

Report

Report to: **Housing and Technical Resources Committee**
Date of Meeting: **13 November 2019**
Report by: **Executive Director (Housing and Technical Resources)**

Subject: **South Lanarkshire Council's Strategic Housing Investment Plan 2020 to 2025**

1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide Committee with an update on progress made with delivering affordable housing through the Strategic Local Programme Agreement (SLPA) during 2018/2019
- ◆ request approval for the Strategic Housing Investment Plan (SHIP) for the 5 year period from 2020 to 2025

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the progress made in increasing the supply of affordable housing through the SHIP and SLPA, be noted; and
- (2) that the content of the Strategic Housing Investment Plan 2020 to 2025, as set out in Appendix 3 to this report, be approved

3. Background

3.1. The SHIP is a 5 year rolling plan which links the strategic priorities identified in South Lanarkshire's Local Housing Strategy (LHS) to a strategic plan for the delivery of additional affordable housing. The purpose of the SHIP is to guide the allocation of available Scottish Government investment funding to meet the affordable Housing Supply Target as set out in the LHS and the associated priorities and outcomes.

3.2. The Local Housing Strategy, 'Affordable Homes; Sustainable Places', covering the period from 2017 to 2022 was approved by the Executive Committee in August 2017. It includes a Housing Supply Target for 1,500 additional affordable homes over this 5 year period which was based on the robust and credible Glasgow city-region Housing Needs and Demand Assessment (HNDA).

3.3. Aligned to Scottish Government statutory guidance, the Housing Supply Target took into consideration availability of funding as indicated by the Scottish Government's Resource Planning Assumptions (RPA). The strategic outcomes identified in the LHS which guide investment priorities within this SHIP include:-

- ◆ increasing the supply of affordable housing in pressured areas
- ◆ increasing the supply of housing suitable for older people and those with disabilities and particular needs

- ◆ prevent homelessness through effective partnership working and support people who experience homelessness and are provided with temporary accommodation to move to settled accommodation that meets their needs as quickly as possible
- ◆ improving the quality and range of housing as part of regeneration strategies, and arresting decline in rural settlements
- ◆ improving housing quality and energy efficiency with more of the energy used from low carbon and renewable sources

3.4. The Scottish Government have confirmed the SHIP as the key document for identifying strategic housing projects to assist the achievement of the Scottish Government's target of 50,000 affordable homes, of which 35,000 are to be for social rent, during the life of the current Parliament.

3.5. The Scottish Government use approved SHIPs to inform the allocation of the affordable housing grant funding through a Strategic Local Programme Agreement (SLPA) for each local authority area. Thereafter the SLPA informs the development of separate local programme agreements between the local authority and the Scottish Government and Registered Social Landlord's and the Scottish Government.

3.6. The Council's previous SHIP was approved by this Committee on 22 August 2018 and covered the 5 year period from 2019 to 2024. The SHIP and SLPA are reviewed and updated annually to reflect changes to the 5 year rolling SHIP taking account of progress made delivering affordable housing in 2018/2019, and planned progress in the current year 2019/2020, aligned to the RPA's issued by the Scottish Government.

4. SLPA Progress 2018/2019

4.1. Closely working with RSL partners and the Scottish Government, good progress was made by the council and RSL's in delivering development priorities to the financial year end in March 2019.

4.2. Within 2018/2019, a total of 445 additional affordable homes for social rent were delivered across South Lanarkshire. This included 252 new build homes by housing associations, 132 Council new build and 61 additional Council homes purchased through the Council's open market purchase scheme.

4.3. The additional affordable supply (445 units) delivered in 2018/2019 includes a mix of 225 (51%) for general needs and 220 (49%) particular needs/amenity housing. In accordance with Scottish Government grant requirements all newly constructed homes meet Housing for Varying Needs Standard. Appendix 1 provides a summary of council and RSL 2018/2019 completions.

5. Home+ Programme Update

5.1. Work continues on the council's programme to deliver 1,000 additional homes detailed in Appendix 2. A total of 425 additional homes have been delivered and construction work is ongoing on sites across South Lanarkshire.

