

PERTH AND KINROSS COUNCIL**Housing and Health Committee****12 March 2014****Strategic Local Programme 2013-2015****Report by Executive Director (Housing and Community Care)****PURPOSE OF REPORT**

The purpose of this report is to seek approval for revisions to the first two years of the Strategic Local Programme which was approved by Housing and Health Committee in August 2013.

1. BACKGROUND

- 1.1 The Strategic Housing Investment Plan (SHIP) and the Strategic Local Programme (SLP) 2013/14 – 2015 were approved by Housing and Health Committee in August 2013 (Report No. 13/376).
- 1.2 Projects in the Strategic Local Programme are prioritised with reference to the following criteria set out in the Strategic Housing Investment Plan (SHIP):
 - Contribution to Single Outcome Agreement (SOA) and Local Housing Strategy (LHS) objectives.
 - Contribution to meeting significant local housing need.
 - Deliverability.
 - Inclusion, equality and meeting particular needs.
 - Impact on communities and regeneration.
 - Contribution to meeting strategic housing needs profile defined by Housing Needs and Demand Assessment.
- 1.3 Some projects included in the programme and due for completion by March 2015 have encountered some difficulties which mean this timescale is unlikely to be achieved. It is therefore proposed to replace these with a project that can be delivered.
- 1.4 Overall it is anticipated that development of a total of 146 new affordable houses and flats should be get underway before March 2015. The supply of affordable housing will also be increased by buying back 18 houses on the second hand market.

- 1.5 The grant levels available to Councils and Housing Associations from the Scottish Government to assist in developing properties for social rent was recently reviewed and the grant level for each property was increased by £16,000. The average grant level for Housing Associations is currently approximately £60,000 and for Councils the grant level is £46,000 per property.
- 1.6 The Scottish Government will provide grant funding of over £12M towards a total programme cost of over £21M.

2. PROPOSALS

Sites taken out of the programme 2013-15

The following sites have had to be deferred as the March 2015 timescale will not be met:

2.1 Bridgefauld Road, Milnathort (10 houses for Hillcrest Housing Association, 10 houses for PKC)

There has been delay in the developer reaching agreement with the landowner which is causing a delay in the submission of the planning application. It is unlikely therefore that this project will progress within the original timescale, so it is proposed that this project remain in the programme but with a completion date of March 2016.

2.2 Station Road, Blair Atholl

This project is to be removed from the programme because the land owner has been unable to demonstrate sufficient legal access rights to the site. Caledonia Housing Association were asked to negotiate access with Atholl Estates, who own the land required for access to the site. It would appear that while this was being taken forward, the landowner received an alternative offer for the site which the landowner would prefer to take up.

2.3 Cherrybank, Perth

This project is proceeding a little behind schedule and the developer has still to obtain planning permission for the site. It is therefore anticipated that the timescale for this project is too short if it is to be completed by March 2015. It is therefore proposed that this project should slip into later years of the programme possibly to start 2015/16.

Sites now included in the programme 2013-15

The following projects have been brought forward in the programme and will start on site, preferably with the next two months.

2.4 St John's Place, Perth

This project being developed by Kingdom Housing Association for Fairfield Housing Co-op was previously to be developed under the terms of the 'Resonance Model' but this model was found to be not viable. As a result, agreement has been reached with the developer to take this development forward to provide eight social rented flats.

2.5 East High Street, Crieff

Kingdom Housing Association are to redevelop a former hotel in Crieff which is empty and falling into disrepair to provide fourteen flats for social rent. Additional funding from the Scottish Government means it is possible to bring forward this project for completion by March 2015. This development will also be assisted by £255k from the Town Centre Fund.

2.6 Burnside Garage Site, Dunning

An opportunity has arisen to bring this project forward from later years to 'substitute' for some of the projects facing delays. It is now proposed that Hillcrest Housing Association take forward the development of seven houses on this site to be either complete or substantially completed by March 2015.

2.7 Old Mill Road, Blairgowrie

In view of the houses which have come out of the programme anticipated for completion by 2015, it is proposed that the Council brings forward the development of seven houses at Old Mill Road, Rattray from 2017/18. It is anticipated that this development can proceed in this timescale and it would be beneficial for the area to have the new build element of the project completed as soon as possible.

2.8 Jeanfield Road, Perth

It is intended that additional housing is taken forward on this site to 'take up' funding which was to have been invested elsewhere. It is possible for Hillcrest Housing Association to commission a further eight flats at the rear of the site. On adjacent land owned by the Council it may be possible for an additional fourteen one bedroomed flats to be built. Planning permission for the redevelopment of this site has yet to be obtained and Perth and Kinross Heritage Trust recommend that a programme of archaeological works to establish the presence / absence of archaeology on the site is required. If significant archaeological deposits are identified, a mitigation strategy would be required to either preserve these deposits in situ or by record, through archaeological excavation, post-excavation analysis and publication. This obviously may result in delays in this site being developed and it may therefore feature later in the programme if these arise.

