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**Report to: Council**

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**Date of Meeting: 3 October 2024**

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**Subject: Strategic Housing Investment Plan 2025- 2030**

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**Report by: Strategic Director (Place)**

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## **1.0 Purpose**

- 1.1. To approve the Strategic Housing Investment Plan 2025 – 2030 (SHIP) at Appendix 1. The SHIP sets out the operational framework for affordable housing development in Clackmannanshire over the next 5 years, establishing the investment priorities.

## **2.0 Recommendations**

- 2.1. It is recommended that Council:

2.1.1 Approve the Strategic Housing Investment Plan for 2025-2030, including the summary 5 year programme of housing sites, detailed in Appendix 1,

2.1.2 Note the cut in the Resource Planning Assumption (RPA) for affordable housing in Scotland from £752 million to £556 million this year and further year on year reduction in the coming years. This is fully set out in the letter from The Scottish Government at Appendix 2.

2.1.3 Note that the RPA for Clackmannanshire has been cut this year (2024/25) from £5.73 million to £4.45 million (revised to £4.523 million, see 6.4 and Appendix 3) and is expected to reduce by 80%, 60% and 40% over the following years.

2.1.4 Approve the use of £215,000 budget in the Council Tax second homes income, ring-fenced for affordable housing, for Council development site at Lochies Road.

## **3.0 Background**

- 3.1. Local Authorities are required by The Scottish Government to prepare a Strategic Housing Investment Plan (SHIP) annually, setting out the strategic investment priorities for affordable housing over a 5 year period, to achieve the outcomes set out in the Local Housing Strategy. The SHIP informs the Scottish Government's housing investment decisions and is due to be submitted to the Scottish Government by 25<sup>th</sup> October 2024, following Council approval.

#### **4.0 SHIP Spend 2023-24**

- 4.1. There have been delays on the new build programme and therefore delays in spend. The most significant of these has been at the development site in Lower Mill Street, Tillicoultry where no progression has been able to be made on-site.
- 4.2. Kingdom Housing Association (KHA) has continued to work with a Contractor and design team to advance the project. Unfortunately, due to increased construction costs and extensive ground remediation works required the site is not currently viable. KHA will continue to seek a viable development for the site.
- 4.3. In 2023/24, 38 new homes were purchased “off the shelf” (OTS) within Clackmannanshire by the Council, 8 OTS purchases were made by Ochil View Housing Association. This gave a total spend of £1.974 million from an allocation of £5.73 million. This is up slightly from the 2022/23 spend of £1.61 million.

#### **5.0 Council Owned Sites**

##### **5.1. Park Street, Chalets, Tillicoultry**

This site was to be taken forward at the same time as the Lower Mill Street development, it has been dropped back in the programme at this time until a viable forward solution can be found.

##### **5.2. Engelen Drive, Alloa**

Demolition has been delayed due to construction down time and negotiations on the electricity sub station on site. Site start is delayed with acquisition by Kingdom by February 2025 and is expected to require higher than benchmark funding.

##### **5.3 Pompee Road, Sauchie**

Pompee Road, Sauchie is a Council owned site, currently there are 4 chalet style properties on the site. The chalets are non traditional build and are not fit for purpose, having poor energy efficiency and beyond the end of their useful life. The best use of the site would be to re-home the current tenants in higher quality homes and to clear the site for re-development. The present tenants of the chalets are currently being re-homed and are in band 1 on the waiting list.

The site may accommodate 4 or 5 bungalow style homes, consultation and discussion will be required to agree and seek appropriate consents.

##### **5.4 Lochies Road, Clackmannan**

This small site in Clackmannan will compliment the wider regeneration of the town centre. The site will be for low level specialist bungalow style housing. The Council is currently obtaining updated costs from a new developer with view to an on-site start early in 2025.

## **6.0 Funding**

- 6.1. Spend for 23/24 was £1.974 million from the allocation of £5.73 million. This is up from the previous year spend due largely to the increase in the Councils successful accelerated off the shelf programme.
- 6.2. The Resource Planning Assumption (RPA) funding for 2024/25 is £4.35 million with the expected spend to be in the region of £3.645 million.
- 6.3. As detailed in the letter from the Scottish Government at Appendix 2, cuts in future years funding will have a detrimental effect on the ability to deliver new affordable housing.
- 6.4. On 10 September 2024, the Scottish Government issued revised RPA letters to all Local Authorities (further amendment on 24 September) to reflect the additional £40 million added to the AHSP budget in 2024/25, the allocation of which was agreed with COSLA leaders and Ministers on Friday 30th August 2024.
- 6.5. The allocation of the £40 million has therefore been agreed using an approach based on 80% being allocated to the five local authority areas which have experienced the highest current and sustained temporary accommodation pressures for the last three years (Edinburgh, Fife, Glasgow, South Lanarkshire and West Lothian).
- 6.6. This revised RPA is intended to inform the planned programme of affordable homes delivered through the Strategic Housing Investment Plan (SHIP) in 2024-25. The uplift in the RPA as part of the £40m should be directed towards acquisitions to help address temporary accommodation pressures or, where appropriate, to bring long term voids back into use.
- 6.7. Tender costs for new build continue to rise and it remains a challenge to bring projects in or around current Scottish Government benchmark funding levels putting additional pressure on Housing Association and Council funding streams to fill the gap. The Scottish Government last reviewed their levels of per unit funding in October 2021 while inflationary costs have continued to rise over this period.
- 6.8. All projects included in the SHIP are coming in at higher than Scottish Government benchmark funding and are subject to further cost savings and scrutiny by the Scottish Government which inevitably puts further delays on tender approval and start on site.
- 6.9. It is unclear how long inflationary pressures will be in place but it is likely that the situation will not improve in the shorter term, putting additional budgetary demands on the affordable housing programme.
- 6.10. It is expected that, as household incomes are squeezed, the demand for affordable, energy efficient housing will increase and it is therefore more important than ever that new, affordable housing can be delivered effectively.

