

EAST RENFREWSHIRE COUNCILCABINET3 December 2020Report by Director of EnvironmentSTRATEGIC HOUSING INVESTMENT PLAN 2020 – 2025**PURPOSE OF REPORT**

1. The purpose of the report is to seek approval for the proposed Strategic Housing Investment Plan 2021/22–2025/26 and for its submission to Scottish Government.

**RECOMMENDATIONS**

2. The Cabinet is asked to:
- a) Approve the East Renfrewshire Strategic Housing Investment Plan 2021/22–2025/26 for submission to Scottish Government; and
  - b) Note that a further report will be submitted to Cabinet early 2021/22 in relation to the resulting Strategic Local Programme Agreement with Scottish Government, which will confirm the programme of housing projects to be funded locally over the next 2 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. The SHIP will detail what houses will be built, of what size and what location and, if available, who the proposed landlord will be. Members should note that affordable housing includes houses for social rent and also low cost home ownership.

4. SHIPs 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 Scottish Government's Affordable Housing Supply Programme (AHSP) aims to deliver 50,000 affordable homes by 2021. The Scottish Government announced in October 2020 its intention to earmark £3.4 billion to continue the affordable homes programme for the next 5 years until 2025-26. Whilst this funding is a 16% increase on the 2016/2021 programme it should be noted that Scottish Government funding for new build will be conditional on a number of requirements being met including fire suppression systems, additional indoor space for work or study, improved connectivity and access to outside space, higher energy efficiency standards and the use of modern construction methods.

6. The AHSP funding is allocated to each local authority through Resource Planning Assumptions (RPA) which confirms the final amount of new affordable homes that can be delivered in East Renfrewshire Council through the SHIP. The Scottish Government will assess each SHIP to determine the RPA for future years. The RPA details for 2021/22 may not be available until early 2021.

7. In terms of new homes built by East Renfrewshire Council all homes are currently built to the 'greener standard', attracting an enhanced subsidy of £59,000 per property. A Registered Social Landlord (RSL) project meeting this standard can attract a subsidy of at least £72,000 per property. This discrepancy is something many local authorities are lobbying to address.

8. In addition to Resource Planning Assumptions (RPA ) funds received through the affordable housing programme, the council can also subsidise the building of affordable homes through financial resources raised through commuted sums and second home Council tax discounts.

9. The new build programme for East Renfrewshire Council has completed 45 homes over 3 sites with construction commenced and ongoing on 3 new sites scheduled to deliver an additional 116 new council homes in 2021/22. A separate report updating the Cabinet on East Renfrewshire Council's new build programme is included on the agenda for this meeting of the Cabinet.

## REPORT

10. The SHIP 2021/22 to 2025/26 programme tables are attached as Appendix 1 to this report.

11. The proposed SHIP details the approach to prioritising projects, which focuses on:

- The delivery of social rented homes (including Council New Build);
- 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.

12. The proposed SHIP could potentially deliver affordable homes from 2021/22 to 2025/26 as follows:

- 579 units of social rented housing.
- A number of affordable properties for sale are also expected but will largely be delivered outwith the SHIP through developer contributions (and without subsidy). The total figure of homes to be delivered is determined through planning discussion with individual developers.
- 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 to meet changing needs. These requirements will be agreed with Housing Services and other partners. The need for adaptations is expected to continue to grow given the projected future increase in the number of elderly households creating significant pressure in a climate of constrained public resources.

13. The proposed programme supports the delivery of the Community Planning Partnership's priorities outlined in the Community Plan. It also reflects the strategic housing priorities detailed in the Local Housing Strategy 2017-2022.

14. Following submission of our SHIP programme, the Scottish Government will use the details to prepare a Strategic Local Programme Agreement (SLPA), setting out the agreed programme of housing projects to be funded in East Renfrewshire through the AHSP over the next 3 years. The SLPA is expected to be received in early 2021/20 and will be brought to Cabinet for consideration.

15. To help meet the need and demand for affordable housing the SHIP is weighted to building in the Eastwood area.

16. Members should be aware that the SHIP Programme is reliant on the private sector bringing forward developments, presenting an element of risk in delivery timescales which may result in uncommitted resources being redistributed by the Scottish Government. However, the partnership approach taken in the Barrhead South, North and Maidenhill development masterplan areas includes planned phasing of sites and firmer agreement on the affordable housing element to be delivered, improving certainty for these projects in the SHIP.

## **FINANCE AND EFFICIENCY**

17. In addition to RPA funds received through the AHSP, East Renfrewshire's Affordable Housing 'Pot', i.e. commuted sums and Council tax discounts, has also been fully committed to support the SHIP programme. To date this equates to more than £1.8m with potential for additional contributions being received over the period of the affordable housing programme.

## **CONSULTATION**

18. Consultation on the draft SHIP programme each year is carried out with a range of stakeholders including local Housing Associations and Health and Social Care Partnership (HSCP). However, the impact of COVID 19 has restricted the level of consultation available this year.

19. The recommendations from the consultation were used to inform this iteration of the SHIP and advance the partnership working with Housing Associations.

