

EAST RENFREWSHIRE COUNCIL

CABINET

4 December 2014

Report by Director of Environment

STRATEGIC HOUSING INVESTMENT PLAN 2015 - 2020

**PURPOSE OF REPORT**

1. To seek homologation for the decision to submit the Strategic Housing Investment Plan (SHIP) 2015/16 – 2019/20 to the Scottish Government.

**RECOMMENDATIONS**

2. The Cabinet is asked to:

- (a) Approve the East Renfrewshire Strategic Housing Investment Plan 2015/16-2019/20 and homologate the decision of the Director of Environment to submit it to the Scottish Government for review on 28<sup>th</sup> November 2014; and
- (b) Note that a further report will be submitted to Cabinet in relation to the resulting Strategic Local Programme Agreement (SLPA) with the 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). The SHIP must set out in detail the Council's affordable housing investment priorities for the coming 5 years.

4. The SHIP identifies where land, public subsidy and other resources will be used to address affordable housing needs in the local housing market, and drives the allocation of Scottish Government Affordable Housing Supply Programme (AHSP) funding to projects in East Renfrewshire.

5. The timing of Cabinet meetings, and time for discussion with local housing associations regarding delivery of SHIP projects, meant it was not possible to seek Cabinet approval for the proposed SHIP before the required submission date of 28<sup>th</sup> November 2014. Accordingly the SHIP was sent in draft form to the Scottish Government, with the proviso that it was still subject to Cabinet approval.

6. Revised statutory guidance on the content and format of SHIPs was issued by the Scottish Government in July 2014. This requires little change and expects that the SHIP will be a roll forward of our previous year's SHIP, taking into account new resource assumptions for 2015 onwards.

7. Resource Planning Assumptions (RPAs) were provided by Scottish Government in May 2014 outlining the resources available to East Renfrewshire from 2015-20 via the Affordable Housing Supply Programme (AHSP). These included a confirmed allocation for

2015/16 with 'minimum' RPAs for future years. Details of anticipated AHSP funding are set out in the table below, contrasted with details of the funding required to deliver the proposed SHIP programme:

### Summary of Anticipated AHSP Funding and Projected SHIP Expenditure

	2015/16	2016/17	2017/18	2018/19	2019/20	TOTAL
<b>Confirmed RPA</b>	2.409m*					<b>2.409m</b>
<b>Minimum RPAs (Indicative)</b>		1.769m	1.209m	0.806m	0.806m**	<b>4.590m</b>
<b>“Over programming”</b> (rate of 20% of RPA applied)	£0.482m	£0.354m	£0.242m	£0.161m	£0.161m	<b>1.4m</b>
<b>TOTAL SHIP FUNDING</b> (Anticipated)	<b>£2.891m</b>	<b>£2.123m</b>	<b>£1.451m</b>	<b>£0.967m</b>	<b>£0.967m</b>	<b>8.399m</b>
<b>Projected SHIP Expenditure</b> (resources required from AHSP)	<b>£2.779m</b>	<b>£2.378m</b>	<b>£1.45m</b>	<b>£1.516m</b>	<b>£2.312m</b>	<b>£10.435m</b>

\* RPA for 2015/16 does not include any carry forward from 2012-15.

\*\*Notional – based on previous year's minimum RPA.

8. The SHIP guidance suggests building in 'over programming' of 20% based on our Year 1 RPA to ensure a healthy programme, and avoid historic problems of project slippage. (This has been built in to our expected budget, as highlighted in the table above). Given the projects expected to come forward through the Barrhead South and Maidenhill master plans, it was felt prudent to programme for 20% over RPA for all 5 years.

9. Funding of £0.441m from East Renfrewshire's Affordable Housing 'Pot' - i.e. commuted sums and council tax discounts –has also been identified to support the SHIP programme.

10. The benchmark subsidy level for a new build social rented property remains at £58,000 (based on a 3-person equivalent home) for housing associations and £46,000 (flat rate) for Councils.

11. AHSP Funding for the current SHIP period (2012-15) totalled £2.938m. Under spend of up to £1m of this budget is expected given slippage in timescales for a number of projects. This slippage includes:

- Ongoing negotiations between Link Housing Association and developer Persimmon with regard to delivery of affordable housing at Barcapel, Newton Mearns;
- Unforeseen ground and asbestos removal works at Darnley Road, Barrhead delaying start on site; and
- Failure to identify a suitable site for the Supported Accommodation project, resulting in removal of this project from the SHIP at this stage.

12. Scottish Government's Housing Investment Division has confirmed any outstanding budget cannot be carried forward into 2015/16. Therefore the remainder of 2014/15 will be critical in bringing forward any potential considerations for spend before March 2015. This could potentially include the Council or a Housing Association acquiring a piece of land which can then be developed for affordable housing at a later stage.

## REPORT

13. The Strategic Housing Investment Plan and associated tables are attached as Appendix 1 to this report.

14. As illustrated in Section 2 of the SHIP report the proposed programme supports the delivery of the Council's Single Outcome Agreement and the six outcomes detailed in the Local Housing Strategy.

15. As set out in the table above, to deliver the proposed SHIP programme will require over £10m in investment from the AHSP and the bulk of existing resources from East Renfrewshire's Affordable Housing Pot.

16. A Strategic Local Programme Agreement (SLPA) will now be produced by the Scottish Government for March 2015, which will take into account our proposed SHIP programme. It will set out the final agreed programme of housing projects to be funded in East Renfrewshire through the AHSP over the next 3 years. Detail of the SLPA will be brought forward for cabinet consideration in spring.

17. The proposed SHIP programme could deliver 207 affordable homes between 2015/16 and 2019/20 as follows;

- Years 1 to 3 - 129 units of social rented housing (including remodelling of 9 units at Waterford Court, Giffnock), and 10 'Off the Shelf' purchases by the Council;
- Years 4 to 5 - 78 units including 66 homes for social rent and 12 shared equity properties for sale;
- Around 20% of the new units programmed are expected to be suitable for wheelchair users or older people.

