



East Dunbartonshire Council

www.eastdunbarton.gov.uk

East Dunbartonshire Council

Strategic Housing Investment Plan

Draft Report

Subject to Council approval

28th November 2008

CONTENTS

Section 1: Background	1.1 Purpose	3
	1.2 Aims and Objectives	3
Section 2: Strategic Framework	2.1 National Strategic Context	4
	2.2 Regional Strategic Context	5
	2.3 Local Strategic Context	6
Section 3: Partnership Working	3.1 Partnership Framework	8
	3.2 Consultation	8
Section 4: Priority Areas	4.1 Geographical Areas	9
	4.2 Investment Priority Areas	9
	4.3 Balance of Tenure	9
	4.4 Equalities	12
	4.5 Affordable Housing Standards	13
Section 5: Investment Strategy	5.1 Development Funding	14
	5.2 Other Funding	14
	5.3 Procurement	15
Section 6: Current and Planned Projects	6.1 Introduction	16
	6.2 5-Year Projects	17
	6.3 Aids and Adaptations	18
	6.4 Sustainable Development	19
	6.5 Development Constraints	20
	6.6 Strategic Housing Investment Plan	22
Section 7: Development Funding	7.1 Development Funding Requirements	23
Section 8: Risk Assessment	8.1 Key Risks	25
	8.2 Action Plan	28
Section 9: Monitoring and Evaluation Framework	9.1 Monitoring Arrangements	29
Annex 1	LHS Targets	
Annex 2a	Total Proposed Units (£4.5m 07/08 budget)	
Annex 2b	Total Proposed Units (10% budget increase)	
Annex 2c	Total Proposed Units (20% budget increase)	
Annex 3	Total Proposed Units by Sub-Area	
Annex 4	Status of Projects	
Annex 5	Status of Projects by Sub-Area	
Annex 6a	Funding Requirement (£4.5m 07/08 budget)	
Annex 6b	Funding Requirement (10% budget increase)	
Annex 6c	Funding Requirement (20% budget increase)	
Annex 7	Funding Requirement by Sub-Area	
Annex 8	Comprehensive Project List for Prioritisation	
Annex 9	Glossary of Terms	

SECTION 1

BACKGROUND

1.1 PURPOSE OF THE STRATEGIC HOUSING INVESTMENT PLAN (SHIP)

The first round of the Strategic Housing Investment Plan (SHIP) was submitted to the Scottish Government on 30th November 2007. This was essentially a pilot for both the Scottish Government and local authorities. Following assessment of the SHIP submissions, the Scottish Government revised the guidance to assist local authorities to prepare formal submission, taking account of emerging changes to housing and planning policies since the original SHIP guidance was published.

The SHIP will continue to be part of the overall Strategic Housing Investment Framework (SHIF). It will assist Ministers to target resources for new affordable housing in places with the greatest need.

The main purpose of the SHIP is to set out how investment in affordable housing will be directed over a five year period to achieve outcomes set out in the Local Housing Strategy (LHS).

East Dunbartonshire Council's SHIP addresses issues relating to all tenures in the private and public sectors and has been developed in consultation with key partners and stakeholders.

1.2 AIMS AND OBJECTIVES

The aim of the SHIP is to set out key investment priorities for affordable housing in line with the LHS. It should also demonstrate how these priorities can be delivered and identify resources to deliver the priorities.

The main objective is to increase the supply and quality of affordable housing that meets the housing need of the diverse communities, regenerate disadvantaged communities, prevent homelessness and promote choice of tenure in East Dunbartonshire.

SECTION 2

STRATEGIC FRAMEWORK

2.1 NATIONAL STRATEGIC CONTEXT

Firm Foundations

The Scottish Government's Firm Foundations document emphasises the major role which local authorities should play in shaping the housing system in their areas through their LHSs.

The main emphasis of Firm Foundations is to increase housing supply for all tenures throughout Scotland by up to 35,000 new homes a year by the middle of the next decade. It also states the importance of higher environmental and design standards which should be adopted, affordability in housing for those on low incomes and the creation of sustainable communities.

Scottish Planning Policy 3 (SPP3)

The revised SPP3 sets out the Government's policy on the identification of housing requirements, the provision of land for housing and the delivery of homes through the planning system to support its commitment to increase new house building. One of the key objectives of SPP3 is to allocate a generous supply of land to meet identified housing need across all tenures, including affordable housing.

SPP3 also strengthens the link between Housing Need and Demand Assessments (HNDA), LHSs and Local Development Plans (LDP). It states that a close working relationships between housing and planning is fundamental to delivering new housing of the right type in the right places.

Strategic Housing Need and Demand Assessment

The new HNDA reflects the direction of the Firm Foundations and SPP3, specifically to increasing housing supply. The integration of housing and development plan is a key element. It will also provide the evidence base upon which housing supply targets are defined in the LHS to ensure that suitable land is allocated through the LDP to meet these targets across all tenures.

These assessments are to be undertaken at a functional housing market level and will provide a clearer understanding of the housing system as a whole. Local authorities are encouraged to set up housing market partnerships with key partners, particularly with other LAs in their HMA to jointly undertake an HNDA to broaden their understanding and develop essential skills to take full ownership of the assessment.

Better Value from Housing Association Grant

The consultation document, *Better Value from Housing Association Grant: Changes to Grant from 2008/09*, was issued to stakeholders on 13 February 2008. The document invited comments on the changes the Scottish Government proposes to make to Housing Association Grant (HAG) assumptions and allowances from April 2008.

Firm Foundations suggests that new housing must be procured much more efficiently than at present. It proposes that this should be achieved by allocating public subsidy for new social housing at a regional level and through a competitive process that will encourage innovation and efficiency. To achieve this, the Scottish Government reviewed current HAG allowances and assumptions that are used to calculate how much RSLs should borrow from private lenders for each new development, over and above HAG funding.

The changes proposed will reduce the amount of subsidy by adjusting the assumptions and allowances for rent, borrowing rates, RSL revenues, inflation and management and maintenance costs. It is anticipated that these changes will maximise the amount of new social housing for rent that HAG supports.

Single Outcome Agreement

The Concordat agreed between the Scottish Government and COSLA in November 2007 sets out a national performance framework based around five strategic objectives of the Scottish Government which are underpinned by fifteen national outcomes, thirty five national performance indicators and a menu of fifty five local performance indicators.

Local authorities are required to develop a Single Outcome Agreement (SOA) demonstrating how they contribute to the delivery of the national outcomes. Increasing the supply of affordable housing, reducing the number of non-priority homeless and reducing the carbon footprint are featured within the menu of the fifty five local performance indicator and, therefore, have been identified as a priority in East Dunbartonshire Council's SOA.

2.2 REGIONAL STRATEGIC CONTEXT

East Dunbartonshire is part of the Glasgow and Clyde Valley Structure Plan (GCVSP). The plan covers the whole of the Clydeside conurbation and sets out the wider strategic planning policy for the area. It is proactive and has clear development geography by defining the location of development priorities. It also provides the framework for planning at local authority level, including the integration of community regeneration as one of its key concepts.

Housing Market Areas (HMAs)

There are two distinct Housing Market Areas within the Clydeside conurbation as defined in the Structure Plan, the east conurbation and the central conurbation. East Dunbartonshire falls within the central conurbation which covers several sub-market areas including Greater Glasgow North & West, Strathkelvin & Springburn, Glasgow East, Cumbernauld and Greater Glasgow South.