6.11. RPA Funding and expected spend for the next five years is as follows and is detailed in Appendix 1.

<u>Year</u>	<u>Allocation</u>	<u>Expected Spend</u>
2025/26	- £3.48 million (estimate)	£3.703 million
2026/27	- £2.61 million (estimate)	£2.65 million
2027/28	- £1.74 million (estimate)	£2.52 million
2028/29	- £1.74 million (estimate)	£1.836 million
2029/30	- £1.74 million (estimate)	£2.22 million

## 7.0 Sustainability Implications

7.1. The supply of affordable housing is a central contributor to the Council's commitment to reduce carbon emissions. The projects are all built to 'Greener Standards' and the inclusion of renewable energy on sites is now a requirement for grant approval.

## 8.0 Resource Implications

### Financial Details

8.1. There are no funding implications from this report that will not be met from within existing resources. Future considerations in relation to an options appraisal of RACC properties could mean that changes will be required to the SHIP, council will be updated on 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

### Staffing

8.4. 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 )

- Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all
- Our families; children and young people will have the best possible start in life
- Women and girls will be confident and aspirational, and achieve their full potential
- Our communities will be resilient and empowered so that they can thrive and flourish

### (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. Please list any appendices attached to this report. If there are no appendices, please state "none".

Appendix 1 Strategic Housing Investment Plan (SHIP) 2025-2030

Appendix 2 Resource Planning Assumption 2024/25 (Letter from Scottish Government)

Appendix 3 Revised Resource Planning letter from Scottish Government

## 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).

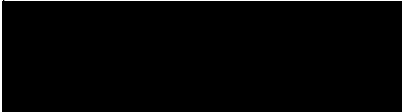
Yes (please list the documents below)

No ✓

### Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Kate Fleming	Senior Housing Strategy Officer	2361

### Approved by

NAME	DESIGNATION	SIGNATURE
Kevin Wells	Strategic Director (Place)	

# **CLACKMANNANSHIRE COUNCIL**

## **STRATEGIC HOUSING INVESTMENT PLAN 2025- 2030**

## 1.0 Introduction

1.1 The Strategic Housing Investment Plan (SHIP) 2025/30 defines the priorities for housing investment, as set out in the Local Housing Strategy (LHS) 2018-2023 vision, that;

***"Everyone should have a safe area to live in, a well maintained house and help when they need it."***

1.2 To achieve this vision through investment, our aim is to create a more effective local housing system, which delivers both economically balanced and sustainable communities. This in turn shapes our key objectives of providing the right houses, in the right location, delivering both choice and affordability.

1.3 It is worth noting that the strategic plans for new housing supply in Clackmannanshire remain. However, a new Housing Need and Demand Assessment (HNDA) is due for completion in 2025. This emerging evidence will drive future policy around providing new homes in Clackmannanshire and ensure the SHIP remains relevant to delivering key priorities.

1.4 Links to corporate priorities, such as the Local Housing Strategy (LHS) and Local Outcome Improvement Plan (LOIP), remain and are outlined as per previous guidance notes.

1.5 In July 2021, The Scottish Government provided a 5 year Resource Planning Assumption (RPA) for Clackmannanshire totalling £29.737million. As late as September 2023 these were still the figures we based future housing programs around:

2021/22	£6.666 million
2022/23	£5.746 million
2023/24	£5.73 million
2024/25	£5.75 million
2025/26	£5.845 million

1.6 In May 2024, The Scottish Government announced a cut of £196 million to the Affordable Housing Supply Programme (AHSP) in Scotland for 2024/25, from £752 million to £556 million. This follows a cut from £831 million in 2022/23.

1.7 The allocated spend for Clackmannanshire has therefore reduced in 2024/25 to £4.35million.

1.8 In the absence of future budget announcements and to aid programme management, the carry forward limits for 2025/26 to 2027/28 are to be 80%, 60% and 40% of current year RPA level. Revised funding is expected to be as below:

2024/25	£4.35 million (revised to £4.523 million, see 1.10)
2025/26	£3.48 million
2026/27	£2.61 million
2027/28	£1.74 million














- 1.9 This will affect the ability for sufficient affordable housing to be delivered in Clackmannanshire and in Scotland without further alternatives being proposed.
- 1.10 On 10th September 2024, the Scottish Government issued revised RPA letters to all Local Authorities (further amendment on 24th September) to reflect the additional £40 million added to the AHSP budget in 2024/25, the allocation of which was agreed with COSLA leaders and Ministers on Friday 30th August 2024.
- 1.11 The allocation of the £40 million has therefore been agreed using an approach based on 80% being allocated to the five local authority areas which have experienced the highest current and sustained temporary accommodation pressures for the last three years (Edinburgh, Fife, Glasgow, South Lanarkshire and West Lothian).
- 1.12 This revised RPA is intended to inform the planned programme of affordable homes delivered through the Strategic Housing Investment Plan (SHIP) in 2024-25. The uplift in the RPA as part of the £40m should be directed towards property acquisitions to help address temporary accommodation pressures or, where appropriate, to bring long term voids back into use.

## 2.0 Clackmannanshire Housing Strategy

- 2.1 Our Local Housing Strategy 2018-2023 identifies six priority areas and outcomes to be achieved:
- **Investing in New Housing Supply** – Quality, affordable housing is maximised.
  - **Best Use of Existing Housing** - The housing we already have is optimised and effective in providing choice and meeting need.
  - **Homelessness** - Households have access to appropriate housing and advice to reduce homelessness.
  - **Specialist Housing and Independent Living** - Those requiring assistance to live independently at home have access to effective housing.
  - **Energy Efficiency and Fuel Poverty** - Energy efficiency is improved and fuel poverty and carbon emissions are reduced across all tenures.
  - **Improving Neighbourhoods and Communities** – Improve long term outcomes for local communities and target town centres for improvement and regeneration to benefit the community.

