

Introduction

Targeting resources effectively is a key priority for housing providers. Councils are required to produce an annual Strategic Housing Investment Plan (SHIP) detailing the housing priorities for investment in their area. These priorities are set out in the Local Housing Strategy (LHS), setting the context for the delivery of affordable housing to meet housing needs in the area.

This is Clackmannanshire Council's second SHIP, covering the period 2009 to 2014. It establishes a plan to target the development funding likely to be available for new affordable housing development. Considering the likely resources to be made available from the Affordable Housing Investment Programme (AHIP), the proposed 5 year development programme is set out in a series of templates, detailing investment requirements on a site by site basis.

Local Housing Strategy

Clackmannanshire Council's current LHS covers the five year period to 2009. To bring the next LHS in line with the Local Development Plan, as stipulated by the revised national guidance, a complete review and publication of a new LHS is not scheduled to be completed until 2010. Annual Updates have been ensuring that the LHS remains relevant to current requirements and an interim review and update will be undertaken in 2009 to cover the intervening period. This SHIP also relates to the Development Plan for Clackmannanshire prepared under the Town and Country Planning (Scotland) Act 1997.

It was not necessary for the Council to produce an LHS Update for 2008. The priorities, outcomes and targets identified in the 2007 Update are still relevant to this SHIP. However, given the rapid changes which have taken place in the economy over the past 6 months, it was decided that a review of affordability, in particular, would be pertinent. This has been undertaken alongside the SHIP process and has reinforced the priorities within the 2007 Update. There has been quite a marked change in the need for affordable housing locally, and this is discussed in more detail below.

Key Considerations

Since the first SHIP was submitted in November 2007, there are a number of significant developments which reinforce local priorities for investment.

The Local Economy

The Council has played a valuable role over many years encouraging urban and social regeneration and helping to create a more buoyant local economy. Household projections indicate a growing but ageing population and point to an imperative to address this trend. Until 2008 there had been signs of economic revival and a high rate of new house building with significant levels of inward migration. This pattern may still continue in light of some key infrastructure improvements related to the road and rail networks and the availability of land for development.

However, more recent signs of wider economic slow down, and house price decreases, are visible. Within Clackmannanshire there has been a steep rise in house prices over previous years but, in the first 6 months of 2008, there are signs of a slow down in the market, echoing national trends.

- Average house prices in Clackmannanshire have more than doubled (127%) between 2000 and 2007. (From £63,000 to £143,000)¹
- Average house prices across Scotland rose from £63,385 in 2000 to £143,000 in 2007 ²
- Average house prices in Clackmannanshire dropped by 4% to £138, 000² in the first 6 months of 2008, compared to a 3% drop nationally to £138,893.
- There were only 500 house sales in the first 6 months of 2008, compared to 780 in the same period in 2007.
- Only 88 (17%) were new build sales, compared to 29% in 2007.

In 2008, house prices in Clackmannanshire and across Scotland have declined, by around 4% and 3% respectively and the volume of new build has declined by over 50%. There are signs of a slow down in the economy occurring though measures taken by the Bank of England and national Government may over time arrest this decline. Predictions maintain that the slowdown in the housing market is middle rather than short term and solutions will take time to build confidence.

Locally, house prices have come up from a low base to catch up with Scottish averages over the past 7 years, but are now declining more or less in line with the rest of the country. The current inability of individuals to obtain credit for mortgages is a key factor in this. Local agents are reporting very low numbers of sales compared to previous years and especially report a lack of interest from first time buyers. It is also reported that private landlords are not currently investing in additional properties, which is affecting the availability of private lets, although rental values do not seem to be affected.

The current situation in the private sector may add pressure to the social rented sector. Homeless applications have not increased, but it is anticipated that this could happen in the future as owner occupied households face difficulties. There has been a substantial increase in the numbers applying for social housing, with the Council seeing an 85% increase in the waiting list in 2007/08, in spite of our housing 30% in the same year. In addition, we have seen a steep rise in the time spent by homeless households in temporary accommodation. The Council will require an additional 30% of lets if we are to contend with the 2012 target for removal of priority need.

The challenge for the SHIP is to help secure a positive way forward for the housing market area with investment that helps those most in need whilst enabling an adequate degree of certainty for other investors.