The Structure Plan uses HMAs and demographic movement to forecast housing supply and demand. This forecast is mainly for market housing. However, the SPP3 and new HNDA guidance specifies that local authorities must have regard to functional housing market areas as defined in SPP3 for all tenures when assessing housing need.

The Glasgow & Clyde Valley LHS group have established a technical sub-group to consider developing a shared methodology to allow for cross-border HNDAs to be undertaken and housing market partnerships to be formed, where appropriate. The sub-group have assimilated information from each of the eight local authorities existing housing needs assessment to establish commonality and/or differences. The sub-group are currently preparing a tender document to appoint consultants to recommend a common methodology which will include a demand assessment using the new HNDA guidance for the GCV area.

The group will also be assessing the HMA for each local authority in the GCVSP area. East Dunbartonshire Council will apply the outcome of this assessment when carrying out its own HNDA.

2.2 LOCAL STRATEGIC CONTEXT

Local Housing Strategy

The Scottish Government and COSLA issued new LHS guidance on 25 June 2008. The LHS will be an integral part of the new housing planning framework and will be prepared in tandem with LDP and informed by the outcomes of the HNDA. It is anticipated that the new LHS will not be available until 2011 to enable the outcomes to be integrated into the LDP. East Dunbartonshire Council's current 2004-2009 LHS is at the end of its lifetime. In the interim the Council has updated the existing LHS which will be extended until the new LHS has been developed.

The investment priorities in the SHIP are consistent with and reinforce the priorities set out in the LHS. The plan takes account of the key actions required to increase the supply of affordable housing to deliver the housing supply related outcomes in the 5 Strategic Aims of the LHS. The aims include meeting housing need and promoting choice, delivering quality housing, building sustainable communities, promoting independence in the community and preventing and reducing homelessness.

Local Plan - Affordable Housing Policy

The Council's 2005 Local Plan (LP) is current being reviewed to take account of the recent new Planning Act and planning policies including SPP3. An issues paper was issued to stakeholders for consultation in September 2008. This outlined the proposed changes to the existing LP, including the Affordable Housing Policy. It is aimed to be finalise the LP in 2011.

In the meantime, the existing Local Plan's 'affordable housing' policy targets of 40%/20% will be applied to all developments over 15 units or 0.75 hectares until the new Plan has been adopted.

2005 updated Housing Needs Assessment

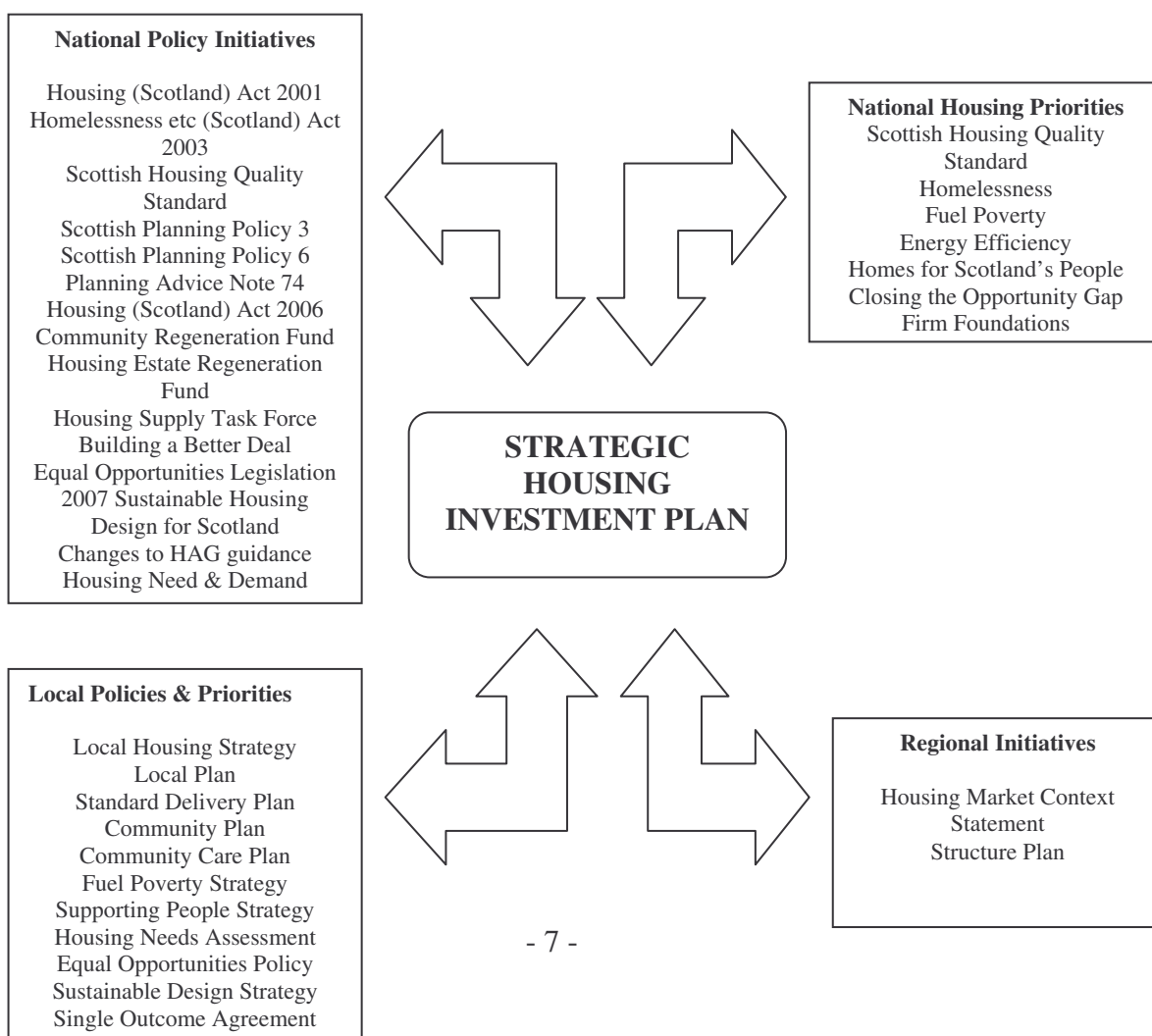
The Council's 2005 updated Housing Needs Assessment (HNA) indicates that the Council requires an additional 251 units per year over the next 5-years to meet present housing need. The numbers vary from area to area but Bearsden, Bishopbriggs and Kirkintilloch share the highest shortfall. This will continue to be applied until a new HNDA is available as indicated in 2.2.

Homelessness Strategy 2006-11

One of the main objectives of the Homelessness Strategy is to promote the increase of the supply of affordable housing so that the Council can fulfil its statutory obligations.

The Homelessness Scotland etc Act 2003 established a range of new duties including the removal of "priority need" criteria by 2012. The Council has been gradually introducing the new duties over the last year which has resulted in an increased number of households being assessed as homeless and in priority need. This places further pressure on the supply of social rented housing across East Dunbartonshire. In 2006, it was estimated from the Homelessness Assessment Model that by 2012 every settlement in East Dunbartonshire, except for Twechar, will have a total shortfall of 1,846 tenancies over the period, which is a substantial 63% deficiency in the total number of tenancies required. The model is currently being updated and it is anticipated that the level of shortfall will be greater due to the increased number of presentations and reduced turnover of housing.

