
Report To:	Safe, Sustainable Communities Committee	Date: 5 May 2009
Report By:	Corporate Director Environment and Community Protection	Report No: ECP/Plann/FJM09/017
Contact Officer:	Ronny Lee	Contact No: 01475 712069
Subject:	Affordable Housing Investment Programme: Resources for Inverclyde	

1.0 PURPOSE

- 1.1 To inform the Committee of the allocation of Affordable Housing Investment Programme (AHIP) funding for the financial year 2009/10 and how this will affect the delivery of Area Renewal and Reprovisioning Programme works in Inverclyde.

2.0 SUMMARY

- 2.1 The Scottish Government provides local authorities with AHIP Resource Planning Assumptions (RPAs) to allow for the preparation of the Strategic Housing Investment Plan (SHIP) and to give an indication of the funding that will be available to Registered Social Landlords (RSLs) for their development programmes. Unfortunately, these RPAs were not available at the time the SHIP 2009-14 was being prepared and this has led to a substantial under-estimate of the funding available for programmed works. The AHIP funding for Inverclyde is divided into two parts. Firstly, the Core Programme funds the work of RSLs such as Cloch HA and Oak Tree HA that have ongoing new build programmes and they also have a number of SHIP projects that are funded from this source. Secondly, there is "top sliced" funding for River Clyde Homes' (RCH) Re-provisioning Programme and Business Plan Support Grant for works to bring their existing housing stock up to the Scottish Housing Quality Standard (SHQS) by 2015. Cloch HA also has a Re-provisioning Programme at Maukinhill in Greenock however this work is funded through the Core Programme and is totally separate from the RCH programme.
- 2.2 A very substantial allocation of £34.5m of AHIP funding for Inverclyde was announced by the Housing and Communities Minister, Alex Neil, in March 2009 and discussions have been held with the Scottish Government Housing Investment Division (HID) and with developing RSLs on the various projects that are to be progressed in 2009/10 using this funding.
- 2.3 Details of the AHIP allocation for the Inverclyde area and anticipated expenditure in 2009/10 are provided in paragraphs 4.2 – 4.11 of this report.

3.0 RECOMMENDATIONS

- 3.1 That Committee:
- (a) note the allocation of £34.5m of Affordable Housing Investment Programme funding to Inverclyde for the financial year 2009/10; and
 - (b) note the discussions to date on the expenditure of this funding by Registered Social Landlords operating within Inverclyde and arrangements for the monitoring of this expenditure throughout the 2009/10 financial year.

Fraser K Williamson
Head of Planning and Housing

4.0 BACKGROUND

4.1 This report provides details of the Core Programme funded by the Scottish Government HID as part of the AHIP together with River Clyde Homes' Re-provisioning Programme and works to achieve the SHQS using "top sliced" funding. Inverclyde has received the highest AHIP allocation in Scotland (apart from the cities of Edinburgh and Glasgow that are subject to special funding arrangements). We welcome the fact that the substantial programme of investment in the RCH Re-provisioning Programme and in associated Area Renewal Strategy projects is being supported by the Scottish Government through the AHIP allocation. The allocation also reflects the fact that Maukinhill in Greenock forms part of the Cloch HA Re-provisioning Programme and that RSLs continue to provide affordable new build housing for rent and for sale to meet locally identified needs. All of the work to be funded by the AHIP meets the strategic aims of the Inverclyde LHS and confirms the investment priorities set out in the Inverclyde SHIP 2009-14. Details of ongoing and planned AHIP funded projects are given in paragraphs 4.3 – 4.11 below.

AHIP: Core Programme

4.2 The AHIP allocation for 2009/10 contains £11m of Core Programme funding and this represents an increase of almost 60% on the allocation of £7m for the 2008/09 financial year. The Core Programme provides funding for the development of new build housing by Cloch HA and Oak Tree HA as they are the only RSLs, other than RCH, that are actively developing in the Inverclyde area. As noted in paragraph 2.1 above, the Core Programme also provides funding for the Cloch HA Re-provisioning Programme at Maukinhill, Greenock, which is being undertaken on land transferred to the Association in December 2007 as part of the Stock Transfer Agreement. Both Cloch HA and Oak Tree HA have ongoing development programmes and around one third of the £11m AHIP allocation for 2009/10 will be used to repay both Associations for works undertaken using their own finances during 2008/09. The sum available for 'new business' in 2009/10 amounts to c. £6.6m, which is more in line with funding for the previous financial year.