Partnership Working

There is continued emphasis on partnership working to deliver the SHIP and wider LHS objectives, and a framework of groups has been established to assist with this. The

¹ Sasines Data (all sales, excluding RTB)

² Housing Statistic for Scotland - key information and summary tables, The Scottish Government (Nov 2008 Update)

Clackmannanshire Housing Investment Partnership (CHIP), which reports to the parent Core Group, has responsibility for agreeing the SHIP. Membership of the CHIP includes:-

- Clackmannanshire Council (Housing Strategy, Housing Investment, Planning and Community Planning)
- Registered Social Landlords (Paragon and Ochil View Housing Associations)
- The Housing Investment Unit (Scottish Government)

This group ensures strong links with a number of other plans including the developing Particular Needs Strategy, Sustainability Strategy and the Single Outcome Agreement.

The good working relationship the Council has with the two main local RSLs (Paragon and Ochil View Housing Associations) has been a core element in achievement of the LHS objectives. Continued joint working and investment will have further impact on shaping the future of housing in Clackmannanshire.

The Planning and Development Sub Group meets quarterly, also reporting to the Core Group, to ensure that local housing needs and affordable housing opportunities are identified and developed. This group includes the local RSLs as well as representatives from the Council's Planning, Estates and Housing teams. A subsidiary of this group has been established and meets on a regular basis, involving the same members, to discuss specific housing sites which may be developed into pipeline projects. These two groups focus on the future potential development programme, looking closely at constraints in particular and working together to overcome these. This includes issues surrounding land assembly, land values and infrastructure constraints. In particular, Planning colleagues meet regularly with the water authority and can discuss development concerns raised at these meetings.

Planning and Housing colleagues in particular are working together very closely on new policy developments and regularly meet to discuss and agree a joint approach on housing issues.

Next year's SHIP will contain more detail on consideration of larger scale, regional development programmes as national proposals are progressed and Housing Market Partnerships are developed. Two initial strategic planning discussions have taken place with Stirling Council to this end, together with an additional meeting involving local RSLs and Falkirk Council.

Housing Market Partnerships need to involve the private sector and, in spring 2008, a Partnership consultation event was hosted by the Council attended by a wide range of private development stakeholders, including Homes for Scotland, with agreement to meet again throughout 2009 as part of the LHS process. This has been a useful forum to help inform the SHIP.

The Planning Context

This SHIP is set within the current two tier planning system in Scotland i.e. Structure and Local Plans. The Local Plan currently allocates land for housing in Clackmannanshire to 2013. As part of the regular monitoring in delivery of the Development Plan the Council prepares an Annual Housing Land Audit (HLA) with data that provides the location and availability of housing land. Notably it provides a clear indication of the land capable of being developed within the next 5 years and the 2008-09 HLA provides up to date information on "effective" sites.

The Council is currently pursuing a Third Alteration to the current Structure Plan in order to apply due weight to the latest population and household projections, 2004 based, which indicate a significant shift in trends with projected growth in Clackmannanshire.

Whilst the SHIP seeks to map a way forward for the next 5 years it is significantly influenced by the evolving position of the Development Plan. The SHIP must not only plan for the required amount of housing, but equally vital is to effectively plan for high quality, affordable homes with adequate choice available in every sector of the housing market area. i.e. to plan for sustainable communities.

Housing Land Supply

The Council's Planning and Housing services have jointly agreed a revised Affordable Housing Policy aimed at maximising the planning process capacity for affordable housing. This will be introduced in the forthcoming Local Development Plan commencing in 2009. A process of evaluation is underway of forthcoming sites capable of delivering affordable housing and where known these are listed in this Submission. An assumption has been made of the contribution each site might make to the supply where known, including the large Alloa North West site which may become available toward the end of the 5 years and the Clackmannanshire college site (once redeveloped) in Sauchie. This site listing is subject to review at this time and will be included in the development of the new LHS.

Housing Needs

The Scottish Government has recently published guidance on estimating housing need and demand. This will allow Councils to compare relative need and will inform the new LHS and planning process. Work is well underway to gather all the information required for the new Housing Needs and Demand Assessment (HNDA) model and the Council plans to liaise with Falkirk and Stirling Councils to benefit from joint working on this where possible. As this has not yet been completed, however, the Bramley model has been updated to estimate need over the next 5 years and incorporated into the template (table 1).

