

CLACKMANNANSHIRE COUNCIL

STRATEGIC HOUSING INVESTMENT PLAN 2013 - 2018

1.0 Introduction

1.1 The Strategic Housing Investment Plan (SHIP) sets out the priorities for housing investment, following on from the priorities set out in Clackmannanshire's Housing Strategy (CHS), and keeping in mind the distinct goals of the strategy:

- Creating a more effective housing system, and
- Tackling social justice issues, such as the effects of poverty, age and disadvantage.

1.2 To create an effective housing system and tackle social justice issue, we need to build additional new housing, offering choice of tenure and promoting mixed communities. As public finance is limited, it is essential to look at new ways of funding affordable housing with little or no public subsidy.

1.3 The future population of Clackmannanshire will be older, and have fewer larger households. To cater for this changing demographic, smaller, more accessible houses need to be built. In addition the older population in social housing is increasingly being replaced by younger, particularly single households.

1.4 This SHIP details the affordable housing units programmed for delivery over the next 5 years, from 2013 to 2018 The SHIP is subject to constant review to take into account changes in finance, development constraints and changing priorities. It is a working tool to enable the council to direct affordable housing, while forming the basis for more detailed programme planning.

2.0 Clackmannanshire Housing Strategy

2.1 The Clackmannanshire Housing Strategy, was passed by Council in December 2012. The key focus of the SHIP is to reinforce the eight priority areas and outcomes identified in the Strategy:

- **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** - Homelessness is reduced and homeless and potentially homeless households have access to effective and appropriate housing option
- **Support for Independent Living** - Those requiring assistance to live independently at home have access to effective housing support
- **Specialist Housing** - People have access to specialist or adapted accommodation where there is an assessed need
- **Energy Efficiency and Fuel Poverty** - Energy efficiency is improved and fuel poverty and carbon emissions are reduced across all tenures
- **Improving Neighbourhoods and Communities** - Organisations and partnerships working with communities will improve the quality of life for all households
- **Housing Investment** - New, improved and innovative funding opportunities will ensure a flow of funds to achieve essential housing priorities.

Strategic Priorities

- 2.2 The Housing Strategy states the overall priorities for activity and specific actions targeted for housing investment include:
- Developing innovative and flexible models for cost effective new housing,
 - Maximising the amount of housing, including affordable housing,
 - Optimising the Council's newbuild programme,
 - Working with housing associations to deliver new affordable housing,
 - Promoting and increasing low cost home ownership schemes,
 - Promoting strategic development sites,
 - Maintaining a programme to bring private sector empty homes into use,
 - Maintaining a programme to purchase existing housing for social stock,
 - Increasing the supply of temporary and interim accommodation through newbuild and off the shelf purchase,
 - Delivering specialist housing in appropriate new developments,
 - Using Council land and assets to provide additional affordable housing,
 - Using income from reduction in council tax discounts to provide additional affordable housing.
- 2.3 In addition to the listed projects meeting the priorities in the Strategy, they also need to be deliverable. An evaluation matrix has been developed, using a set of criteria to measure the strategic fit and viability of each site. The emphasis for development is deliverability. Sites with lower scores may still be classed as deliverable during the course of the five year SHIP if it is considered that constraints identified can be resolved in a reasonable timescale.

Our Corporate Strategy: Taking Clackmannanshire Forward

- 2.4 The SHIP provides detailed resources in order to support our corporate aim to provide Better Housing and Environment, in particular building new Council Houses and working with partners to maximise the availability of affordable housing.

3.0 New Housing Supply Targets

- 3.1 The HNDA shows the need for 454 affordable and 188 private houses each year for the next 5 - 10 years. However, in the current economic climate, this level of housing provision annually is not considered to be realistic or achievable. In view of this, a more modest supply target of 173 new private and 31 affordable homes annually has been set, based on what the Land Audit figures say is achievable.
- 3.2 High volumes of affordable housing as part of private development are unlikely to be provided in the coming years, as private house building in general has fallen. Clackmannanshire's affordable housing programme was around 60 per annum at its peak. This would suggest that the need for affordable housing will continue to be greater than supply over the course of the CHS and the Local Development Plan.

