
Report To:	Education & Communities Committee	Date: 7 May 2013
Report By:	John Arthur, Head of Safer & Inclusive Communities	Report No: EDUCOM/49/13/DH
Contact Officer:	Drew Hall, Service Manager, Community Safety & Wellbeing	Contact No: 01475 714272
Subject:	Strategic Local Programme Update	

1.0 PURPOSE

- 1.1 To advise Committee of updates to the Strategic Local Programme 2012-2015 (the SLP) arising out of additional awards of funding for the Inverclyde Council area from the Scottish Government's Affordable Housing Supply Programme (AHSP).

2.0 SUMMARY

- 2.1 The Scottish Government (SG) approved the original SLP in early December 2012 and a Strategic Agreement confirming approval of individual SLP projects was issued to Inverclyde Council at that time. Later in December 2012 the SG announced additional AHSP funding of £0.692m for the Inverclyde Council area due to consequential amendments to the Scottish budget made by the Westminster government. Further additional funding of £0.925m was announced in March 2013 reflecting the SG budget commitment to support new house building.
- 2.2 The three-year AHSP budget for new build affordable housing in the Inverclyde Council area is therefore now £6.433m and approved projects to date account for £4.657m. This leaves £1.776m of AHSP funding available for further new house building projects within the Inverclyde Council area. However, the entire £6.433m budget must be fully spent and the new housing must be fully completed on site by 31 March 2015 as part of the conditions attached to the Strategic Agreement.
- 2.3 Meetings have been held with the SG Housing Supply Division (HSD) and RSL partners to identify projects capable of being completed within the timescale and budget limits noted in paragraph 2.2 above and agreed proposals are included in the updated SLP, which is set out in the Appendix to this report. HSD had requested that an updated SLP 2012-2015 be submitted to SG by 19 April 2013 and this timescale was met by Inverclyde Council.

Appendix

3.0 RECOMMENDATIONS

- 3.1 That the Committee:
- a) note the contents of the updated Strategic Local Programme 2012-2015 as set out in the Appendix to this report;
 - b) note the request from the Scottish Government for Inverclyde Council to submit a new Strategic Housing Investment Plan for the five-year period from 2013 – 2018; and
 - c) approve the updated Strategic Local Programme 2012-2015 submitted by Inverclyde Council to the Scottish Government in April 2013.

John Arthur, Head of Safer & Inclusive Communities

4.0 BACKGROUND

- 4.1 An updated SLP 2012-2015 was requested by the SG HSD to ensure that the two additional awards of AHSP funding can be fully utilised within the Inverclyde Council area. The HSD has emphasised that this funding must be fully expended by 31 March 2015 and that there is no scope for reviewing this deadline. Failure to fully expend the total amount awarded to the Inverclyde Council area will result in monies being re-allocated to local authorities that can guarantee completion on site and payment in full by 31 March 2015.
- 4.2 Meetings have been held with HSD Area Office staff and with RSL partners to identify suitable SLP projects that can meet the budget and timescale requirements noted in paragraph 4.1 above and details of these additions to the original SLP (November 2012) are given in paragraphs 5.1 – 5.4 below.
- 4.3 HSD requested that the updated SLP be submitted to the Paisley Area Office by 19 April 2013 and it was therefore submitted subject to formal approval by Committee at its present meeting. Committee approval is now being sought in terms of the recommendation at paragraph 3.1 c) of this report.
- 4.4 HSD has also requested Inverclyde Council to prepare a Strategic Housing Investment Plan (SHIP) covering the period from 2015-2018 and based upon minimum Resource Planning Assumptions (RPAs) as detailed in paragraph 6.2 below. The deadline for submission of the new SHIP is 28 June 2013 and preparations are ongoing with HSD, developing RSLs, and the Planning Policy Team within the Regeneration & Planning service.