## **PARTNERSHIP WORKING**

20. The SHIP includes 3 sites where the delivery partner (Council or Housing Association) has still to be confirmed. Expressions of interest have been invited 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.

## **IMPLICATIONS OF THE PROPOSALS**

21. 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 the Local Development Plan.

## **CONCLUSION**

22. The proposed SHIP details how the Council intends to spend its Resource Planning Allocation from the Scottish Government. Demand for new social rented housing, especially

new council housing, continues to exceed supply. To address this the council has agreed an ambitious plan to build 240 new council houses and is currently in the process of reviewing the capacity within the HRA business plan to develop more homes. The need to identify available sites is an on ongoing challenge and to assist with this additional staffing resources have been made available. However, the private ownership of a number of sites means that development timescales cannot always be controlled by the council

## RECOMMENDATIONS

23. The Cabinet is asked to:

- a) Approve the East Renfrewshire Strategic Housing Investment Plan 2021/2026 for submission to Scottish Government; and
- b) Note that a further report will be submitted to Cabinet early 2021/22 in relation to the resulting Strategic Local Programme Agreement with Scottish Government, which will confirm the programme of housing projects to be funded locally over the next 2 years.

Director of Environment

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

Convener contact details

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November 2020

## Appendix 1

PROJECT	DEVELOPER	TENURE	Financial years					SG Grant
		Social Rent	2021/22	2022/23	2023/24	2024/25	2025/26	
Balgraystone Road, Barrhead	East Renfrewshire Council	47	0.205	0.000	0.000	0.000	0.000	0.205
Commercial Road, Barrhead	East Renfrewshire Council	49	2.000	0.891	0.000	0.000	0.000	2.891
Barrhead Road, Newton Mearns	East Renfrewshire Council	18	0.900	0.122	0.000	0.000	0.000	1.022
Maidenhill Area A1 ( CALA)	East Renfrewshire Council	48	0.000	1.416	1.416	0.000	0.000	2.832
Maidenhill Area A2 (CALA)	East Renfrewshire Council	34	0.000	1.003	1.003	0.000	0.000	2.006
Maidenhill Area A3 (CALA)	East Renfrewshire Council	18	0.000	0.000	1.062	0.000	0.000	1.062
Maidenhill Area A4 Taylor Wimpey	East Renfrewshire Council	13	0.000	0.000	0.767	0.000	0.000	0.767
Maidenhill Area A5 Taylor Wimpey	East Renfrewshire Council	30	0.000	0.885	0.000	0.000	0.000	0.885
Maidenhill Area A6 Taylor Wimpey	East Renfrewshire Council	39	0.826	1.475	0.000	0.000	0.000	2.301
Maidenhill- Malletsheugh Inn- Robertson Homes	East Renfrewshire Council	14	0.000	0.826	0.000	0.000	0.000	0.826
Walton Street, Barrhead	Barrhead HA	23	0.000	1.850	0.000	0.000	0.000	1.850

Fereneze Inn, Barrhead	<b>Barrhead HA</b>	12	0.000	0.000	1.150	0.000	0.000	<b>1.150</b>
Barrhead South, Lyoncross, Avant	<b>Barrhead HA</b>	12	0.000	0.975	0.000	0.000	0.000	<b>0.975</b>
Dealston Road, Barrhead	<b>Barrhead HA</b>	8	0.000	0.650	0.000	0.000	0.000	<b>0.650</b>
Barrhead South, Netherton Farm Wallacecland	<b>Barrhead HA</b>	25	0.000	1.988	0.000	0.000	0.000	<b>1.988</b>
Blackbyres/ Grahamston Road, Barrhead (Bellway)	<b>Barrhead HA</b>	10	0.813	0.000	0.000	0.000	0.000	<b>0.813</b>
Chappelhill, Barrhead	<b>Barrhead HA</b>	25	0.000	0.000	2.000	0.000	0.000	<b>2.000</b>
Main Street, Barrhead	<b>Barrhead HA/ East Renfrewshire Council</b>	15	0.000	0.000	1.098	0.000	0.000	<b>1.098</b>
Arnside Court	<b>Hanover HA</b>	12	0.000	0.960	0.000	0.000	0.000	<b>0.960</b>
Barrland Court	<b>Hanover HA</b>	19	0.000	0.000	1.520	0.000	0.000	<b>1.520</b>
Kirkton Road, Neilston, Dawn Homes	<b>Link HA</b>	18	0.000	0.000	0.832	0.464	0.000	<b>1.296</b>
Barrhead South Masterplan, Springfield Road	<b>TBC</b>	46	0.000	0.000	2.000	1.600	0.000	<b>3.600</b>
Barrhead North Masterplan, Shanks Park, Crudens	<b>TBC</b>	36	0.000	0.000	0.250	2.342	0.000	<b>2.592</b>
Drumby Crescent, Clarkston	<b>TBC</b>	8	0.000	0.576	0.000	0.000	0.000	<b>0.576</b>
<b>Total</b>		<b>579</b>	<b>4.744</b>	<b>13.617</b>	<b>13.098</b>	<b>4.406</b>	<b>0.000</b>	<b>35.865</b>