Changed details for projects in the programme 2013-15

2.9 Crieff Road, Perth

Information received recently from Caledonia Housing Association indicate they intend to change the development proposed for this site to incorporate six small flats rather than four houses, together with the existing house which is to be refurbished. This better addresses the priority housing need in this area.

2.10 Council Buy-Backs

The Scottish Government have offered funding to the Council to assist buying back former Council housing and a maximum of £25,000 a unit is available for this. Since the Council already has a programme of 'buybacks' underway it is anticipated that top up funding will assist the Council in securing eight houses by March 2014 and a further ten houses during 2014/15.

- 2.11 The Scottish Government will continue to discuss the detail of the programme with the Council to agree revisions to the programme as necessary in ensuring that the number of houses achieved is as high as possible. In situations where projects are delayed or have failed to progress at all, efforts will be made to find alternative substitute projects and these projects will be prioritised using the criteria detailed in the Strategic Housing Investment programme approved at Housing and Health Committee.

3. CONCLUSION AND RECOMMENDATION

- 3.1 This report seeks that the revisions made to the first two years of the Strategic Local Programme as detailed in Appendix 1 to this report are approved.

Author

Name	Designation	Contact Details
Norma Robson	Team Leader, Planning and Policy	nerobson@pkc.gov.uk 01738 476090

Approved

Name	Designation	Date
John Walker	Executive Director (Housing and Community Care)	12 March 2014

If you or someone you know would like a copy of this document in another language or format, (on occasion only, a summary of the document will be provided in translation), this can be arranged by contacting Norma Robson



Council Text Phone Number 01738 442573

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	Yes
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	None
Asset Management (land, property, IST)	Yes
Assessments	
Equality Impact Assessment	None
Strategic Environmental Assessment	None
Sustainability (community, economic, environmental)	None
Legal and Governance	None
Risk	None
Consultation	
Internal	Yes
External	Yes
Communication	
Communications Plan	None

1. Strategic Implications

The Perth and Kinross Community Plan 2013-2023 and the Perth and Kinross Corporate Plan 2013-18 have five outcomes which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. The following are relevant to this report:

- Promoting a prosperous, inclusive and sustainable economy
- Supporting people to lead independent, healthy and active lives
- Creating a safe and sustainable place for future generations

2. Resource Implications

Financial

- 2.1 Resource implications arising directly from this report emanate from the proposed local authority new build programme and the use of the second homes Council tax fund and developers' contributions for affordable housing as detailed against individual projects in the Strategic Housing Investment Plan and Strategic Local Plan (SHIP/SLP). Detailed resource implications will be reported to relevant Council committees. The Head of Finance was consulted on these proposals.

Workforce

- 2.2 There are no direct workforce implications regarding this report.

Asset Management (land, property, IT)

- 2.3 The Depute Director (The Environment Service) and the Head of Finance and Support, Housing and Community Care were consulted on this report and are in agreement with the proposals.

3. Assessments

3.1 Equality Impact Assessment

Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.

The proposals have been considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome:

- (i) Assessed as **not relevant** for the purposes of EqIA

3.2. Strategic Environmental Assessment

The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals. However, no action is required as the Act does not apply to the matter presented in this report. The matters presented in this report were considered under the Environmental Assessment (Scotland) Act 2005 and no further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt.

3.3 Sustainability

These proposals meet the following sustainability criteria:

- Where possible, using materials from sustainable sources
- Energy conservation through improved insulation measures
- More efficient heating systems
- More efficient lighting systems

3.4 Legal and Governance

The Head of Legal Services has been consulted and there are no direct legal implications of this report.

3.5 Risk

The Housing and Community Care Senior Management Team regularly review capital monitoring reports that highlight individual project progress and risks.

4. Consultation

4.1 Internal

The Heads of Finance and Legal Services have been consulted on this report.

External

4.2 The Local Housing Strategy (LHS) was developed through interagency working and consultation. Achieving LHS objectives is progressed through successful joint working with partner agencies. The Strategic Housing Investment Plan (SHIP) is developed corporately through the 'Affordable Housing Working Group' with colleagues within the Environment Service and the Chief Executive's Service. Registered Social Landlords, Homes for Scotland, private developers and rural landowners are also involved through groups such as the Housing Forum alongside regular liaison meetings with the Scottish Government. The Strategic Local Programme has been developed through individual meetings with housing associations as well as regular correspondence in finalising the programme.