The diagram below illustrates the range of strategies taken account of in preparing the SHIP.



SECTION 3

PARTNERSHIP WORKING

3.1 PARTNERSHIP FRAMEWORK

A Strategic Housing Investment Plan Steering Group was established in 2007 for the first round of the SHIP. The group re-convened in July 2008 to review the outcomes of the 2007 SHIP and to prepare the new SHIP in line with the new guidance. The steering group representatives are as follows:

- The Council's Housing & Protective Services
- The Council's Planning Service
- The Council's Social Work Service
- Scottish Government Investment Team
- Registered Social Landlords (RSLs)

The group considered the impact of both national and local priorities in relation to the delivery of affordable housing and used these findings to inform the development of the SHIP.

A Planning/Housing Affordable Housing Group which includes the Heads of Service and Managers has also been established to support the delivery of affordable housing in line with SPP3 and LHS recommendations.

In addition, East Dunbartonshire Council contacted and/or met with developers and funders to consider the delivery of affordable housing to ensure that the SHIP programme is realistic and deliverable.

3.2 CONSULTATION

East Dunbartonshire Council introduced a new Consultation and Engagement Strategy in June 2008. The Strategy sets out the Council's approach to consultation and details how it will consult and engage with key stakeholders and communities. The Government's National Standards for Community Engagement has been embraced throughout the Strategy.

In the development of the SHIP, the Housing Service is committed to engaging with other Council Services and key partner organisations such as Social Work, Planning, Developers, RSLs, Tenants' etc. to ensure that shared priorities and their wider remits are incorporated in the SHIP.

The SHIP was issued to various partners and agencies, including Utilities Services, Developers and Homes for Scotland for consultation on 29th August 2008 for a 3 week period. The comments received have been reviewed and incorporated into the plan, where appropriate.

SECTION 4

PRIORITY AREAS

4.1 GEOGRAPHICAL AREAS

East Dunbartonshire Council's Housing Service has divided the towns and villages of East Dunbartonshire into nine settlement areas. Each area has a diverse range of social, economic and housing needs.

For its assessment, the Council's 2005 HNA disaggregates housing need by the same nine settlement areas.

The SHIP steering group agreed that there should be eight development sub-areas for the purpose of the SHIP as detailed in Annex 1 - Table 1a. Bearsden and Milngavie and also Kirkintilloch, Waterside and Lenzie have been merged as there are strong migration links to these areas. Hillhead has been separated from Kirkintilloch due to its regeneration status. The rationale behind the formation of the remaining sub-areas is to maintain comparability with the nine settlement areas used by housing and the HNA. These areas are also self-contained making it easier to obtain statistical information.

4.2 INVESTMENT PRIORITY AREAS

The SHIP steering group agreed that investment priority should be given to the most deprived housing regeneration areas currently identified by the Council and increasing the supply of new affordable housing in the areas with the greatest need.

The 5 main priority areas for the SHIP are as follows:

- ✓ Hillhead Regeneration
- ✓ Twechar Regeneration
- ✓ Bearsden & Milngavie
- ✓ Bishopbriggs
- ✓ Kirkintilloch

Housing development proposals for the two regeneration areas are replacing social housing stock that is to be demolished. The projects will, therefore, not contribute to increasing the supply of affordable housing across East Dunbartonshire. A balance needs to be struck between all geographical areas to ensure the delivery of new affordable housing is maximised to those areas with the greatest need whilst still delivering the regeneration projects within timescale.

4.3 BALANCE OF TENURE

The tenure of East Dunbartonshire is predominately owner occupation at 86%. House prices in the owner occupied sector are exceptionally high.

There are very little affordable housing options available for residents of East Dunbartonshire on a modest or low income.

In 2008, the average house price in East Dunbartonshire was £208,763 (Sasines data 2007) and with an average gross income of £36,950 (CACI data 2007), this means that the average household in East Dunbartonshire would only be able to afford to borrow around £157,000 using the nationwide mortgage calculator which is based around 3.5 times the annual salary. To enable households to be able to afford to buy a house at the average house price, household would need to borrow around 5.6 times their annual salary or contribute a substantial amount of equity or savings towards their deposit.

The LHS aims to promote tenure choice, independence in the community and prevent & reduce homelessness. In addressing this, it is essential that a variety of new affordable housing for rent and sale is developed throughout East Dunbartonshire which meets local housing need.

Tenure Type

The Council's 2005 Housing Needs Assessment indicates that the majority of those in housing need were unable to afford to buy a house in East Dunbartonshire.

However, HNA indicated that Homestake (now NSSE) at 51% financial contribution from owners could be affordable to up to 50% of those in housing need, except for Bearsden and Milngavie where house prices remain unaffordable and would required substantial subsidy in excess of 50%. Therefore, it is proposed to give priority to rented houses in the first instance, followed by other tenure types. This is also supported by the Council's Tenant Participation Working Group and Interested Tenants' Groups.

The various tenure options for East Dunbartonshire agreed by the SHIP steering group are, in order of preference, as follows:

- ❖ Social Rented Housing
- ❖ New Supply Shared Equity (NSSE)
- ❖ Shared Ownership
- ❖ Mid Rent Housing
- ❖ Market Rent Housing

The Council has not been included in the Scottish Government's pilot for open market shared equity (OMSE) and therefore, this option has not been considered.

House Sizes

The Council's 2005 HNA assessment shows that there is a shortage of one, two and three bedroom properties in East Dunbartonshire, except for Bearsden and Milngavie which has a surplus of three bedroom properties. Priority should, therefore, be given to the development of one and two bedroom properties in Bearsden and Milngavie and one, two and three

bedroom properties in Kirkintilloch, Bishopbriggs and the villages of Lennoxton, Torrance and Milton of Campsie. Bishopbriggs requires more 3 beds than 2 bed properties. However, RSLs are not keen to develop one bedroom houses so this maybe difficult to deliver.

Client Groups

East Dunbartonshire requires a variety of house types to meet the housing needs of a wide spectrum of client groups.

The priority client groups for East Dunbartonshire are:

❖ Homeless Households

In 2007/08 East Dunbartonshire Council had 701 homeless presentations, of which 496 were in priority need. There were 248 lets during the same period, of which 54% were allocated to homeless households. Despite a high percentage of lets being made to homeless households, there is still a backlog of 320 homeless households (Sept 2008) waiting to be permanently houses.

It is also expected that the 2012 abolition of priority need will generate an increased number of young homeless people requiring permanent housing which will add to the current housing crisis in East Dunbartonshire.

❖ Young Single People

The majority of the housing stock in Council ownership is two and three bedroom properties at 39% and 30% respectively. The turnover of smaller housing for single people, in particular for young single people is low.

Although, over recent months house price have dropped in East Dunbartonshire, house prices still remain high and with limited mortgage availability for first-time buyer makes it extremely difficult for young people with low or modest incomes to purchase a home in East Dunbartonshire on the open market.

❖ Older People

The demographics of East Dunbartonshire show an increase in the number of older people living in the area. There are around 470 older people housing units in East Dunbartonshire either managed by the Council or Housing Associations. The demand for older people housing across East Dunbartonshire continues to be high with over 700 older people on the waiting list for sheltered housing, although it is expected that a high proportion will be able to live independently. Sheltered housing and mainstream housing with telecare and other technological dimensions is therefore required. East Dunbartonshire Council and the Community Health Partnership aim to shift the balance of care from institutional care to care in the Community.