2.2 In addition to the above, the Local Housing Strategy states further broad actions which are being delivered through this investment programme;




LHS Key Actions	Progress
Work with partners including planning and Scottish Government to maximise the amount of additional homes provided across all tenures.	
Where possible, use Council land and assets to support new affordable housing.	
Use income from reduction in Council Tax discounts to support delivery of affordable housing.	
Work with Registered Social Landlords (RSLs) to deliver new affordable housing and maximise funding from all sources.	
Continue to implement and review the Affordable Housing Policy, implemented through the Local Development Plan (LDP), including commuted sums and on-site provision of affordable housing where required.	
Promote housing development in a range of settlement centres to contribute to economic regeneration whilst addressing housing need.	
Maintain a programme to purchase existing housing for affordable rent.	
Investigate how the RSL sector can play a greater role in housing homeless applicants.	
Work with the Health & Social Care Partnership to plan and provide specialist housing for the elderly and adults with particular needs.	
Explore new models of supported accommodation for young people.	
Deliver specialist housing on all appropriate new housing developments	

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<sup>1</sup> Ongoing

### 3.0 Rapid Rehousing Transition Plan

- 3.1 The Rapid Rehousing Transition Plan (RRTP) was submitted to the Scottish Government in December 2018 and is being implemented by the Council. Minimising time spent in temporary accommodation and having access to suitable housing is a key priority in the RRTP and consistent with housing priorities. Specific outcomes from the RRTP to be delivered through housing investment are detailed below.
- 3.2 As at September 2023 Clackmannanshire had the 2nd highest level of homelessness households per head of population. However, those who find themselves homeless in Clackmannanshire spend an average of 150 days in temporary accommodation which is below the Scottish average of 216 days.
- 3.3 Clackmannanshire performs well in quickly providing permanent accommodation solutions for those found to be homeless. Most homeless households are ultimately housed in local authority or RSL accommodation after having spent a relatively short period waiting for permanent accommodation.

Rapid Rehousing Transition Plan	Progress
Accelerate affordable housing program over 5 year period to 2024	
Investigate how the RSL sector can play a greater role in housing homeless applicants.	
Ensure levels of temporary accommodation are maintained to meet statutory responsibilities.	

### 4.0 Local Outcomes Improvement Plan (LOIP)

- 4.1 Replacing the Single Outcome Agreement (SOA), the Council and its' partners have set out their strategic outcomes in the Local Outcomes Improvement Plan 2017- 2027. Focussing on tackling the inequalities that exist in Clackmannanshire around poverty and socio-economic disadvantage, the four strategic outcomes driving strategic partnership working are:
- Clackmannanshire will be attractive to businesses and people and ensure fair opportunities for all;
  - Our families, children and young people will have the best possible start in life;
  - Women and girls will be confident and aspirational, and achieve their full potential;
  - Our communities will be resilient and empowered so that they can thrive and flourish.
- 4.2 We know that poor housing has a negative impact on health, wellbeing and quality of life. Our commitment to provide additional good quality, affordable

housing goes a long way to contribute to improving the life outcomes of vulnerable families by reducing inequality and disadvantage in the housing market, and making Clackmannanshire an attractive place to live.

#### **4.3 Reducing child poverty - provide good quality affordable housing.**

4.3.1 Research shows that one of the key drivers of children living in poverty is living costs and specifically housing costs. More affordable housing not only reduces direct housing costs but ensures new homes are energy efficient reducing heating and lighting costs. Improved infrastructure in new housing developments offers increased access to the internet for all.

#### **4.4 Inclusive growth jobs and employability - increased house building.**

4.4.1 Increased house building through SHIP programs will aim to provide local employment opportunities by contracting local companies and offering apprentice and training chances for local young people.

### **5.0 Links to City Deal and Transformational Change**

5.1 Continuing and new priorities for the Council and its partners will be accommodated within the SHIP and the Local Housing Strategy. This will include work as part of the City Deal with Stirling Council and plans for future regeneration in Clackmannanshire.

5.2 Plans are well under way focusing on place based development and to create Transformational Zones in Clackmannanshire, beginning in Alloa. The focus on Alloa as a well-being economy transformation zone will bring in principles of collective impact of initiatives and investment within placed-based contexts. This model will roll out to other areas of Clackmannanshire and will bring in affordable housing opportunities.

#### **5.3 Town Centre Living**

5.1.3 Work previously carried out on Place Making and integration of housing within Alloa and Alva Town Centres are linked to the council's wider intent for the regeneration of other town centres and concept of multi-generational housing on a number of sites in the council area in future. Going forward, this will include:

- The wider provision of housing, linking to Architect & Design Scotland (A&DS) Caring Places and Town Centre Living work;
- The application of the Place Standard assessment tool as a means of establishing local needs, priorities and action planning for related improvements in town centres to support Town Centre Living;
- Ensuring housing developments provides a high quality living environment for residents and contribute positively to the vitality and viability of our Town Centres;

- The council will explore opportunities with planning colleagues where possible to convert empty town centre commercial properties to permanent housing.

## 6.0 New Housing Supply Targets

- 6.1 The current Housing Need and Demand Assessment (HNDA) is from 2018 and is therefore going through a refresh at the present time and is due for sign off in Autumn 2025. While the figures quoted at 6.2 are from the present HNDA, early indications show the updated HNDA is likely to show a higher need for new housing. In some part, this is due to the rising need for smaller homes at the table at 7.1 with the number of households increasing in Clackmannanshire by 734 between 2018 and 2043.
- 6.2 Up to 2024, the annual estimated need for additional affordable housing in Clackmannanshire is around 26 homes, 15 of these for 'social renting' and 11 for mid market rent. It shows 5 properties required for rent by a private landlord and 18 required for sale on the open market.
- 6.3 Social housing demand in Clackmannanshire is fairly self-contained within settlements, so the location of new developments needs to be carefully considered. Availability of housing sites does not always match housing need and demand and continuing dialogue will be sought with developers to ensure that all opportunities for affordable housing are pursued in a wide range of locations.