18. Projects have been prioritised to ensure a robust, deliverable programme and that available AHSP resources can be spent fully. Section 3 of the SHIP report details the approach we have taken to prioritising projects. In summary, SHIP resources have been focused mainly towards:

- The delivery of social rented homes, as opposed to homes for low cost sale or at mid-market rent levels;
- Projects in the Eastwood area where affordable housing needs are greatest; and
- Developments with the greatest certainty over timing and deliverability at present.

19. It is important to note that the programme is highly reliant on private sector sites coming forward for development, as has historically been the case in East Renfrewshire. This presents an element of risk and uncertainty associated with timescales for delivery, and could leave resources uncommitted locally in some years, which may very well be directed elsewhere by Scottish Government.

20. However, the partnership approach taken to the Barrhead South and Maidenhill development master plans (which feature across Years 2 to 5 of the SHIP), 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.

21. As above, funding for the Council to purchase 10 second hand properties was approved by Scottish Government in August. £400,000 was secured following the Council's bid for funding to increase the supply of small (1 bedroom) homes to address current waiting

list pressures. These properties will be purchased over 2014/15 and 15/16 taking some funding from both our current and 2015/16 resource allocations, with funding from East Renfrewshire's Affordable Housing 'Pot' also being added. Suitable properties for sale locally are currently being pursued by Housing Services.

22. Anticipated Council spend and completions of disabled adaptations in both private and Council homes is also included in the SHIP, as in previous years. It should be noted the sums included in the SHIP programme are a continuation of current budget rather than actual resources required. 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.

23. A previous report to Cabinet outlined proposals for the construction and acquisition of a supported accommodation project for households with high support needs - however there has been no success in identifying a suitable site, despite focused efforts. With that in mind the project has been removed from this year's SHIP programme, with a view that it will be re-introduced when a suitable site is identified.

24. The feasibility of further increasing the Council house building programme, as well as the potential for the Council to participate in the National Housing Trust Initiative is also currently being examined. This will be the subject of a future report to Cabinet.

25. The Scottish Government operates a Mortgage to Rent scheme designed to assist homeowners in lower value properties who are in financial difficulty and in danger of being made homeless. The scheme enables these households to remain in their own home by selling it to a social landlord and becoming a tenant of that landlord.

26. Following Cabinet approval (with last year's proposed SHIP), the Council registered with this scheme and has actively considered but not yet purchased any homes through this scheme. We will continue to consider properties on a case by case basis and prioritise applications from owners of former Council properties living in mixed tenure blocks.

## **FINANCE AND EFFICIENCY**

27. The Council has to date collected a modest amount of commuted sums as well as revenue from a reduction in the Council tax discount for second homes. Tables 4 and 5 of the SHIP report provide detail on this. As additional receipts are collected consideration will be given to how these can support delivery of identified SHIP projects.

28. The SHIP maximises the effective use of land and funding available both nationally and locally to support the development of affordable housing. Ongoing discussions with housing association partners will be used to identify projects which will deliver affordable housing below subsidy levels, in turn increasing the number of new homes that can be delivered within available budget.

## **CONSULTATION**

29. Consultation on the draft SHIP programme was carried out with a range of stakeholders, including the Housing Providers Forum and Community Health and Care Partnership (CHCP) as outlined in the SHIP report itself. Comments received were reflected in the finalised draft.

## **PARTNERSHIP WORKING**

30. The draft SHIP was developed in partnership with a range of stakeholders, including members of the East Renfrewshire Housing Providers Forum and LHS working group members.

31. Discussions have taken place with housing associations who wish to develop new homes locally, including some with limited stock locally but who are interested in expanding their presence in East Renfrewshire. This has focused on maximising value for money in our approach to the delivery of new affordable homes. How this will shape delivery in practice is still being considered by the local Housing Providers Forum.

## **IMPLICATIONS OF THE PROPOSALS**

32. The equality and sustainability implications associated with the SHIP programme are addressed in the relevant Equality Impact and Strategic Environmental Assessment screening reports undertaken for the Local Housing Strategy 2012-17, to which the SHIP relates.

## **CONCLUSIONS**

33. This report summarises the investment proposals for the development of new affordable housing in the SHIP 2015/16 to 2019/20. There are likely to be challenges associated with delivering this programme, given historic project slippage and despite over programming. This will be mitigated as far as possible by monitoring delivery of the agreed programme, and identifying land and other projects going forward which could address the shortfall of affordable homes in East Renfrewshire.

## **RECOMMENDATIONS**

34. The Cabinet is asked to;

- (a) Approve the East Renfrewshire Strategic Housing Investment Plan 2015/16-2019/20 and homologate the decision of the Director of Environment to submit it to the Scottish Government for review on 28<sup>th</sup> November 2014; and
- (b) Note that a further report will be submitted to Cabinet in relation to the resulting Strategic Local Programme Agreement (SLPA) with the 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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November 2014

**KEY WORDS**

A report setting out the Council's affordable housing investment priorities for 2015 to 2020.

Key words: affordable, housing, new, investment, SHIP

## STRATEGIC HOUSING INVESTMENT PLAN 2015/16 - 2019/20

**Table 1 - Years 1-3 2015/16 - 2017/18**

LOCAL AUTHORITY: East  
Renfrewshire

PROJECT	SUB-AREA	PRIORITY	DEVELOPER	TENURE	Built Form	Type	START	COMPLETIONS	SG FUNDING REQUIRED £m
Polnoon Street, Eaglesham	Eastwood	High	East Renfrewshire Council	7 x social rent	Newbuild	6 general needs; wheelchair 1	2014/15	2015 / 16	0.210
Ayr Road, Newton Mearns (Social Rent)	Eastwood	High	Link Group Ltd	8 x social rent	Newbuild	8 general needs	2014/15	2015 / 16	0.322
Ayr Road, Newton Mearns (Mid Market Rent)	Eastwood	High	Link Group Ltd	6 x Below Market Rent	Newbuild	6 general needs	2014/15	2015 / 16	0.180
Rent Off the Shelf	Eastwood/ Levern Valley	High	East Renfrewshire Council	10 x social rent	Off the shelf	10 general needs	2014/15	2015 / 16	0.240
Darnley Road, Barrhead	Levern Valley	High	Barrhead Housing Association	15 x social rent	Newbuild	15 general needs	2015/16	2015 / 16	0.870
Barcapel, Newton Mearns	Eastwood	High	Link Group Ltd	33 x social rent	Newbuild	31 general needs; wheelchair 2	2015/16	2016 / 17	1.914
Maidenhill (Masterplan sites)	Eastwood	High	RSL	25 x social rent	Newbuild	22 general needs; wheelchair or amenity 3	2016/17	2017 / 18	1.450
Barrhead South (Masterplan sites)	Levern Valley	Medium	RSL	20 x social rent	Newbuild	15 general needs; wheelchair or amenity 5	2016/17	2017 / 18	1.160
Waterford Court, Giffnock	Eastwood	Medium	Hanover (Scotland) Housing Association	9 x social rent	Remodelled	9 amenity	2015/16	2015 / 16	0.261
<b>Total</b>				<b>133</b>					<b>£6.61</b>

