

EAST RENFREWSHIRE COUNCIL

CABINET

25 October 2018

Report by Director of Environment

STRATEGIC HOUSING INVESTMENT PLAN 2019 – 2024

PURPOSE OF REPORT

1. To seek approval for the proposed Strategic Housing Investment Plan (SHIP) 2019/20– 2023/24 and for its submission to Scottish Government.

RECOMMENDATIONS

2. The Cabinet is asked to:
- (a) Approve the East Renfrewshire Strategic Housing Investment Plan 2019/2020 – 2023/2024 for submission to Scottish Government by 26th October 2018; and
 - (b) Note that a further report will be submitted to Cabinet in relation to the resulting Strategic Local Programme Agreement (SLPA) with Scottish Government, which will confirm the programme of housing projects to be funded locally over the next 3 years.

BACKGROUND

3. The Scottish Government requires local authorities to supplement their Local Housing Strategy (LHS) with a Strategic Housing Investment Plan (SHIP) - setting out in detail the Council's affordable housing investment priorities for the coming 5 years.

4. SHIP's must be produced and approved by local authorities annually. The existing SHIP programme will be rolled forward and added to, taking into account increased resources and subsidy levels announced by the Scottish Government. The proposed SHIP must gain local authority committee approval prior to submission to the Scottish Government.

5. The SHIP identifies where land, public subsidy and other resources will be used to address affordable housing needs and drives the allocation of Scottish Government Affordable Housing Supply Programme (AHSP) funding to projects in East Renfrewshire. The AHSP is the Scottish Government's programme which will see the delivery of at least 50,000 affordable homes by 2021 which is backed by over £3billion of funding. The AHSP funding is distributed to council areas by the Scottish Government through Resource Planning Assumptions (RPAs). RPAs set out the total amount of funding available to Council for the SHIP.

6. In May 2018 the Housing Minister announced an AHSP allocation of £756m to council areas for 2018/19. This resulted in enhanced revised RPA resources available to East Renfrewshire for 2018/19 and revised allocations for the 2 year period 2019-2021.

7. The additional funding is a significant increase on previous RPAs, however this is an indication of resources available each year, with monitoring taking place by Scottish Government to effectively redistribute resources across council areas if required to maximise spend each year.

8. Details of anticipated AHSP funding are set out in the table below, contrasted with previous RPAs:

Summary of Anticipated AHSP Funding

	2018/19	2019/20	2020/21	TOTAL
Minimum RPAs (announced 2016)	2.385m	1.590m	1.590m *	£5.565 m
RPAs (announced 2018)	5.579m	5.909m	6.304m	£17.792 m

**Notional – based on previous year’s minimum RPA.*

9. The SHIP guidance suggests building in a **minimum** ‘slippage factor’ of 25% annually against each year’s RPA to avoid historic problems of project slippage. This means that if the Council and/or its partners fail to deliver on 25% of anticipated projects the RPA funding given by the Scottish Government will still be spent. The SHIP tables attached at Appendix 1 show a number of projects beyond the RPA provision included to provide this slippage.

10. The benchmark subsidy level for a new build social rented property is £70,000 (based on a 3-person equivalent home) for housing associations and £57,000 (flat rate) for councils. Homes to be built through the Council’s New Build Programme will be built to “greener standard” and therefore attract an enhanced subsidy of £59,000 in total per unit. The “greener standard” ensures that houses will be built to high energy efficiency standards which will help tenants reduce their energy bills. The expectation is that Registered Social Landlords projects will also be delivered to this standard, attracting a subsidy of £72,000 per unit. This assumption has been made in the SHIP tables.

11. The Scottish Government has confirmed any unspent budget is not guaranteed to be carried forward into 2019/20, and this will be the case each year of the SHIP. Essentially, if the Council and/or its partners do not spend anticipated budget then it may be lost.

12. During the 2018/19 financial year the Council will complete two affordable housing projects: Robertson Street, Barrhead and Fenwick Drive, Barrhead. The Robertson Street development will see the delivery of 13 homes, 9 of which will be amenity homes - which is self-contained accommodation designed to meet the needs of older people - with the remaining 4 being general needs homes. Fenwick Drive will see the delivery of 10 general needs homes.