❖ Community Care Groups

In 2006/07, there were over 295 known Community Care clients requiring either shared and/or individual housing over the next 5-years, of which 33 have a learning disability, 12 have a physical disability/sensory impairment or brain injury and 250 have mental health illnesses. In East Dunbartonshire there are approximately 190 tenancy places for a variety of Community Care client groups but these places rarely become available. The majority of Community Care client could maintain their own individual mainstream tenancies with support services. However, there are certain client groups with high support needs that required supported accommodation and with only 28 units (106 places) available with no turnover, it is vital that additional units are secured.

It is suspected that there are a number of potential Community Care groups that will also require accommodation in the near future that are currently unknown to Social Work. In order to establish the true extent of the housing needs of Community Care group, Housing and Social Work Services are currently discussing scope to carry out a joint Community Care Housing Needs Assessment.

❖ Lone Parents & Families

The annual turnover of Council housing is low at 6%. There are over 4,000 people on the Council housing waiting list which means that the ratio of applicants to lets is 15:1. The Council operates a needs based allocations policy which allocates 60% of all lets to Homeless applicants, 20% transfer and 20% waiting list. Around 50 lets per annum are available to applicants on the waiting list, of which a proportion will be sheltered housing which is unsuitable for lone parents or families.

This coupled with high house prices and low income means that there are very few housing options available for lone parent and families and therefore a variety of low cost affordable housing options are required for this group.

❖ BME Groups

The 2001 Census data indicates that all of the BME communities in East Dunbartonshire have a higher proportion of people aged under 24 than the general population. If this is translated into a higher rate of new household formation, there may be an increased demand for social rented housing from BME applicants in future.

In 2006, the Housing Service carried out research into 'understanding the Needs of the BME population in East Dunbartonshire provide us with better information about the current usage of our services by

people from minority groups and the extent to which people from minority groups may need to use our services in future.

The research team found it difficult to engage with some BME communities due to some groups refusing to participate. Therefore, the findings do not reflect the profile of the resident BME population.

The majority of the BME groups consulted live in the owner-occupied sector, at 71%. In general, the groups felt that their current housing met their housing need. Although, there were some concerns about accessing information due to language and cultural barriers.

An action plan has been produced to implement the findings of the research. This will be used to improve our knowledge about the needs of equalities groups and to provide a sound basis for future development of service objectives and targets.

4.4 EQUALITIES

The Council is committed to promoting equality and tackling any form of discrimination, whether direct or indirect. This means that the Council's Housing Service and its partners will strive to achieve equality of opportunity and treatment for all, irrespective of factors such as gender or marital status, race, disability, age, sexual orientation, language or social origin, or other personal attributes, such as religious beliefs or political opinions. This is supported by the LHS and the Housing Service's 2004-2009 Equalities Policy.

The Council's Corporate Development Group produced a new Equalities Impact Assessment (EQIA) Toolkit in September 2008. The EQIA toolkit was used to assess the SHIP against the criteria. The outcome of the impact assessment indicates that the plan is not likely to have an adverse impact for any groups and promotes equality of opportunity. A full EQIA report will be published early 2009.

4.5 AFFORDABLE HOUSING STANDARDS

The development of any new rented homes in East Dunbartonshire will be designed to 'Housing for Varying Needs Standards' in accordance with Scottish Government's guidance. These standards are aimed at making all new dwellings barrier free internally and externally to ensure that a wide range of needs can be met and also adapted easily to changing needs.

The SHIP steering group consider that a limited number of units which may be of a lesser standard may be appropriate for LCHO such as Homestake and off-the-shelf purchases from developers.

All new developments will also be designed with safety and security in mind. It is intended that all new developments should be accredited as 'secure by design' by the police authority.

SECTION 5

INVESTMENT STRATEGY

5.1 DEVELOPMENT FUNDING

A strategic approach to funding affordable housing has been adopted. The new HAG guidance and calculator provided by Scottish Federation of Housing Associations was used to estimate costs for future projects. The availability of various other sources has been assumed to maximise the supply of affordable housing in East Dunbartonshire as shown in Annexes 6a, b and c. These are as follows:

- Affordable Housing Investment Programme (AHIP)
- Contaminated Land Grants
- Private Finance
- RSL Reserves
- Commuted Sums
- Cross Subsidy
- Land Sales
- Other Agency Contributions

East Dunbartonshire Council receives very little income from second home council tax and therefore no funding has been assumed from this source. However, a proposal is to be presented to the Council in the near future requesting approval to decrease the discount on second and empty homes, the additional revenue to be invested in the SHIP.

The Scottish Government has announced Incentive Grant Funding of £25m over 3-years to Scottish Councils who satisfy eligibility criteria to build new Council housing. East Dunbartonshire Council's Housing Service has enlisted consultancy support to review the Housing Business Plan to assess whether new Council Housing Building in East Dunbartonshire is an appropriate option. The outcome of the assessment will be included in the next annual update of the SHIP.

5.2 OTHER FUNDING CONTRIBUTIONS

There are a number of other funding sources which could contribute indirectly to the provision of affordable housing. For example, tackling issues such as disrepair and supporting people living in their own home could contribute to meeting the housing need of those in unsuitable housing without the need to provide additional housing. Other potential funding contributions may be obtained from the following sources:

- Scottish Housing Quality Standard (SHQS)
- Private Sector Housing Grant (PSHG)
- Aids and Adaptations
- Care and Repair

The Private Sector Housing Grant system will change in line with the Housing (Scotland) Act 2006. The Council is currently developing a 'Scheme of Assistance' to help private owners by giving advice on maintenance as well as funding. The future level of funding is not yet known although, it is assumed that the current annual spend will continue. The PSHG will also continue to support the Care & Repairs Scheme for owners aged over 75 or over 60 with a disability.

As part of the concordat, the Private Sector Housing, Supporting People and Wider Role Grants have been rolled up into a package of funding which the Scotland Government will provide to the Council over the period 2008/9 - 2010/11.

The Single Outcome Agreement will underpin the funding priorities for the Council in accordance with the national performance framework. National Outcome 11 and Local Outcome 11a sets out the Council's commitment to Private Sector Housing, Supporting People and Wider Role through a comprehensive and joined up care structure to older people and other vulnerable groups to achieve strong resilient and supportive communities.

The Council will continue to find innovative ways to fund supported accommodation or support people in their own homes through either its own resources or through other agencies to enable it to meet the housing needs of Community Care Groups.

The Council has now surveyed 96% of its housing stock against the SHQS criteria. The survey results are entered into a database and incorporated into the planned capital programme. We are confident on our ability to meet the standard by 2015.

5.3 PROCUREMENT

The Scottish Government's Firm Foundations proposals include a range of financial measures to improve the efficiency of affordable housing investment overall. One proposal relates to the potential to lower costs through procurement arrangements with a range of participants in housing development. This may include professional services as well as developer, constructions and materials provider efficiencies. Government has established a small team to review procurement issues to help form a procurement policy aimed at maximising the number of affordable housing within available funding limits. The SHIP steering group recognise the potential for procurement efficiencies and will review this for a future SHIP in the light of any future guidance from Scottish Government.

