

Ref: SL/JC

Date: 3 March 2010

**I refer to the agenda for the meeting of the Safe, Sustainable Communities Committee to be held on Tuesday 9 March 2010 at 3 pm and attached amended reports relative to items 8 and 9 which should be substituted for those previously issued.**

ELAINE PATERSON  
Head of Legal and Administration

Enquiries to – **Sharon Lang** – Tel 01475 712112

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<b>Report To:</b>	<b>Safe, Sustainable Communities Committee</b>	<b>Date:</b> 9 <sup>th</sup> March 2010
<b>Report By:</b>	<b>Corporate Director, Environment and Community Protection</b>	<b>Report No:</b> <b>ECP/Plann/WR10/006</b>
<b>Contact Officer:</b>	<b>William Rice</b>	<b>Contact No:</b> 01475 712070
<b>Subject:</b>	<b>Scheme Of Assistance for Homeowners: Budget Proposal 2010/11</b>	

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## 1.0 PURPOSE

- 1.1 This report provides Committee with information on the proposed 2010/11 PSHG budget which will allow Inverclyde Council to deliver the aims and objectives as set out in the Scheme of Assistance (Section 72 Statement), which was approved by the Safe, Sustainable Communities Committee at it's meeting of 27 October 2009.

[Min Ref:  
27/10/09,  
Para 675]

## 2.0 SUMMARY

- 2.1 The Scheme of Assistance is effectively the replacement for the current private sector housing strategy which is funded from the Private Sector Housing Grant (PSHG) and which will come into force on 1 April 2010 following the removal of the ring-fenced PSHG budget. From this date the PSHG allocation will be rolled up within the overall General Capital Grant award to Inverclyde Council. However, the Scottish Government have advised each local authority of the relevant element of the General Capital Grant which would be the PSHG equivalent up to 2013/14.
- 2.2 In the past PSHG has been used to make improvements to private sector housing in Inverclyde through funding of a range of services and providing grant assistance to owners for a range of works within an overall strategic approach. The Scheme of Assistance continues a strategic approach to improving private sector housing in Inverclyde and to meeting our statutory obligations through the provision of advice & information, practical assistance, and financial assistance.
- 2.3 The Scottish Government advised that £1.158million PSHG funding was included within the 2010/11 settlement.

## 3.0 RECOMMENDATIONS

- 3.1 That Committee:
- agree the proposed Scheme of Assistance 2010/11 budget as set out in Appendix 1 of this report.

## **4.0 BACKGROUND**

- 4.1 At its October 2009 meeting, the Safe, Sustainable Communities Committee approved the Scheme of Assistance which set out the Councils approach in providing home owners in Inverclyde with relevant information, advice and assistance in line with the requirements of Section 72 of the Housing (Scotland) Act 2006. [Min Ref: 27/10/09, Para 675]
- 4.2 The Scheme of Assistance takes cognisance of the principles of the Housing (Scotland) Act 2006 and sets out our priorities in terms of providing advice and information, practical assistance and financial assistance to the home owners of Inverclyde. It should be noted that the Scheme of Assistance defines an approach as opposed to simply a set of measures and is intended to match assistance to the barriers that owners may experience in exercising their rights and responsibilities.
- 4.3 Committee is asked to note the proposed 2010/11 budget as outlined in Appendix 1, which takes account of the indicative PSHG allocation, the recent change to a capital and revenue split and the reductions approved as part of the 2010/11 budget. The following sections set out the services, projects and grants that are proposed to be funded and delivered under the Scheme of Assistance budget, which should allow Inverclyde Council to meet its statutory obligations and continue to deliver the strategic aims of the Local Housing Strategy.

## **5.0 PROPOSALS**

### **The Property Inspection Service**

- 5.1 The Property Inspection Service provides a free information, advice and inspection service to owners residing within residential properties in Inverclyde. The reports, along with advice and information, have assisted owners in identifying repairs at an early stage, reducing the need for major repairs at a later date and the possibilities of financial assistance being sought from the Council for avoidable major repairs. The Inspection Service has also been utilised by other Council Services where specialist knowledge has been required to identify and address issues of disrepair.