- 3.3 In addition to available Government funding, the Council is actively pursuing new, innovative models of housing provision in order to fill this gap left by reduced investment, including embracing new financial models, using land to best effect and actively seeking effective partnerships.

General Needs

- 3.4 There is a need for both small, single person homes and large family houses. The social sector has less than 200 large houses of 4 or more bedrooms and we need additional houses of this type to meet the needs of larger families. There are growing numbers of small, single households (especially young people) who have limited income and need suitable affordable housing. Our research shows that 7 out of 10 people under the age of 35 cannot afford to buy or rent on the open market.

Specialist Housing

- 3.5 The Council will continue to provide an element of particular needs housing on suitable sites. Most recently, the Dalmore Centre in Alva was redeveloped by the Council to provide 9 amenity properties.
- 3.6 The Joint Commissioning Plan for Older People is currently out for consultation by the Stirling and Clackmannanshire Housing, Health and Social Care Partnership. The document focuses on shifting the balance of care for older people away from reliance on care home and hospitals, to supporting older people to stay in their own homes.
- 3.7 The housing contribution contained in the Joint Commissioning Plan links to the Housing Strategy's key outcomes:
- Those requiring assistance to live independently at home have access to effective housing support,
 - People have access to specialist or adapted accommodation where there is an assessed need,
 - Organisations and partnerships working with communities will improve the quality of life for all households,
 - Improve current referral processes and information sharing between services
 - Define the need for specialist housing and agree best way to supply gaps in provision,
 - Deliver specialist housing on appropriate new housing developments,
 - Introduce a housing options service.

4.0 Partnership Working

- 4.1 There is continued emphasis on partnership working to deliver the SHIP. We are working with other services to deliver the Council new build programme and are working with Hadden Construction and the Scottish Futures Trust (SFT) to deliver National Housing Trust (NHT) houses for mid market rent. Ochil View Housing Association will act as management and maintenance agents for the properties.

- 4.2 The Council, in partnership with private developers and Paragon and Link Housing Associations, has approval for the Scottish Government Greener Homes Innovation Scheme. This was approved by Council in May 2013 , and will provide 48 new, affordable, high quality, highly energy efficient housing on Council land in Alva.
- 4.3 Ochil View Housing Association has taken the decision to cease actively developing in the immediate future. The Council is building to increase its own stock but will continue to explore RSL partnership working to encourage a range of investment in affordable housing.

5.0 The Planning Context

- 5.1 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 further market failure.
- 5.2 The proposed Local Development Plan is currently under consideration and includes provision for the increase and delivery of affordable housing, which is supported by the Housing Needs and Demand Assessment. The proposed Affordable Housing Policy (SC2), subject to full Council approval, 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.

6.0 Particular Policy Initiatives

Bring empty homes back into use

- 6.1 Together with Falkirk and Stirling, the Council has invested in an empty homes officer, who will facilitate the Forth Valley Empty Homes Project. The project will tackle the issue of empty homes directly, and aims to bring around 20 properties back into use in the first year.
- 6.2 The reduction of the council tax discount given to second homes and long term empty dwellings from 50% to 10% came into effect from 1 April 2012, a total of £97,621, collected in 2012/13, will be used to invest in affordable housing.
- 6.3 £75,000 has been awarded from the Scottish Government to fund an empty homes loan scheme in Clackmannanshire. In addition to the funding, a further £25,000 will be invested by the Council. The scheme will offer owners of empty properties a grant and interest free loan to renovate their property. In return, the property will be used for affordable, private renting for a period of 5 years.

Purchase Existing Housing for Social Stock

- 6.4 Around £2.24 million is to be used for acquisition of existing properties. Just over £0.8 million in Government subsidy and £1.4 million from the Housing Revenue Account budget. The initiative aims to provide around 40 extra properties for social rent.

- 6.5 The Council has maintained its commitment to make off the shelf purchase a means of delivering units, however, in order to provide a balanced program and maximise opportunities, this commitment has been marginally reduced.