**STRATEGIC HOUSING INVESTMENT PLAN 2015/16 - 2019/20**

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

**LOCAL AUTHORITY:** East  
Renfrewshire

PROJECT	SUB-AREA	PRIORITY	DEVELOPER	TENURE	Built Form	Type	START	COMPLETIONS	SG FUNDING REQUIRED £m
Maidenhill (Masterplan sites)	Eastwood	High	East Renfrewshire Council	20 x social rent	Newbuild	15 general needs; 5 amenity	2018/19	2019 / 20	0.920
Barrhead South (Masterplan sites)	Levern Valley	Medium	East Renfrewshire Council	10 x social rent	Newbuild	10 x general needs	2019/20	2019 / 20	0.460
Barrhead North (Masterplan Sites)	Levern Valley	Low	RSL	12 x social rent	Newbuild	12 x general needs	2019/20	2019 / 20	0.696
Barrhead North (Masterplan Sites)	Levern Valley	Low	RSL	12 x Low Cost Home Ownership	Newbuild	12 x general needs	2018/19	2018 / 19	0.360
Neilston (Kirksyle Cres / Pig Square and various small gap sites)	Levern Valley	Low	RSL	12 x social rent	Newbuild	12 x amenity	2018/19	2019 / 20	0.696
Neilston (Wallace Land site)	Levern Valley	Low	RSL	12 x social rent	Newbuild	9 general needs; 3 amenity	2018/19	2019 / 20	0.696
<b>Total</b>				<b>78</b>					<b>£3.83</b>





***EAST RENFREWSHIRE COUNCIL***

***Strategic Housing Investment Plan  
(2015-16 to 2019-20)***

***Draft: November 2014***



Housing Services



## Contents

## Page

<b>1.</b>	<b>Introduction</b>	<b>3</b>
<b>2.</b>	<b>Strategic Context</b>	<b>4</b>
<b>3.</b>	<b>Our Priorities &amp; Achievements</b>	<b>6</b>
<b>4.</b>	<b>Development of the East Renfrewshire SHIP</b>	<b>10</b>
<b>5.</b>	<b>Proposed Programme</b>	<b>11</b>
<b>6.</b>	<b>Investment Considerations</b>	<b>15</b>
<b>7.</b>	<b>Delivery of the SHIP</b>	<b>18</b>
<b>8.</b>	<b>Programme Tables (Summary)</b>	<b>20</b>

**Appendix 1** - Strategic Housing Investment Plan Programme Tables (Excel)



## 1. Introduction

As part of the Strategic Housing Investment Framework, local authorities are required to prepare a Strategic Housing Investment Plan (SHIP) and to update this at least every 2 years.

This draft SHIP document and accompanying programme tables (Appendix 1) set out the key investment priorities for affordable housing for East Renfrewshire. This SHIP covers a 5-year period, from 2015/16 to 2019/20.

The SHIP programme supports the delivery of the outcomes identified in East Renfrewshire's Local Housing Strategy (LHS) 2012-2017. East Renfrewshire's LHS was approved by Council in March 2012. It sets out the priorities for developing and improving housing and related services locally, and is supported by an assessment of housing needs that has informed these priorities.

Development of the LHS involved extensive research, dialogue and consultation with key partners and stakeholders over the course of 2011. To support implementation of the LHS a refreshed planning framework has been put in place in 2014 to improve joint working and delivery of the LHS. This has incorporated changes to the LHS Steering Group, Housing Providers Forum and delivery subgroups.

Development of this draft SHIP has been undertaken via this new local planning framework, including consultation with elected members; partner services such as Planning, Regeneration, the Community Health and Care Partnership (CHCP); as well as local Registered Social Landlords (RSLs) who are currently developing or plan to develop affordable housing in East Renfrewshire.

***The proposed SHIP programme will be submitted to Scottish Government for review by 28<sup>th</sup> November 2015. This SHIP will be submitted in draft format, pending Council approval, which will be sought at Cabinet meeting of 4<sup>th</sup> December 2014.***

Further detail on the LHS, SHIP and related information is available by visiting [www.eastrenfrewshire.gov.uk/local-housing-strategy](http://www.eastrenfrewshire.gov.uk/local-housing-strategy) .

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## 2. Strategic Context

### **The SHIP process**

Revised statutory guidance on the content and format of SHIPs was issued by the Scottish Government in July 2014. This requires little change and expects that the SHIP will be a roll forward of our previous year's SHIP, taking into account new resource assumptions for 2015 onwards.

The SHIP is to be a short and succinct document, concentrating on prioritisation of projects and importantly a programme which is deliverable. The purpose is to set out how we will invest in housing, primarily the delivery of affordable housing in East Renfrewshire, over the period.

The SHIP identifies where land, public subsidy and other resources (i.e. Developer Contributions, Council Tax Discounts) will be used to address affordable housing needs in the local housing market. The proposed programme also drives the allocation of Scottish Government Affordable Housing Supply Programme (AHSP) funding to projects in East Renfrewshire.

Following submission of the SHIP a Strategic Local Programme Agreement (SLPA) will be developed by Scottish Government and agreed with the Council and RSLs by March 2015. This will confirm the final agreed programme of housing projects to be funded in East Renfrewshire through the AHSP over the next 3 years, and will be used to monitor progress and manage project slippage where this may occur.