## 7.0 Housing Needs

- 7.1 Findings from the current, 2024, HNDA research update confirm some specific features of demand for Clackmannanshire so far.
- 7.2 The latest 2018 household projections to 2043 for Clackmannanshire show a fall of 1,476 (2,8%) of population between 2018 and 2043.
- 7.3 Despite a falling population, over the same period, the number of households will rise by 734 (3.1%). Table 7.1 below shows a rise in the number of smaller, single and two adult households.

Table 7.1 – Household projections 2018 – 2043 (Household Type)

Household Type	Clacks 2018	Clacks 2043	Clacks % Difference
1 adult	7,943	8,838	11.3%
1 adult, 1+ children	1,625	1,541	-5.2%
2 adults	7,926	8,464	6.8%
2+ adults, 1+ children	4,160	3,785	-9.0%
3+ adults	2,016	1,779	-11.8%
Total	23,670	24,407	

Source: National Records of Scotland Household projections

- 7.4 By 2043 the number of households headed by over 75 years is predicted to increase by 88%, above the Scottish projection of 74%, putting additional pressure on the need for social care and older people’s housing in Clackmannanshire.

Table 7.2 – Household projections 2018 – 2043 (Age Group)

Age Group	Clacks 2018	Clacks 2043	Clacks % Change	Scotland 2018
16-29	1,876	1,618	-14%	258,182
30-44	5,088	5,104	0%	583,082
45-59	7,731	6,257	-19%	743,256
60-74	5,603	5,099	-9%	534,746
75+	3,372	6,329	88%	358,008
<b>Total</b>	<b>23,670</b>	<b>24,407</b>	<b>3%</b>	<b>2,477,274</b>

Source: National Records of Scotland Household projections

## 8.0 Specialist Housing

- 8.1 From the Council’s own records (waiting list figures and information on social service cases) there are at least 10 families known to the Council who require larger size wheelchair housing. We intend to utilise the affordable housing supply programme where we can to purchase specialist/adapted housing either through off the shelf acquisition or new build development where appropriate. This is challenging given the lack of this type of property available on the open market, the considerable extend of alteration works required to adapt properties and the high cost of building new.
- 8.2 From information gathered in the 2011 Census, around 3,700 people (7% of the population) in Clackmannanshire have some type of physical disability. There is no data available as to how many of these people require social housing, however we do know that private developers rarely build bungalow style housing, this may result in an increased need for this type of accommodation to be delivered through affordable housing programmes.
- 8.3 This can be explored further in the new HNDA and Local Housing Strategy due in 2025 and also through the new Local Development Plan to establish targets for specialist housing on private sites to give households a wider choice.
- 8.4 The tables 3 and 4 below show that 3% of all completions in 2021/22 and 60% of all completions in 2022/23 were suitable for households with mobility needs.
- 8.5 There were no new build completions in 2023/24, all spend was on off the shelf purchases. With the tender costs of new build homes rising, off the shelf purchase and refurbishment is now, in most instances, a more attractive option. Officers will aim where possible to target accessible properties for purchase when they become available on the open market. These types of property are not commonly for sale. Only one property bought last year was

accessible and adapted with a wheelchair accessible kitchen, 3% of all purchases.

Table 8.1 - Completed 2021/22

Site	Location	Complete	Tenure / Owner	No.	Mix	Client Group
Branshill Park	Sauchie	March 2022	RSL (KHA)	24		General needs
Elm Grove	Alloa	March 2022	RSL rent (OVHA)	54	51 3	General needs Particular needs (wheelchair)
Off the shelf	Various	March 2022	Council / OVHA	8		General needs
				86		

Table 8.2- Completed 2022/23

Site	Location	Complete	Tenure / Owner	No.	Mix	Client Group
Primrose Place	Alloa	March 2022	RSL rent (KHA)	60	19 x 1 bed flat 39 x 2 bed flat 3 x 2 bed WC	Particular needs  Wheelchair
Off the shelf	Various	March 2022	Council / OVHA	40		General needs
				100		

- 8.6 The Council will continue to ensure an element of specialist housing on suitable sites is provided to meet the identified needs currently on our waiting list.
- 8.7 Bungalows will be provided as the affordable housing element in Pool of Muckhart, due for completion in 2025. All 7 bungalows on Lochies Road, Clackmannan scheduled to start in 2024/25, will be accessible and 2 of those fully wheelchair adapted.
- 8.8 One of the main drivers of the housing market is the ageing population and their requirement for specialist housing. This is the result of older people who need care (low cost but high volume) and higher infant survival and longevity for those with a learning disability (low volume and high cost). Housing suitable for both these client groups are considered in this SHIP.
- 8.9 All new social housing is built to 'Housing for Varying Needs, a Design Guide' published by the Scottish Government. This incorporates a 'barrier free' concept of accessibility and is a key reference document for the affordable housing sector in Scotland. It recognises that peoples' needs change through their lifetime and homes should be flexible as a result.

## **9.0 Gypsy / Traveller Accommodation**

- 9.1 There is one Gypsy / Traveller site in Clackmannanshire at Westhaugh. This reached the end of its useful life in terms of the quality of provision on the site. A virtual engagement session was held with residents in October 2020 to discuss site improvements. As a result, the site is being completely redeveloped to provide brand new accommodation to suit how residents want to live in the future.
- 9.2 The Westhaugh re-development works have been delayed and the anticipated completion date in October 2024 is now no longer able to be met. On-site works have been paused since April 2024 when a contractual issue led to the removal of the previous main contractor from the works project. Ongoing dialogue with the Scottish Government and Hubco East Central Scotland has so far been unsuccessful in resolving the issues which exist. At time of writing this paper an urgent stakeholder meeting has been requested at a senior level, this with aim of finding a suitable route forward. The Service remains committed to delivering this innovative project to the gypsy travelling community.
- 9.3 The overall objective of the project is to meet the council's equalities and human rights obligations to gypsy travellers by providing modern high quality accommodation, designed and specified to meet the community's needs. This project aims to:
- Provide modern, culturally appropriate accommodation to cater for 16 households;
  - Build 1 new management base including communal meeting room;
  - Reconfigure external landscaping to ensure each pitch satisfies Scottish Fire and Rescue Service (SFRS) layout requirements;
  - Provide safe storage facilities for Butane gas used for by each caravan (caged & 1m from buildings);
  - Improve soft landscaping to create a more attractive and inclusive community environment;
  - Provide visitor parking facilities with electric car charging points;
  - Provide a new playground that is safe and secure;
  - Replace the communal macerator with a suitable waste disposal system.

