
Report To:	Education & Communities Committee	Date: 20 January 2015
Report By:	John Arthur, Head of Safer & Inclusive Communities	Report No: EDUC/03/15/DH
Contact Officer:	Drew Hall, Service Manager, Community Safety & Wellbeing	Contact No: 01475 714272
Subject:	Strategic Housing Investment Plan 2015-2020 and Strategic Local Programme 2012-2015	

1.0 PURPOSE

- 1.1 The purpose of this report is to seek Committee approval for the submission of a new five-year Strategic Housing Investment Plan (SHIP) covering the period from 2015-2020 to the Scottish Government and to provide an update on changes to the Strategic Local Programme 2012-2015 (SLP).

2.0 SUMMARY

- 2.1 The Scottish Government (SG) issued revised Guidance on the preparation of SHIPs in July 2014 that required all local authorities to prepare and submit a new SHIP for the period 2015-2020 by 28 November 2014; this was submitted subject to Committee approval. The SHIP includes a full programme of new affordable housing development proposals by RSLs over the five-year period together with a number of projects carried over from the SLP 2012-2015 due to delayed starting dates.
- 2.2 Resource Planning Assumptions (RPAs) for the Inverclyde Council area for the period 2015-2020 have been provided by HSD and the minimum amount of Affordable Housing Supply Programme (AHSP) funding available is £14.730m. The objective of stimulating the building of new affordable homes has been re-stated as a priority for the SG and the Housing Supply Division (HSD) has stressed that these RPAs are the minimum amount available with the possibility of further funding coming on stream as the SHIP and the SLP roll out over the next five years. The SHIP 2015-2020 has been prepared in consultation with RSL partners through a series of SLP Programme Meetings with HSD.
- 2.3 It will be seen from Tables 1 and 2 in the SHIP 2015-2020 that there is substantial over-programming in excess of the RPAs noted in paragraph 2.2 above. This is deliberate and is intended to allow for substitution of an alternative project where a development cannot proceed due to unforeseen circumstances to ensure that there is no loss of AHSP funding to the Inverclyde Council area. **Appendix**

3.0 RECOMMENDATIONS

- 3.1 That the Committee:
- Approve the Strategic Housing Investment Plan for the five-year period from 2015 – 2020, as submitted by Inverclyde Council to the Scottish Government in November 2014; and
 - Note the projects included in the Strategic Housing Investment Plan 2015-2020 as detailed in the Appendix to this report and the underspend in the Strategic Local Programme 2012-2015 as detailed in paragraphs 5.3, 5.4 and 5.5 below. **Appendix**

4.0 BACKGROUND

- 4.1 The revised SHIP Guidance (July 2014) required all local authorities to prepare and submit a new five-year SHIP by 28 November 2014 and Inverclyde Council met this deadline. However it was made clear to HSD that the SHIP 2015-2020 would not be presented to Committee for approval until the present meeting and the submission was accepted on this basis. The SHIP 2015-2020 sets out Inverclyde Council's priorities for affordable housing development and presents an overview of what might be achieved throughout Inverclyde over the next five years. The SLP is the practical phase of the SHIP where agreed projects are actually delivered on the ground by RSL partners using AHSP funding.
- 4.2 Due to unforeseen circumstances it has not been possible to fully expend the AHSP funding awarded to the Inverclyde Council area as part of the SLP 2012-2015 and this is as detailed in paragraphs 5.3, 5.4, and 5.5 below. Action has been taken to partially address this potential under spend and several projects have been agreed with partner RSLs and HSD all as noted in paragraph 5.6 below. In order to avoid any future under spend, the SHIP 2015-2020 and the associated SLP contain far more projects than the previous SHIP to allow alternative developments to be brought on quickly in the event of any difficulties arising. This has been encouraged by HSD to avoid funding assigned to Inverclyde being re-allocated to other local authorities within the Glasgow and Clyde area or elsewhere in Scotland.
- 4.3 The projects that were delayed in 2014/15 have been carried forward to the new SHIP 2015-2020 however it must be acknowledged that this impacts on the overall budget available over the next five years as funding has to come from the RPAs as noted in paragraph 2.2 above. The delayed projects are as follows:
- Lower Mary Street, Port Glasgow – Link Group (46 units)
 - Garvald Street, Greenock – Cloch HA (45 units)
 - Woodhall Phase 3, Port Glasgow – River Clyde Homes (16 units)

