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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>John Arthur, Head of Safer &amp; Inclusive Communities</b>	<b>Report No: EDUC/79/13/DH</b>
<b>Contact Officer:</b>	<b>Drew Hall, Service Manager, Community Safety &amp; Wellbeing</b>	<b>Contact No: 01475 714272</b>
<b>Subject:</b>	<b>Strategic Local Programme 2012-2015</b>	

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## 1.0 PURPOSE

- 1.1 To advise Committee of changes to the Strategic Local Programme (SLP) 2012-2015 arising from an additional award of funding from the Scottish Government's Affordable Housing Supply Programme (AHSP) and an overall increase in subsidy levels.

## 2.0 SUMMARY

- 2.1 The Scottish Government (SG) requested all local authorities to submit a new SHIP for the period 2013-2018 by 28 June 2013 and details of this submission were reported to Committee at the meeting on 10 September 2013. The SHIP includes the SLP 2012-2015 together with an indicative programme for the SLP 2015-2018, which is still to be fully agreed with partner RSLs and SG Housing Supply Division (HSD).
- 2.2 The SG HSD has advised that Resource Planning Assumptions for the Inverclyde Council area for the period 2012-2015 have increased by £1.466m and that subsidy levels for new social housing developments have increased from £42k to £58k per unit in order to meet the SG objective of stimulating the building of new affordable homes. These changes have resulted in alterations to the SLP submitted in June 2013 however the HSD has indicated that there is no need to re-submit the SHIP and the associated SLP as these changes will be discussed and agreed with councils and their RSL partners through a series of SLP Programme Meetings.
- 2.3 Meetings were held with the HSD Area Office in Glasgow and RSL partners on 7 October 2013 to discuss projects included in the updated SLP, details of which are as set out in the Appendix to this report. HSD has approved the updated SLP 2012-2015, in principle, following the Programme Meetings and this has been confirmed to Inverclyde Council. Appendix

## 3.0 RECOMMENDATIONS

- 3.1 That the Committee:
- note that there is no requirement to re-submit the Strategic Housing Investment Plan for the five-year period from 2013 – 2018, as approved by Committee on 10 September 2013;
  - note the contents of the updated Strategic Local Programme 2012-2015 as detailed in the Appendix to this report; and
  - approve the updated Strategic Local Programme 2012-2015 as submitted by Inverclyde Council to the Scottish Government Housing Supply Division.

**John Arthur, Head of Safer & Inclusive Communities**

## 4.0 BACKGROUND

- 4.1 The SHIP 2013-2018 sets out Inverclyde Council's priorities for affordable housing development and presents the overview of what might be achieved during the five-year period from 2013 to 2018. The SLP is the implementation phase of the SHIP where agreed projects are actually delivered on the ground by RSL partners using AHSP funding.
- 4.2 Following the announcement of an increase in the AHSP funding available and of increased subsidy levels, meetings were held with HSD Area Office staff and with RSL partners to reassess the SLP projects and the updated information is as shown in the Appendix to this report. It will be noted from the Appendix that there has been a reduction in the number of units being provided at Lower Mary Street, Port Glasgow (LMS), by Link HA / Persimmon to reflect difficulties in obtaining clear titles to the land to be developed. The resulting proposal to augment the River Clyde Homes (RCH) Woodhall Phase 2 project would utilise funding no longer required for the LMS project.
- 4.3 There is also a proposal to accelerate the Cloch HA (CHA) development at Garvald Street, Greenock, by undertaking the project in one phase rather than two and this is supported by the HSD Glasgow Area Office. The recent approval of the transfer of land in Inverclyde Council ownership to CHA will allow the association to develop a larger "footprint" providing a better mix of house types and apartment sizes.
- 4.4 Committee approval is now being sought in terms of the Recommendation at paragraph 3.1 c) of this report.

## 5.0 UPDATED SLP

5.1 The updated SLP 2012-2015 can be summarised as follows:

- **Lower Mary Street, Port Glasgow (Link HA / Persimmon):** Social rent – 28 units; NSSE (Standard) – 6 units; NSSE (Regeneration) – 12 units; 46 units in total. Reduction of 38 units from previous proposal to reflect reduced "footprint" of site that can be acquired with clear title to land. Mixture of tenement flats, cottage flats, terraced houses, and semi-detached houses. Capable of meeting the accommodation needs of the settled population of the Clune Park area, Port Glasgow, as per previously agreed high priority.
- **Woodhall Phase 2, Port Glasgow (River Clyde Homes):** Social rent – 18 units; NSSE (Regeneration) – 2 units; 20 units in total. Terraced and semi-detached houses designed to meet the reprovisioning needs of the settled population of the lower Woodhall area, including two owners (NSSE units) and incorporating amenity housing.
- **Woodhall Phase 2A, Port Glasgow (RCH):** Social rent – 15 units in total. Terraced and semi-detached houses of similar design to Phase 1 at Woodhall. Sizes and types to be determined. Augmented phase of RCH development at Woodhall utilising reduced capacity at LMS (as above) and resultant savings on subsidy / funding costs.
- **Earnhill Road Phase 2, Greenock (Oak Tree HA):** Social rent – 15 units in total. Semi-detached and detached family size houses designed to address shortfall of larger, family size house types in upper Larkfield area and to meet general housing needs. All units built to housing for varying needs standards and capable of adaptation to meet particular needs.
- **Garvald Street, Greenock (Cloch HA):** Social rent – 45 units in total. Mixture of cottage flats, terraced houses, and semi-detached houses designed to meet identified shortfall of social rented housing and to meet general needs. Cottage flats suitable for older / disabled people and all units built to varying needs standards.
- **Total – 141 units; programmed expenditure - £8.304m; available AHSP funding - £7.899m (anticipated overspend - £0.405m):** See paragraph 6.2 below for comment.

