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**Report to:**                      **Housing, Health and Care Committee**

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**Date of Meeting:**            **31 March 2016**

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**Subject:**                        **Strategy & Regeneration Update**

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

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## **1.0 Purpose**

- 1.1. The report for noting provides an update on the affordable housing programme.

## **2.0 Recommendations**

- 2.1. It is recommended that the Committee notes,
- 2.1.1. the progress of the affordable housing programme.
- 2.1.2. the Scottish Government's statement on the increase in the affordable housing budget, and the rise in subsidy levels.
- 2.1.3. the remainder of the report, commenting and challenging as appropriate.

## **3.0 Affordable housing budget progress January - March 2016**

- 3.1. By the time this Committee meets the purchase of a total of 15 'off the shelf' properties should have been completed, using £550,000 Scottish Government grant towards purchase and refurbishment costs.
- 3.2. Additionally Ochil View Housing Association will have purchased 3 off the shelf units and claimed £90,000 grant funding.
- 3.3. Kingdom Housing Association is purchasing additional land from the Council at Alloa Road, Tullibody to develop a second phase of social rented housing at this location. That will also include two specialist bungalows and work will begin in financial year 2016/17
- 3.4. The Kingdom Housing Association development at Primrose Place, Alloa has now received grant approval.

## **4.0 Affordable Housing Programme**

- 4.1. The projected spend for the year is £2.336M, exceeding the affordable housing grant target allocation to Clackmannanshire for the year of £2.199M by around 6%. This is a satisfactory position particularly given the possible underspend earlier in the year. Scottish

Government officials actively encourage every effort to maximise grant spend to pick up slippage elsewhere in the country.

4.2. Progress for on-site, completed and committed projects, with spend this financial year, is shown below. A total of 181 affordable housing units are set out in these tables with 46 completed this year. A further 104 units are on site, with spend, and due for completion in 2016/17. As a result of the land sale in Tullibody work on 31 units will start next financial year.

4.3. **Completed, on site and committed projects (2015/16 Budget Spend)**

**Complete**

<b>Site</b>	<b>Tenure</b>	<b>Mix</b>	<b>Completion Date</b>	<b>Budget spend - April '15 - March '16</b>	<b>Under / overspend</b>
Redwell Place, Alloa	RSL KHA	<b>1 unit</b> 1 * 3 bed adapted	Dec 2015	£126,250	£0
Delph Road, Tullibody	RSL	<b>27 units</b> 6 * 1 bed flat 8 * 2 bed flat 9 * 2 bed hse 4 * 3 bed hse	February 2016	£912, 805	£0
OTS	Council	<b>15 units</b>	March 2016	£610,250	£20,305
OTS	RSL OVHA	<b>3 units</b>	March 2016	£90,000	£0
<b>Complete units sub-total</b>		<b>46 units</b>			

### On Site (With budget spend 2015/16)

Site	Tenure	Mix	Completion Date	Budget spend 4/2015 – 3/2016	(Under) / over spend
Ann Street, Tillicoultry (former community centre).	Council / RSL	<b>21 units</b> 2 * 2 bed hse 2 * 2 bed flat 9 * 1 bed hse amenity 8*2 bed amenity hse	May 2016	Town centre funding (£782,000) Affordable Housing Grant (£280,000)	£0
Fairfield, Sauchie	Council	<b>19 units</b> 8 * 1 bed flat 4 * 2 bed flat 3 * 2 bed hse 4 * 3 bed hse	April 2016	Budget from 2014/15 spend.	£0
Primrose Place, Alloa	RSL KHA	<b>16 * flats</b>	TBA	£130,000	(£70,000)
Tigh Grian, Alva Greener Homes		<b>48 units</b> (16 * 1 bed; 24 * 2 bed; 8 * 3 bed).	TBA	Greener homes budget	-
<b>On-site units sub-total</b>		<b>104</b>			

### Committed (With budget spend 2015/16)

Site	Tenure	Mix	Completion Date	Budget spend - April '15 - March '16	Under / overspend
Delph Road, Tullibody Phase 2*	RSL KHA	TBA (approx 31)	TBA	£187,500	£187,500
<b>Committed units sub-total</b>		<b>31</b>			
<b><u>Total 181 units</u></b>				<b>£2,336,805</b>	<b>+£137,805</b>

## 5.0 Projects Updates

- 5.1. Tigh Grian, Alva - the developers are on site and expect completion of 48 units by November 2016.
- 5.2. Primrose Street, Alloa. The site will become phase 2 of the town centre redevelopment. Kingdom is on site with phase 1 at Primrose Place and feasibility work is to begin shortly to ascertain the mix and number of units the site is capable of delivering.
- 5.3. Ann Street, Tillicoultry phase 2. Acquisition of two additional areas of land is progressing to allow Kingdom to continue to develop another 8 units on the site.