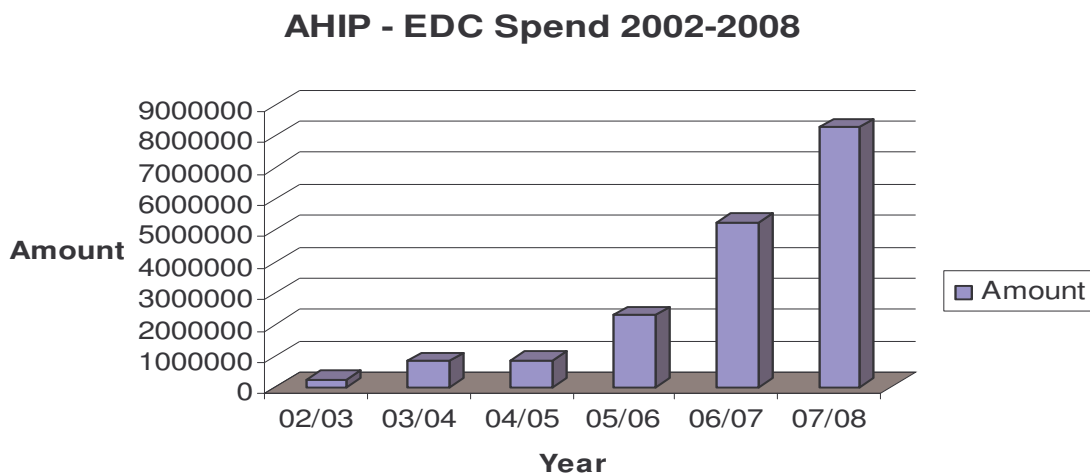
SECTION 6

CURRENT AND PLANNED PROJECTS

6.1 INTRODUCTION

Over the last two years, the Council, in partnership with Scottish Government's Investment Team and RSLs, have delivered 124 new homes across East Dunbartonshire with an additional 68 in the pipeline. As a result the level of AHIP spend on new build has increased from around £0.240k in 2002/03 to £8.3m in 2007/08 as shown in chart 1 below.

Chart 1



The Scottish Government has not yet announced the 2009/10 Affordable Housing Investment Programme (AHIP) budget figures. On advice, therefore, the SHIP uses the 2007/08 budget allocation of £4.5m over the next 5-years, totalling £22.4m as the basis in which to programme projects as shown in Annex 6a.

A lower figure than the £4.5m budget has not been applied within the sensitivity analysis. The below table illustrates what potentially could be achieved should additional funds of 10% and 20% be made available each year. Annexes 6b and 6c provide further detail on the impact for each assumption.

Table 1

Sensitivity	AHIP 5-year Funding	Target No. of Units	No. of Units proposed	Shortfall	Comments in impact
2007/08 Budget (Annex 6a)	£22.4m	1688	489	1199 (70%)	50% of new houses provided replaces demolition stock. Only meets a third of need
10% Increase (Annex 6b)	£30.22m	1688	570	1118 (66%)	81 more homes could be delivered but not until in Yr 5
20% Increase (Annex 6c)	£40.346m	1688	707	981 (58%)	208 more homes could be delivered from Yr 3 onwards

As shown above and illustrated further in Annex 2c, a 20% increase delivers 208 (42%) more new affordable houses than the 2007/08 budget. This increase still falls substantially short of the scale required as shown in Annex 3. If the budget remained the same at £4.5m just under 50% of the new houses delivered would be replacing the housing stock lost through demolition in the regeneration areas and would not, therefore, contribute towards meeting identified housing need.

Therefore, it is crucial that the Council receives at least a 20% year-on-year budget increase in order to make real in roads to supporting those who are in greatest housing need. To this end, the 5-year project is based on a 20% increase in funding.

6.2 5-YEAR PROJECTS

Annex 1 table 1b sets out the key affordable housing targets which are identified in the LHS. These figures are derived from the Council's 2005 HNA which states that 1255 new homes are required over the next 5-years. This excludes the regeneration projects which are features in the LHS and are required to deliver as least 203 new homes to replace the demolition stock. In addition, the Council homelessness housing need model projections suggest that a further 247 new rented houses are required which has been included in this table. This is currently being updated and it is expected that this figure will increase substantially.

Annex 2C shows that 707 new homes could be delivered across six of the eight development sub-areas, of which 8% of the new homes will be designated for specialist housing. It is anticipated that the majority of the specialist housing will be mainstream housing fitted with SMART technology.

90% of the new affordable houses will be for rent. This is in line with the outcome of the Council's 2005 HNA. The remaining 10% will be New Shared Supply Equity (NSSE) homes, formerly Homestake. Priority for NSSE homes will be given to social rented tenants, which in turn, will free up an affordable housing for rent.

The priority Investment areas for EDC are Hillhead, Twechar, Bearsden & Mingavie, Bishopbriggs and Kirkintilloch. As illustrated in Annex 2c priority has been given to projects in these areas, in particular the regeneration areas, for the first 3 years.

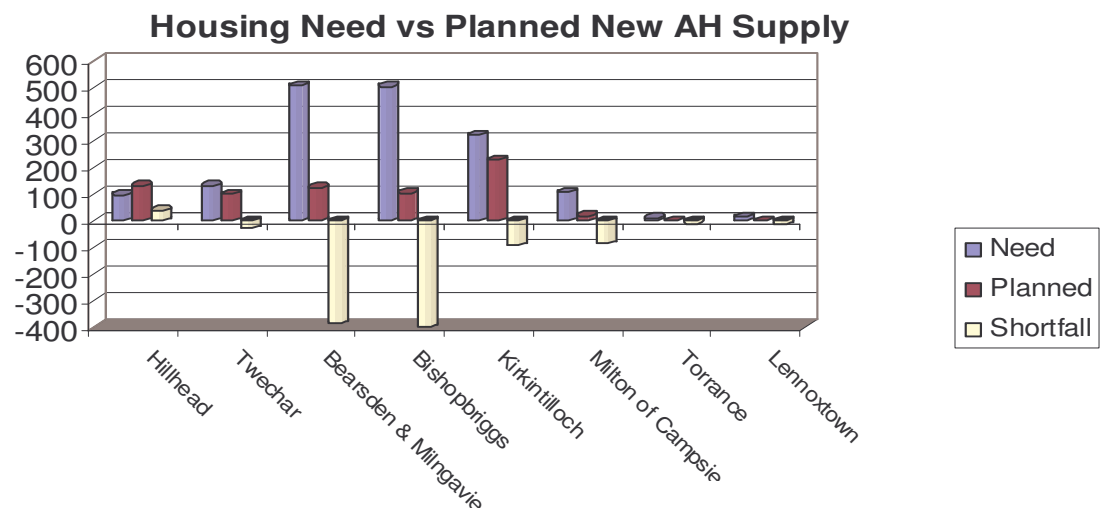
As part of a stock transfer arrangement and promises made to tenants, Hillhead Housing Association are required to demolish 192 unpopular flats and replace these with at least 142 new homes for rent. £7m of New Housing Partnership (NHP) funding was awarded by the Government for the new build. The NHP grant funding will have been fully utilised by the end of 2008/09, therefore, to complete the remaining units these will be funded using HAG. 45 new homes were completed this year and a further 140 new homes are planned over the next 2-3 years. Planning was granted in June 2008 for 26 units in phase 2 of their new build programme. A planning application for 34 in phase 4 was submitted in November 2008.