### **The Local Context**

East Renfrewshire's LHS sets out six strategic housing outcomes which the Council and its partners have committed to achieving over the five year period of the strategy (2012-2017). The SHIP must demonstrate how it supports practical delivery of the priorities set out in the Local Housing Strategy. While the SHIP supports all 6 of East Renfrewshire's LHS outcomes directly and indirectly, the outcomes of greatest significance are outlined below:

<b>Strategic Housing Outcome 1</b>	People in East Renfrewshire can find a suitable place to live which is affordable to them.
<b>Strategic Housing Outcome 2</b>	Fewer households experience homelessness through improved prevention, and those who become homeless can access good quality accommodation, advice and support services.
<b>Strategic</b>	Residents of East Renfrewshire live in warm, dry and energy efficient homes in



<b>Housing Outcome 4</b>	safe and sustainable neighbourhoods.
<b>Strategic Housing Outcome 5</b>	More elderly people and those with particular needs are able to live well in housing which best suits their needs.

The outcomes for housing sought by the LHS, also fit with and flow from the overarching local priorities set out by East Renfrewshire’s **Single Outcome Agreement (2013-2016)**, and inform the corporate approach to planning for improvement of local services.

A number of projects also directly support the principles of regeneration, developing sustainable communities and meeting the particular housing requirements of current and future residents (e.g. older people, those with a disability, families, those on low incomes).

The SHIP projects are strategically important with regard to the Council’s **“Place to Grow”** programme, and successful delivery of the master plan frameworks produced for the strategic development opportunities at **Maidenhill/ Malletsheugh, Barrhead South** and **Barrhead North** (forthcoming).

In addition, delivery of the SHIP programme is critical in addressing the identified requirements of the CHCP’s **Joint Strategic Commissioning Plan for Older People** and other forthcoming Commissioning Plans, including **re-design of services** for adults with learning disabilities.

It is important to highlight that delivery on these outcomes, in particular those set out in the LHS, can only be achieved effectively through corporate commitment and collaboration with other partners such as RSLs.

### 3. Our Priorities and Achievements

## Context

The SHIP programme reflects the **continuing shortfall of affordable housing** in East Renfrewshire, which has shaped our previous and current LHS. Successive Housing Need and Demand Assessments (the last in 2011, and currently being refreshed for 2015) highlight the significant shortage of affordable housing, particularly social rented, to address the unmet housing needs and homelessness pressures in East Renfrewshire. This is particularly the case in Eastwood and has remained an issue over an extended period.

In East Renfrewshire, although considered affluent, with above average incomes and some of the highest house prices in Scotland, **buying a home is out of the reach of many**. With a predominantly owner occupied housing stock (over 80% of homes), the **supply of homes to rent affordably and modestly priced homes to purchase is limited**.

There are also some significant areas of **deprivation**, where **low income and vulnerable households** struggle to obtain housing, in large part due to reliance on limited social rented housing. Forthcoming **welfare reforms** are expected to exacerbate these issues locally.

To tackle these quite contrasting issues the Proposed Local Development Plan (currently under consideration by the Reporter) has identified **3 major strategic development opportunities** which will substantially increase the levels of house building achieved locally to meet needs and attract people to the area. These sites are a significant feature of the SHIP going forward, as they provide a unique opportunity to address significant needs and sustained demand for housing in East Renfrewshire, in a strategic manner. Although the majority of sites remain in private ownership, the commitment to development and agreed phasing of the projects give a greater level of certainty for SHIP projects than in previous years.

The **'master planning' work is part of a much bigger approach** to these sites by the Council in partnership with land owners and developers, which is aimed at driving the economy forward, providing transport and infrastructure improvements, regenerating brownfield sites and providing retail and leisure opportunities. The master plan frameworks for Barrhead South and Maidenhill/ Malletsheugh have recently been approved by Council; the third for Barrhead North (including Shanks Park) is expected to go forward for approval in the near future.

## Our Achievements

The following gives a summary of the **380 affordable units** delivered using allocated AHSP funding over the past 5 years. It also includes 8 unsubsidised units and some others which have been purchased on the open market by RSLs using their own funds. A **further 40 units** of affordable housing have been achieved through schemes such as Mortgage to Rent, Open Market Shared Equity for instance which have also increased the supply of affordable homes to local people in East Renfrewshire who need them.

Type	2009-10	2010-11	2011-12	2012-13	2013-14	Totals
Social Rent - GN & Amenity		118	102	16	16	252

NSSE	30		32	0	0	62
Discounted Sale - no subsidy				0	8	8
Other - within planning system		3		0	0	3
Other outwith planning system			3			3
Rent Off The Shelf		3	6	7	8	24
NSSE with Developers		13		0	0	13
Open Market Purchase			2	1	0	3
Units from Additional Funding		12		0	0	12
<b>Totals</b>	30	149	145	24	32	380

### **Existing SHIP Commitments**

As highlighted earlier, the proposed SHIP is expected to be a 'roll forward' of the existing SHIP in large part. There are a number of projects within the existing SHIP that will be carried forward into this SHIP for 2015-2020.

There is one project currently on-site at **Hillfield, Newton Mearns** which will be delivered in 2014/15 (therefore it does not appear in the SHIP tables). Link Housing Ltd will deliver 24 social rented homes, including one wheelchair adaptable unit, in area of significant pressure.

These include:

- **Polnoon Street, Eaglesham** – delivery of 7 new Council homes in a 'designing streets' development within the Conservation Village of Eaglesham.
- **Ayr Road, Newton Mearns** – deliver of 8 social rented and 6 below market rent homes in an area of high pressure for affordable housing.
- **Darnley Road, Barrhead** – delivery of 15 new social rented homes on the site of a former council office, focused on providing smaller properties to relieve waiting list pressure.
- **Barcapel, Newton Mearns** – delivery of 33 social rented homes, including units suitable for wheelchair users in an area of high pressure for affordable housing.
- **Barrhead South and Maidenhill/ Malletsheugh** – major strategic development opportunities.

In addition, funding for the Council to purchase **10** second hand properties '**Off the Shelf**' was approved by Scottish Government in August. £400,000 was secured following the Council's bid for funding to increase the supply of small (1 bedroom) homes to address current waiting list pressures. These properties will be purchased over 2014/15 and 15/16 taking some funding from both our current and 2015/16 resource allocations, with funding from East Renfrewshire's Affordable Housing 'Pot' also being added. Suitable properties for sale locally are currently being pursued by Housing Services.

