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<b>Report To:</b>	<b>Education &amp; Communities Committee</b>	<b>Date:</b> 3 <sup>rd</sup> November 2015
<b>Report By:</b>	<b>John Arthur, Head of Safer &amp; Inclusive Communities</b>	<b>Report No:</b> EDUC/80/15/DH
<b>Contact Officer:</b>	<b>Drew Hall, Service Manager, Community Safety &amp; Wellbeing</b>	<b>Contact No:</b> 01475 714272
<b>Subject:</b>	<b>Strategic Housing - Strategic Local Programme 2015-2019</b>	

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to provide an update on changes to the Strategic Local Programme 2015-2019 (SLP) in the wake of new Strategic Housing Investment Plan 2015-2020 (SHIP).

## 2.0 SUMMARY

- 2.1 The Committee at the January 2015 meeting approved the Strategic Housing Investment Plan (SHIP) 2015-2020 for the development of affordable housing in Inverclyde. The potential development sites listed in the SHIP have a total funding subsidy requirement from the Scottish Government (SG) of over £63 million for the 5 year life of the Plan.
- 2.2 Resource Planning Assumptions (RPAs) for the Inverclyde area for the period 2015-2020 have been provided by Housing Supply Division (HSD) of the SG 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.
- 2.3 The SHIP 2015-2020 has 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.
- 2.4 The SHIP 2015-2020 was prepared in consultation with RSL partners through a series of SLP Programme Meetings with HSD. Further meetings have taken place to agree a deliverable affordable housing supply programme based on the current RPAs through the new Strategic Local Programme until 2019.

## 3.0 RECOMMENDATIONS

- 3.1 That the Committee:
- a) Note the projects included in the Strategic Local Programme 2015-2019 as detailed in the Appendix to this report.

Appendix

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

## 4.0 BACKGROUND

- 4.1 The Committee at the January 2015 meeting approved the Strategic Housing Investment Plan (SHIP) 2015-2020 for the development of affordable housing in Inverclyde. The potential development sites listed in the SHIP have a total funding subsidy requirement from the Scottish Government (SG) of over £63 million for the 5 year life of the Plan.
- 4.2 Resource Planning Assumptions (RPAs) for the Inverclyde area for the period 2015-2020 have been provided by Housing Supply Division (HSD) of the SG 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.
- 4.3 The SHIP 2015-2020 has substantial over-programming in excess of the RPAs noted in paragraph 5.2 below. 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.

## 5.0 SLP 2012-2015

- 5.1 Meetings have taken place between the HSD and our RSL partner to agree an affordable housing supply programme from the potential development sites listed the SHIP that is deliverable based on the current RPAs through the new Strategic Local Programme until 2019.
- 5.2 RPAs for the period up to 2018/19 were notified to Inverclyde Council in October 2013 and HSD has advised that these are minimum assumptions that may be relied upon for the purposes of forward planning. HSD has also indicated that the RPA for 2018/19 can be used as the basis for the 2019/20 budget amount for forward planning purposes. Details of the SLP RPAs notified to Inverclyde Council are as follows:

• SLP Year 1, 2015/16:	£ 5.272m
• SLP Year 2, 2016/17:	£ 3.742m
• SLP Year 3, 2017/18:	£ 2.450m
• SLP Year 4, 2018/19:	£ 1.633m
• SLP Year 5, 2019/20:	<u>£ 1.633m</u> (E)
• TOTAL:	£14.730m

The new SLP currently reflects the minimal funding until 2019.

- 5.3 The appendix to this report details the development sites, number of housing units, funding subsidy amounts per year and also details the projects that are to be brought to the tendering stage in each year. Also as is required by the HSD each year's funding has been oversubscribed by 20% to allow for slippage and for the opportunity to bring other projects forward to ensure funding for housing is fully used. appendix

## 6.0 IMPLICATIONS

### 6.1 Strategic

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 Local Housing Strategy (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.

### 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; 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.
  - Strategic Housing Investment Plan 2015-2020 and Strategic Local Programme; Report to Education & Communities Committee, 20 January 2015

**Resource Planning Assumption - 2015-2016 - £5.272**

Project Address	Developer	Unit numbers	*Tenure	Additional grant required to achieve higher greener standards - funded outwith RPA	Estimated / Actual Approval Year	Estimated / Actual site start year	Estimated / Actual completion year	TOTAL AHSP SG GRANT (£m)
<b>C/F projects from 2012-15 SLPA</b>								
Woodhall Phase 3	RCH	16	SR		2014/15	2015/16	2015/16	0.674
Lower Mary Street	Link	46	SR		2014/15	2014/15	2015/16	1.703
Garvald Street	Oaktree	45	SR	0.196	2014/15	2015/16	2015/16	2.627
<b>2015-16 Tender Approvals</b>								
Bay Street	RCH	43	SR	0.060	2015/16	2015/16	2016/17	0.500
Killochend	Oaktree	22	SR		2015/16	2016/17	2016/17	0.500
St Gabriels	Link	20	SR		2015/16	2016/17	2016/17	0.180
<b>2015-16 Total</b>		<b>192</b>						<b>6.184</b>

Slippage/over programme of 20% (£1.036)

**Resource Planning Assumption - 2016-2017 - £3.772**

Project Address	Developer	Unit numbers	*Tenure	Additional grant required to achieve higher greener standards - funded outwith RPA	Estimated / Actual Approval Year	Estimated / Actual site start year	Estimated / Actual completion year	TOTAL AHSP SG GRANT (£m)
Bay Street	RCH	43		0.100	2015/16	2015/16	2016/17	1.994
Killochend	Oaktree	22		0.100	2015/16	2016/17	2016/17	1.406
St Gabriels	Link	20		0.100	2015/16	2016/17	2016/17	1.16
<b>2016-17 Tender Approvals</b>								
Kirn Drive or Shore Street	Oaktree	10			2016/17	2016/17	2017/18	0.200
Auchmead Road	Oaktree	30			2016/17	2016/17	2017/18	0.400
<b>2016-17 Total</b>		<b>125</b>						<b>5.160</b>

slippage/over programmed by 20% (0.754)

**Resource Planning Assumption - 2017-2018: £2.354**

Project Address	Developer	Unit numbers	*Tenure	Additional grant required to achieve higher greener standards - funded outwith RPA	Estimated / Actual Approval Year	Estimated / Actual site start year	Estimated / Actual completion year	TOTAL AHSP SG GRANT (£m)
Kirn Drive or Shore Street	Oaktree	10						0.38
Auchmead Road	Oaktree	30						1.34
<b>2017-18 Tender Approvals</b>								
Kings Glen School Phase 1	Cloch	30		0.020				0.670
Broomhill	RCH	8		0.020				0.464
<b>2017-18 Total</b>		<b>78</b>						<b>2.854</b>

slippage/over programmed by 20% (£0.470)

**Resource Planning Assumption - 2018-2019: £1.570**

Project Address	Developer	Unit numbers	*Tenure	Additional grant required to achieve higher greener standards - funded outwith RPA	Estimated / Actual Approval Year	Estimated / Actual site start year	Estimated / Actual completion year	TOTAL AHSP SG GRANT (£m)
Kings Glen School Phase 1	Cloch	30						1.055
<b>2018-19 Tender Approvals</b>								
James Watt Dock	RCH	33						0.429
Wellington Street	Oaktree	15						0.400
<b>2018-19 Total</b>		<b>78</b>						<b>1.884</b>

slippage/overprogrammed by 20% (£0.314)