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<b>Report To:</b>	<b>Education &amp; Communities Committee</b>	<b>Date: 5 November 2013</b>
<b>Report By:</b>	<b>Head of Safer &amp; Inclusive Communities</b>	<b>Report No: EDUCOM/78/13/DH</b>
<b>Contact Officer:</b>	<b>Drew Hall</b>	<b>Contact No: 01475 714272</b>
<b>Subject:</b>	<b>Clune Park Regeneration Plan - Review</b>	

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## 1.0 PURPOSE

- 1.1 This report provides Committee with the conclusions of a review of the approved regeneration plan for the Clune Park area of Port Glasgow.

## 2.0 SUMMARY

- 2.1 The Regeneration Plan for the Clune Park Area was approved by the Safe, Sustainable Communities Committee in May 2011. The Housing Supply Division (HSD) is supportive of the approach taken by the Council but is unable to provide additional funding to the plan other than general housing investment to provide housing re-provisioning off site.
- 2.2 The Regeneration Plan features prominently in the approved Inverclyde Local Housing Strategy 2011-2016 (the LHS) and is the number one priority in the associated existing and the proposed Strategic Housing Investment Plan 2013-2018 (the SHIP).
- 2.3 The SHIP programme informs the Strategic Local Programme (SLP) for the Inverclyde Council area. The amended SLP includes developments at Lower Mary Street and at Woodhall, Port Glasgow to provide 46 and 15 re-provisioning housing units respectively for the Clune Park residents.
- 2.4 The review of the plan concludes that the main direction of the plan is progressing and is still the most affordable option for the Council to clear the Clune Park estate for development in the longer term. A recent structural survey has found that the concrete roof beams are in a serious state of disrepair in a significant number of properties. This will permit the Council to progress a Housing Renewal Area (HRA) for the Clune Park estate to facilitate demolition.

## 3.0 RECOMMENDATIONS

- 3.1 That the Committee:
- Note current progress and the review of the regeneration plan for the Clune Park area;
  - Agree that further progress updates are submitted to future meetings of the Committee.
  - Agree to progress the development of a HRA for the Clune Park Regeneration Plan area.
  - Agree with the proposal to facilitate demolitions outlined in 6.5.

## **4.0 BACKGROUND**

- 4.1 The Clune Park Area Regeneration Plan brings together all of the people-related and property-related issues that must be addressed in order to regenerate the area. The plan has been refined and developed in the light of the results of the Private Sector House Condition Survey (PSHCS) carried out in 2011 and of the PHP visits that have been completed to date. The revised plan was submitted to SG officials in November 2011, as requested, and a written response was finally received in July 2012. Political and financial commitment has been given by Inverclyde Council to the approved Regeneration Plan.
- 4.2 Significant progress has been made, however as it is 2 years since the completion of the revised plan it is time to take stock of progress, review recent developments and reassess the regeneration plan.

## **5.0 ACTION TO DATE**

- 5.1 The Regeneration Plan proposes to rehouse existing residents off-site resulting in the separation of people and property. Discussions have been held between Inverclyde Council, HSD officials and RSLs to determine which projects in the SHIP programme are to be undertaken. This has informed the Strategic Local Programme (SLP) for the Inverclyde Council area. The clear priority given to the Clune Park area in the LHS and in the SHIP has helped secure the regeneration of the area through the allocation of Affordable Housing Supply Programme funding to the SLP over the next three years. The amended SLP which is the subject of a report to this Committee includes developments at Lower Mary Street and at Woodhall, Port Glasgow to provide 46 and 15 reprovisioning housing units respectively for the Clune Park residents.
- 5.2 Environmental Health staff have completed Tolerable Standard assessment in terms of the Housing (Scotland) Act 1987 of all 430 flats which has resulted in currently 130 flats found to be below the Tolerable Standard (BTS) and which are now subject to Closing or Demolition Orders. This number will increase as other flats become BTS over time. The Regeneration Plan sets out the strategy for consolidating these "closed" flats with acquired above Tolerable Standard flats (ATS) into whole blocks and that will ultimately be demolished using the same legislation.
- 5.3 One close with 8 Flats is still subject to an appeal against the service of a Demolition Order and has been continued to 14<sup>th</sup> November. These Orders remain in force, but the Council cannot act on an outstanding case until the appeal is heard and a decision is issued by the Sheriff. The Council has been successful in defending 2 other appeals against Demolition Orders
- 5.4 A Communications Strategy designed to ensure that the local populace and everyone with an interest in the Clune Park area are kept informed of developments is in place. A full explanation of the strategy as set out in the Regeneration Plan has been given to private landlords who own and manage properties in the Clune Park area and they will be kept apprised of progress as the plan is rolled out.
- 5.5 The District Valuer (DV) valuations report on ATS flats in Clune Park Street revealed valuations of property are significantly higher than his original desk top assessment and significantly more than values that have come through the Council's own market value/sales studies. Property Services have developed a clear valuation methodology and are currently engaged in visiting owner occupied properties. These valuations will have been completed by early November.
- 5.6 An external condition survey was completed in June 2013 to enable officers to consider options to assist in clearing the site where the Council has difficulties with absent or non