There are a few projects previously included in the SHIP, or actively considered as potential inclusions which have not been added to the programme. This is due to limited progress, no land identified or relative lack of priority against other projects. These include:

- *Dealston Road, Barrhead;*
- *Barrhead Road, Newton Mearns;*

- *Robertson St, Barrhead*
- *Supported Accommodation Project*

**Emerging Programme**

There are also a number of projects which were not in the existing SHIP, but have been put forward for inclusion in the emerging programme:

- **Waterford Road, Giffnock** – remodelling of existing ‘very sheltered’ complex which is currently vacant, to bring it successfully back into use as social rented accommodation.
- **Barrhead North master plan** - strategic development opportunity designed to achieve the regeneration of vacant brownfield sites in Barrhead, and support the regeneration of Barrhead town centre.
- **Neilston Town Charter** – emerging housing and gap site development proposals, brought forward to support delivery of the outcomes identified in Neilston Charette process.
- **Wallace Land Site, Neilston** - Draft development framework set out for Affordable Housing with joint work from Planning and Housing Services.

**Prioritisation of Programme**

It is unlikely that sufficient resource will be available through the Affordable Housing Supply programme (AHSP) to support every project that could be delivered locally, as is the case nationwide. Therefore the SHIP must set out clearly our detailed investment priorities ranking the projects as high, medium and low priority. This will inform the SLPA to be agreed with Scottish Government.

The priorities we have set in our LHS, and discussions with partners have informed the structure used for prioritising projects, in particular those looking to attract AHSP funding. In last year’s SHIP we detailed priorities for directing funding and these remain unchanged. 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.
- Projects in the Eastwood area where affordable housing needs are greatest, and thereafter to support the strategic development opportunities; and
- Developments with the greatest certainty over timing and deliverability at the present time.

The framework for prioritising projects is set out below.

	<b>Geographical Location</b>	<b>Type of Affordable Housing</b>	<b>Timing</b>	<b>Deliverability</b>
<b>High</b>	Eastwood (including Maidenhill/ Malletsheugh	New Build for Social Rent (incl. Council House Building)	<b>High</b> Firm completion plans for	<b>High</b> On-site / Imminent



	master plan)	Rent Off the Shelf	2015-17	Planning Consent Obtained / S75 agreement
Medium	Barrhead Masterplans	Below Market Rent;	Expected completion 2015-18	Master plan Partner Site Acquired
Low	Other sites – e.g. Windfall or Non-Masterplan sites	Low Cost Home Ownership Remodelling of Existing Properties for Social Rent	Expected completion 2018-20	Planning Consent not yet obtained

For **each criterion**, the factors determining whether a site would be **high, medium or low** priority have been outlined. Each project will meet some high, medium or low priorities for different factors, but judgement on the **overall priority** has been given based on the mix of known features of each individual project.

The matrix concentrates on prioritising projects where it is expected that grant funding will be required. This will allow our focus to remain on prioritising funding towards social rented delivery.

In order to maximise value from funding, and maximise the delivery of affordable housing units we will continue to seek “innovative solutions” with potential developers of affordable homes. This includes projects which can be delivered below benchmark subsidy level, for example in master plan areas, where the programming of multiple sites may allow for cost efficiencies.

This will also include projects which are delivering non-social rented units (i.e. below market rent or low cost home ownership) and which can be delivered with limited or no subsidy. We will build on experience gained through our partnership with Cala Homes to deliver 8 unsubsidised homes for low cost sale in 2013 at Waterfoot; and the forthcoming development at Greenlaw Park, Newton Mearns which is expected to deliver 42 below market rent homes using private investment, rather than public subsidy.

#### 4. Development of the East Renfrewshire SHIP

East Renfrewshire’s Strategic Housing Investment Plan have been developed in consultation with key partners involved in delivery of the programme, as outlined in the introduction to this plan. This has taken place through our refreshed LHS local planning framework and has included elected members, partner services and RSLs. Detail of the consultation undertaken is summarised below:

## Consultation Key Milestones

- Meeting with Neilston Development Trust (Charette Proposals) – August 2014
- LHS Sub Group – Affordable Housing – September 2014
- LHS Sub Group – Particular Housing Needs – September 2014
- Housing Providers Forum - September 2014 **&** November 2014
- RSL Tri-partite programme meetings – (October 2014)
- Other consultees – i.e. Other Departments, other partners etc (September/ October)
- Elected Members/ Senior Officers – LHS Steering Group (October 2014)
- Draft SHIP approved for submission by Director of Environment (November 2014)
- ***Cabinet Approval – Meeting to be held on 4<sup>th</sup> December***

Internally to the Council, officers of the LHS Sub Group on Affordable Housing have considered in detail the options for delivering affordable housing taking cognisance of the LHS priorities, Resource Planning Assumptions (RPAs), the Housing Land Audit 2014 and the emerging Local Development Plan, as well as recent trends in delivery.

Dialogue has also taken place with the main developing RSLs operating locally, via the Housing Providers Forum, to determine the shape of the SHIP programme going forward. A number of RSLs have indicated they will not be undertaking development work in East Renfrewshire in the foreseeable future, but others with a limited stock in the area have come forward through our consultation process to indicate an interest in development opportunities.

There are a number of sites included at this stage where an RSL delivery partner has yet to be identified and ongoing consideration is being given via the Housing Provider's Forum to RSL interest in sites and 'fit' with the types of developments we hope to achieve.

### Equalities and Environmental Assessments

The development of the SHIP has taken into account the outcomes of the equalities impact assessment and Strategic environmental assessment scoping report which was undertaken for the LHS, and the proposed LDP. No separate screening has been deemed required for the SHIP itself. The SHIP programme will deliver properties designed to meet a range of requirements and provision has also been made by the Council to ensure this mix is achieved across sites.

