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**Report to:** Clackmannanshire Council

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**Date of Meeting:** 23 June 2016

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**Subject:** Affordable Housing Programme

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**Report by:** Head of Housing & Community Safety

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### **1.0 Purpose**

- 1.1. The report recommends continuing the “off the shelf” house purchase programme in order to maximise the take up of additional affordable housing grant funding from the Scottish Government.

### **2.0 Recommendations**

- 2.1. It is recommended that Council

2.1.1. approves the transfer £1.53M from the 2017/18 HRA Capital Budget (the development of 20 properties on lock-up sites) to “Off the Shelf” House Purchases in 2016/17, to maximise the take up of Scottish Government Affordable Housing Supply Grant for Clackmannanshire.

### **3.0 Affordable housing programme**

- 3.1. Total grant claimed in 2015-16 was almost £96K over the original target of £2.2M for Clackmannanshire. Included in this was 15 properties purchased off the shelf. In total over the last three years 72 properties, including two new builds, have been acquired "off the shelf" throughout Clackmannanshire as part of the Council's policy initiative to maximise the number of homes available for all people in housing need, and create a more balanced portfolio of properties.
- 3.2. As previously reported the grant funding available for Clackmannanshire has been considerably increased, with the resource planning assumptions for the next 4 years at least:
- £3,654,000 (16-17)
  - £2,923,000 (17-18)
  - £2,192,000 (18-19)
  - £1,462,000 (19-20)

- 3.3. To help meet the increased targets it is recommended that a new “off the shelf” house purchase programme commence in 2016-17. As well as proving a flexible way of meeting housing need, the programme will help ensure that the affordable housing grant for the area is maximised.
- 3.4. As before, the properties targeted will be of the type and size most needed, and in high demand locations. Only properties on the market are considered, and it is not the intention to bid against other prospective buyers. All properties acquired meet Government value for money benchmark criteria, and prices paid reflect any works required to bring the properties up to the current high standards set for rental property.
- 3.5. RSL partners are also investigating off the shelf purchases to ensure the programme target is achieved.
- 3.6. The rent level subsidy to RSLs for a 3 person equivalent has risen from £58k per unit to £70k per unit. Councils can claim £57k per unit, up from £46k.
- 3.7. It is recommended that the £1.53M funding identified for the 2017/18 development of 20 units on lockup sites is brought forward and transferred to fund the off the shelf purchase programme. It is now likely that an RSL will develop the lock up sites. The HRA approved outstanding borrowing for 2016/17 was £34.1M. With lower than projected borrowing and additional house sale receipts in 2015/16, bringing forward this borrowing still results in a lower than projected year-end borrowing position of £32.7M. This is an improved position of £1.4M on the approved budget in February 2016.

#### **4.0 Sustainability Implications**

- 4.1. All properties purchased will meet the Scottish Housing Quality Standard, and the Energy Efficiency Standard for Social Housing (ESSH) by 2020.

#### **5.0 Resource Implications**

##### *5.1 Financial Details*

- 5.2. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate.

Yes

- 5.3. Finance has been consulted and has agreed the financial implications as set out in the report.

Yes

##### *5.4 Staffing*

- 5.5. There are no staffing implications arising from this report

#### **6.0 Exempt Reports**

- 6.1. Is this report exempt? Yes  (please detail the reasons for exemption below) No

## 7.0. Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

### (1) **Our Priorities** (Please double click on the check box )

- The area has a positive image and attracts people and businesses
- Our communities are more cohesive and inclusive
- People are better skilled, trained and ready for learning and employment
- Our communities are safer
- Vulnerable people and families are supported
- Substance misuse and its effects are reduced
- Health is improving and health inequalities are reducing
- The environment is protected and enhanced for all
- The Council is effective, efficient and recognised for excellence

### (2) **Council Policies** (Please detail)

## 8.0. Equalities Impact

- 8.1. Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations? No

## 9.0. Legality

- 9.1. It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

## 10.0. Appendices

- 10.1. None.

## 11.0. Background Papers

- 11.1. Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered). No

### Author(s)

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**Approved by**

<b>NAME</b>	<b>DESIGNATION</b>	<b>SIGNATURE</b>
Ahsan KHAN	Head of Housing	Signed: A Khan
Nikki Bridle	Deputy Chief Executive	Signed: N Bridle