Cloch Housing Association

4.3 **Gibshill, Greenock:** The 26 social rented houses started in 2008/09 have now been completed and handed over to Cloch Housing Association for allocation to new tenants. Discussions on the provision of further new build housing for rent are ongoing with HID and, if agreement is reached, these new houses will count towards the Re-provisioning Programme target of 150 houses to be provided by RSLs other than RCH. Provision has been made in the SHIP for these new social rented houses although some adjustment to the SHIP programme may be required depending upon the outcome of the negotiations.

4.4 **Maukinhill, Greenock:** Work is progressing well on Phase 1 of the Cloch HA Re-provisioning Programme at Maukinhill following a site start in September 2008. The first phase of new building comprising 48 units is due for completion in summer 2009. Further demolition works will be completed during the summer to allow a site start on Phase 2 of the programme later this year. The work at Maukinhill is the major AHIP funded project being undertaken by Cloch HA during 2009/10. The remaining projects, such as Highholm Street, Port Glasgow, and Carwood Street, Greenock, relate to works started in 2008 and due for completion in 2009. Cloch HA does not anticipate any difficulties in fully expending the AHIP funding available for finalisation of ongoing projects and for new business in 2009/10.

Oak Tree Housing Association

4.5 **Grieve Road / Wren Road, Greenock:** The Oak Tree HA project at Grieve Road / Wren Road was delayed by adverse site conditions encountered during 2008. The first phase of a mix of new build housing for social rent, low cost home ownership, and

housing for particular needs is due for hand over to the Association in summer 2009. Part of the Core Programme funding available in 2009/10 will be used to finalise this project on site.

- 4.6 **Branchton, Greenock:** Oak Tree HA is also building new social rented and low cost home ownership housing at Kirkwall Road in Branchton and work is now progressing following delays due to site conditions affecting house building and associated environmental works during 2008. Work is continuing on site with a view to staged completions and handovers of new build houses up to the autumn of 2009. As in 4.5 above, part of the Core Programme funding will be used to finalise this project on site.
- 4.7 In addition to completing ongoing projects as outlined above, Oak Tree HA also has new SHIP projects coming on line in 2009/10 including the provision of new social housing at West Blackhall Street, Greenock, partly through conversion of existing property and partly through new build on adjacent land. The Association also has a number of SHIP projects scheduled for 2009/10 that involve the conversion or provision of housing for special needs. However, there is the possibility that these projects will be delayed due to a lack of revenue funding for the care and support elements required by the intended client groups. This has been allowed for in the Association's development plans and they do not anticipate any difficulties in fully expending the AHIP funding available for finalisation of ongoing projects and for new business in 2009/10.