5.0 UPDATED STRATEGIC LOCAL PROGRAMME

- 5.1 The Clune Park area remains the highest priority for investment and development of affordable housing at Lower Mary Street, Port Glasgow, has been included as the main project in the updated SLP. Lower Mary Street is a joint project between Link HA and developers Persimmon Partnerships (Scotland) Limited who are currently building on the nearby Kingston Dock site. The second project included in the SLP is Phase 2 of the development at Earnhill Road, Greenock, to be undertaken by Oak Tree HA in partnership with a local builder. This will complement Phase 1 of the development, which was successfully completed and fully let in 2012.
- 5.2 The updated SLP is set out in the Appendix to this report and this includes the main programme and the shadow list (formerly known as the “slippage list”) of projects in case it proves impossible to deliver the main projects on budget and on time. Recent discussions with RCH have identified two potential projects, firstly the outstanding commitment to provide c. 20 new build houses for residents in the Woodhall area of Port Glasgow (Phase 2), and secondly the first stage of Reprovisioning Programme works at Broomhill, Greenock, utilising brownfield sites left by the forthcoming demolition of flats that are no longer in demand. The 20 units at Woodhall Phase 2 are included in the updated Main Programme and the provision of 19 units at Broomhill is included in the updated Shadow Programme (see Appendix). It is likely that work will only begin at Broomhill after 2015 however it has been included in the SLP in case it should be necessary to bring forward an alternative to one of the Main Programme projects. Appendix
- 5.3 Cloch HA and Oak Tree HA have formed a new group structure and the new organisation is in a stronger financial position with access to private finance for development work. The group has come forward with a proposal to develop the site at Garvald Street, Greenock, which was included in the secondary stock transfer to Cloch HA in December 2007. This project was previously included in the SHIP 2012-2015 and was also in the shadow programme of the original SLP (November 2012). The first phase of this project has now been included in the Main Programme of the updated SLP (see Appendix) with the remainder (Phase 2) included in the Shadow Programme although it is likely that work will not begin until post-2015.
- 5.4 The Shadow Programme of the updated SLP has been included at the request of the SG

HSD to allow for alternative projects to be brought forward quickly in the event of any Main Programme project proving to be undeliverable or to take up any additional funding that might become available. In addition to the projects at Broomhill (brownfield sites) and Garvald Street Phase 2 noted above, the Shadow Programme also includes a small (c. 10 units) development proposed by Link HA at Luss Avenue, Greenock, which was previously included in the SHIP 2012-2015 and was also in the shadow programme of the original SLP to be brought “off the shelf”, if required.

6.0 IMPLICATIONS

Strategic

- 6.1 The Inverclyde Local Housing Strategy 2011 – 2016 and the approved SHIP 2012 – 2015 have both clearly identified the regeneration of the Clune Park area as Inverclyde Council’s top priority for investment. This is reflected in the SLP and a project providing rehousing options, both social renting and ownership, for residents of the Clune Park area has therefore been selected as the main project in the SLP. The other projects in the updated SLP also take account of LHS and SHIP priorities and they should fully expend the available AHSP budget over the next three years. A fail safe position has also been included in the shadow programme so that other work can be brought forward quickly to ensure that all funding remains within the Inverclyde Council area.

Financial

- 6.2 The RPAs for 2012/13 to 2014/15 have now been finalised, as noted in paragraphs 2.1 and 2.2 above. A comprehensive programme has been put forward for approval by HSD and this should result in full expenditure of the AHSP funding of £6.433m over the period up to 31 March 2015. Local authorities have also now received RPAs for the period from 2015-2018 and this provides the opportunity for forward planning beyond March 2015. Details of the minimum amounts of AHSP funding available are as follows:

- 2015-16: £2.985m
- 2016-17: £1.986m
- 2017-18: £1.156m
- TOTAL £6.127m

These minimum RPAs are directly comparable to the £6.433m allocated to the Inverclyde Council area for 2012-2015 and they will allow the Council and developing RSLs to bring forward new projects over the longer term with confidence. HSD has requested local authorities to produce a new five-year SHIP covering the period from 2013-2018 and this is to be submitted by 28 June 2013. The new SHIP will be the subject of a future report to Committee.

Legal

- 6.3 There are no legal implications for Inverclyde Council arising from this report.

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.

Repopulation

- 6.6 The provision of new affordable housing is intended to support and complement the work of the SOA Outcome Delivery Group on Repopulation, which is seeking to stabilise the existing population and to attract new people to the Inverclyde Council area by expanding the housing choices and options available.

7.0 CONSULTATIONS

7.1 This report has been prepared in consultation with the following:

- Developing RSLs operating within the Inverclyde Council area;
- All other RSLs operating within the Inverclyde Council area;
- Scottish Government Housing Supply Division, Paisley Area Office; and
- Chief Financial Officer, Inverclyde Council

8.0 LIST OF BACKGROUND PAPERS

8.1 Inverclyde Local Housing Strategy 2011 – 2016; report to Safe, Sustainable Communities Committee, 25 October 2011.

SSC
25.10.11
Para 698

Strategic Housing Investment Plan 2012 – 2015; report to Policy & Resources Committee, 27 March 2012.