## 5. Proposed Programme Years 1 to 3

### Polnoon Street, Eaglesham

(Part of a 'Designing Streets' concept in Conservation Village setting)

**Priority:** HIGH

**Status:** On-site imminent

**Developer:** East Renfrewshire Council

**Type of Unit:** Council new build for social rent (first Council House build project)

**No of Units:** 6 flats, 1 bungalow (wheelchair adaptable)

**Expected Completion:** 2015/16

**Subsidy Required:** £0.210m

#### **Ayr Road, Newton Mearns**

(Mix of social rented & below market rent homes in area of high affordable housing need)

**Priority:** HIGH

**Status:** On-site imminent

**Developer:** Link Housing Ltd

**Type of Unit:** RSL new build for social rent

**No of Units:** 8 social rented and 6 below market rent flats

**Expected Completion:** 2015/16

**Subsidy Required:** £0.502m

#### **Rent Off the Shelf (Various)**

(Council purchase of second hand homes to address 1 bedroom home shortage)

**Priority:** HIGH

**Status:** Underway

**Developer:** East Renfrewshire Council

**Type of Unit:** Second hand homes purchased for social rent

**No of Units:** 10 units

**Expected Completion:** 2014/15 and 2015/16

**Subsidy Required:** £0.240m

#### **Darnley Road, Barrhead**

(Former council office site; providing small homes to address existing waiting list pressure)

**Priority:** HIGH

**Status:** On-site imminent

**Developer:** Barrhead Housing Association Ltd

**Type of Unit:** RSL new build for social rent

**No of Units:** 15 social rented flats

**Expected Completion:** 2015/16

**Subsidy Required:** £0.870m

#### **Barcapel, Newton Mearns**

(Mix of social rented flats and houses in an area of high affordable housing need)

**Priority:** HIGH

**Status:** Negotiation with private developer regarding project costs and terms ongoing

**Developer:** Link Housing Ltd

**Type of Unit:** RSL new build for social rent

**No of Units:** 33 social rented flats and houses (including wheelchair adaptable units)

**Expected Completion:** 2016/17

**Subsidy Required:** £1.914m

**Waterford Road, Giffnock**

(Remodelling of vacant very sheltered complex to bring it successfully back into use)

**Priority:** MEDIUM

**Status:** Remodelling options under consideration

**Developer:** Hanover (Scotland) Housing Association Ltd

**Type of Unit:** RSL remodel of units for social rent

**No of Units:** 9 social rented units (amenity)

**Expected Completion:** 2015/16

**Subsidy Required:** £0.261m

**Barrhead South (Project 1)**

('Masterplan' – strategic development opportunity)

**Priority:** MEDIUM

**Status:** Masterplan framework and phasing recently approved

**Developer:** Not yet identified

**Type of Unit:** RSL units for social rent

**No of Units:** 20 social rented units

**Expected Completion:** 2017/18 (\*Timing as per outlined master plan phasing)

**Subsidy Required:** £1.16m

**Maidenhill/ Malletsheugh (Project 1)**

('Masterplan' – strategic development opportunity)

**Priority:** HIGH

**Status:** Masterplan framework and phasing recently approved

**Developer:** Not yet identified

**Type of Unit:** RSL units for social rent

**No of Units:** 25 social rented units

**Expected Completion:** 2017/18 (\*Timing as per outlined master plan phasing)

**Subsidy Required:** £1.45m

**Proposed Programme** **Years 4 to 5**

**Barrhead South (Project 2)**

('Masterplan' – strategic development opportunity)

**Priority:** MEDIUM

**Status:** Masterplan framework and phasing recently approved

**Developer:** Not yet identified

**Type of Unit:** Council (or RSL) units for social rent

**No of Units:** 10 social rented units

**Expected Completion:** 2019/20 (\*Timing as per outlined master plan phasing)

**Subsidy Required:** £0.460m

### **Maidenhill/ Malletsheugh (Project 2)**

('Masterplan' – strategic development opportunity)

**Priority:** HIGH

**Status:** Masterplan framework and phasing recently approved

**Developer:** Not yet identified

**Type of Unit:** Council (or RSL) units for social rent

**No of Units:** 20 social rented units

**Expected Completion:** 2012018/19 and 2019/20 (\*Timing as per master plan phasing)

**Subsidy Required:** £0.920m

### **Barrhead North (Projects 1 & 2)**

('Masterplan' – strategic development opportunity)

**Priority:** LOW

**Status:** Masterplan framework currently being developed

**Developer:** Not yet identified

**Type of Unit:** RSL units for social rent and low cost home ownership

**No of Units:** 12 social rented units and 12 LCHO

**Expected Completion:** 2018/19 and 2019/20

**Subsidy Required:** £1.056m

### **Neilston Town Charter**

(Development proposals resulting from recent Neilston Charette process)

**Priority:** LOW

**Status:** Detailed proposals to be developed; site ownership with Council

**Developer:** Not yet identified

**Type of Unit:** RSL new build units for social rent

**No of Units:** 12 social rented units (amenity)

**Expected Completion:** 2019/20

**Subsidy Required:** £0.696m

### **Wallace Land Site, Neilston**

**Priority:** LOW

**Status:** Draft planning framework considered; pre-application stage

**Developer:** Not yet identified

**Type of Unit:** RSL new build units for social rent

**No of Units:** 12 social rented units

**Expected Completion:** 2019/20

**Subsidy Required:** £0.696m

## 6. Investment Considerations

### Historical Investment

Outlined below are the Affordable Housing Supply Programme (AHSP) **resources received or allocated to** East Renfrewshire since 2008/09, including comment on recent changes to subsidy rates and the operation of the AHSP.

Year	Amount	AHSP Programme
2008/09	3.721m	

2009/10	5.25m	
2010/2011	2.96m	
2011/2012	2.019m	Innovation and Investment Fund ('challenge fund') year – no RPAs given. Projects were put forward on a competitive basis showing that reduced subsidy levels could be achieved - £30k for Council and £42k for RSL new build.
2012/2015 3-year budget given	2.938m	Change to 3 year RPAs – with a total given for the period.  Subsidy levels increased to £46k <u>flat rate</u> for Council housing and £58k <u>3 person equivalent</u> , but did not rise to pre-2011 levels.

Under spend of up to £1m of the existing 2012-15 budget is expected at this stage given slippage in timescales for a number of projects. This slippage includes:

- Ongoing negotiations between Link Housing Association and developer Persimmon with regard to delivery of affordable housing at Barcapel, Newton Mearns;
- Unforeseen ground and asbestos removal works at Darnley Road, Barrhead delaying start on site; and
- Failure to identify a suitable site for the Supported Accommodation project, resulting in removal of this project from the SHIP at this stage.