- 5.4. Lock-up site at Gartmorn Road, Sauchie. Discussions have taken place with Paragon Housing Association who are looking at the feasibility of developing this site, along with Shawpark Avenue, Craigview and Mansfield Avenue. Packaging together these small infill sites will assist in achieving financial viability.
- 5.5. Pension Funding Site. A meeting is scheduled with Castle Rock Edinvar and the Scottish Government for the second week in April. Talks have been ongoing to try to secure a suitable site for the pension fund housing. All of the larger sites in the Clackmannanshire Local Development Plan are being considered.
- 5.6. The Glen, Coalsnaughton, NHT phase 2. Hadden Construction has now secured the additional land for another 14 units for Mid Market Rent. These are due for completion by the end of 2016/17.
- 5.7. Alva. A project to bring a block of four vacant flats back into use is to be taken forward. The properties would be transferred at nil value, with the Scottish Government providing some funding to meet refurbishment costs.

## **6.0 Scottish Government Affordable Housing Resources**

- 6.1. The Scottish Government is now allocating £406.531 million to councils' 2016-2017 Resource Planning Assumptions with immediate effect. This results from the planned 2016-2017 Affordable Housing Supply Programme announced by the Cabinet Secretary for Finance, Constitution and Economy on 16 December 2015.
- 6.2. This results in a significant increase in the budget for Clackmannanshire. The Resource Planning Assumption for 2016-17 for Clackmannanshire is £3,654,000.
- 6.3. The national resources available for future Resource Planning Assumptions will depend on future budget decisions by the Scottish Parliament. However, the Scottish Government recognises that securing optimal outcomes from the programme requires long-term planning; and that a high proportion of future completions will be from developments which need to be initiated now – especially where projects are complex and require long lead times, and in order to deliver the ambitions to deliver at least 50,000 affordable homes over the next five years.
- 6.4. To permit the necessary advance planning the Council's Resource Planning Assumptions will be at least:
- £2,923,000 for 2017-2018
  - £2,192,000 for 2018-2019
  - £1,462,000 for 2019-2020.
- 6.5. The RSL social rent level subsidy, for a 3 person equivalent, has risen from £58k per unit to £70k per unit. Councils are able to claim £57k per unit, up from £46k.

## **7.0 Sustainability Implications**

- 7.1. The supply of new affordable housing helps in the Council's commitment to reduce carbon emissions from inefficient housing. The Tigh Grian project in Alva will provide 48 new

homes to gold energy standards and the Council will pursue the inclusion of renewable technology in newbuild where feasible.

## 8.0. Resource Implications

### 8.1 Financial Details

8.2. 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

8.3. Finance has been consulted and has agreed the financial implications as set out in the report. Yes

### 8.4 Staffing

8.5. There are no staffing implications arising from this report

## 9.0. Exempt Reports

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

## 10.0. 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	<input checked="" type="checkbox"/>
Our communities are more cohesive and inclusive	<input checked="" type="checkbox"/>
People are better skilled, trained and ready for learning and employment	<input type="checkbox"/>
Our communities are safer	<input type="checkbox"/>
Vulnerable people and families are supported	<input checked="" type="checkbox"/>
Substance misuse and its effects are reduced	<input type="checkbox"/>
Health is improving and health inequalities are reducing	<input checked="" type="checkbox"/>
The environment is protected and enhanced for all	<input type="checkbox"/>
The Council is effective, efficient and recognised for excellence	<input checked="" type="checkbox"/>

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

**11.0. Equalities Impact**

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

Yes

No

**12.0. Legality**

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

**13.0. Appendices**

13.1. None.

**14.0. Background Papers**

14.1. 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).


Yes  (please list the documents below)

No

**Author(s)**

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**Approved by**

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