cooperative flat owners. This survey found structural cracking, which was at a level not previously seen and affects 28 of the 44 tenements in the area. A structural engineer was instructed to assess this structural problem. He has reported that the cracking is caused by the deterioration of a fundamental element in the construction of the flat roofs of all blocks within this estate. The steel in the reinforced concrete roof beams is corroding causing the beams to expand which in turn is placing stresses on the wall heads causing structural cracking. This progressive fault will ultimately result in structural failure.

## **6.0 PLAN REVIEW**

- 6.1 Given the limited resources of the Council the main direction of the plan to separate the residents from the housing is progressing and is still the most viable option. 2 housing developments will be completed in 2015 providing up to 61 houses for long term Clune Park residents.
- 6.2 The progression with Closing and Demolition Orders for BTS flats in conjunction with acquiring ATS flats provides the most affordable way for the Council to clear this site for regeneration in the longer term. The cost for this part of the plan has been reviewed and is broadly in line with the original cost projections provided in the Plan. See appendix 1
- 6.3 The recent Structural Survey now provides the Council with the opportunity to designate the Clune Park Area as a Housing Renewal Area (HRA) on the basis that all the blocks are in a serious state of disrepair and the costs to return these flats to long term suitable housing is not economically viable. The HRA status would permit the Council to deal with absent or non cooperative owners by the service of a Demolition Notice where the flat is ATS.
- 6.4 To progress the HRA a Designation Order is required and this must contain a map of the area and an action plan which identifies each individual property and the action required to be taken to address the sub-standard housing.

Appendix

The Designation Order process includes a statutory period for consultation and potential modification. Currently the public consultation period is a minimum of 3 months and responses received during this period should be considered, with any subsequent modifications to the Order being publicly stated. Upon declaration of an HRA, each property must be served with a Notice which states the effect of the designation and, if appropriate, states how owners will be supported by the Scheme of Assistance. It should be noted that Demolition Notices do not qualify for mandatory assistance. Currently the appeal period against a Demolition Notice is 21 days from the service of the Notice.

A Demolition Notice must state why it is required, specify the standard to which the works must be completed and define the period within which it must be completed (not less than 21 days). The local authority can carry out works where an owner does not comply with the terms of the notice and can recover expenses from the owner.

- 6.5 Facilitating demolitions would be helped by following an accepted offer to acquire an Owner Occupier's (O/O's) flat, to allow the O/Os to seek temporary decant accommodation without any detriment to the agreed value of their flat and their rights to be re-housed in the new re-provisioning housing developments.

## **7.0 IMPLICATIONS**

### **7.1 Strategic**

The progression of the regeneration of Clune Park, through the Strategic Housing Investment Plan 2013-2018 and the SLP, will make a valuable contribution to several

strategic aims and objectives as set out in the:

- Inverclyde Alliance Single Outcome Agreement;
- Community Plan; and
- Inverclyde Local Housing Strategy 2011-2016.

## 7.2 Financial

The Council's current financial commitment to the Clune Park Area Regeneration Plan is as follows:

Financial Implications - One off Costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend	Virement From	Other Comments
Clune Park Regen.	EMR C/f	2012/13	£1,281,000	General Fund Reserves	
Clune Park Regen.	Council tax Receipts from Second Homes / Empty	2013/14	£165,000		Estimate
Clune Park Regen	EMR	2013/14	£200,000		Additional Funding approved by P&R Committee 24/09/13
Capital Fund	Clune Park Regeneration	2014/15	£1,000,000		Budget proposal approved February 2012
TOTAL			£2,646,000		

Financial Implications - Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (if applicable)	Other Comments
N/A					

## 7.3 Human Resources

Currently being met within existing and temporary staffing.

## 7.4 Legal

Legal and Democratic Services will be asked to provide advice and guidance on the roll

out of the Regeneration Plan to ensure that all possible remedies are pursued and that actions are taken in compliance with appropriate legislation. The Regeneration Plan is based upon existing legislation however the Service is reviewing any changes in legislation.

#### 7.4 Equalities

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

#### 7.5 Repopulation

This plan is intended to help remove an area of housing blight in Inverclyde and therefore improve the overall area.

