

CLACKMANNANSHIRE COUNCIL

STRATEGIC HOUSING INVESTMENT PLAN 2014 - 2019

1 Introduction

1.1 The Strategic Housing Investment Plan (SHIP)2014/19 defines the priorities for housing investment, as set out in Clackmannanshire's Housing Strategy (CHS) 2012- 2017 vision that;

"Every household in our area should have access to a good quality and affordable home, with advice and support services that meet their needs"

1.2 To achieve this vision through investment, our aim is to create a more effective 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. As public finance is restricted, we shall look at new ways of funding affordable housing with the minimum necessary public subsidy.

Early indications from our Housing Needs and Demand Assessment confirm some key findings which will influence future policy:

- In Clackmannanshire, neither private house construction, nor house prices, are recovering as well as the Scottish average.
- Affordability remains key, with a comparatively high proportion of households on lower incomes.
- Demographically, the future population of Clackmannanshire will be older and the consequent demand for specialist housing provision will increase.
- Housing need is particularly self contained in Clackmannanshire and investment will need to be clearly targeted between settlements.
- Finally, longer term population projections reveal a decline particularly in younger, working age households.

1.3 The SHIP details an investment programme of over £9.1m over the next 5 years from 2014 to 2019. As well as confirmed funding of £2.8 million for 2014/15, the Scottish Government has provided indicative Resource Planning Assumptions to 2018/19 of £6.3m.

1.4 The SHIP will be subject to annual review and will form the basis for defining the more detailed Strategic Local Programme in March 2015.

2 Clackmannanshire Housing Strategy

2.1 The Clackmannanshire Housing Strategy was passed by Council in December 2012 with an update provided to Housing Health and Care Committee on 22nd May 2014. The key focus of the SHIP is to reinforce the eight priority areas and outcomes identified in the Strategy which remain:

- **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.












2.2 Strategic Priorities

The Local Housing Strategy Update 2014 confirms that significant progress continues to be made toward achieving our priorities. With particular relevance to the SHIP, the actions complete up until May 2014 include:

Completed Actions 2013/14

Development of the Council's first new build housing in over 30 years, with the completion of 25 new homes on Council land	✓
Supplementary guidance on affordable housing policy has been drawn up within the new Local Development Plan	✓
£782k Town Centre funding received from the Scottish Government to redevelop a former Community Centre in Tillicoultry with new affordable housing	✓
28 Mid Market Rent houses in Coalsnaughton are due for completion in September 2014 as part of the National Housing Trust project in partnership with the Scottish Futures Trust	✓
A supported housing facility aimed at alleviating homelessness at Hallpark in Sauchie was completed August 2014	✓
A new RSL developing partner Kingdom Housing Association was approved at Council in December 2013, who will have their first 27 units on site in Tullibody by November 2014	✓
A multi disciplinary Housing Delivery Group has been established to plan the housing development programme including Housing, Planning and Clackmannanshire Alliance partners	✓
The off the shelf house purchase initiative has added 20 new council properties for rent and 20 for use as homeless temporary accommodation	✓
HRA funding set aside for the next 4 years to provide affordable housing.	✓
£2.26 million investment in the Greener Homes development in Alva	✓
2 previous school sites being developed for affordable housing in 2014/15	✓
Income from reduction in Council Tax discount used for affordable housing	✓

In addition to the above, the Local Housing Strategy confirms further broad actions which we intend to deliver through this investment programme;

Key Actions 2014/15	Progress
Develop a flexible Affordable Housing Policy, including commuted sums, with a settlement focus to maximise developer contributions towards affordable housing	
Continue to develop and support innovative and flexible models for providing cost effective new housing	
Agree a partnership with Falkirk and Stirling Council's and Castle Rock Edinvar to deliver Forth Valley a Pension Fund investment programme	
Maximise the impact of new housing, including affordable housing in areas of demand	
Optimise the Council's new build programme as well as the investment potential of its land and non-residential assets	
Work with local Housing Associations to deliver new affordable housing and maximise funding from their resources	
Promote and increase low cost home ownership and shared equity schemes with public funding or private developer cross subsidy, especially to promote tenure diversification	
Promote town centre development and regeneration through compatible investment in housing in Alloa, Alva, Tullibody and Tillicoultry	
Define the need for specialist housing and agree best way to supply gaps in provision	
Maximise the funding for new housing through private sector investment, match funding and bidding for challenge funds	
Use Council land and assets to provide additional affordable housing	
Use income from reduction in Council Tax discounts to provide additional affordable housing, including bringing empty homes back to use	