AHIP: River Clyde Homes Programme

- 4.8 The AHIP allocation for 2009/10 contains £23.5m of "top sliced" funding specifically targeted to support the RCH Reprovisioning Programme and works on the existing housing stock. The "top slicing" refers to the Scottish Government setting an overall budget for the AHIP that is then subject to the removal of "slices" of funding to support specific programmes such as the stock transfers in Glasgow (GHA), Argyll & Bute, and Inverclyde, together with mortgage to shared equity and mortgage to rent schemes. The remaining funding is then allocated to the Core Programme and distributed to all Scottish local authorities (as noted in paragraph 4.2 above). The main elements of the RCH programme are Reprovisioning (£15m) and works towards the achievement of the SHQS (£8m). The remaining £0.5m provides the final tranche of the Early Action Fund (EAF) Grant for 2009/10, which is the subject of a separate report to this Committee.
- 4.9 **Port Glasgow:** River Clyde Homes' (RCH) Lot 1 covers the three areas of Woodhall, Oronsay and Moray Road in Port Glasgow. Woodhall Phase 1 and Moray Road are currently the subject of detailed planning applications and discussions between RCH, the Design Team, and Development Management are ongoing with a view to planning permission being granted in spring 2009 and site starts as soon as possible thereafter. These two projects represent the first phase of the River Clyde Homes Reprovisioning Programme and they will continue to be monitored closely by Inverclyde Council and by the HID as they will help to set the pattern for future developments by RCH over the next five to six years and beyond. RCH anticipate fully expending the AHIP funding available for these projects in 2009/10.
- 4.10 **Greenock East End:** River Clyde Homes has appointed a Design Team for Lot 2: Greenock East End, which is made up of a number of separate, distinct sites. Detailed planning applications have now been received in respect of three of these sites and discussions are currently ongoing between RCH, the Design Team, and Development Management with a view to planning permission being granted in spring 2009 and site starts as soon as possible thereafter. Lot 2 will be completed in stages as RCH tenants require to be relocated to the new build housing to allow further demolition and redevelopment to take place. RCH anticipate fully expending the AHIP funding available on the first three sites during 2009/10.

SHQS Delivery Plan

- 4.11 The Investment Division of RCH has drawn up a SHQS Delivery Plan that details the works required to bring their existing housing stock up to standard by 2015. Work such

as the installation of 550 new kitchens and bathrooms, 650 'mini modernisations', and cladding and roofing works at multi-storey blocks will be undertaken during 2009/10 using the £8m of AHIP funding allocated to these projects. Regular liaison meetings are held with the RCH Investment Division to ensure that the Delivery Plan is on target and that the Support for Owners Fund is being used to allow owners to take part in common works relating to the SHQS. These monitoring and liaison arrangements will continue throughout 2009/10 and beyond as the Delivery Plan is rolled out by RCH.

[Min Ref 13/01/09 para 32]

- 4.12 The following table details the AHIP funding that will be provided to RSLs operating in Inverclyde by the HID on behalf of Scottish Ministers during 2009/10.

Budget Heading	Budget Year	Proposed Spend
Core Programme	2009/10	£11.000m
RCH Reprovisioning	2009/10	£15.000m
RCH Business Plan Support Grant	2009/10	£8.000m
EAF Programme	2009/10	£0.500m
	TOTAL	£34.500m

5.0 PROPOSALS

- 5.1 It is proposed to continue providing Committee with periodic updates on expenditure of the AHIP funding budget administered by the Scottish Government HID in relation to the Area Renewal Strategy and Reprovisioning Programmes being undertaken by developing RSLs across Inverclyde. These updates will provide information on spend against targets on identified investment priorities for Inverclyde Council, including the Reprovisioning Programme and the SHIP programme for 2009/10, based upon regular liaison and monitoring meetings with HID and the developing RSLs.

6.0 IMPLICATIONS

- 6.1 **Legal:** there are no additional legal implications to that already known.
- 6.2 **Financial:** there are no financial implications affecting Inverclyde Council.
- 6.3 **Personnel:** there are no personnel implications affecting Inverclyde Council.
- 6.4 **Equalities:** when delivering services to our customers, full cognisance is taken of equality and diversity processes and procedures.

7.0 CONSULTATION

- 7.1 This report has been prepared in consultation with the Paisley Area Office of the Scottish Government Housing Investment Division, Cloch Housing Association, Oak Tree Housing Association, and River Clyde Homes.

8.0 CONCLUSION

- 8.1 The Committee is asked to note the proposed expenditure of AHIP funding in 2009/10 on the works as detailed in paragraphs 4.3 – 4.11 above, all of which meet the strategic aims of the Inverclyde LHS and the agreed investment priorities of the SHIP 2009-14. Committee is also asked to note the monitoring and reporting arrangements as set out in paragraph 5.1 above.

9.0 LIST OF BACKGROUND REPORTS

- 9.1 Inverclyde Council 'Strategic Housing Investment Plan 2009 - 2014' (SHIP) (Finalised Draft, November 2008), agreed by Special Meeting of Committee, 25 November 2008.

[Min Ref 25/11/08 para 831]

