotland, 2022). The main changes in the Scottish Borders will be the distribution of the population, with Figure 7 showing a projected increase of 25.14% 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 14.59% and 5.16% respectively.

Figure 7: Projected Population Change 2024 -2043 (based on 2022 projections)



Source: National Records for Scotland

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.

Two recent independent needs assessments, undertaken by Indigo House and Buchan and Associates, have reviewed and updated the evidence base for Extra Care Housing and associated health and social care provision. Together, these assessments provide a more current understanding of need and help to future proof the planned model of provision.

- Indigo House was commissioned in October 2023, with its final report received in February 2024, to refresh and test the evidence base for the remaining proposed developments, and to review the current and future requirement for care home provision in Hawick. The purpose was to confirm whether the original assumptions remained appropriate, consider whether the planned level of Extra Care Housing was sufficient, and assess the potential impact that additional Extra Care Housing could have on future demand for residential care, using population forecasts up to 2040.
- Buchan and Associates undertook a complementary and broader needs assessment and options review in 2024/25, using 2023/24 activity and service data as the basis for its modelling and population forecasts up to 2043. The purpose was to consider how future health and social care commissioning could be optimised, including the interdependencies between Extra Care Housing, residential care, supported accommodation, community health and social care services.

The needs assessment evidence confirms that the planned Extra Care Housing developments at Stirches in Hawick and in Eyemouth continue to be required.

A report on the Care Village Developments in Hawick and Tweedbank was considered by Full Council in August 2025. The report highlighted that the findings from the independent needs assessments undertaken in 2024/25 were complementary and provided a consistent evidence base on need and demand in Hawick. The findings supported increasing the proposed Extra Care Housing provision to 55 units, from the previous proposal of 40 units, alongside 11 supported accommodation units for adults with learning disabilities.

The Stirches development in Hawick has been included in this year's SHIP as a project with the potential for approximately 86 homes to be delivered. This includes the proposed increase in Extra Care Housing, supported accommodation for adults with learning disabilities, and wider general and amenity housing as part of the overall Stirches development. An Operational Group has been established to review the current position, confirm site requirements, consider funding and deliverability timescales, strengthen links with the wider locality, and determine the next steps required to progress the project.

Once planning for Stirches has progressed further, work will commence with the Eyemouth community to consider the potential for Extra Care Housing to meet the identified needs in that 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 of 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, 1 in 2024/25 in Burnfoot in Hawick by SBHA and 2 in 2025/26 at Howdenburn in Jedburgh by SBHA. Current programme information indicates that RSLs could deliver an estimated 56 wheelchair accessible homes over the period 2027-2032 (not including any Extra Care Housing developments). 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.

Learning Disability Housing and Accommodation Needs
The Scottish Borders Learning Disability Needs Assessment and Coming Home Programme continue to identify housing availability as the primary constraint to supporting people with learning disabilities and complex needs to live locally. Demand is increasing, complexity of need is rising, and there is a need for a broader range of housing options to prevent unnecessary out-of-area placements.

The Needs Assessment highlights the number of adults known to services is projected to grow over the next decade, with increasing pressures linked to complex needs, ageing carers, workforce challenges and limited specialist accommodation. It recommends developing a wider range of local housing options, progression pathways between housing models, and closer integration of housing and support planning.

The Coming Home Programme continues to progress several housing developments, including the YMCA development, Tweedbank bungalows, Poynder bungalows and a potential Innerleithen development (St Ronan's). These projects are intended to increase local capacity and support people to remain within their communities where possible.

Data from the Dynamic Support Register demonstrates ongoing demand for suitable housing and support, including individuals in hospital, at risk of support breakdown, and living in out-of-area placements. Housing remains the key enabler for future transitions and prevention of crisis-driven placements.

Local strategic discussions continue to identify gaps in accommodation for people with learning disabilities, particularly those with complex support needs. There is growing recognition of the need for additional supported housing, extra-care housing, core-and-cluster models and specialist provision, delivered through continued partnership working between Housing Strategy, Learning Disability Services, Registered Social Landlords and other stakeholders.
Key SHIP Implications are to:

- Increase the supply and variety of housing options for people with learning disabilities.
- Support delivery of current Coming Home housing developments.
- Strengthen housing pathways that promote independence and reduce reliance on out-of-area placements.
- Use evidence from the Needs Assessment and Dynamic Support Register to inform future housing investment and planning.

Overall, housing development remains a critical element of delivering the Coming Home Programme and meeting future learning disability housing needs within the Scottish Borders.

Adaptations

Borders Care and Repair is a commissioned service provided by Eildon Housing Association 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 of Finance 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 2025/26 there were 60 private major adaptations completed, and a budget spend of £522k (see Table 3).

Table 3: Adaptations Summary

Adaptations Key Performance Indicators	2023/24	2024/25	2025/26
No. of adaptations funded to existing homes (total)	705	573	614
No. of private major adaptations	63	69	60
No. of social rented major adaptations	167	87	113
No. of private minor adaptations + repairs	384	299	358
No. of social minor adaptations + repairs	100	121	86
Private Sector Major Adaptations Budget	£525k	£500k	£500k
Private Sector Major Adaptations Spend	£423,417	£451k	£522k

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 close working with RSLs on their allocations policies, leasing properties to NHS Borders and using Open Market Purchases and Mid-Market Rental properties for key worker housing.

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. 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 August 2026, there are 16 place plans registered with Scottish Borders Council spread across all five localities in the Scottish Borders. 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 registered place plans.