Scottish Government's Housing Investment Division has confirmed any outstanding budget cannot be carried forward into 2015/16. ***Therefore the remainder of 2014/15 will be critical in bringing forward any potential considerations for spend before March 2015.*** This could potentially include the Council or a Housing Association acquiring a piece of land which can then be developed for affordable housing at a later stage.

### **Future Investment**

Resource Planning Assumptions (RPAs) were provided by Scottish Government in May 2014 outlining the resources available to East Renfrewshire from 2015-20 via the Affordable Housing Supply Programme. These included a confirmed allocation for 2015/16 with 'minimum' RPAs for future years. Details of our working assumptions as regards funding are set out in the table below, with details of the funding required to deliver the proposed SHIP programme also highlighted:

### **Summary of Anticipated AHSP Funding and Projected SHIP Expenditure**

	2015/16	2016/17	2017/18	2018/19	2019/20	TOTAL
<b>Confirmed RPA</b>	2.409m*					<b>2.409m</b>
<b>Minimum RPAs (Indicative)</b>		1.769m	1.209m	0.806m	0.806m**	<b>4.590m</b>
<b>"Over programming"</b> (rate of 20% of RPA applied)	£0.482m	£0.354m	£0.242m	£0.161m	£0.161m	<b>1.4m</b>

<b>TOTAL SHIP FUNDING</b> (Anticipated)	£2.891m	£2.123m	£1.451m	£0.967m	£0.967m	8.399m
<b>Projected SHIP Expenditure</b> (resources required from AHSP)	£2.779m	£2.378m	£1.45m	£1.516m	£2.312m	£10.435m

\* RPA for 2015/16 does not include any carry forward from 2012-15.

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

The 2014 SHIP guidance suggests building in ‘**over programming**’ of 20% based on our Year 1 RPA to ensure a healthy programme, and avoid historic problems of project slippage. (This has been built in to our expected budget, as highlighted in the table above). Given there is more certainty over projects expected to come forward through the development master plans for Barrhead and Newton Mearns, and taking into account that years 2 to 5 are ‘minimum’ RPAs, it was felt prudent to programme for 20% over RPA for all 5 years. This will ensure our programme is as robust as possible, and flexibility is built in to deal with slippage. The benchmark subsidy level for a new build social rented property remains at £58,000 (based on a 3-person equivalent home) for housing associations and £46,000 (flat rate) for Councils, and this has informed the costs set out in the SHIP programme.

Comparing these to the historical programme budgets (above), this SHIP programme will continue to be delivered within limited resources, as for 2012-15. Additional resources may become available year on year, however, this comes at a time when potential affordable housing projects in East Renfrewshire are at a peak.

### **Local Resources**

Funding of **£0.441m** from **East Renfrewshire’s Affordable Housing ‘Pot’** - i.e. commuted sums and council tax discounts –has also been identified to support the SHIP programme, This is based on current resources and anticipated future income, which for the purposes of the SHIP programme only **short term movements** have been considered. It is expected that additional funding will become available over the lifespan of the SHIP which can be used to support priority projects.

<b>Funding Summary (2015-2020)</b>	<b>Notional SHIP Budget 2015-2020</b>
AHSP ( <i>plus over programming</i> )	£8.399m
ER Affordable Housing Pot	£0.441m
<b>TOTAL</b>	<b>£8.84m</b>

### **East Renfrewshire’s Planned Investment**

The proposed SHIP programme set out at **Appendix 1** seeks to invest **£10.435m** of subsidy in the delivery of affordable housing in East Renfrewshire over the next 5 years. This includes committing the bulk of existing resources from East Renfrewshire’s Affordable Housing ‘pot’.

The proposed SHIP programme could deliver 207 affordable homes between 2015/16 and 2019/20 as follows:



- Years 1 to 3 - 129 units of social rented housing (including remodelling of 9 units at Waterford Court, Giffnock), and 10 'Off the Shelf' purchases by the Council;
- Years 4 to 5 - 78 units including 66 homes for social rent and 12 shared equity properties for sale;
- Around 20% of the new units programmed are expected to be suitable for wheelchair users or older people.

In most cases figures are based on benchmark subsidy per unit, and do not always take into account other eligible project costs where these are not yet known. Therefore in reality the draft programme at this stage could exceed this figure.

Although the Scottish Government requires the SHIP to be updated every 2 years; we are committed to continue reviewing the SHIP annually to monitor progress and maximise successful delivery of the programme.

As part of this we will continue to work with RSLs and other developers to maximise the number of affordable homes that can be built at below benchmark subsidy levels, particularly in the greenfield master plan areas where economies of scale could be achieved and extraordinary development costs associated with land quality are unlikely to be encountered.

We will also continue to explore innovative solutions for the delivery of affordable homes without the need for public subsidy, and build on good practice locally - such as our work with Cala Homes on the delivery of unsubsidised low cost homes for sale.

## **7. Delivery of the SHIP**

### **Economic and Financial Constraints**

RSLs locally have undertaken front funding of projects in order to make progress, but the risks and borrowing associated with this are increasingly unviable in the economic context. Subsidy levels per unit for new build social housing continue to be challenging on a number of sites. However, we will continue to work with RSLs looking to develop affordable housing in East Renfrewshire to consider possible economies that can be achieved in delivery where multiple projects with modest unit numbers come forward via master plan areas, and where units can be delivered below subsidy, e.g. if other sources of funding become available.

Despite the economic downturn and sharp reduction in house building activity over the last few years, private developers in East Renfrewshire continue to plan and build out sites, albeit more steadily than in previous years. This reflects that there is continued demand for homes in popular areas of Eastwood, and growing confidence of developers in the local housing market. With the majority of sites for affordable housing being secured as a developer contribution it is critical to delivery of the SHIP programme that this outlook continues.

### **Site Ownership and Delivery Expectations**

Particular challenges have been associated with SHIP delivery in East Renfrewshire historically, the biggest being that the majority of land is in private ownership meaning associated risk with regard to certainty of timing for projects.

