

Report To: Education & Communities Committee

Date: 21 January 2014

Report By: Head of Safer & Inclusive Communities

Report No:
EDUCOM/10/14/DH

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Subject: Clune Park Regeneration Plan Progress Report

1.0 PURPOSE

- 1.1 The purpose of this progress report is to provide Committee with an update on the proposed regeneration of 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 proposed developments at Lower Mary Street and at Woodhall, Port Glasgow to provide re-provisioning of 46 and 15 housing units respectively for the Clune Park residents.
- 2.4 A structural survey of the Clune Park estate has found that the concrete roof beams are in a serious state of disrepair in a significant number of properties. The Structural Engineer's report on this fault, recently received, is being considered by officers and the implications will be detailed in a future report. 132 of the 430 properties are now the subject of Closing /Demolition Orders.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee:
- a) notes current progress and agrees that further progress updates on the Clune Park Regeneration Plan are submitted to future meetings of the Education and Communities Committee;
 - b) authorises the acquisition, for nil consideration, of those properties listed in Appendix 1 of this report, subject to any terms and conditions deemed appropriate by the Corporate Director, Education Communities & Organisational Development, in consultation with the Head of Legal & Democratic Services and the Head of Finance; and
 - c) notes the Home Loss and Disturbance payments available to eligible owner/occupiers

and tenants in terms of the Land Compensation (Scotland) Act 1973 and as detailed in Paragraph 6.4 of this report.

John Arthur
Head of Safer & Inclusive Communities

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 Personal Housing Plans PHP visits that have been completed to date. The revised plan was submitted to Scottish Government 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.

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 Registered Social Landlords to determine which projects in the SHIP programme are to be undertaken. This has informed the 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 approved at the last Committee includes proposed developments at Lower Mary Street and at Woodhall, Port Glasgow to provide reprovisioning of 46 and 15 housing units respectively for the Clune Park residents.

5.2 Environmental Health staff have completed a Tolerable Standard assessment in terms of the Housing (Scotland) Act 1987 of all 430 flats in the Clune Park area which has resulted in 132 flats being currently 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 these blocks will ultimately be demolished using the same legislation.

5.3 The Council has been successful in defending appeals against Demolition Orders for 2 tenement blocks. A third appeal has been withdrawn by the appellant who has agreed to transfer ownership of their 4 flats in the tenement to the Council.

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 Regeneration Plan is rolled out.

5.5 The District Valuer (DV) valuations report on ATS flats in the Clune Park area 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 Assets have developed a clear valuation methodology, have visited owner occupied properties and completed valuations. However, these valuations are now subject to review following the recent receipt of the structural engineer's report.

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 unco-operative 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 initially 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 is a progressive fault which will ultimately result in structural failure.

6.0 FURTHER ACTION REQUIRED

- 6.1 The content of the final structural engineer's report outlined in 5.6 and the resulting implications for the area and the regeneration plan are currently being considered by officers. A further report will be presented to the next Education & Communities Committee with an update and appropriate recommendations.
- 6.2 A number of owners have approached the Council to transfer ownership of their properties which are subject to Closing or Demolition Orders at nil value thereby removing their liability for the demolition costs. The Corporate Director Education and Communities only has authority to acquire properties that are ATS. Therefore, authority is now being sought to acquire BTS properties in the Clune Park area, as set out in Appendix 1, for nil consideration. Demolition costs have been included in the overall budget for BTS flats in conjunction with the costs of acquiring ATS flats. This provides the most affordable way for the Council to clear this site for regeneration in the longer term.
- 6.3 Work is currently being progressed with a view to designating the Clune Park Area as a Housing Renewal Area(HRA) in terms of the Housing (Scotland) Act 2006 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 uncooperative owners by the service of a Demolition Notice where the property is ATS.
- 6.4 The local authority is obliged under the Land Compensation (Scotland) Act 1973 to make Home Loss and Disturbance payments to eligible homeowners/tenants who are being moved from their property as a result of agreed acquisition, Closing Order, Demolition Order, transfer of ownership or compulsory purchase. Eligibility is defined as those:-
- being resident in the property for 1 year or more prior to the date of the relevant action,
 - being resident in the property at the date of the relevant action, and
 - being permanently removed from the property.

For eligible tenants, the Home Loss Payment is a flat rate of £1,500. For eligible homeowners the Home Loss Payment is 10% of the market value of the property subject to a minimum payment of £1,500 and a maximum payment of £15,000. If two or more persons are entitled to a Home Loss Payment in respect of a property, the payment will be divided equally between them. Home Loss and Disturbance Payments will normally only be made once.

Eligibility for Disturbance Payment is the same as the eligibility for Home Loss Payment. However, there is no statutory provision for the amount of Disturbance Payment, with the Act referring to "reasonable expenses." It is proposed to make a minimum payment of £500 to eligible applicants to cover the "reasonable expenses" of moving from Clune Park, with any applications exceeding this minimum payment requiring to be demonstrated by submission of receipts for the total value of the claim.

Prior to payments being processed for payment, the relevant corporate checks will be made for any outstanding debts to the Council, with relevant deductions being made from the Home Loss Payment, Disturbance Payment or purchase price.

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 are continuing to provide advice and guidance on the roll out of the Regeneration Plan to ensure that actions are taken in compliance with appropriate legislation.

7.5 Equalities

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

7.6 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/Plan/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
 - Clune Park Regeneration: Review Report – E&CC, November 2013.
EDUCOM/78/13/DH

Appendix 1

Below Tolerable Standard houses as defined in terms of the Housing (Scotland) Act 1987 (as amended) and located in the Clune Park Area, Port Glasgow containing the 430 flats at the following street locations :-

- Robert Street, Port Glasgow (odd street numbers only);
- Caledonia Street, Port Glasgow;
- Bruce Street, Port Glasgow;
- Wallace Street, Port Glasgow;
- Clune Park Street, Port Glasgow; and
- Maxwell Street, Port Glasgow.