Due to a growing backlog of housing need, larger waiting lists, and a reduction in supply, the social housing need in Clackmannanshire has more than doubled from an estimated 450 (over five years) in 2007 to 1051 units. The model points to an annual affordable housing need of between 142 and 230 units, of which 77 are low cost home ownership properties. It is worthy of note therefore that the emphasis in this area must be on the supply of affordable social rented accommodation. The demand for affordable units consistently outpaces supply. Coupled with a projected drastic reduction in new build overall, the picture below is likely to be a conservative estimate. One main concern in Clackmannanshire with the approach to 2012 will be our capacity to meet our statutory obligations toward the homeless with projected turnover lower than projected need.

Table 1 Housing Needs Analysis September 2008

	2008	2009	2010	2011	2012	2013	2008-2013
Backlog Need	129	129	129	129	129	129	773
of which LCHO	13	13	13	13	13	13	77
Newly Arising Need	512	523	514	519	537	528	3,133
of which LCHO	0	0	0	0	0	0	0
Relet Supply	495	510	459	448	438	427	2,778
Net Need	145	142	184	199	229	230	1,128
of which LCHO	13	13	13	13	13	13	77
of which Social Rented	132	129	171	186	216	217	1,051

Bramley Model

Areas for Investment

The Local Housing Strategy annual review process centres upon an annual monitoring framework and update, overseen by a series of sub groups including focus on Investment Planning and Development and Particular Needs. Through the work of these groups, along with the Bowmar Regeneration Steering Group, the following priorities are maintained:-

- **Developing new affordable housing**
- **Tackling and preventing homelessness**
- **Developing a range of housing for people with particular needs**
- **Regeneration of the Council's 4 Priority areas**
- **Ensuring adequate land for development**
- **Providing high standards of housing**
- **Delivering sustainable housing**
- **Strengthening communities**
- **Ensuring equalities**

Ensuring adequate land for development

This SHIP is based on the assumptions that the proposed changes to the Development Plan for the area, to plan for growth to 2025, will be adopted. More specifically it is based upon the recent Housing Land Audit data for the period 2008 to 2017. The audit monitors the delivery of new homes in accordance with national planning guidance and determines whether a minimum 5 year land supply is available. It provides information on sites and their likely programming in the longer term i.e. it covers the period of the current Development Plan to 2017.

Table 2 below shows a summary of planned housing development over the course of the SHIP (2009-2014) based on the Housing Land Audit 2008-2009 data.

The 3rd Alteration is currently 'on deposit' and is supported by a proposed Alteration to the Local Plan currently being prepared. The Local Plan Alteration is expected to reach adoption by early 2010. The Council will be preparing a full review of the current Development Plan for this area starting Summer 2009 to produce a Local Development Plan under the new Scottish Planning system. The delivery of new build housing is regularly monitored and this will continue throughout the term of the SHIP and the Development Plan.

The Council maintains an Urban Capacity Study in line with 'Tapping the Potential' principles and this is integral to the strategic land requirement given in the Structure Plan 3rd Alteration referred to above. Brownfield and infill development opportunities are very important to the development pattern of settlements and the sites identified can often serve RSL requirements. This aspect is continually monitored by the Planning and Development sub group.

Table 2 – Land Audit (2008/9 Draft)

		2009/10	2010/11	2011/12	2012/13	2013/2014
Sub-area A Alloa	Housing Association	33	20	35	20	20
	Private Developer	190	240	93	43	51
	Other	0	12	12	7	7
Total		223	272	140	70	78
Sub-area B Hillfoots	Housing Association	25	13	0	0	0
	Private Developer	85	124	75	35	58
	Other	12	0	0	0	0
Total		122	137	75	35	58
Sub-area C Dollar	Housing Association	0	0	0	0	0
	Private Developer	3	20	32	0	0
	Other	0	0	0	32	0
Total		3	20	32	32	0
Overall Total		348	429	247	137	136

(Source: DRAFT Annual Housing Land Audit 2008, OVHA Site Portfolio October 2008)

Delivering sustainable housing

Ochil View Housing Association have an energy efficient design guide, which will ensure that new low cost housing is cheap to run and utilises sustainable materials, fit for changing housing needs. Recent development in Tullibody achieves an “excellent” standard.

The Council's Sustainability and Climate Change Strategy (Draft 2008) contains indicators and targets for sustainability and the Council is to implement a sustainable design and construction guide. This will have implications for new build housing and for opportunities for enhancement in existing housing stock across all tenures.

Ensuring equalities

An equalities impact assessment has been carried out as part of this document and concludes that the SHIP has no negative impact on the six equality groups. It is likely that these groups will benefit from a positive impact.