### **Lead Pipe Replacement Grants**

- 5.2 The Council provides prioritised financial assistance to households wishing to replace lead piping which supplies drinking water where the property is the main residence of the undernoted groups;
- children aged 16 and under
  - a pregnant woman
  - occupiers aged 60 years of age or over

A grant level of 50% has been set for all applications and is estimated that the budget set aside will allow us to further reduce lead contaminated drinking water supplies.

### **Private Landlords Information & Advice**

- 5.3 It is proposed to continue printing and publishing the biannual private landlords newsletter 'Letting You Know,' which allows the Council to disseminate targeted information, promote good practice and provide landlords with information on recent and forthcoming legislative changes.

## **Inverclyde Care & Repair**

- 5.4 Inverclyde Care & Repair is a partnership between the Scottish Government, Cloch Housing Association, NHS Greater Glasgow and Clyde, and Inverclyde Council. The service provides support to elderly and/or disabled clients in maintaining their homes or having their homes adapted to meet their needs and is a key partner in the delivery of the advice & information and practical assistance elements of our Scheme of Assistance.
- 5.5 The revenue (salary and operational) costs of the service were met by the Scottish Government and Inverclyde Council from the PSHG award, with a further contribution of £50,000 directly from Inverclyde Council. It is proposed that this funding arrangement be continued.
- 5.6 The delivery of adaptations to home owners is on a needs-led basis with assessment and identification of priority carried out by an Occupational Therapist (OT) prior to any application for financial assistance. Upon confirmation of the need, identified by the OT, Care & Repair carry out a technical and financial assessment, organise quotes, architects drawings and apply for permits as and when necessary. Care & Repair also assist the client in applying for financial assistance from Inverclyde Council in line with our statutory obligations to provide financial assistance to meet the needs of disabled people. A budget, based on historical demand, has been estimated which should allow us to meet our statutory obligations. It should be noted that the 2009/10 budget has seen an increase of 55% compared to demand in previous years and, as such, the budget had to be increased accordingly at the end of quarter 2 to allow our statutory obligations to be met.

## **Small Repairs Service**

- 5.7 The Small Repairs Service is operated via Care & Repair and is a partnership between the Scottish Government, Cloch Housing Association and the Council. The service is available to elderly and/or disabled home owners to assist them in carrying out small repairs to their home where they would find it difficult or too costly to source contractors to carry out the work. The revenue (salary and operational) costs of this service are funded wholly from the PSHG award and it is proposed to continue this service in its current format.

## **Energy Efficiency Advice**

- 5.8 The award winning service, LESS Inverclyde, was launched in November 2008 and offers subsidised insulation measures, energy advice and a free home energy report to every private household in Inverclyde. Funded by a six-figure contribution from Scottish Hydro Electric it is anticipated that the scheme will contribute to significant improvements in home energy ratings, reduced CO<sup>2</sup> emissions, reduced energy use and removing residents from fuel poverty and being at risk of fuel poverty. A nominal budget is proposed to assist with promotional activities to encourage take up and ensure maximum benefit for the residents of Inverclyde.

## **Central Heating Grants**

- 5.9 Means tested central heating grants are delivered by the Care & Repair Service for applicants who do not qualify for the Scottish Government's Central Heating Programme (CHP), irrespective of age, who are in Fuel Poverty and are without heating, who have a heating system that is broken beyond economical repair, or who have a heating system that is inefficient and contributing to their fuel poverty status. Where gas central heating is being grant funded, the applicant must install an energy efficient condensing boiler. The installation of a condensing boiler will benefit the householder with lower fuel bills and assist them in moving out of fuel poverty, key aim of the Council. It is estimated that replacing a 15 year old inefficient boiler (G rated)

with an A rated condensing boiler could reduce heating bills by £235 per year and save 1,260kg of CO2 in the same period. (Energy Savings Trust, Nov 2009, based on 3 bedroom semi-detached property). The recent introduction of a boiler scrappage scheme will be factored into Central Heating Grants to ensure that there is no duplication of available services and that the full benefits of the scrappage scheme are factored in for the benefit of Central Heating Grant recipients.

