

EAST RENFREWSHIRE COUNCILCABINET13 October 2022Report by Director of EnvironmentSTRATEGIC HOUSING INVESTMENT PLAN 2023 – 2028**PURPOSE OF REPORT**

1. The purpose of the report is to seek approval for the proposed Strategic Housing Investment Plan 2023/24–2027/28 and for its submission to Scottish Government.

RECOMMENDATIONS

2. The Cabinet is asked to approve the East Renfrewshire Strategic Housing Investment Plan 2023–2028 for submission to Scottish Government by 28th October 2022.

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, and detailed programme, for the coming 5 years. The SHIP will detail what houses will be built, what location and, if available, who the proposed landlord will be. The profile of the SHIP programme should reflect the outcomes set out in the LHS to meet identified need for affordable homes in the local area. This detail is underpinned by estimated requirements produced from regional and local Housing Need and Demand Assessments (HNDA).

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 up to date resource planning assumptions and subsidy levels as set out by the Scottish Government. The proposed SHIP must gain local authority committee approval prior submission to the Scottish Government.

5. The Scottish Government committed to investing over £3.6 billion through its Affordable Housing Supply Programme (AHSP) support affordable housing delivery over this parliamentary term (2021-26). However, the Scottish Government has also recently extended this commitment to 110,000 affordable homes across Scotland by 2032, of which at least 70% of this will be homes for social rent. This recognises how integral housing is to wider commitments to tackling poverty and inequality, creating and supporting jobs, meeting energy efficiency and decarbonisation aims and creating connected, cohesive communities.

6. Whilst this funding is an increase on the previous 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.

7. Members should note that affordable housing development can include homes for social rent, mid-market rent and also low cost home ownership. The SHIP programme sets out those developments with a requirements for subsidy to deliver affordable homes, generally provided by the Council and other social landlords. Other affordable housing may be developed locally without subsidy as a contribution towards affordable from private housing developers, but is not included in the SHIP Programme.

Resource Planning Assumptions

8. The AHSP funding is allocated to each local authority through Resource Planning Assumptions (RPA) which indicates the number of new affordable homes that could be delivered in East Renfrewshire through the SHIP. The Scottish Government will assess each SHIP to determine the RPA for future years.

9. The current RPA's available for East Renfrewshire are set out below. £37.497m was allocated to East Renfrewshire via the AHSP for the parliamentary term 2021/26. Updated RPA's are not yet available in 2022 and so estimates have been applied to the later years of the SHIP programme to help plan ahead. The assumption has been made of sustained levels of funding given the national targets for delivery of affordable homes already set out, and a working figure of £36.585m is available for this SHIP programme at present:

Year	2021-22	2022-23 (Current Year)	2023-24	2024-25	2025-26	2026-27 <i>*estimate</i>	2027-28 <i>*estimate</i>	Total 2023/28
£m	£8.406m	£7.246m	£7.225m	£7.250m	£7.370m	£7.370m	£7.370m	£36.585m

10. A review of benchmark subsidy levels available to Councils and other social landlords for delivery of affordable housing in 2021 proposed that Councils will attract the average benchmark subsidy of £71,500 per unit, with Housing Association's a benchmark subsidy of £78,000 per unit. Additional quality measures provide scope to attract grant of a further maximum of £17,000 per unit covering enhanced standards e.g. additional space for work/study, carbon reduction and energy efficiency standards. Minimum subsidies of £53,500 for mid-market rent and £50,000 for Rental Off the Shelf (ROTs) have also been assumed.

11. Whilst this increase in subsidies is welcome, it should be noted that increasing costs of development and trade labour shortages continue to push up delivery costs per unit at this time, challenging the financial viability of projects.

12. In addition to Resource Planning Assumptions (RPA) funds received via the affordable housing programme, the council can also subsidise the building of affordable homes through monies raised via commuted sums (e.g. provided by private developers in lieu of on-site homes) and second home Council tax discounts. 161 affordable homes have been delivered to date with support from this funding pot.

