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

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.

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Para 680**

- 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.

3.0 RECOMMENDATIONS

- 3.1 That Committee:

- a) Note the progress to date and ongoing discussions with the Scottish Government to take forward the physical and social regeneration of Clune Park.
- b) 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 dependent 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

Head of Planning and Housing
Cathcart House
6 Cathcart Square
Greenock

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