### 8.0 LIST OF BACKGROUND PAPERS

- 8.1
- 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, SSCC, June 2007. ECP/HOU07WR/032
  - Robert Street Area – Regeneration Strategy Steering Group Update, SSCC 25 October 2007. ECP/HOU/WR07/046
  - Clune Park Regeneration: Progress Report – SSCC, March 2011. ECP/Plann/WR10/008
  - Clune Park – Proposed Regeneration Plan – Special SSCC May 2011. SCS/64/11/AH/DH
  - Clune Park Regeneration: Progress Report – SSCC, August 2011. SCS/65/11/AH/DH
  - Clune Park Regeneration: Progress Report – SSCC, January 2012. SCS/85/12/AH/DH
  - Clune Park Regeneration: Progress Report – SSCC, March 2012. SCS/94/12/AH/DH
  - Clune Park Regeneration: Progress Report – E&CC, June 2012. EDUCOM/01/12/AH/DH
  - Affordable Housing Investment – Strategic Local Plan – E&CC, September 2012. EDUCOM/16/12/AH/DH
  - Clune Park Regeneration: Progress Report – E&CC, September 2012. EDUCOM/18/12/AH/DH
  - Clune Park Regeneration: Progress Report – E&CC, October 2012. EDUCOM/38/12/AH/DH
  - Clune Park Regeneration: Progress Report – E&CC, January 2013. EDUCOM/01/13/DH
  - Clune Park Regeneration: Progress Report – E&CC, March 2013. EDUCOM/32/13/DH
  - Clune Park Regeneration: Progress Report – E&CC, May 2013. EDUCOM/47/13/DH
  - Clune Park Regeneration: Progress Report – E&CC, September 2013. EDUCOM/61/13/DH

<b>PROJECT : CLUNE PARK REGENERATION</b>			
	1	2	8
<b>1. PROJECT EXPENDITURE PROFILE</b>	Unit Nos.	Unit Cost	Total (£000)
Acquisition of property	280	0.016	4.480
Acquisition of cleared sites	150	0.001	0.150
Homeless and displacement allowances	280	0.002	0.420
Demolition	5	0.200	1.000
Security	45	0.001	0.045
<b>Total Project Expenditure Profile</b>			<b>6.095</b>
<b>2. SOURCES OF FUNDING/PARTNER CONTRIBUTIONS</b>			
			<b>Total</b>
Inverclyde Council (EMR c/f)		1.281	1.281
Inverclyde Council (C/Tax Receipts)		0.165	0.165
Inverclyde Council (Additional Funding)		0.200	0.200
Inverclyde Council Prudential Borrowing (Capital)		1.000	1.000
<b>Total Funding Available</b>			<b>2.646</b>
<b>3. SUMMARY OF SOURCES OF FUNDING/PARTNER CONTRIBUTIONS</b>			
			<b>Total</b>
Inverclyde Council			2.650
Owners (recovery of demolition costs)			0.000
<b>Funding Gap</b>			<b>-3.449</b>

**PROJECT : CLUNE PARK REGENERATION**

	1	2	3	4	5	6	7	8
<b>1. PROJECT EXPENDITURE PROFILE</b>	<b>Unit Nos.</b>	<b>Unit Cost</b>	<b>12/13</b>	<b>13/14</b>	<b>14/15</b>	<b>15/16</b>	<b>16/17</b>	<b>Total</b>
			<b>(£000)</b>	<b>(£000)</b>	<b>(£000)</b>	<b>(£000)</b>	<b>(£000)</b>	<b>(£000)</b>
Acquisition of property	230	0.016	1.09	1.18	0.82	0.59	0.00	3.68
Acquisition of cleared sites	200	0.007	0.00	0.20	0.40	0.50	0.30	1.40
Homeless and displacement allowances	200	0.002	0.07	0.08	0.07	0.08	0.10	0.40
			1.16	1.46	1.29	1.17	0.40	5.48

<b>1. PROJECT EXPENDITURE PROFILE</b>	<b>Unit Nos.</b>	<b>Unit Cost</b>	<b>12/13</b>	<b>13/14</b>	<b>14/15</b>	<b>15/16</b>	<b>16/17</b>	<b>Total</b>
			<b>(£000)</b>	<b>(£000)</b>	<b>(£000)</b>	<b>(£000)</b>	<b>(£000)</b>	<b>(£000)</b>
Acquisition of property	290	0.018	1.48	1.61	1.12	0.81	0.00	5.02
Acquisition of cleared sites	140	0.001	0.00	0.02	0.04	0.05	0.03	0.14
Homeless and displacement allowances	142	0.002	0.04	0.06	0.05	0.06	0.07	0.28
			1.52	1.69	1.21	0.92	0.10	5.44