13. In 2021/22, the SHIP programme for East Renfrewshire saw 39 new Council homes, and 40 new RSL homes for rent. A further 13 homes for sale at entry level prices were provided outwith the SHIP programme. However whilst construction did stall as a result of the pandemic, SHIP sites under construction in East Renfrewshire will have delivered a further 94 new properties by end March 2023.

REPORT

14. The SHIP 2023/24 to 2027/28 programme tables are attached as Appendix 1 to this report. The proposed SHIP programme uses the following approach to prioritising projects, and this will be applied as further sites come forward for consideration over the programme:

- Prioritising available funding to the delivery of social rented homes to meet very high demand from low income and vulnerable households, and meet our statutory obligations to homeless households;
- Where slippage in use of funding occurs due to sites progressing, the acquisition of homes will be used to increase social rented supply;
- The agreed and emerging proposals for sites meet a range of needs, including smaller and family sized homes, and those suitable for the elderly and disabled;
- Developments with the greatest certainty over timing and deliverability;
- A provision for delivery of mid-market rent homes to meet the needs of local people in the middle (i.e. cannot afford to buy on the market; and are lower in priority for available social housing); and
- Projects which support the regeneration of town centres and local living, with 20 minute neighbourhoods in mind.

15. The proposed SHIP could deliver affordable homes from 2023/24 to 2027/28 as follows:

- 447 units of new affordable housing primarily focused on new provision and social housing. Other affordable homes for sale are also expected, but will largely be delivered out with the SHIP through developer contributions (and without subsidy). The total figure of homes to be delivered is determined through planning discussion with individual developers.
- A provisional target of 10% of the new units programmed are expected to be accessible (e.g. for wheelchair users, older people, etc) or adaptable to meet changing needs. The emerging LHS currently being consulted upon will use the outcomes of recent research into the Local Need for Wheelchair Housing to confirm targets for numbers of fully wheelchair suitable housing in the future SHIP programme. Targets for Wheelchair suitable housing delivered through the private sector will be developed through the emerging Local Development Plan 3.
- Through work to develop the new LHS, research is being commissioned to identify the detailed need, market and location for mid-market rent homes locally. This will allow us to identify with partners who may be best placed to deliver this type of housing through the SHIP. More developed proposals will emerge shortly, but the preference is for this type of product to be developed via the Council or other social landlords.
- The SHIP also includes options to purchase housing from the open market. However this option will only be utilised where slippage in the new build programme occurs, or to target particular types of properties in short supply. As part of our broader Affordable Housing Strategy, we are also exploring the potential to bring long-term empty homes in the private sector back into use where these will meet identified need.

16. The proposed programme supports the delivery of the Community Planning Partnership's priorities outlined in the Local Outcome Improvement Plan. It also reflects the strategic housing priorities detailed in the Local Housing Strategy 2017-2022, as well as the emerging LHS for the 5 years ahead. Housing Services will present this draft LHS for approval later in 2022/23.

17. 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 2023/24 and will be brought to Cabinet for consideration.

18. To help meet the need and demand for affordable housing, the SHIP requires to be weighted to building in the Eastwood area where the greatest unmet need for affordable housing lies. However, there is significant demand also in Levern Valley as well as a changing profile of demand being driven in part by new housebuilding and investment in the area. Given land availability, potential developments in both areas will be considered for the SHIP, and reviewed according to the priorities outlined above.

19. Members should be aware that the SHIP Programme is reliant on landowners and private sector developers bringing forward sites for development, 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

20. In addition to RPA funds received via the AHSP, East Renfrewshire's Affordable Housing 'Pot', i.e. commuted sums and Council tax discounts, has also been committed to support the SHIP programme. The current funding level proposed equates to around £1.935m with potential for additional contributions to be added over the period of the affordable housing programme, as these are received.