Strategic Environmental Assessment

The SEA is an integral part of the LHS development and its sister document, the Local Development Plan. The impact of new housing development will feature in these two documents to which all future SHIP submissions will be subject. As an annex to the LHS this Submission is subject to the directions and priorities of the LHS and will not therefore be required to submit to a comprehensive SEA. A Pre-Screening report has, however, been included as part of this year's SHIP Submission.

Particular Policy Initiatives

Housing for mid market rent

In August 2008 the Scottish Government further announced a willingness to consider subsidies to RSLs from the Affordable Housing Investment Programme (AHIP) to buy or develop properties for mid market rent (MMR). The grounds upon which this allocation will be made include meeting an identifiable demand that would not displace expenditure on core social housing priorities.

Clackmannanshire Council welcome this proposal and in principle have agreed with local RSL partners to investigate programme potential for including an element of MMR.

Clackmannanshire's recent greatly improved road and rail infrastructure, together with growing inward migration patterns from surrounding areas, make Alloa, Tullibody and the Hillfoot villages ideal potential sites for this newer product.

LIFT: Low Cost Initiative for First-Time Buyers

This Submission supports the work of local RSLs such as Ochil View Housing Association who have developed new supply low cost home ownership aimed at first time buyers. The Council welcomes the project at The Glen, Coalsnaughton where 18 shared equity properties are being marketed and monitored for success in 2008/09. A great deal of work has gone into marketing and building private lender confidence in the product. The higher risks within the current economic climate make this particular product difficult to programme. We will, however, support future years investment aimed at creating mixed communities and diversifying tenure in regeneration areas.

Open Market Shared Equity

In October 2008 the Scottish Government announced a £60 million extension to the Open Market Shared Equity Pilot, originally aimed at 10 local authorities. The criteria for acceptance will shortly be announced in full. The initiative is aimed at first time buyers and low income families who may need assistance with their deposit in accessing a house on the open market. This is part of the wider LIFT (low cost initiative for first time buyers). We would support such an initiative aimed at those households who cannot afford lower quartile house prices. It is likely this support will centre upon high demand, low turnover areas where, until 2008, recent house prices such as in the Hillfoot villages were among the highest in Scotland.

Council House Building

In response to growing national pressure, the Scottish Government has announced a planned investment of £25 million to encourage new council house building. Details of this announcement

were made known on 12th November 2008, introducing an initial tranche available for bids submitted by 12th January 2009.

Clackmannanshire Council welcomes this offer of investment and supports closer collaboration with the Scottish Government to supply additional new affordable housing. Initial discussions have been held with elected members and with our Tenants' Federation, both of whom support a positive response if this can be demonstrated to be consistent with Housing Revenue Account (HRA) Business Plan capabilities and priorities.

The Council's Housing Service has been asked to prepare detailed financial information for Council and Tenants' and Residents' Federation meetings in January 2009. These discussions will, of necessity, begin with an assessment of the impact of the current and projected reduction in Right to Buy (RTB) receipts in response to the revised discount levels and the 'credit crunch'. In addition, the Council is obligated to uphold its commitment to investment in Bowmar once the consultant's final report is approved.

In addition to this, the Council is making significant inroads into meeting both the Scottish Housing Quality Standard and the "Clackmannanshire Standard", each a clear priority for tenants in the Business Plan. Meeting these commitments necessitates a review of approaches to procurement and programming aimed at ensuring value for money.

Further linked to this discussion is the Council's drive to make savings on its investments and a recent Best Value report on Repairs is an example of our commitment to driving down management and maintenance costs. January will be a key month for agreeing projected rent levels, prudential borrowing capacity in light of recent interest rate cuts, use of CFCR (Capital Funded from Current Revenue) and accumulated Reserves. This will hopefully produce an informed debate on our potential to build new council housing.

The Council will shortly complete a study of low demand flatted properties and of lock-up garage sites. This will identify Council owned sites which can be made available for new housing, potentially in support of regeneration commitments in Alloa South East, Sauchie, Tullibody and Coalsnaughton. The Shadow Programme appendix to this report includes an assumption that the release of land in Tullibody and in Sauchie is a possible outcome of discussions so far. No assumption has been made for actual unit output at this time. Ideally, any new council house building or land availability would be compatible with, and complementary to, the successful work of RSL partners. A bid from Clackmannanshire Council cannot be made in time for the initial tranche but we would hope to be in a position to make an informed response after agreement with tenant representatives and elected members early in 2009.