### **The Tolerable Standard and Standard Amenities**

- 5.10 Where a property is identified as being below the tolerable standard (BTS) or lacking standard amenities financial assistance will be provided to encourage the owner to carry out works and bring the property up to at least the tolerable standard. This financial assistance will be at a 50% flat rate of the cost of the works required to meet the tolerable standard. Prioritisation and allocation of the budget will be directed by the significance of the element which has led to failure and the findings of the forthcoming Private Sector Housing Condition Survey.

### **Support For Owners**

- 5.11 Whilst the approach and policy for the Support For Owners fund is set out within the Scheme of Assistance this is a ring-fenced budget and, as such, will be the subject of separate reports to Committee.

### **Promotion of Scheme of Assistance**

- 5.12 As previously noted, the Scheme of Assistance defines an approach, not just a set of measures and successful implementation will require a cultural shift in the attitudes of Inverclyde's home owners with regards to property ownership and maintenance. To assist with this cultural shift a budget has been set aside which will allow for the creation of advice and information sources as well as promotional materials for preparation and distribution throughout 2010/11.

### **Regeneration Enabling**

- 5.13 A budget has been set aside for the purpose of regeneration enabling. However, it should be noted that the planned regeneration is dependant upon the implementation of the Housing Renewal Area (HRA) legislation as set out in Part 1 of the Housing (Scotland) Act 2006. A sum of £186,314 is noted as an earmarked reserve to be carried forward from the 2009/10 PSHG budget and included in the proposed budget. Progress is being made towards becoming the first Local Authority in Scotland to utilise these powers to tackle disrepair. A number of derelict properties in the area have been secured and others will be subject to Closing Orders which will require to be secured in the future as we progress towards regeneration.
- 5.14 The Council have given a public commitment to tackling the physical and social problems that are well documented in the Clune Park area of Port Glasgow and discussions are ongoing with the Housing Investment Division of Scottish Government regarding funding and masterplanning for regeneration. It has been indicated that the Council will need to contribute significant sums of PSHG to kickstart the regeneration of the Clune Park area and the mechanisms for this are currently under consideration by the Clune Park Regeneration Task Group, chaired by Councillor McCabe. A separate report on the progression of Clune Park Regeneration is included in the agenda for this Committee.

### **Owners in RSL Programmes**

- 5.15 A budget has been set aside to provide support for owners where communal works are required by the other Housing Associations in Inverclyde not covered by the Support For Owners agreement between Inverclyde Council, River Clyde Homes and

the Scottish Government. Investment plans submitted by the local RSLs as part of the Strategic Housing Investment Plan 2010/11 – 2014/15 (SHIP) indicate a number of projects which may have a significant financial impact upon owners as the RSLs progress towards SHQS attainment.

### **Ring-Fenced PSHG**

- 5.16 The financial year 2009/10 will be the final year in which the PSHG allocation to local authorities is ring-fenced, after this the award will be rolled up into the General Capital Grant awarded to local authorities and it will be the responsibility of the Local Authority to prioritise private sector housing investment within its existing budgets. Committee is asked to note this change and the projected demand on PSHG in the forthcoming years as outlined in the recently approved Strategic Housing Investment Plan 2010/11 – 2014/15 and anticipated in the Private Sector Stock Condition Survey 2010.

## **6.0 IMPLICATIONS**

### **Strategic**

- 6.1 The delivery of services to vulnerable client groups both in partnership and directly from Inverclyde Council allows the Council to deliver the aims of several key documents and strategies, as does the inclusion of owners within refurbishment schemes and communal works. In addition to the Local Housing Strategy and Strategic Housing Investment Plan 2010/11 – 2014/15, the Scheme of Assistance will make a valuable contribution to several strategic aims and objectives as set out in the:

- Single Outcome Agreement;
- Joint Community Care Strategy;
- Community Plan;
- Corporate Plan; and
- Directorate Plan

### **Financial**

- 6.2 In 2010/11 PSHG funding has been split 70% Capital and 30% revenue. The proposals in Appendix 1 can be contained within the approved budget.