4.3 Registered Social Landlords and the Scottish Government have been consulted in the preparation of this report.

4.4 The Tenant Committee Report Panel was consulted and expressed support for a very informative report and hope that it meets its aspirations.

2. BACKGROUND PAPERS

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied upon to any material extent in preparing the above report. .

3. APPENDICES

Appendix 1 to this report lists sites included in the Strategic Local programme 2013-2015.

APPENDIX 1

Budget for new money for Local Programme - £12.108M Sites in the Strategic Local Programme 2013-15

Project Address	Developer	Units by Tenure			Units by Type			Unit Completions		TOTAL Scottish Government Grant £M
		Social Rent	Mid Market Rent	Total Units	General Needs	Specific Needs	Total Units by Type	2013/14	2014/15	
Muirton (5a), Perth	Fairfield Housing Co-op	25	0	25	25	0	25	0	25	£1.300 ²
Caledonian Road School	Caledonia Housing Association	24	0	24	20	4	24	0	24	£1.248 ²
Kirkton, Auchterarder	Local Authority	12	0	12	10	2	12	0	12	£0.480 ²
Kirkton, Auchterarder	Hillcrest Housing Association	12	0	12	10	2	12	0	12	£0.616 ²
Abernethy	Kingdom Housing Association	0	12	12	12	0	12	0	12	£0.446
Balbeggie	Local Authority	16	0	16	12	4	16	0	16	£0.640 ²
Jeanfield Road, Perth	Local Authority	16	0	16	14	2	16	0	16	£0.480 ¹
Jeanfield Road, Perth	Hillcrest Housing Association	0	16	16	16	0	16	0	16	£0.593 ¹
Jeanfield Road, Perth	Hillcrest Housing Association	8	0	8	6	2	8	0	8	£0.401 ¹
Inchtute	Local Authority	8	0	8	8	0	8	8	0	£0.240 ¹

Project Address	Developer	Units by Tenure				Units by Type			Unit Completions		TOTAL Scottish Government Grant £M
		Social Rent	Mid Market Rent	Total Units		General Needs	Specific Needs	Total Units by Type	2013/14	2014/15	
Water Vennel	Caledonia Housing Association	18	0	18		18	0	18	18	0	£0.730 ¹
Burnside Garage Site, Dunning*	Hillcrest Housing Association	7	0	7		7	0	7	0	7	£0.490 ³
Friarton Prison Site	Caledonia Housing Association	14	0	14		14	0	14	0	14	£0.728 ²
Crieff Road, Perth	Caledonia Housing Association	7	0	7		7	0	7	0	7	£0.350 ²
Springbank Road, Alyth	Local Authority	4	0	4		4	0	4	0	4	£0.176 ²
East High Street, Crieff*	Kingdom Housing Association	14	0	14		14	0	14	0	14	£0.912 ³
St Johns Place Perth*	Kingdom Housing Association	8	0	8		8	0	8	0	8	£0.506 ³
Jeanfield Road Ph2, Perth*	Hillcrest Housing Association	8	0	8		8	0	8	0	8	£0.496 ³
Jeanfield Road Ph2, Perth*	Local Authority	12	0	12		12	0	12	0	12	£0.600 ³
Old Mill Road, Rattray*	Local Authority	7	0	7		7	0	7	0	7	£0.322 ³
Council Buy backs*	Local Authority	8	0	8		8	0	8	8	0	£0.200

Project Address	Developer	Units by Tenure			Units by Type			Unit Completions		TOTAL Scottish Government Grant £M
		Social Rent	Mid Market Rent	Total Units	General Needs	Specific Needs	Total Units by Type	2013/14	2014/15	
Council Buy backs*	Local Authority	10	0	10	10	0	10	0	10	£0.250

*Projects added into the programme

¹ Historical funding levels of approx. £30,000 for Councils/ average of £42,000 for Housing Associations

² Interim funding levels agreed at £40,000 for Council/average of £52,000 for Housing Associations

³ Current funding levels of £46,000 for Councils/average of £62,000 for Housing Associations

Grant levels vary in accordance with sizes of properties and on whether greener standards are being met.

Projects which have been removed from the programme for 2013-15:-

Bridgefauld Road, Milnathort	Hillcrest Housing Association	10	0	10	6	4	10	0	10	£0.549
Bridgefauld Road, Milnathort	Local Authority	10	0	10	8	2	10	0	10	£0.400
Station Road, Blair Atholl	Caledonia Housing Association	10	0	10	6	4	10	0	10	£0.530
Cherrybank, Perth	Hillcrest Housing Association	14	0	14	10	4	14	0	14	£0.750