5.2. The Council continues to use the affordable housing programme to increase the supply of specialist housing to meet particular needs. Of the 502 additional homes delivered or under construction to date, 197 homes (39%) are designed for particular

needs, including 78 (16%) barrier free lift access amenity flats designed to meet the needs of older people and wheelchair users.

- 5.3. A number of flexible house types have been designed including a convertible 1 bedroom wheelchair accessible bungalow which can be adapted to a 2-3 bed family home, and a larger wheelchair accessible 4 bedroom family home with a ground floor bedroom and wet floor bathroom to meet the needs of families with a disabled family member.
- 5.4. The Council's open market purchase scheme is closely aligned to the LHS priorities and targets the purchase of property to increase the council's supply of priority house types and sizes depleted through Right To Buy, meeting specific and urgent housing need, and wider housing quality improvement and regeneration priorities. In 2018/2019, 61 homes were purchased through the scheme and a further 60 are programmed for acquisition during 2019/2020.
- 5.5. This scheme continues to be a cost effective and efficient method of delivering much needed additional homes in priority areas particularly in cases where an urgent housing need can be met. While the new SHIP proposes to continue open market purchases at varied targets throughout the 5 year period, the actual outturn will be driven by the availability of grant subsidy.
- 5.6. Work on procurement across other sites in the programme is well underway to ensure the target of 1,000 additional council homes is achieved by March 2021. A summary of the 502 additional homes either under construction, completed or acquired to date through the council's Home+ Programme is contained in Appendix 2.
- 5.7. The updated SHIP tables include sites with an estimated capacity of up to 3,141 additional homes for potential inclusion in the Council and RSLs housing programmes. Work continues to develop the detailed programme going forward and progress will be reported to Committee through the annual SHIP review.

6. Resource Planning Assumptions (RPAs)

- 6.1. As noted in the report to Housing and Technical Resources Committee in October 2017, the Scottish Government had at that point provided Resource Planning Assumptions (RPA'S) to local authorities covering the period up to March 2021. To date, RPAs have not been provided for the period beyond this date.
- 6.2. In August 2019, the Scottish Government published further guidance advising that in the absence of future RPAs local authorities should use existing RPA levels to forecast their allocation when developing the SHIP. The RPA used in the preparation of the new SHIP for the 5 year period are summarised in Table A below:-

Table A: RPA (July 2018) Financial Year	Scottish Government RPA (£0.0 m)	SHIP Planning Assumptions RPA + 25% slippage applied Y1 (£0.0 m)
Year 1 (2020/21)	£30.488	£38.010
Year 2 (2021/22)*	£25.199	£25.199
Year 3 (2022/23)*	£25.199	£25.199
Year 4 (2023/24)*	£25.199	£25.199
Year 5 (2024/25)*	£25.199	£25.199
Total RPA		£138.806

*Subject to future years funding commitment

- 6.4. In line with Scottish Government Guidance for the preparation of the SHIP for forward planning purposes, a slippage factor of 25% is added to the annual RPA for 2020/2021.
- 6.5. Future years RPA's will be subject to Scottish Government decisions about the overall budget for new affordable housing and its distribution. As part of the review process for the SHIP, proposals currently outlined for years 2, 3, 4 and 5 will be presented to Committee for approval when funding for these future years is confirmed.
- 6.6. The development priorities and potential grant funding requirements identified in Year 2, 3, 4 and 5 of the new SHIP (2020 to 2025) reflect the development capacity of potential sites that could be brought forward to increase the supply of affordable housing in South Lanarkshire should resources become available.

7. South Lanarkshire SHIP 2020-2025

- 7.1. A copy of the SHIP and associated table of priority sites is appended to this report (Appendix 3). The document has been updated in line with the Scottish Government guidance for the preparation of SHIPs available at the time of preparation. It provides a detailed context and rationale for the priorities which could be delivered over the 5 year period to March 2025.
- 7.2. Table 1 annexed to the SHIP sets out priorities for grant funding to be delivered over the rolling 5 year period of the SHIP (i.e. April 2020 to March 2025).
- 7.3. The 2020/2025 SHIP includes projects with a total potential capacity for delivering up to 3,141 affordable homes in South Lanarkshire over the 5 year period to March 2025, including 2931 new build and 210 to be purchased through the open market purchase scheme. The actual new build output will be subject to a detailed development assessment of the viability of each site and dependent on the level of grant funding which will be available over the period to 2025.
- 7.4. Table B below shows the proposed distribution of anticipated new build completions across the four housing market areas in South Lanarkshire over the 5 year period, and the 210 units to be purchased in priority areas across South Lanarkshire.