Cost Centre	Budget Heading	Budget Year	Proposed Spend This Report	Virement From	Other Comments
PSHG	PSHG Capital	2010/11	1,012,407	n/a	As set out in appendix I
PSHG	PSHG Revenue	2010/11	286,907	n/a	As set out in appendix I

### **Legal**

- 6.3 There are no Legal implications arising from this report as the estimated demand for statutory adaptations can be met from the budget.

### **Personnel**

- 6.4 There are no Personnel implications arising from this report.

### **Equalities**

- 6.5 When delivering services to our customers, full cognisance is taken of equality and diversity processes and procedures.

## **7.0 CONSULTATIONS**

7.1 This report has been considered by the CMT prior to consideration by the Safe, Sustainable Communities Committee.

## **8.0 LIST OF BACKGROUND PAPERS**

- Care & Repair Business Plan 2006-2009
- Local Housing Strategy 2004-2009 – Monitoring and Update Report 2009
- Scheme of Assistance (Section 72 Statement) – SSC Committee 27 Oct 2009
- Strategic Housing Investment Plan 2010/11 – 2014/15 (November 2009)

### **Attachment**

Appendix 1: Budget Proposal 2010/11

Head of Planning and Housing  
Cathcart House  
6 Cathcart Square  
Greenock

22nd February 2010

SSC/Scheme Of Assistance/WR

Scheme of Assistance for Homeowners: Budget Proposal 2010/11

Budget Heading	Strategic Fit	2009/10 Budget	2010/11 Budget
<b>Capital Elements</b>			
Private Sector Info and Advice	Improving Information & Advice	15,000	0
Repair Grants	Tackling Disrepair	100,000	0
Lead Pipe Grant	Reducing BTS Housing	5,000	10,000
Private Landlord Info and Advice	Improving Information & Advice	2,000	1,500
Adaptations	Meeting Particular Needs	855,000	750,000
Energy Efficiency	Improving Energy Efficiency	1,000	1,000
Central Heating Grants	Improving Energy Efficiency	75,000	75,000
Regeneration Enabling	Reducing BTS Housing	156,314	103,907
BTS and Standard Amenities	Reducing BTS Housing	87,183	50,000
Implementing Scheme of Assistance	Improving Information & Advice	5,000	1,000
Owners in RSL Projects	Meeting Established Standards	18,000	20,000
<b>Sub-total</b>		<b>1,319,497</b>	<b>1,012,407</b>
<b>Revenue Elements</b>			
Salary Costs		53,000	30,000
Small Repairs Service	Meeting Particular Needs	75,410	78,049
Care & Repair Revenue		172,810	178,858
<b>Sub-total</b>		<b>301,220</b>	<b>286,907</b>
<b>Total Expenditure</b>		<b>1,620,717</b>	<b>1,299,314</b>
<b>Funded by:</b>			
PSHG Award		1,178,000	1,158,000
Care & Repair Revenue Contribution		50,000	50,000
Carry forward		380,900	186,314
Grant Recovery		11,817	0
<b>Total Available Budget</b>		<b>1,620,717</b>	<b>1,394,314</b>
Budget Savings		0	95,000
Less virement to Housing Core Income		0	30,000
<b>Total budget savings</b>			<b>65,000</b>
Earmarked Reserves 09/10		186,314	0



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<b>Report To:</b>	<b>Safe, Sustainable Communities Committee</b>	<b>Date: 9 March 2010</b>
<b>Report By:</b>	<b>Corporate Director, Environment and Community Protection</b>	<b>Report No: ECP/Plann/WR10/008</b>
<b>Contact Officer:</b>	<b>William Rice</b>	<b>Contact No: 01475 712070</b>
<b>Subject:</b>	<b>Clune Park Regeneration: Progress Report</b>	

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## 1.0 PURPOSE

- 1.1 This report provides Committee with a progress report on the proposed regeneration of the Clune Park area in Port Glasgow.