Local Authority Mortgage Scheme

- 6.6 As a measure to address the shortage in supply of affordable housing in Clackmannanshire, and to help the housing market and the local economy in general, the Council supports the development of a Local Authority Mortgage Scheme (LAMS).
- 6.7 The scheme is aimed at first time buyers who can afford to enter the housing market but are struggling to come up with the 25% deposit typically required by lenders. The indemnity will be in place for a fixed 5 year period for each mortgage granted under the scheme.

Greener Homes

- 6.8 The Greener Homes Innovation Scheme is a £10 million Fund which has sought to attract bid applications that offer new approaches to the delivery of energy efficient affordable housing using innovative modern methods of off-site construction.
- 6.9 The Scottish Government is seeking to support a wide range of proposals that offer new approaches to the funding and delivery of affordable housing. Bids are expected to be: Quality sustainable, greener homes, that could be either new build or conversion. They are required to have the potential for replication to transform the way affordable housing can be delivered in future and offer value for money taking into account rent levels reflecting the intended user of the home.
- 6.10 A bid for the Alva school site was approved by the Government as meeting this criteria and was approved by Council on 16th May 2013. The land to facilitate the development will be transferred to a private sector partner at nominal value.

7.0 Update and Future Investment Priorities

Resources

- 7.1 The resource planning assumptions, which give an indication of the level of resources being allocated by the Government, are set out for the next 5 years are as follows:

2013/14/15	£2.675 million
2015/16	£1.245 million
2016/17	£0.955 million
2017/18	<u>£0.651 million</u>
Total	£5.526 million

- 7.2 The Council and its partners will, as indicated in the Housing Strategy, pursue a range of ways to deliver affordable housing within the level of available finance.
- 7.3 The Council has already committed for 25 new builds at the former Dalmore Centre site in Alva and the site at the Orchard in Newmills, Tullibody which have recently been completed at a cost of £1.878 million.
- 7.4 One of the key priorities for the Council is the provision of temporary homeless accommodation, vital to addressing the Strategy key action that no homeless applicants are required to live in B & B accommodation. The development at Hallpark will help to achieve that by providing 25 one and two bedroom flats, due to complete next year, for an investment of £1.716 million.
- 7.5 The HRA funding is already included in the 5 year HRA Capital Plan approved in February, 2013 at Council.

8.0 Affordable Housing Supply Programme

- 8.1 The proposed Strategic Local Programme is contained in the tables at the back of this SHIP. This includes the following initiatives:

A. Off-the-Shelf purchase

- 8.2 This is the purchase of good value/quality second hand housing for rental.

B. Primrose Street, Alloa

- 8.3 In order to support delivery of this Primrose Street site, in Alloa town centre, the Council intends to bid for the Scottish Government's £40 million Regeneration Capital Grant Fund, which is aimed at transformation of long term disadvantaged areas. The bid process centres upon projects which will deliver large scale positive improvements to deprived areas and which can engage and involve local communities. One of the projects, is in Alloa town centre, at the newly demolished privately owned Primrose Street site, which sits adjacent to the Council's Speirs Centre.

- 8.4 In addition to the 60 flatted dwellings, retail space and additional commercial premises will complement existing investment in rail transport and be a final part of the jigsaw to redevelop Alloa Town Centre. Initial discussions with the owner developer reflect good value average acquisition costs for social rented units.

B. Fairfield, Sauchie

- 8.5 The site is vacant and in Council ownership with capacity for up to 18 new council houses. This site is one of a number of potential housing sites within the Council's wider property asset management plan. This is ideally situated to deliver quality new Council owned family housing adjacent to existing open space.

C. Earlsfield, Alloa (Alloa Park)

- 8.6 There have been initial meetings with the site developer and Scottish

Government Innovation Unit proposing delivery of affordable housing via a pension fund investment model. The model could deliver affordable housing at well below government subsidy levels and at much reduced borrowing and construction costs.

Initial discussion with the funder and developer reflect good value lease costs with low grant funding levels social rented units.

The proposal is in the early stages however, though the same model has already delivered a commitment to 10,000 affordable houses in Wales. The Council would be keen to pursue such a model in order to deliver additional affordable housing in an innovative way, if the financial model proves advantageous.