5.0 SHIP 2015-2020: Summary and SLP 2012-2015: Update

- 5.1 Tables 1 and 2 provide full details of all projects over the five-year period covered by the SHIP (see Appendix), the main proposals can be summarised as follows:
- RSLs have put forward a comprehensive series of proposals for new affordable housing developments across Inverclyde covering every year of the planning period from 2015/16 to 2019/20.
 - The proposed developments take account of land / sites in public ownership as identified in the approved Inverclyde Local Development Plan (August 2014) and there is an expectation that Inverclyde Council will make certain land / sites available at below market value in order to facilitate the development of affordable housing.
 - The SHIP provides for affordable housing for both social rent and for sale (through shared equity schemes) and includes a mixture of house types to address the identified shortfall of affordable housing and to increase the options available to those seeking housing in Inverclyde.
 - RSL partners have adopted a pragmatic approach to the new SHIP taking account of the continuing difficulties in accessing private finance for new development and the “risk averse” attitude of their governing bodies; it will be seen that major projects involving partnerships with private house builders are included towards the end of the five-year programme in the hope that markets will have sufficiently improved by that time to allow such partnerships to be formed.
 - A total of 959 units are planned over the five-year period; total programmed expenditure - £63.463m; available AHSP funding from RPAs - £14.730m (anticipated overspend - £48.733m, see paragraph 2.3 above for comment).

Appendix

5.2 As noted in paragraph 4.3 above the projects delayed in 2014/15 have been carried over to the new SHIP as they are of major significance in addressing the rehousing requirements of residents affected by the Clune Park Regeneration Plan (Lower Mary Street and Woodhall Phase 3) and in partly addressing identified shortfalls of affordable housing for general needs (Garvald Street). The reasons for these projects being carried forward are as set out in paragraphs 5.3, 5.4, and 5.5 below.

5.3 Lower Mary Street, Port Glasgow

The Clune Park area remains Inverclyde Council's highest priority for investment and the development of affordable housing at Lower Mary Street, Port Glasgow, is the main project in the SLP 2012-2015. Lower Mary Street (LMS) is a joint project between Link HA and developers Persimmon Partnerships (Scotland) Limited who are currently building on the nearby Kingston Quay site. Substantial delays were caused by difficulties in obtaining clear title to the development site at Belhaven Street / Lower Mary Street however these matters have now been resolved. Work commenced on site in September 2014 with an anticipated completion date of October / November 2015 with the result that the full AHSP award of £2.875m will not be fully committed by 31 March 2015. Link HA has advised that c. £1.5m spend is likely to be achieved in 2014/15 leaving an under spend of £1.375m due to the late site start on the LMS project. The project has therefore been carried forward to the SHIP 2015-2020 and the associated SLP 2015-2018.

Projected Outcome: £1.375m under spend of AHSP funding.

5.4 Garvald Street, Greenock

The development of 45 units of new affordable housing at Garvald Street / East William Street / Belville Street, Greenock, is being undertaken by Cloch HA (CHA), which is now part of a group structure with Oak Tree HA. Unfortunately, when work commenced on site in August 2014 underground fibre optic cables were found that had not been identified as part of the site investigation process and this has halted work on site. Discussions involving CHA and the owners of the cables are under way with a view to resolving this matter however a potential delay of six to twelve months has been identified in order to re-route the existing cables, etc. This clearly has serious implications for the commitment of AHSP funding for the Garvald Street project and there is a potential under spend of the full amount of £3.041m on this project in 2014/15. The project has therefore been added to the new SHIP 2015-2020 with a (possible) site start in the 2015/16 financial year, subject to successful completion of negotiations between CHA and the incumbent cable company on the re-routing of underground cables to allow the housing development to proceed.

Projected Outcome: £3.041m under spend of AHSP funding.

5.5 Woodhall Phase 3, Port Glasgow

Woodhall Phase 3 is a development of 16 new houses and flats by RCH that is included in the SLP 2012-2015 but it was anticipated that the bulk of the work would be undertaken in 2015/16 following on from Phase 2 (currently on site). RCH has now received consent from HSD to bring Phase 3 forward to run concurrently with Phase 2 as the same contractor will be carrying out the work. AHSP funding of £0.993m has been allocated to Phase 3 however the final amount is still to be determined depending on how quickly Phase 3 goes on site. The final preparatory stages are now under way including obtaining planning and other statutory consents and work may begin in March 2015. The project has therefore been added to the new SHIP 2015-2020 with a site start in March 2015.

Projected Outcome: £0.900m (estimated) AHSP funding to come from 2015/16 allocation.