## **10.0 Partnership Working**

- 10.1 The Council will continue an inclusive and collaborative approach with all RSLs that are keen to work with us to deliver affordable homes in Clackmannanshire. This includes working collaboratively with Kingdom Housing Association to help deliver a strategic programme of affordable housing delivery.



10.2 Ochil View Housing Association entered into an agreement with Kingdom Housing Association to manage their development work and work was completed on Elm Grove, Alloa in January 2023.

## **11.0 The Planning Context**

11.1 Any new housing development should address the needs of the people of Clackmannanshire, regardless of tenure. The key mechanism for this is the planning system. We are working alongside planning colleagues to create a mix of housing sizes and tenures with the aim of providing housing opportunities for all and helping to prevent market failure.

11.2 The Local Development Plan was adopted by Council in August 2015. This includes provision for the delivery of affordable housing, which is supported by the Housing Needs and Demand Assessment. The Affordable Housing Policy (SC2) includes that housing proposals for 20 or more homes, or over 1 hectare, will be expected to include a range and choice of house types, tenures and sizes, including affordable housing.

11.3 The LDP remains relevant but is going through an update incorporating new National Planning Framework 4 legislation.

## **12.0 Particular Policy Initiatives**

### **12.1 Council & RSL purchase of existing housing for social renting**

12.1.1 The Council and Ochil View Housing Association maintain the commitment to make 'off the shelf' purchase a means of delivering affordable housing.

12.1.2 Paragon Housing has recently approached the Council and the Scottish Government to purchase properties off the shelf. Paragon will be targeting properties in their own stock where they can become majority owners to enable capital works and upgrade energy efficiency of the stock.

12.1.3 The Council accelerated their program of buying properties 'off the shelf' for 2023/24 and bought 38 properties last year, with a Scottish Government funding contribution of £1,654,000.

12.1.4 Ochil View Housing Association bought 8 units 2023/24 with a Scottish Government funding contribution of £320,000.

12.1.5 Currently, 23 off the shelf properties have been purchased by the Council this financial year. Rising costs to purchase and refurbish stock has forced the Council to review rising HRA costs, although the aim is to purchase as many as the budget will support.

### **12.2 Reduction in Council Tax Discount on Empty Homes**

12.2.1 There is currently around £215,800 ring fenced for use for affordable housing. This will be used to deliver Council projects and mitigate rising build costs.

## 12.3 Adaptations and Health & Social Care

12.3.1 The Housing & Social Care Group report to the Integrated Joint Board of the Clackmannanshire and Stirling Health & Social Care Partnership, has developed an action plan which will create a framework to enable the Partnership to deliver priority objectives. The action plan focuses on four key areas which will be continue to be developed. These are: governance, homelessness, mental health and older people.

12.3.2 Governance – the group have amended their structure and agreed terms of reference to better reflect the scope of the group. This was informed by the action plan.

12.3.3 Homelessness – the recent Scottish Government policy, Rapid Rehousing, which encourages a change in the use of temporary accommodation by local authorities, sees the introduction of Rapid Rehousing Transition Plans. A five year plan was submitted to the Scottish Government detailing how Clackmannanshire plan to reduce our use of B & B accommodation and our main concerns to be addressed to allow us to meet National policy goals. Any relevant changes to current working practices will be reflected in the Action Plan.

12.3.4 Mental Health – Housing and Social Work have been working closely to develop a greater understanding of different client groups with mental health issues and learning disabilities. This work has informed planning for new affordable housing by ensuring that specific client needs can be flexibly incorporated into the design stage of new homes.

## 13.0 Resources

### 13.1 Completions 2023/24

Site	Developer	No Units	Grant 2023/24	Status
Off The Shelf	Council	38	£1,654,000	Complete
Off the Shelf	Ochil View	8	£320,000	Complete
Total		47	£1,974,000	

### 13.2 RPA Spend 2023/24

13.2.1 The table above shows all spend drawn down in 2023/24 from allocated RPA of £5.73m.

13.2.2 Spend in Clackmannanshire was up slightly from 2022/23 but remains under RPA spend. This is in some part due to delays on all planned new build sites with rising build costs, infrastructure and land ownership issues combining to halt progression.

13.2.3 The out-turn for new affordable housing spend in Scotland for 2023/24 is not available at the current time but Scottish Government statistics for Scotland show that new affordable housing starts are at their lowest level since 2015.<sup>2</sup>

### 13.3 **Estimated Spend 2024/25 (RPA £4.35 million)**

Site	Developer	No Units	Grant 2024/25	Estimated Start	Estimated completion
Lochies Road, Clackmannan	Council	8	£200,000	January 2025	March 2026
Engelen Drive, Alloa	Kingdom HA	10	£20,000	2024/25 (acquisition)	2025/26
Pool of Muckhart	Kingdom HA	12	£1,400,000	October 2024	2025/26
Off the shelf,	Council	30	£1,350,000	2024	March 2025
Off the shelf	Ochil View HA	10	£450,000	2024	March 2025
Off the shelf	Paragon HA	5	£225,000	2024	March 2025
		<b>75</b>	<b>£3,645,000</b>		