8.7 **Former Community Centre, Tillicoultry**

The Council owned strategic opportunity sites at the former Tillicoultry Community Centre and former Tullis factory in Tullibody (see below) are under consideration for development through a Local Asset Backed Vehicle approach with a private developer partner aimed at generating investment and capital. This 'capital stimulus initiative' uses the Council land value as the lever which could potentially include an element of affordable housing on each site at a reduced public subsidy level.

The Tillicoultry site is a possible mixed use development with the opportunity for around 30 affordable houses.

8.8 **Shadow Programme**

To assist with the identification of suitable sites for slippage, we are operating a **shadow programme**, where sites can be identified as possible options should the opportunity arise. These can be brought forward if required and if feasible.

8.9 **Alloa Road, Tullibody (Tullis Site)**

The 50 affordable units capable on this second 'capital stimulus initiative' site is subject to a current procurement process and the outcome will determine the nature of development. This could feasibly include either Council new build or mid market rent, depending on the outcome of tendering.

8.10 **Elm Grove, Alloa**

This site is owned by Ochil View Housing Association and was considered as part of the Bowmar Masterplan for area regeneration. It will be considered as an option for future years but is less viable currently because of the economic downturn and the need for a developer partner. As stated earlier, Ochil View are not actively developing new housing, although they have stated they would consider purchasing off the shelf from a developer.

8.11 **Branshill Park, Sauchie (former Forth Valley College site)**

In January 2012, planning approval was given on the former Forth Valley College site in Sauchie. A 7% affordable housing contribution was agreed on this site, or £300,000 (equivalent to 10 affordable homes). This contribution was negotiated taking into consideration wider requirements and constraints on this site.

8.12 **Main Street, Sauchie**

A Council owned site identified in the LDP for possible future development.

8.13 **The Shore, Alloa**

This is a residential brownfield redevelopment opportunity identified in the Local Development Plan, with some of the land in Council ownership. An element of affordable housing will be required on this site.

8.14 **Stirling Street, Alva**

It is the Council's intention to re-develop this town centre site, as part of the ongoing commitment to the regeneration of town centres. Up to 17 units for affordable housing could be provided on the site.

8.15 **Sauchie West**

This is a large site with a significant proportion of affordable housing earmarked through the affordable housing planning policy. There is currently 100 units in the shadow programme, although this figure is negotiable.

9.0 **Units in Addition to Affordable Housing Supply Programme**

9.1 **National Housing Trust, The Glen, Coalsnaughton,**

Following approval at Council in December 2011, Hadden Construction will join the Council and the Scottish Futures Trust in the National Housing Trust Initiative in Coalsnaughton. This will deliver 28 Mid Market Rent houses with the £2.9 million contribution from the Council's General Fund being underwritten by the Scottish Futures Trust.

9.2 In June 2013, The Scottish Futures Trust launched NHT 3 as well as an NHT Council variant, both aimed at delivering mid rent housing. The Council will therefore now consider its future commitment to the NHT model, as part of the programme set out in this report.

9.3 **Greener Homes, Former Alva Academy**

The Council, in partnership with private developers, Paragon and Link Housing Associations, has approval for the Scottish Government Greener Homes Innovation Scheme. This was approved by Council in May 2013 and subject to planning permission will provide 48 new affordable, highly energy efficient housing.

9.4 **Increase in Homeless Accommodation**

The Council's General Fund is purchasing, with a contribution from income received from the reduction in council tax discount for empty homes, the purchase of 50 units to reduce the use of B & B, delivering savings to the Council.

In addition, the Council is funding the refurbishment of 10 maisonettes in a block of flats at the Orchard in Tullibody. This will provide 18 bedsit units for temporary accommodation for homeless people.

10.0 **Ensuring Equalities**

10.1 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.

