



forth

housing association ltd.

## DEVELOPMENT STRATEGY 2021-2026

CONSULTATIVE DRAFT

as approved by Committee 31 January 2022



**YOUR VIEWS WANTED!**

## Contents

1. The Strategy.....	3
2. Operational Statement .....	4
2.1 Our Development Objectives .....	4
2.2 Governance .....	4
2.3 Product.....	5
2.4 Procurement .....	6
2.5 Funding .....	7
2.6 Appraisal .....	7
2.7 Capacity .....	8
2.8 Stakeholders .....	8
2.9 Project Management.....	9
2.10 Risk.....	9
The Business Plan 2021-24.....	10
The Development Programme 2021-26.....	11

## 1. The Strategy

The Association's Development Strategy is a crucial link between our ambitions for growth and our overall business vision and values. It is our statement of intent to external stakeholders, and a useful guide for governing body members and staff.

The Strategy links to Stirling Council's Strategic Housing Investment Plan (SHIP) 2021-26. As such it will be kept under review and refreshed as strategic housing priorities evolve and as the Association advances its business planning.

### 1.1

Forth Housing Association will continue to develop within the Strategy period to 2026 where this is consistent with its Business Plan, beneficial to its tenants and those in housing need, and where project viability and value for money is demonstrated to the satisfaction of its Management Committee.

Subject to those prerequisites, this aligns with the Association's position stated in its October 2018's Business Plan, to "progress all new development opportunities (including developer-led opportunities and regeneration areas) in order to establish an ongoing development programme". The plan set out a target stock of 1069, which would involve the development of a further 268 units over the six years to 2023/24.

### 1.2

The Association's ambition for growth meets with and contributes to its vision and values as re-stated in its Business Plan 2021-24 (see Appendix)

In this way, the Association will:

- Continue to develop and maintain quality homes within the eastern Stirling area.
- Develop homes which meet or surpass current standards regarding quality, accessibility and sustainability.
- Allocate homes to meet a range of housing needs in a manner which keeps void rent loss to a minimum.
- Demonstrate value for money in development and across our full range of activities

And in our development plans and processes will:

- Govern with transparency, demonstrating our adherence to legislation and regulatory requirements
- Carefully consider the most appropriate deployment of our resources to achieve our development goals



***Housing under construction at Johnston Avenue (Phase 2), Cornton***

## 2. Operational Statement

### 2.1 Our Development Objectives

The objectives of the Association's development programme are to:

- Deliver new homes for people who are homeless or in need of social housing.
- Monitor changing needs, new ways of living, zero carbon standards etc and respond appropriately.
- Identify and progress suitable development opportunities where these can meet local needs and strategic housing priorities.
- Demonstrate its contribution as a strong local authority partner.
- Retain its independence and purpose as a locally-based housing association.
- Maintain its long term cash reserves at a sustainable level.

### 2.2 Governance

Control will be exercised by the Management Committee which alone has authority to:

- Approve the Development Strategy.
- Approve Project Feasibility, Cost Plan viability, Tendered Project Costs and Post-Completion Reports.
- Approve Contracts subject to agreed Delegation of Authority.
- Enter into Loan Agreements.

Performance against the strategy will be reported to the Committee and will be measured by:

#### Quantitative Measures:

- Spend against Grant Planning Target.
- Units receiving tender approval.
- Post scheme reviews within 6 months of completion.  
(Contractor/consultants/tenant satisfaction)
- Site/Pre-contract progress versus plan.

#### Qualitative Measures

- Reports and updates from management team.
- Feedback from tenants and other customers.
- Benchmarking with other landlords, using tools such as SHN's Value for Money in Development tool.
- Assurance from our internal audit function.
- Assurance, reports and analysis from others, including our external auditors and other specialists we might bring in to help us.

### 2.3 Product

- The Association will build homes for people who are homeless or in need of social housing.
- Our housing product will be responsive to demonstrated local housing needs and the strategic housing priorities of Stirling Council.
- Our houses will aim to meet current and projected future housing needs as these change.
- We will strive always to exceed minimum legislative standards.