## 2.0 SUMMARY

- 2.1 In 2006 the Robert Street Options Study (which had been jointly commissioned by Communities Scotland, the Council, and Renfrewshire Enterprise) was completed and the study presented 8 options for the regeneration of the Robert Street area. In response to the study a regeneration group was established in February 2007 to carry out an options appraisal of the 8 options. The regeneration group involved officers from Inverclyde Council and Communities Scotland, along with members of Clune Park Tenants and Residents Association (CPTARA).
- 2.2 At its meeting of 25 October 2007 the Safe, Sustainable Communities Committee approved the regeneration group recommendation that the option of complete demolition of the 45 four-storey tenements and new build of approximately 95 units would be the most appropriate method for delivering the regeneration of the wider Clune Park area of Port Glasgow.
- 2.3 To deliver the agreed regeneration option, a 10-year action plan was developed which set out a three-strand approach to deal with the problems of the area, i.e. acquisition of private houses; demolition of these houses; and new build as a replacement. The Clune Park Regeneration Task Group has reached the stage of the action plan where consideration must be given to the funding of these three strands, in the knowledge that the successor to Communities Scotland, the Housing Investment Division of the Scottish Government, has now indicated that it can no longer help with the costs of all three elements.

**Min Ref:  
25/10/07,  
Para 680**

## 3.0 RECOMMENDATIONS

- 3.1 That Committee:
- Note the progress to date and ongoing discussions with the Scottish Government to take forward the physical and social regeneration of Clune Park.
  - Note the approach to the Minister for confirmation of Clune Park as a joint priority alongside the need for appropriate funding packages to be allocated.

**Fraser K Williamson**  
**Head of Planning and Housing**

## **4.0 BACKGROUND**

- 4.1 There are two main issues relevant to the progression of regeneration in Clune Park, firstly legislation and secondly finance. In terms of legislation the Housing (Scotland) Act 2006 replaces Housing Action Areas for Demolition (HAAD) with Housing Renewal Areas (HRAs), with the aim of providing Local Authorities with greater powers and increased flexibility in tackling areas of poor housing quality. In terms of finance, the cost of regeneration is perhaps the most relevant topic requiring discussion in terms of setting out the long-term approach to regeneration.
- 4.2 There are two main elements of the regeneration of Clune Park in that the construction of new build properties for the established community cannot happen within the footprint of the existing site without the acquisition and demolition of the existing sandstone tenement blocks.
- 4.3 What is clear is that Inverclyde Council cannot progress the regeneration of Clune Park as a single body and will require support and funding from relevant directorates within the Scottish Government.

## **5.0 PROGRESS**

### **Finance**

- 5.1 The 2006 Housing Options Study estimated the cost of acquisition and demolition of existing properties and construction of 95 new build properties within the Clune Park footprint at £17m-£18m.
- 5.2 Construction of new build housing within the existing Clune Park footprint would require the acquisition and demolition of the existing 430 privately owned properties. Currently the only source of funding for acquisition and demolition would be the Private Sector Housing Grant (PSHG) budget. However, annual statutory obligations from PSHG mean that any contribution from the c. £1.1m annual budget would not allow significant progress to be made with acquisition and demolition.
- 5.3 The Housing Investment Division (HID) of the Scottish Government, as regeneration partners in their role as successors to Communities Scotland, were invited to a meeting of the Regeneration Task Group in September 2009 to receive an update on the work of the task group, to provide guidance and to open discussions on accessing the necessary funding required for delivery of the agreed regeneration option. At this meeting HID indicated that there may be significant difficulties in the delivery of the total requirement for regeneration funding from the Affordable Housing Investment Programme (AHIP) budget.
- 5.4 Since that meeting the Clune Park Regeneration Task Group has undertaken considerable analysis of the finance required to deliver regeneration and has prepared a revised costing based on current figures and informed by updated information. The finance package for new build would probably be a mixed funding package with contributions from AHIP, from RSL private finance/reserves, and the owners shared equity contributions. This funding would deliver 60 properties for Social Rent and a further 35 on a Shared Equity basis. Financing of the acquisition and demolition of the existing tenement flats is estimated at £7.5m - £8.0m and remains a challenge.
- 5.5 A further meeting with HID was held on 1 February 2010 to discuss the overall funding package and at that meeting HID indicated that the new build element of regeneration is, in principle, eligible for AHIP funding and should be prioritised accordingly within the Council's future Strategic Housing Investment Plan (SHIP). However, the position remains that acquisition and demolition costs are not eligible works for funding from AHIP. Requests have been made for a meeting with the relevant Directorate within Scottish Government which can discuss and make decisions regarding the essential