11.0 Strategic Environmental Assessment

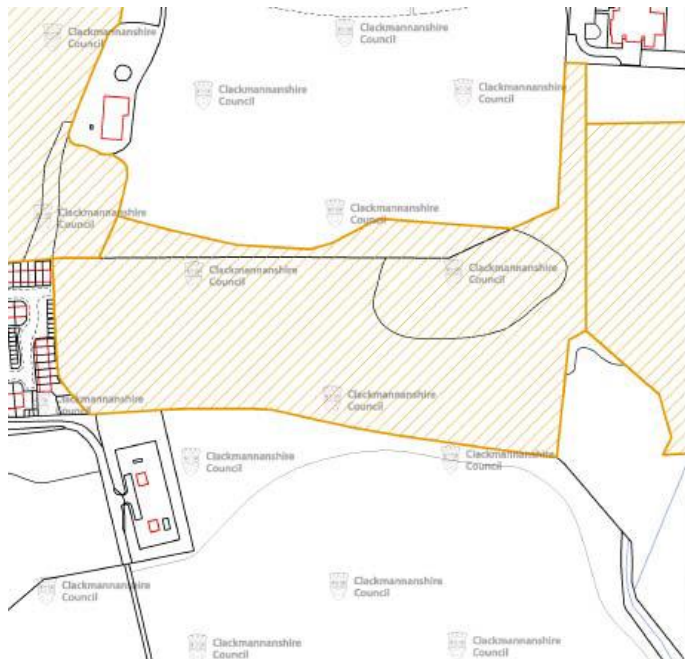
- 11.1 The SHIP is part of the CHS, which had a pre-screening as required by the Environmental Assessment (Scotland) Act 2005. Clackmannanshire Council as a "responsible authority" for the purpose of the Act, has determined that no SEA submission is required for this document. Specific environmental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

MAIN PROGRAMME

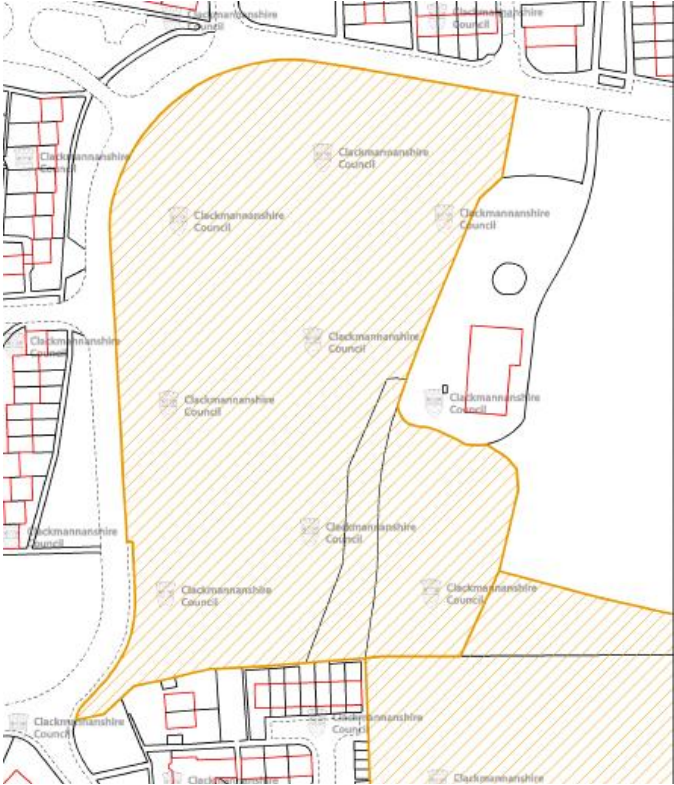
Reference H01 Primrose Street Alloa (Co-op)