### 13.4 **Estimated Spend 2025/26 (RPA £3.48 million)**

Site	Developer	No Units	Grant 2024/25	Estimated Start	Estimated completion
Lochies Road, Clackmannan	Council	8	£448,000	January 2025	March 2026
Engelen Drive, Alloa	Kingdom HA	10	£640,000	2025/26	2026/27
Blackfaulds Street, Coalsnaughton	TBA	25	£1,000,000	2025/26	2027/28
Pompee Road, Sauchie	Council	5	£40,000	2025/26 (site clearance)	2026/27
Off the shelf,	Council	20	£900,000	2025/26	March 2026
Off the shelf	Ochil View HA	10	£450,000	2025/26	March 2026
Off the shelf	Paragon HA	5	£225,000	2025/26	March 2026
		<b>83</b>	<b>£3,703,000</b>		

### 13.5 **Estimated Spend 2026/27 (RPA £2.61million)**

Site	Developer	No Units	Grant 2025/26	Estimated Start	Estimated completion
Blackfaulds Street, Coalsnaughton	TBA	25	£800,000	2025/26	2027/38
Pompee Road, Sauchie	Council	5	£350,000	2025/26	2026/27
Regeneration,	TBA	40	£800,000	2026/27	2028/29

<sup>2</sup> <https://www.gov.scot/publications/quarterly-housing-statistics-september-2023/documents/>

Tillicoultry					
Off the shelf,	Council	15	£750,000	2025/26	March 2026
		<b>85</b>	<b>£2,650,000</b>		

### 13.6 Estimated Spend 2027/28 (RPA £1.74 million)

Site	Developer	No Units	Grant 2027/28	Estimated Start	Estimated completion
Regeneration, Tillicoultry	TBA	40	£2,520,000	2026/27	2028/29
		<b>40</b>	<b>£2,520,000</b>		

### 13.7 Estimated Spend 2028/29 (RPA £1.74 million)

Site	Developer	No Units	Grant 2027/28	Estimated Start	Estimated completion
Glentanna Mill, Alva	TBA	40	£1,100,000	2028/29	2029/30
Park Street Chalets, Tillicoultry	TBA	7	£736,000	2028/29	2028/29
		<b>47</b>	<b>£1,836,000</b>		

### 13.8 Estimated Spend 2029/30 (RPA £1.74 million)

Site	Developer	No Units	Grant 2028/29	Estimated Start	Estimated completion
Glentanna Mill, Alva	TBA	40	£2,220,000	2028/29	2029/30
		<b>40</b>	<b>£2,220,000</b>		

## 14.0 New Supply

### 14.1 Engelen Drive, Alloa

14.1.1 In June 2018, elected members agreed that two blocks of Council owned flats be redeveloped as a pilot for wider demolition and regeneration plans stated in the SHIP. Demolition has been delayed due to construction down time and negotiations on the electricity sub station on site.

14.1.2 Site start is delayed with acquisition by Kingdom by February 2025 and is expected to require higher than benchmark funding.

### 14.2 Lochies Road, Clackmannan

14.2.1 This small site in Clackmannan will compliment the wider regeneration of the town centre. The site will be for low level specialist bungalow style housing. The Council is currently getting current costs from a new developer and is looking to get on site early in 2025.

### 14.3 **Glentana Mill, Alva**

14.3.1 The site is in Council ownership and was approved for transfer to HRA for development for affordable housing by Council on 24 October 2019. Initial investigations indicate the site would be capable of around 40 residential units with the option of some kind of community Hub space.

14.3.2 Initial consultation was carried out with the community in 2022 using the Place Standard Tool. The full report can be found <https://www.ads.org.uk/case-study/alva-pathfinder> 'Alva Pathfinder Project, Collaborate to Regenerate'.

### 14.4 **Pool of Muckhart**

14.4.1 Kingdom Housing Association is working with the developers on this site to provide 12 homes for mid market rent.

14.4.2 After discussions with the developers, the affordable housing element on this site has been brought forward into 2024/25 program. This enables additional spend for this financial year.

### 14.5 **Pompee Road, Sauchie**

14.5.1 Pompee Road, Sauchie is a Council owned site, currently there are 4 chalet style properties on the site. The chalets are non traditional build and are not fit for purpose, having poor energy efficiency and beyond the end of their useful life. The best use of the site would be to re-home the current tenants in higher quality homes and to clear the site for re-development. The present tenants of the chalets are currently being re-homed and are in band 1 on the waiting list.

14.5.2 The site may accommodate 4 or 5 bungalow style homes and early discussions with planning will be required.

### 14.6 **Blackfaulds Street, Coalsnaughton**

14.6.1 A developer is lined up to take this site forward and the Council is in discussion to develop the area on the wider site that remains in the ownership of the Council.

### 14.7 **Regeneration, Tillicoultry**

14.7.1 The Council is looking at options for potential regeneration sites.

### 14.8 **Park Street Chalets, Tillicoultry**

14.8.1 In December 2014, Council approved the sale of land at the old Tillicoultry community centre for housing, along with a phase 2, Park Street, Tillicoultry.

14.8.2 This site was to be taken forward with Lower Mill Street, Tillicoultry and so has dropped back in the program until a viable option becomes available as part of further regeneration in Tillicoultry.

## **15.0 Shadow Programme (Potential Sites)**

15.1 It is inevitable that some priority sites will not be deliverable for various reasons, such as ground conditions or financial viability. To help avoid slippage in the main programme, or in the event of additional Scottish Government funding being made available, potential sites are included in the 'shadow' programme. These sites may be substituted or added to the main programme, should the opportunity arise.

15.2 This approach allows additional flexibility to help ensure that the number of units and spend in Clackmannanshire is maximised. Below is a list of sites identified to date, however, it should be noted that the Council and its RSL partners are actively looking for further opportunities. Other proposals, including purchasing units from a developer, may be brought forward in addition to those listed.

### **15.3 Lower Mill Street, Tillicoultry**

15.3.1 Kingdom Housing Association have continued to work with a Contractor and design team to advance the project. Unfortunately due to increase construction costs and ground remediation required the site is not currently viable. Kingdom will continue to seek a viable development for the site.