In Twechar, the Council is currently clearing 200 unpopular flats in advance of demolition. To date, there are over 80 empty properties in Phases 1 & 2 of the demolition programme. The demolition contractor has been appointed and the demolition of Phases 1 & 2 will start in December 2008. The Council will use the income from the sale of cleared land to fund the remaining demolitions and contribute to social/economic development projects. The Twechar masterplan indicates that 80 new homes for rent will meet the social housing needs of the community. There are 14 owners living in the houses to be demolished. The majority have expressed an interest in NSSE homes, therefore, 20 are planned with priority being given to owners from the demolition stock and social tenants of Twechar.

51% of the new housing projects are planned for Kirkintilloch, of which 37% are in Hillhead. Only 18% and 15% of the project are in Bearsden & Milngavie and Bishopbriggs respectively where demand is highest. This is due to the limited land supply and development opportunities in these areas.

As shown in Annex 3, each sub-area continues to show a shortfall in the number of affordable housing delivered through the SHIP compared with the target number of units identified in the LHS. The greatest shortfall is in Bearsden and Milngavie and Bishopbriggs, where an additional 382 (75%) and 408 (81%) new homes would be required over and above the SHIP programme to meet identified housing need as illustrated in Chart 2 below.

Chart 2



The majority of the sites are currently zoned for housing and included in the Council's Local Plan. However, there are a few sites that are not zoned for housing and, therefore, would require change of use. Over 67% of the land identified in the programme is effective land supply which is shown in Annex 5. The sources of land supply are also provided in Annex 5. The Council's affordable housing policy will provide 26% of the new homes from developers, 40% from Council own land, 30% from private owners and RSLs. Publicly owned land accounts for only 4% of the estimated total number of new homes.

A high proportion of the sites have planning consent (full or outline) and/or at the stage of submitting a planning application, this accounts for 61% of the sites highlighted green in Annex 4 where there is confidence that these projects will proceed. The sites with an amber status are those that are not currently zoned for housing and, therefore, there is some risk attached to delivering these projects. There is only one site that is highlighted red. The land is privately owned and there has been no contact with the owner for some time. Therefore, it is uncertain if this project will proceed despite being zone for housing.

6.3 AIDS AND ADAPTATIONS (Stage 111's)

The Council's ageing population is likely to increase demand on aids and adaptations in the future. The Council's Housing Service invested heavily on aids and adaptations for minor aids such as handrails, ramps, showers etc as well as larger adaptations such as stair lifts, walk in showers or extensions etc and as a result the Council has no waiting list.

RSLs own and manage a range of specialist housing throughout East Dunbartonshire for Community Care Groups. These properties, when available for let, can require major adaptations to meet the housing need of a specific individual. RSLs would normally apply to the Scottish Government to fund the work which can cost in the region of £20k.

The proposed SHIP programme has allocated £100k per annum towards stage 111's aids and adaptations based on a 20% budget increase as described in Annex 6c. If the budget remained at £4.5m or increased by 10%, there would be no resources available for aids and adaptations. It is intended that this funding will be split equally between Community Care adaptations (Specialist Housing) and mainstream tenant adaptation. It is expected that minor aids and adaptations such as handrails, ramps, showers etc will be funded by the RSLs.

6.4 SUSTAINABLE DEVELOPMENT

The Council is committed to eradicating fuel poverty in East Dunbartonshire. The 2004-2009 fuel poverty strategy aims to achieve this by 2016, at the latest.

The minimum sustainability standards for new build, alterations and extensions in Scotland are set by the Scottish Government through the Scottish Building Standards Agency. New enhanced standards came into force in May 2007.

The sustainability objectives can also be delivered through the land use planning system. These standards are more demanding than those required by the building regulations which can be made a condition of planning consent. SPP6, the recent published Planning Guidance, expects developments with a floor area of more than 500sqm to incorporate on-site zero or low carbon technologies contributing at least an extra 15% reduction in CO₂ emissions beyond the 2007 building standards.

The Council's Sustainable Development Strategy identifies construction as having a significant bearing on environmental, social and economic well-being of East Dunbartonshire. A Sustainable Construction Policy and Procedures is currently being developed by the Council which will contribute towards meeting the climate change objectives which are likely to feature in the Climate Change Legislation current being considered by Parliament.

The Council and RSLs are committed to developing sustainable homes and will promote sustainable design and energy efficiency measures. For example, improved insulation, carbon free, renewable energy, recycling material and local products etc., within the agreed financial framework taking account of the following standards and guidance:

- ◆ EcoHomes very good or excellent standards
- ◆ 2007 Sustainable Housing Design Guide for Scotland
- ◆ EDC Sustainable Development Strategy

6.5 DEVELOPMENT CONSTRAINTS

It is important that any development constraints are highlighted early on in the development process to allow time for mitigation in order to achieve the delivery of affordable housing within the planned timescales.

Land Constraints

Table 2 summarises the development constraints on the planned sites and highlights steps which may be appropriate to mitigate these issues effectively. The main constraints concerned relate to status of current use, potential flooding, accessibility and road requirements etc. This is also illustrated in Annex 4.

Table 2 Development Constraints

Project Address	Sub-Area	Development Constraints	Potential Resolutions
Davidson Crescent	B	<ol style="list-style-type: none"> 1. Part open space/change of use 2. Open culvert 3. Former mining site 4. Flood risk 	<ol style="list-style-type: none"> A. Incorporate site into Local Plan review B. Design around culvert C. Agree suitable SUDS scheme with SEPA, Planning and Roads D. Recycle building debris from demo stock to infill, where required E. Reflect abnormal ground condition work into land value
Glen Shirva Road	B	<ol style="list-style-type: none"> 1. Open space/part zone for economic development/ change of use 2. Sewerage pipes 3. Flood risk 	<ol style="list-style-type: none"> A. Incorporate site into Local Plan review B. Design around or divert sewerage pipes C. Agree suitable SUDS scheme with SEPA, Planning and Roads
1 Glen Shirva Road	B	<ol style="list-style-type: none"> 1. Business/change of use/ historical site 	<ol style="list-style-type: none"> A. Incorporate site into Local Plan review B. Agree alternative use with Historical Scotland

Gartshore Crescent (SN)	B	1. Contamination	A. Reflect decontamination costs in land value
Saramago Street	E	1. Business/change of use	A. Incorporate into Local Plan review
Fern Avenue	D	1. Access issue	A. Supported units proposed
Greens Avenue	E	1. Ash football pitch/change of use	A. Incorporate site into Local Plan review B. Alternative pitch proposed at nearby school
Taig Road	E	1. Open space/change of use/ culvert	A. Incorporate site into Local Plan review B. Design around culvert

Availability of utilities, in particular Scottish Water Services will be explored at an early stage to consider what impact, if any, these contribute to the SHIP. The utilities agencies will be consulted and a copy of the Council's SHIP will be issued for their consideration and comment.

Credit Crunch

The current financial market difficulties has seen a down turn on mortgages with fewer mortgage approvals, particularly for first-time buyers and increased repossessions. The current and future mortgage ability for first-time buyers for New Supply Shared Equity is uncertain and could potentially impact on the demand for this tenure type. Reverting NSSE to rent would mean that additional AHIP would need to be secured.