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.

In May 2025, the council agreed to fund an additional Empty Homes Officer in partnership with the Scottish Empty Homes Partnership for two years. The Empty Homes Office is now in post and will provide more opportunities to bring empty homes back into use and for affordable use through the Empty Homes Grant Scheme. The Empty Homes Officers continue to manage a proactive caseload of empty homes, with the aim of bringing them back into productive use. Since August 2021, 126 empty homes have been brought

back into use through direct officer support as of March 2026. This includes 22 brought back into use in 2025/26.

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 51.

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 July 2026, there were a total of 808 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 since 1st April 2024.

Short Term Lets

Short term lets licenses have been in place since October 2023 and help 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 2026, there were a total of 1,308 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 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 its Local Housing Strategy 2023-2028, Scottish Borders Council continues to consider how best to respond to the identified accommodation needs of the Gypsy/Traveller community in the area, with the

aim of reducing instances of unauthorised encampments and ensuring that any future provision is informed by evidence of need.

SBC undertook a Call for Sites exercise, inviting landowners, developers, agents and other interested parties to submit information on sites within the Scottish Borders that they considered may be suitable for Gypsy/Traveller accommodation provision.

Officers undertook an assessment of the submissions received and prepared a report for Council setting out the findings of the exercise and potential options for consideration. Further understanding of the nature and extent of demand, including the predominantly transitional patterns of use within the Scottish Borders is required before determining whether any particular form of provision should be progressed. Work on the evidence gathering phase for the next Local Housing Strategy is also expected to commence in 2027 and will provide a further opportunity to review and assess accommodation needs across the Scottish Borders.

Accordingly, no decisions have been made regarding the purchase or development of a Gypsy/Traveller site within the Scottish Borders. Should future evidence support the need for a particular form of provision, any proposals would be subject to the appropriate approval, planning and consultation processes, providing local communities and other stakeholders with the opportunity to comment and provide feedback.

Any future proposals requiring Affordable Housing Supply Programme support would be reflected in future SHIPs, subject to funding availability and the relevant approvals being secured.

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

Table 4: New House Completions 2016-2026

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	*	*
2025/26	69	*	*

*New house completion figures for 2024/25 and 2025/26 are not available at the time of writing.

4.1 Affordable Housing Delivered 2025/26

Table 6 of the previous SHIP 2026-2031 envisaged that there would be 120 affordable housing completions for the period 2025/26. Table 5 below sets out the final figures for affordable housing delivery for the period 2025/26, which shows that a total of 94 affordable homes were delivered which is much lower than the annual target of 141 homes. Of the 94 homes delivered, Registered Social Landlords (RSLs) delivered 69 through new build and remodelling and an additional 12 through individual house purchases (with additional funding from Scottish Government), 6 Open Market Shared Equity (OMSE) purchases and 7 MMR properties funded through the Empty Homes Grant.

While the level of completions in 2025/26 was lower than expected there have been a two projects that were initially expected to complete this year, but these will now be completed in early 2026/27. The number of site approvals and site starts have been lower in recent years, meaning the lower number of completions was anticipated.

Empty homes have now been included in table 5 and will form part of the figures for number of affordable homes delivered.

Table 5: Project Completions for 2025/26

Provider[2]	Project Name		Tenure	General Needs	Part. Needs	Total Homes
BHA	Open Market Purchase	Various	SR	2		2
EHA	Edgar Court	Westruther	SR	10		10
SBHA	Lothian Road (HUSK)	Jedburgh	SR		7	7
SBHA	Ramsay Road (HUSK)	Hawick	SR		6	6
SBHA	Howdenburn	Jedburgh	SR	42	2	44
SBHA	High Street	Galashiels	SR	2		2
SBHA	Open Market Purchase	Various	SR/ MMR	10		10
OMSE	Open Market Shared Equity	Various	Shared Equity	6		6
EHG	Empty Homes Grant	Various	MMR	7		7
Total				**79**	**15**	**94**

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 6 shows the number of OMSE assisted purchases since 2015/16. 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 6: Scottish Borders OMSE by HMA 2015/16-2025/26

Year	2015/ 16	2016/ 17	2017/ 18	2018/ 19	2019/ 20	2020/ 21	2021/ 22	2022/ 23	2023/ 24	2024/ 25	2025/ 26	Total
Total	11	25	34	22	14	9	16	8	21	2	6	168

Figure 8 shows images of some of the affordable housing projects which completed in Scottish Borders during 2025/26.

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

Figure 8: Affordable Housing Developments Completed 2025/26



4.2 Development Project Update 2026/27

As outlined in section 2.4 (on page 11), 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.

Since 2022/23, approvals have been lower than the original target due to several 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 was fully spent for 2024/25. The RPA for the Scottish Borders was 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).

Despite this context, the Council and its RSLs partners continue to work to ensure projects are progressed. Current programming information suggests that 150 new affordable homes could be approved for site start in the Borders this financial year (2026/27) with 98 currently under construction. Based on current delivery programmes, an additional 98 affordable homes could potentially be completed (see table 7).

Table 7: Estimated Affordable Housing Completions 2026/27						
RSL	**Project Name**		**General Needs**	**Part. Needs**	**Total Homes**	**Status**
EHA	Tweedbridge Court	Peebles	22		22	Due to complete Autumn 2026
EHA	High Tweed Mill	Galashiels	4		4	Refurbishment
SBHA	Howdenburn Primary Site	Jedburgh	22	2	24	Final handover in June 2026
SBHA	The Croft, Dingleton Road	Melrose	7		7	Due to complete early 2027
WH	Beech Avenue Phase 1	Galashiels	24	1	25	Due to complete Sept 2026
Various	Open Market Purchases	Various	16		16	Ongoing – Potential for 16 this year
Total			**95**	**3**	**98**	

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 8 provides a position statement on the progress of all potential projects in the SHIP 2027-2032, and Strategic Local programme Agreement (SLPA) at 31 March 2026.

