

EAST RENFREWSHIRE COUNCILCABINET26 October 2017Report by Director of EnvironmentSTRATEGIC HOUSING INVESTMENT PLAN 2018 – 2023**PURPOSE OF REPORT**

1. To seek approval for the proposed Strategic Housing Investment Plan (SHIP) 2018/19 – 2022/23 and for its submission to the Scottish Government.

RECOMMENDATIONS

2. The Cabinet is asked to:
- (a) Approve the East Renfrewshire Strategic Housing Investment Plan 2018/19 to 2022/23 for submission to the Scottish Government by 31st October 2017; and
 - (b) Note that a further report will be submitted to the 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) each year. 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 influences the allocation of Scottish Government Affordable Housing Supply Programme (AHSP) funding to projects in East Renfrewshire.

5. The proposed SHIP must gain local authority committee approval prior to submission to the Scottish Government. The SHIP must be reviewed every year.

6. Revised statutory guidance on the content and format of SHIPs was issued by the Scottish Government in July 2017. This expects that the existing SHIP programme will be rolled forward and added to, to take into account increased resources and subsidy levels announced by the Scottish Government in January 2016. SHIPs will be the key documents for identifying strategic housing projects to be delivered through the Affordable Housing Supply Programme (AHSP), to assist the achievement of the Scottish Government's target of 50,000 affordable homes by 2021.

7. Revised Resource Planning Assumptions (RPAs) were also provided by the Scottish Government in June 2017 outlining enhancements to the resources available to East Renfrewshire for 2017/18 and revised allocations for the 3 year period 2018-2021. The SHIP guidance suggests building in a minimum 'slippage factor' of 25% annually against each year's RPA to ensure a healthy programme, and avoid historic problems of project slippage.

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

Summary of Anticipated AHSP Funding

	2017/18	2018/19	2019/20	2020/21	TOTAL
Minimum RPAs (announced 2016)	3.180m	2.385m	1.590m	1.590m *	8.745m
RPAs (announced 2017)	4.001m	5.223m	5.909m	6.304m	£21.437

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

9. The benchmark subsidy level for a new build social rented property is £70,000 (based on a 3-person equivalent home) for Registered Social Landlords (RSL's) 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 per unit. Members will note the funding differences that are available for Councils and for RSL's.

10. AHSP projects for the current year (2017/18) have been subject to some slippage in timescales, though other projects such as Rent Off the Shelf and elements of existing projects are being brought forward to maximise spend.

REPORT

11. The Strategic Housing Investment Plan 2018-23 programme tables are attached as Appendix 1 to this report. The full SHIP report and accompanying tables (which will form the submission to the Scottish Government) have been made available in the members lounge.

12. The proposed programme supports the delivery of the Community Planning Partnership's priorities as outlined in 'Fairer East Ren' – the Local Outcome Improvement Plan. It also reflects the 4 strategic housing priorities detailed in the proposed new Local Housing Strategy 2017-2022. (separate report on this agenda)

13. Following submission of our SHIP programme to the Scottish Government they will then prepare a Strategic Local Programme Agreement (SLPA), expected by March 2018, 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.

14. The proposed SHIP programme could deliver affordable homes between 2018/19 and 2022/23 as follows:

- Years 1 to 3 - 567 units of social rented housing
- Years 4 to 5 - 145 units for social rent.
- A number of affordable properties for sale are also expected, but will largely be delivered through developer contributions (and without subsidy).
- As part of our LHS commitment, 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.

15. Projects have been prioritised to ensure a robust, deliverable programme and that available AHSP resources can be spent fully. 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.

16. It is important to note that the programme is reliant on private sector sites coming forward for development, as has historically been the case in East Renfrewshire. Whilst there has been a partnership approach taken to the Barrhead South, Barrhead North and Maidenhill development master plans, Barrhead South has experienced delays due to issues with Scottish Water and a Judicial Review has been lodged regarding the planning consent for Maidenhill. This could potentially have serious implications for the Council's ability to spend its resource allocations within the required timescales.