Support for Accelerated Programme

The current economic climate in Clackmannanshire has, in line with global trends, seen a reduction in the availability of mortgage products and reduced consumer confidence. Private housing development has reduced, with planned sites for owner occupation currently being deferred, delayed or re-designed.

These current market conditions, however, present some opportunities. The Scottish Government has indicated that they will bring forward £100 million of the Affordable Housing Investment Programme to 2008-09 and 2009-10 to give RSLs an opportunity to increase affordable supply by purchasing "off the shelf" units or through land banking.

This submission supports two proposals for potential investment through Ochil View Housing Association as part of this accelerated programme. Carronvale Homes have properties available at Cambus and Tullibody, both of which can be completed by the end of the financial year. It is assumed that such monies made available by the end of 2008-09 will be additional to the mainstream programme and that the cost of these projects will not prejudice future investment proposals.

The Investment Plan Templates

Councils are required to complete a series of templates which will set out the key details of their investment plan on a site by site basis. The information obtained in the templates, shown in Appendix 1, sets out:-

- Sub Areas
- Target numbers of units by type and tenure
- Expected affordable housing investment programme annual allocation
- Total annual unit output, by site
- Status of project
- Costs by site
- Summary information on total 5 year programme

All the information contained within the templates has been evidenced through other pieces of work or research, which allows an accurate submission to be made.

Housing Sub-Areas (*Annex 1 a*)

The Clackmannanshire Council area is very small and could easily be seen as a single Housing Market Area. However, research carried out does demonstrate that there are 3 distinct areas which could be identified as sub areas. These sub areas were agreed with partners for the 2007 SHIP and remain as:

- A. **Alloa** – including Sauchie, Tullibody, Cambus, Clackmannan, Forestmills and Kennet Village
- B. **Hillfoots** – including Alva, Menstrie, Tillicoultry, Coalsnaughton, Devonside and Fishcross
- C. **Dollar** – including Muckhart, Yetts O Muckhart, Sheardale and Easter Sheardale

Table 3 below looks at the percentage of households unable to afford lower quartile housing in each housing market area. The most severe affordability issue is in Dollar, where almost half of the households in the area could not afford to buy a house, even at the lower end of the market.

Table 3 Lower Quartile Affordability Levels by HMA

	2003		2006	
	H'hold Unable to Afford Avg	H'hold Unable to Afford Lower Quartile	H'hold Unable to Afford Avg	H'hold Unable to Afford Lower Quartile
HMA A- Alloa	53%	23%	61%	24%
HMA B- Hillfoots	48%	19%	67%	21%
HMA C- Dollar	75%	31%	93%	44%
Clackmannanshire	62%	21%	68%	22%

(All Sales excl. RTB) 2003 & 2006

The 3 areas have the following characteristics:-

Alloa

- 3 Regeneration Outcome Agreement areas (ROA)
- High level of private development, but with the lowest inward migration
- 38% social renting
- 20% ex-social (Right To Buy)
- 41% owner occupation
- 24% of households could not afford lowest price housing

The Alloa area has a high level of social rented housing and pocket areas of multiple deprivation. It is appropriate to be concentrating on regeneration and to broaden the tenure mix in regeneration areas. The area has a reasonable share of turnover of rented stock however in 208/09 this has failed to keep pace with demand.

Hillfoots

- ROA area of Coalsnaughton
- 27% social renting
- 22% ex-social (Right To Buy)
- 51% owner occupation
- 21% of households could not afford lowest price housing

The Hillfoots area has a higher level of inward migration than Alloa (44%), particularly attracting movement from Stirling. This is most probably due to the close proximity of this area to Stirling and the high level of new build property recently developed in Menstrie. The tenure is fairly well mixed, showing reasonable choice in the market, although not necessarily affordable to local people. Any major new developments in this area would be expected to deliver a certain amount

of affordable housing for first time buyers. In addition, the turnover of social rented housing is limited and sites are relatively few and so new social rented housing is also required.

Dollar

- Twice the Clackmannanshire average house price
- Little new development (rural village area)
- High level of inward migration (54%), which are all factors forcing prices up further
- 8.5% social renting
- 10% ex-social (Right To Buy)
- 81.5% owner occupation
- 44% of households could not afford lowest price housing

The development of a new settlement at Forestmill of around 1200 units is on the boundary of the Alloa and Dollar housing market areas, it is expected to deliver around 300 affordable homes over a 7 year period. Because of its close proximity to Dollar, it could relieve some of the pressure on the Dollar Housing Market.