Table 8: Project Position Status (as of August 2026)					
RSL	**Project Name**		**General Need**	**Part. Need**	**Status**
BHA	Acredale Phase 4	Eyemouth	43	5	Planning autumn 2026
BHA	Beanburn Phase 2	Ayton	18	2	Owned by BHA
BHA	Gunsgreenhill	Eyemouth	36	4	Acquisition in 2025/26. Going to planning 2026/27
BHA	Former Primary School	Duns	35	4	Owned by BHA
BHA	Newtown Street	Duns	16	2	Owned by BHA
BHA	Acredale Phase 5	Eyemouth	15	1	Ongoing discussions, linked to phase 4
BHA	Priory Hill	Coldstream	3	3	Will be delivered out of current SHIP period
BHA	The Avenue	Eyemouth	4	4	Will be delivered out of current SHIP period
BHA	Primary School	Reston	18	2	Will be delivered out of current SHIP period
BHA	Expansion site	Gavinton	27	3	Will be delivered out of current SHIP period
EHA	Angles Field	Selkirk	45	4	Anticipates site start 27/28
EHA	High Buckholm Phase 2	Galashiels	29		Completion expected 2026/27 and 2027/28
EHA	Coopersknowe Phase 2	Galashiels	39	4	Targeted start on site in 2030/31
EHA	Duns Road	Coldstream	45	7	Revised Planning app submitted, site start 27/28
EHA	High Street	Jedburgh	3		Ongoing discussions
EHA	Ex Borders College site	Galashiels	43	3	Contractor appointed
EHA	Stirches	Hawick	24	62	Owned by EHA. Project Group established.
EHA	Lowood	Tweedbank	45	5	Part of SBC Master Plan
EHA	St Ronan's	Innerleithen		8	LDS project, working group established.
EHA	Springwell Brae	Broughton	11		Targeted start on site in 2030/31
EHA	Jedward Terrace Phase 2	Denholm	12		Targeted start on site in 2027/28
EHA	St Aidan's	Galashiels	19		Potential site 2027/28
EHA	Peebles Road	Innerleithen	9		Targeted start on site in 2029/30
EHA	Angraflat Phase 2	Kelso	27	3	Pre app lodged
EHA	Bogangreen	Coldingham	20		Site start summer 2027
EHA	Main Street Phase 2	Chirnside	48	6	Targeted start on site in 2030/31
EHA	High Tweed Mill	Galashiels	4		Refurbishment – Building Warrant in place
EHA	Gattonside House	Gattonside	12		Developer Led. Targeted start on site in 2027/28
EHA	Station Road	Kelso	20	4	Targeted start on site in 2029/30
EHA	Woodbine Drive	Burnmouth	21	3	Targeted start on site in 2029/30
EHA	Former Jedburgh Grammar	Jedburgh	27	3	Currently on open market – approx. 25-30 homes
EHA	Bellfield	Eddleston	55		Ongoing discussions – approx. 55 homes

Table 8: Project Position Status (as of August 2026)					
RSL	**Project Name**		**General Need**	**Part. Need**	**Status**
SBHA	Allanbank	Lauder	24	3	On site
SBHA	The Croft, Dingleton Road	Melrose		7	Developer led, turnkey completion 2026/27
SBHA	Burgh Yard	Galashiels	70		Approx. 70 new affordable homes
SBHA	Linglie Road	Selkirk	25	2	On site
SBHA	Husk Phase 2	Various		17	Potential start 2027/28
SBHA	March Street Mill	Peebles	10	2	Developer led project, approval sept 2026
SBHA	Heather Mill	Selkirk	57	2	SBHA Owned, currently in for planning
SBHA	Headshaw Farm	Ashkirk	12		Land Owned by SBHA
SBHA	Allars Crescent	Hawick	11		Owned by SBHA, feasibility study ongoing
SBHA	Denholm Hall Farm	Denholm	25	2	Land Owned by SBHA, approval Mar 2027
SBHA	Southcroft	Earlston	14		Developer led, Turnkey. Completion 2027/28
SBHA	Channel Street	Galashiels	11		In SBHA ownership. Pre app submitted
SBHA	Main Street	Heiton	12		Developer led project opportunity (s75)
SBHA	Hendersyde Phase 1	Kelso	30		LDP zoned site, potential pipeline project
SBHA	Auction Mart	Newtown St Boswells	30		Developer led, potential pipeline project
SBHA	Station Lye	Eddleston	9		Developer led, potential pipeline project
SBHA	Gray's Close	Kelso	8		Potential pipeline project
SBHA	Innerleithen West	Innerleithen	25		Developer led, potential pipeline project
SBHA	Eildon Brae	Newtown St Boswells	40		Developer led, potential pipeline project
SBHA	Guthrie Drive	Hawick	29		LDP zoned land, Possible acquisition (pipeline)
WH	Beech Avenue Phase 2	Galashiels	20	2	Tender approval 2027/28
WH	Beech Avenue Phase 3	Galashiels	14	2	Ongoing discussions, linked to phase 2
TBC	Mossilee	Galashiels	60		Currently on the open market – approx. 60 homes

All projects included in the SHIP 2027-2032 can be viewed here: SHIP Projects 2027-2032.