5.2 As anticipated, RSLs have opted to review their project finances to take advantage of the increased subsidy levels now available and a general uplift of £16k per unit has been taken into account in the updated SLP. This can be absorbed due to the changes in the LMS project noted in paragraph 5.1 above and the increased AHSP funding of £1.466m (£0.842m in July plus £0.624m in October 2013) noted in paragraph 2.2 above.

5.3 The projects in the updated SLP are set out in the Appendix to this report and this forms the Main Programme for the period up to 31 March 2015. The Shadow Programme (formerly known as the “slippage list”) includes projects that could be taken “off the shelf” if it proves impossible to deliver any of the Main Programme projects on budget and on time. This programme is still to be finalised with RSL partners as working up these projects incurs costs and RSLs are reluctant to take the risk of projects not going ahead despite expenditure on preparatory work.

Appendix

## 6.0 IMPLICATIONS

### Strategic

6.1 The Inverclyde Local Housing Strategy 2011 – 2016 and previous SHIPs have clearly identified the regeneration of the Clune Park area as Inverclyde Council’s top priority for investment. This continues to be the case with the LMS project providing both home ownership and social renting options for long-term residents of the Clune Park area. The Shadow Programme provides a means bringing alternative projects forward quickly to ensure that all AHSP funding allocated to Inverclyde remains within the Inverclyde Council area.

### Financial

6.2 The Resource Planning Assumptions for AHSP funding over the period up to 31 March 2015 total £7.899m and identified priorities as set out in the updated SLP total £8.304m leaving a potential shortfall of £0.405m. However HSD has advised that “over planning“, within reasonable limits, is acceptable and that there is the possibility of yet further additional funding for Housing purposes, including additional AHSP funding for the period up to 31 March 2015, becoming available. The additional AHSP funding of £1.466m (included in the above total) for the Inverclyde Council area together with the increase in subsidy levels from £42k to £58k per unit have been taken into account in preparing the updated SLP.

### 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, Glasgow 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**
- Strategic Housing Investment Plan 2013-2018; report to Education & Communities Committee, 10 September 2013. **ECC  
10.09.13  
Para**
- 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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8 October 2013

## Strategic Housing Investment Plan 2013/14 – 2017/18

## Affordable Housing Supply Programme: Strategic Local Programme 2012 – 2015

Project Location	Sub Area	Developer	Units	Completion	AHSP Funding
Lower Mary Street	Port Glasgow	Link / Persimmon	28 Social Rent	2014/15	£1.624m
Lower Mary Street	Port Glasgow	Link / Persimmon	6 NSSE Standard	2014/15	£0.252m
Lower Mary Street	Port Glasgow	Link / Persimmon	12 NSSE Regeneration	2014/15	£0.948m
Woodhall Phase 2	Port Glasgow	River Clyde Homes	18 Social Rent	2014/15	£1.044m
Woodhall Phase 2	Port Glasgow	River Clyde Homes	2 NSSE Regeneration	2014/15	£0.144m
Woodhall Phase 2A	Port Glasgow	River Clyde Homes	15 Social Rent	2014/15	£0.870m
Earnhill Road Phase 2	Greenock South West	Oak Tree HA	15 Social Rent	2014/15	££0.812m
Garvald Street	Greenock Central East	Cloch HA	45 Social Rent	2014/15	£2.610m
<b>TOTAL</b>			<b>141</b>		<b>£8.304m</b>

**SUMMARY**

Social Rent = 121 units  
 NSSE Standard = 6 units  
 NSSE Regeneration = 14 units  
 TOTAL = 141 units

Notes: Deadline for completion of SLP 2012-2015 is 31 March 2015.

Social Rent = mainstream social housing at affordable rent.

NSSE Standard = New Scheme Shared Equity Standard units, i.e. low cost home ownership with owner contributing minimum 60% share.

NSSE Regeneration = New Scheme Shared Equity Regeneration, i.e. low cost home ownership involving owners displaced / relocated from original homes, share variable depending upon equity available from former home.