Generally there is a need to look at each sub-area in the context of its specific profile and housing needs as indicated above. Existing planning policy (policies H3 and RES 5 in the Development Plan) will continue as the basis for delivery during the period of the SHIP, so it is proposed to publish explanatory text that provides baseline data to support and explain how the Council will help deliver more affordable homes and provide for particular housing needs during the next 5 year period.

SHIP Targets (Annex 1b)

The Targets for this year's SHIP are derived from the above re run of Housing Need figures based upon the Bramley model. As stated earlier we have seen a steep rise in need in Clackmannanshire in recent years and the overall need is 1128 units over 5 years:-

- 1051 for rent (93%)
- 77 for LCHO (7%)
- 105 for special needs (9%)

Within Annex 5a we can see that the overall need falls far short of target with a variance of 850 units or 75% shortfall.

Allocation (Annex 1c)

As with most Local Authorities, the principal constraint within our submission is the anticipated AHIP allocation in the form of Housing Association Grant (HAG). Every effort has been made to keep within 10% of the historic and projected £3m per annum normally received by Clackmannanshire, though this is exceeded mainly by the inclusion of a £1.8m AHIP bid in 2009-10 required for the 'accelerated programme'. This will support the local economy and assist supply.

Units by site (Annex 2 a - e)

The details contained in the proposed programme information are sites already identified by local RSLs, or in the Local Plan as sites over 30 units. The programme for 2009-10 to 2013-14 consists of around 255 houses across 9 sites and is a direct consequence of:-

- An assessment of need across the Clackmannanshire area
- The Council's wider commitment to regeneration and particular needs
- Detailed discussions with local RSLs on Programme options within their SDFP submissions
- Close collaboration with Planning colleagues on sites within the Local Plan and on priorities
- An agreement with all Partners within the Clackmannanshire Housing Investment Partnership on criteria for filtering those priorities
- The application of those criteria to the potential Programme resulting in the submission contained herein

The criteria referred to above have been agreed by the Clackmannanshire Housing Investment Partnership and an appraisal for the agreed programme and the shadow programme has been set out at Appendix 2. Without question, the Partnership agreed that 'Deliverability' is the logical leading principle. Some projects within the shadow programme have been withheld at this time, either because they require formal approval, require a willing seller or are victims of the current market condition. The criteria used are:-

***Within effective land supply
Meets particular need
Supports local economy***

***High demand area
Deliverable
Affordable rent***

***Meets homeless need
Creates mixed community
Value for Money***

The Programme shows the provision of 67% affordable rent opportunities, which is below the very high target of 93% stated above. The Council will seek over the next year to support further opportunities for rented housing. The combined 'LCH' and 'NSSE' total is 34%, well above the 7% required above, however we have a more specific role in providing mixed tenure solutions in regeneration areas already dominated by rented housing. We believe the mix at site level is correct, but at area level we require more opportunity for rent, particularly in sub market B. Finally, at 16% of the Programme, particular needs is well represented - well above the 9% target.

To understand the enclosed Programme, the following points require to be made:-

Housing Market Areas

As with last year's SHIP we have, in agreement with Planning colleagues and through the CHIP, divided the area into 3 Housing Market sub areas. HMA A contains the majority of the Clackmannanshire population and settlements, HMA B contains the Hillfoot corridor and HMA C is the village of Dollar and the eastern rural area.

The majority of investment has tended to be focussed upon HMA A. This area contains 3 of the Council's Regeneration Priority Areas - Alloa South East, Sauchie and Tullibody. The Bowmar area of Alloa, which will be a key focus for Partners in the next 5 years, is contained in the Alloa South East area.

HMA B contains the Hillfoot villages, much of which are high demand, low turnover with affordability issues. The area has seen, until 2008, some of Scotland's highest house price rises. It contains the Regeneration area of Coalsnaughton. Development land availability has been an issue for some time, especially outwith Coalsnaughton and for this reason we would support any bid for Open Market Shared Equity (OMSE) for this HMA. No specific sum has been estimated in the template for any given financial year but, following a successful open day for shared equity by Ochil View Housing Association and close monitoring of demand at nearby site The Glen, Coalsnaughton, we hope to target first time buyers in the Hillfoots. It is very likely given initial interest in the concept that we will achieve some spend each year when the pilot is extended, depending upon the pricing margins. We await detailed Government Guidance on how the OMSE pilot will be extended.