2.3 **Our Corporate Strategy: Taking Clackmannanshire Forward**

The Council's key Corporate Priorities are set out in "Taking Clackmannanshire Forward- Corporate Priorities 2012 - 2017". This document focuses the Council to aim towards Better Services, Better Opportunities and Better Communities.

These priorities will help to deliver a number of key priorities within the Single Outcome Agreement specific to communities, vulnerable people and the environment, with an aim to ensure Council and partners resources are joined up to achieve positive outcomes for Clackmannanshire.

The main corporate action that the SHIP will help to achieve is:

- Increase the stock of available housing and work with all partners to maximise the availability of affordable housing throughout Clackmannanshire.

3 **New Housing Supply Targets**

The Housing Need and Demand Assessment (HNDA) is currently completing its consultation phase and, following input from key stakeholders, will be submitted to our Housing Health and Care Committee in December 2014. The outcome of findings so far show an annual estimate of future housing total of 375 units each year from 2012 to 2016. Within this total includes 118 units of social housing each year and 68 units of below market rent property.

However, as reported in last year's SHIP, this level of housing provision annually is not considered to be realistic or achievable. In view of this, the Local Housing Strategy assumed a more modest supply target of 173 new private and 31 affordable homes annually, based on what the Land Audit figures say is achievable.

The HNDA confirms that High volumes of affordable housing are unlikely to be provided in the coming years, as house building has fallen by 74% since 2006/07, with private house completions falling by 87% in the same period. Our affordable housing programme was around 64 per annum at its peak in 2010. This confirms that the need for affordable housing will continue to be greater than supply.

Due to the self containment feature of social housing demand in Clackmannanshire's main settlements, the local of new developments needs to be carefully considered.

3.1 **General Needs**

Initial findings from the HNDA confirm some specific features of demand for Clackmannanshire.;

- The latest 2012 household projects for Clackmannanshire show a steep fall in household growth to 2037.

- Around 77% of new households forming are single people, estimated at around 211 per annum.
- The area has one of Scotland's steepest declines in private house building since 1996/97.
- By 2037 there will be 122% more people aged 75+ far above the Scottish average of 82%.
- Net outward migration of 16 to 29 year olds sits at around 100 annually, which is the highest for any age group.
- Since 2010, households are poorer with lower average incomes and higher unemployment.

3.2 Specialist Housing

The Council will continue to provide an element of specialist housing on suitable sites. Most recently, the Dalmore Centre in Alva was redeveloped by the Council to provide 9 amenity properties.

One of the main drivers of the housing market is an emerging ageing population and their requirement for specialist housing. This is the result of more older people who need care (low cost but high volume) and higher infant survival and longevity for those with learning disability (low volume and high cost).

Social Services modelling so far, is similar to the HNDA and uses 2012 population projections which show a doubling of people aged 85 and over by 2030. The under 75 groups remain fairly static which is similar to the existing HNDA.

4.0 Partnership Working

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 in Coalsnaughton. Ochil View Housing Association will act as management and maintenance agents for the properties.

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. It is expected that a first phase release will be achieved by April 2015.

Ochil View Housing Association have taken the decision to cease actively developing in the immediate future. The Association has two potential sites in their ownership at former Todd's Yard, Sauchie and Elm Grove, Alloa. There are no plans to develop these sites in the next 5 years.

The Council is working with Kingdom Housing Association to develop a programme of affordable housing delivery starting with 27 units expected on site in November 2014 at Delph Road, Tullibody. In addition, they have

agreed to supply a specialist wheelchair unit in Alloa and have provisional plans for at least a further 75 units between 2015/16 and 2018/19.