Reference H09 Earlsfield, Alloa



Reference H10 Earlsfield, Alloa



Reference H20 Fairfield, Sauchie



SHADOW PROGRAMME

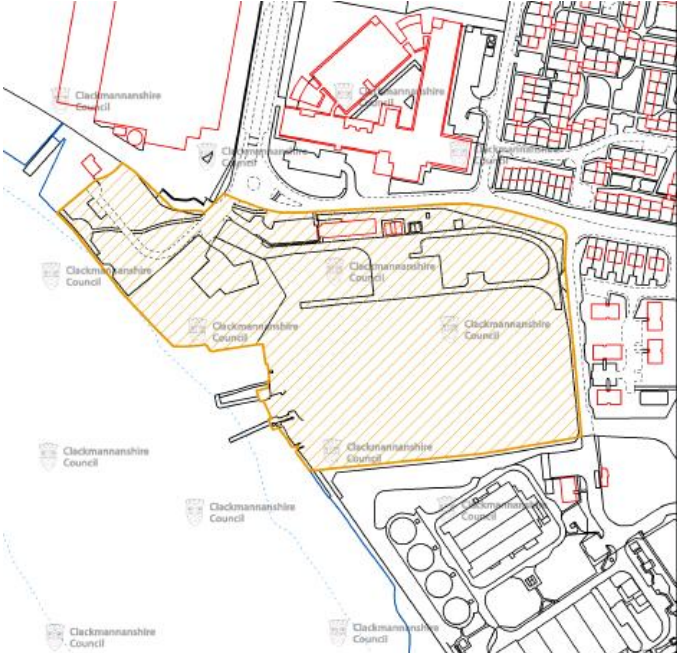
Reference H19 Sauchie West



Reference H11 Elm Grove, Alloa



Reference H13 The Shore, Alloa



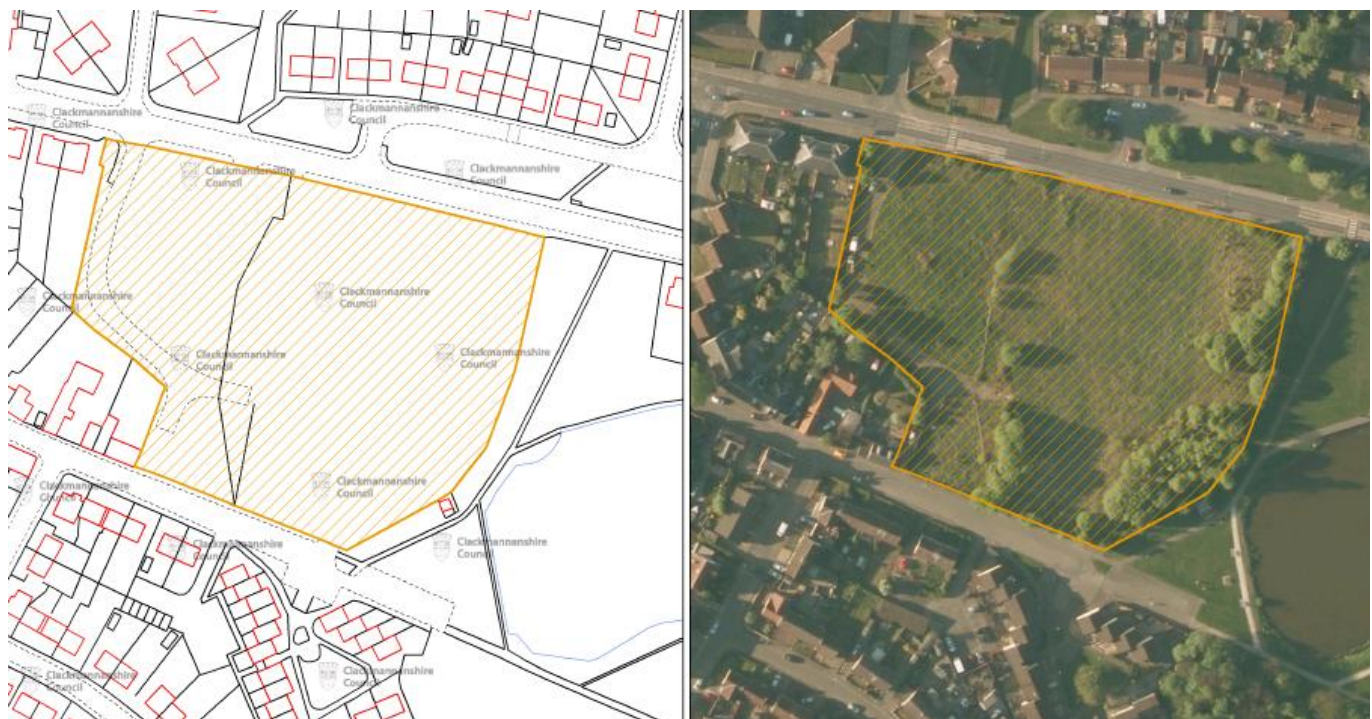
Reference H18 Branshill Park, Sauchie



Reference H22 Main Street, Sauchie



Reference H29 Alloa Road, Tullibody (Tullis)