HMA C has very limited scope for development within Dollar itself. In discussion with Planning colleagues who have submitted a Structure Plan Alteration and are submitting to Council a Local Plan Alteration, it is expected that housing need in this HMA will focus upon the Forestmill Growth Area. During preparation of the Local Housing Strategy in 2009, we will be able to articulate more clearly the expected timescales for release of the affordable housing element within Forestmill. At time of writing, it is too early to predict the exact developer contribution or the timescale. The Council has, however, a longer term commitment that Forestmill will be a focus for economic regeneration on the eastern side of Clackmannanshire.

Bowmar

In September 2006 the Council, together with partners Ochil View Housing Association, jointly commissioned a study of the Bowmar area of Alloa. That study has produced a series of milestone documents including:-

- An Inception Report Sept 2006
- A Baseline Analysis Report November 2006
- An Interim Report including presentation of Options January 2007
- Consultation Strategy Report March 2007
- Strategic Frame work Report February 2007
- Draft Final Report June 2008
- Draft Financial Breakdown Strategy September 2008
- Final Report including Implementation Action Plan and Asset Register November 2008

The final document due for completion this month will be presented to Council early in the new year and will include an Implementation Plan setting out costs, timescales, lead agency and proposed procurement route. Initial developer contributions are difficult to predict against a backdrop of significant change in the market, however we remain optimistic that a partner can be attracted to the project prior to Elm Grove phase 1.

The Council's own contribution to the Master Plan exercise is provisionally set at £1.064m during the SHIP period. This funding does not relate directly to the supply of affordable rented housing as such and therefore again does not appear in the Appendix Templates. The HRA investment includes proposed demolitions and environmental improvements estimated between April 2010 and October 2012 as:-

Island Courts	£0.677m
Elm Grove	£0.050m
Menteith Court	£0.120m
Environmental Improvements	£0.217m
Total HRA	£1.064m

There are additional costs later in the programme which will require Council approval prior to inclusion in any formal submission. These decisions relate to the long term use of flatted properties at Earn Court and Pine Grove.

Planning Gain Sites

As stated earlier Clackmannanshire Council is in the process of reviewing the Affordable Housing Policy and is conducting an assessment of all sites over 30 units which could make a contribution to affordable housing. In 2013-14 it is assumed that two larger sites will come on stream - the redevelopment of the current Clackmannanshire College site will deliver a 25% affordable housing element and the large Alloa North West site too will deliver affordable housing. Figures stated on the Appendix for these sites assume an on site provision. The sum quoted is based upon a land equivalent value of around £12,000 per unit, though this may change. Sites at South Earlsfield, Coalsnaughton North, The Shore, Alloa and Forestmill are not included, though each may have the capacity to contribute to supply. Coalsnaughton North, The Shore and Earlsfield are hampered by a lack of confidence in the market and may not effectively support cross subsidy of any kind until demand picks up. Forestmill is not included in this SHIP as firm timescales are not yet clear and it may well lie outwith the 5 years of this Plan.

As part of our Affordable Housing Policy however, the Council will consider taking a commuted sum to support new build affordable housing off site where on site provision is unnecessary or unworkable.

Particular Needs

The Submission contains a firm commitment to particular needs. The Housing Advice and Assessment site continues to feature as a priority as the Council is committed to streamlining homeless assessment and eliminating the need for bed & breakfast as a source of temporary accommodation, other than as a last resort.

The Devonpark Mills site is a consequence of detailed discussions with Community Care colleagues on the Particular Needs sub group of the Local Housing Strategy.

In addition, the assumption that a proportion of new build will be for higher accessibility standards is a feature throughout the submission. This investment is supplemented by the inclusion of an annual RSL Stage 3 adaptations sum of £0.180m. This complements the £0.400m spent by the Council in HRA adaptations, £0.120m in private sector adaptations and £0.170m spent on Clackmannanshire Care and Repair.

Strategic Environmental Grants and Wider Role

Clackmannanshire Council and its Partners are committed to non-housing improvements as part of the wider housing contribution to regeneration. Within Regeneration areas, and Bowmar in particular, the Council supports projects aimed at training and employment creation, as well as those focussing on environmental improvements. As stated above, the Council will make its own HRA commitment to the environment. Though no specific sum is included it can assumed that

an estimated £0.250m will be required for Bowmar in Strategic Environmental Grants in each of 2011-12 and 2013-14.