PRC
27.03.12
Para 239

Affordable Housing Supply Programme: Strategic Local Programmes 2012 – 2015; Scottish Government Housing Supply Division Guidance Note (HSGN 2012/06), Edinburgh, May 2012.

Affordable Housing Supply Programme (AHSP): Notification Letter from Scottish Government Housing, Regeneration and Welfare Directorate, Housing Supply Division, 5 March 2013.

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9 April 2013

Appendix

STRATEGIC LOCAL PROGRAMME

Local Authority: Inverclyde Council
Resource Planning Assumption - 2012 - 2015:

£11,737

New money for Local Programmes

£6,433

Project Address	Developer	Units		Total	Units by Type		Please specify*	Total (should equal Total)	Greener Standards (enter Y as appropriate)	Est. Start Fin. Year	Est. Completion Fin. Year**	Total Project Cost	Grant per Unit (3p equivalent excl. Council)	TOTAL SG Grant
		Rehab	Off the Shelf		GN	PN*								
Lower Mary Street, Port Glasgow - Social Rent	Link Group			60	60			60		2013/14	2014/15	£6,300	£0.042	£2,520
Lower Mary Street, Port Glasgow - NSSE (regeneration)	Link Group			12	12			12		2013/14	2014/15	£1,260	£0.079	£0,945
Lower Mary Street, Port Glasgow - NSSE (standard)	Link Group			12	12			12		2013/14	2014/15	£1,260	£0.042	£0,504
Lower Mary Street, Port Glasgow - TOTAL	Link Group			84	84			84		2013/14	2014/15	£7,560	£0.047	£3,969
Earnhill Road Phase 2, Greenock South West - Social Rent	Oak Tree HA			14	14			14		2013/14	2014/15	£1,533	£0.046	£0,646
Earnhill Road Phase 2, Greenock South West - TOTAL	Oak Tree HA			14	14			14		2013/14	2014/15	£1,533	£0.046	£0,646
Garvald Street Phase 1, Greenock Central East - Social Rent	Cloch HA			22	22			22		2013/14	2014/15	£2,239	£0.042	£0,924
Garvald Street Phase 1, Greenock Central East - TOTAL	Cloch HA			22	22			22		2013/14	2014/15	£2,239	£0.042	£0,924
Woodhall Phase 2, Port Glasgow - Social Rent	River Clyde Homes			18	14	3	amenity	17		2013/14	2014/15	£2,020	0.042	£0,756
Woodhall Phase 2, Port Glasgow - NSSE (regeneration)	River Clyde Homes			2	2	1	amenity	3		2013/14	2014/15	£0,244	£0.072	£0,144
Woodhall Phase 2, Port Glasgow - TOTAL	River Clyde Homes			20	16	4		20		2013/14	2014/15	£2,244	£0.045	£0,900

*Particular Needs - e.g. wheelchair, amenity etc. ** All projects included to achieve a March 2015 completion date.

Consultation Details:

As stated within our guidance, details of local consultation and engagement which has led to the development of the above programme should be provided in the box below -

The revised SLP has been prepared in consultation with Planning Policy, Property Assets and the Legal & Democratic Service as well as the RSLs with projects in the programme.

Completed by: DH/RL/VK

19/04/2013

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STRATEGIC LOCAL PROGRAMME

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		Rehab	Off the Shelf	NB		GN'	PN*								
Garvald Street Phase 2, Greenock Central East - Social Rent	Cloch HA			23	23	23			23		2013/14	2014/15	£2,340	£0.042	£0,966
Garvald Street Phase 2, Greenock Central East - TOTAL	Cloch HA			23	23	23			23		2013/14	2014/15	£2,340	£0.042	£0,966
Broomhill, Greenock Central East - Social Rent	River Clyde Homes			19	19	19			19		2013/14	2014/15	£2,128	£0.042	£0,798
Broomhill, Greenock Central East - TOTAL	River Clyde Homes			19	19	19			19		2013/14	2014/15	£2,128	£0.042	£0,798
Luss Avenue, Greenock Central East - Social Rent	Link Group			20	20	20			20		2013/14	2014/15	£2,300	£0.040	£0,800
Luss Avenue, Greenock Central East - NSSE	Link Group			11	11	11			11		2013/14	2014/15	£1,320	£0.060	£0,660
Luss Avenue, Greenock Central East - TOTAL	Link Group			31	31	31			31		2013/14	2014/15	£3,620	£0.047	£1,460