### **15.4 Bedford Place, Alloa**

15.4.1 Bedford Place, Alloa has previously been used by Clackmannanshire Council as an education facility. It was deemed unfit for purpose in 2020, with major structural issues. The building has now been approved for disposal and Kingdom Housing Association have explored developing the site for affordable housing.

15.4.2 The building is now in very poor condition and costs for re-development will have increased since the original costs produced in 2020. A further feasibility and cost exercise requires to be carried out.

### **15.5 Forest Mill**

15.5.1 The section 75 agreement sets a requirement for 22% of the 1,250 homes to be affordable. There are no affordable homes programmed by the developer in phase 1 or 2, so it is likely that it will be several years before affordable housing can be expected on this site.

### **15.6 Brook Street, Alva**

15.6.1 This site had previously been brought forward in the programme, but due to site constraints has been delayed. We will continue to work with the land owner.

### **15.7 Carsebridge Road, Alloa**

15.7.1 This site is currently at pre-application stage and, should additional budget come forward, there is potential for affordable housing as part of this large site.

## **16.0 Units in Addition to Affordable Housing Supply Programme**

### **16.1 North Street / Main Street, Clackmannan**

16.1.1 The Council received regeneration funding for the site with 2 old shop units on Main Street and the former print works on North Street, now demolished and construction has almost completed on site. The redevelopment will provide 4 retail and 5 residential units to be complete by end of 2024.

## **17.0 Consultation**

17.1 This document has been developed by housing and planning colleagues in consultation with local RSLs and Scottish Government officials.

## **18.0 Ensuring Equalities**

18.1 An equalities impact assessment is carried out on each SHIP. The SHIP has no negative impact on the six equality groups; in fact it is likely that these groups will benefit from a positive impact.

## **19.0 Strategic Environmental Assessment**

19.1 The SHIP is part of the LHS, which had a pre-screening as required by the Environmental Assessment (Scotland) Act 2005. Clackmannanshire Council as a "responsible authority" for the purpose of the Act has determined that no SEA submission is required for this document. Specific environmental issues will be considered as part of the Local Development Plan process or when planning applications for sites are submitted.

### SHIP 2024-29 PRIORITIES FOR INVESTMENT

Site	Ownership	Effective Land Supply	Regen. / Town Centre Area	High Demand Area	Homeless Needs	Particular Needs	Planning Permission	Creating Mixed Comms	No Land constraints	Resources Available	VFM	Deliverable Now	Deliverable within 5 years
<b>MAIN PROGRAMME</b>													
Engelen Drive, Alloa	<b>Council</b>	Yes	Yes	No	Yes	Yes	No	Yes	Unknown	Yes	Yes	Yes	Yes
Regeneration Sites	<b>HRA</b>	No	Yes	No	Yes	Yes	No	Yes	Unknown	Yes	Yes	No	Yes
Lochies Road, Clackmannan	<b>Council</b>	No	Yes	Yes	Yes	Yes	No	Yes	Unknown	Yes	Yes	Yes	Yes
Pool of Muckhart	<b>Private</b>	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Glentana Mill, Alva	<b>Council</b>	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes
Pompee Road, Sauchie	<b>Council</b>	No	No	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes
Park Street, Tillicoultry	<b>Council / Private</b>	No	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes



Site Name	Ownership	Effective Land Supply	Regen. / Town Centre Area	High Demand Area	Homeless Needs	Particular Needs	Planning Permission	Creating Mixed Comms	No land constraints	Resources Available	VFM	Deliverable Now	Deliverable within 5 years
<b>SHADOW PROGRAMME</b>													
Forest Mill	Private Developer	Yes	No	No	Yes	Yes	Yes	Yes	No*	No	Yes	No	Yes
Brook Street, Alva	Private Developer	Yes	No	Yes	Yes	Yes	No	Yes	No	No	Yes	No	Yes
Carsebridge Road, Alloa	Private	Yes	No	Yes	Yes	Yes	No	Yes	No	Yes	Yes	No	Yes
Lower Mill Street, Tillicoultry	Private Developer	Yes	No	Yes	Yes	Yes	Yes	Yes	No	No	No	No	Yes
Bedford Place, Alloa	Council	No	Yes	Yes	Yes	Yes	NO	Yes	No	No	Yes	No	Yes

### Definitions of Criteria for Priorities

Effective Land Supply	Listed in the Local Plan as a site that can be developed for housing. No known constraints.
Regeneration / Town Centre Area	The site is situated within an area identified through the SIMD as a regeneration area or an identified Town Centre site, as identified in the LHS.
High Demand Area	Little or no social housing in the area or high demand / low turnover of existing social housing. <i>LHS Action: 'Maximise the impact of new housing, including affordable housing in areas of demand.'</i>
Homeless Needs	The site will provide accommodation for at least one homeless household. <i>LHS Action: 'Reduce Homelessness and homeless households have access to appropriate housing.'</i>
Particular Needs	The site will provide at least 10% of particular needs accommodation. <i>LHS Action: 'Deliver specialist housing on all appropriate new housing developments.'</i>
Planning Permission	The site has planning permission for housing.
Creating Mixed	The site will provide a desirable balance of tenure in the wider area or will provide a mix of types of houses for different households within the site.

Communities	<i>LHS Action: 'Promote and increase low cost home ownership and shared equity schemes with public funding to promote tenure diversification.'</i>
No Land Constraints	Land has no infrastructure blockages.
Resources Available	Are there resources available now ie human resources or financial resources. <i>LHS Action: 'Work with local Housing Associations to deliver new affordable housing and maximise funding from their resources.'</i>
Value for Money	The site is capable of delivering the units with benchmark HAG funding or below. <i>LHS Action: 'Continue to develop and support innovative and flexible models for providing cost effective new housing.'</i>
Deliverable Now	If the site meets 8 or more of the above criteria, it will be considered to be deliverable now.
Deliverable Within 5 years	If the site meets 6 or more of the above criteria, it will be considered to be deliverable in the coming years when resources become available.