5.6 Additional Projects

The 2012-2015 SLP was over-subscribed however the effect of the delays outlined above could lead to an under spend of £3.9m. Officers of Inverclyde Council, the Scottish Government HSD and RSL partners have therefore agreed a number of additional SLP projects to minimise any loss of funding to the Inverclyde area. These additional projects area as follows:

- RSLs are acquiring a small number of flats in private ownership in order to consolidate their stock in certain areas to allow for common repair works and the achievement of the

Scottish Housing Quality Standard. Funds are being provided under the Rental off the Shelf (ROTS) Programme by HSD.

- The acquisition of the former King's Glen Primary School site in Greenock by CHA is being brought forward and the land will be banked until later in the SHIP 2015-2020 programme (possibly Year 4, 2018-2019). This is subject to agreement by the Environment & Regeneration Committee and the acquisition cost is unknown at present as this has to be negotiated with CHA based upon an independent valuation of the site for affordable housing development.
- The acquisition of the former St Stephen's High School site in Port Glasgow by RCH is being brought forward and the land will be banked until later in the SHIP 2015-2020 programme (possibly Year 5, 2019-2020) as parts of the former school are still in use as decant accommodation and cannot be cleared until these arrangements are over. This is subject to agreement by the Environment & Regeneration Committee and the acquisition cost is unknown at present as this has to be negotiated with RCH based upon an independent valuation of the site for affordable housing development.
- The acquisition of the former Ravenscraig Primary School site in Greenock by Oak Tree Housing Association is being expedited within the current financial year so that the acquisition costs can be included against SLP 2102-2015 funding.
- The acquisition of the former St Gabriel's Primary School site by the Link Group is being expedited within the current financial year so that the acquisition costs can be included against SLP 2012-2015 funding.
- As noted in paragraph 5.5 above, Woodhall Phase 3 is being brought forward by RCH and this will result in some spend being achieved from the SLP 2012-2015 as the contractor moves on from Phase 2, which is currently well under way.

Exact amounts involved in the above additional projects are not known at present however they will considerably reduce any potential under spend of the SLP 2012-2015 AHSP funding earmarked for the Inverclyde area.

6.0 IMPLICATIONS

6.1 Strategic

The Inverclyde Local Housing Strategy 2011 – 2016 (the LHS) 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 Lower Mary Street and Woodhall Phase 3 projects providing both home ownership and social renting options for long-term residents of the Clune Park area. The SHIP 2015-2020 provides a means of widening housing choices and of addressing tenure imbalance across the Inverclyde Council area both of which are strategic outcomes of the LHS.

6.2 Financial

The Resource Planning Assumptions for AHSP funding over the period 2015-2020 amount to £14.730m however the HSD has emphasised that these are minimum assumptions for planning purposes and that "over programming" is acceptable given the possibility of additional funding for Housing purposes, including additional AHSP funding, becoming available. The SHIP has therefore been prepared in the expectation of additional AHSP funding becoming available in future years.

It will be noted from paragraphs 5.3 – 5.5 above that there is a potential under spend of £4.509m on the AHSP funding allocated as part of the SLP 2012-2015 however this programme was oversubscribed; the actual underspend will be around £3.9m and this will be lost to the Inverclyde Council area. Additional projects are being brought on with the agreement of HSD and partner RSLs and this will help to reduce any potential under spend. Some projects have been carried over to the new SHIP / SLP and this will impact on the available budget for the next five years. The SHIP / SLP will continue to be reviewed on a regular basis and adjustments will be made accordingly to reflect the agreed programme.

6.3 Legal

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

6.4 Personnel

There are no Personnel implications arising from this report.

6.5 Equalities

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

6.6 Repopulation

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; and
- Scottish Government Housing Supply Division, Glasgow and Clyde Area Office

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 546

Guidance on the Preparation of Strategic Housing Investment Plans; Scottish Government Housing Supply Division Guidance Note (HSGN 2014/07), Edinburgh, July 2014.

Affordable Housing Supply Programme (AHSP): Notification Letter from Scottish Government Housing, Regeneration and Welfare Directorate, Housing Supply Division, 29 October 2013.