CONSULTATION

21. Consultation on the draft SHIP programme each year is carried out with a range of stakeholders, including local social landlords and Health and Social Care Partnership (HSCP).

22. The recommendations from the consultation were used to inform this iteration of the SHIP and advance the partnership working with our partners.

PARTNERSHIP WORKING

23. On sites where the delivery partner (Council or Housing Association) has still to be confirmed, we invite expressions of interest and discussions are held 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.

24. We will use the emerging action plan from our Wheelchair and Accessible Housing research, as well as our contribution towards the Health and Social Care Strategic Plan, to agree with our partners the detailed mix of housing required on identified development sites.

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 LHS and Local Development Plan.

CONCLUSIONS

26. The proposed SHIP details how the council intends the funding allocation from Scottish Government to be spent on delivering affordable housing across East Renfrewshire. Demand for new social rented housing, especially new council housing, continues to outstrip supply available. To address this the council increased its initial building programme to 370 new homes. Through the emerging LHS we will consider options for increasing the SHIP programme further, in conjunction with our local partners.

27. Identifying additional sites for development is an on ongoing challenge, and we continue to work proactively to consider potential sites for development in the short term. At a strategic level, the LHS priorities are expected to influence development of Local Development Plan 3 to ensure sufficient land is available for housing development, and that a suitable mix of housing is provided to meet the needs of our residents.

RECOMMENDATIONS

28. The Cabinet is asked to approve the East Renfrewshire Strategic Housing Investment Plan 2023-2028 for submission to Scottish Government by 28th October 2022.

Director of Environment

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

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Appendix 1 – Cabinet 13.10.22 (East Renfrewshire SHIP Programme (Draft) 2023-28)



PROJECT	DEVELOPER	UNITS TENURE						Estimated SG Grant
		Social Rent	2023/24	2024/25	2025/26	2026/27	2027/28	
Commercial Road, Barrhead	East Renfrewshire Council	49	0.499	2.867	0.789	0.000	0.000	4.155
Barrhead Road, Newton Mearns	East Renfrewshire Council	18	0.064	1.358	0.176	0.000	0.000	1.598
Maidenhill Area A1 (CALA)	East Renfrewshire Council	48	0.000	4.070	0.000	0.000	0.000	4.070
Maidenhill Area A2 (CALA)	East Renfrewshire Council	34	0.000	2.883	0.000	0.000	0.000	2.883
Maidenhill Area A3 (CALA)	East Renfrewshire Council	18	0.000	0.000	1.526	0.000	0.000	1.526
Maidenhill- Malletsheugh Inn- Robertson Homes	East Renfrewshire Council	14	0.175	0.854	0.000	0.000	0.000	1.029
Walton Street, Barrhead	Barrhead HA	32	0.500	2.060	0.000	0.000	0.000	2.560
Netherton Farm - Dundarnock	Barrhead HA	25	1.400	0.000	0.000	0.000	0.000	1.400
Chappelhill - Chappelfield Farm	Barrhead HA	25	0.000	0.000	0.000	0.350	1.225	1.575
Mid market rent programme	Barrhead HA/ East Renfrewshire Council	30	0.535	0.535	0.535	0.000	0.000	1.605
ROtS programme	Barrhead HA	15	0.375	0.375	0.000	0.000	0.000	0.750
Town Centre Regeneration Project	Barrhead HA/ East Renfrewshire Council	48	0.000	0.730	3.420	0.410	0.000	4.560
Kirkton Road, Neilston - Dawn Homes	Link HA	24	1.668	0.300	0.000	0.000	0.000	1.968
Armside Court	Hanover HA	12	0.312	0.312	0.312	0.000	0.000	0.936
Barrland Court	Hanover HA	19	0.482	0.500	0.500	0.000	0.000	1.482
Barrhead North Masterplan, Shanks Park, Crudens	TBC	36	0.000	0.000	0.000	0.250	2.342	2.592
Total		447	6.010	16.844	7.258	1.010	3.567	34.689

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