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22 May 2024

Dear Sir/Madam

## **AFFORDABLE HOUSING SUPPLY PROGRAMME (2024-2025) - CLACKMANNANSHIRE COUNCIL**

This letter contains important information about the operation of the Affordable Housing Supply Programme (AHSP) and the confirmed level of your Resource Planning Assumption (RPA) for 2024-2025.

### **Resource Planning Assumptions for 2024-2025**

The Scottish Government is now allocating the 2024-2025 RPAs with immediate effect. This follows on from the approved Scottish Budget. A total of £471 million is being allocated to local authority areas across Scotland through RPAs at this time. We are currently considering how the additional £40 million funding for 2024-2025 will be allocated and will provide an update shortly. The allocation of the £471m for 2024-2025 between the 32 local authority areas has been determined by the needs-based SHIF model agreed with COSLA for the 30 non-TMDF local authority areas and the TMDF authorities maintaining the same proportionate share of the overall RPA budget as in previous years.

The RPA for 2024-2025 for your local authority area is **£4.350M**. This RPA is intended to assist you in finalising the planned programme of affordable homes which you will deliver from your Strategic Housing Investment Plan (SHIP) in 2024-2025.

This allocation is available to invest in your local area, but please agree with the local area team as soon as possible, in the context of your SHIP and further discussions with us, how much you realistically may spend. This will allow us to maximise the use of resources across the programme. Conversely, where a larger pipeline of projects is available to allow spend beyond your planning assumption, please also discuss this with us.

## The Affordable Housing Supply Programme beyond March 2025

The national capital resources available for future RPAs will depend on future budget decisions by the Scottish Parliament. The medium term outlook for capital remains challenging, with a forecast 8.7% real terms cut to our UK capital funding between 2023-2024 and 2027-2028. We intend to publish a refresh of the Infrastructure Investment Plan pipeline in May which will focus on maximising the impact of our capital investment towards spend that delivers on the outcomes of this government.

In the absence of future year budget assumptions, and to aid programme management, we will operate carry-forward limits for the years 2025-2026 - 2027-2028 of 80%/60%/40% of current year RPA levels.

We remain focused on our target of delivering 110,000 affordable homes by 2032. To support that we have brought forward the review scheduled for 2026-2027 to 2024, which will concentrate on deliverability.

We would also ask you to continue to ensure that the programme is delivered efficiently and that value for money is demonstrated (including making the most efficient use of our investment). In particular we would ask that you continue to explore innovation and consider the most appropriate procurement options (including the scope for collaboration with housing associations and other local authorities with similar objectives), sharing best practice wherever possible.

With this in mind, we place significant importance on the SHIP process as the expression of your local authority's strategic investment priorities, and the plan for the effective local delivery of the AHSP in consultation with stakeholders and delivery partners. We will therefore be seeking an update to your SHIP by **30 October 2024** with guidance to follow in due course.

We hope you find this information helpful. If you have any questions or wish to discuss please do not hesitate to contact me by email.

Yours sincerely



Maureen Esplin  
**INVESTMENT & LOCAL STRATEGIES MANAGER - NORTH & EAST AREA TEAM**  
**22 MAY 2024**



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24 September 2024

Dear Sir/Madam

## **AFFORDABLE HOUSING SUPPLY PROGRAMME (2024-25) - CLACKMANNANSHIRE COUNCIL**

This letter contains an update to the confirmed level of your Resource Planning Assumption (RPA) for 2024-25 which you received on 22 May 2024 to reflect the additional £40m added to the AHSP budget in 2024-25, the allocation of which was agreed with COSLA leaders and Ministers on Friday 30 August.

### **Resource Planning Assumptions for 2024-25**

The Scottish Government is now allocating the revised 2024-25 RPAs with immediate effect. A total of £511 million is being allocated to local authority areas across Scotland through RPAs. The allocation of the £471m for 2024-25 between the 32 local authority areas has been determined by the needs-based SHIF model agreed with COSLA for the 30 non-TMDF local authority areas and the TMDF authorities maintaining the same proportionate share of the overall RPA budget as in previous years.

While all local authorities are facing a range of housing and homelessness pressures, the enduring pressures experienced by a handful of local authorities over a number of years have informed the recommendation for this additional funding to be targeted. Using a methodology based on consistently high temporary accommodation numbers as an indicator of acute need has informed the recommendation to target this funding at five local authorities. The allocation of the £40m has therefore been agreed using an approach based on 80% of the £40m being allocated to the five local authority areas which have experienced the highest current and sustained temporary accommodation pressures for the last three years (Edinburgh, Fife, Glasgow, South Lanarkshire and West Lothian). The following distribution methodology has been used:

- 25% number of households in temporary accommodation
- 50% number of children in temporary accommodation

- 25% number of children in temporary accommodation for 1 year+

The remaining 20% of the £40m has been allocated across the other 27 local authority areas, using the same distribution methodology, to inform each local authority area's share.

In 2025-26, 80% will be allocated to the five local authorities with the highest sustained temporary accommodation pressures using the agreed distribution methodology but based on the latest available data at that time and therefore not necessarily the same five local authorities. There will be the opportunity to reconsider the allocation to the remaining 27 local authorities for 2025-26.

The total RPA for 2024-25 for your local authority area is now **£4.523m**. This revised RPA is intended to inform the planned programme of affordable homes which you will deliver from your Strategic Housing Investment Plan (SHIP) in 2024-25. Please note that the uplift in your RPA as part of the £40m should be directed towards acquisitions to help address temporary accommodation pressures or, where appropriate, to bring long term voids back into use. Acquisitions can be either existing properties or new build properties off the shelf, but they must be a permanent structure and available in perpetuity. You should discuss your plans for this additional allocation with the relevant More Homes Area Team.

We hope you find this information helpful. If you have any questions or wish to discuss please do not hesitate to give me a call.

Yours sincerely



Alastair Dee  
**INVESTMENT & LOCAL STRATEGIES MANAGER - SOUTH EAST AREA TEAM**  
**24 SEPTEMBER 2024**