HOUSING SUPPLY DIVISION

STRATEGIC HOUSING INVESTMENT PLAN 2015/16 - 2019/20

AFFORDABLE HOUSING SUPPLY PROGRAMME - 2015/2020

TABLE 1 - YEARS 13 - 2015/16 - 2017/18

LOCAL AUTHORITY:

PROJECT	SUB-AREA	PRIORITY	POST CODE	GEOGRAPHIC CODE (Numerical Value)	DEVELOPER	UNITS - TENURE		UNITS - BUILT FORM			UNITS - TYPE		GREENING STANDARDS	APPROVAL DATE	UNITS - DELIVERY			UNITS - COMPLETION			TOTAL SO FAR
						MOBILISED	CHURN	MOBILISED	CHURN	REHAB	NEW	TOTAL			PERM	TEMP	PERM	TEMP	PERM	TEMP	
General Street	Greenock Central East	High	PA15 2BE, PA15 4EY	5	Chk Yee Housing Association	45	0	45	45	0	45	0	2016	45	0	0	0	0	0	45	
Broomhall	Greenock Central East	High	PA15 4HA, PA15 4EZ	5	River Cycle Homes	30	0	30	30	0	30	0	2016	30	0	0	0	0	30	3,241	
Rhy Street	Port Glasgow	High	PA15 4EN	6	River Cycle Homes	48	0	48	48	0	48	0	2016	48	0	0	0	0	48	1,880	
Dunrobin/Maers	Greenock Central East	High	PA15 4DG	5	Chk Yee Housing Association	60	0	60	60	0	60	0	2016	60	0	0	0	0	60	2,784	
Malcolm Road	Greenock South West	High	PA15 3BB, PA15 3BE, PA15 3BN, PA15 3BS, PA15 3BT, PA15 3BU, PA15 3BV, PA15 3BW, PA15 3BX, PA15 3BY, PA15 3BZ	5	River Cycle Homes	20	0	20	20	0	20	0	2016	20	0	0	0	0	20	3,720	
Lower Mary Street	Port Glasgow	High	PA15 3BP	5	Link Group	38	0	38	38	0	38	0	2016	38	0	0	0	0	38	1,240	
Woodhill Phase 3	Port Glasgow	High	PA15 3BP	5	Link Group	8	0	8	8	0	8	0	2016	8	0	0	0	0	8	2,107	
Chalmers Street	Greenock	High	PA15 3BZ, PA15 3CZ, PA15 3DZ, PA15 3EZ	5	River Cycle Homes	16	0	16	16	0	16	0	2016	16	0	0	0	0	16	8,798	
Chalmers Street	Greenock	Medium	PA15 3EW	5	River Cycle Homes	22	0	22	22	0	22	0	2017	22	0	0	0	0	22	8,823	
Chalmers Street	Greenock	Medium	PA15 3EW	5	River Cycle Homes	11	0	11	11	0	11	0	2017	11	0	0	0	0	11	1,354	
Chalmers Street	Greenock	Medium	PA15 3EW	5	River Cycle Homes	11	0	11	11	0	11	0	2017	11	0	0	0	0	11	1,354	
East Cromford Street	Greenock Central East	Medium	PA15 3ZZ	5	Chk Yee Housing Association	40	0	40	40	0	40	0	2016	40	0	0	0	0	40	6,485	
Link Avenue	Greenock Central East	Medium	PA15 3EF	5	Link Group	31	0	31	31	0	31	0	2016	31	0	0	0	0	31	2,400	
Carnock Street	Greenock Central East	Low	PA15 2TF	5	Chk Yee Housing Association	16	0	16	16	0	16	0	2016	16	0	0	0	0	16	2,095	
Widdington Street	Greenock Central East	Low	PA15 4EJ	5	Chk Yee Housing Association	15	0	15	15	0	15	0	2016	15	0	0	0	0	15	2,095	
St Gabriel's	Greenock South West	Low	PA15 3BH	5	Link Group	20	0	20	20	0	20	0	2016	20	0	0	0	0	20	2,877	
Ann Drive	Greenock	Low	PA15 4EF	5	Chk Yee Housing Association	45	0	45	45	0	45	0	2016	45	0	0	0	0	45	1,532	
Albion Road	Greenock South West	Low	PA15 4UX	5	Chk Yee Housing Association	22	0	22	22	0	22	0	2016	22	0	0	0	0	22	2,890	
Autumn Road	Greenock South West	Low	PA15 3PY	5	Chk Yee Housing Association	30	0	30	30	0	30	0	2016	30	0	0	0	0	30	1,584	
Terrace Road	Greenock Central East	Low	PA15 3EN	5	Chk Yee Housing Association	18	0	18	18	0	18	0	2016	18	0	0	0	0	18	1,808	
Total						514	11	525	536	89	614	22	0	499	0	0	0	0	0	644	8,811