To mitigate against this, officers in Housing and Planning continue to work closely to align the LHS and LDP and ensure strategic housing priorities have been taken account of in the SHIP. Joint work undertaken in consultation with developers, landowners and key agencies to establish the master plan frameworks for Barrhead South and Maidenhill/ Malletsheugh is intended to reduce this uncertainty. The master plans will be adopted as Supplementary Planning Guidance alongside adoption of the proposed LDP. For affordable housing this has involved framing the priorities for site development and evidencing requirements based on the HNDA and LHS. It has also meant firmer detail on expected phasing and delivery timescales is available, and this has been used to align our investment planning.

### **Maximising Resources**

In order to support delivery of the SHIP programme we will continue to maximise resources committed to projects, in addition to the AHSP funding awarded. The Council and developing RSLs of the Housing Provider's forum have indicated their commitment to continue to commit resources to development in East Renfrewshire, with some additional RSLs with limited stock in the area also coming forward. The Council is currently considering to what extent it may be able to increase its commitment to Council House Building, beyond those commitments already made within the existing SHIP.

Modest resources have been collected from Commuted Sums and Council tax to support the programme. To date, very little of this resource has been spent but projects underway mean sums collected, and anticipated in the short term, are almost fully committed for use. Further income from these streams will be used to support priority SHIP projects.

The SHIP programme focuses on delivery of affordable housing utilising the AHSP fund and other resources. However, there are sites – most notably within Barrhead master plan areas where it is anticipated that further affordable housing could be delivered as below market rent, low cost or entry level housing for sale – with need for limited or no subsidy.

### **Innovation and Alternative Options**

As it is unlikely that there will be sufficient AHSP resource to deliver all projects likely to come forward in East Renfrewshire, we will continue to work with developers to come up with suitable innovative proposals for delivery, which would require minimal or no subsidy to deliver. The successful partnership between Cala Homes and the Council to deliver 8 low cost homes for sale in Waterfoot is an example of this innovation. With careful consideration

of the values of the homes, eligible purchasers, publicity and the application process, these properties were all reserved for sale within 7 weeks of the scheme opening in August 2013.

The Council has sought, and had approval for resources for purchase of 10 second hand properties this year and next to plug a gap in stock of smaller 1 bedroom properties. This has also provided an opportunity to utilise unspent funding in 2014/15. A similar project has been undertaken by Barrhead Housing Association over a number of years, with further purchases planned this year. Although this is a short term solution to increasing supply, and is relatively modest in numbers, it remains vital in the predominantly owner-occupied market.

The Council is currently giving further consideration to using the National Housing Trust programme to deliver projects locally. Further detail on this potential will be available in the coming months.

The Council and local RSLs also continue to participate in the Mortgage to Rent scheme which can assist home owners in certain properties who are having financial difficulties by purchasing their home and renting it back to them. Further, the Open Market Shared Equity scheme, which allows eligible purchasers to buy on the market on a shared equity basis, will also continue to be promoted locally.

### **Remodelling of Existing Stock**

The shift in the balance of care for older people away from the current level of investment in care home and hospital provision, in favour of supporting older people to stay in their own home or as homely a settling as possible) has created an opportunity to revisit the role of existing and future role of housing stock and services.

The closure of Hanover's Waterford Road complex which provided very sheltered housing, in a context of high pressure for affordable housing, has prompted a remodelling project to bring this back into use. Several of the locally operating RSLs are reviewing current provision in sheltered complexes, to establish the models required to achieve the necessary changes in housing and support provision for older people. This is expected to include some re-provisioning of current stock, and emerging plans will be used to inform future capital and revenue planning. The relative priority of targeting AHSP funding at remodelling versus new supply will continue to be considered in development of the SHIP.

The CHCP's current redesign of services for adults with learning disabilities is also expected to raise similar issues with regard to the future of existing shared accommodation. Many of these are likely to become surplus to requirements or unable to meet clients' needs. Again this issue will continue to be monitored and factored into development of the SHIP, where appropriate.

## **8. Programme Tables - Summary (See Appendix 1: Excel Tables)**

### **Table 1 - Years 1 to 3**

Years 1 to 3 of the programme sets out the immediate priorities for development. This reflects the priorities of the LHS in terms of locations of greatest need for new affordable housing and for tenure mix, addressing homelessness duties, and the major strategic commitments of the Council towards regeneration and opportunities for housing development. None of the homes are expected to be built to greener standards as things stand at the moment.

### **Table 2 - Years 4 & 5**

The programme provides a bigger proportion of units in Levern Valley than in years 1 to 3, taking account of progress expected to be made in Eastwood and bedding in of the proposed Barrhead South and North master plans. Introduction of sites in Neilston also reflect the Council's commitment to supporting the outcomes of the Neilston Charette process. None of the homes are expected to be built to greener standards at this time.

### **Table 3 – Non AHSP projects**

At this stage the only project included is the planned Compulsory Purchase order to be taken forward for a long term empty home in Barrhead. This property is adjacent to existing social housing and is in a poor state of repair. £55,000 will be utilised from the East Renfrewshire Affordable Housing 'Pot' to help progress this project.

It is anticipated that further projects will be added to this section in future SHIP years, as we work with developers to agree further innovative projects which can be provided using alternative funding or without subsidy.

### **Tables 4 & 5 – Council Tax and Developer Contributions**

These tables provide detail of the sums collected from both a reduction in Council tax discounts and from developer contributions (commuted sums), and which are available to support the delivery of affordable housing. This currently stands at £0.856m.

As highlighted earlier, the majority of collected and anticipated receipts in the short term are committed to projects which are underway, although have not yet been spent. These projects include Polnoon Street, Eaglesham, CPO of empty property, and purchase of second hand units from the market.

### **Table 6 - Adaptations**

Detail is provided of the projected number of adaptations and the funding likely to be available for both Council and private housing stock. This is based on trend information for the past few years for the number of adaptations completed and monies committed. Therefore an average has been applied to figures across each of the 5 years. In reality the number and value of adaptations carried out will vary from year to year depending on need and demand.

Significant prioritisation of the need for adaptations is already undertaken and only those living in the private sector with needs assessed as "critical" are able to be accepted given current resources. However, the ageing population continues to place increasing pressure on existing funding.