The Association knows its tenants and areas of operation well. We will work to develop a more robust understanding of the housing need and demand for the areas where we plan to develop and use this to ensure that we design and build sustainable homes. We will feed in tenants' views as well as those of prospective tenants.

The Association is consulted and contributes to the Council's Local Housing Strategy, and its Housing Needs and Demand Assessment, as well as the SHIP on a yearly basis. Through this we understand emerging needs, e.g. the local target for new provision of wheelchair accessible accommodation.

The Association will assess local needs benefiting from its strong knowledge of its operational environment, which covers most of the urban Stirling area.

Although the Association aims to meet the strong demand for socially rented housing, other forms of tenure for those on lower incomes may be considered if feasible.

Data on satisfaction levels, tenants' comments, staff experience, maintenance, housing management, asset management, financial and procurement will be used to build up a picture of what has gone well, not so well and a profile of an area and its outstanding needs – in housing terms but also with regard to public health, community safety etc. The post-scheme audit process will be used to facilitate this.

This will guide the Association to establish the type of homes (dwelling mixes and tenure mixes) that are required, preferred scheme size and localities (and the areas and needs for which development won't be undertaken.) Where possible we will involve tenants and potential tenants in the design of their new homes.

As we focus on supporting tenants to maximise their income, we also seek to minimise the costs to them of living in our homes. We recognise fuel poverty and will aim to provide thermally efficient homes. We will also seek to minimise rents through cost-efficiencies in the management and maintenance of our housing.

We will aim to design projects with reference to the Scottish Government's design and placemaking policies. The Association will make use of tools such as the Place Standard tool and "Delivering Better Places in Scotland: A guide to learning from broader experience". Although our preference has been for lower density forms of housing, tenemental flats with common access closes may be considered where required by site location or planning considerations.

#### [2.4 Procurement](#)

The Association keeps its procurement strategy under review and ensures that it complies with relevant legislation. Our approach will be flexible, effective, appropriate to our needs and consistent with demonstrating value for money in terms of cost and quality.

This goes for our procurement of new build development opportunities, of professional services and the way in which the Association secures the safe management of its development programme and projects. We will explore procurement through and with other partners including the Strathfor Alliance.

Consistent with the approach outlined above, new build opportunities will be secured through several routes including open tendering, procurement clubs, negotiated design and build, direct negotiation of section 75 development-led opportunities. These will require to be within the Association's agreed area of operation and each proposal must be demonstrated to contribute positively to the financial position of the Association and protect the interest of our tenants.

Development risk is identified, mitigated and managed through careful monitoring and selection of appropriate forms of contract, the use of performance bonds/insolvency cover, credit checks, references and other due diligence.

Legal advice on procurement and contract law is accessed on a regular basis. A lead consultant (qualified surveyor or architect or employer's agent) is appointed in every case to assist the Association in contract development and administration. As well as taking professional advice, staff stay abreast of changes to procurement practice.

We will review the outcomes of our procurement practice to ensure it delivers the performance, value and cost we seek for our tenants. We will benchmark this over time, between different project types and alongside other housing associations, councils and developers.

Benefits for our local communities will be sought through our procurement processes; benefits such as increased training and apprenticeship opportunities. Stirling Community Enterprise is a valued partner in ensuring that these are appropriate, challenging and productive.

## [2.5 Funding](#)

The Association secures its grant and private funding and committee approvals before entering into contract commitments. There is close working between finance, development, external financial advisors and the senior officer, as required, both in assessing and accessing necessary private funding for the programme and in reviewing project funding profiles for individual projects.

This includes discussing the number of new homes to be in the programme, timing, availability of grant/other subsidy, the housing association's ability to borrow and/ or self-fund the programme, and anticipated average dwelling costs.

The Committee receives periodic treasury management and covenant compliance reports and these will also now include details of any relevant grant offer conditions.