Private developers have seen extremely low levels of sales rate across the board due to the financial market difficulties resulting in a wide range of property market issues. 100% mortgages are no longer available and lenders now require up to 25% capital which makes it increasingly difficult for low or modest income earners to purchase on the open market. Although, developers are providing various discount schemes, primarily aimed at first-time buyers, the availability of credit and mortgages is highly significant and remains an issue.

Many private developers are approaching Housing Associations to purchase properties off-the-shelf. Unfortunately, houses recently built in East Dunbartonshire are not the type and size of properties suitable for this type of transaction. However, developers have approached Housing Associations to purchase land that in the main is in the greenbelt or work in partnership to build affordable housing on sites that were initially market housing. There is very limited land available that is zoned for housing and, therefore, land bank opportunities should be maximised. The current level of AHIP funding is insufficient and unless additional resources are made available along with a change in the Council's Greenbelt policy, these types of opportunities may be missed.

Funding Constraints

The availability of funding is crucial to the delivery of the SHIP. There are a number of financial constraints that could have a negative impact on the SHIP. These are as follows:

➤ **Changes to HAG funding**

The new changes to the HAG funding will reduce the amount of subsidy available to RSLs by adjusting the assumption and allowances used to calculate the level of grant. This is on the basis of a set rent increase being applied, RSLs accessing lower borrowing rates, RSL using revenues, increased inflation and capping management and maintenance costs.

It is anticipated that these changes will impact on some RSLs ability to fund projects. The Council of Mortgage Lenders have indicated that although the risk profile of RSLs remains good, the credit crisis means that RSLs must compete with other lending options which may impact on their ability to access funds at a low rate. There is also a risk that rents will become unaffordable, creating a benefit trap.

➤ **Development Costs**

The 2008 SHIP programme is based on the new HAG calculations and recent construction costs. No allowance has been made for building cost increases, abnormal ground conditions or other infrastructural requirements. Additional funding would be required if unforeseen increases occurred or projects may need to be delayed until funding was available.

➤ **Development Funding**

The current programme assumes a 20% increase in development funding each year for the next 5-years. If the level of funding is reduced or restricted to the 2007/08 budget of £4.5m, there would be a significant impact on the delivery of the programme. The projects that would be delivery would only replace demolished affordable housing stock and would not contribute towards increasing supply. This, in turn, would also impact on the Council's ability to meet its statutory homelessness duties.

➤ **Sustainability**

The costs to delivery low or no carbon homes can be expensive. There is no additional grant funding available to RSLs for sustainability. The funding implications of SPP6 requirements could potentially impact on the viability of a scheme.

➤ **Planning Delays**

RSL tend to appoint a developer on a fixed price contract and apply for funding based on the agreed costs. If planning consent is delayed, the developer could increase construction costs by inflation which would generate a funding gap impacting on viability of projects.

6.6 STRATEGIC ENVIRONMENTAL ASSESSMENT (SEA)

In assessing the SHIP against the Schedule 2 criteria of the Environmental Assessment (Scotland) Act 2005, it has been concluded that the SHIP will have no or minimal environmental effects as the proposals contained in the SHIP is designed to provide information for investment planning and not land-use planning. The SHIP was therefore submitted, under the Environmental Assessment (Scotland) Act 2005, for a pre-screening exemption which has been accepted and registered by the SEA gateway.

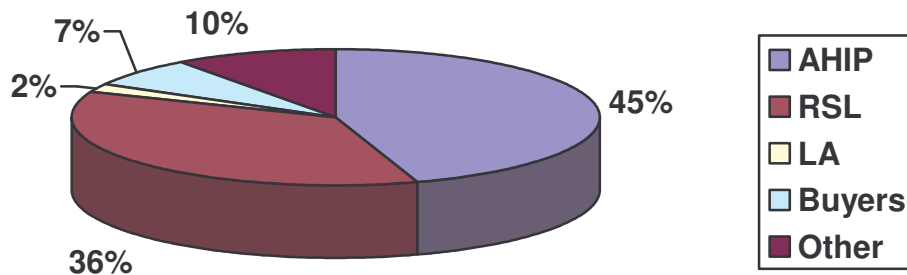
SECTION 7

DEVELOPMENT FUNDING

7.1 FUNDING REQUIREMENT 2009/10 to 2013/14

East Dunbartonshire Council's bid to the Scottish Government for development funding for period 2009/10 to 2013/13 is shown in Annex 6c. The main capital investment resources available and/or assumed over the next 5 years are shown in the chart 3 below.

Chart 3



The total programme cost is expected to be in the region of £89.495m over 5 years, of which 45% is funded by AHIP, 36% private finance, 2% local authority contribution, 7% buyers mortgage's and 10% other funding sources. 49% of the other sources are commuted payments.

£4.290m of commuted payments has been secured through a Section 75 agreement, of which £0.990m is for Bearsden, £3m for Kirkintilloch/Lenzie area and £0.3m for Bearsden and Milngavie. The £3m is to be paid in three tranches 36 months following commencement of development which is expected to start early 2009. Therefore, £1m has been assumed each year from 2011 to 2014. Discussions are on going regarding broadening the scope of use and geographical application of commuted sums to be paid to the SHIP programme.

Table 3 below summarises the grant requirements each year for the next 5-years against the eight development sub-areas. The areas highlighted blue are the priority areas.

Table 3

Development Funding by Sub-Area

Sub Area	Total Units	Funding Requirements					
		AHIP	RSL	LA	Buyers	Other	Total
A	140	£7.934m	£8.400m	0	0	£0.180m	£16,514m
B	101	£6.397m	£4.865m	0	£1.560m	0	£12.822m
C	124	£6.770m	£4.993m	£1.112m	£1.233m	£3.553m	£17.661m
D	96	£4.544m	£4.010m	£0.350m	£0.822m	£1.573m	£11,299m
E	228	£13.477m	£9.440m	0	£2.394m	£3.000m	£28.311m
F	18	£0.562m	£0.646m	£0.326m	0	£0.692m	£2.226m
G	0	0	0	0	0	0	0
H	0	0	0	0	0	0	0
Total	707	£39.846m	£32.354m	£1.788m	£6.009m	£8.998m	£88.995m

Annex 7 provided further information on the funding information for each sub-area including the average contribution per number of units against each funding sources.

In addition, if a 20% increase in AHIP is achieved, the SHIP will continue to allocate £0.100m per annum for stage 111's adaptations to help infirm or disabled people remain independent in their own home and to incorporate aids and adaptations into new build.

Annex 8 lists all potential affording housing sites including aspiration/commercially sensitive sites in colour coded priority order that could be taken forward or accelerated should additional funding be made available. For example, if additional resources were made available priority would be given to accelerate project(s) highlighted amber or yellow to red, dependent on status of project.

SECTION 8
RISK ASSESSMENT

9.1 Key Risks

The SHIP Steering Group identified the key risks relating to the delivery of the SHIP. Each risk was discussed and prioritised.