Reference H44 Stirling Street, Alva



STRATEGIC LOCAL PROGRAMME 2013-2018 : MAIN PROGRAMME
Appendix 2

Site		Tenure			Start year					Completions year					Unit Cost £000	Grant/ Unit £000	HRA cost/ unit £000	RSL cost/ unit £000	Total Grant £m	Total HRA £m	Total HRA & Grant £m
		Soc Rent	MMR /LCO	Tot	13/ 14	14/ 15	15/ 16	16/ 17	17/ 18	13/ 14	14/ 15	15/ 16	16/ 17	17/ 18							
Years 1 and 2 2013/14 - 2014/15 Assumed Govt funding available £2.675m																					
Property Acquisitions	C	40		40	20	20				20	20				55	21	34	0	0.840	1.360	2.200
Primrose St, Alloa (Co-op) (H01)	RSL	30		30		30					30				75	42	0	33	1.260	0	1.260
Fairfield, Sauchie (H20)	C	18		18		18					18				120	30	90	0	0.540	1.620	2.160
Total yrs 1+2		88		88	20	68	0	0	0	20	68	0	0	0					2.640	2.980	5.620
Year 3 2015/16 Assumed Govt funding available £1.245m																					
Primrose St, Alloa(H01)	C	30		30			30							30	75	30	45	0	0.900	1.350	2.250
Earlsfield Alloa (H09 & H10)	D/C	25		25			25							25	110	20	0	0	0.500	0	0.500
Earlsfield Alloa	D/C		25	25			25							25	110	0	0	0	0	0	0
Totals yr 3		55	25	80	0	0	80	0	0	0	0	80							1.400	1.350	2.750
Years 4 and 5 2016/17 - 2017/18 Assumed Govt funding available £1.606m																					
Earlsfield Alloa	D/C	25		25					25					25	110	20	0	0	0.500	0	0.500
Earlsfield, Alloa	D/C		25	25			25							25	110	0	0	0	0	00	0
Former Comm Centre, Tilli (H49)	C	40		40			20	20					20	20	110	30	80	0	1.200	3.200	4.400
Totals yr 4 + 5		65	25	90	0	0	0	45	45	0	0		45	45					1.700	3.200	4.900
Total		208	50	258	20	68	80	45	45	20	68	80	45	45					£5.740	£7.530	£13.270

Figures are estimates

C: Council RSL: Registered Social Landlord

D: Developer

MMR: Mid Market Rent

Red: Planning s75 sites

STRATEGIC LOCAL PROGRAMME 2013-2018:

SHADOW PROGRAMME - POTENTIAL FUTURE SITES

	Tenure			Unit Cost £000	Grant per Unit £000	HRA cost per unit £000	RSL cost per unit £000	Total Grant £m	Total HRA £m	Total cost £m
	Soc Rent	MMR	Tot							
Alloa Road, Tullibody (Tullis)	50		50	tbc	tbc	tbc	tbc	tbc	tbc	
Elm Grove, Alloa (H11)	20		20	tbc	tbc	tbc	tbc	tbc	tbc	
Branshill Park, Sauchie (H18)	7		7	tbc	tbc	tbc	tbc	tbc	tbc	
Main Street, Sauchie (H22)	22		22	tbc	tbc	tbc	tbc	tbc	tbc	
The Shore, Alloa (H13)	20		20	tbc	tbc	tbc	tbc	tbc	tbc	
Stirling Street, Alva (H44)	17		17	tbc	tbc	tbc	tbc	tbc	tbc	
Sauchie West (H19)	100		100	tbc	tbc	tbc	tbc	tbc	tbc	
Total	236		236							

Local Development Plan references are in brackets