REPORT

13. The SHIP 2019-24 programme tables are attached as Appendix 1 to this report.

14. The proposed programme supports the delivery of the Community Planning Partnership's priorities in terms of Outcome 3 and intermediate outcome 3.2. It also reflects the strategic housing priorities detailed in the Local Housing Strategy 2017-2022.

15. Following submission of our SHIP programme to the Scottish Government the Scottish Government will then prepare a Strategic Local Programme Agreement (SLPA) which will take into account our proposed programme. It will then set out the final agreed programme of housing projects to be funded in East Renfrewshire through the AHSP over the next 3 years. Details of the SLPA will be brought forward for Cabinet consideration in due course.

16. The proposed SHIP programme could deliver affordable homes between 2019/20 and 2023/24 as follows:

- Years 1 to 3 – 326 units of social rented housing.
- Years 4 to 5 - 271 units of social rented housing.
- 30 'Rent off the Shelf' purchases throughout the 5 year period (directed towards Eastwood).
- A number of affordable properties for sale are also expected, but will largely be delivered through developer contributions (and without subsidy).
- Approximately 10% of the new units programmed are expected to be suitable for particular needs (e.g. for wheelchair users, older people etc.) or adaptable over time to meet changing needs.

17. The SHIP report details our approach to prioritising projects. In summary, SHIP resources have been focused mainly towards:

- The delivery of social rented homes (including Council), as opposed to homes for low cost sale or at mid-market rent levels;
- Proposals for affordable housing to meet a range of needs, including smaller and family homes, and those suitable for the elderly and disabled;
- Developments with the greatest certainty over timing and deliverability.

18. The programme is highly reliant on private sector sites coming forward for development, presenting an element of risk and uncertainty associated with timescales for delivery. This could leave resources uncommitted locally in some years, which may very well be directed elsewhere by the Scottish Government.

19. However, the partnership approach taken to the Barrhead South, North and Maidenhill development master plans includes planned phasing of sites and firmer agreement on the affordable housing element to be delivered, in turn improving certainty for these projects within the SHIP.

20. Intensive work has been undertaken in the last 18 months to consider the range of potential additional sites available for housing. Those with firm potential have been included within the SHIP programme.

21. The need for adaptations is expected to keep growing given the projected future increase in the number of elderly households creating significant pressure in a climate of constrained public resources.

FINANCE AND EFFICIENCY

22. As well as the RPA funds supplied to the Council through the AHSP, funding from East Renfrewshire's Affordable Housing 'Pot' - i.e. commuted sums and Council tax discounts has also been identified to support the local SHIP programme. This equates to £2.07m known resources over the 5-year period but with additional contributions potentially received over this period.

CONSULTATION

23. Consultation on the draft SHIP programme was carried out with a range of stakeholders, including local Housing Associations and Health and Social Care Partnership (HSCP) as outlined in the SHIP report itself.

PARTNERSHIP WORKING

24. The draft SHIP includes a number of sites where the delivery partner (Council or Housing Association) has still to be confirmed. Expressions of interest have been invited from partners for these sites and discussions are ongoing, in partnership, to identify the most suitable partner to take these forward in relation to locale, scale and the size and type of housing required in that area.

IMPLICATIONS OF THE PROPOSALS

25. The equality and sustainability implications associated with the SHIP programme are addressed in the relevant Equality Impact and Strategic Environmental Assessment reports undertaken for the Local Housing Strategy 2017-22, and Local Development Plan, to which the SHIP relates. There are no other implications in terms of ICT, finance or staffing.

CONCLUSIONS

26. This report summarises the investment proposals for the development of new affordable housing in the SHIP 2019/20 to 2023/24. Historic challenges have been associated with delivering the SHIP programme, both in relation to project slippage and the ownership of sites, despite over programming. These risks will be mitigated as far as possible by ongoing monitoring of delivery of the agreed programme, as well as continuing to identify land and other projects going forward which could address the shortfall of affordable homes in East Renfrewshire.

RECOMMENDATIONS

27. The Cabinet is asked to:

- (a) Approve the East Renfrewshire Strategic Housing Investment Plan 2019/20 to 2023/24 for submission to Scottish Government by 26th October 2018; and
- (b) Note that a further report will be submitted to Cabinet in relation to the resulting Strategic Local Programme Agreement (SLPA) with Scottish Government, which will confirm the programme of housing projects to be funded locally over the next 3 years.