Drop Down Table Values	Numerical Value	Geographic Code
1	West Highland Authority	REL..._Other
2	West Highland Authority	REL..._Other
3	Other Area	REL..._Other
4	Other Area	REL..._Other
5	City and Urban	REL..._Other
6	City and Urban	REL..._Other
7	All	REL..._Other
8	All	REL..._Other
9	All	REL..._Other
10	All	REL..._Other

Year	2015/16	2016/17	2017/18	2018/19	2019/20
2015/16	181	48	18,823	8,273	
2016/17	217	103	11,778	3,742	
2017/18	80	223	8,811	2,400	

HOUSING SUPPLY DIVISION

STRATEGIC HOUSING INVESTMENT PLAN 2015/16 - 2019/20

AFFORDABLE HOUSING SUPPLY PROGRAMME - 2015/2020

Table 2 - Years 4 & 5 - 2018/19 - 2019/20

Local Authority:

PROJECT	SUB-AREA	PRIORITY	POST CODE	GEOGRAPHIC CODE (Numeric Value)	DEVELOPER	UNITS - TENURE			UNITS - BUILD FORM			UNITS - TYPE			APPROVAL DATE	UNITS - SITE STARTS 2018/19	UNITS - COMPLETION 2018/19	2018/19	2019/20	2019/20	TOTAL TO FUNDING
						Mid Market Rent	LCHO - Shared Equity	LCHO - Shared Equity	Total Units	Rehab	MS	Total Units	Specialist	Particular (if applicable)							
Chalmers Street	Greenock	Medium	PA19 1RW	5	River Cycle Homes	22			22			22		2017	22					0.000	
Chalmers Street	Greenock	Medium	PA19 1RW	5	River Cycle Homes		11		11			11		2017	11					0.000	
Chalmers Street	Greenock	Medium	PA19 1RW	5	River Cycle Homes		11		11			11		2017	11					0.000	
East Crawford Street	Greenock Central East	Medium	PA15 2DZ	5	Clack Housing Association	40			40			40		2015	40					0.000	
Lure Avenue	Greenock Central East	Medium	PA15 3EF	5	Link Group	31			31			31		2017	31					0.000	
Garwood Street	Greenock Central East	Low	PA15 2TF	5	Clack Housing Association	16			16			16		2016	16					0.000	
Auchmar Road	Greenock South West	Low	PA16 0PY	5	Oak Tree Housing Association	30			30			30		2016	30					0.000	
Terrace Road	Greenock Central East	Low	PA15 1ER	5	Clack Housing Association	16			16			16		2016	16					0.000	
Wellington Street	Greenock Central East	Low	PA15 4EJ	5	Clack Housing Association	15			15			15		2017	15					0.000	
Peel Road	Greenock South West	High	PA15 4JW, PA16 8DT, PA16 8DU, PA16 8DZ	5	River Cycle Homes	100			100			100		2019	100				€ 6.200	0.000	
James Watt Dock	Greenock South West	High	PA16 8DU, PA16 8DZ	5	River Cycle Homes	60			60			60		2019	60				€ 4.800	4.800	
Houston Street	Greenock West	High	PA16 2JH	6	River Cycle Homes	76			76			76		2019	76				€ 4.712	4.712	
Edon Street	Greenock West	Low	PA16 8DA	6	Oak Tree Housing Association	22			22			22		2019	22				€ 1.506	1.506	
Young Glen School	Greenock West	Low	PA16 7QB	5	Oak Tree Housing Association	17			17			17		2018	17				€ 1.135	1.135	
St. Stephen's High School	Port Glasgow	Low	PA16 3HT	5	Clack Housing Association	60			60			60		2018	60				€ 3.460	3.460	
Campbell Street	Greenock Central East	Low	PA16 6PR	5	River Cycle Homes	120			120			120		2018	120				€ 9.900	9.900	
Highlanders Academy	Greenock Central East	Low	PA16 4BP	5	Oak Tree Housing Association	10			10			10		2018	10				€ 0.866	0.866	
			PA16 4DZ	5	Oak Tree Housing Association	10			10			10		2019	10				€ 0.951	0.951	
Total						688	11	71	0	0	0	687	0	0	87	388	177	118	5.233	25	30.112

Sub-Category	2018/19	2019/20	2018/19	2019/20
2018/19	87	177	5,203	1,633
2019/20	388	118	24,629	4,633
Total	475	295	29,832	6,266

Drop Down Table Numerical Value	Geographic Code
1	West Highland Land Authorities/Rural/BSL - SR - Other
2	West Highland Land Authorities/Rural/BSL - SR - Other
3	Other Rural
4	Other Rural
5	City and Urban
6	City and Urban
7	All
8	All
9	All
10	All