The Council has a recently formed collaboration with neighbouring Councils Stirling and Falkirk to supply 207 new social rented homes. These will be delivered through Castle Rock Edinvar using £15m of Forth Valley Pension Funding. It is expected that 35 units will be located in Clackmannanshire within a private developer site.

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.

The proposed Local Development was approved by Council in June 2014 and is currently with the Scottish Government for approval. This 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), 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

6.1 Empty homes initiative

The Scottish Government has awarded £75,000 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.

6.2 Purchase existing housing for social renting

The Council has maintained its commitment to make off the shelf purchase a means of delivering affordable housing, with 20 new social rented houses delivered in 2013/14. This commitment has been marginally reduced to 15 units in 2014/15 with funding from the HRA Business Plan and Affordable Housing Supply Budget.

7.0 Update and Future Investment Priorities

7.1 Resources

The RPA for Clackmannanshire at present is £9.144m including this financial year. The spend identified against projects at this time is £10.756m, which remains within the 20% tolerance recommended by guidance, as identified in Table 1;

Table 1

Affordable Housing Supply Budget RPA		
Year	Budget	Planned Spend
2014/15	£2,818,000	£2,952,000
2015/16	£2,199,000	£2,292,000
2016/17	£1,799,000	£2,600,000
2017/18	£1,379,000	£1,992,000
2018/19	£919,000	£920,000
Total	£9,144,000	£10,756,000

7.2 HRA

The Council has a commitment to finance a range of projects within the overall programme and the HRA Business plan shows a budget potential on new build within its capital programme of £6.693m. This includes an assumed budget spend for 2013/15 of £3.588m. Sites in the Council's ownership include a former school site at Fairfield, Sauchie, former Community Centre in Tillicoultry, a demolition cleared site at The Orchard, Tullibody and on former lock up garage sites with development potential.

7.3 Housing Associations

The Council is currently working with Kingdom Housing Association to develop a clear programme of activity to establish their presence in Clackmannanshire. The indicative programme includes a housing association private finance contribution of £11.310m, of which £6.373m relates to Kingdom HA over 5 years.

7.4 Forth Valley Pension Fund

ForthValley pension fund have agreed to allocate a total of £30m for housing in Scotland. It has been agreed that £15m of this should be spent on social rented housing in Forth valley. The fund will be delivered by Castle Rock Housing Association at approximately 80% of normal benchmark subsidy (£58k for a 3 person equivalent unit). This will deliver 35 units in Clackmannanshire and 607 units overall. It is expected that the grant will be £1,740,935 with the Scottish Government currently considering an additional

"innovation" led increase in the AHSB of around £1m for the project in addition to that set out at 7.1. This will deliver £2.5m from the pension fund and just under £50k grant per unit.

8.0 Affordable Housing Supply Programme

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

8.1 New Build

Hallpark, Sauchie.

Completion of the specialist project for interim housing for those at risk of homelessness, the 25 units will be complete by the end of October 2014.

Off the Shelf Acquisitions

As reported to Committee in March 2014, the Council successfully acquired 20 "off the shelf" properties for the HRA in 2013/14. For 2014/15 the target is 15 units, and 4 properties acquired to date. A range of properties have been discussed with local estate agents and it is expected that the unit target will be met.

Tillicoultry Library

In June 2011 the Council agreed to redevelop the Existing Library/CAP in Tillicoultry as '3 social houses for rent'. These works were funded by the General Fund. The works are now complete some months and are now let.

Tillicoultry Community Centre

The Scottish Government has agreed to accept a resubmitted bid to retain the £782,000 Town Centre Housing Fund bid initially allocated at the, now closed, Alva Glen Hotel Compulsory Purchase. The original bid approved 17 new social rented units. In addition the Council's General Fund will similarly consider transferring £897,000 capital allocation for particular needs, also initially allocated to the Alva site subject to an internal bid. The balance of funding will come from the HRA. A Feasibility Study is currently underway for the site.

Fairfield, Sauchie.

A site start for the Council's next phase of new build at the former Fairfield school site is expected in October 2014. The site will deliver 19 new affordable rented homes by September 2015.