We will be proactive in maintaining positive relationships with the Scottish Government Investment team, our private funders, the Scottish Housing Regulator and Stirling Council elected members and officials.

Beyond 2026 the Association's capacity to develop will require consideration of alternatives to conventional project funding. Borrowing covenants cannot increase indefinitely and so the Association will consider the issues presented in regular review of its business plans.

## [2.6 Appraisal](#)

The Association carries out robust appraisals at key stages of the development process to make sure that development proposals are viable, represent VFM and capture whole life costs.

In reviewing the business plan the Association takes account of the impact of new development proposals.

Individual project appraisals are carried out at each of the four key stages of a project's development: inception/feasibility, cost plan, tender and post-completion.

Appraisals involve a 30 year cashflow indicating the net marginal impact on the overall business plan. This aims to ensure that the project as proposed contributes positively to the short and longer term financial position of the Association, and that any risks attached to it are manageable.

The assumptions used around management and maintenance costs, inflation etc are reviewed regularly in conjunction with asset management and financial management.

The Association is involved in a Scotland's Housing Network project group to develop VFM benchmarking for development and this will be used to understand development costs and assess the scope for efficiencies. (Participation in this network may indeed become mandatory for recipients of Scottish Government grant.)

Projects are appraised after completion to consider outturn costs, any changed assumptions, tenant feedback etc.

### [2.7 Capacity](#)

The Association has an internal development function in place, and this is kept under review for capacity. Alternative models for managing new development will be explored to ensure that the Association continues to access the necessary funding and expertise over the longer term.

Staff in the Association collaborate to ensure continuous improvement, e.g., in the handling of defects, the handover process, specification of materials. The Association also has a good range of experienced consultants and contractors to choose from and get advice and these are reviewed regularly.

### [2.8 Stakeholders](#)

The Association works with a range of stakeholders:

- Our tenants and communities;
- Our funders: Grants and Private Finance;
- Our supervisory bodies, including Scottish Housing Regulator (SHR);
- Stirling Council, and with statutory bodies; Our Design Teams: including Developers, Contractors & Design Team consultants;
- Other voluntary, public sector and private organisations;
- New partners where a mutual benefit is available.

It will be a priority to improve and maintain our engagement with all these stakeholder groups where this will add value to our development plans.

We will continue to use feedback from customers to shape our Development Strategy and aim to improve on our already high levels of satisfaction with new homes through enhanced consultation and review of feedback.



### 2.9 Project Management

The Association will examine its project management processes and benchmark these against similar organisations.

### 2.10 Risk

Forth reviews its risk register, including the development risk register, quarterly and in response to changes in the internal and external operating environment.

DRAFT

The Business Plan 2021-24 outlines the following aims, objectives, values and priorities

*Aim:*

Forth aims to develop and maintain quality affordable homes and services.

*Objectives:*

Developing and maintaining quality homes within the eastern Stirling area.

Allocating homes to meet a range of housing needs.

Encouraging tenants to meet their responsibilities.

Providing income maximisation and associated assistance.

Ensuring robust governance and value for money.

Delivering excellent customer services.

Engaging with our communities and encouraging tenant involvement.

*Values:*

We will undertake all the above in a responsive, fair and transparent manner in accordance with our policies and legal obligations.

*Business priorities:*

The above translate into the following priorities:

- Focusing our activity within the eastern part of the Stirling Council area.
- Developing homes which meet or surpass current standards regarding quality, accessibility and sustainability.
- Allocating our homes so that we meet a range of housing needs in a manner which keeps void rent loss to a minimum.
- Enforcing tenancy conditions in a firm but fair manner, to deliver tenants' rights and encourage tenants to meet their responsibilities.
- Maintaining and investing in our homes to ensure that they meet or surpass current standards wherever possible.
- Providing income maximisation and associated assistance, to help people improve their wellbeing and future prospects.
- Delivering customer services which meet expectations in a prompt and efficient manner.
- Engaging with our communities and encouraging participation in decision making at a variety of levels, from information sharing to Committee involvement.
- Developing services which bring added value to our tenants and communities, including through joint working with other agencies.
- Providing value for money across our full range of activities.
- Ensuring transparent governance, which adheres to legislation and regulatory requirements.
- Sharing information in an open and appropriate manner.