Director of Environment

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Appendix 1 – SHIP Programme Tables

PROJECT	DEVELOPER	UNITS TENURE							Estimated SG Grant
		Social Rent	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	
Blackbyres Court, Barrhead	East Renfrewshire Council	22	0.649	0.649	0.000	0.000	0.000	0.000	1.298
Balgraystone Road, Barrhead	East Renfrewshire Council	39	0.000	0.608	1.693	0.000	0.000	0.000	2.301
Main Street, Busby	East Renfrewshire Council	20	0.000	0.000	0.200	0.980	0.000	0.000	1.180
Barrhead Road, Newton Mearns	East Renfrewshire Council	20	0.000	0.000	0.180	1.000	0.000	0.000	1.180
Drumby Crescent, Clarkston	East Renfrewshire Council	8	0.000	0.000	0.000	0.472	0.000	0.000	0.472
Maidenhill Area A1 (CALA)	East Renfrewshire Council	48	0.000	0.000	0.000	1.416	1.416	0.000	2.832
Maidenhill Area A2 (CALA)	East Renfrewshire Council	34	0.000	0.000	0.000	1.003	1.003	0.000	2.006
Maidenhill Area A3 (CALA)	East Renfrewshire Council	18	0.000	0.000	0.000	0.000	0.531	0.531	1.062

Maidenhill Area A4 Taylor Wimpey	East Renfrewshire Council	22	0.000	0.000	0.000	0.000	0.000	0.200	0.200
Maidenhill Area A5 Taylor Wimpey	East Renfrewshire Council	21	0.000	0.000	0.000	0.000	0.000	1.239	1.239
Maidenhill Area A6 Taylor Wimpey	East Renfrewshire Council	33	0.000	0.000	1.200	0.747	0.000	0.000	1.947
Walton Street, Barrhead	Barrhead HA	35	0.000	0.630	1.890	0.000	0.000	0.000	2.520
Barrhead South, Lyoncross, Avant	Barrhead HA	12	0.000	0.000	0.970	0.000	0.000	0.000	0.970
Dealston Road, Barrhead	Barrhead HA	8	0.000	0.647	0.000	0.000	0.000	0.000	0.647
Neilston Rd, Neilston (Taylor Wimpey)	Barrhead HA	12	0.000	0.973	0.000	0.000	0.000	0.000	0.973
Barrhead South, Nethererton Farm Wallaceland	Barrhead HA	25	0.000	0.000	0.000	1.987	0.000	0.000	1.987
Blackbyres/ Grahamston Road, Barrhead (Bellway)	Barrhead HA	10	0.000	0.720	0.000	0.000	0.000	0.000	0.720
Barrhead South, Springhill Rd, Miller Homes	Cube	12	0.743	0.000	0.000	0.000	0.000	0.000	0.743
Maidenhill - Malletsheugh Farm, Barratt Homes	Sanctuary HA	42	0.000	0.000	0.500	1.978	0.000	0.000	2.478
Maidenhill - Cherrybank Phase 1 McTaggart and Mickel	Link HA	22	0.000	0.000	1.000	0.584	0.000	0.000	1.584
Maidenhill - Cherrybank Phase 2 McTaggart and Mickel	Link HA	10	0.000	0.000	0.000	0.000	0.720	0.000	0.720

Kirkton Road, Neilston, Dawn Homes	TBC	19	0.000	0.000	0.000	0.000	1.368	0.000	1.368
Netherlee House, Netherlee	TBC	6	0.000	0.000	0.432	0.000	0.000	0.000	0.432
Barrhead South Masterplan, Springfield Road	TBC	46	0.000	0.000	0.000	0.000	0.500	2.812	3.312
Barrhead North Masterplan, Shanks Park, Crudens	TBC	36	0.000	0.000	0.000	0.000	0.250	2.342	2.592
Maidenhill- Malletsheugh Inn- Developer still to be confirmed	TBC	17	0.000	0.000	0.000	0.000	0.200	0.974	1.174
Eastwood ROTs	Various	30	0.000	0.500	0.500	0.500	0.500	0.500	2.500
		627	1.392	4.727	8.565	10.667	6.488	8.598	40.437

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