Delph Road, Tullibody

In accordance with the Council decision, part of the former Tullis site, Tullibody, was sold to Kingdom HA in March 2014. Kingdom has completed its consultation with local residents and the planning process is underway. It is hoped that a site start can be achieved in November 2014 for completion of the 27 affordable rented homes by October 2015.

Redwell Place, Alloa

In addition to the above, an additional unit is proposed for a family in urgent need of a fully accessible wheelchair property. Major adaptations to their current council-owned property was not considered a viable proposition, and a new build is considered the best solution to meet the family's needs. Kingdom HA has agreed to build the property and the Scottish Government will provide grant support.

A garage site in Council ownership held on the Housing Revenue Account (HRA) at Redwell Place Alloa was identified as a suitable location for this new build, meeting the family's needs and making better use of this land. Their existing property will then be available for re-let as mainstream accommodation. This is a highly unusual case, and is not intended to establish a precedent.

The Orchard, Tullibody

In August 2014, the Council approved the demolition and redevelopment of 21-39 The Orchard to provide 12 new build cottage flats. The site will be Council rented properties with a site start scheduled for 2015/16.

Pension Fund Investment

The Falkirk Pension Trust has decided to invest £15m in the Housing Fund for Scotland. The structure for delivery that has evolved has Castle Rock Edinvar Housing Association committing to invest £5m in social housing in the fund area Forth Valley and a further £10m subject to grant support. Falkirk, Stirling and Clackmannanshire Council's have met with Castle Rock and representatives of the Scottish Government to establish a programme. The funding will deliver 203 homes across Forth Valley at 80% grant support rate. The pro-rata Clackmannanshire share has not been formally agreed but is likely to be 30/40 units. This programme when agreed is part of the SLP and should complete by 2017/18. Committee are asked to note progress and approve continued dialogue.

Lock-up Sites (Various Locations)

Recommendations have been made to Council to dispose of selected lock-up sites across Clackmannanshire. The SHIP has programmed in funding, in 2018/19, to enable around 20 units to be redeveloped on one or more site.

Sauchie West

Development of the Sauchie West site by Allan Water will require a new Primary School soon after work begins with a Scottish Futures Trust contribution required by 2017. A formal Agreement has been proposed by Council Planning services in March 2014 which awaits approval by the developer. An invitation to discuss a proposal to deliver 60 units has been forwarded to Allan Water developments and response is awaited. This discussion will include both Planning and Asset Management services.

Primrose Street

The site in Alloa town centre at Primrose Street is owned by the Alloa Development Co Ltd with Planning Permission for 39 residential and 4 commercial units. Kingdom Housing Association has been in contact with their representative in an effort to negotiate acquisition of the site. This is a large brownfield site which lends itself to a 2 phase development of mixed flatted dwellings. The site may be suitable for both social rented housing and mid market rent housing.

8.2 **Shadow Programme**

To assist with the identification of suitable sites for slippage, we are operating a shadow programme of around 267 units, where sites can be identified as possible options should the opportunity arise. These can be brought forward if required and if feasible.

Forrestmill Major Growth Area

Inn 2009/10 the Council approved a major growth area at the Meadowhill site in Forrestmill. This will deliver approximately 1250 new homes including primary school, community and leisure facilities. Within the Section 75 Agreement is a requirement to deliver 22% as affordable homes. Current expectations are that Muir Homes may start on site n 2015/16.

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.

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.

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 may be required on this site.

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 Government.

The Mid Market Rent project with Hadden Construction is nearing completion. The first phases of 24 units have now been fully allocated and signed up and the final phase of 4 units, which are under offer, will be completed and let at the end of September.

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.

9.2 Greener Homes, Former Alva Academy

Link Housing Association is finalising arrangements for the development of 48 affordable rented units on the site of the former Alva school. The Greener Homes Initiative development benefited from £2.879m funding from the Scottish Government. The project has been significantly delayed whilst negotiations took place between the parties regarding financial risks. Agreement has been reached and it is expected that work will commence soon. The project is currently a year behind programme and will deliver 48 new homes for both Link and Paragon Housing Association.

10.0 Ensuring Equalities

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

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.