Table B: SHIP Priorities by Housing Market Areas

Clydesdale	Hamilton	East Kilbride	Rutherglen/ Cambuslang	OMP (Various Areas)	South Lanarkshire
176	977	957	821	210	3141
5.6%	31.1%	30.5%	26.1%	6.7%	100%

- 7.5. The SHIP tables reflect development progress and comprise a combination of projects rolled forward from the previous SHIP and new sites consistent with the LHS strategic outcomes. The information provided includes estimates of site capacity, the mix of general or special needs housing to be provided, indicative site start and completion dates along with associated grant funding requirements, based on the current Housing Subsidy Target levels.

- 7.6. The assumptions and forecasts set out in the tables are based on the best information available at the time of preparation and will be subject to refinement as part of the annual review of the SHIP and preparation of SLPA's as individual projects are developed.
- 7.7. In accordance with the Guidance, the SLP will continue to be managed, reviewed and refreshed annually in consultation and agreement with the Scottish Government and housing association partners.

8. Next Steps

- 8.1. To achieve specified timescales, the draft SHIP 2020 to 2025, as detailed in Appendix 3, was submitted to the Scottish Government on 25 October 2019 pending Committee approval. Subject to Committee approval, the Scottish Government's Housing Supply Team (More Homes Division) will collate the South Lanarkshire SHIP into a national programme for Ministerial approval and thereafter the SLPA will be prepared for sign off.
- 8.2. Once the SLPA is finalised, the Scottish Government will issue individual programme agreements for RSL and council projects covering the units, tenure mix, subsidy levels, site start and completion dates, as these come forward. Monitoring and review of the delivery programme by the council, its RSL partners and the Scottish Government will take place on an ongoing basis throughout the year.
- 8.3. The Council will continue to review its Affordable Housing Supply Programme, based on known demand for additional affordable housing and annual RPA adjustments determined via the SHIP development process, to consider wherever possible the opportunities to extend the current programme to meet this identified local housing need and demand.
- 8.4. A report monitoring delivery of the council programme will be presented to Housing and Technical Resources Committee as part of the annual SHIP report.

9. Employee Implications

- 9.1. There are no employee implications arising from the information presented in this report.

10. Financial Implications

- 10.1. The SHIP contains sites with sufficient capacity to ensure the Council's commitment to deliver 1,000 additional council homes by 2021 is achieved. The cost of delivering these new homes will be met through additional borrowing supplemented by Scottish Government grant funding over the development programme.
- 10.2. The impact of the additional borrowing and all additional costs have been reviewed in line with the long term business plan and will be submitted for approval as part of the Housing Revenue and Capital Account Budget annually.

11. Other Implications (Including Environmental and Risk)

- 11.1. Provision of new affordable housing is one of the Council's top risks and is included on the Resource Risk Register.

- 11.2. The new build specification for future projects will achieve higher energy standards reflecting enhanced building regulations and will therefore make a positive contribution to both the Council's sustainability, climate change and fuel poverty reduction targets.
- 11.3. The content of this report will contribute to the evidence to support the requirements of the Annual Assurance Statement.
- 12. Equality Impact Assessment and Consultation Arrangements**
- 12.1. The SHIP is a delivery plan for the Council's LHS which has been subject of an equalities impact assessment.
- 12.2. Consultation on the preparation of the SHIP has taken place with RSL partners, other council Resources and the Scottish Government.