17. 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. This is driving our commitment to a minimum level of delivery of adapted or adaptable homes across the SHIP programme.

18. The Council house build project is moving with momentum following approval in 2016, with construction on the first sites commencing early 2018 and homes starting to become available late in 2018. This first phase of construction includes sites at Robertson Street, Barrhead & Fenwick Drive, Barrhead followed by a third site at Blackbyres Court, Barrhead which has been slightly delayed due to the need for a drainage impact assessment.

19. The feasibility of and a business case for further increasing the Council house building programme from 120 to over 240 units is being considered and will be reported to the Cabinet as soon as possible.

20. The development of new housing is required to meet housing need in the area. All social landlords have a duty towards homeless households. Housing Services are engaging with local RSL's to ensure that any housing funded with AHSP resources contributes towards addressing homelessness in East Renfrewshire. This will be achieved through formal agreements between the Council and RSL's operating in the area.

21. In 2016/17 22 properties were purchased directly from the market to increase housing supply – both by the Council and Barrhead Housing Association. The proposed SHIP programme continues to include the possibility of market purchase to increase the supply of affordable homes, but this is directed towards areas with little or no land on which new homes could be built.

22. Members should note that the site at Kirkstyle Lane Neilston was included in this year's SHIP as approved by the Cabinet in November 2016. However this is under review and may be removed due to a feasibility study being undertaken in relation to a shared education campus in Neilston.

FINANCE AND EFFICIENCY

23. 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. (The full SHIP report provides detail on this and is available in the member's lounge.) As additional receipts are collected consideration will be given to how these can support delivery of identified SHIP projects.

CONSULTATION

24. Consultation on the draft SHIP programme was carried out with a range of stakeholders, including local RSL's and Health and Social Care Partnership (HSCP) as outlined in the SHIP report itself. Comments received have been reflected in the finalised SHIP.

PARTNERSHIP WORKING

25. The SHIP includes a number of sites where the delivery partner (Council or RSL) has still to be confirmed. Expressions of interest have been invited from partners for these sites and discussions are ongoing 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.

26. The six main sites at Maidenhill have not yet been allocated to any social landlord. However a feasibility study is underway to determine if these sites can be used for council house building.

IMPLICATIONS OF THE PROPOSALS

27. 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.

CONCLUSIONS

28. This report summarises the investment proposals for the development of new affordable housing in the SHIP 2018/19 to 2022/23. Historic challenges have been associated with delivering the SHIP programme, both in relation to project slippage and the ownership of sites, and 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

29. The Cabinet is asked to:

- (a) Approve the East Renfrewshire Strategic Housing Investment Plan 2018/19 to 2022/23 for submission to the Scottish Government by 31st October 2017; and
- (b) Note that a further report will be submitted to the 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

Further details can be obtained from Phil Daws Head of Environment (Strategic Services) on 0141 577 3186.

Convener contact details

Councillor Danny Devlin
(Convener for Housing and Maintenance Services)

Home: 0141 580 0288
Office: 0141 577 3107/8

October 2017

BACKGROUND PAPERS

People. Homes. Brighter Futures: East Renfrewshire’s Local Housing Strategy 2017- 2022
(Finalised Draft)

Appendix 1 - SHIP Programme Tables

BLANK PAGE

Appendix 1 – SHIP Programme Tables

Years 1-3 (2018-2021)