4.3 Howdenburn, Jedburgh

Built on the former Howdenburn Primary School site, the development is SBHA's largest to date, delivering 70 affordable homes for social rent. Howdenburn is a mix of one, two, three and four bedroom properties with four wheelchair accessible homes.

The project completed in May 2026, with an opening day taking place on 27th May 2026.

Figure 9: Howdenburn, 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 completed in September 2026.

Figure 10: Langlee Regeneration (Beech Avenue Phase 1), Galashiels



4.5 Caledonia Court (Formerly Tweedbridge Court), Peebles

Tweedbridge Court was previously owned by Margaret Blackwood Housing Association and was acquired in January 2018 by Eildon Housing Association followed by planning being submitted in August 2018. The demolition of the site was completed in 2019/20. Prolonged negations with planning and a high number of objections to the plans have led to a significant delay in agreeing a deliverable project. Revised plans were giving the go ahead for the 22-unit project which comprises of 14 colony homes and 8 flats. The build is progressing well and the project is expected to complete in Autumn 2026, now renamed Caledonia Court.

Figure 11: Caledonia Court, Peebles



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 several 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 9: 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? • 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.

All projects identified in the SHIP have detailed project descriptors which can be found using this link (SHIP Projects 2027-2032.) 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 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 2027-2032 introduces new potential RSL projects; High Tweed Mill in Galashiels, Southcroft in Earlston, Gattonside House, Burgh Yard in Galashiels and Gunsgreenhill in Eyemouth. These projects are set out in more detail in Appendix 1 / Part 3. Appendix 1 / Part 4 previously contained individual Project Descriptors which provide details of each project. This has now been replaced with a map which you can access here.

The identification of projects within the SHIP 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 2027-3032

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 to maximise the delivery of affordable homes for the benefit of Borders communities, and to fully spend all the Affordable Housing Supply Programme annual allocations at a challenging economic time.

6.1 Investment Priorities for Affordable Housing 2027-2032

The development projects outlined in Tables 10 to 10D on pages 35-36 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 2026 SHIP Guidance. Table 11 on page 37 outlines a number of potential projects that are currently being progressed, some that could potentially come into the programme earlier or could be delivered after March 2032.

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.

It is important to note; project delivery timescales could change as project timescales/ new projects progress and future Resource Planning Assumptions for 2030/31 and 2031/32 are announced and Allocations confirmed (Tables 10C and 10D). On this basis, estimated annual completions over the period 2027-2032 are as follows.

Table 10: Estimated Project Completions 2027/28 [Year 1]

RSL	Project Name		Tenure	General Need	Part. Need	Total Homes
EHA	High Buckholm Phase 2	Galashiels	SR	29		29
SBHA	Linglie Road	Selkirk	SR	25	2	27
SBHA	Southcroft	Earlston	SR	14		14
SBHA	Husk Phase 2	Various	SR		17	17
SBHA	OMPs	Various	SR/ MMR	5		5
BHA	OMPs	Various	SR	2		2
WHA	OMPs	Various	SR	4		4
Total				**79**	**19**	**98**

Table 10a: Estimated Project Completions 2028/29 [Year 2]

RSL	Project Name		Tenure	General Need	Part. Need	Total Homes
BHA	Acredale Phase 4	Eyemouth	SR	43	5	48
EHA	Bogangreen	Coldingham	SR	20		20
EHA	Ex Borders College site	Galashiels	SR	43	3	46
EHA	High Street	Jedburgh	SR	3		3
EHA	St Ronan's	Innerleithen	SR		8	8
EHA	St Aidan's	Galashiels	SR	19		19
SBHA	Heather Mill	Selkirk	SR	57	2	59
SBHA	Allanbank	Lauder	SR/ MMR	24	3	27
SBHA	March Street Mill	Peebles	SR	10	2	12
SBHA	OMPs	Various	SR/ MMR	5		5
BHA	OMPs	Various	SR	2		2
WHA	OMPs	Various	SR	4		4
Total				**230**	**23**	**253**

Table 10b: Estimated Project Completions 2029/30 [Year 3]						
RSL	**Project Name**		**Tenure**	**General Need**	**Part. Need**	**Total Homes**
BHA	Acredale Phase 5	Eyemouth	SR	15	1	16
BHA	Former Primary School	Duns	SR	35	4	39
EHA	Angraflat Phase 2	Kelso	SR	27	3	30
EHA	Peebles Road	Innerleithen	SR	9		9
EHA	Jedward Terrace Phase 2	Denholm	SR	12		12
EHA	Gattonside House	Gattonside	SR	12		12
SBHA	Headshaw Farm	Ashkirk	SR	12		12
SBHA	Allars Crescent	Hawick	SR	11		11
SBHA	Denholm Hall Farm	Denholm	SR	25	2	27
WH	Beech Avenue Phase 2	Galashiels	SR	20	2	22
SBHA	OMPs	Various	SR/ MMR	5		5
BHA	OMPs	Various	SR	2		2
WHA	OMPs	Various	SR	4		4
Total				**189**	**12**	**201**