Daniel Lowe
Executive Director (Housing and Technical Resources)

7 October 2019

Link(s) to Council Values/Ambitions/Objectives

- ◆ Improve the availability, quality, and access of housing
- ◆ Improve later life
- ◆ Support our communities by tackling disadvantage and deprivation and supporting aspiration
- ◆ Support the local economy by providing the right conditions for inclusive growth
- ◆ Work with communities and partners to promote high quality thriving and sustainable communities

Previous References

- ◆ South Lanarkshire Local Housing Strategy 2017-2022, Executive Committee, 30 August 2017
- ◆ Strategic Housing Investment Plan 2019-2024, Housing and Technical Resources Committee, 22 August 2018
- ◆ South Lanarkshire Rapid Rehousing Transition Plan 2019-24, Housing and Technical Resources Committee, 23 January 2019

List of Background Papers

- ◆ Scottish Government Guidance - Preparation of Strategic Housing Investment Plans (MHDGN 2019/04) www.gov.scot
- ◆ Scottish Government – Affordable Housing Supply Programme (AHSP) Process and Procedures Guidance (MHDGN 2019/03) www.gov.scot
- ◆ Scottish Government SHIP Guidance Note (HSGN 2013/02) www.gov.scot
- ◆ Scottish Government SHIP Guidance Note (HSGN 2012/06) www.gov.scot

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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Appendix 1: Summary of SLPA completions by SLC and RSLs within South Lanarkshire 2018/19

Site	Provider	General	Particular Needs/ Amenity	Total
Almada Street, Hamilton	SLC	10	0	10
East Milton, East Kilbride	SLC	0	30	30
Heatheryknowe, East Kilbride	SLC	4	12	16
Midstonehall Gardens, Hamilton	SLC	20	4	24
Morven Avenue, Blantyre	SLC	10	4	14
South Vennel, Lanark	SLC	0	18	18
St Blanes, Blantyre	SLC	12	8	20
Open Market Purchase	SLC	59	2	61
Council Programme Sub Total		115	78	193
		60%	40%	100%
Hillhouse Road, Hamilton	CVHA	53	47	100
Kenilworth, East Kilbride	CVHA	14	20	34
Market Place, Carluke	CVHA	0	1	1
Stanistone Road, Carluke	CVHA	19	30	49
Stonefield Road, Blantyre	CVHA	0	30	30
Victoria Street, Blantyre	CVHA	24	14	38
RSL Programme Sub total		110	142	252
		44%	56%	100%
Council and RSL Combined Total		225	220	445
Percentage		51%	49%	100%

Appendix 2: Council New Build and Acquisition Programme Summary

Table 1: Council new build and open market purchase to March 2019

Site	Area	General Needs	Particular Needs/ Amenity	Total Units	Year completion
Baird Hill,	East Kilbride	14	14	28	2015/16
Belmont Drive	East Kilbride	6	14	20	2016/17
Fernhill Road,	Rutherglen	36	34	70	2016/17
Old Mill Rd,	Uddingston		12	12	2017/18
Maxwellton Avenue	East Kilbride	4	12	16	2017/18
Belstane Gate	Carluke	22		22	2017/18
Almada Street	Hamilton	10		10	2018/19
South Vennel	Lanark		18	18	2018/19
Morven Avenue	Blantyre	14		14	2018/19
Highstonehall Road	Hamilton	20	4	24	2018/19
Heathery Knowe	East Kilbride	4	12	16	2018/19
St Blanes PS site	Blantyre	10	10	20	2018/19
East Milton,	East Kilbride		30	30	2018/19
New Build completions	Sub-total	140	160	300	
Open Market Purchase	All Areas	12	1	13	2015/16
		19		19	2016/17
		31	1	32	2017/18
		59	2	61	2018/19
Total additional supply		261	164	425	
%		61%	39%	100%	

Table 2: 2018/19 current sites under construction

Site	Area	General Needs	Particular Needs/ Amenity	Total Units	Est completion
Kirkton Avenue	Carluke		18	18	2019/20
St Leonards	East Kilbride	44	15	59	2019/20
Total On site		44	33	77	
		57%	43%	100%	

Table 3: Overall Additional Supply

	General Needs	Particular Needs/ Amenity	Total Units	
Overall Additional Supply	305	197	502	
Percentages	61%	39%	100%	