The Development Programme 2021-26

<b>FORTH HOUSING ASSOCIATION LTD</b>				
<b>DEVELOPMENT PROGRAMME 2021-2026</b>				
		<b>Notes:</b>		
		- only included identified projects		
		- inclusion does not imply Committee approval to project		
<b>PROJECT</b>	<b>Units</b>		<b>Site Start</b>	<b>Practical Completion</b>
<b>COMMITTED</b>				
<b>Raploch Site 9, Stirling</b>	<b>16</b>	<b>6 x 2p/2apt tenement flats</b>	<b>Jan-20</b>	<b>Mar-22</b>
		<b>6 x 4p/3apt semi-det houses</b>		
		<b>4 x 5p/4apt semi-det houses</b>		
<b>Raploch Site 8, Stirling</b>	<b>37</b>	<b>16 x 2p/2apt cottage flats</b>	<b>Jan-20</b>	<b>May-23</b>
		<b>8 x 4p/3apt cottage flats</b>		
		<b>3 x 4p/3apt terr houses</b>		
		<b>8 x 5p/4apt semi-det houses</b>		
		<b>2 x 6p/4apt semi-det houses</b>		
<b>Johnston Avenue Ph 2, Cornton, Stirling</b>	<b>24</b>	<b>8 x 2p/2apt cottage flats</b>	<b>Jul-21</b>	<b>Oct-22</b>
		<b>6 x 4p/3apt cottage flats</b>		
		<b>2 x 4p/3apt semi-det houses</b>		
		<b>6 x 4p/3apt terr houses</b>		
		<b>2 x 6p/4apt semi-det houses</b>		
<b>PROPOSED</b>			-	-

<b>Milne Park, Bannockburn, Stirling</b>	<b>10</b>	<b>6 x 4p/3apt semi-detached houses</b>	<b>May-22</b>	<b>Feb-23</b>
		<b>4 x 5p/4apt semi-detached houses</b>		
<b>Raploch Site 6, Stirling</b>	<b>36</b>	<b>16 x 2p/2apt cottage flats</b>	<b>Jul-22</b>	<b>Dec-23</b>
		<b>8 x 4p/3apt cottage flats</b>		
		<b>4 x 4p/3apt end-terraced houses</b>		
		<b>2 x 4p/3apt mid-terraced houses</b>		
		<b>6 x 5p/4apt semi-detached houses</b>		
<b>Polmaise Road, Cambusbarron, Stirling</b>	<b>48</b>	<b>4 x 2p/2apt cottage flats</b>	<b>Sep-22</b>	<b>Jul-24</b>
		<b>4 x 4p/3apt cottage flats (to include 2 x wheelchair-accessible flats)</b>		
		<b>20 x 4p/3apt terraced houses</b>		
		<b>20 x 5p/4apt terraced houses</b>		
<b>Croftside, Pirnhall, Stirling</b>	<b>21</b>	<b>4 x 2p/2apt cottage flats</b>	<b>Oct-22</b>	<b>Oct-23</b>
		<b>4 x 4p/3apt cottage flats</b>		
		<b>8 x 4p/3apt terr houses</b>		
		<b>4 x 5p/4apt semi-det houses</b>		
		<b>1 x 5p/4apt end-terr house</b>		
<b>POTENTIAL</b>				
<b>East Fallin</b>	<b>21</b>		<b>TBC</b>	<b>Jun-26</b>
<b>Durieshill Ph 4</b>	<b>50</b>		<b>TBC</b>	<b>Mar-27</b>
<b>Brucefields Ph 2, Stirling</b>	<b>28</b>		<b>TBC</b>	<b>Nov-26</b>

<b>Cushenquarter, Plean</b>	<b>29</b>		<b>TBC</b>	<b>Nov-26</b>

DRAFT