funding required to progress regeneration. Representation has also been made to the Minister for Housing & Communities for a meeting to discuss the prioritisation of Clune Park as a joint initiative with appropriate funding. This meeting will also provide an opportunity for the Housing Renewal Area legislation and the rule of annuality tied to the Support for Owners budget to be discussed.

## **Legislation**

- 5.6 Prior to the introduction of HRA legislation, the declaration of an HAAD was dependant upon a minimum of 50% of houses within the properties being Below the Tolerable Standard (BTS). In 2006 the BTS level in Clune Park was 14% meaning that an area-wide HAAD could not be declared. The Housing (Scotland) Act 2006 removed this restriction by introducing HRAs. However, there are still particular qualification rules that must apply to the properties.
- 5.7 Neither the Housing (Scotland) Act 2006 nor subsequent guidance for Local Authorities on HRAs is clear on how properties that are not BTS or in 'serious disrepair and ought to be demolished' should be addressed. This is an important consideration for Inverclyde Council as the serving of a notice may be challenged and, as such, the process requires to be within the letter of the law. To address this situation there requires to be considerable discussion of the legal issues and contact has been made with the Scottish Government for advice on how to jointly address this situation.

## **6.0 PROPOSAL**

- 6.1 The social and physical problems in the Clune Park area are well documented and all housing in the area is in private ownership. Whilst the Housing (Scotland) Act 2006 has provided additional legislative powers to address private sector disrepair, without significant financial support from the Scottish Government, Inverclyde Council will be unable to make significant progress with the regeneration of Clune Park. The Clune Park Regeneration Task Group will continue to seek financial support and legislative change to ensure that the regeneration of Clune Park, which is a priority for Inverclyde Council, can be delivered within the terms of the original action plan.

## **7.0 IMPLICATIONS**

### **Strategic**

- 7.1 The progression of the regeneration of Clune Park, in addition to the current Local Housing Strategy and Strategic Housing Investment Plan 2010 – 2015, will make a valuable contribution to several strategic aims and objectives as set out in the:
- Single Outcome Agreement;
  - Community Plan;
  - Corporate Plan; and
  - Directorate Plan.

### **Financial**

- 7.2 The progression of the regeneration of Clune Park will be dependant upon additional, external funding being made available.

### **Legal**

- 7.3 Advice from our Legal and Administrative Services will be sought to ensure that all possible remedies and actions are taken within existing legislation.

## **Personnel**

7.4 There are no Personnel implications arising from this report.

## **Equalities**

7.5 When delivering services to our customers, full cognisance is taken of equality and diversity processes and procedures.

## **8.0 CONSULTATION**

8.1 This report has been prepared in consultation with:

- The Head of Safer Communities

## **9.0 LIST OF BACKGROUND PAPERS**

- Robert Street Area - Housing Options Study: June 2006
- Robert Street Area – Housing Options Study, Environment & Regeneration Committee, January 2007. ECP/HOU/BB07MSB/010
- Robert Street Area – Regeneration Strategy Steering Group Update, June 2007. ECP/HOU07WR/032
- Robert Street Area – Regeneration Strategy Steering Group Update, 25 October 2007. ECP/HOU/WR07/046

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22 February 2010

SSC/CluneParkRegen/WR