PROJECT	DEVELOPER	UNITS -	SG FUNDING REQUIRED (£0.000m)				
		Social Rent	PRE 2018/19	2018/19	2019/20	2020/21	TOTAL SG FUNDING REQUIRED OVER SHIP PERIOD
Blackbyres Court, Barrhead	East Renfrewshire Council	20	0.304	0.885	0.000	0.000	1.189
Fenwick Drive, Barrhead	East Renfrewshire Council	10	0.350	0.240	0.000	0.000	0.590
Robertson Street, Barrhead	East Renfrewshire Council	13	0.354	0.413	0.000	0.000	0.767
Barrhead South Masterplan, Balgraystone West	East Renfrewshire Council	34	0.250	1.148	0.608	0.000	2.006
Scout Hut, Barrhead Rd, Newton Mearns	East Renfrewshire Council	12	0.000	0.000	0.300	0.408	0.708
Former social work office, Busby Rd, Clarkston	East Renfrewshire Council	4	0.000	0.236	0.000	0.000	0.236
Main Street, Busby	Sanctuary HA	42	0.000	0.550	0.200	1.728	2.478
Kirkstyle Lane, Neilston	Barrhead HA	14	0.450	0.493	0.000	0.000	0.943
Walton Street, Barrhead (Phase1)	Barrhead HA	32	0.000	0.500	1.804	0.000	2.304
Walton Street, Barrhead (Phase2)	Barrhead HA	29	0.000	0.000	1.044	1.044	2.088
Arthurlie Street, Barrhead	TBC	7	0.000	0.000	0.100	0.404	0.504
Barrhead South, Lyoncross, Avant	Barrhead HA	13	0.000	0.000	0.288	0.648	0.936
Barrhead South, Netherton Farm Wallaceland/ Taylor Wimpey	Barrhead HA	25	0.000	0.322	0.500	0.978	1.800
Barrhead South, Springhill Rd, Miller Homes	Cube	12	0.000	0.000	0.200	0.664	0.864
Dealston Road, Barrhead	TBC	8	0.000	0.000	0.050	0.526	0.576
Neilston Wallaceland (Taylor Wimpey)	Barrhead HA	15	0.000	0.200	0.880	0.000	1.080
Maidenhill - Malletsdeugh Farm, Barratt Homes Phase 1	Sanctuary HA	18	0.000	0.000	0.448	0.848	1.296
Maidenhill - Hunter Drive, McTaggart and Mickel	Link HA	30	0.000	0.000	0.500	1.660	2.160
Maidenhill Area A1 (CALA)	TBC	48	0.000	0.000	1.728	1.728	3.456
Maidenhill Area A2 (CALA)	TBC	34	0.000	0.000	1.224	1.224	2.448
Maidenhill Area A3 (CALA)	TBC	18	0.000	0.200	1.096	0.000	1.296
Maidenhill Area A4 Taylor Wimpey	TBC	22	0.000	0.000	0.792	0.792	1.584
Maidenhill Area A5 Taylor Wimpey	TBC	21	0.000	0.000	0.756	0.756	1.512
Maidenhill Area A6 Taylor Wimpey	TBC	33	0.000	0.000	1.188	1.188	2.376
Eastwood ROTs	Various	30	0.000	0.500	0.500	0.500	1.500
		544	1.708	5.687	14.206	15.096	36.697

Appendix 1 – SHIP Programme Tables

Years 4-5 (2021-2023)

PROJECT	DEVELOPER	UNITS -	2021/22	2022/23	TOTAL SG FUNDING REQUIRED OVER SHIP PERIOD
		Social Rent			
Barrhead South Masterplan, Springfield Road	TBC	46	0.000	0.500	0.500
Barrhead North Masterplan, Shanks Park, Crudens	TBC	28	0.000	0.250	0.250
Maidenhill - Malletsheugh Farm, Barratt Homes Phase 2	Sanctuary HA	24	0.728	1.000	1.728
Maidenhill- Malletsheugh Inn, developer to be confirmed	TBC	17	0.000	0.100	0.100
Giffnock site	TBC	6	0.000	0.050	0.050
Drumby Crescent, Clarkston, developer to be confirmed	TBC	8	0.100	0.200	0.300
Eastwood ROTS	Various	20	0.500	0.500	1.000
Total years 4 -5		149	1.328	2.600	3.928