Table 10c: Estimated Project Completions 2030/31 [Year 4]						
RSL	**Project Name**		**Tenure**	**General Need**	**Part. Need**	**Total Homes**
EHA	Duns Road	Coldstream	SR	45	7	52
EHA	Angles Field	Selkirk	SR	45	4	49
EHA	Station Road	Kelso	SR	20	4	24
SBHA	Channel Street	Galashiels	SR	11		11
SBHA	Burgh Yard	Galashiels	SR	70		70
SBHA	OMPs	Various	SR/ MMR	5		5
BHA	OMPs	Various	SR	2		2
WHA	OMPs	Various	SR	4		4
Total				**202**	**15**	**217**

Table 10D and table 11 set out several proposed development project opportunities which could deliver up to 766 homes, 415 being delivered in the next five years and 351 homes being illustrated potentially delivering beyond 2031/32. Further work and/or negotiation will be required to realise these potential development opportunities and some projects may come into the programme earlier than anticipated. Maintaining a larger pipeline of projects remains important to ensure that the Council and its partners are well positioned to respond to future investment opportunities and/ or additional funding allocations.

Table 10d: Estimated Project Completions 2031/32 [Year 5]						
RSL	**Project Name**		**Tenure**	**General Need**	**Part. Need**	**Total Homes**
BHA	Gunsgreenhill	Eyemouth	SR	36	4	40
BHA	Beanburn Phase 2	Ayton	SR	18	2	20
BHA	Newtown Street	Duns	SR	16	2	18
EHA	Springwell Brae	Broughton	SR	11	0	11
EHA	Coopersknowe Phase 2	Galashiels	SR	39	4	43
EHA	Lowood	Tweedbank	SR	45	5	50
EHA	Woodbine Drive	Burnmouth	SR	21	3	24
EHA	Main Street Phase 2	Chirnside	SR	48	6	54
EHA	Stirches	Hawick	SR	24	62	86
EHA	Ex Jed Grammar site	Jedburgh	SR	27	3	30
SBHA	Main Street	Heiton	SR	12		12
WH	Beech Avenue Phase 3	Galashiels	SR	14	2	16
SBHA	OMPs	Various	SR/ MMR	5		5
BHA	OMPs	Various	SR	2		2
WHA	OMPs	Various	SR	4		4
Total				**318**	**93**	**415**

Table 11: Potential Pipeline Projects (including projects that will complete after 2032)				
RSL	**Project Name**	**Settlement**	**Tenure**	**Approx Units No.**
BHA	Priory Hill	Coldstream	SR	6
BHA	The Avenue	Eyemouth	SR	8
BHA	Primary School	Reston	SR	20
BHA	Expansion site	Gavinton	SR	30
EHA	Bellfield	Eddleston	SR	55
SBHA	Hendersyde Phase 1	Kelso	SR	30
SBHA	Auction Mart	Newtown St Boswells	SR	30
SBHA	Station Lye	Eddleston	SR	9
SBHA	Gray's Close	Kelso	SR	8
SBHA	Innerleithen West	Innerleithen	SR	25
SBHA	Guthrie Drive	Hawick	SR	30
SBHA	Eildon Brae	Newtown St Boswells	SR/ MMR	40
TBC	Mossilee	Galashiels	SR	60

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.

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.

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. There are currently two projects that have been removed from last years. 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.

Table 12 and 13 below illustrate the estimated affordable homes completions which could potentially be delivered over the life of this SHIP 2027-2032 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 1,184 affordable homes could be delivered over 2027-2032. This is a very ambitious programme and would require investment of £331m (see table 16 on page 49).

Table 12: Estimated Affordable Homes Completions 2027-2032						
	2027/28	**2028/29**	**2029/30**	**2030/31**	**2031/32**	**Total**
AHSP new build	87	242	190	200	404	1,123
Refurbishment				6		6
AHSP purchases	11	11	11	11	11	55
Totals	**98**	**253**	**201**	**217**	**415**	**1,184**

Table 13 below provides a more realistic figure for delivery of affordable homes based on the RPA for 2027/28 – 2029/30 (£18.275m, £18.823m and £19.388m). For the purpose of the table below we have assumed the 2029/30 RPA of £19.388m for 2030/31 and 2031/32 (total funding of £95.262M). Based on the average cost of £280k per unit, £141k grant funding, £135k of RSL private funding, £4k of other public funding and 11 Open Market Purchases the number of affordable homes that could be delivered in the next

five years would be 705. This does not account for further inflationary pressures or more costly developments.

Table 13: Estimated Affordable Homes Completions 2027-2032						
	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	2027/28	2028/29	2029/30	2030/31	2031/32	
AHSP new build	125	129	132	132	132	650
AHSP purchases	11	11	11	11	11	55
Totals	**136**	**140**	**143**	**143**	**143**	**705**

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 51). 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.

As of March 2026, the Grant Scheme has supported 27 projects to date, with 15 being made available for affordable rent. There has been a total grant allocation of £626,195.71 which has unlocked investment of over £1.6m.

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 (SE-RDA)

The South-East Regional Delivery Alliance (SE-RDA) has been established as a collaborative delivery partnership between the City of Edinburgh, East Lothian, Fife, Midlothian, Scottish Borders and West Lothian Councils.

The SE-RDA project builds on the Edinburgh Home Demonstrator (EHD) Project which aimed to deliver a new model for delivering affordable Net Zero homes. The model is centred around collaborative procurement, whole life costing, development pipeline, and increased standardisation of housing types. Based on pipeline coordination, regional typologies and design and performance standards, as well as collaborative procurement, the delivery model aims to facilitate the development of affordable housing projects with Local Authorities and RSLs for greater use of modern methods of construction to transform the performance of housing across the region and enable the move towards affordable homes built to net zero carbon standards.

