

EAST RENFREWSHIRE COUNCILCABINET21 October 2021Report by Director of EnvironmentSTRATEGIC HOUSING INVESTMENT PLAN 2022 – 2027**PURPOSE OF REPORT**

1. The purpose of the report is to seek approval for the proposed Strategic Housing Investment Plan 2022/23–2026/27 and for its submission to Scottish Government.

RECOMMENDATIONS

2. The Cabinet is asked to approve the East Renfrewshire Strategic Housing Investment Plan 2022/23–2026/27 for submission to Scottish Government.

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, at what location and, if available, who the proposed landlord will be. Members should note that affordable housing includes houses for social rent, mid market 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 submission to the Scottish Government.

5. The Scottish Government has made a commitment to invest over £3.44 billion in affordable housing over this parliamentary term. However the Scottish Government has also recently extended this commitment to 110,000 affordable homes across Scotland by 2032. 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.

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 existing RPA is stated below. However the updated RPA for 2022/23 may not be available until later in 2022.

RPAs for 2021-2026

The current RPA for 2021-26 for East Renfrewshire is £37.497m and is split as follows:

Year	2021-22	2022-23	2023-24	2024-25	2025-26	Total
	£8.406m	£ 7.246m	£ 7.225m	£ 7.250m	£ 7.370m	£37.497m

7. The AHSP had previously awarded £57k flat rate subsidy to councils and £70k benchmark funding to housing associations. Both councils and housing associations could seek an additional £2k per unit if homes were built to a “greener standard”.

8. The subsidy levels are currently under review and it is proposed that Councils will attract the proposed minimum urban benchmark subsidy of £71,500 per unit, with Housing Association project assumptions based on the minimum benchmark subsidy of £78,000 per unit. Whilst this increase in subsidy is welcome, it should be noted that a disparity still remains between council’s and RSL’s. Final approval from the Scottish Government on these new subsidy levels are pending.

9. 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 resources raised via commuted sums and second home Council tax discounts.

10. At the end of 2021, the new build programme for East Renfrewshire Council had completed 45 homes and purchased 14 from the open market. However whilst construction did stall as a result of the pandemic, three new sites are under construction to deliver 101 new properties by end March 22, to date 22 units have been handed over to the Council.

REPORT

11. The SHIP 2022/23 to 2026/27 programme tables are attached as Appendix 1 to this report.

12. 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.

13. The proposed SHIP could deliver affordable homes from 2022/23 to 2026/27 as follows:

- 522 units of new affordable housing primarily focused on new provision and social 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 discussions 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. The need for adaptations is expected to keep growing given the projected future increase in the number of elderly households creating significant pressure in a climate of constrained public resources. Housing Services in partnership with East Renfrewshire HSCP and other partners, have commissioned work to understand further the particular needs in the area to assist future planning.
- Mid Market Rent is a form of affordable housing which is targeted to households who may not have priority or need for social housing but cannot afford to rent through the private rented sector. Following a review of the Local Housing Strategy, the SHIP seeks to develop proposals for mid-market rent options in East Renfrewshire.
- 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.

14. 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. Housing Services have commenced work on the Local Housing Strategy 2022-2027 with a consultative draft expected to be presented to cabinet in early 2022/23.

15. 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 2022/23 and will be brought to Cabinet for consideration. To summarise the SHIP is a list of projects *proposed* by the local authority; the SLPA is a list of projects *funded and authorised* by the Scottish Government.

16. To help meet the need and demand for affordable housing, the SHIP requires to be weighted to building in the Eastwood area. However the availability of land in this area means this is not always possible and developments in Levern Valley will be considered.

17. 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 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

18. 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 fully committed to support the SHIP programme. The current funding level proposed equates to more than £3.5m with potential for additional contributions being received over the period of the affordable housing programme.

CONSULTATION

19. 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).

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

PARTNERSHIP WORKING

21. 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

22. 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 Local Development Plan.

CONCLUSION

23. 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 increased its initial target of 240 homes to 370 new homes. The need to identify available sites is an 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

24. The Cabinet is asked to approve the East Renfrewshire Strategic Housing Investment Plan 2022/23–2026/27 for submission to Scottish Government.

Director of Environment

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

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September 2021

Appendix 1

PROJECT	DEVELOPER	UNITS					Estimated SG Grant	
		Social Re	2022/23	2023/24	2024/25	2025/26		2026/27
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	0.000	4.070	0.000	0.000	4.070
Maidenhill Area A2 (CALA)	East Renfrewshire Council	34	0.000	0.000	2.883	0.000	0.000	2.883
Maidenhill Area A3 (CALA)	East Renfrewshire Council	18	0.000	0.000	0.000	1.526	0.000	1.526
Maidenhill Area A4 Taylor Wimpey	East Renfrewshire Council	13	0.936	0.000	0.000	0.000	0.000	0.936
Maidenhill Area A5 Taylor Wimpey	East Renfrewshire Council	30	0.885	0.885	0.000	0.000	0.000	1.770
Maidenhill- Malletsheugh Inn-Robertson Homes	East Renfrewshire Council	14	0.000	0.000	0.175	0.854	0.000	1.029
Barrhead South Masterplan, Springfield Road	East Renfrewshire Council	30	0.000	0.000	1.399	1.145	0.000	2.544
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	0.000	0.535	0.535	0.535	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
Maidenhill - Cherrybank Phase 3 - McTaggart and Mickel	Link HA	2	0.128	0.000	0.000	0.000	0.000	0.128
Kirkton Road, Neilston - Dawn Homes	Link HA	24	0.300	1.668	0.000	0.000	0.000	1.968
Arnside Court	Hanover HA	12	0.000	0.312	0.312	0.312	0.000	0.936
Barrland Court	Hanover HA	19	0.000	0.482	0.500	0.500	0.000	1.482
Barrhead North Masterplan, Shanks Park, Crudens	TBC	36	0.000	0.000	0.250	2.342	0.000	2.592
Total		522	5.087	11.272	14.509	7.974	1.225	40.067

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