The risks were based on the group’s own perceptions of the key issues facing housing development as a whole. The key risks were categorised as follows:

- Ownership
- Potential and Known Development Constraints
- Financial assumptions
- Planning
- Construction Industry

Each risk was then profiled in relations to its likelihood of occurrence and possible impact on the SHIP programme should it occur. The result of the prioritisation process was the production of a risk profile, which showed the risks that have a high probability of occurring and a high impact in the event that they do occur. The ranking was undertaken using the following benchmarks:

Likelihood			Severity		
Score	Description	Frequency	Score	Description	Impact on objectives
1	Remote	Can't believe this would ever happen	1	Negligible	Minimal impact
3	Unusual	Not expected, but may happen	3	Minor	Minor impact SHIP delivery
5	Possible	May occur occasionally	5	Moderate	SHIP programme partially achieved
7	Probable	Could occur but not persistently	7	Major	Significant impact on SHIP
10	Almost certain	Could occur frequently	10	Catastrophic	Unable to deliver SHIP

The key priority issues were assessed against the likelihood and severity of the impact should it occur. The results are tabled as follows:

The risks highlighted in Green represent the top risks.

Risk	Likelihood	Impact	Result
Ownership			
Owner refuses to sell	3	5	15
Valuation set by owner too high	5	5	25
Owner can't provide clear title	3	5	15
Development Constraints (Known)			
Expensive SUDS scheme	5	5	25
Highly contaminated site	5	5	25
Inability/refusal to redirect culvert/sewerage pipes	3	5	15
Requirement of new play area	5	3	15
Infrastructure Issues	5	5	25
Mining Works	3	7	21
Existing Building on site	5	3	15
Site access constraint	3	1	3
Difficult Topography	3	1	3
Financial assumptions			
Reduction in Public Subsidy	5	10	50
Commuted Payments not received	3	5	15
Loss of Council contributions	3	5	15
Level of Private Borrowing reduced	5	7	35
Limited mortgage options for First-time Buyers	7	5	35
Construction costs increased above assumptions	3	7	21
Under estimated development costs	3	7	21
HAG capped	7	7	49
Requirement to increase LCHO	5	3	15
Planning			
Planning permission not granted for sites under 15 units	5	3	15
Planning Permission not granted for sites between 15 - 35 units	5	5	25
Planning permission not granted for sites over 35 units	5	7	35
Planning Requirements	3	3	9
Delay in the Planning System	7	3	21
Reduced AHP target of 10%	7	3	21
Reduced AHP target of 20%	5	7	35
AH policy not applied	5	7	35
Greenfield sites not released	7	5	35
Historical Scotland Requirements	3	3	9
Construction Industry			
Lack of Labour Supply	3	7	21
Poor quality of housing	3	7	21
Non compliance of HVN standards	1	7	7

9.2 Action Plan

The below table shows the top 5 risk that emerged from the risk assessment and identifies a plan of action that is required in order to address issues and minimise impact on the programme.

Ranking / Score	Likelihood / Impact	Top Risks	Action	Who	When
Rank 1, Score 50	Possible/ Catastrophic	Reduction in HAG	Apply a strategic approach to commuted payments and lobby Scottish Government for additional funds	Allan Moyes/ Karen Shaw/ EDC Planning	2009/10 onwards
Rank 2, Score 49	Probable/ Major	HAG capped at £73k per unit	Apply a strategic approach to commuted payments and lobby Scottish Government for additional funds	Allan Moyes/ Karen Shaw/ EDC Planning	2009/10 onwards
Rank 3, Score 35	Possible/Major	Affordable Housing Policy not applied	Planning to invite housing to pre-planning meetings with developer. Meet regularly with Planning to monitor progress	Allan Moyes/ Kenny Simpson/ EDC Planning	Immediate and ongoing
Rank 3, Score 35	Possible/Major	Greenfield Sites not released	Refer new Greenfield sites for housing to the local plan review process and provide good justification for release	Allan Moyes/ Karen Shaw/ EDC Planning	Immediate and ongoing
Rank 3, Score 35	Possible/Major	Planning Permission not granted for sites over 35 units	Work in partnership with RSLs and Planning to ensure that Planning guidelines are followed to enable planning permission to be granted	Allan Moyes/ Karen Shaw/RSLs/ EDC Planning	Ongoing
Rank 3, Score 35	Probable/ Moderate	Limited mortgage options for First-Time Buyer	Investigate mortgage options for FTB for NSSE homes	EDC/RSLs	Immediate and ongoing

Rank 4, Score 35	Possible/Major	Reduced AHP of 20%	Carefully monitor AHP targets and meet regularly with Planning to review progress	Allan Moyes/ Kenny Simpson/ EDC Planning	Immediate and Ongoing
Rank 4,	Possible/Major	Level of private finance reduced	Monitor the impact of the financial crisis on projects	EDC/RSLs	Immediate and Ongoing
Rank 5, Score 25	Possible/ Moderate	Highly contaminated site	Carry out ground condition surveys and reflect remedial costs in land value. Apply to Scottish Government for Grant to contribute toward remedial costs	Allan Moyes/ Karen Shaw/RSLs	Immediate and Ongoing
Rank 5, Score 25	Possible/ Moderate	Valuation set by owner too high	Negotiate value with owners and use other funding sources to bridge funding gap where needed	Allan Moyes/ EDC Estates/ RSLs	Ongoing
Rank 5, Score 25	Possible/ Moderate	Infrastructure Issues	Consult with providers and provide the SHIP programme to identify any issues in advance.	Allan Moyes/ Karen Shaw/RSLs	Immediate
Rank 5, Score 25	Possible/ Moderate	Planning Permission not granted for sites between 15-35 units	Work in partnership with RSLs and Planning to ensure that Planning guidelines are followed to enable planning permission to be granted	Allan Moyes/ Karen Shaw/RSLs/ EDC Planning	Ongoing
Rank 5, Score 25	Possible/ Moderate	Expensive SUDS scheme	Consult with SEPA and Planning and agree an appropriate scheme. Identify potential funding sources to meet any funding gaps.	Allan Moyes/RSLs	Ongoing

SECTION 9

MONITORING AND EVALUATION FRAMEWORK

10.1 Monitoring Arrangements

The key to delivering successful projects is thorough effective partnership working between a range of skilled agencies and organisations. Securing the necessary additional resources is fundamental if the SHIP is to be delivered successfully. It is equally essential that commitment is made to the management of the funds to maximise the provision of new affordable housing to meet local housing needs.

The SHIP programme will be monitored by the SHIP Steering Group which includes East Dunbartonshire Council Housing Service, Scottish Government Housing Investment Team, Planning Service and RSLs. The Group will meet on a quarterly basis to oversee the implementation and delivery of the SHIP projects. Impediments affecting progress of any projects will be discussed at the group so that possible solutions and interventions can be discussed and agreed, where possible.

Any new or accelerated projects that RSLs would like prioritised in the SHIP will be discussed with the Council and the Scottish Government Housing Investment Team in the first instance who will agree the timing of the projects in line with the budget allocation and Council's LHS objectives.

An annual review of progress will be undertaken as part of the Council's annual LHS update which involves key stakeholders and to reflect changes in the market and status of projects. Progress will be assessed against the aims and objectives of the LHS and the investment outcomes/indicators. The results will be used to update the succeeding years programme as appropriate.

The residents of East Dunbartonshire will be involved in the annual update of the SHIP through the Tenant Participation Working Group which includes representatives from the Council's Registered Tenants and Residents Organisations and also from the interested tenant/resident list held by the Service's Tenant Participation Team.

All progress reports will be made widely available to staff and key partners through the Council's web-site.