A Regional Pipeline was created to provide a clearer view of housing projects, including those that are funded and deliverable. The pipeline includes:

- EHD Pilot 2 - 140 homes in construction, due for completion in 2027
- Bundle 1 (EHD Pilot 3) - Feasibility completed for 238 homes across 12 viable sites; 109 homes in construction, due for completion in 2027
- Bundle 2 - Feasibility completed for 166 homes across 4 viable sites
- Bundle 3 - Feasibility completed for 243 homes across 8 viable sites

Eildon Housing Associations Coopersknowe phase 2 project in Galashiels will be developed as part of the South-East Regional Delivery Alliance bundle 2. A further two projects by SBHA and Berwickshire Housing Association are being considered in Bundle 4.

South East Scotland Regional Strategic Housing Investment Plan (SHIP)

The South East Scotland Regional SHIP has been created by collating the 2026-2031 SHIP data from East Lothian Council, City of Edinburgh Council, Fife Council, Midlothian Council, Scottish Borders Council and West Lothian Council. The Regional SHIP 2026-31 demonstrates the scale of housing investment required across the region to address housing need, affordability pressures and economic growth ambitions. Collectively, the six partner local authorities have identified a pipeline of 19,266 affordable homes across 506 sites, including 17,086 new-build homes and 2,095 off-the-shelf acquisitions. The programme is strongly focused on affordable provision, with 14,896 homes for social rent, alongside significant delivery of mid-market rent (3,936), specialist and wheelchair-accessible housing (180). The Regional SHIP also highlights the growing importance of collaborative delivery models, infrastructure investment and innovative approaches to accelerating housing supply. "The Regional SHIP identifies approximately 7,227 homes across the South-East region that may be suitable for delivery through the South-East Regional Delivery Alliance (SE-RDA) model, including around 424 homes within the Scottish Borders future development pipeline.

For the Scottish Borders, the Regional SHIP provides an important strategic framework that strengthens the case for investment in affordable housing and infrastructure across the region. Participation in the regional programme provides opportunities to benefit from shared procurement, collaborative development approaches and emerging national initiatives such as More Homes Scotland, while also ensuring that the distinctive housing challenges of rural and dispersed communities remain visible at a regional and national level. The Regional SHIP reinforces the importance of maintaining a strong pipeline of deliverable projects, securing future grant funding and accelerating housing delivery to support population retention, workforce attraction and the long-term sustainability of communities across the Scottish Borders.

6.4 Lowood, Tweedbank

The Tweedbank Strategic Site is anticipated to deliver between 400-550 homes, with affordable homes comprising a key part of the planned mix of housing stock.

The Borders Innovation Park is growing, and major enabling works have opened the first development parcels at Lowood with a new masterplan that sets out a people centred, low carbon neighbourhood with employment space, retail, community facilities and active travel links. The current masterplan sets out 8.81ha (21.77 acres) of the 34ha estate to deliver 400-550 homes, alongside 2,500m^2 of commercial floorspace, 1,500m^2 of retail and flexible community space phased over approximately 15 years. The next five years will focus on the sites that are already enabled (Lowood Bridge end), these include:

- Lowood House
- Housing (Zone 4)
- Roads and infrastructure
- Children's Care
- Older People's Care Village
- Housing/ Business (Zone 1A)
- Anchor Business Opportunity (Zone 1B)
- Borders Innovation Park 1 & 2

Work is now on site for the Tweedbank Care Village providing a new 60 bed dementia and older people's care village to replace Garden View in Tweedbank and Waverley Care in Melrose. The £24.0m Care Village will replace existing outdated provision and deliver modern, purpose-built residential care in a dementia friendly, low carbon setting. The project forms a key part of the Council's wider place-based investment at Tweedbank and supports improved health, wellbeing and long-term sustainability of care services. The target date for opening is late 2027.

Core Infrastructure for the Lowood 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 for these later phases 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 are plans to progress initial development over the next 3 years. SBC expect to draw down in any available HIF in 2027/28 and 2028/29.

Figure 12: Lowood, Tweedbank



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. These include Stow Community Trust, Newcastleton Community District Trust and West Linton and Carlops Community Development Trust.

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 a total 7 funded projects in rural parts of the Scottish Borders as show 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.

Table 14: Rural and Islands Housing Fund - Projects in Scottish Borders (completed)

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 Scottish Borders at different stages of development with some further on and some in the early stages. Some of these projects are being supported and progressing with South of Scotland Community Housing. Table 15 outlines these projects along with projects looking for Rural Housing Funding and a number of projects being considered by Yuill Community Trust.

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.	New build. Mix of housing & commercial
Mellerstain Estate	Yarlside Farm	Earlston	MMR	3	RHF Expression of Interest submitted.	Refurbishment
Mellerstain Estate	Grieves Cottage, Darlingfield Farm	Gordon	MMR	1	RHF Expression of Interest submitted.	Refurbishment
New Smailholm Holdings	Land by New Smailholm Farm	Smailholm	MMR	3	RHF Expression of Interest submitted.	Demolish & New Build
Private	Netherurd Hall	West Linton	n/a	n/a	RHF Expression of Interest submitted.	Refurbishment
Yuill Community Trust	Land by Woodbank Road	Yetholm	Shared Equity	4	Expression of Interest submitted.	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 24, there are several Place Plans which have identified opportunities for town centre living and the potential to deliver housing projects within town centres; including the SBHA Channel Street project in Galashiels.