Shadow Programme

As stated earlier the principal constraint in assembling this submission is the pressure to stay within a reasonable margin of the projected expected AHIP allocation. The potential Development Programme in Clackmannanshire is, however, larger than revealed in the submission and Appendix 3 is included entitled 'Shadow Programme'. This includes a list of potential sites which could be brought together should additional funding be available. As mentioned above, the CHIP has agreed criteria for assessing the relative priority of projects. An appraisal of Shadow projects is also included for comparison in Appendix 2. In general, as stated above, the Shadow programme tends to fall victim to land acquisition complexities including low developer confidence such as with The Shore, Coalsnaughton North and South Earlsfield. This situation may improve within a few years. Some projects are relatively expensive and would take up a large share of the overall programme such as Hilton Road. Other Council sites have not yet reached the full approval of tenants or elected members but will hopefully do so in the next 6 months. Bowmar, in particular, is a priority for the Council. At the end of the proposed Bowmar programme are some difficult decisions to be taken over remaining flatted dwellings at Pine grove and Earn Court. The masterplan will go to Council early in the new year. The Council's HRA Business Plan also will be discussed in January 2009 at which time a strategic decision will be required as to how we use our land asset to support new build.

Work is almost complete to appraise the use and condition of the Council's garage and lock up sites and to identify those with development potential. However, most of the sites are fairly small and present a variety of development constraints such as difficult access, ground condition or location. Any sites which are identified, will feature in future local plans.

The Shadow Programme contains;-

- 309 additional possible units
- £39.11m in required funding.
- £22.7m in required HAG funding.
- £15m in possible private finance.
- £1.45 in potential Council or planning gain funding.

Status of Projects (Annex 3 a - e)

The Programme shows a mix of land already owned by a developing partner, such as the Council or RSL. Those projects owned by a private developer are known to have few constraints or a willing seller. The Hallpark Annex site, though an ideal location for new flatted dwellings, will require a change of use and discussions to mitigate this problem have already begun with NHS Forth Valley and Planning colleagues. The Elm Grove site is in the ownership of OVHA and Paragon HA and will be the leading edge of the Bowmar project following on from Ash Grove (currently on site).

Cost of Projects (Annex 4 a - e)

The total cost of this year's programme is £33.6m for 278 units. The AHIP contribution is provisionally assessed as £19.9m or 57% of the programme overall. A further 3% of public contribution is highlighted making 60% in total. Private finance is shown as 24% and buyer contribution in shared equity as a further 14%. The remaining 2% is down as land contribution mostly in planning gain.

The Programme is 33% over budget (£4.9m) at this time. If the accelerated programme project discussions with Carronvale Homes were terminated, this would remove £2.8m from the programme, taking it to within 14% of target. This will save at the front end of the programme but will fail to support the local economy at this crucial time.

If required to make additional savings, the Council would support a review of the approach to our Affordable Housing Policy and may be forced to consider a commuted sum from Planning Gain sites at the end of the Programme in favour of investing off site on sites in Council or RSL ownership.

Procurement

The Council and RSLs are actively seeking to achieve best value by appraising and reviewing their procurement procedures. For example, discussions have recently taken place on joint capital works.

Ochil View Housing Association has a comprehensive Procurement Policy and an approved list of contractors. It is committed to modernising procurement and has a framework agreement in place.

There is a Forth Valley Housing Network in place made up of the 4 local Housing Associations based in Forth Valley - Ochil View, Forth, Rural Stirling and Paragon - together with Link. This group has appointed a consultant to look at options for joint working. This forum was joined by Stirling, Falkirk and Clackmannanshire Councils at the commissioning stage. This work will inform the Forth Valley response to forthcoming guidance on Regional Development Funding and to the role of Lead Developers. Clackmannanshire Council, as the smallest of the mainland authorities, fully supports such joint working initiatives and has everything to gain from shared procurement and programming discussions. Regular dialogue with Stirling Council is working toward a shared understanding of issues.

Environmental and Wider Role funding

Paragon Housing Association have been investing in their stock over the past few years, and are planning a further series of activities for environmental improvements to their stock in the Bowmar area. The changes have been taken forward as a result of consultation with their tenants, and will support wider regeneration plans in the area.

The costs for activities has been estimated by Paragon Housing Association at approximately £613,000 for phases 4 and 5. Potential funding sources are;

- Wider Role Funding
- Fairer Scotland Fund
- Scottish Enterprise
- Big Lottery funding

These complementary investment streams are important to enable the commitment to regeneration and improvement of the entire area.