Channel Street, Galashiels
The project, conceived by the local community and now led by Scottish Borders Housing Association (SBHA) in partnership with Scottish Borders Council (SBC), will deliver:

- Redevelopment of the long-vacant, three-storey former Co-operative building at 34–46 Channel Street, Galashiels, a prominent C-listed building located within the heart of the town centre and the Conservation Area.
- The development will be mixed use of approximately 11 affordable homes with 3 retail units on the ground floor, creating space for commercial, community, social enterprise and community wealth-building activities, in line with professional advice, to help stimulate activity, increase footfall and support investment confidence in the town centre. The project is in the early design stages.
- The project is being funding through; AHSP funding, SBC acquisition funding, SBHA private finance, Borderlands Inclusive Growth Deal Place Programme and a grant request for the Regeneration Capital Grant Fund

The project aligns with local regeneration priorities, including town centre living, reuse of vacant properties and the creation of accessible community and enterprise spaces, as identified through the Local Place Plan and Borderlands Town Investment Plan.

6.8 Community Regeneration Partnership Programme

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.

The Scottish Borders Community Regeneration Partnership programme (CRP) commenced in April 2025 delivering £20m capital investment and £250k in revenue funding. Now including 24 projects and programmes, the focus is on tackling underlying causes of poor labour market supply, addressing inequalities and improving physical connectivity. A number of projects with a housing focus are underway in the region:

- £3m was secured to invest in phase 1 of the Croft Street Area Masterplan in Galashiels. This area contains 152 homes and is a mixed tenure 1960s development, with phase 1 delivering roof replacement and public realm works.
- Funding of £0.55m in Burnfoot, Hawick, to support common repairs to existing housing stock within an area of high deprivation.
- £1.6m of funding secured for the purchase of 3-5 Exchange Street in Jedburgh which was deteriorating; works to improve the condition of the building are being carried out, resulting in significant town centre restoration and improved building safety.
- Project to identify, develop, and upgrade suitable brownfield sites in Hawick, including the clearance, development and landscaping of sites such as Teviot Crescent (opened 3 June) and 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 timeous 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
- 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 are in the SHIP as projects that will complete over the next five years and beyond (pipeline projects).
- Eildon Housing Association has a small landbank with sites in Woodside Place, Galashiels, The Valley, Selkirk, Eccles Farm and High Buckholm Phase 3.
- 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. All of these sites are in the SHIP as projects that will complete over the next five years and beyond (pipeline projects).
- 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 several developer-led sites in the Scottish Borders. These are:

- 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 27 will be affordable to rent, delivered with Scottish Borders Housing Association. This project is currently on site.
- 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 SBHA
- Bogangreen in Coldingham is a developer led project with Eildon Housing Association. The plans are for 20 new affordable homes on the site.
- The Croft, Dingleton Road in Melrose is a turnkey project with Dingleton Development Company to deliver 28 new homes with 7 will be affordable homes for SBHA
- Gattonside House will deliver 48 homes; 34 new homes and 14 flats. Eildon Housing Association will deliver 12 affordable home on this development.

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.

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.

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 some of 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 capacity, Tender Prices and Economic Climate

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 2026 the base rate is 3.75%. While inflation has fallen to 2.9% it is expected to increase due to higher energy prices and their knock-on effects. While there has been a fall in inflation and interest rates, previous inflationary pressures and interest rate rises continue to 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.

Construction input costs in Scotland increased by an average of 5% in the year to quarter three in 2026 (last year it was 3.1%), according to a contractors' panel newly established by the Building Cost Information Service (BCIS). Tender prices for social housing in Scotland have continued to increase, with the provisional index for quarter 1 in 2026 showing sustained upward movement on both a quarterly and annual basis.

The BCIS Scottish Social Housing Tender Price Index (SSHTPI) shows tender prices increased by 0.5% in quarter one in 2026 compared with quarter 4 in 2025, and by 5.2% compared with quarter 1 in 2025.

Despite the easing in overall cost growth, greater cost pressures have been recorded in rural parts of Scotland, as well as areas outside the central belt. Travel costs were cited as one factor and reports that supply chains in the central belt had sufficient pipelines of work and therefore less need to travel further afield.

RSLs are also under increased financial pressure which may impact on new development. 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. Recent analysis of total project cost information indicates that it currently costs around £280k to provide an affordable home, with this being funded £141k by grant, £135k by RSL Private Funding and £4k by other public funding.

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 2027-2032 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 2027-2032 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.

7.3 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.

7.4 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. Current projects in the programme that are developer led:

- Eildon housing Association: working with private developers to deliver 12 affordable homes at Gattonside House and 20 affordable homes at Bogangreen in Coldingham.
- SBHA: working with Whiteburn on delivering 27 affordable homes at Allanbank in Lauder and 12 affordable homes at March Street Mill in Peebles and working with Crawfords on 7 affordable homes at Dingleton Road in Melrose.

RSLs continue to work with developers to deliver affordable homes across the region, these include partnerships with; Crudent, McTaggart, JR Group, Ogilvie, M&J Ballantyne and Clarks.

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 tenures, 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 2027-2032 based on an indicative grant of £141/unit, RSL Private Finance contribution of £135k/unit and other public grant of £4k, 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 1,184 new affordable homes over 2027-2032 (see Tables 10 and 10A-10D pages 35-36). In addition, Table 11 on page 37 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 2027-2032 period.

£331m of total investment is required to deliver the affordable housing projects identified in this SHIP 2027-2032. Table 16 below illustrates the estimated spend required during 2027-2032, this differs from £331m as £34m of the AHSP funding has been received pre-2027/28. This has been developed based on 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.

Table 16: Estimated required Investment in affordable housing 2027 – 2032*[3]

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	2027/28	2028/29	2029/30	2030/31	2031/32	
AHSP new build	32.8	30.6	20.9	26.8	17.9	129
AHSP Purchases	0.7	0.7	0.7	0.7	0.7	3.5
RSL Private Borrowing	15.9	33.2	34.2	20.7	56.2	160.2
Other Public Funding	1.0	0.4	0	0.3	2.5	4.2
Rural Housing Fund*	0	0	0	0	0	0
Other Private borrowing*	0	0	0	0	0	0
Total	**50.4**	**64.9**	**55.8**	**48.5**	**77.3**	**296.9**

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.

[3] 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.
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.

Therefore, the Council and its partners are keen to discuss any opportunities to maximise the use of allocated resources within Scottish Borders.

8.1 Affordable Housing Supply Programme Budget

Scottish Government have confirmed a funding allocation of £74.230m from its Affordable Housing Supply Programme budget to the Scottish Borders area for 2026/27 – 2029/30, this is broken down each year as follows:

- 2026/27 – £17.743m
- 2027/28 – £18.275m
- 2028/29 – £18.823m
- 2029/30 – £19.388m

In 2025/26, the RPA was £16.192m but there has been an underspend of £5.389M. Out of £10.803M spent, 3 of the RSLs had spend, which has led to a final outturn spend figure for 2025/26 of 73% proportion.

The funding allocation for 2026/27 is currently committed but SBC, all the RSLs in partnership with Scottish Government continue to accelerate any projects into the programme that can be funded, to ensure full spend is achieved.

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 RPA for the next four years provides clarity on funding available and helps SBC and the RSLs to plan the programme 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, High Street Jedburgh and High Buckholm Galashiels.

The Second Homes Council Tax Affordable Housing Investment budget makes provision for the following spend commitments in 2026/27; £1,823m to support work at High Street, Market Place in Jedburgh, £0.376m for Empty Homes Grants; £25k 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 2026/27 of £2.474m and leaves an uncommitted balance of £2.273m in 2026/27, 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 (£m)				
	2026/27	2027/28	2028/29	2029/30
Funding brought forward	3.158	2.273	1.904	1.728
Anticipated 2nd Homes Council Tax	1.589	1.668	1.751	1.839
Total Funding Available	**4.747**	**3.941**	**3.655**	**3.567**
Current Investment Commitments	2.474	2.037	1.927	0.250
Available Funding	**2.273**	**1.904**	**1.728**	**3.317**

Current spend commitments for 2027/28 include High Buckholm Galashiels, 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 7.4 on page 47.

During 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 18). Currently in 2026/27, £5,000 is being used to fund a riverside path as part of SBHA's Linglie Road project in Selkirk and £30,000 to fund the South-East Regional Delivery Alliance Programme.

See section 7.4 on page 47 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.

Banks and other lenders in the private sector remain vitally important partners in the delivery of affordable housing. RSLs are required to demonstrate that sufficient borrowing capacity or reserves exist to ensure the delivery of the proposed development programme.

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 Infrastructure and Environment is also actively exploring opportunities through the National Wealth Fund and Scottish National Investment Bank to support housing delivery.

Housing Infrastructure Fund

The focus of the Housing Infrastructure Fund is to provide RSLs and local authorities with grant to support projects which have been blocked or not able to proceed due to the extent and costs of infrastructure works being exceptional and above the level which could be approved using the grant threshold flexibility available through the Affordable Housing Supply Programme (AHSP).

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 Funding

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.

The Rural and Island Housing Grant Scheme is a Scottish Government initiative announced in February 2026 with an indicative budget of up to £20 million over four years. The purpose of the grant is to help people access affordable owner-occupation, support young people and families to stay in rural and island communities, and turn more properties into permanent homes.

Regeneration Capital Grant Fund

The Regeneration Capital Grant Fund (RCGF) supports locally developed, place-based regeneration projects across Scotland, helping communities tackle inequalities and promote inclusive growth. A stage 1 application has been submitted to the grant for SBHAs Channel Street project in Galashiels as mentioned on page 42.

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 Scottish Government and COSLA's joint action plan, 'Improving the Lives of Scotland's Gypsy/Travellers 2' (GTAP2) includes a commitment by the Scottish Government to make funding for Gypsy/Traveller accommodation available alongside housing under the Affordable Housing Supply Programme from April 2026. 2026-27 is a transition year which gives continuity for the remaining GTAF projects and allows progress to be made by local authorities who are developing further projects 16 for funding.

As mentioned in section 3.8, SBC have undertaken a thorough assessment on all the sites submitted from the Call for Sites in 2023. Accordingly, no decisions have been made regarding the purchase or development of a Gypsy/Traveller site within the Scottish Borders. SHIPs, subject to funding availability and the relevant approvals being secured.

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, with a further £700k allocate due until March 2028. 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.

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 10 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 2026 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 2027-2032 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 2027-2032 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.

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 2026/27; 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 94 new affordable houses over the period 2025/26, anticipated delivery of 98 during 2026/27 and an aspirational 1,184 new affordable homes over the life of the SHIP 2027-2032. This SHIP will use £166.8m of the Scottish Government's Affordable Housing Program to deliver 1,184 units with RSL funding of £160m.

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 2027-2032 is in accordance with the current Guidance issued by the Scottish Government in June 2026. 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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